PPF GROUP N.V.

Condensed consolidated interim financial statements
for the six months ended 30 June 2022

Independent auditor's review report

To: the General Meeting and the Supervisory Board of PPF Group N.V.

Our conclusion

We have reviewed the accompanying the condensed consolidated interim financial statements for the six-month period ended 30 June 2022 of PPF Group N.V.(or hereafter: the "Company") based in Amsterdam, the Netherlands. Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial statements is not prepared, in all material respects, in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union.

the condensed consolidated interim financial statements comprise:

1 the condensed consolidated interim statement of financial position as at 30 June 2022;

2 the following statements for the six-month period ended 30 June 2022: the condensed consolidated interim statements of income, comprehensive income, changes in equity and cash flows; and

3 the notes comprising of a summary of the accounting policies and other explanatory information.

Basis for our conclusion

We conducted our review in accordance with Dutch law, including the Dutch Standard 2410, 'Het beoordelen van tussentijdse financiële informatie door de accountant van de entiteit' (Review of interim financial information performed by the independent auditor of the entity). A review of interim financial information in accordance with the Dutch Standard 2410 is a limited assurance engagement. Our responsibilities under this standard are further described in the 'Our responsibilities for the review of the interim financial information' section of our report.

We are independent of PPF Group N.V. in accordance with 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 believe the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Responsibilities of the Board of Directors and the Supervisory Board for the condensed consolidated interim financial statements

The Board of Directors is responsible for the preparation and presentation of the condensed consolidated interim financial statements in accordance with IAS 34 ‘Interim Financial Reporting’ as adopted by the European Union. Furthermore, the Board of Directors is responsible for such internal control as it determines is necessary to enable the preparation of the condensed consolidated interim financial statements that are free from material misstatement, whether due to fraud or error.

The Supervisory Board is responsible for overseeing the Company‘s financial reporting process.

Our responsibilities for the review of the condensed consolidated interim financial statements

Our responsibility is to plan and perform the review in a manner that allows us to obtain sufficient and appropriate assurance evidence for our conclusion.

The level of assurance obtained in a limited assurance engagement is substantially less than the level of assurance obtained in an audit conducted in accordance with the Dutch Standards on Auditing. Accordingly, we do not express an audit opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the review, in accordance with Dutch Standard 2410.

Our review included among others:

— updating our understanding of the entity and its environment, including its internal control, and the applicable financial reporting framework, in order to identify areas in the condensed consolidated interim financial statements where material misstatements are likely to arise due to fraud or error, designing and performing procedures to address those areas, and obtaining assurance evidence that is sufficient and appropriate to provide a basis for our conclusion;

— obtaining an understanding of internal control, as it relates to the preparation of the condensed consolidated interim financial statements;

— making inquiries of management and others within the entity;

— applying analytical procedures with respect to information included in the condensed consolidated interim financial statements;

— obtaining assurance evidence that the condensed consolidated interim financial statements agree with, or reconcile to the entity’s underlying accounting records;

— evaluating the assurance evidence obtained;

— considering whether there have been any changes in accounting principles or in the methods of applying them and whether any new transactions have necessitated the application of a new accounting principle;

— considering whether management has identified all events that may require adjustment to or disclosure in the condensed consolidated interim financial statements; and

- considering whether the condensed consolidated interim financial statements have been prepared in accordance with the applicable financial reporting framework and represents the underlying transactions free from material misstatement.

Amstelveen, 28 November 2022

KPMG Accountants N.V.

M.L.M. Kesselaer RA

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Glossary

AC - amortised cost
CGU - cash generating unit
CNB - Czech National Bank
CRD - Capital Requirements Directives
CRR - Capital Requirements Regulation
EAD - exposure at default
EBITDA - earnings before interest, tax, depreciation and amortisation
EC - European Commission
ECL - expected credit loss
FV - fair value
FVOCI - fair value through other comprehensive income
FVTPL - fair value through profit or loss
FX - foreign exchange
HFS - held-for-sale
IASB - International Accounting Standards Board
IPRD - in-progress research and development
JV - joint venture
NCI - non-controlling interests
OCI - other comprehensive income
PL - profit or loss
PPA - purchase price allocation
PPE - property, plant and equipment
RBNS - provision for claims reported but not settled
ROU - right-of-use assets
VTO - voluntary tender offer

Condensed consolidated interim statement of financial position

In millions of EUR

	Note	30 June 2022	31 December 2021 (restated)*
ASSETS			
Cash and cash equivalents	E1	7,322	7,604
Investment securities and derivatives	E2	6,114	4,906
Loans and receivables due from banks and other financial institutions	E3	441	835
Loans due from customers	E4	8,887	11,732
Trade and other receivables	E5	1,149	1,149
Contract assets	E5	273	260
Current tax assets		37	50
Inventories	E6	369	347
Assets held for sale	E7	154	50
Equity-accounted investees	E8	1,591	1,620
Investment property	E9	3,002	2,413
Property, plant and equipment	E10	4,117	4,167
Goodwill	E11.1	2,991	2,984
Intangible assets	E11.2	2,405	2,413
Programming assets	E6	220	204
Deferred tax assets	E35	534	882
Other assets	E12	522	570
TOTAL ASSETS		**40,128**	**42,186**
LIABILITIES			
Financial liabilities at FVTPL	E13	1,534	1,080
Due to non-banks	E14	10,941	12,680
Due to banks and other financial institutions	E15	9,384	11,353
Debt securities issued	E16	3,744	3,541
Subordinated liabilities	E17	200	200
Current tax liabilities		57	39
Trade and other payables	E18	2,742	2,764
Contract liabilities	E5	440	409
Provisions	E19	431	390
Deferred tax liabilities		632	602
Conditional commitment to acquire NCI's share	B3.3	983	-
TOTAL LIABILITIES		**31,088**	**33,058**
EQUITY			
Issued capital	E20	1	1
Share premium	E20	677	677
Other reserves	E21	(803)	(154)
Retained earnings		8,366	8,008
Total equity attributable to owners of the Parent		8,241	8,532
Non-controlling interests	E22	799	596
Total equity		**9,040**	**9,128**
TOTAL LIABILITIES AND EQUITY		**40,128**	**42,186**

*For more details on the restatement refer to A.7 and B2.2.3.

The notes on pages 12 to 93 are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim statement of income

For the six months ended 30 June

In millions of EUR

	Note	2022	2021 (restated)*
Interest income		1,118	1,293
Interest expense		(496)	(503)
Net interest income	E23	**622**	**790**
Fee and commission income		159	134
Fee and commission expense		(64)	(62)
Net fee and commission income	E24	**95**	**72**
Net earned premiums		28	25
Net insurance benefits and claims		(18)	(15)
Acquisition costs		(5)	(6)
Net insurance income	E27	**5**	**4**
Net rental and related income	E28	109	80
Property operating expenses		(27)	(15)
Net valuation gain/(loss) on investment property		(69)	(19)
Net income related to construction contracts		9	6
Profit/(loss) on disposal of investment property		-	(1)
Net real estate income		**22**	**51**
Revenues from telecommunication business		1,683	1,611
Costs related to telecommunication business		(521)	(520)
Net telecommunication income	E29	**1,162**	**1,091**
Revenues from media business		352	303
Costs related to media business		(180)	(133)
Net media income	E30	**172**	**170**
Revenues from mechanical engineering business		393	281
Costs related to mechanical engineering business		(248)	(172)
Net mechanical engineering income	E31	**145**	**109**
Revenues from toll operations		18	16
Costs related to toll operations		(6)	(5)
Net toll operations income		**12**	**11**
Revenues from leisure business		74	-
Costs related to leisure business		(48)	-
Net leisure income		**26**	**-**
Net gain/(loss) on financial assets	E25	(38)	74
Other income	E32	259	112
TOTAL OPERATING INCOME		**2,482**	**2,484**
Net impairment losses on financial assets	E26	(368)	(790)
Personnel expenses	E33	(608)	(617)
Depreciation and amortisation	E34	(492)	(477)
Other operating expenses	E33	(518)	(454)
Profit/(loss) on disposals/liquidations of subsidiaries and equity-accounted investees	B2	(595)	137
Share of profit/(loss) of equity-accounted investees, net of tax		209	(118)
PROFIT BEFORE TAX		**110**	**165**
Income tax expense	E35	(462)	(11)
Net profit/(loss) from continuing operations		**(352)**	**154**
Net profit/(loss) from discontinued operations (net of tax)	B2, A8	(54)	54
NET PROFIT/(LOSS) FOR THE PERIOD		**(406)**	**208**

*For more details on the restatement refer to A.8 and B.2.1

In millions of EUR, for the six months ended 30 June

		2022	2021
Profit/(loss) attributable to:			
Owners of the Parent		(318)	188
Non-controlling interests	E22	(88)	20
NET PROFIT/(LOSS) FOR THE PERIOD		**(406)**	**208**

Condensed consolidated interim statement of comprehensive income

For the six months ended 30 June

In millions of EUR

	2022	2021
NET PROFIT/(LOSS) FOR THE PERIOD	**(406)**	**208**
Other comprehensive income		
Valuation losses on FVOCI equity instruments	(283)	(2)
Valuation losses on FVOCI debt securities*	(71)	(18)
FVOCI revaluation (gains)/losses reclassified to profit or loss *	15	(5)
Foreign operations - currency translation differences*	404	267
Share of OCI of equity-accounted-investees*	(40)	435
Disposal of subsidiaries and equity-accounted investees*	535	-
Cash-flow hedge – effective portion of changes in fair value*	16	4
Cash-flow hedge – net change in fair value reclassified to profit or loss*	-	11
Income tax relating to components of other comprehensive income*	12	1
Other comprehensive income for the period, net of tax	**588**	**693**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**182**	**901**
Total comprehensive income/(expense) attributable to:		
Owners of the Parent	183	858
Non-controlling interests	(1)	43

*Items that are or will be reclassified to profit or loss.

The notes on pages 12 to 93 are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim statement of changes in equity

In millions of EUR, for the for the six months ended 30 June 2022

	Issued capital	Share premium	Other reserves: Revaluation reserve	Other reserves: Translation reserve	Other reserves: Hedging reserve	Other reserves: Other reserves	Other reserves: Reserve for puttable instruments	Retained earnings	Attributable to owners of the Parent	Attributable to NCI	Total
Balance as at 1 January 2022	**1**	**677**	**(40)**	**(734)**	**449**	**171**	**-**	**8,008**	**8,532**	**596**	**9,128**
Adjustment on initial application of IAS 37 amendment to onerous contracts (share on equity-acc. investees, refer to E.8)	-	-	-	-	-	-	-	(173)	(173)	-	(173)
Balance as at 1 January 2022 (adjusted)	**1**	**677**	**(40)**	**(734)**	**449**	**171**	**-**	**7,835**	**8,359**	**596**	**8,955**
Loss for the period	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(318)**	**(318)**	**(88)**	**(406)**
Currency translation differences	-	-	-	314	-	-	-	-	314	90	404
FVOCI revaluation losses taken to equity	-	-	(350)	-	-	-	-	-	(350)	(4)	(354)
FVOCI revaluation losses reclassified to profit or loss	-	-	15	-	-	-	-	-	15	-	15
FVOCI revaluation losses reclassified directly to retained earnings	-	-	1	-	-	-	-	(1)	-	-	-
Cash-flow hedge – effective portion of changes in fair value	-	-	-	-	15	-	-	-	15	1	16
Share of OCI of equity-accounted investees	-	-	-	75	(128)	13	-	-	(40)	-	(40)
Disposals and deconsolidation of subsidiaries (refer to B section)	-	-	-	535	-	-	-	-	535	-	535
Tax on items taken directly to or transferred from equity	-	-	11	-	(3)	4	-	-	12	-	12
Other comprehensive income/(expense) for the period	**-**	**-**	**(323)**	**924**	**(116)**	**17**	**-**	**(1)**	**501**	**87**	**588**
Total comprehensive income/(expense) for the period	**-**	**-**	**(323)**	**924**	**(116)**	**17**	**-**	**(319)**	**183**	**(1)**	**182**

In millions of EUR, for the for the six months ended 30 June 2022

	Issued capital	Share premium	Other reserves					Retained earnings	Attributable to owners of the Parent	Attributable to NCI	Total
			Revaluation reserve	Translation reserve	Hedging reserve	Other reserves	Reserve for puttable instruments				
Total comprehensive income/(expense) for the period	**-**	**-**	**(323)**	**924**	**(116)**	**17**	**-**	**(319)**	**183**	**(1)**	**182**
Transactions with owners of the Parent											
Dividends to NCI	-	-	-	-	-	-	-	-	-	(18)	(18)
Sales of shares in subsidiaries to NCI (refer to B.3.3)	-	-	-	-	-	-	-	1,151	1,151	260	1,411
Conditional commitment to acquire NCI's share - origination (refer to B.3.3)	-	-	-	-	-	-	(1,411)	-	(1,411)	-	(1,411)
Conditional commitment to acquire NCI's share – change in net present value (refer to B.3.3)	-	-	-	-	-	-	428	-	428	-	428
Disposal of shares in a subsidiary to NCI (refer to B.2.1)	-	-	-	13	-	-	-	(41)	(28)	37	9
Acquisition of shares in subsidiaries from NCI (refer to B.3.1)	-	-	-	-	-	-	-	(251)	(251)	(60)	(311)
Other changes in NCI	-	-	-	-	-	-	-	-	-	(21)	(21)
Contributions/(Distributions) by NCI	-	-	-	-	-	-	-	-	-	6	6
Disposal of AT1 subordinated bond (loss of control of the issuing subsidiary, refer to B.2.1)	-	-	-	-	-	(181)	-	-	(181)	-	(181)
Other	-	-	-	-	-	-	-	(9)	(9)	-	(9)
Total transactions with owners of the Parent	**-**	**-**	**-**	**13**	**-**	**(181)**	**(983)**	**850**	**(301)**	**204**	**(97)**
Balance as at 30 June 2022	**1**	**677**	**(363)**	**203**	**333**	**7**	**(983)**	**8,366**	**8,241**	**799**	**9,040**

The notes on pages 12 to 93 are an integral part of these condensed consolidated interim financial statements.

In millions of EUR, for the for the six months ended 30 June 2021

	Issued capital	Share premium	Other reserves: Revaluation reserve	Other reserves: Translation reserve	Other reserves: Hedging reserve	Other reserves: Other reserves	Retained earnings	Attributable to owners of the Parent	Attributable to NCI	Total
Balance as at 1 January 2021 (restated)*	**1**	**677**	**86**	**(1,144)**	**158**	**183**	**7,954**	**7,915**	**602**	**8,517**
Profit for the period	**-**	**-**	**-**	**-**	**-**	**-**	**188**	**188**	**20**	**208**
Currency translation differences	-	-	-	244	-	-	-	244	23	267
FVOCI revaluation losses taken to equity	-	-	(18)	-	-	-	-	(18)	(2)	(20)
FVOCI revaluation gains reclassified to profit or loss	-	-	(5)	-	-	-	-	(5)	-	(5)
FVOCI revaluation gains reclassified directly to retained earnings	-	-	(20)	-	-	-	20	-	-	-
Cash-flow hedge – effective portion of changes in fair value	-	-	-	-	3	-	-	3	1	4
Cash-flow hedge – net change in fair value reclassified to profit or loss	-	-	-	-	10	-	-	10	1	11
Share of OCI of equity-accounted investees	-	-	-	9	430	(4)	-	435	-	435
Tax on items taken directly to or transferred from equity	-	-	4	-	(3)	-	-	1	-	1
Other comprehensive income/(expense) for the period	**-**	**-**	**(39)**	**253**	**440**	**(4)**	**20**	**670**	**23**	**693**
Total comprehensive income/(expense) for the period	**-**	**-**	**(39)**	**253**	**440**	**(4)**	**208**	**858**	**43**	**901**
Dividends to NCI	-	-	-	-	-	-	-	-	(65)	(65)
Acquisition of NCI	-	-	-	-	-	-	(180)	(180)	(33)	(213)
Other changes in NCI	-	-	-	-	-	-	-	-	(8)	(8)
Other	-	-	-	-	-	-	(8)	(8)	-	(8)
Total transactions with owners of the Parent	**-**	**-**	**-**	**-**	**-**	**-**	**(188)**	**(188)**	**(106)**	**(294)**
Balance as at 30 June 2021 (restated)*	**1**	**677**	**47**	**(891)**	**598**	**179**	**7,974**	**8,585**	**539**	**9,124**

*For more details on the restatement refer to A.9.

The notes on pages 12 to 93 are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim statement of cash flows

For the six months ended 30 June, prepared using the indirect method

In millions of EUR

	Notes	2022	2021 (restated)*
Cash flows from operating activities			
Profit before tax		40	233
Adjustments for:			
Depreciation and amortisation		502	486
Impairment of current and non-current assets	E26	486	804
(Profit)/loss on disposal of PPE, intangible assets and investment property		(2)	7
(Profit)/loss on sale of investment securities		54	(57)
(Profit)/loss on disposals of subsidiaries and equity-accounted investees	B2	595	(137)
Interest expense	E23	574	545
Interest income	E23	(1,328)	(1,476)
Net foreign exchange gains	E32	(172)	(41)
Other (income)/expenses not involving movements of cash		(110)	122
Interest received		1,260	1,501
Change in loans and receivables due from banks and other financial institutions		324	(12)
Change in loans due from customers		431	1,506
Change in financial assets at FVTPL		277	(485)
Change in trade and other receivables		(284)	(7)
Change in other assets		(97)	(112)
Change in liabilities due to non-banks		96	1,450
Change in financial liabilities at FVTPL		(46)	(130)
Change in trade and other payables		168	(145)
Income tax paid		(164)	(187)
Net cash from operating activities		**2,604**	**3,865**
Cash flows from investing activities			
Purchase of PPE and intangible assets		(520)	(364)
Dividends received		51	5
Purchase of financial assets at FVTPL not held for trading		(26)	-
Purchase of financial assets at AC		(253)	(302)
Purchase of financial assets FVOCI		(1,383)	(796)
Purchase of investment property		(61)	(147)
Acquisition of subsidiaries and equity-acc. investees, net of cash acquired (incl. capital increase)**	B2	(78)	(514)
Proceeds from disposals of PPE and intangible assets		11	31
Proceeds from financial assets at FVTPL not held for trading		26	-
Proceeds from financial assets at AC		85	106
Proceeds from sale of financial assets FVOCI		298	605
Proceeds from sale of investment property		-	2
Proceeds from disposal of subsidiaries and equity-acc. investees, net of cash disposed (incl. capital decrease)**	B2, B3	207	151
Net cash used in investing activities		**(1,643)**	**(1,223)**

*For more details on the restatement refer to A.10.
**cash-flows from capital increase/decrease presented relate only to transactions with the equity-accounted investees

	Notes	2022	2021
Cash flows from financing activities			
Proceeds from the issue of debt securities		691	556
Proceeds from liabilities due to banks and other financial institutions		2,099	5,007
Repayment of debt securities		(238)	(1,137)
Repayment of liabilities due to banks and other financial institutions		(4,300)	(6,221)
Interest paid		(542)	(603)
Cash payments for principal portion of lease liability		(76)	(73)
Dividends paid to NCI		(18)	(21)
Proceeds from sale of shares in subsidiaries to NCI		1,411	-
Acquisition of shares in subsidiaries from NCI		(311)	(213)
Contributions by NCI		6	-
Payments related to other equity instruments		(7)	-
Cash flow used in financing activities		**(1,285)**	**(2,705)**
Net decrease in cash and cash equivalents		**(324)**	**(63)**
Cash and cash equivalents as at 1 January	**E1**	**7,604**	**6,388**
Effect of exchange rate movements on cash and cash equivalents		42	184
Cash and cash equivalents as at 30 June	**E1**	**7,322**	**6,509**

The notes on pages 12 to 93 are an integral part of these condensed consolidated interim financial statements.

Cash flow lines directly attributable to the statement of income comprise both continuing and discontinued operations. For separate presentation of cash flows from discontinued operations refer to B.2.1.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

A. General

A.1. Description of the Group

PPF Group N.V. (the "Parent Company" or the "Parent") is a company domiciled in the Netherlands. It invests in multiple market segments such as financial services, telecommunications and media, real estate, insurance, mechanical engineering, biotechnology, and others. Its activities span from Europe to the Russian Federation (Russia), the US and across Asia.

The condensed consolidated interim financial statements of the Parent Company for the six-month period ended 30 June 2022 comprise the Parent Company and its subsidiaries (together referred to as "PPF Group" or the "Group") and the Group's interests in associates, joint ventures and affiliated entities. Refer to section B of these financial statements for a list of significant Group entities and changes to the Group from 1 January 2022 to 30 June 2022 and in 2021.

The registered office address of the Company is Strawinskylaan 933, 1077XX Amsterdam.

As of 30 June 2022, the ultimate controlling party with a 98.93% shareholding is Mrs Renáta Kellnerová who was appointed, during 2021, as an administrator of the inheritance of the late Mr Kellner authorised to manage all the assets belonging to the inheritance in ordinary course of business. The inheritance procedures have been finished during September 2022 (refer to G.5).

As at 30 June 2022 and 31 December 2021, both Mr Ladislav Bartoníček and Mr Jean-Pascal Duvieusart keep holding their 0.535% minority shares.

A.2. Statement of compliance

The condensed consolidated interim financial statements were authorised for issue by the board of directors and the supervisory board on 28 November 2022.

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting, and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 31 December 2021 ("last annual financial statements"). Selected explanatory notes are included to explain events and transactions that are significant to understanding of the changes in financial position and performance of the Group since the last annual financial statements. These condensed consolidated interim financial statements do not include all the information required for full annual financial statements prepared in accordance with International Financial Reporting Standards as endorsed by the European Union (IFRS-EU).

A.3. Basis of measurement

The Group decided to present its condensed consolidated interim statement of its financial position showing assets and liabilities in their broad order of liquidity because this presentation provides reliable and more relevant information than a presentation of current and non-current classifications.

The condensed consolidated interim 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, financial instruments at FVOCI and investment property. 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, or measured at net present value directly through equity, i.e., neither through PL nor through OCI (refer to B.3.3 and F.1.1).

