PPF GROUP N.V.

Condensed consolidated interim financial statements
for the six months ended 30 June 2024

Independent auditor's review report

To: the Board of Directors 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 2024 (or hereafter: 'condensed consolidated interim financial statements') of PPF Group N.V.(or hereafter: the "Company") based in Amsterdam. Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with IAS 34 'Interim Financial Reporting' as endorsed by the European Union.

The condensed consolidated interim financial statements comprise:

1. the condensed consolidated interim statement of financial positionas at 30 June 2024;
2. the following statements for six-month period ended 30 June 2024: the condensed consolidated interim statement of comprehensive income, changes in equity and cash flows; and
3. the notes to the condensed consolidated interim financial statements comprising of a summary of the material 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 endorsed 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.

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 review 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 agrees with, or reconciles 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 has/have been prepared in accordance with the applicable financial reporting framework and represents the underlying transactions free from material misstatement.

Amstelveen, 10 October 2024

KPMG Accountants N.V.

M.L.M. Kesselaer RA

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Glossary

AC	- amortised cost
CGU	- cash generating unit
ECB	- European Central Bank
FV	- fair value
FVOCI	- fair value through other comprehensive income
FVTPL	- fair value through profit or loss
FX	- foreign exchange
HFS	- held-for-sale
IFRS-AS	- International Financial Reporting Standards – Accounting Standards
IPRD	- in-progress research and development
JV	- joint venture
NCI	- non-controlling interests
OCI	- other comprehensive income
OECD	- The Organisation for Economic Co-operation and Development
OTC	- over the counter
PL	- profit or loss
PPA	- purchase price allocation
PPE	- property, plant and equipment
PVFCF	- present value of future cash flows
ROU	- right-of-use assets

Condensed consolidated interim statement of financial position

In millions of EUR

	Note	30 June 2024	31 December 2023
ASSETS			
Cash and cash equivalents	E1	7,184	8,535
Investment securities and derivatives	E2	9,229	8,944
Loans and receivables due from banks and other financial institutions	E3	274	193
Loans due from customers	E4	7,669	8,457
Trade and other receivables	E5	1,161	1,254
Contract assets	E5	395	275
Current tax assets		31	28
Inventories	E6	435	460
Assets held for sale	E7	1,772	28
Equity-accounted investees	E8	4,192	3,279
Investment property	E9	1,072	1,219
Property, plant and equipment	E10	4,372	4,403
Goodwill	E11.1	3,218	3,236
Other intangible assets	E11.2	2,077	2,132
Programming assets	E6	302	302
Other assets	E12	536	512
Deferred tax assets		142	227
TOTAL ASSETS		**44,061**	**43,484**
LIABILITIES			
Financial liabilities at FVTPL	E13	3,623	4,034
Due to non-banks	E14	15,574	14,661
Due to banks and other financial institutions	E15	6,925	7,438
Debt securities issued	E16	2,767	3,165
Subordinated liabilities	E17	26	26
Liabilities directly associated with assets held for sale	E7	1,025	13
Current tax liabilities		44	51
Trade and other payables	E18	2,435	2,714
Contract liabilities	E5	359	397
Provisions	E19	205	216
Conditional commitment to acquire NCI’s share	E21.5	932	1,019
Deferred tax liabilities		436	488
TOTAL LIABILITIES		**34,351**	**34,222**
EQUITY			
Issued capital	E20	1	1
Share premium	E20	677	677
Other reserves	E21	(1,424)	(1,483)
Retained earnings	E21.1	10,004	9,574
Total equity attributable to owners of the Parent		9,258	8,769
Non-controlling interests	E22	452	493
Total equity		**9,710**	**9,262**
TOTAL LIABILITIES AND EQUITY		**44,061**	**43,484**