Non-current assets and disposal groups held for sale are stated at the lower of their carrying amount and fair value less costs to sell.

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 generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on bargain purchase is recognised in profit or loss immediately. 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 condensed consolidated interim 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 significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty correspond to those described in the most recent annual consolidated financial statements, and newly for the six-month period ending 30 June 2022, the assessment of conditional commitment to acquire NCI's share (refer to B.3.3).

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

- assessment of control over subsidiaries (refer to B.3.3);
- 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.11.1);
- useful life of tangible and intangible fixed assets;
- in-progress research and development recognised as intangible asset;
- the fair value of investment property (refer to E.9);
- the fair value of financial instruments (refer to C.1);
- impairment of investment securities, loans provided, other financial assets and non-financial assets (refer to E.2-E.12);
- the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits;
- revenue recognition timing in terms of the transfer of control over the goods and services to the customer – at a point in time or over time (refer to E.29-E.31);
- commissions as costs to obtain contracts with customers and stand-alone selling prices (refer to E.29-E.31);
- contingent assets/liabilities (refer to E.36);
- lease-term for the lessee accounting whether the Group is reasonably certain to exercise extension options;
- assessment of recognition and the net present value of the conditional commitment to acquire NCI's share (refer to B.3.3).

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 its involvement 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 interest, (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 of the non-controlling interest, the Group might lose its power over an investee and cease controlling it. The financial information of the subsidiaries are included in these condensed 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 condensed 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 equity-accounted investee, the carrying amount is reduced to nil and further losses are recognised as expected credit losses to loans provided to the investee. If no loans were provided to the equity-accounted investee, a liability is recognised, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the equity-accounted investee. If the associate or joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

Reorganisations and mergers involving the Group companies under common control are accounted for using consolidated net book values. Consequently, no adjustment is made to carrying amounts in the consolidated accounts and no goodwill or gain on bargain purchase arise 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. In the case of reorganisations and demergers involving Group companies under common control, any resulting gain or loss is recognised directly in equity.

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 to the extent that there is no evidence of impairment.

A.6. Presentation and functional currency

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

Due to the Russian-Ukraine conflict resulting in limited trading activity in the EUR/RUB market, the European Central Bank ("ECB") stated that the ECB was not in the position to set a reference rate representative of prevailing market conditions. The ECB therefore decided to suspend its publication of the EUR reference rates for the Russian rouble (RUB) until further notice. The ECB last published the EUR/RUB reference rate on 1 March 2022. For consolidation purposes, the Group applied the ECB's EUR/RUB reference rates for the period from 1 January 2022 to 1 March 2022. Since then, the Group has been applying the EUR/RUB reference rate published daily by the Central Bank of the Russian Federation as a good point of reference for the EUR/RUB exchange rate quotation.

A.7. Comparative figures in the condensed consolidated interim statement of financial position

As at 31 December 2021, the CEE region was classified as a disposal group held for sale and as discontinued operations. Due to the termination of the sale agreement described in B.2.2.3, for the better understandability and enhancement of the comparability of the condensed consolidated interim statement of financial position, the comparative period presented and the related disclosures in the notes were restated to present the CEE region, as if it had never been classified as held-for-sale. The below table shows the comparative figures as they were previously reported and after the restatement:

In millions of EUR

	31 December 2021 (reported)	Restatement due to cancellation of HFS for CEE region	31 December 2021 (restated)
ASSETS			
Cash and cash equivalents	6,343	1,261	7,604
Investment securities and derivatives	3,353	1,553	4,906
Loans and receivables due from banks and other financial institutions	727	108	835
Loans due from customers	9,335	2,397	11,732
Trade and other receivables	1,122	27	1,149
Contract assets	260	-	260
Current tax assets	43	7	50
Inventories	347	-	347
Equity-accounted investees	1,620	-	1,620
Investment property	2,413	-	2,413
Property, plant and equipment	4,148	19	4,167
Goodwill	2,984	-	2,984
Intangible assets	2,354	59	2,413
Programming assets	204	-	204
Assets held for sale	5,585	(5,535)	50
Deferred tax assets	872	10	882
Other assets	476	94	570
TOTAL ASSETS	**42,186**	**-**	**42,186**
LIABILITIES			
Financial liabilities at fair value through profit or loss	1,060	20	1,080
Due to non-banks	7,477	5,203	12,680
Due to banks and other financial institutions	11,325	28	11,353
Debt securities issued	3,541	-	3,541
Subordinated liabilities	189	11	200
Current tax liabilities	39	-	39
Trade and other payables	2,680	84	2,764
Contract liabilities	409	-	409
Provisions	389	1	390
Liabilities directly associated with assets held for sale	5,349	(5,349)	-
Deferred tax liabilities	600	2	602
TOTAL LIABILITIES	**33,058**	**-**	**33,058**
EQUITY			
Issued capital	1	-	1
Share premium	677	-	677
Other reserves	(154)	-	(154)
Retained earnings	8,008	-	8,008
Total equity attributable to owners of the Parent	8,532	-	8,532
Non-controlling interests	596	-	596
Total equity	**9,128**	**-**	**9,128**
TOTAL LIABILITIES AND EQUITY	**42,186**	**-**	**42,186**

A.8. Comparative figures in the condensed consolidated interim statement of income

The comparative figures for the six-month period ended 30 June 2021 have been restated to present the continuing operations due to the discontinuance of operations in the Russian Federation (as further described in detail in B.2.1). The below table shows the comparative figures as they were previously reported and after the restatement:

In millions of EUR, for the six months ended 30 June 2021

	2021 (reported)	Restatement due to discontinued operations	2021 (restated)
Interest income	1,476	(183)	1,293
Interest expense	(545)	42	(503)
Net interest income	**931**	**(141)**	**790**
Fee and commission income	184	(50)	134
Fee and commission expense	(93)	31	(62)
Net fee and commission income	**91**	**(19)**	**72**
Net earned premiums	34	(9)	25
Net insurance benefits and claims	(16)	1	(15)
Acquisition costs	(7)	1	(6)
Net insurance income	**11**	**(7)**	**4**
Net rental and related income	80	-	80
Property operating expenses	(15)	-	(15)
Net valuation gain/(loss) on investment property	(19)	-	(19)
Net income related to construction contracts	6	-	6
Profit/(loss) on disposal of investment property	(1)	-	(1)
Net real estate income	**51**	**-**	**51**
Telecommunication income	1,611	-	1,611
Telecommunication expenses	(520)	-	(520)
Net telecommunication income	**1,091**	**-**	**1,091**
Media income	303	-	303
Media expenses	(133)	-	(133)
Net media income	**170**	**-**	**170**
Mechanical engineering income	281	-	281
Mechanical engineering expenses	(172)	-	(172)
Net mechanical engineering income	**109**	**-**	**109**
Toll operations income	16	-	16
Toll operations expenses	(5)	-	(5)
Net toll operations income	**11**	**-**	**11**
Net gain/(loss) on financial assets	74	-	74
Net agriculture income	3	-	3
Other income	104	5	109
TOTAL OPERATING INCOME	**2,646**	**(162)**	**2,484**
Net impairment losses on financial assets	(792)	2	(790)
Personnel expenses	(683)	66	(617)
Depreciation and amortisation	(486)	9	(477)
Other operating expenses	(474)	20	(454)
Profit on disposals of subsidiaries and equity-accounted investees	137	-	137
Share of loss of equity-accounted investees, net of tax	(115)	3	(118)
PROFIT BEFORE TAX	**233**	**(68)**	**165**
Income tax expense	(25)	14	(11)
NET PROFIT FROM CONTINUING OPERATIONS	**208**	**(54)**	**154**

A.9. Comparative figures in the condensed consolidated interim statement of changes in equity

In 2021, the Group changed the presentation of legal and statutory reserves that, in full, represent a non-distributable part of retained earnings. These reserves are no longer presented as a discrete column in the condensed consolidated interim statement of changes in equity and are included in the retained earnings column instead. For details relating to the restated comparative figures see the below tables in this section.

In millions of EUR

	Legal and statutory reserves	Retained earnings
Balance as at 1 January 2021 (reported)	**164**	**7,790**
Reclassification of legal and statutory reserves	(164)	164
Balance as at 1 January 2021 (restated)	**-**	**7,954**
Balance as at 30 June 2021 (reported)	**104**	**7,870**
Reclassification of legal and statutory reserves	(104)	104
Balance as at 30 June 2021 (restated)	**-**	**7,974**

A.10. Change in the presentation of cash flows from financial assets at FVTPL

In 2021, the Group reassessed appropriateness of presentation of selected line items within operating, investing and financing activities and concluded that cash-flows from transactions with financial assets at FVTPL better reflect their nature and role within the Group's operations when presented under operating activities instead of investing activities (as previously reported).

Having reached this conclusion, the Group, in the comparative condensed consolidated interim statement of cash flows for the six months ended 2021, changed the presentation and reclassified the purchase of financial assets at FVTPL of negative EUR 530 million and proceeds from financial assets at FVTPL of EUR 45 million from cash flows from investing activities to cash flows from operating activities. This resulted in a total change of the presented net cash from operating activities of EUR 4,350 million to EUR 3,865 million, and in a total change of the presented net cash used in investing activities of EUR 1,708 million (negative) to EUR 1,223 million (negative), as follows:

In millions of EUR, for the six months ended 30 June 2021

	2021 (reported)	Reclassifi-cation	2021 (restated)
Cash flows from operating activities			
Change in financial assets at FVTPL	-	(485)	(485)
Net cash from operating activities	**4,350**	**(485)**	**3,865**
Cash flows from investing activities			
Purchase of financial assets at FVTPL	(530)	530	-
Proceeds from financial assets at FVTPL	45	(45)	-
Net cash used in investing activities	**(1,708)**	**485**	**(1,223)**
Net cash used in financing activities	**(2,705)**	**-**	**(2,705)**
Net decrease in cash and cash equivalents	**(63)**	**-**	**(63)**
Cash and cash equivalents as at 30 June 2021	**6,509**	**-**	**6,509**

A.11. Comparative figures of the off-balance sheet items

Due to the same reason as described above in note A.7, for the better understandability and enhancement of the comparability of the condensed consolidated interim statement of financial position, also the comparative period for off-balance sheet items presented and the related disclosures in the notes were restated, so as to present CEE region, as if it had never been classified as held-for-sale.

The Group has also analysed the appropriateness of not presenting certain guarantees (primarily bank guarantees) where the issuing bank covers for the Group's potential liabilities, especially in the Group's production projects, and decided to disclose these guarantees under off-balance sheet assets as other category.

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

In millions of EUR

	31 December 2021 (reported)	Clarification and presentation of certain contingent assets	Restatement due to cancellation of HFS for CEE region	31 December 2021 (restated)
Loan commitments	1,241	-	443	1,684
Revolving loan commitments	997	-	347	1,344
Consumer loan commitments	16	-	35	51
Cash loan commitments	61	-	17	78
Undrawn overdraft facilities	76	-	44	120
Term loan facilities	91	-	-	91
Capital expenditure commitments	199	-	-	199
Guarantees provided	64	-	-	64
Non-payment guarantees	22	-	-	22
Payment guarantees	31	-	-	31
Provided undrawn commitments to provide	11	-	-	11
Digital transmission obligations	13	-	-	13
Programming liabilities	135	-	-	135
Other*	209	(176)	-	33
Total commitments and contingent liabilities	**1,861**	**(176)**	**443**	**2,128**

*Other category is in current period presented under contingent assets to improve the understandability and to better reflect the nature of the included balances.

In millions of EUR

	31 December 2021 (reported)	Clarification and presentation of certain contingent assets	Restatement due to cancellation of HFS for CEE region	31 December 2021 (restated)
Guarantees accepted	141	-	-	141
Loan commitments received	1,281	-	-	1,281
Value of assets received as collateral (including repos)	6,464	-	2,033	8,497
Programming assets	184	-	-	184
Other	-	978	-	978
Total contingent assets	**8,070**	**978**	**2,033**	**11,081**

B. The consolidated group and the main changes for the period

B.1. Group entities

The following list shows only significant holding and operating entities that are subsidiaries, associates or joint ventures of the Parent Company as of 30 June 2022 and 31 December 2021.

Company	Domicile	Effective proportion of ownership interest	
		30 June 2022	31 December 2021
PPF Group N.V.	Netherlands	Parent Company	Parent Company
PPF Financial Holdings subgroup - subsidiaries			
PPF Financial Holdings a.s.	Czech Republic	100.00%	100.00%
AB 4 B.V.	Netherlands	91.12%	91.12%
Air Bank a.s.	Czech Republic	91.12%	91.12%
Bank Home Credit SB JSC (1)	Kazakhstan	86.28%	91.12%
Favour Ocean Ltd.	Hong Kong	91.12%	91.12%
HC Consumer Finance Philippines, Inc.	Philippines	91.12%	91.12%
HCPH Financing 1, Inc.	Philippines	91.12%	91.12%
Home Credit a.s.	Czech Republic	91.12%	91.12%
Home Credit Asia Ltd.	Hong Kong	91.12%	91.12%
Home Credit N.V.	Netherlands	91.12%	91.12%
Home Credit Consumer Finance Co., Ltd.	China	91.12%	91.12%
Home Credit Group B.V.	Netherlands	91.12%	91.12%
Home Credit India Finance Private Ltd.	India	91.12%	91.12%
Home Credit Indonesia PT	Indonesia	77.45%	77.45%
Home Credit International a.s.	Czech Republic	91.12%	91.12%
Home Credit Slovakia, a.s.	Slovakia	91.12%	91.12%
Home Credit US, LLC	USA	91.12%	91.12%
Home Credit Vietnam Finance Company Ltd.	Vietnam	91.12%	91.12%
Mobi Banka a.d. Beograd	Serbia	100.00%	100.00%
PPF banka, a.s.	Czech Republic	92.96%	92.96%
PPF Co3 B.V.	Netherlands	92.96%	92.96%
Shenzhen Home Credit Number One Consulting Co., Ltd.	China	91.12%	91.12%
Shenzhen Home Credit Xinchi Consulting Co., Ltd.	China	91.12%	91.12%
Guangdong Home Credit Number Two Information Consulting Co., Ltd. (2)	China	-	91.12%
PPF Financial Holdings subgroup – associates			
ClearBank Ltd.	United Kingdom	48.41%	44.78%
Home Credit and Finance Bank LLC (3)	Russia	45.10%	91.12%
Home Credit Insurance LLC (3)	Russia	45.10%	91.12%
RTGS Group Limited	United Kingdom	39.40%	39.40%
Telecommunications subgroup – subsidiaries			
PPF Telecom Group B.V.	Netherlands	100.00%	100.00%
CETIN a.s.	Czech Republic	70.00%	100.00%
CETIN Bulgaria EAD	Bulgaria	70.00%	100.00%
CETIN d.o.o. Beograd-Novi Beograd	Serbia	70.00%	100.00%
CETIN Finance B.V.	Netherlands	70.00%	100.00%
CETIN Group N.V. (4)	Netherlands	70.00%	100.00%
CETIN Hungary Zrt.	Hungary	52.50%	75.00%
O2 Czech Republic a.s. (5)	Czech Republic	100.00%	90.52%
O2 IT Services s.r.o. (5)	Czech Republic	100.00%	90.52%
O2 Networks, s.r.o. (6)	Slovakia	100.00%	-
O2 Slovakia, s.r.o. (5)	Slovakia	100.00%	90.52%
PPF Comco N.V.	Netherlands	100.00%	-
PPF TMT Bidco 1 B.V.	Netherlands	100.00%	100.00%
Yettel Bulgaria EAD (7)	Bulgaria	100.00%	100.00%

Company	Domicile	Effective proportion of ownership interest 30 June 2022	31 December 2021
Yettel d.o.o. Beograd (7)	Serbia	100.00%	100.00%
Yettel Magyarország Zrt. (7)	Hungary	75.00%	75.00%
Yettel Real Estate Hungary Zrt. (7)	Hungary	75.00%	75.00%
TMT Hungary B.V.	Netherlands	75.00%	75.00%
TMT Hungary Infra B.V.	Netherlands	52.50%	75.00%
Real estate subgroup – subsidiaries			
PPF Real Estate Holding B.V.	Netherlands	100.00%	100.00%
Aventon Alaira II JV, LLC	USA	90.00%	-
Aventon Alaira II Owner, LLC	USA	90.00%	-
Anthemona Ltd.	Cyprus	100.00%	100.00%
ARC DEVELOPMENT S.R.L.	Romania	100.00%	-
Art Office Gallery a.s.+63	Czech Republic	100.00%	100.00%
Boryspil Project Management Ltd.	Ukraine	100.00%	100.00%
Capellalaan (Hoofddorp) B.V.	Netherlands	100.00%	100.00%
De Reling (Dronten) B.V.	Netherlands	100.00%	100.00%
EusebiusBS (Arnhem) B.V.	Netherlands	100.00%	100.00%
Fantom LLC	Russia	100.00%	100.00%
Fosol Enterprises Limited	Cyprus	89.91%	89.91%
Gen Office Gallery a.s.	Czech Republic	100.00%	100.00%
German Properties B.V.	Netherlands	100.00%	100.00%
Hofplein Offices (Rotterdam) B.V.	Netherlands	100.00%	100.00%
Charlie Com LLC	Russia	100.00%	100.00%
In Vino LLC	Russia	99.90%	99.90%
Intrust NN CJSC	Russia	66.67%	66.67%
Investitsioniy Trust CJSC	Russia	78.75%	78.75%
Johan H (Amsterdam) B.V.	Netherlands	100.00%	100.00%
Kateřinská Office Building s.r.o.	Czech Republic	100.00%	100.00%
Langen Property B.V.	Netherlands	100.00%	100.00%
LvZH (Rijswijk) B.V.	Netherlands	100.00%	100.00%
Millennium Hotel Rotterdam B.V.	Netherlands	100.00%	100.00%
Millennium Tower (Rotterdam) B.V.	Netherlands	100.00%	100.00%
Monheim Property B.V.	Netherlands	100.00%	100.00%
Monchyplein (Den Haag) B.V.	Netherlands	100.00%	100.00%
Murcja sp. Z o.o.	Poland	100.00%	100.00%
Plaza Development SRL	Romania	100.00%	100.00%
Pompenburg (Rotterdam) B.V.	Netherlands	100.00%	100.00%
PPF Gate, a.s.	Czech Republic	100.00%	100.00%
PPF reality a.s.	Czech Republic	100.00%	100.00%
PPF Real Estate s.r.o.	Czech Republic	100.00%	100.00%
PPF Real Estate I, Inc.	USA	100.00%	100.00%
PPF Real Estate Russia LLC	Russia	100.00%	100.00%
One Westferry Circus S.a.r.l.	Luxembourg	100.00%	100.00%
Razvitie LLC	Russia	60.07%	60.07%
RC PROPERTIES S.R.L.	Romania	100.00%	100.00%
Roko LLC	Russia	100.00%	100.00%
Skladi 104 LLC	Russia	60.06%	60.06%
Stockmann StP Centre LLC	Russia	100.00%	100.00%
Sun Belt Multi I, LLC	USA	100.00%	100.00%
Sun Belt Office I, LLC	USA	100.00%	100.00%
Sun Belt Office I Interholdco, LLC	USA	100.00%	100.00%
Sun Belt Office II Interholdco, LLC	USA	100.00%	100.00%
Sun Belt Office II, LLC	USA	100.00%	100.00%
Tanaina Holdings Ltd.	Cyprus	100.00%	100.00%
Telistan Ltd.	Cyprus	99.90%	99.90%
TK Lipetskiy LLC	Russia	100.00%	100.00%
Velthemia Ltd.	Cyprus	60.07%	60.07%
Wagnerford LLC	Russia	89.91%	89.91%
Wilhelminaplein B.V.	Netherlands	100.00%	100.00%
Gorod Molodovo Pokoleniya LLC (2)	Russia	-	73.00%
ISK Klokovo LLC (8)	Russia	-	100.00%
Kvartal Togliatti LLC (8)	Russia	-	100.00%
Logistics-A LLC (8)	Russia	-	100.00%

Company	Domicile	Effective proportion of ownership interest 30 June 2022	31 December 2021
Logistika-Ufa LLC (8)	Russia	-	100.00%
Skolkovo Gate LLC (8)	Russia	-	100.00%
Spetsializirovanniy zastroyshchik "Delta Com" LLC (8)	Russia	-	100.00%
Real estate subgroup – associates/joint ventures			
Flowermills Holding B.V.	Netherlands	49.94%	49.94%
Gilbey Holdings Ltd.	Cyprus	60.00%	60.00%
Komodor LLC	Ukraine	59.40%	59.40%
Marisana Enterprises Ltd.	Cyprus	49.94%	49.94%
Seal House JV a.s.	Czech Republic	50.00%	50.00%
MiddleCap Seal House Ltd.	United Kingdom	50.00%	50.00%
Westminster JV a.s.	Czech Republic	50.00%	50.00%
Carolia Westminster Hotel Ltd.	United Kingdom	45.00%	45.00%
Engineering subgroup – subsidiaries			
PPF Skoda B.V.	Netherlands	85.70%	85.70%
Bammer trade a.s.	Czech Republic	85.70%	85.70%
ŠKODA ELECTRIC a.s.	Czech Republic	85.70%	85.70%
Škoda Investment a.s.	Czech Republic	85.70%	85.70%
ŠKODA PARS a.s.	Czech Republic	85.70%	85.70%
Škoda Transportation a.s.	Czech Republic	85.70%	85.70%
Škoda Transtech Oy	Finland	85.70%	85.70%
ŠKODA VAGONKA a.s.	Czech Republic	85.70%	85.70%
Engineering subgroup – joint ventures			
TEMSA ULASIM ARACLARI SANAYI VE TICARET A.S.	Turkey	42.85%	42.85%
SIBELEKTROPRIVOD LLC (9)	Russia	-	42.85%
Media subgroup – subsidiaries			
CME Media Enterprises B.V.	Netherlands	100.00%	100.00%
BTV Media Group EAD	Bulgaria	94.00%	94.00%
CME Services s.r.o.	Czech Republic	100.00%	100.00%
MARKIZA-SLOVAKIA, spol. s r.o.	Slovakia	100.00%	100.00%
PRO PLUS d.o.o.	Slovenia	100.00%	100.00%
Pro TV S.R.L.	Romania	100.00%	100.00%
RTL Hrvatska d.o.o. (10)	Croatia	100.00%	-
TV Nova s.r.o.	Czech Republic	100.00%	100.00%
TV Bidco B.V. (11)	Netherlands	-	100.00%
Other significant subsidiaries			
ACOLENDO LIMITED	Cyprus	100.00%	-
Bavella B.V.	Netherlands	100.00%	100.00%
Bestsport, a.s.	Czech Republic	100.00%	100.00%
BLUE SEA HOLDING Srl	Belgium	58.91%	58.91%
BONAK a.s.	Czech Republic	100.00%	100.00%
Cytune Pharma SAS	France	97.00%	97.00%
CzechToll s.r.o.	Czech Republic	100.00%	100.00%
Dream Yacht Group SA	Belgium	51.17%	51.17%
Fodina B.V.	Netherlands	100.00%	100.00%
GEMCOL Ltd.	Cyprus	100.00%	100.00%
Letňany eGate s.r.o.	Czech Republic	100.00%	100.00%
Letňany Park Gate s.r.o.	Czech Republic	100.00%	100.00%
Miridical Holding Limited	Cyprus	100.00%	100.00%
PPF a.s.	Czech Republic	100.00%	100.00%
PPF Biotech B.V.	Netherlands	97.00%	97.00%
PPF CYPRUS MANAGEMENT Ltd.	Cyprus	100.00%	100.00%
PPF Finco B.V.	Netherlands	100.00%	100.00%
PPF Life Insurance LLC	Russia	100.00%	100.00%
PPF Telco B.V.	Netherlands	100.00%	100.00%
PPF TMT Holdco 1 B.V.	Netherlands	100.00%	100.00%
Prague Entertainment Group B.V.	Netherlands	100.00%	100.00%
SCTbio a.s.	Czech Republic	97.00%	97.00%
SOTIO Biotech AG	Switzerland	97.00%	97.00%
SOTIO Biotech a.s.	Czech Republic	97.00%	97.00%
Sotio Medical Research (Beijing) Co., Ltd.	China	97.00%	97.00%
Tanemo a.s.	Czech Republic	100.00%	100.00%

Company	Domicile	Effective proportion of ownership interest	
		30 June 2022	31 December 2021
Timeworth Holdings Ltd.	Cyprus	100.00%	100.00%
The Culture Trip Ltd.	United Kingdom	85.54%	85.54%
Vox Ventures B.V.	Netherlands	100.00%	100.00%
Letňany Air Land s.r.o. (12)	Czech Republic	-	100.00%
Letňany Air Logistics s.r.o. (12)	Czech Republic	-	100.00%
RAV Agro LLC (13)	Russia	-	100.00%
RAV Molokoproduct LLC (13)	Russia	-	100.00%
Other significant associates/joint ventures			
CE Electronics Holding a.s.	Czech Republic	40.00%	40.00%
FAST ČR, a.s.	Czech Republic	40.00%	40.00%
Heureka Group a.s.	Czech Republic	40.00%	40.00%
LEAG Holding a.s.	Czech Republic	50.00%	50.00%
Lausitz Energie Verwaltungs GmbH	Germany	50.00%	50.00%
Navigare Yachting Holding AB	Sweden	33.88%	33.88%
MONETA Money Bank, a.s.	Czech Republic	29.94%	29.94%
Mall Group a.s. (13)	Czech Republic	-	40.00%
CZC.cz s.r.o.	Czech Republic	-	40.00%
Internet Mall Slovakia, s.r.o.	Slovakia	-	40.00%
Internet Mall, a.s.	Czech Republic	-	40.00%

(1) Effective legal ownership is 11.28%, however, the Group keeps its control over the subsidiary (refer to B.2.1). During July 2022 renamed to Home Credit Bank JSC.
(2) Liquidated
(3) The effective ownership interests of 45.10% in Home Credit and Finance Bank LLC and Home Credit Insurance LLC, respectively, were sold during June 2022 (refer to B.2.1), the Group lost control and only kept its significant influence.
(4) For details on the sale of the non-controlling 30% share in CETIN Group N.V. refer to B.3.3.
(5) For details on the increase in share of O2 subgroup refer to B.3.1.
(6) For detail on separation of O2 Networks from O2 Slovakia refer to B.3.2.
(7) On 1 March 2022, Telenor companies were rebranded to Yettel.
(8) Sold in March 2022 (refer to B.2.5.1)
(9) Sold
(10) On 1 June 2022, CME Media Enterprises B.V. closed the transactions to acquire RTL Hrvatska d.o.o. (refer to B.2.3).
(11) Effective 11 May 2022, TV Bidco B.V. (as the disappearing entity) merged into CME Media Enterprises B.V.
(12) Merged with Letňany eGate s.r.o.
(13) Sold in April 2022 (refer to B.2.5.2 for RAV Group; refer to B.3.4 for Mall Group)

The principal place of business corresponds to the domicile of respective entity with the following exceptions:

Place of business	Entity
Russia	Anthemona Ltd., Flowermills Holding B.V., Marisana Enterprises Ltd.
United Kingdom	Tanaina Holdings Ltd., One Westferry Circus S.a.r.l.
Germany	Monheim Property B.V.

B.2. Changes through business combinations in 2022/2021

Overview of the disposals of subsidiaries and equity-accounted investees having impact on profit or loss during the six months ending 30 June 2022 is as follows:

In millions of EUR, for the six months ended 30 June 2022	
Sale of Home Credit and Finance Bank (B.2.1)	(900)
Russian real estate projects sale (B.2.5.1)	(71)
Russian agriculture projects sale (B.2.5.2)	50
Sale of Mall Group (B.3.4)*	347
Other sales	(21)
Total profit/(loss) on disposals of subsidiaries and equity-accounted investees	**(595)**

*excluding loss on derivative disclosed in note B.3.4

B.2.1. Sale of Home Credit and Finance Bank

B.2.1.1. Transaction

On 17 May 2022, the Group announced an agreement to sell 100% of its Russian consumer finance assets (held directly by Home Credit subgroup where the Group effectively holds a 91.12% share) to a group of Russian individual investors. The Russian consumer finance assets are all part of the CIS operating segment and include (i) Home Credit and Finance Bank LLC (“HCFB”) (the parent company of the Kazakh subsidiary Joint-Stock Company "Bank Home Credit" (“HC KZ”)); (ii) Home Credit Insurance LLC (“HC Ins”), (iii) MCC Kupi ne kopi LLC (“Kupi”); (iv) Forward Leasing LLC; and (v) Vsegda Da LLC.

It was agreed that the divestment of the Russian assets would be executed in two phases:

- Phase 1 - Sale of (a) 50.5% in HCFB, HC Ins and Kupi, and (b) 100% in Vsegda Da LLC and Forward Leasing LLC for the total purchase price of approximately RUB 26.4 billion. Upon the completion of this phase, Home Credit N.V. ceased to control these Russian operations.

- Phase 2 - Forward sale of the remaining 49.5% shares in HCFB, HC Ins and Kupi will have been completed by November 2023 at latest, for the total purchase price of approximately RUB 16.4 billion; subject to a downward adjustment if the Phase 2 is accelerated and completed earlier.

Phase 1 was completed between 25 May and 16 June 2022 when all share transfers were registered with the relevant Russian authorities (the registration of the transfer of 50.5% of HCFB shares was completed on 16 June 2022).

Parallel to the above divestment of the Russian assets, HCFB sold its 74.999% shareholding in HC KZ to private individuals identified as related parties of the Group. The registration of the share transfer with the Kazakh regulatory authority was completed on 23 May 2022.

In addition, HCFB granted a call option on the remaining 25.001% shareholding in HC KZ to parties related to the Group. The call option may be executed at any time before May 2025. This transfer will be subject to Kazakh regulatory authority approval.

B.2.1.2. Accounting consequences

As at 30 June 2022, the Group classifies the residual 49.5% share in HCFB and other partially disposed Russian entities as associates presented as held-for-sale assets. The value of the associates reflects the sale price reached within the Phase 2 of the transaction (see below the subsequent event section in B.2.1.3).

For the six-month period ending 30 June 2022, the Russian entities are classified as discontinued operations and fully consolidated until the Group lost the control over them on 16 June 2022. Comparative figures have been restated accordingly. The financial performance and cash-flows relating to the discontinued operations of the Russian entities are presented below in B.2.1.4).

The Group retained its control over HC KZ throughout the duration of the whole transaction. Until the moment of launching transaction, the Group held control over HC KZ through its indirect 100% interest in HCFB. As at 30 June 2022, as a result of Phase 1, the Group holds an indirect legal ownership interest of 12.38%. Additionally, a 74.999% legal ownership interest is held by individuals related to the Group. PPF Financial Holdings a.s. provided funding for these individuals to purchase their interests in HC KZ and granted them with put options to sell their interests in HC KZ with a fixed strike price. The individuals should repay these loans from the considerations received from the potential future sales of their interests in HC KZ.

The factors and other contract parameters were considered to conclude that the Group is indirectly exposed to risks and related variable returns implying the retention of control over HC KZ.

B.2.1.3. Implementation of Phase 2- post balance sheet event

On 22 August 2022, the Group entered into an agreement for the accelerated sale of a remaining 49.5% of shares in HCFB, HC Ins and Kupi for the total purchase price of approximately RUB 9.1 billion (approx. EUR 149 million). The sale was accelerated through replacing each of Russian individual investors who had been parties to Phase 1 of the transaction, by HCFB as the purchaser of the remaining shares.

In relation to HCFB, Phase 2 was completed with the registration of the transfer of 49.5% of the HCFB shares with the local authorities on 24 August 2022. The purchase price payment relating to the transfer of 49.5% of the HCFB shares has been settled by the authorisation date of these condensed consolidated interim financial statements.

The transfer of 49.5% of shares in Kupi was registered on 24 October 2022. The transfer of 49.5% of shares in HC Ins and the payment of the related purchase price is expected to be completed within the forthcoming months and upon obtaining all requisite Russian regulatory approvals.

B.2.1.4. Loss on sale of HCFB and other Russian entities (discontinued operations)

The impact of the sale of Russian entities in Phase 1 recognised in these condensed consolidated interim financial statements is summarised in the following tables:

In millions of EUR

Direct ownership sold*	50.5%
Consideration received in cash (sale price)	382
Fair value of the remaining 49.5% share (classified as HFS)*	149
Net asset value disposed	(1,122)
where:	
Accumulated translation losses until loss of control relating to these foreign operations (reclassified to profit or loss)	_(490)_
AT1 subordinated bond	_181_
Total net loss on sale	(900)

*where Vsegda Da LLC and Forward Leasing LLC were disposed in full, i.e., their 100% shares

The following table summarises the impact of the sale of Russian entities in Phase 1 on the Group's cash position:

In millions of EUR

Consideration received in cash (sale price)	382
Cash and cash equivalents disposed	455
Net cash outflow	(73)

The following table summarises assets and liabilities of Russian entities when sold:

In millions of EUR

	HCFB	Other Russian entities	Russian entities in total
Cash and cash equivalents	444	11	455
Investment securities and derivatives	117	3	120
Loans and receivables due from banks and other financial institutions	44	7	51
Loans due from customers	2,731	115	2,846
Current tax assets	29	2	31
Property, plant and equipment	78	-	78
Other intangible assets	63	15	78
Deferred tax assets	94	4	98
Other assets	157	39	196
Total assets	**3,757**	**196**	**3,953**
Due to non-banks	(2,291)	(1)	(2,292)
Due to banks	(85)	(43)	(128)
Debt securities issued	(187)	(90)	(277)
Deferred tax liabilities	-	(3)	(3)
Provisions	(13)	(33)	(46)
Other liabilities	(75)	(10)	(85)
Total liabilities	**(2,651)**	**(180)**	**(2,831)**
Net assets value	**1,106**	**16**	**1,122**

Discontinued operations

As described above, the Russian entities' operations presented in the segment reporting (refer to D section) as a part of CIS region were classified as discontinued operations in these condensed consolidated interim financial statements. The results of the discontinued Russian operations are presented below, where for 2022 for 5 months and the comparative 2021 for 6 months (refer also to A.8):

In millions of EUR, for the six months ended 30 June

	2022	2021
Interest income	211	183
Interest expense	(78)	(42)
Net interest income	**133**	**141**
Fee and commission income	40	50
Fee and commission expense	(26)	(31)
Net fee and commission income	**14**	**19**
Net earned premiums	7	9
Net insurance benefits and claims	(1)	(1)
Acquisition costs	(1)	(1)
Net insurance income	**5**	**7**
Net gains/(losses) on financial assets/liabilities	(7)	-
Other income	-	(5)
TOTAL OPERATING INCOME	**145**	**162**
Net impairment losses on financial assets	(102)	(2)
Personnel expenses	(63)	(66)
Depreciation and amortisation	(9)	(9)
Other operating expenses	(41)	(20)
Share of profit of equity accounted investees, net of tax	2	3
PROFIT BEFORE TAX	**(68)**	**68**
Income tax expense	14	(14)
NET PROFIT FROM DISCONTINUED OPERATIONS	**(54)**	**54**

The net cash flow incurred by the discontinued Russian operations are, as follows:

In millions of EUR, for the six months ended 30 June

	2022	2021
Cash flows used in operating activities	(182)	(120)
Cash flows from investing activities	316	100
Cash flows from/(used in) financing activities	(5)	63
Net cash flow from discontinued operations	**127**	**43**

B.2.2. MONETA transaction and assets classified as held for sale (2022/2021)

B.2.2.1. Acquisition of significant influence (in 2021)

On 21 January 2021, MONETA Money Bank a.s. (a Czech listed company, "MONETA"), announced that from PPF Group's subsidiary Tanemo a.s. it had received a public proposal for a voluntary tender offer for MONETA shareholders and an invitation for negotiations concerning the full acquisition of Air Bank and other Group companies (Home Credit a.s., Benxy s.r.o., and Home Credit Slovakia, a.s., collectively the "Air Bank Group") by MONETA.

A voluntary tender offer ("VTO") for the purchase of shares in MONETA pursuant to the Business Corporations Act (Act No. 90/2012 Coll., Section 322) was addressed to all existing shareholders of MONETA for a share purchase price of CZK 80 with a maximum volume of purchased shares of 20% of the total nominal value with the Group's right to increase it up to 29%. The acquisition of the shares above the 10% threshold was approved by the Czech National Bank on 16 April 2021. As at 31 December 2021, Tanemo held 153 million shares representing a 29.94% stake in MONETA.

As at 31 December 2021, in the Group's consolidated accounts, the investment in MONETA was accounted for using the equity method. The consolidated income statement included the share of MONETA's financial performance after the Group acquired significant influence over MONETA on 16 April 2021.

In accordance with IFRS 3, the Group prepared a purchase price allocation exercise (PPA) to identify the fair value of the Group's share on the net assets acquired with the acquisition of the significant influence.

The following table summarises MONETA's fair values of assets and liabilities determined as at the Group's acquisition of the significant influence. The below assets and liabilities are not recognised in the Group's consolidated figures directly, and only the Group's share on MONETA's net assets is presented in the equity-accounted investees balance in the consolidated statement of financial position:

In millions of EUR, as at 16 April 2021

Fair value of assets (excluding goodwill)	12,446
Fair value of liabilities	11,140
Fair value of identifiable net assets (100%)	1,306

Goodwill arising from the acquisition has been recognised and presented with the equity-accounted investees' carrying amount, due to the excess of the purchase price over the Group's share on the fair value of net assets:

In millions of EUR

Effective ownership (originally acquired)	28.39%
Fair value of identified net assets (100%)	1,306
Fair value of identified net assets attributable to the Group's share	370
Total consideration	443
Goodwill (included in equity-acc. investee's carrying amount at acquisition)	73

B.2.2.2. Framework Agreement, assets classified as held for sale (in 2021)

On 20 December 2021, MONETA Money Bank, a.s. ("MONETA") announced that its general meeting approved the acquisition of shares in Air Bank a.s. ("AB") and the Czech and Slovak Home Credit ("HCAS" and "HCS", respectively). The general meeting granted its approval for MONETA to enter as the purchaser into following agreements:

- the share purchase agreement with Home Credit N.V. ("HCNV"), acting as the seller, under which MONETA will acquire from HCNV the ownership title to a 100% share in Air Bank a.s. ("AB") and Home Credit Slovakia a.s. ("HCS"); and, simultaneously
- the share purchase agreement with Home Credit International a.s. ("HCI"), acting as the seller, under which MONETA will acquire from HCI the ownership title to a 100% share in Home Credit a.s. ("HCAS").

Total purchase price for the above listed entities amounts to CZK 25.9 billion (approx. EUR 1,041 million). The resolution of MONETA's general meeting will be automatically cancelled in the case the above share purchase agreements are not entered into until 20 April 2023.

B.2.2.3. Termination agreement, assets re-classified from held for sale (in 2022)

On 31 May 2022, the Group announced that it signed an agreement with MONETA to terminate the process of combining the assets of Air Bank Group with MONETA. The termination agreement was prompted by macroeconomic changes which radically altered the parameters of the originally planned merger as laid out in the framework agreement signed by the two parties in May 2021 and subsequently updated in November 2021.

As of the agreement on the termination, AB, HCAS and HCS ceased to meet the definition of a disposal group held for sale (having the impact on the comparative condensed consolidated interim statement of financial position – refer to A.7), and discontinued operations (having no impact on the comparative condensed consolidated interim statement of income as the sale and acquisition transactions were approved by the general meeting in December 2021, refer to B.2.2.2 above).

B.2.3. Acquisition of RTL Croatia

On 1 June 2022, CME Media Enterprises B.V. closed the transactions to acquire RTL Croatia (RTL Hrvatska d.o.o.) at a purchase price of EUR 40 million net of cash acquired. As at the balance sheet date, the purchase price allocation was determined subject to a final net working capital adjustment, which is not expected to have a material impact on goodwill. In accordance with IFRS 3, the Group prepared a purchase price allocation exercise to identify the fair value of assets and liabilities. 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 allocated purchase price and the fair values of identified assets and liabilities resulted in the recognition of goodwill.

<u>Key assumptions and valuation approach</u>

As the acquired business is a television broadcasting operation, the key asset categories acquired in the acquisition include programming rights, intangible assets, and fixed assets. Major fixed asset categories reported on the balance sheet were buildings and other machinery and equipment, including production related assets, and software.

Since each asset category has different characteristics, different asset valuation methods were used. The income approach was applied to value the programming library. The cost approach was applied primarily for equipment and software.

It was concluded that the carrying amounts of current and non-current financial assets as well as all assumed liabilities represent their respective fair values.

The following table summarises the recognised amounts of assets acquired and liabilities assumed in the acquisition, taking into consideration the facts stated above:

In millions of EUR, as at 1 June 2022

Fair value of assets acquired (excl. goodwill)	**42**
Property, plant and equipment*	8
Intangible assets (excl. goodwill)	4
Programming assets (rights)	10
Trade and other receivables	15
Cash and cash equivalents	2
Deferred tax assets	3
Fair value of liabilities assumed	**23**
Lease liabilities	5
Trade payables	15
Other payables	3
Fair value of identifiable net assets	**19**

*incl. right-of-use assets of EUR 5 million

Goodwill arising from the acquisition has been recognised as follows:

In millions of EUR

Total consideration	42
Fair value of identifiable net assets	19
Goodwill	23

Goodwill is attributable to the established position of RTL's business in the relevant market, potential synergies with other Group operations and the assembled workforce. None of the goodwill recognised was expected to be deducted for tax purposes.

Please note that the presented goodwill is only indicative and subject to potential changes as the purchase price has yet to be finally determined.

B.2.4. Acquisition of hotel operator in Rotterdam

In December 2020, the Group signed an agreement with Tower Hotel Rotterdam (a hotel operator), the anchor tenant in the Millennium Tower building owned by the Group, for the future acquisition of the hotel operations. The closing of this transaction occurred in April 2022 and the purchase price amounted to EUR 6 million. In the meantime, the Group has provided the seller with operational bridge financing and a consolidation loan to settle with the existing minority shareholders, both totalling EUR 5 million.

This hotel operation business acquisition resulted in a minor goodwill of EUR 3.5 million representing the value added of the running operating and functioning business in a building situated in an affluent and convenient area in Rotterdam. As the part of the building with its fair value of EUR 40 million previously and still owned by the Group rented by the hotel business has from the Group's perspective changed its purpose from having been rented out previously to currently serve the Group's own operations, this part was appropriately reclassified from investment property to property, plant and equipment and started to be depreciated from that carrying amount. Refer also to E.9.

B.2.5. Other Russian businesses sales

B.2.5.1. Russian real estate sales

In March 2022, the Group sold part of its Russian real estate entities LLC Logistika-A LLC, Logistika-Ufa LLC, Skolkovo LLC, Kvartal-Tolyatti LLC, ISK Klokovo LLC, and Spetsializirovanniy zastroyshchik "Delta-Com" LLC for a total consideration of EUR 30 million. The consideration has been deferred. The total loss from the sale of these entities amounted to EUR 72 million (including impact of accumulated translation losses until loss of control relating to these foreign operations, reclassified to profit or loss of EUR 35 million). The entities comprised primarily the following items:

In millions of EUR, as at the disposal date at the end of March 2022

Cash and cash equivalents	3
Contract assets	90
Inventories (trading property)	36
Investment property*	50
Loans due to non-banks	(7)
Loans due to banks and other financial institutions	(85)
Provisions (other)	(8)
Deferred tax liabilities	(12)

*of which EUR 35 million were disposed with ISK Klokovo presented as assets held for sale as at 31 December 2021 with the value of EUR 42 million. The change in ISK Klokovo investment property balance presented between 31 December 2021 and the disposal date was only caused by the significant fluctuations in RUB/EUR exchange rates.

B.2.5.2. RAV Group sale (agriculture)

In April 2022, the Group entered into an agreement for the sale of its 100% share in RAV Agro group comprising several entities, among them the most significant ones being RAV Agro LLC and RAV Molokoproduct LLC.

With this disposal in April 2022, the Group lost control over this subgroup. Thus, RAV Agro group is no longer fully consolidated as a subgroup. The total profit from the sale of this subgroup amounted to EUR 50 million. The final consideration totalling EUR 62 million was collected in April 2022.