The notes on pages 11 to 85 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	2024	2023 (restated)*
Interest income		848	855
Interest expense		(668)	(596)
Net interest income	E23	**180**	**259**
Fee and commission income		69	74
Fee and commission expense		(51)	(54)
Net fee and commission income	E24	**18**	**20**
Rental and related revenues	E27	75	83
Property operating expenses	E27	(25)	(30)
Net valuation loss on investment property		(74)	(63)
Net real estate income		**(24)**	**(10)**
Telecommunications revenues		1,914	1,831
Telecommunications costs		(504)	(537)
Net telecommunication income	E28	**1,410**	**1,294**
Media revenues		441	396
Media costs		(238)	(212)
Net media income	E29	**203**	**184**
Mechanical engineering revenues		571	518
Mechanical engineering costs		(416)	(363)
Net mechanical engineering income	E30	**155**	**155**
Leisure and entertainment revenues		201	139
Leisure and entertainment costs		(125)	(94)
Net leisure and entertainment income	E31	**76**	**45**
Insurance income		13	16
Insurance expense		(12)	(15)
Net insurance income		**1**	**1**
Net gain on financial assets	E25	229	133
Other income	E32	47	76
TOTAL OPERATING INCOME		**2,295**	**2,157**
Net impairment losses on financial assets	E26	(85)	(94)
Personnel expenses	E33	(603)	(538)
Depreciation and amortisation	E34	(491)	(531)
Other operating expenses	E33	(527)	(544)
Loss on disposals/liquidations of subsidiaries and equity-accounted investees	B2	(106)	(172)
Share of profit of equity-accounted investees, net of tax	E8	241	440
PROFIT BEFORE TAX		**724**	**718**
Income tax expense	E35	(145)	(139)
Net profit from continuing operations		**579**	**579**
Net profit from discontinued operations, net of tax	B2.1	55	130
NET PROFIT FOR THE PERIOD		**634**	**709**

*The comparative figures have been restated primarily due to the discontinued operations in the SEA region (refer to A.6 and B.2.1).

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

		2024	2023
Profit attributable to:			
Owners of the Parent		603	638
Non-controlling interests	E22	31	71
NET PROFIT FOR THE PERIOD		**634**	**709**

Condensed consolidated interim statement of comprehensive income

For the six months ended 30 June

In millions of EUR

	2024	2023
NET PROFIT FOR THE PERIOD	**634**	**709**
Other comprehensive income		
Valuation gains/(losses) on FVOCI equity instruments	(37)	37
Valuation gains/(losses) on FVOCI debt securities*	(18)	23
FVOCI revaluation gains reclassified to profit or loss*	(1)	(13)
Foreign operations - currency translation differences*	(75)	94
Share of OCI of equity-accounted-investees*	(2)	(46)
Disposal of subsidiaries and equity-accounted investees*	84	13
Cash-flow hedge – effective portion of changes in fair value*	(2)	(20)
Cash-flow hedge – net change in fair value reclassified to profit or loss*	(3)	2
Income tax relating to components of other comprehensive income*	6	1
Other comprehensive income/(expense) for the period, net of tax	**(48)**	**91**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**586**	**800**
Total comprehensive income attributable to:		
Owners of the Parent	564	707
Non-controlling interests	22	93

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

The notes on pages 11 to 85 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 2024

	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				
Balance as at 1 January 2024	**1**	**677**	**(283)**	**(98)**	**(78)**	**(5)**	**(1,019)**	**9,574**	**8,769**	**493**	**9,262**
Profit for the period	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**603**	**603**	**31**	**634**
Currency translation differences	-	-	-	(68)	-	-	-	-	(68)	(7)	(75)
FVOCI revaluation gains taken to equity	-	-	(55)	-	-	-	-	-	(55)	-	(55)
FVOCI revaluation gains reclassified to profit or loss	-	-	(1)	-	-	-	-	-	(1)	-	(1)
FVOCI revaluation losses reclassified directly to retained earnings	-	-	10	-	-	-	-	(10)	-	-	-
Cash-flow hedge – effective portion of changes in fair value	-	-	-	-	(1)	-	-	-	(1)	(1)	(2)
Cash-flow hedge – net change in fair value reclassified to profit or loss	-	-	-	-	(3)	-	-	-	(3)	-	(3)
Share of OCI of equity-accounted investees	-	-	-	23	(26)	1	-	-	(2)	-	(2)
Disposals and deconsolidation of subsidiaries and equity-accounted investees (refer to B section)	-	-	-	85	-	-	-	-	85	(1)	84
Tax on items taken directly to or transferred from equity	-	-	4	-	2	-	-	-	6	-	6
Other comprehensive income/(expense) for the period	**-**	**-**	**(42)**	**40**	**(28)**	**1**	**-**	**(10)**	**(39)**	**(9)**	**(48)**
Total comprehensive income/(expense) for the period	**-**	**-**	**(42)**	**40**	**(28)**	**1**	**-**	**593**	**564**	**22**	**586**
Dividends to NCI	-	-	-	-	-	-	-	-	-	(19)	(19)
Disposal of shares in a subsidiary to NCI								(6)	(6)	22	16
Acquisition of shares in subsidiaries from NCI								(158)	(158)	(73)	(231)
Conditional commitment to acquire NCI's share – change in net present value (refer to E.21.5)	-	-	-	-	-	-	51	-	51	-	51
Conditional commitment to acquire NCI's share – settlement (refer to B.3.4)	-	-	-	-	-	-	36	-	36	-	36
Contributions by NCI	-	-	-	-	-	-	-	-	-	5	5
Other	-	-	-	-	-	1	-	1	2	2	4
Total transactions with owners	**-**	**-**	**-**	**-**	**-**	**1**	**87**	**(163)**	**(75)**	**(63)**	**(138)**
Balance as at 30 June 2024	**1**	**677**	**(325)**	**(58)**	**(106)**	**(3)**	**(932)**	**10,004**	**9,258**	**452**	**9,710**

The notes on pages 11 to 85 are an integral part of these condensed consolidated interim financial statements.

In millions of EUR, for the for the six months ended 30 June 2023

	Issued capital	Share premium	Other reserves: Revaluation reserve	Translation reserve	Hedging reserve	Other reserves	Reserve for puttable instruments	Retained earnings	Attributable to owners of the Parent	Attributable to NCI	Total
Balance as at 1 January 2023	**1**	**677**	**(314)**	**93**	**(11)**	**3**	**(850)**	**8,826**	**8,425**	**722**	**9,147**
Restatement due to initial application of IFRS 17	-	-	-	-	-	-	-	103	103	-	103
Balance as at 1 January 2023 (restated)	**1**	**677**	**(314)**	**93**	**(11)**	**3**	**(850)**	**8,929**	**8,528**	**722**	**9,250**
Profit for the period	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**638**	**638**	**71**	**709**
Currency translation differences	-	-	-	68	-	-	-	-	68	26	94
FVOCI revaluation gains taken to equity	-	-	62	-	-	-	-	-	62	(2)	60
FVOCI revaluation gains reclassified to profit or loss	-	-	(13)	-	-	-	-	-	(13)	-	(13)
FVOCI revaluation gains reclassified directly to retained earnings	-	-	(27)	-	-	-	-	27	-	-	-
Cash-flow hedge – effective portion of changes in fair value	-	-	-	-	(19)	-	-	-	(19)	(1)	(20)
Cash-flow hedge – net change in fair value reclassified to profit or loss	-	-	-	-	2	-	-	-	2	-	2
Share of OCI of equity-accounted investees	-	-	-	(35)	(10)	(1)	-	-	(46)	-	(46)
Disposals and deconsolidation of subsidiaries (refer to B section)	-	-	-	14	-	-	-	-	14	(1)	13
Tax on items taken directly to or transferred from equity	-	-	(2)	-	3	-	-	-	1	-	1
Other comprehensive income/(expense) for the period	**-**	**-**	**20**	**47**	**(24)**	**(1)**	**-**	**27**	**69**	**22**	**91**
Total comprehensive income/(expense) for the period	**-**	**-**	**20**	**47**	**(24)**	**(1)**	**-**	**665**	**707**	**93**	**800**
Dividends to NCI	-	-	-	-	-	-	-	-	-	(45)	(45)
Conditional commitment to acquire NCI's share – change in net present value (refer to E21.5)	-	-	-	-	-	-	13	-	13	-	13
Contributions by NCI	-	-	-	-	-	-	-	-	-	5	5
Other	-	-	-	-	-	(5)	-	11	6	2	8
Total transactions with owners	**-**	**-**	**-**	**-**	**-**	**(5)**	**13**	**11**	**19**	**(38)**	**(19)**
Balance as at 30 June 2023	**1**	**677**	**(294)**	**140**	**(35)**	**(3)**	**(837)**	**9,605**	**9,254**	**777**	**10,031**

The notes on pages 11 to 85 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	2024	2023
Cash flows from operating activities			
Profit for the period, net of tax (incl. discontinued operations)*		634	709
Adjustments for:			
Depreciation and amortisation		493	534
Impairment of current and non-current assets		182	286
Gain on disposal of PPE, intangible assets and investment property		(2)	-
Gain on sale of investment securities		(257)	(107)
Loss on disposals of subsidiaries and equity-accounted investees	B2	106	172
Interest income	E23	(1,069)	(1,261)
Interest expense	E23	702	658
Net foreign exchange (gains)/losses	E32	11	(29)
Share of profit of equity-accounted investees, net of tax		(241)	(440)
Other expenses not involving movements of cash		161	111
Income tax expense		154	160
Interest received		1,144	1,193
Change in loans and receivables due from banks and other financial institutions		(95)	(23)
Change in loans due from customers		(711)	(731)
Change in financial assets at FVTPL held for trading	E2.1	(49)	(3,500)
Change in trade and other receivables		(84)	22
Change in other assets		(62)	(168)
Change in liabilities due to non-banks	E14	1,041	1,173
Change in financial liabilities at FVTPL held for trading	E2.1	(299)	2,866
Change in trade and other payables		(90)	(88)
Change in assets held for sale and liabilities associated with assets held for sale		(203)	51
Income tax paid		(184)	(189)
Net cash from operating activities		**1,282**	**1,399**
Cash flows from investing activities			
Purchase of PPE and intangible assets		(510)	(367)
Dividends received		60	55
Purchase of financial assets at FVTPL not held for trading		(23)	(73)
Purchase of financial assets at AC		(204)	(451)
Purchase of financial assets FVOCI		(1,042)	(756)
Purchase of investment property		(12)	(23)
Acquisition of subsidiaries and equity-acc. investees, net of cash acquired (incl. capital increase)**	B2	(715)	(844)
Proceeds from disposals of PPE and intangible assets		11	4
Proceeds from financial assets at FVTPL not held for trading		30	29
Proceeds from financial assets at AC		83	416
Proceeds from sale of financial assets FVOCI		570	148
Proceeds from disposal of subsidiaries and equity-acc. investees, net of cash disposed (incl. capital decrease)**	B2, B3	192	422
Net cash used in investing activities		**(1,560)**	**(1,440)**