B.2.6. Acquisition of Dream Yacht Group (in 2021)

On 30 September 2021, the Group acquired the majority shareholding in Dream Yacht Group ("DYG") through its subsidiary Blue Sea Holding Srl. The principal activity of DYG is the chartering and sale of boats and cruises. The acquisition has been realised through a capital contribution of EUR 60 million into the share capital of Dream Yacht Group.

In accordance with IFRS 3, the Group prepared a purchase price allocation exercise (PPA) to identify the fair value of the acquired assets and assumed liabilities. Assets and liabilities denominated in foreign currencies were translated using the exchange rate valid as at the acquisition date. Given the existence of put options to the benefit of the minority shareholders and call options to the benefit of the majority shareholder under the shareholder's agreement, the non-controlling interest was determined at its fair value as at the acquisition date. In connection with these put and call options, IFRS 3 requires goodwill to be recognised based on a 100% ownership (also known as full goodwill). As put and call options are in place, the Group also recognised a corresponding liability at fair value against a decrease of other reserves in equity of EUR 18 million. This option liability has been subsequently measured at fair value through profit or loss as at each reporting date.

Key assumptions and valuation approach

As the acquired business is a well-established world-spread boat charterer offering various boat rental and on-board services and boat sales, the key asset categories acquired in the acquisition were fixed assets representing notably the boats and equipment, mooring permits and the established brand of the group additionally identified.

Since each asset category has different characteristics, different asset valuation methods were applied. Based on the nature of the assets, for boats a market approach was used. The identified mooring permits were valued using a market approach, the trademark was valued using the relief-from-royalty method. It was concluded that the carrying amounts of other and financial assets as well as all assumed liabilities represent their respective fair values. Additionally, referring to the above paragraphs, the acquisition date non-controlling interest fair value was determined using a multicriteria approach aligned with general professional valuation practices comprising discounted-cash-flows method, multiple approach working with EBITDA, and other special approach considering net financial debt and future cash-flows.

The following table summarises the recognised amounts of assets and liabilities assumed in the acquisition, taking into consideration the facts stated above:

In millions of EUR, as at 30 September 2021

Fair value of assets acquired (excluding goodwill)	**338**
Cash and cash equivalents	45
Trade and other receivables	6
Property, plant and equipment	207
Intangible assets	26
Deferred tax assets	2
Other assets	52
Fair value of liabilities assumed	**298**
Due to banks and other financial institutions	65
Lease liabilities	88
Contract liabilities	80
Trade and other payables	49
Deferred tax liability	15
Other liabilities	1
Fair value of identifiable net assets	**40**

Goodwill arising from the acquisition has been recognised as follows:

Effective ownership (direct)	86.86%
Effective ownership (indirectly via Blue Sea Holding Srl)	51.17%
Total consideration	60
Purchase price (cash)	60
Contingent consideration (maximum amount of deferred earn-out)	20
Fair value of contingent consideration	-
Non-controlling interests	18
Fair value of identifiable net assets	40
Goodwill	38

The contingent consideration depends on the specified level of the future performance of the acquired business during a limited future timeframe. As at the acquisition date and 30 June 2022, fair value of this contingent consideration was determined to be nil. The contingent consideration was measured at fair value at acquisition and is measured at fair value through profit or loss, subsequently.

During the three-month period ended 31 December 2021, the consolidated Dream Yacht group contributed revenues of EUR 48 million and loss of EUR 7 million to the Group's results. If the acquisition had occurred on 1 January 2021, consolidated revenues would have increased by EUR 100 million and loss by EUR 26 million. The acquired business has been recovering from the covid pandemic crisis that halted with an increasing demand for its products and services.

B.2.7. Sale of Telenor Montenegro (in 2021)

In December 2021, the Group sold a 100% stake in Telenor d.o.o. Podgorica (Montenegro) to 4IG Nyrt. for a total consideration of EUR 141 million. Total profit from the sale of the entity amounted to EUR 27 million.

The following table summarises assets and liabilities of Telenor Montenegro when sold:

In millions of EUR

	21 December 2021
Goodwill	42
Property, plant and equipment (incl. right-of-use asset)	45
Intangible assets	25
Other assets	21
Cash and cash equivalent	11
Total assets	**144**
Other liabilities	28
Provisions	2
Total liabilities	**30**
Net assets value	**114**

B.3. Other changes

B.3.1. Increased share in O2 CZ

In June 2021, the Group's stake in O2 Czech Republic's (O2 CZ) share capital was increased using reverse accelerated book building for a maximum price of CZK 264 per share. As at 31 December 2021, the Group held a 90.52% stake in O2 CZ.

The following table summarises the financial aspect of the transactions described above:

In millions of EUR

Total consideration (approx. CZK 264 per share)	200
Effective ownership acquired from external parties	6.43%
Net asset value attributable to non-controlling interests acquired	(30)
Effect recorded in retained earnings (loss)	(170)

As the holder of more than 90% of the share capital of O2 CZ, the Group initiated a squeeze-out procedure of the remaining holders in O2 CZ through a mandatory tender offer for the shares in this telecommunications operator held by the remaining minority shareholders. The transfer of all shares to the Group was approved by the general meeting of O2 CZ on 26 January 2022. O2 CZ subsequently submitted a request for the delisting of its shares from the Prague

Stock Exchange and RM-SYSTÉM (i.e., both Czech stock exchanges). The last trading day of O2 CZ shares was 28 February 2022.

A consideration of CZK 270 per share was paid to the remaining holders of 28.5 million shares (representing the remaining minority shareholders). The settlement process of the liability to the remaining holders started in March 2022.

The following table summarises the financial aspect of squeeze-out transaction described above:

In millions of EUR

Total consideration (approx. CZK 270 per share)	311
Effective ownership acquired from external parties	9.48%
Net asset value attributable to non-controlling interests acquired*	(23)
Effect recorded in retained earnings (loss)	(288)

*incl. accumulated foreign exchange translation losses from the Group's operations of EUR 37 million

B.3.2. O2 subgroup business restructuring

Following the concentration of 100% shares in O2 CZ, the Group performed the restructuring of O2 subgroup. In April 2022, O2 Slovakia, s.r.o. was sold by O2 CZ to PPF Comco N.V., and subsequently, an infrastructure part of O2 Slovakia, s.r.o. was separated by way of demerger to a newly established O2 Networks, s.r.o. Separating retail and infrastructure parts of the Group businesses is consistent with group structure in other Group's current telecommunication markets. The direct owner of O2 Networks, s.r.o. is PPF Comco N.V. as at 30 June 2022.

There is no impact on the condensed consolidated interim financial statements from these transactions.

B.3.3. Sale of 30% stake in CETIN Group N.V.

In October 2021, the Group entered into an agreement with GIC Private Limited ("GIC") to sell its 30% stake in CETIN Group N.V., the sole owner of CETIN CZ, CETIN Bulgaria and CETIN Serbia, and the holder of a 75% stake in CETIN Hungary. After obtaining all regulatory approvals, the transaction was completed in March 2022. GIC became a minority shareholder, the Group maintains its control over CETIN Group N.V.

The following table summarises the financial aspects of this transaction:

In millions of EUR

Effective ownership sold	30.00%
Total consideration received in cash	1,411
Net asset value attributable to non-controlling interests sold	260
Effect recorded in retained earnings (gain)	1,151

Within the above transaction, the PPF Telecom Group B.V. (the direct owner of CETIN Group N.V.) also granted a put option to GIC for its 30% share in CETIN Group N.V. for the fair value of the share as at the exercise date of the option. One of the conditions of the put option may be exercised by GIC should PPF Telecom Group B.V.'s controlling party change without prior approval, as defined in the agreement (incl. the Parent Company and the ultimate controlling party defined in note A.1, hereinafter together as "controlling parties").

The Group is fully capable of avoiding the situations that would allow GIC to exercise the put option, except for the mentioned unapproved change of control (while fully in the power of the Parent Company's ultimate controlling party). Following IFRS guidance (IAS 32), this situation would require the Group to deliver cash or another financial asset because technically, neither the PPF Telecom Group B.V.'s management nor the Parent Company's management can avoid triggering an unapproved change of control over the Parent Company. However, the Parent Company's ultimate controlling party will always consider all effects of an unapproved change of control. Thus, the Group's management considers the exercisability of the put option highly unlikely.

However, even though the above situation is exceedingly unlikely, i.e., the put option is highly improbable to be exercised, IFRS guidance does not define such put option liabilities based on what is likely to happen but instead uses the contractual terms of the agreement. As with the existence of this put option GIC still has access to the returns from the investment in CETIN Group N.V. (such as dividends), applying the present-access method (refer to F.1.1), the Group's conditional commitment to acquire NCI's share was recognised in the condensed consolidated interim financial statements for the six months ended 30 June 2022 as a financial liability at net present value with the net present value remeasurements directly through equity attributable to the owners of the Parent.

The initial value of this conditional commitment to acquire NCI's share in March 2022 amounted to EUR 1,411 million. As at 30 June 2022, the net present value of the conditional commitment to acquire NCI's share totalling EUR 983 million was derived from the fair value of the 30% share in CETIN Group N.V. determined by independent valuation experts using a multicriteria approach aligned with general professional valuation practices comprising the discounted-cash-flows method and market multiples of comparable companies. For the six-months period ending 30 June 2022, a remeasurement gain of EUR 428 million from the decrease in the net present value of the conditional commitment to acquire NCI's share was recognised in the reserve for puttable instruments in the equity attributable to the owners of the Parent.

The other conditions related to the put option granted to GIC, are fully under the control of the Group's management, and no liability recognition is required.

B.3.4. Sale of Mall Group

In November 2021, the Group, together with its partners entered into agreement for the sale of 100% of Mall Group (as at 31 December 2021, the Group held a 40% stake) to Allegro.pl. The closing was subject to the approval by the appropriate antitrust authorities. The consideration for the sale was concluded as a cash consideration plus a non-cash consideration in the form of shares in Allegro. The closing finally became effective in April 2022, and the cash consideration amounting to EUR 225 million and the consideration in newly issued Allegro shares (10,023,118 pieces) valued at EUR 122 million (in November 2021) were collected by the Group in April 2022 as well. The net impact of the transaction on the Group's results was a total net profit of EUR 273 million, where the profit from the sale of the associate amounted to EUR 347 million and, in connection with the consideration received in the newly issued Allegro shares, the Group incurred a loss of EUR 74 million presented under net trading income from derivatives in E.25. As at 31 December 2021, the carrying amount of the investment in Mall Group was classified as assets held for sale.

B.3.5. Sale of NBE-Therapeutics (in 2021)

In January 2021, the Group finalised the sale of its 26% stake in NBE-Therapeutics AG, a Swiss biotech company developing therapies for the treatment of solid tumours. The profit from the sale amounted to EUR 137 million and was recognised under profit/(loss) on disposals/liquidations of subsidiaries and equity-accounted investees.

B.3.6. Acquisition of Planeo Elektro (FAST Group in 2021)

In June 2021, the Group together with other partners signed an agreement for the acquisition of Planeo Elektro, a Czech-based consumer electronic wholesale and retail group operating in the Czech Republic, Slovakia, Hungary and Poland. The closing of the transaction was subject to antimonopoly approval that was obtained in September 2021. With effect from 9 November 2021, the Group, via a capital contribution of EUR 8 million to an intermediary equity-accounted holding company, indirectly acquired a 40% stake in Planeo Elektro classified as an associate. The Group consolidates this associate using the equity method.

B.3.7. Arrangements between Home Credit shareholders

With effect from 1 July 2019, PPF Financial Holdings B.V. (currently PPF Financial Holdings a.s.) and Emma Omega Ltd. as the direct shareholders of Home Credit Group B.V. entered into an agreement concerning certain transactions with Home Credit Group shares. The agreement was subsequently modified in September 2019 (the "Agreement").

Under the Agreement, the parties agreed on the following arrangements valid as of 30 June 2022:

PPF Financial Holdings and Emma Omega have agreed that PPF Financial Holdings will sell to Emma Omega a 2.5% shareholding interest in Home Credit Group at the nominal value of a share if PPF Financial Holdings is able to achieve a pre-agreed internal rate of return on its investment in Home Credit Group calculated for the period (a) from 31 December 2018 until 31 December 2023 if Home Credit is not listed, and (b) from the Home Credit listing date until 31 December 2023. Based on the market situation as of 30 June 2022 the fulfilment of the conditions is not probable, therefore the Agreement's value is currently valued to nil.

Upon the regular termination of the Agreement which shall occur on 31 December 2023, Emma Omega shall sell all its shares in Home Credit Group for their fair value derived entirely or partially from the average market price of any material listed subsidiary of Home Credit Group, if listed at that time. The contractual arrangements may also be terminated earlier than on the regular termination date (31 December 2023) under the agreed and specified circumstances. The acquirer of the shares is an affiliate of PPF Financial Holdings (outside the Group).

C. Risk exposures, risk management objectives and procedures

All aspects of the Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 31 December 2021.

During the interim period there were no significant changes in the nature or extent of risks arising from financial instruments. There were no significant transactions influencing liquidity position of the Group.

C.1. Fair value of financial assets and liabilities

The Group has performed a fair-value assessment of its financial instruments to determine whether it is practicable within the constraints of timeliness and cost to determine their fair values with sufficient reliability.

The following table shows the carrying amounts and fair values of financial instruments measured at AC, including their levels in the fair value hierarchy:

In millions of EUR, as at 30 June 2022

	Carrying amount	Fair value	Level 1	Level 2	Level 3
Financial assets at AC (E.2.2)*	1,852	1,597	1,560	-	37
Loans and receivables due from banks and other financial institutions	441	440	48	392	-
Loans due from customers	8,887	8,800	-	7	8,793
Trade and other receivables**	1,559	1,559	-	-	1,559
Due to non-banks	(10,941)	(10,925)	-	(10,905)	(20)
Due to banks and other financial institutions	(9,384)	(9,365)	-	(8,223)	(1,142)
Debt securities issued	(3,744)	(3,533)	-	(3,076)	(457)
Subordinated liabilities	(200)	(197)	-	-	(197)
Trade and other payables***	(2,274)	(2,274)	-	-	(2,274)

*excl. FV hedge adjustment of negative EUR 134 million
**incl. cash collateral for payment cards and other financial assets
***excl. tax and other non-financial liabilities

In millions of EUR, as at 31 December 2021 (incl. CEE region classified previously as held-for-sale, B.2.2)

	Carrying amount	Fair value	Level 1	Level 2	Level 3
Financial assets at AC (E.2.2)*	1,714	1,607	1,579	3	25
Loans and receivables due from banks and other financial institutions	835	835	18	817	-
Loans due from customers	11,732	11,643	-	6	11,637
Trade and other receivables**	1,568	1,568	-	-	1,568
Due to non-banks	(12,680)	(12,653)	-	(12,642)	(11)
Due to banks and other financial institutions	(11,353)	(11,452)	-	(9,721)	(1,731)
Debt securities issued	(3,541)	(3,646)	(210)	(2,992)	(444)
Subordinated liabilities	(200)	(197)	-	-	(197)
Trade and other payables***	(2,293)	(2,293)	-	(5)	(2,288)

*excl. FV hedge adjustment of negative EUR 84 million
**incl. cash collateral for payment cards and other financial assets
***excl. tax and other non-financial liabilities

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

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 30 June 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL	502	1,444	14	1,960
Financial assets FVOCI	1,395	1,004	36	2,435
Financial liabilities at FVTPL	(256)	(1,150)	(127)	(1,533)
Total	**1,641**	**1,298**	**(77)**	**2,862**

In millions of EUR, as at 31 December 2021 (incl. CEE region classified previously as held-for-sale, refer to B.2.2)

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL	458	1,147	17	1,622
Financial assets FVOCI	1,490	141	23	1,654
Financial liabilities at FVTPL	(411)	(654)	(15)	(1,080)
Total	**1,537**	**634**	**25**	**2,196**

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

In millions of EUR, for the six months ended 30 June 2022

	Financial assets FVTPL	Financial assets FVOCI	Financial liabilities FVTPL	Total
Balance as at 1 January	17	23	(15)	25
Net gains/(losses) recorded in profit or loss (included in net gain/(loss) on financial assets)	(3)	-	-	(3)
Purchases and other additions of financial assets	26	-	-	26
Sales/settlements	(26)	-	-	(26)
Additions of financial liabilities/Issues	-	-	(111)	(111)
Additions from business combinations	-	-	(1)	(1)
Transfers to (+) / from (-)s Level 3	-	13	-	13
Balance at 30 June 2022	**14**	**36**	**(127)**	**(77)**

In millions of EUR, for the year ended 31 December 2021

	Financial assets FVTPL	Financial assets FVOCI	Financial liabilities FVTPL	Total
Balance as at 1 January	33	42	(87)	(12)
Net gains/(losses) recorded in profit or loss (included in net gain/(loss) on financial assets)	(21)	-	8	(13)
Purchases of financial assets	77	1	-	78
Sales/settlements	(73)	(21)	67	(27)
Transfer to assets held for sale	-	-	-	-
Effect of movements in exchange rates	1	1	(3)	(1)
Balance as at 31 December 2021	**17**	**23**	**(15)**	**25**

The Group uses the following techniques to determine fair value under Level 2 and Level 3:

Level 2 assets include mainly financial derivatives, corporate bonds and treasury bills. For derivative exposures the fair value is estimated using the present value of the cash flows resulting from the transactions taking into account market inputs like FX spot and forwards rates, benchmark interest rates, swap rates, etc. The fair value of corporate bonds, treasury bills is calculated as the present value of cash flows using the benchmark interest rates.

Level 3 assets include equity and debt instruments not traded on the market where the fair value is calculated using the valuation techniques including expert appraisals. The fair valuation methodology for Level 3 equity and debt instruments is based on discounted cash flow valuation technique. The fair value of equity and debt securities is sensitive to economic development at the businesses in question.

The main unobservable inputs used in measuring fair value of level 3 assets are expected net cash flows and cost of equity. Expected net cash flows are projected cash flows from entity's business plan multiplied by enterprise value-to-sales ratio derived from similar market participants. All of these outputs are estimated to some degree and significant changes would result in changes of fair value.

The financial assets at FVTPL presented in Level 3 include notably debt securities. The fair value of debt securities is sensitive to market interest rates.

The financial assets at FVOCI presented in Level 3 represent equity securities of EUR 36 million not traded on the market (2021: EUR 23 million). Their fair value is sensitive to economic developments of the businesses in question.

C.2. Capital management

The Group restructured its consumer finance and other banking business represented by Home Credit, Air Bank and PPF banka under PPF Financial Holdings B.V., a new holding entity (the "Subgroup"), in 2015. The Subgroup became a financial holding company and as such became subject to consolidated prudential requirements under Regulation (EU) 575/2013 of the European Parliament and of the Council (the "CRR") and Directive 2013/36/EU of the European Parliament and of the Council (the "CRD") as transposed in the Czech Republic. The Czech National Bank (the "CNB") acts as the consolidating supervisor of the Subgroup. PPF banka was appointed as the responsible reporting entity for the Subgroup.

Pursuant to the amendments to the CRD (amended by Directive (EU) 2019/878 of the European Parliament and of the Council) and the CRR (amended by Regulation (EU) 2019/876 of the European Parliament and of the Council) as of 20 May 2019, PPF Financial Holdings B.V. was expected to apply for a new special license with the competent authorities in the Czech Republic and, simultaneously, in the Netherlands. To simplify the licensing process, the shareholders of the company decided to conduct a cross-border conversion from the Netherlands to Czech Republic.

After the Conversion, PPF Financial Holdings a.s. was subject to the same capital requirements on consolidated basis as PPF Financial Holdings B.V. before the Conversion. The Subgroup is required to fulfil the following minimum capital requirements:

- a Tier 1 capital adequacy ratio of at least 6%; and
- a total capital adequacy ratio of at least 8%.

Additionally, the Subgroup is required to maintain a capital conservation buffer amounting to 2.5% of its risk-weighted assets and an institution-specific countercyclical capital buffer amounting to 0.21% of its risk-weighted assets as of 30 June 2022.

The Subgroup monitored and maintained other regulatory requirements, such as large exposures, liquidity, and leverage ratios.

Due to late transposition of the CRD to the Czech legislation, the authorisation process for financial holdings became effective in the Czech Republic only in October 2021. Following the Conversion, PPF Financial Holdings submitted its formal application to the CNB in November 2021. The application was approved in March 2022. Throughout the reporting period until the approval, the Subgroup maintained all capital requirements and reported them to the CNB as if effective for the Subgroup.

Some of the Subgroup's subsidiaries operating in the banking, consumer finance and insurance sectors maintain capital adequacy in compliance with local regulations, requiring the respective entities to maintain a ratio of total capital to total risk-weighted assets at or above a certain minimum level. The ratios are calculated based on the entities' financial statements prepared in accordance with local accounting standards. The Subgroup's policy in this respect is to support the subsidiaries with capital as necessary to maintain the subsidiaries' full compliance with the relevant requirements.

The Subgroup complied with all externally imposed capital requirements, large exposure requirements, liquidity requirements, and leverage requirements throughout the reporting period.

D. Segment reporting

The Group recognises reportable segments that are defined in both geographical and sector terms. These segments offer different products and services and are managed separately because they operate in completely distinct business sectors. The Group's board of directors and shareholders (the chief operating decision maker) review the internal management reports of individual segments on a regular basis.

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

Reportable segment	Business name/brand	Operations	Geographic focus
Financial services	PPF banka and its subsidiaries	Loans, deposits and other transactions and balances with corporate customers, trading activities	Czech Republic
	Home Credit	Lending to private individual customers, deposit-taking	Czech Republic, Slovakia, Russia (disc.)[1], Asia
	Air Bank[2] and its subsidiaries	Deposits, loans and other transactions and balances with retail customers	Czech Republic and Slovakia
	Mobi Banka	Deposits, loans and other transactions and balances with retail customers	Serbia
	Bank Home Credit	Deposits, loans and other transactions and balances with retail customers	Kazakhstan
	ClearBank *(associate)*	Clearing and settlement services	United Kingdom
Telecommunications	O2 Czech Republic O2 Slovakia[3]	Fixed and mobile telecommunication and data services Mobile telecommunication and data services, and infrastructure	Czech Republic Slovakia
	CETIN	Administration and operation of data and communication infrastructure network	Czech Republic, Hungary, Bulgaria, Serbia
	Yettel (Telenor until March 2022)	Mobile operators providing a range of voice and data services	Hungary, Bulgaria, Serbia, and Montenegro (2021)
Media	CME and its subsidiaries	Television broadcasting	Czech Republic, Bulgaria, Romania, Slovakia, Slovenia and Croatia
Real estate	PPF Real Estate Holding	Developing, investing and professional consulting in the property sector	Central and Western Europe, Russia, Romania, USA
Mechanical engineering	Škoda	Production, development, assembling and repairs of vehicles for public transport	Czech Republic, Eastern Europe, Russia, Finland
	Temsa *(JV)*	Production of buses	Turkey
Insurance	PPF Insurance	Provision of life insurance products	Russia
Other	Sotio	Development of new medical therapies, focusing on the treatment of cancer	Czech Republic, USA, France, Switzerland
	RAV Holding[4]	Grain and livestock production, storage and trade	Russia
	O2 Arena/ O2 Universum	Operation of multipurpose hall hosting mainly sports and cultural events	Czech Republic
	CzechToll	Toll operating and collection system	Czech Republic

Reportable segment	Business name/brand	Operations	Geographic focus
Other (cont.)	Dream Yacht/Navigare (associate)	Sea boat charter services and production	worldwide
	LEAG *(JV)*	Extraction, processing, refining and sale of lignite, generation of electricity and heat	Germany
	Mall/Heureka *(associate)*[5]	e-commerce and comparison-shopping platforms	Central and Eastern Europe
	FAST *(associate)*	Consumer electronic wholesaler and retailer	Czech Republic, Slovakia, Hungary, Poland
	The Culture Trip	Online publishing and book selling	worldwide
	MONETA Money Bank *(associate)*	Provider of banking and financing services to individual customers and clients in the SME segment	Czech Republic

(1) Russia region (a part of CIS region) is presented as discontinued operations (refer to B.2.1)
(2) Part of Home Credit Group
(3) O2 Networks, s.r.o. (an infrastructure part) demerged in April 2022. For 2021 and for the six-months period ending 30 June 2022, it was still managed and evaluated within O2 Slovakia telecommunications subsegment.
(4) RAV Holding was sold in April 2022 (refer to B.2.5.2).
(5) Mall was sold in April 2022 (refer to B.3.4).

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. Significant non-cash expenses comprise mainly impairment losses on financial and non-financial assets. Eliminations represent intercompany balances among individual reporting segments.

Total segment revenue contains the following categories of continuing operations that may be reconciled to the condensed consolidated interim statement of income and discontinued operations (refer to B.2.1). The main categories are presented in the below table:

In millions of EUR, for the six months ended 30 June 2022

	Continuing	Discontinued	Total
Interest income	1,118	211	1,329
Fee and commission income	159	40	199
Net earned premiums	28	7	35
Net rental and related income	109	-	109
Net income related to construction contracts	9	-	9
Telecommunication income	1,683	-	1,683
Mechanical engineering income	393	-	393
Media income	352	-	352
Other income*	93	-	93
Total revenue from external customers	**3,944**	**258**	**4,202**

*incl. Toll operations income and revenue from leisure business

In millions of EUR, for the six months ended 30 June 2021

	Continuing	Discontinued	Total
Interest income	1,293	183	1,476
Fee and commission income	134	50	184
Net earned premiums	25	9	34
Net rental and related income	80	-	80
Telecommunication income	1,611	-	1,611
Mechanical engineering income	281	-	281
Media income	303	-	303
Other income*	19	-	19
Total revenue from external customers	**3,746**	**242**	**3,988**

*incl. Toll operations income, revenue from leisure business and agriculture income

For the year ended 31 December 2021, the Group changed the presentation of its telecommunication segment. It is now aligned with PPF Telecom Group as it better reflects the way how segment performance is evaluated by the chief operation decision makers. Previously, the telecommunication segment included other holding entities that are now part of the unallocated segment. Comparative figures were restated accordingly.

The following table shows the main items from the financial statements broken down according to reportable segments for the six months ended 30 June 2022 and comparative figures for 2021:

In millions of EUR

30 June 2022	Financial services	Telecommu-nications	Media	Real estate	Insurance	Mechanical engineering	Other	Unallocated	Eliminations	**Consolidated**
Revenue from external customers	1,505	1,686	353	121	37	393	102	5	-	4,202
Inter-segment revenue	13	-	6	2	-	-	5	12	(38)	-
Total revenue	**1,518**	**1,686**	**359**	**123**	**37**	**393**	**107**	**17**	**(38)**	**4,202**
Segment share of profit/(loss) of associates/JVs	(5)	-	-	(69)	-	-	285	-	-	211
Net profit/(loss) for the period	**(1,157)**	**359**	**69**	**(102)**	**7**	**(21)**	**507**	**(70)**	**2**	**(406)**
Other significant non-cash expenses*	(367)	(39)	2	(31)	-	(2)	(1)	(66)	(5)	(509)
30 June 2022										
Segment assets	22,616	7,742	2,217	3,508	355	1,215	3,351	1,757	(2,633)	40,128
of which: equity-accounted investees	*70*	*1*	-	*80*	-	*24*	*1,416*	-	-	*1,591*
Segment liabilities	20,429	7,077	1,184	2,291	279	808	955	703	(2,638)	31,088
Segment equity	**2,187**	**665**	**1,033**	**1,217**	**76**	**407**	**2,396**	**1,054**	**5**	**9,040**

*Positive values of non-cash expenses represent reversal of impairment for trade receivables and fixed assets.

In millions of EUR

30 June 2021	Financial services	Telecommu-nications	Media	Real estate	Insurance	Mechanical engineering	Other	Unallocated	Eliminations	**Consolidated**
Revenue from external customers	1,648	1,609	302	87	30	281	25	6	-	3,988
Inter-segment revenue	9	4	2	1	-	-	1	28	(45)	-
Total revenue	**1,657**	**1,613**	**304**	**88**	**30**	**281**	**26**	**34**	**(45)**	**3,988**
Segment share of loss of associates/JVs	(6)	-	-	(5)	-	(1)	(103)	-	-	(115)
Net profit/(loss) for the period	**(146)**	**251**	**71**	**18**	**3**	**9**	**65**	**(65)**	**2**	**208**
Other significant non-cash expenses*	(729)	(47)	1	(1)	-	-	1	(55)	-	(830)
31 December 2021										
Segment assets	25,454	7,739	2,143	2,993	216	1,118	3,140	1,527	(2,144)	42,186
of which: equity-accounted investees	*51*	*1*	-	*80*	-	*42*	*1,446*	-	-	*1,620*
Segment liabilities	22,742	6,382	1,186	2,023	171	703	1,206	799	(2,154)	33,058
Segment equity	**2,712**	**1,357**	**957**	**970**	**45**	**415**	**1,934**	**728**	**10**	**9,128**

*Positive values of non-cash expenses represent reversal of impairment for trade receivables and fixed assets.

D.1. Financial services segment

The financial services segment is primarily represented by Home Credit Group (consumer lending) and PPF Banka (corporate banking). The Home Credit Group reports on one global consumer lending segment where all information about similar products, services, and customers is presented. This approach suits the global business strategy of having a similar approach to customers, a unique and unified product portfolio, as well as centralised processes that drive operational excellence. The Home Credit Group also presents additional information for revenue and net interest income based on the division of countries into four geographic clusters: China, the Commonwealth of Independent States, Southeast Asia, Central and Eastern Europe. The Home Credit Group operates in the following principal geographical areas: China, the Russian Federation (discontinued) the Czech Republic, Vietnam, Kazakhstan (only 2021 applies), Slovakia, India, Indonesia and the Philippines. The Russian and Kazakh Home Credit businesses and Air Bank operate under banking licences allowing for the collection of deposits.

On 16 June 2022, the Home Credit Group lost control over Bank Home Credit (Kazakhstan) while the control has been retained by PPF Financial Holdings Group (refer to B.2.1). Since the direct control was transferred to PPF Financial Holdings Group level, the operations of Bank Home Credit started to be directly managed from that level, accordingly. The CIS region comprised both Russia and Kazakhstan in the segment report presentation. As PPF Financial Holdings Group lost control over its Russian operations and the direct management of Kazakh operations changed, CIS region, in the segment report for the six-month period ending 30 June 2022, was split for the presentation purposes to both countries being presented separately, and the Kazakh operations are newly presented as Retail banking segment compared to its previous presentation under Consumer lending.

Therefore, in line with IFRS 8, the Group provides, for the financial statements' users, comparative data for both, the newly established segments structure and the previously original segments establishment.

Retail banking in Serbia comprises Mobi Banka, a Serbian bank not related to the Home Credit business.

The following tables show the main items from the financial statements broken down according to reportable segments for the six months ended 30 June 2022 and comparative figures for 2021:

In millions of EUR

30 June 2022	Consumer lending						Corporate banking	Retail banking	Retail banking	Unallocated	Eliminations	**Consolidated**
		China	*Russia (CIS part)* disc***	*SEA**	*CEE**	*Other*		*Serbia*	*Kazakhstan*			
Revenue from customers	1,164	244	258	474	188	-	215	11	123	5	-	1,518
Inter-segment revenue	7	-	1	-	6	-	20	-	-	14	(41)	-
Total revenue	**1,171**	**244**	**259**	**474**	**194**	**-**	**235**	**11**	**123**	**19**	**(41)**	**1,518**
Net interest income from external customers	703	130	133	319	135	(14)	103	5	81	(4)	-	888
Inter-segment net interest income	(26)	(1)	-	(10)	2	(17)	20	-	-	14	(8)	-
Total net interest income	**677**	**129**	**133**	**309**	**137**	**(31)**	**123**	**5**	**81**	**10**	**(8)**	**888**
Net profit/(loss) for the period	**(1,234)**						**56**	**-**	**30**	**(8)**	**(1)**	**(1,157)**
Other significant non-cash expenses	(351)						(8)	(1)	(7)	-	-	(367)
30 June 2022												
Segment assets	11,236						11,242	204	1,007	837	(1,910)	22,616
Segment liabilities	10,248						10,602	174	846	472	(1,913)	20,429
Segment equity	**988**						**640**	**30**	**161**	**365**	**3**	**2,187**

*CIS – Commonwealth of Independent States, SEA – South East Asia, CEE – Central and Eastern Europe
**Russia region (refer to the above paragraphs in this section) and its related operations are classified as discontinued as at 30 June 2022, segment reporting is presented as if there were no discontinued operations. The results from discontinued operations are presented in the separate note B.2.1.

In millions of EUR

30 June 2021	Consumer lending						Corporate banking	Retail banking	Retail banking	Unallocated	Eliminations	**Consolidated**
		China	*Russia (CIS part)* disc***	*SEA**	*CEE**	*Other*		*Serbia*	*Kazakhstan*			
Revenue from customers	1,490	725	238	405	122	-	49	9	105	4	-	1,657
Inter-segment revenue	-	-	-	-	-	-	20	-	-	12	(32)	-
Total revenue	**1,490**	**725**	**238**	**405**	**122**	**-**	**69**	**9**	**105**	**16**	**(32)**	**1,657**
Net interest income from external customers	954	460	141	277	92	(16)	30	5	62	-	-	1,051
Inter-segment net interest income	(34)	-	-	(14)	(4)	(16)	20	(1)	-	12	3	-
Total net interest income	**920**	**460**	**141**	**263**	**88**	**(32)**	**50**	**4**	**62**	**12**	**3**	**1,051**
Net profit/(loss) for the period	**(216)**						**36**	**(2)**	**34**	**-**	**2**	**(146)**
Other significant non-cash expenses	(728)						2	-	(2)	(2)	-	(730)
31 December 2021												
Segment assets	15,290						9,518	208	972	549	(1,083)	25,454
Segment liabilities	13,761						8,836	178	685	367	(1,085)	22,742
Segment equity	**1,529**						**682**	**30**	**287**	**182**	**2**	**2,712**

*CIS – Commonwealth of Independent States, SEA – South East Asia, CEE – Central and Eastern Europe (incl. Air Bank)
**Russia region (refer to the above paragraphs in this section) and its related operations are classified as discontinued as at 30 June 2022, segment reporting is presented as if there were no discontinued operations. The results from discontinued operations are presented in separate note B.2.1.

In millions of EUR

30 June 2021	Consumer lending							Corporate banking	Retail banking	Unallocated	Eliminations	**Consolidated**
		China	*Russia (CIS part)* disc***	*Kazakhstan (CIS part)**	*SEA**	*CEE**	*Other*					
Revenue from customers	1,595	725	238	105	405	122	-	49	9	4	-	1,657
Inter-segment revenue	-	-	-	-	-	-	-	20	-	12	(32)	-
Total revenue	**1,595**	**725**	**238**	**105**	**405**	**122**	**-**	**69**	**9**	**16**	**(32)**	**1,657**
Net interest income from external customers	1,016	460	141	62	277	92	(16)	30	5	-	-	1,051
Inter-segment net interest income	(34)	-	-	-	(14)	(4)	(16)	20	(1)	12	3	-
Total net interest income	**982**	**461**	**141**	**62**	**263**	**87**	**(32)**	**50**	**4**	**12**	**3**	**1,051**
Net profit/(loss) for the period	**(182)**							**36**	**(2)**	**-**	**2**	**(146)**
Other significant non-cash expenses	(729)							2	-	(2)	-	(729)
31 December 2021												
Segment assets	16,262							9,518	208	549	(1,083)	25,454
Segment liabilities	14,446							8,836	178	367	(1,085)	22,742
Segment equity	**1,816**							**682**	**30**	**182**	**2**	**2,712**

*CIS – Commonwealth of Independent States, SEA – South East Asia, CEE – Central and Eastern Europe (incl. Air Bank)
**Russia region (refer to the above paragraphs in this section) and its related operations are classified as discontinued as at 30 June 2022, segment reporting is presented as if there were no discontinued operations. The results from discontinued operations are presented in separate note B.2.1.

D.2. Telecommunication segment

The telecommunication segment is represented by O2 Czech Republic, O2 Slovakia, CETIN and Yettel.

In 2021, Telenor Serbia and Montenegro segment comprised two individual business units with a common management and business strategy. In December 2021, the 100% share in Telenor Montenegro was sold, refer to B.2.7.

On 1 March 2022, all Telenor entities within the Group were rebranded to Yettel.

In millions of EUR

30 June 2022	O2 Czech Republic	O2 Slovakia	Yettel Hungary	Yettel Bulgaria	Yettel Serbia	CETIN CZ	CETIN Hungary	CETIN Bulgaria	CETIN Serbia	Unallo-cated	Elimi-nations	**Consoli-dated**
Revenue from external customers	664	150	269	214	226	155	1	2	5	-	-	1,686
Inter-segment revenue	6	1	2	2	4	215	63	58	46	-	(397)	-
Total revenue	**670**	**151**	**271**	**216**	**230**	**370**	**64**	**60**	**51**	**-**	**(397)**	**1,686**
Operating profit excl. depr., amort. and impairments	**223**	**69**	**59**	**89**	**72**	**181**	**48**	**41**	**38**	**(3)**	**(5)**	**812**
Net profit/(loss) for the period	**105**	**14**	**8**	**58**	**33**	**49**	**24**	**21**	**18**	**31**	**(2)**	**359**
Capital expenditure	30	42	165	13	14	89	39	25	13	-	(14)	416
Depreciation and amortisation	(81)	(42)	(32)	(20)	(24)	(109)	(17)	(18)	(15)	(1)	4	(355)
Other significant non-cash expenses	(12)	(4)	(4)	(6)	(10)	(1)	(2)	-	-	-	-	(39)
30 June 2022												
Segment assets	2,231	578	801	531	611	2,470	424	340	359	1,532	(2,135)	7,742
Segment liabilities	934	290	343	177	108	1,587	168	108	84	5,410	(2,132)	7,077
Segment equity	**1,297**	**288**	**458**	**354**	**503**	**883**	**256**	**232**	**275**	**(3,878)**	**(3)**	**665**

In millions of EUR

30 June 2021	O2 Czech Republic	O2 Slovakia	Telenor Hungary	Telenor Bulgaria	Telenor Serbia & MNE	CETIN CZ	CETIN Hungary	CETIN Bulgaria	CETIN Serbia	Unallo-cated	Elimi-nations	**Consoli-dated**
Revenue from external customers	625	148	259	203	221	150	2	1	4	-	-	1,613
Inter-segment revenue	4	2	3	2	4	193	61	53	45	-	(367)	-
Total revenue	**629**	**150**	**262**	**205**	**225**	**343**	**63**	**54**	**49**	**-**	**(367)**	**1,613**
Operating profit excl. depr., amort. and impairments	**195**	**67**	**67**	**64**	**71**	**170**	**49**	**39**	**39**	**-**	**(2)**	**759**
Net profit/(loss) for the period	**67**	**21**	**20**	**33**	**29**	**48**	**27**	**19**	**19**	**(36)**	**4**	**251**
Capital expenditure	23	16	8	33	10	67	14	14	7	-	-	192
Depreciation and amortisation	(85)	(32)	(35)	(21)	(29)	(101)	(15)	(17)	(16)	-	4	(346)
Other significant non-cash expenses	(23)	(5)	(5)	(6)	(7)	(1)	-	-	-	-	-	(47)
31 December 2021												
Segment assets	1,937	576	710	500	564	2,483	424	324	357	990	(1,126)	7,739
Segment liabilities	920	301	204	115	95	1,578	135	96	78	3,740	(880)	6,382
Segment equity	**1,017**	**275**	**506**	**385**	**469**	**905**	**289**	**228**	**279**	**(2,750)**	**(246)**	**1,357**

E. Notes to the condensed consolidated financial statements

In this whole section E in the disclosures to the condensed consolidated interim statement of financial position and to off-balance sheet items, the comparative figures as at 31 December 2021 have been restated, and include also the balances of CEE region classified previously as held-for-sale in the most recent annual consolidated financial statements for the year ended 31 December 2021 (for more details refer to A.7, A.11 and B.2.2).

Additionally, due to the discontinuance of operations in the Russian region (refer to A.8 and B.2.1), in this whole section E in the disclosures to the condensed consolidated interim statement of income, the comparative figures for the six-month period ended 30 June 2021 have been restated not to reflect the financial services segment Russian region expenses, losses, revenues or income in the Group's comparative figures as they were presented in the most recent condensed consolidated interim financial statements for the six months ended 30 June 2021.

E.1. Cash and cash equivalents

Cash and cash equivalents comprise the following:

In millions of EUR

	30 June 2022	31 December 2021
Cash on hand	127	150
Current accounts	949	981
Balances with central banks	193	351
Reverse repo operations with central banks	5,964	6,034
Placements with financial institutions due within one month	89	88
Total cash and cash equivalents	**7,322**	**7,604**

As at 30 June 2022, current accounts comprise EUR 101 million (2021: EUR 145 million) which is to a certain extent restricted to its use. The restricted cash is mostly reported by Chinese Home Credit. The use of the cash is restricted by the borrowing agreements with the creditors in China to i) disbursement of loans to retail clients or ii) repayment of the loans received from the creditors, respectively.

There are no other restrictions on the availability of cash and cash equivalents.

E.2. Investment securities and derivatives

Investment securities and derivatives comprise the following:

In millions of EUR

	30 June 2022	31 December 2021
Financial assets at FVTPL*	1,960	1,622
Financial assets at AC	1,719	1,630
Amortised cost	1,853	1,714
FV hedge adjustment	(134)	(84)
Financial assets at FVOCI	2,435	1,654
Total investment securities and derivatives	**6,114**	**4,906**

*incl. derivatives

E.2.1. Financial assets at FVTPL

Financial assets at FVTPL comprise the following:

In millions of EUR

	30 June 2022	31 December 2021
Government and other public-sector bonds*	437	384
Reverse repo operations*	119	435
Corporate bonds*	1	3
Shares	65	72
Loans and receivables	7	14
Positive fair value of trading derivatives	1,145	603
Positive fair values of hedging derivatives	178	107
Other**	8	4
Total financial assets at FVTPL	**1,960**	**1,622**

*held for trading
**incl. corporate bonds not held for trading

E.2.2. Financial assets at AC

Financial assets at AC (excl. FV hedge adjustment – refer to E.2) comprise the following:

In millions of EUR, as at 30 June 2022

	Gross amount	Amortised cost
Government bonds	1,852	1,852
Corporate bonds	1	1
Total financial assets at AC	**1,853**	**1,853**

In millions of EUR, as at 31 December 2021

	Gross amount	Amortised cost
Government bonds	1,685	1,685
Corporate bonds	29	29
Total financial assets at AC	**1,714**	**1,714**

E.2.3. Financial assets at FVOCI

Financial assets at FVOCI comprise the following:

In millions of EUR

	30 June 2022	31 December 2021
Debt securities	2,105	1,211
Government bonds	1,713	783
Corporate bonds	392	428
Equity securities - shares	330	443
Total financial assets at FVOCI	**2,435**	**1,654**

All equity securities represent investments in publicly traded shares measured at fair value of Level 1. The tables below show details on the Group's most significant share investments at FVOCI:

In millions of EUR

Company name	30 June 2022	31 December 2021
Polymetal	33	247
Allegro.eu	90	-
Autolus Therapeutics PLC	40	67
Cohn Robbins Holdings Corp.	37	-
Kontron AG *(formerly S&T AG)*	47	43
Other	83	86
Total equity securities - shares (at FVOCI)	**330**	**443**

Net revaluation gains and losses from these share investments recognised through other comprehensive income for the six-month period were as follows:

In millions of EUR, for the six months ended 30 June

	2022	2021
Polymetal	(214)	(8)
Allegro.eu	(27)	-
Autolus Therapeutics PLC	(27)	(25)
Kontron AG *(formerly S&T AG)*	(2)	-
Other	(13)	31
Total net revaluation gains/(losses) in OCI	**(283)**	**(2)**

E.3. Loans and receivables due from banks and other financial institutions

Loans and receivables due from banks and other financial institutions comprise the following:

In millions of EUR

	30 June 2022	31 December 2021
Gross amount	441	835
Allowance for impairment	-	-
Total carrying amount	**441**	**835**
Term deposits at banks	61	45
Minimum reserve deposits with central banks	146	175
Loans to banks	26	27
Loans and advances provided under reverse repos	-	448
Cash collateral for derivative instruments	206	140
Other	2	-

The minimum reserve deposits are mandatory non-interest-bearing deposits with restricted withdrawals, maintained in accordance with regulations issued by central banks in countries in which the Group's banking entities operate.

During the six-month period ending 30 June 2022, the decrease in loans and advances provided under reverse repos was caused by the disposal of Home Credit and Finance Bank LLC (refer to B.2.1).

E.4. Loans due from customers

Loans due from customers comprise the following items:

In millions of EUR

	30 June 2022	31 December 2021
Loans due from customers – retail		
Gross amount	7,768	10,955
Allowance for impairment	(807)	(1,108)
Loans due from customers – retail (carrying amounts)	**6,961**	**9,847**
Loans due from customers – non-retail		
Gross amount	2,080	2,002
Allowance for impairment	(165)	(125)
Loans due from customers – non-retail (carrying amounts)*	**1,915**	**1,877**
Total loans due from customers (carrying amounts)	**8,887**	**11,732**

*excl. loans and advances provided under reverse repo operations and other

In millions of EUR

	30 June 2022	31 December 2021
Cash loans	4,654	6,895
Consumer loans	1,029	1,433
Revolving loans	523	866
Mortgage loans	555	474
Car loans	200	179
Loans due from customers – retail (carrying amounts)	**6,961**	**9,847**
Loans to corporations	1,818	1,766
Loans to equity-accounted investees	97	111
Other	11	8
Loans due from customers – non-retail (carrying amounts)	**1,926**	**1,885**
Total loans due from customers (carrying amounts)	**8,887**	**11,732**

E.5. Trade and other receivables, contract balances

Trade and other receivables and contract assets comprise the following:

In millions of EUR

	30 June 2022	31 December 2021
Gross amount	1,300	1,294
Trade receivables	1,243	1,227
Accrued income	57	67
Individual loss allowance	(151)	(145)
Total trade and other receivables	**1,149**	**1,149**
Gross amount	274	261
Individual loss allowance	(1)	(1)
Total contract assets	**273**	**260**

Contract assets and contract 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

	30 June 2022	31 December 2021
Receivables, which are included in trade and other receivables	**1,057**	**1,027**
Contract assets	**273**	**260**
out of which:		
Contract assets (mechanical engineering)	211	119
Contract assets (telecommunication)	62	64
Contract assets (real estate) (refer to B.2.5.1)	-	77
Contract liabilities	**(440)**	**(409)**
out of which:		
Contract liabilities (mechanical engineering)	(264)	(225)
Contract liabilities (telecommunication)	(95)	(103)
Contract liabilities (leisure)	(81)	(79)
Contract liabilities (real estate)	-	(2)

E.6. Inventories and programming assets

Inventories comprise the following:

In millions of EUR

	30 June 2022	31 December 2021
Mechanical engineering inventories	255	193
Goods/merchandise for resale	114	88
Trading property (refer to B.2.5.1)	-	59
Agricultural inventories (refer to B.2.5.2)	-	7
Total inventories	**369**	**347**

The carrying amounts of inventories comprise impairment allowance of EUR 31 million (2021: EUR 29 million) and represent notably an allowance for mechanical engineering categories and slow-moving and damaged items.

Programming assets comprise the following:

In millions of EUR

	30 June 2022	31 December 2021
Acquired programming rights	80	72
Produced programming rights	102	83
Released	64	48
Completed but not transmitted	3	6
In the course of production	35	29
Prepayments on acquired programming rights, other programming assets	38	49
Total programming assets	**220**	**204**

Programming assets relate solely to Group's media business, represented by the CME group. The balance contains acquired licenses from third parties, own production and related prepayments.

E.7. Assets held for sale

As at 30 June 2022, assets held for sale represent mainly the remaining shares with significant influence in Home Credit and Finance Bank LLC, Home Credit Insurance LLC, and in MCC Kupi ne kopi LLC totalling EUR 149 million (refer to B.2.1 for detail). As at 31 December 2021, the balance represented an investment property item of EUR 42 million under ISK Klokovo LLC real estate project which was sold in March 2022 (refer to B.2.5.1 for detail), and carrying amount Mall Group associate part of EUR 7 million (refer to E.8 below and B.3.4).

E.8. Equity-accounted investees

The following table shows the breakdown of individual equity-accounted investees (comprising associates and joint-ventures):

In millions of EUR

	30 June 2022	31 December 2021
LEAG*	887	909
Moneta	459	472
Metropolis (Russia)	62	56
Heureka Group	26	26
ClearBank	62	40
Temsa*	22	24
Vivantis and Mallpay	24	15
Other	49	78
Total equity-accounted investees	**1,591**	**1,620**

*a joint-venture

The following table shows the breakdown of the share of earnings of equity-accounted investees:

In millions of EUR, for the six months ended 30 June

	2022	2021
LEAG*	264	(105)
Moneta	28	10
Metropolis (Russia)	(67)	(3)
Heureka Group	1	3
ClearBank	(5)	(9)
Temsa*	-	(3)
Mall Group (refer to B.3.4)**	-	(11)
Other	(12)	-
Total share of profit/(loss) in equity-accounted investees	**209**	**(118)**

*a joint-venture
**For the six-month period ended 30 June 2022, share on results of Vivantis and Mallpay only.

The difference between the total investment and the Group's share in equity comprises goodwill.

LEAG

Since October 2016, the Group holds a 50% stake in LEAG, a German group of entities dealing with the extraction, processing, refining and sale of lignite, and the generation of electricity and heat. LEAG operates mines, power plants and a refining plant. The following table shows LEAG's performance:

In millions of EUR

	30 June 2022	31 December 2021
Percentage ownership interest (direct)	**50.00%**	**50.00%**
Non-current assets	2,212	2,549
Current assets	10,785	9,451
Non-current liabilities	(4,239)	(4,126)
Current liabilities	(6,985)	(6,057)
Net assets (100%)	1,773	1,817
Carrying amount of investment in JV (50.00%)	**887**	**909**
	30 June 2022	30 June 2021
Total net profit/(loss) for the period (100%)	528	(210)
Group's share on profit/(loss) (50.00%)	**264**	**(105)**
Total other comprehensive income/(expense) for the period (100%)	(230)	858
Group's share on other comprehensive income/(expense) (50%)	**(115)**	**429**
Total impact of initial application of IAS 37 amendments (100%)*	(346)	-
Group's share on impact of initial application of IAS 37 amendments (50%)*	(173)	-

*refer to the condensed consolidated interim statement of changes in equity and F.1.2

Other comprehensive income comprises a cash flow hedge effect related to the forward contracts for CO_2 emission rights. The hedging instruments are commodity derivatives designed to hedge the purchase price for future purchases of emission rights.

The other comprehensive result in 2022 and 2021, as well as profit or loss, follows the development of emission rights market prices. For the cumulated hedging reserve refer to E.21.4.

Moneta

During 2021, the Group gradually acquired as 29.94% stake in MONETA Money Bank (refer to B.2.2. for further details of the acquisition). The following table presents Moneta's performance:

In millions of EUR

	30 June 2022	31 December 2021
Percentage ownership interest	**29.94%**	**29.94%**
Total assets*	14,959	13,833
Total liabilities*	(13,697)	(12,527)
Net assets (100%)	1,262	1,306
Group's share of net assets (29.94%)	378	391
Goodwill included in carrying amount of the investment	81	81
Carrying amount of investment in associate (29.94%)	**459**	**472**
	30 June 2022	30 June 2021
Total net profit for the period (100%)**	94	32
Group's share on profit (29.94%)	**28**	**10**
Total other comprehensive income for the period (100%)	-	-
Group's share on other comprehensive income (29.94%)	**-**	**-**

*Being a bank, it does not report assets and liabilities in division between current and non-current parts.
**from the acquisition of significant influence on 16 April 2021 to 30 June 2021.

Metropolis (Russia)

In July 2015, the Group acquired a 49.99% stake in entities holding two up-and-running Moscow office buildings. In 2022, due to the positive development of rouble exchange rate, the project made a revaluation loss compensated by a translation gain (100%) of EUR 144 million (first half of 2021: positive development of rouble exchange rate revaluation loss compensated by a translation gain of EUR 16 million), recorded directly in equity.

In millions of EUR

	30 June 2022	31 December 2021
Percentage ownership interest	**49.99%**	**49.99%**
Non-current assets	384	355
Current assets	20	19
Non-current liabilities	(257)	(248)
Current liabilities	(23)	(14)
Net assets (100%)	124	112
Carrying amount of investment in associate (49.99%)	**62**	**56**
	30 June 2022	30 June 2021
Total net loss for the period (100%)	(133)	(7)
Group's share on loss (49.99%)	**(67)**	**(3)**
Total other comprehensive income for the period (100%)	144	16
Group's share on other comprehensive income (49.99%)	**72**	**8**

Mall Group

In October 2017, the Group acquired a 40% stake in Mall Group a.s. The investment comprised Mall Group and Heureka, representing an e-commerce platform in Central and Eastern Europe and a comparison-shopping platform in the Czech Republic and Slovakia. Mall and Heureka subsequently demerged into discreet subgroups. In April 2022, the Group sold its share in Mall Group (refer to B.3.4), which was an eventual result of a transaction signed during 2021, so the related part of the carrying amount of this equity-accounted investee was presented under assets held for sale. As at 30 June 2022 and 31 December 2021, the Group, within the item Mall Group equity-accounted investee, presents its share on net assets of Vivantis and Mallpay, which have been transferred from Mall Group, i.e., only the part of Mall Group disposed in April 2022 was classified as held for sale as at 31 December 2021 in these condensed consolidated interim financial statements and these disclosures.

The following table presents the performance of Mall Group:

In millions of EUR

	31 December 2021
Percentage ownership interest	**40.00%**
Non-current assets	108
Current assets	234
Non-current liabilities	(36)
Current liabilities	(251)
Net assets (100%)	55
Carrying amount of investment in associate (40%)*	**22**
	30 June 2021
Total net loss for the period (100%)	(28)
Group's share on loss (40%)	**(11)**

*of which Mall pay and Vivantis represent EUR 15 million. Those remaining EUR 7 million relating to the held-for-sale part were sold during April 2022.

Heureka Group

The following table presents the performance of Heureka Group:

In millions of EUR

	30 June 2022	31 December 2021
Percentage ownership interest	**40.00%**	**40.00%**
Non-current assets	36	30
Current assets	25	36
Non-current liabilities	(201)	(200)
Current liabilities	(19)	(24)
Net assets (100%)	(159)	(158)
Group's share of net assets (40%)	(63)	(63)
Goodwill included in carrying amount	90	89
Carrying amount of investment in associate (40%)	**26**	**26**
	30 June 2022	30 June 2021
Total net profit for the period (100%)	2	7
Group's share on profit for the period (40%)	**1**	**3**

ClearBank

ClearBank is a UK bank that has been providing clearing and settlement services since 2017.

The following table shows the bank's performance:

In millions of EUR

	30 June 2022	31 December 2021
Non-current assets	33	33
Current assets	3,651	3,265
Current liabilities	(3,607)	(3,214)
Net assets (100%)	77	84
Group's share of net assets (48.41%; 2021: 44.78%)	37	38
Goodwill included in carrying amount	25	2
Carrying amount of investment in associate	**62**	**40**
	30 June 2022	30 June 2021
Total net loss for the six-month period (100%)	(11)	(18)
Group's share on the net loss (48.41%; 2021: 41.1%)	(5)	(8)
Dilution loss	-	(1)
Total share on loss for the six-month period (48.41%; 2021 41.1%)	**(5)**	**(9)**

Temsa

In October 2020, the Group acquired a 50% stake in Temsa Ulasim Araclari Sanayi ve Ticaret A.S. Temsa is a Turkish bus manufacturer with its subsidiaries in Germany, France and USA responsible for sales and marketing activities.

The following table presents the performance of TEMSA:

In millions of EUR

	30 June 2022	31 December 2021
Percentage ownership interest	**50.00%**	**50.00%**
Non-current assets	77	79
Current assets	138	110
Non-current liabilities	(73)	(81)
Current liabilities	(98)	(60)
Net assets (100%)	44	48
Carrying amount of investment in JV (50%)	**22**	**24**
	30 June 2022	30 June 2021
Total net loss for the period (100%)	-	(5)
Group's share on the loss for the period (50%)	**-**	**(3)**

E.9. Investment property

Investment property comprises projects located in the Russian Federation, the USA, the Netherlands, the UK, the Czech Republic, Romania, Poland, and Germany, and consist mainly of completed and rented office premises, buildings, warehouses and shopping malls.

The following table shows the breakdown of investment property by category and country:

In millions of EUR, as at 30 June 2022

	Russia	USA	Netherlands	UK	Czech Republic	Romania	Poland	Germany	Total
Office	736	437	327	127	95	94	94	32	1,942
Warehouse	543	-	-	-	-	-	-	-	543
Retail	391	-	24	-	-	-	-	-	415
Residential	1	13	-	29	24	-	-	-	67
Land plot	18	-	-	-	7	10	-	-	35
Total investment property	**1,689**	**450**	**351**	**156**	**126**	**104**	**94**	**32**	**3,002**

In millions of EUR, as at 31 December 2021

	Russia	USA	Netherlands	UK	Czech Republic	Romania	Poland	Germany	Total
Office	503	407	366	129	95	94	76	32	1,702
Warehouse	339	-	-	-	-	-	-	-	339
Retail	260	-	25	-	-	-	-	-	285
Residential	1	-	-	29	19	-	-	-	49
Land plot	30	-	-	-	7	-	-	-	37
Other	1	-	-	-	-	-	-	-	1
Total investment property	**1,134**	**407**	**391**	**158**	**121**	**94**	**76**	**32**	**2,413**

The following table shows the roll-forward of investment property:

In millions of EUR, for the six months ended 30 June/twelve months ended 31 December

	2022	2021
Balance as at 1 January	2,413	1,791
Disposals resulting from business combination (refer to B.2.5.1)	(15)	(4)
Additions - direct acquisition through asset deal	22	462
Additions - capitalised costs	44	71
Disposals	-	(16)
Transfers to assets held for sale	(2)	(43)
Transfer (to)/from property, plant & equipment (refer to B.2.4)	(40)	-
Unrealised gains from investment property	30	74
Unrealised losses from investment property	(99)	(32)
Other changes	(3)	-
Effect of movements in exchange rates	652	110
Total balance as at 30 June 2022/31 December 2021	**3,002**	**2,413**

For the first half of 2022, the significant effect of movement in exchange rates amounting to EUR 652 million increasing the EUR carrying amount of the Group's investment properties results primarily from the significant appreciation of rouble against euro between 31 December 2021 and 30 June 2022, which contributed to the total effect with EUR 577 million.

The most significant transaction in the real estate segment in 2021 were as follows:

- an acquisition of up and running office complex Mansell Overlook near Atlanta (USA) in March 2021;
- an acquisition of up and running office complex South Park Center in Orlando (USA) in December 2021;
- an acquisition of up and running office building New City in Warsaw (Poland) in December 2021.

E.10. Property, plant and equipment

Property, plant and equipment (excl. right-of-use assets) comprise the following:

In millions of EUR

30 June 2022	Land and buildings	Ducts, cables and related plant	Telecom technology and related equipment	Other tangible assets and equipment	Construction in progress	**Total**
Cost	1,090	1,955	1,489	801	305	5,640
Accumulated depreciation and impairment	(268)	(657)	(821)	(452)	(9)	(2,207)
Total PPE	**822**	**1,298**	**668**	**349**	**296**	**3,433**

In millions of EUR

31 December 2021	Land and buildings	Ducts, cables and related plant	Telecom technology and related equipment	Other tangible assets and equipment	Construction in progress	**Total**
Cost	1,088	1,923	1,418	847	254	5,530
Accumulated depreciation and impairment	(264)	(614)	(728)	(469)	(8)	(2,083)
Total PPE	**824**	**1,309**	**690**	**378**	**246**	**3,447**

As at 30 June 2022, carrying amount of right-of-use assets amounted to EUR 684 million (31 December 2021: EUR 720 million).

E.11. Intangible assets and goodwill

E.11.1. Goodwill

The following table shows the roll-forward of goodwill:

In millions of EUR, for the six months ended 30 June/twelve months ended 31 December

	2022	2021
Balance as at 1 January	2,984	2,955
Additions resulting from business combinations (refer to B.2)	27	38
Disposals resulting from business combinations (refer to B.2.7)	-	(42)
Impairment losses recognised	-	(16)
Effect of movements in exchange rates	(20)	49
Total balance as at 30 June/31 December 2021	**2,991**	**2,984**

Goodwill is allocated to individual CGUs as follows:

In millions of EUR

	30 June 2022	31 December 2021
O2 CR – Czech operations	412	408
O2 CR – Slovak operations	40	40
CETIN Czech Republic	114	114
CETIN Hungary	171	184
CETIN Bulgaria	104	104
CETIN Serbia	188	188
Yettel Hungary*	174	188
Yettel Bulgaria*	118	118
Yettel Serbia*	183	183
CME – Bulgaria	58	58
CME – Czech Republic	669	666
CME – Romania	365	365
CME – Slovak Republic	201	201
CME – Slovenia	90	90
CME – Croatia (refer to B.2.3)	23	-
Other	81	77
Total goodwill**	**2,991**	**2,984**

*On 1 March 2022 rebranded from Telenor to Yettel.
**Changes in value of goodwill are primarily affected by changes in FX rates.

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

E.11.2. Intangible assets

Intangible assets comprise the following:

In millions of EUR

30 June 2022	Software	Licences	Customer relationships	IPRD	Trade-marks	Other intangible assets	Work in progress	Total
Cost	1,512	1,081	1,288	89	532	232	99	4,833
Accumulated amortisation and impairment	(1,015)	(389)	(699)	(44)	(176)	(100)	(5)	(2,428)
Total intangible assets	**497**	**692**	**589**	**45**	**356**	**132**	**94**	**2,405**

In millions of EUR

31 December 2021	Software	Licences	Customer relationships	IPRD	Trade-marks	Other intangible assets	Work in progress	**Total**
Cost	1,558	954	1,300	88	566	200	155	4,821
Accumulated amortisation and impairment	(1,001)	(428)	(648)	(41)	(213)	(72)	(5)	(2,408)
Total intangible assets	**557**	**526**	**652**	**47**	**353**	**128**	**150**	**2,413**

E.12. Other assets

Other assets comprise the following:

In millions of EUR

	30 June 2022	31 December 2021
Prepaid expenses and advances	218	192
Cost to obtain or fulfil the contract	81	72
Other tax receivables	32	57
Specific deposits and other specific receivables	32	47
Cash collateral for payment cards	58	78
Receivables from sale of shares in subsidiaries, associates and JVs	62	13
Other settlements accounts	33	23
Biological assets (refer to B.2.5.2)	-	5
Insurance related other assets	5	4
Other	52	84
Subtotal other assets (gross)	**573**	**575**
Individual allowances for impairment	(51)	(5)
Total other assets (net)	**522**	**570**

E.13. Financial liabilities at FVTPL

Financial liabilities at FVTPL comprise the following:

In millions of EUR

	30 June 2022	31 December 2021
Negative fair values of trading derivatives	1,130	629
Negative fair values of hedging derivatives	-	6
Liabilities from short sales of securities	256	411
Other	148	34
Total financial liabilities at FVTPL	**1,534**	**1,080**

E.14. Liabilities to non-banks

Liabilities to non-banks comprise the following:

In millions of EUR

	30 June 2022	31 December 2021
Current accounts and demand deposits	8,055	8,210
Term deposits	1,580	2,382
Loans received under repo operations	1,257	2,065
Loans	25	17
Collateral deposits for derivatives	24	5
Other	-	1
Total liabilities to non-banks	**10,941**	**12,680**

The table shows the liabilities owed to corporate and individual clients of the Group, the bulk of which relates to the banking business of PPF banka, Air Bank and Home Credit and Finance Bank (Home Credit and Finance Bank in 2021 only).

During the six-month period ending 30 June 2022, the decrease in term deposits was caused by the disposal of Home Credit and Finance Bank LLC (refer to B.2.1).

E.15. Liabilities to banks and other financial institutions

Liabilities to banks and other financial institutions comprise the following:

In millions of EUR

	30 June 2022	31 December 2021
Secured loans (other than repos)	5,723	6,325
Unsecured loans	2,432	3,290
Loans received under repos	938	1,590
Collateral deposits for derivatives	236	130
Repayable on demand	9	-
Other	46	18
Total liabilities to banks	**9,384**	**11,353**

Secured loans include the following significant loan facilities related to the acquisition of CME group:

In October 2019, TV Bidco B.V. consolidating the media segment entered into a senior facilities agreement with a syndicate of banks and in October 2020 utilised a secured term loan facility amounting to EUR 1,100 million to fund the merger with CME and refinance CME's existing indebtedness. The actual amount of outstanding secured loan liabilities stated in the above table is lower by unamortised facility and legal fees directly attributable to the origination of the loan facilities. These fees were capitalised and are amortised to finance costs using the effective interest rate method. With effect on 11 May 2022, CME Media Enterprises B.V. merged with CME Investments B.V. and TV Bidco B.V. and, as the surviving entity, became the guarantor of this senior facilities agreement.

The remainder of 30 June 2022 and 31 December 2021 balances of secured loans represent a higher number of various loans mostly from financial services and real estate segments.

Unsecured loans include the following significant loans facilities related to telecommunication business:

CETIN Group N.V., PPF Telecom Group B.V.'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 April 2022, CETIN Group N.V. issued senior notes with the total nominal amount of EUR 500 million with maturity in 2027 and used the proceeds to prepay the bridge (in full) and term loans. Consequently, the outstanding principal amounts of the loans as at 30 June 2022 were EUR 511 million for the term loan and EUR 444 million for the incremental term loan. The actual amount of outstanding secured loan liabilities stated in the above table is lower by unamortised facility and legal fees directly attributable to the origination of the loan facilities. These fees were capitalised and are amortised to finance costs using the effective interest rate method. As at 30 June 2022 and 31 December 2021, a committed revolving facility of EUR 200 million was undrawn.

As at 30 June 2022 and 31 December 2021, the Group complied with the financial covenants imposed by its loans facilities.

E.16. Debt securities issued

Debt securities issued are unsecured and relate to bonds issued, certificates of deposit, asset-backed security issues and promissory notes except for subordinated items.

The maturities of the debt securities are as follows:

In millions of EUR

	30 June 2022	31 December 2021
Fixed rate debt securities	**3,675**	**3,426**
Within 1 year	494	401
1-2 years	1,003	504
2-3 years	625	754
3-4 years	551	617
4-5 years	495	651
More than 5 years	507	499
Variable rate debt securities	**69**	**115**
Within 1 year	64	70
1-2 years	5	45
Total debt securities issued	**3,744**	**3,541**

E.17. Subordinated liabilities

Subordinated liabilities comprise the following:

In millions of EUR

	Interest rate	Maturity	30 June 2022	31 December 2021
Bond issue of CZK 4,000 million	Variable	2027	157	158
Bond issue of EUR 92 million	Variable	2028	17	17
Bond issue of EUR 80 million	Fixed	2031	14	14
Bond issue of CZK 290 million	Variable	2029	12	11
Total subordinated liabilities			**200**	**200**

The bond issue of CZK 4,000 million was issued in December 2017. The interest rate was determined as a fixed rate for the first two years and subsequently, in 2020, in accordance with the contractual terms, it was changed to a floating rate (variable). The Group has an early redemption option exercisable on or after 18 December 2022.

The bond issue of EUR 92 million was issued in September 2018. The bonds bear a variable coupon rate of 6M EURIBOR + 2.95 p.a., but until September 2021 they bore a fixed coupon rate of 3.6% p.a. Their final maturity is in September 2028. The Company has an early redemption option exercisable in September 2023. Most of the bond issue made by a subsidiary was acquired by the Parent Company during 2021.

The bond issue of EUR 80 million was issued in July 2021. The bonds bear a fixed coupon rate of 3.6% p.a., and their final maturity is in July 2031. The Group has an early redemption option exercisable in July 2026. As at 30 June 2022, the significant part of the issue is held by the Parent.

The bond issue of CZK 290 million was issued in October 2019. The bonds bear a variable coupon rate of 12M PRIBOR + 4.87% p.a., and their final maturity is in October 2029. The Group has and early redemption option exercisable in February 2025.

E.18. Trade and other payables

Trade and other payables comprise the following:

In millions of EUR

	30 June 2022	31 December 2021
Settlements with suppliers	915	942
Wages and salaries	160	194
Social security and health insurance	35	40
Other taxes payable	107	91
Lease liabilities	664	707
Accrued expenses	218	253
Deferred income	104	89
Advance received	49	43
Customer loan overpayments	135	144
Financial settlement and other similar accounts	63	16
Deferred payment for acquisition of Yettel *(formerly Telenor)*	103	104
Liabilities from acquisitions of subsidiaries or equity-accounted investees	9	-
Payables arising out of insurance operations	5	3
Programming related liabilities - media	69	56
Other	106	82
Total trade and other payables	**2,742**	**2,764**

E.19. Provisions

Provisions comprise the following:

In millions of EUR

	30 June 2022	31 December 2021
Insurance provisions	269	196
Provisions for asset retirement obligations	50	51
Warranty provisions	32	29
Provisions for litigation except for tax-related litigations	19	20
Provisions for onerous contracts	8	9
Other provisions	53	85
Provisions for insurance commissions return	1	11
Provisions for restructuring	3	4
Provisions for expected credit losses from loan commitments and financial guarantees	6	3
Other	43	67
Total provisions	**431**	**390**

E.19.1. Insurance provisions

Insurance provisions comprise the following:

In millions of EUR

	30 June 2022	31 December 2021
Non-life insurance provisions*	-	33
Provisions for unearned premiums	-	32
Provisions for outstanding claims	-	1
RBNS provisions	-	1
Life insurance provisions	269	163
Provisions for outstanding claims	7	3
Mathematical provisions	247	150
Provisions for profit participation allocated to policyholders	14	9
Other insurance provisions	1	1
Total insurance provisions	**269**	**196**

*Non-life insurance provisions were disposed with the loss control over HC Ins in May 2022 (refer to B.2.1).

E.20. Issued capital and share premium

Issued capital represents 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 shareholder resolution.

The following table provides details of authorised and issued shares:

	30 June 2022	31 December 2021
Number of shares authorised	2,500,000	250,000
Number of shares issued and fully paid	624,010	62,401
Par value per share	EUR 1	EUR 10

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the Parent Company.

During the first half of 2022, the Parent Company diluted the par value per share in 10 to 1 ratio.

As of 30 June 2022, share premium representing the excess received by the Parent Company over the par value of its share amounted to EUR 677 million (31 December 2021: EUR 677 million).

E.21. Other reserves and retained earnings

E.21.1. Retained earnings

Retained earnings include legal and statutory reserves representing reserves, the creation and use of which is limited by legislation and the articles of association of each company within the Group and that are not available for distribution to shareholders. As at 30 June 2022, these non-distributable reserves to shareholders totalled EUR 110 million (2021: EUR 110 million).

E.21.2. Revaluation reserve

The revaluation reserve represents the changes, net of deferred tax, in the fair value of financial assets at FVOCI. The revaluation reserve is not available for distribution to shareholders.

E.21.3. 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 shareholders. During the six months ended 30 June 2022, a significant balance of accumulated translation losses totalling EUR 535 million was reclassified to profit or loss with the Group's loss of control over the Russian operations (refer to B.2.1 and B.2.5).

E.21.4. Hedging reserve

The hedging reserve represents mainly a cash flow hedge effect related to the forward contracts for CO_2 emission rights recognised in other comprehensive income by the Group's joint venture LEAG. The hedging instruments are commodity derivatives designed to hedge the purchase price for future purchases of emission rights. For the period ending 30 June 2022, the Group recognised its share on the loss in other comprehensive income amounting to EUR 128 million (30 June 2021: a gain of EUR 430 million).

E.21.5. Reserve for puttable instruments

The reserve for puttable instruments represents the equity impact at initial recognition of the conditional commitment to acquire NCI's share of EUR 1,411 million in March 2022, and subsequent accumulated changes in its net present value resulting in a carrying amount of the reserve of negative EUR 983 million. For more details refer to B.3.3.

E.21.6. Other reserves

As at 31 December 2021, other reserves comprised primarily a balance EUR 181 million of AT1 subordinated bonds issued by one of Home Credit subgroup's subsidiaries. AT1 bonds represented perpetual subordinated loan participation notes with a nominal value of USD 200 million. The notes were non-callable for the first 5 years and 3 months and bore a discretionary fixed interest rate of 8.8% p.a. payable quarterly until 7 February 2025. Balance related to AT1 subordinated bonds was not available for distribution to the shareholders. AT1 subordinated bonds were disposed with the Group's loss of control over the Russian operations during the first half of 2022 (refer to B.2.1).

E.22. Non-controlling interests

The following subsidiaries of the Group have material non-controlling interests:

Name of subsidiary	Abbr.	Applicable	Country of incorporation
Home Credit Group B.V. (subgroup)	HC	2022/2021	Netherlands
PPF banka, a.s. (subgroup)	PPFB	2022/2021	Czech Republic
Bank Home Credit SB JSC	HC KZ	2022	Kazakhstan
O2 Czech Republic a.s. (subgroup)	O2 CZ	2022/2021	Czech Republic
TMT Hungary B.V. (subgroup)	TMT	2022/2021	Netherlands
CETIN Group N.V. (subgroup)	CETIN	2022	Netherlands
TMT Hungary Infra B.V. (subgroup)	TMT Infra	2022/2021	Netherlands
Velthemia Ltd. (subgroup)	VELT	2022/2021	Cyprus
Skoda B.V. (subgroup)	MECH	2022/2021	Netherlands

The following table summarises the information relating to these subsidiaries:

In millions of EUR

As at 30 June 2022	HC	PPFB	HC KZ	O2 CZ*	TMT	CETIN**	TMT Infra***	VELT	MECH	Other	Total
NCI percentage (effective ownership)	**8.88%**	**7.04%**	**13.72%**	**-%**	**25.00%**	**30.00%**	**47.50%**	**39.93%**	**14.30%**		
Total assets	11,236	11,242	1,004	2,231	822	3,597	424	459	1,213		
Total liabilities	(10,248)	(10,602)	(735)	(934)	(326)	(2,672)	(133)	(248)	(806)		
Net assets	**988**	**640**	**269**	**1,297**	**496**	**925**	**291**	**211**	**407**		
Net assets attributable to NCI of the subgroup	(11)	-	-	-	-	(73)	-	-	-		
Net assets attributable to owners of the Parent	977	640	269	1,297	496	852	291	211	407		
Carrying amount of NCI	**87**	**45**	**37**	**-**	**124**	**256**	**73**	**84**	**58**	**35**	**799**

For the six months ending 30 June 2022	HC	PPFB	HC KZ	O2 CZ*	TMT	CETIN**	TMT Infra***	VELT	MECH	Other	Total
NCI percentage during the period	**8.88%**	**7.04%**	**-%**	**0.60%**	**25.00%**	**17.37%**	**36.30%**	**39.93%**	**14.30%**		
Revenue	1,290	211	126	670	271	538	64	15	393		
Profit/(loss)	(1,245)	57	31	574	9	103	24	1	(21)		
Other comprehensive income/(expense)	859	(39)	-	3	(37)	(23)	(22)	74	6		
Total comprehensive income/(expense)	(386)	18	-	577	(28)	80	2	75	(15)		
Profit/(loss) allocated to NCI	**(111)**	**4**	**-**	**3**	**2**	**18**	**6**	**-**	**(3)**	**(7)**	**(88)**
OCI allocated to NCI	**77**	**(3)**		**(1)**	**(9)**	**(7)**	**(5)**	**31**	**1**	**3**	**87**
Dividends paid to NCI	-	(4)	-	-	-	(14)	-	-	-	-	(18)

*For details on decrease in NCI's percentage ownership refer to B.3.1.
**For details on increase in NCI's percentage ownership refer to B.3.3.
***TMT Hungary Infra is part of Cetin Group subgroup.

In millions of EUR

As at 31 December 2021	HC	PPFB	O2 CZ*	TMT	TMT Infra**	VELT	MECH	Other	Total
NCI percentage (effective ownership)	**8.88%**	**7.04%**	**9.48%**	**25.00%**	**25.00%**	**39.93%**	**14.30%**		
Total assets	16,262	9,518	1,694	732	424	296	1,118		
Total liabilities	(14,446)	(8,836)	(1,097)	(205)	(135)	(162)	(701)		
Net assets	1,816	682	597	527	289	134	417		
Net assets attributable to NCI of the subgroup	(10)	-	56	-	-	-	-		
Net assets attributable to owners of the Parent	1,806	682	653	527	289	134	417		
Carrying amount of NCI	**144**	**48**	**56**	**132**	**72**	**54**	**60**	**30**	**596**

For the six months ending 30 June 2021	HC	PPFB	O2 CZ*	TMT	TMT Infra**	VELT	MECH	Other	Total
NCI percentage during the period	**8.88%**	**7.04%**	**16.43%**	**25.00%**	**25.00%**	**39.93%**	**12.20%**		
Revenues	1,595	82	777	262	63	13	281		
Profit/(loss)	(179)	36	92	20	27	(1)	10		
Other comprehensive income/(expense)	103	5	(8)	-	(5)	2	16		
Total comprehensive income/(expense)	(76)	41	84	20	22	1	26		
Profit/(loss) allocated to NCI	**(17)**	**3**	**15**	**5**	**7**	**-**	**1**	**6**	**20**
OCI allocated to NCI	**9**	**1**	**3**	**5**	**2**	**2**	**2**	**(1)**	**23**
Dividends paid to NCI	-	-	-	(10)	(11)	-	-	-	(21)

*For details on decrease in NCI's percentage ownership refer to B.3.1.
**TMT Hungary Infra is part of Cetin Group subgroup.

E.23. Net interest income

Interest income comprises the following:

In millions of EUR, for the six months ended 30 June

	2022	2021
Financial assets at FVTPL (E.2.1)*	13	8
Financial assets at FVOCI (E.2.3)	38	16
Financial assets at AC (E.2.2)	18	6
Due from banks and other financial institutions	168	15
Cash loan receivables	597	899
Consumer loan receivables	153	215
Revolving loan receivables	57	84
Car loan receivables	13	12
Mortgage loan receivables	6	1
Loans to corporations	50	34
Other	5	3
Total interest income*	**1,118**	**1,293**

*Total interest income represents interest income calculated using the effective interest method except for financial assets at FVTPL.

Interest expense comprises the following:

In millions of EUR, for the six months ended 30 June

	2022	2021
Due to customers	117	23
Due to banks and other financial institutions	279	354
Debt securities issued	71	94
Subordinated liabilities	6	4
Lease liabilities	12	10
Significant financing component (IFRS 15)	3	-
Other	8	18
Total interest expenses	**496**	**503**
Total net interest income	**622**	**790**

E.24. Net fee and commission income

Fee and commission income comprises the following:

In millions of EUR, for the six months ended 30 June

	2022	2021
Insurance commissions	85	78
Penalty fees	11	12
Cash transactions	6	5
Customer payment processing and account maintenance	30	19
Commission income from partners	15	12
Retailers’ commissions	-	1
Other	12	7
Total fee and commission income	**159**	**134**

Fee and commission expense comprises the following:

In millions of EUR, for the six months ended 30 June

	2022	2021
Commissions to retailers	11	10
Cash transactions	8	7
Payment processing and account maintenance	17	18
Payments to deposit insurance agencies	8	8
Credit and other register expense	10	9
Other	10	10
Total fee and commission expense	**64**	**62**
Total net fee and commission income	**95**	**72**

E.25. Net gain/loss on financial assets

In millions of EUR, for the six months ended 30 June

	2022	2021
Net trading income/(losses)	35	29
Debt and equity securities trading	(10)	10
FX trading	27	7
Derivatives	18	12
Net unrealised gains/(losses) on financial assets/liabilities at FVTPL not held for trading	(10)	61
Other net losses from financial assets	(4)	(8)
Dividends	2	14
Net realised gains/(losses)	(61)	(22)
Financial assets at AC*	(50)	(26)
Financial assets at FVOCI	(13)	5
Loans and receivables	-	(1)
Financial liabilities measured at amortised cost	2	-
Total net gain/(loss) on financial assets	**(38)**	**74**

*Net realised gains/losses on financial assets at AC only represent the fair value revaluation related to the application of the fair value hedge accounting.

E.26. Net impairment losses on financial assets

In millions of EUR, for the six months ended 30 June

	2022	2021
Cash loan receivables	208	686
Consumer loan receivables	32	27
Revolving loan receivables	11	15
Car loan receivables	1	1
Loans to corporations	50	52
Trade and other receivables	11	8
Financial assets at FVOCI (debt securities)	20	(2)
Other financial assets*	35	3
Total net impairment losses on financial assets	**368**	**790**

*incl. impairment losses on undrawn credit limit

E.27. Net insurance income

The Group's non-life insurance business was disposed with the Russian discontinued operations in May 2022 (refer to B.2.1). The following table only shows net income from the Group's life insurance business.

In millions of EUR, for the six months ended 30 June

	2022	2021
Gross earned premium	28	25
Net insurance benefits and claims	(18)	(15)
Acquisition cost	(5)	(6)
Total insurance income	**5**	**4**

E.28. Net rental and related income

In millions of EUR, for the six months ended 30 June

	2022	2021
Gross rental revenues	92	66
Service revenues	7	5
Service charge revenues	17	16
Hotel revenues	4	-
Service charge expense	(11)	(7)
Total net rental and related income	**109**	**80**

E.29. Net telecommunication income

E.29.1. Revenues from telecommunication business – major lines of business

Telecommunication income comprises the following:

In millions of EUR, for the six months ended 30 June

	2022	2021
Mobile originated revenues	1,231	1,190
Fixed originated revenues	264	251
International transit revenues	94	101
Other wholesale revenues	85	64
Other sales	9	5
Revenues from telecommunication business	**1,683**	**1,611**
out of which:		
Services/products transferred over time	1,469	1,409
Services/products transferred at a point in time	214	202
Supplies	(300)	(305)
Cost of goods sold	(201)	(196)
Commissions	(20)	(19)
Costs related to telecommunication business	**(521)**	**(520)**
Total net telecommunication income	**1,162**	**1,091**

E.29.2. Revenues from telecommunication business – geographical markets

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

In millions of EUR, for six months ended 30 June

	2022	2021
Services/products transferred over time	1,469	1,409
Czech Republic	666	621
Slovakia	131	131
Germany	17	14
Switzerland	2	2
Hungary	221	215
Bulgaria	164	160
Serbia & Montenegro*	179	168
Other	89	98
Services/products transferred at a point in time	214	202
Czech Republic	52	48
Slovakia	25	25
Hungary	46	43
Bulgaria	44	42
Serbia & Montenegro*	47	44

*Telenor Montenegro was sold in December 2021, refer to B.2.7.

E.30. Net media income

E.30.1. Revenues from media business – major lines of business

Net media income comprises the following:

In millions of EUR, for six months ended 30 June

	2022	2021
TV advertising revenues	253	232
Carriage fees	67	56
Subscription fees	14	5
Other revenue	18	10
Revenues from media business	**352**	**303**
out of which:		
Services/products transferred over time	352	303
Services/products transferred at a point in time	-	-
Programming assets amortisation	(152)	(109)
Salaries and staff related expenses	(10)	(8)
Royalties	(8)	(6)
External services and other operating costs	(10)	(10)
Costs related to media business	**(180)**	**(133)**
Total net media income	**172**	**170**

E.30.2. Revenues from media business – geographical markets

The revenues from the media business are geographically disaggregated per the customers' sites, as follows:

In millions of EUR, for the six months ended 30 June

	2022	2021
Services/products transferred over time	352	303
Czech Republic	128	95
Romania	92	88
Slovak Republic	50	48
Bulgaria	40	37
Slovenia	38	35
Other	4	-

E.31. Net mechanical engineering income

E.31.1. Revenues from mechanical engineering business – major lines of business

Mechanical engineering income comprises the following:

In millions of EUR, for the six months ended 30 June

	2022	2021
Sales of finished goods, services and goods for resale	393	281
Tramcars	67	52
Electric locomotives and suburb units	167	119
Trolleybuses	13	18
Metro	34	11
Electric equipment	4	3
Full service and repairs	62	68
Modernisation of rail vehicles	2	2
Spare parts	7	7
Other products and services	37	1
Revenues from mechanical engineering business	**393**	**281**
out of which:		
Services/products transferred over time	337	246
Services/products transferred at a point in time	56	35
Raw material	(182)	(131)
Purchased services related to projects	(29)	(23)
External workforce	(13)	(9)
Other	(24)	(9)
Costs related to mechanical engineering business	**(248)**	**(172)**
Total net mechanical engineering income	**145**	**109**

E.31.2. Revenues from mechanical engineering business – geographical markets

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

In millions of EUR, for the six months ended 30 June

	2022	2021
Services/products transferred over time	337	246
Czech Republic	189	109
Finland	26	53
Slovakia	2	27
Latvia	42	7
Germany	33	17
Other EU	36	31
Other non-EU	9	2
Services/products transferred at a point in time	56	35
Czech Republic	45	31
Finland	1	1
Germany	1	1
Other EU	9	2

E.32. Other income

In millions of EUR, for the six months ended 30 June

	2022	2021
Foreign currency gains	196	45
Income from other services provided	11	4
Rental income (other than from investment property rental activities)	6	3
Net profit on disposal of PPE and other intangible assets	2	-
Other	44	57
Total other income	**259**	**109**

E.33. Personnel expenses and other operating expenses

In millions of EUR, for the six months ended 30 June

	2022	2021
Employee compensation	521	523
Payroll related taxes (including pension contribution)	87	94
Total personnel expenses	**608**	**617**
Rental, maintenance and repair expense	68	56
Professional services	78	67
Advertising and marketing	58	44
Telecommunication and postage	24	30
Taxes other than income tax	26	28
Information technologies	64	63
Collection agency fee	44	44
Travel expenses	8	5
Net impairment losses on property, plant and equipment	2	1
Net impairment losses on other intangible assets	(2)	10
Net impairment losses on other assets	16	1
Amortisation of cost to obtain a contract	29	25
Net loss on disposal of PPE and other intangible assets	-	6
Other	103	74
Total other operating expenses	**518**	**454**

E.34. Depreciation and amortisation

In millions of EUR, for the six months ended 30 June

	2022	2021
Depreciation of property, plant and equipment	201	195
Depreciation of property, plant and equipment – ROU (IFRS 16)	79	64
Amortisation of intangible assets	212	218
Total depreciation and amortisation	**492**	**477**

E.35. Income tax expense

Income tax expense comprises the following:

In millions of EUR, for the six months ended 30 June

	2022	2021
Current tax expense	(164)	(133)
Deferred tax benefit/(expense)	(298)	122
Total income tax expense	**(462)**	**(11)**

For the six months ended 30 June 2022, the deferred tax expense was caused mainly by release of deferred tax assets of Home Credit China.

For the six months ended 30 June 2021, the deferred tax benefit was mainly caused by increased deferred tax assets stemming from additional creation of ECLs (refer to E.26).

E.36. Off-balance sheet items

E.36.1. Commitments and contingent liabilities

The contractual amounts of commitments and contingent liabilities are set out in the following table by category. The amounts reflected in the table for commitments assume that these amounts have been fully advanced. The amounts set forth in the table for guarantees and letters of credit represent the maximum accounting loss that would be recognised at the reporting date if the counterparties failed completely to meet their contractual obligations.

The Group companies included in the banking segment engage in providing open credit facilities to allow customers quick access to funds in order to meet their short-term obligations as well as their long-term financing needs. Such credit facilities can take the form of guarantees, whereby the Group might guarantee repayment of a loan taken out by a client with a third party; stand-by letters of credit which are credit enhancement facilities enabling customers to engage in trade finance at lower cost; documentary letters of credit for obtaining lower cost financing for foreign trade on behalf of a customer; documentary letters of credit reimbursable to a Group company later and debt facilities and revolving underwriting facilities that allow customers to issue short or medium-term debt instruments without engaging in the normal underwriting process on each occasion. Revenue from provided guarantees is recognised under “Fee and commission income” and is determined by applying the agreed rates to the nominal amount of the guarantees.

In millions of EUR

	30 June 2022	31 December 2021
Loan commitments	928	1,684
Revolving loan commitments	647	1,344
Consumer loan commitments	42	51
Cash loan commitments	35	78
Undrawn overdraft facilities	90	120
Term loan facilities	114	91
Capital expenditure commitments	220	199
Guarantees provided	72	64
Non-payment guarantees	16	22
Payment guarantees	33	31
Provided undrawn commitments to provide guarantees	23	11
Digital transmission obligations	10	13
Programming liabilities	-	135
Other	34	33
Total commitments and contingent liabilities	**1,264**	**2,128**

These commitments and contingent liabilities have an off-balance sheet credit risk because only organisation fees and accruals for probable losses are recognised in the statement of financial position until the commitments are fulfilled or expire. Many of the contingent liabilities and commitments will expire without being advanced in whole or in part. Therefore, the amounts do not represent the expected future cash flows.

The following table shows secured liabilities:

In millions of EUR

	30 June 2022	31 December 2021
Secured bank loans	5,694	6,325
Loans received under repos	2,195	3,655
Debt securities issued	1	11
Total secured liabilities	**7,890**	**9,991**

The assets pledged as security were as follows:

In millions of EUR

	30 June 2022	31 December 2021
Cash and cash equivalents	149	126
Financial assets FVOCI (repos)	-	82
Loans and receivables due from customers	1,707	2,394
Trade and other receivables	4	3
Investment property (incl. assets held for sale)	2,930	2,341
Investment in equity-accounted investees	459	472
Property, plant and equipment	332	317
Financial assets in off-balance sheet (repo operations)	2,094	3,634
Other assets	42	219
Total assets pledged as security	**7,717**	**9,588**

As at 30 June 2022 and 31 December 2021, the Group has pledged certain assets as collateral for funding facilities related to CME acquisition. The pledged assets include, in particular, receivables from bank accounts, intercompany loans and all shares of CME Media Enterprises B.V., Pro TV S.R.L., Markiza-Slovakia, spol. s r.o., CME Slovak Holdings B.V. and the 94% of shares of CME Bulgaria B.V. held by CME Media Enterprises B.V.

As at 30 June 2022 and 31 December 2021, shares of PPF TMT Holdco 1 B.V. and PPF Finco B.V. and some of their receivables were pledged as security for their financial indebtedness.

E.36.2. Other contingencies

E.36.2.1. Litigation

The Group (as a former sole shareholder of Česká pojišťovna a.s.) is involved in litigation (formally consisting of five disputes merged procedurally into one) in which the adequacy of the consideration paid to minority shareholders arising from the decision of the general meeting of Česká pojišťovna a.s. adopted in July 2005 approving a squeeze-out of minority shareholders, is being challenged in court. On 13 June 2016, the Municipal Court in Prague fully dismissed the action of the ex-minority shareholders, however, some of them have appealed against the dismissal to the High Court in Prague. On 31 March 2022 the High Court decided to repeal first instance judgment and returned the case back to the Municipal Court in Prague for further proceedings.

Furthermore, the Group (through its subsidiary PPF A4 B.V.) is involved in litigations connected to a squeeze-out of minority shareholders in CETIN a.s., approved by general meeting of this company on 3 December 2015. Several former minority shareholders filed their actions with the relevant court and asked the court to decide on adequate consideration (i.e., higher than that originally paid by PPF A4 B.V.) for their shares in CETIN. The first hearings took place in March and May 2018. On 3 April 2019, the court appointed its own expert to assess whether the consideration paid by PPF A4 B.V. was adequate or not with no conclusion by the date of the issue of these condensed consolidated financial statements. On 19 April 2021 the court decided to appoint another expert to review and revise previous expert reports. The expert has been appointed on 21 July 2021 with aim to finish his expert opinion within 9 months following his appointment.

Based on the analyses carried out by external advisors, management believes that it is unlikely that both cases above will be concluded in favour of the plaintiffs.

Dispute with VOLNÝ, a.s. (“VOLNÝ”) related to O2 CZ represents a significant legal case from the Group’s perspective. Development which occurred throughout the six months ended 30 June 2022 is described below:

According to information on the official board of the Supreme Court, the Supreme Court reversed the previous decision in the case and returned the case for further proceedings on procedural grounds. The company has not yet received a written copy of the judgment.

Dispute with Mr Kocner and Mr Rusko related to CME Group represents a significant legal case from the Group’s perspective, however, no development occurred throughout the six months ended 30 June 2022.

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

E.36.2.2. Regulatory investigation

In 2016, the European Commission initiated own-initiative proceedings concerning suspected infringement of Article 101 of the Treaty on the Functioning of the European Union (agreements disrupting competition in the internal market). The reason given is the network sharing agreement concluded between T-Mobile and O2 CR in 2013 (as part of the 2015 spin-off, the contract was transferred to CETIN). In the notification, the Commission initially stated that the commencement of the proceedings alone does not mean that it is convinced of any offense. The Group has submitted its opinions and supporting documents to the Commission and cooperates with an international expert institute.

On 7 August 2019, the Commission issued a statement of objections, expressing its intention to issue a decision that the network sharing agreements constitute a breach of Article 101 of the Treaty. If such a decision were taken, there would be a risk for O2 CR and CETIN of imposition of a fine pursuant to Article 23 of Regulation (EC) No. 1/2003 and possibly of imposition of further measures to put an end to the alleged infringement. However, the Commission has in no way indicated the amount of the potential fine, not even approximately. On 8 August 2019, European Commission informed PPF Group N.V. that intends to extend the above-described investigation also to PPF Group N.V. On 14 February 2020 the Commission has delivered to PPF Group N.V. (the Group's ultimate shareholder) statement of objection; PPF Group N.V. has replied to it on 20 April 2020. A formal oral hearing took place in this case from 15 to 17 September 2020. All investigated participants summarised their defence against the concerns of the Commission, including all factual, legal, economic and technical arguments supporting the position of the participants.

In August 2021, the Commission adopted a preliminary assessment under which it reduced its concerns and enabled formally the investigated parties to offer commitments. The parties did respond to the preliminary assessment and rejected the concerns while, after the deep discussion with the Commission, offered such commitments.

After several procedural steps performed by the Commission and the updates of the commitments as a follow-up to discussions with the Commission, on 11 July 2022, the Commission accepted the offered commitments and decided on the closure of the proceedings. No fine nor other additional remedy was decided upon by the Commission.

In January 2018, the Hungarian Competition Authority carried out an unannounced inspection at the headquarters of Telenor Hungary in relation to two cases: (i) the investigation of the 800 MHz frequency tender auction, in which Telenor Hungary and Magyar Telekom allegedly committed anti-competitive behaviour during the tender in form of bid rigging and information exchange; and (ii) the 800 MHz network sharing cooperation, under investigation since 2015. As of the date of these financial statements, the proceedings under letter (i) above are terminated without infringement being found and the proceedings under letter (ii) were ongoing, and Yettel Hungary was cooperating with the Hungarian Competition Authority to show no breach had occurred in relation to pending proceedings as well.

E.36.2.3. Taxation

The taxation systems in Russia, India, Kazakhstan, Vietnam, China and some other countries of operations are relatively new and are characterized by frequent changes in legislation which are subject to varying interpretation by different tax authorities. Taxes are subject to review and investigation by a number of authorities, which have the authority to impose severe fines, penalties and interest charges. A tax year remains open for review by the tax authorities during several subsequent calendar years. Recent events within the Russian Federation, India, Kazakhstan, Vietnam, China and some other countries of operations suggest that the tax authorities are taking a more assertive position in their interpretation and enforcement of tax legislation.

In the respective countries, the facts mentioned above may create tax risks that are substantially more significant than in other countries. Management believes that it has provided adequately for tax liabilities based on its interpretations of applicable Indian, Kazakh, Vietnamese, Chinese and other countries' tax legislation, official pronouncements and court decisions.

HC Consumer Finance Philippines, Inc. and Home Credit India Finance Private Limited is currently undergoing a tax inspection. The final results are not yet known.

E.36.3. Guarantee received and off-balance sheet assets

Guarantees received and off-balance sheet assets were as follows:

In millions of EUR

	30 June 2022	31 December 2021
Guarantees accepted	155	141
Loan commitments received	399	1,281
Programming assets	197	184
Value of assets received as collateral (including repos)	8,213	8,497
Other	933	978
Total contingent assets	**9,897**	**11,081**

Other off-balance sheet assets represent primarily bank guarantees issued by various banks for Škoda Group's projects.

As at 31 December 2021, other off-balance sheet assets represented also bank guarantees of EUR 176 million issued by local banks in Hungary for Yettel Hungary, requested by the local telecommunication regulator from participants in the upcoming spectrum auction. After auction in March 2022, all related guarantees were released.

E.37. Related parties

The Group has a related party relationship with its associates, joint ventures (together as "equity-accounted investees") and non-consolidated subsidiaries.

Furthermore, the key management personnel of the Group and their close family members; other parties which are controlled, jointly controlled or significantly influence by such individuals, and the entities in which such individuals hold significant voting power are also considered related parties.

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

E.37.1. Transactions with equity-accounted investees

During the six months ended 30 June, the Group had the following significant arm's length transactions with the equity-accounted investees:

In millions of EUR, for the six months ended 30 June

	2022	2021
Interest income	4	3
Revenues from telecommunication business	1	2
Total revenue	**5**	**5**
Interest expense	(1)	-
Costs related to telecommunication business	(3)	-
Costs related to mechanical engineering business	(1)	-
Other operating expenses	(5)	-
Net loss on financial assets	(11)	-
Net impairment (losses)/reversals on financial assets	-	2
Total expenses	**(21)**	**2**

As at the reporting date, the Group had the following balances with equity-accounted investees:

In millions of EUR

	30 June 2022	31 December 2021
Cash and cash equivalents	10	1
Investment securities and derivatives	16	14
Loans and receivables due from banks and other financial institutions	31	13
Loans due from customers (gross amounts)	98	113
Loans due from customers (loss allowances)	*(1)*	*(6)*
Trade and other receivables	3	1
Other assets	-	2
Total assets	**158**	**138**
Financial liabilities at FVTPL	(26)	(15)
Due to non-banks	(9)	(4)
Due to banks and other financial institutions	(63)	(18)
Trade and other payables	(16)	(6)
Contract liabilities	-	(1)
Total liabilities	**(114)**	**(44)**

E.37.2. Other related parties including key management personnel

During the six months ended 30 June, the Group had the following significant transactions at arm's length with other related parties:

In millions of EUR, for the six months ended 30 June

	2022	2021
Interest income	7	7
Other income	1	1
Total revenue	**8**	**8**
Interest expense	-	(2)
Costs related to mechanical engineering business	-	(1)
Costs related to media business	(1)	-
Other operating expenses	(3)	(5)
Net impairment losses on financial assets	-	(1)
Total expenses	**(4)**	**(9)**

As at the reporting date, the Group had the following balances with other related parties:

In millions of EUR

	30 June 2022	31 December 2021
Loans due from customers (gross amounts)	383	226
Loans due from customers (loss allowances)	*(8)*	*(9)*
Trade and other receivables	1	2
Intangible assets	1	1
Other assets	1	-
Total assets	**378**	**220**
Due to non-banks	(108)	(53)
Trade and other payables	(1)	(1)
Total liabilities	**(109)**	**(54)**

F. Significant accounting policies

F.1. Changes in accounting policies

The Group applies the same accounting policies in these condensed consolidated interim financial statements as were applied in the most recent annual consolidated financial statements for the year ended 31 December 2021, except for the changes described below.

F.1.1. Purchase commitment for NCI's share

The Group has granted a put option to a minority shareholder (NCI) of one 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 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 net present value with the net 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 net present value
- any difference between the carrying amount of non-controlling interest newly recognised and the net 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 net present value with the net 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 net 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.1.2. Amendments to IAS 37: Onerous contracts – Cost of fulfilling a contract *(effective from 1 January 2022)*

The amendments bring clarification on what costs an entity considers in assessing whether a contract is onerous. The amendments specify that the "cost of fulfilling" a contract comprises the "costs that relate directly to the contract". Costs that related directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that related directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract.). The amendments are effective from 1 January 2022 and the entity applies them to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated.

The Group assessed that the above amendments to IAS 37 impacted contracts in its joint-venture where the Group's share on the impact of the initial application of this clarification totals EUR 173 million (refer to condensed consolidated interim statement of changes in equity and E.8).

F.1.3. Amendments to IFRS 16 Leases: Covid-19-Related Rent Concessions beyond 30 June 2021 (issued on 31 March 2021) *(effective from 1 April 2021)*

The amendment provides lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification. When there is a change in lease payments, the accounting consequences will depend on whether that change meets the definition of a lease modification, which IFRS 16 Leases defines as "a change in the scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease (for example, adding or terminating the right to use one or more underlying assets, or extending or shortening the contractual lease term)".

Since lessors continue to grant COVID-19-related rent concessions to lessees and since the effects of the COVID-19 pandemic are ongoing and significant, the IASB decided to permit a lessee to apply the practical expedient regarding COVID-19-related rent concessions to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022 (rather than only payments originally due on or before 30 June 2021).

The amendment had no impact on the Group's condensed consolidated financial statements.

F.1.4. Amendments to IAS 16 and Annual Improvements 2018-2020 *(effective from 1 January 2022)*

These amendments and annual improvements, in general, bring some clarifications in the standards on various guidance and update some references.

These amendments were endorsed by the EU and had no impact on the interim condensed consolidated financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

F.1.5. Amendments to IFRS 3 – References to the Conceptual Framework *(effective from 1 January 2022)*

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately. At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.

These amendments had no impact on these Group's condensed consolidated interim financial statements but might impact the future accounting for business combinations, should the Group enter any such transactions in future.

F.1.6. Amendment to IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities *(effective from 1 January 2022)*

As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment had no material impact on the Group's condensed consolidated financial statements.

F.2. Standards, interpretations and amendments to published standards 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 30 June 2022 and have not been applied in the preparation of these condensed consolidated interim financial statements. Of these pronouncements, the following will have a potential impact on the Group's operations. The Group plans to adopt these pronouncements when they become effective.

Amendments to IAS 1 Presentation of Financial Statement Classification of Liabilities as Current or Non-current (expected effectiveness from 1 January 2023)

These amendments to IAS 1 affect only the presentation of liabilities in the statement of financial position — not the amount or timing of recognition of any asset, liability income or expenses, or the information that entities disclose about those items. They clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months and make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability.

The amendments further clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

These amendments to IAS 1 have not yet been adopted by the EU. The Group is assessing the potential impact on its consolidated financial statements.

IFRS 17 Insurance Contracts (effective from 1 January 2023)

IFRS 17 Insurance Contracts establishes principles for the recognition, measurement, presentation and disclosure of issued insurance contracts. It also requires similar principles to be applied to reinsurance contracts held and investment contracts with issued discretionary participation features. The objective is to ensure that entities provide relevant information in a way that faithfully represents those contracts. This information gives a basis for the users of financial statements to assess the effect that contracts within the scope of IFRS 17 have on the financial position, financial performance and cash flows of an entity.

IFRS 17 has been adopted by the EU and is effective for the annual reporting periods beginning on or after 1 January 2023.

The Group is assessing the potential impact on its consolidated financial statements resulting from the application of IFRS 17. Given the nature of the Group's operations, this standard is not expected to have significant impact on the consolidated financial statements.

Initial application of IFRS 17 and IFRS 9 – Comparative information (effective from 1 January 2023)

The amendment is a transition option relating to comparative information about financial assets presented on initial application of IFRS 17. The amendment is aimed at helping entities to avoid temporary accounting mismatches between financial assets and insurance contract liabilities, and therefore improve the usefulness of comparative information for users of financial statements.

This amendment has been adopted by the EU and the Group is not expecting it to have significant impact on the consolidated financial statements.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (effective from 1 January 2023)

Applying the amendments, an entity discloses its material accounting policies, instead of its significant accounting policies. The amendments clarify that accounting policy information may be material because of its nature, even if the related amounts are immaterial.

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

Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (effective from 1 January 2023)

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”.

Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective from 1 January 2023)

The amendments require entities to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. The typical areas impacted are deductible temporary differences associated with right-of-use assets and lease liabilities, and decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the related assets.

These amendments to IAS 1, IAS 8 and IAS 12 have been adopted by the EU and are all effective for the annual reporting period beginning 1 January 2023 and after. The Group is assessing the potential impact on its consolidated financial statements resulting from the application of these amendments.

Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (effective from 1 January 2024)

Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) requires a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognising in statement of profit or loss any gain or loss relating to the partial or full termination of a lease.

The 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 IFRS 16 amendments.

G. Subsequent events

G.1. Škoda brand transaction with Volkswagen Group

In June 2022, through its industrial companies under Škoda Group, the Group entered into agreement with Volkswagen Group's Škoda Auto to settle all trademark disputes over the use of the Škoda brand. Škoda Group will be able to use the Škoda name, as well as the winged-arrow logo until 2029. The transaction was finalised in July 2022.

G.2. Consolidation of toll service in the Czech Republic and Slovakia

In March 2022, the Group announced its intention to acquire and consolidate four technology companies from the Czech Republic and Slovakia under one subgroup. The newly established ITIS Holding should become the 100% shareholder of CzechToll and SkyToll electronic toll systems operators, the TollNet technology company, and PaySystem representing the supplier of payment solutions for carriers. On 31 August 2022, following the approval of the transaction by the antimonopoly offices in the Czech Republic and Slovakia, the transaction was finalised. Until the finalisation date, the Group had been the sole shareholder of Czech Toll, the operator of a satellite toll system in the Czech Republic since 1 December 2019. The new holding will be classified as a joint venture of two shareholders. The aggregate value of the businesses acquired by ITIS Holding totalled EUR 65 million.

G.3. Tier 2 bonds redemption regulatory approval

In September 2022, the Group's subsidiary PPF Financial Holdings a.s. as the issuer of Tier 2 bonds listed on the Prague Stock Exchange received approval from the Czech National Bank to redeem the outstanding CZK 4 billion (approx. EUR 162 million) of the bond. PPF Financial Holdings a.s. exercises its option to redeem the bonds in full on 19 December 2022. The redemption complies with bond issuance terms and conditions.

G.4. Repayment of syndicated loan

In July and September 2022, the Group's subsidiary Home Credit Group B.V. fully repaid the outstanding balance of the unsecured syndicated loan totalling EUR 522 million.

G.5. Inheritance procedures finished

The inheritance agreement on the distribution of Petr Kellner's estate approved by the responsible court has taken effect as of 23 September 2022. His wife Renáta Kellnerová and his four children are now the direct and indirect holders of 98.93% of PPF Group N.V. Mrs Kellnerová is the majority shareholder of PPF Group, with a 59.36% stake.

G.6. Russian exposure

On 22 August 2022, the Group entered into an agreement for the accelerated sale of a remaining 49.5% shares of HCFB, HC Ins and Kupi for the total purchase price of approximately RUB 9.1 billion (approx. EUR 153 million). In relation to HCFB, Phase 2 was completed with the registration of the transfer of 49.5% of the HCFB shares with the local authorities on 24 August 2022. The purchase price payment relating to the transfer of 49.5% of the HCFB shares was settled by the authorisation date of these condensed consolidated interim financial statements. Refer to B.2.1 for more information.

In September 2022, the Group sold its 100% stake in Fantom LLC (a shopping mall in Astrachan) for EUR 62 million, implying a loss of approx. EUR 14 million. In October 2022, the Group entered into an agreement for the sale of its 100% share in Comcity Office Holding B.V. and Charlie Com LLC (ComCity office complex project in Moscow) and the acquisition of a minority share in a distressed mortgage fund (Imperial Fund) registered in the US. The total value of the transaction amounts to EUR 175 million, implying a loss of approx. EUR 90 million. The finalisation of the asset swap is subject to several steps which have not occurred yet.

G.7. New holding company of the ClearBank group; APAX investment

As at 30 June 2022, the Group was a 48.1% shareholder in ClearBank Ltd. ("ClearBank"), a licenced clearing bank operating in the UK. In February 2022, ClearBank and its two biggest shareholders including the Group entered into an agreement with COTUIT ACQUISITION CO. LIMITED ("Apax"), which committed to invest GBP 100 million (approx. EUR 115 million) in CB GROWTH HOLDINGS LIMITED ("CBGH"), a new holding company of the ClearBank group, subject to regulatory approvals in the UK.

On 2 November 2022, the existing shareholders of ClearBank became the new shareholders of CBGH subsequently to a share exchange. The completion of the initial GBP 100 million investment by Apax took place on 14 November 2022 whereupon the original Group´s share in ClearBank was transformed into an approx. 35% share in CBGH. The outstanding regulatory approvals and consents should be obtained by the end of this year. The equity investment made by Apax will primarily be used to fund the international expansion of the group into multiple jurisdictions. The Group's classification of ClearBank as an associate remains unchanged.

G.8. Sale of Asian Home Credit businesses

On 23 November 2022, through its Home Credit subsidiaries the Group entered into agreements for sale of a 100% share in Home Credit Philippines (HC Consumer Finance Philippines, Inc.) and an 85% share in Home Credit Indonesia PT. The transaction will be undertaken with a consortium of Mitsubishi UFJ Financial Group ("MUFG") affiliates and led by Krungsri Bank, a leading Thai institution. The sales are subject to Krungsri shareholder approval as well as customary regulatory approvals. The transactions are expected to close by half-year 2023. The value of the transactions amounts to approx. EUR 615 million.

There are no other significant events after the reporting period except for those described in this section in the above paragraphs, and those described in B section.

28 November 2022

The board of directors:

Aleš Minx
Chairman of the board of directors

Jan Cornelis Jansen
Member of the board of directors

Rudolf Bosveld
Member of the board of directors