In millions of EUR

	Notes	2024	2023
Cash flows from financing activities			
Proceeds from the issue of debt securities		532	262
Proceeds from liabilities due to banks and other financial institutions		35,570	1,500
Repayment of debt securities		(374)	(342)
Repayment of liabilities due to banks and other financial institutions		(35,683)	(1,950)
Interest paid		(692)	(658)
Cash payments for principal portion of lease liability		(87)	(74)
Dividends paid to NCI		(19)	(45)
Acquisition of shares in subsidiaries from NCI		(257)	-
Disposals of shares to NCI		16	-
Contributions by NCI		5	5
Cash flow used in financing activities		**(989)**	**(1,302)**
Net decrease in cash and cash equivalents		**(1,267)**	**(1,343)**
Cash and cash equivalents as at 1 January	**E1**	**8,535**	**8,726**
Effect of exchange rate movements on cash and cash equivalents		(84)	100
Cash and cash equivalents as at 30 June	**E1**	**7,184**	**7,483**

*For more details on the discontinued operations refer to B.2.1.
**Cash-flows from capital increase/decrease presented relate only to transactions with the equity-accounted investees.

The notes on pages 11 to 85 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

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, mechanical engineering, leisure activities business, biotechnology, and others. Its activities span from Europe to the USA, across Asia, and marginally the Russian Federation (Russia).

The condensed consolidated interim financial statements of the Parent Company for the six-month period ended 30 June 2024 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 2024 to 30 June 2024 and in 2023.

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

As of 30 June 2024, the ultimate controlling party was Mrs Renáta Kellnerová and four children of the late Mr Kellner with their total 100% share in the Parent company held both directly and indirectly.

A.1. Statement of compliance

The condensed consolidated interim financial statements were authorised for issue by the board of directors and the supervisory board on 10 October 2024.

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 2023 ("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 IFRS Accounting Standards as adopted by the European Union (IFRS-AS).

A.2. 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 (incl. those designated upon initial recognition as 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.

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.4). 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.3. 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.

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

- assessment of control over subsidiaries;
- the fair value of tangible and intangible assets identified during the purchase price allocation exercise and initial value of goodwill or gain on bargain purchase 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);
- expected credit losses on investment debt securities, loans provided, trade and other receivables, contract assets and other financial assets (refer to E.2-E.5);
- consumption and impairment of programming assets;
- provisions recognised under liabilities (refer to E.19);
- 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.28-E.30);
- commissions as costs to obtain contracts with customers and stand-alone selling prices (refer to E.28-E.30);
- contingent assets and 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 E.21.5);
- discount rate applied for calculation of the carrying amount of insurance liabilities (refer to E.18.1).

A.4. 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 is included in these condensed consolidated interim 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 interim 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 (the "predecessor accounting method"). 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.5. 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 continuing situation with the Russian Federation, the European Central Bank (ECB) has not changed its approach not to quote the EUR/RUB currency pair exchange rate, referring to its official statement about its position in the ability to set the reference rate for EUR/RUB currency pair that would be representative of prevailing market conditions. The ECB last published the EUR/RUB reference rate on 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.6. Comparative figures in the condensed consolidated interim statement of income

The comparative figures for the six-month period ended 30 June 2023 have been restated from two reasons described below.

First, due to the discontinuance of operations in the SEA region (as further described in detail in B.2.1), where the comparative figures were restated so that they presented only the continuing operations of the Group. The SEA region results are thus presented in one line caption "net profit from discontinued operations, net of tax" in the condensed consolidated interim statement of income.

Second, considering the changes in the segment reporting structure (refer to D section), the Group reassessed the appropriateness of presentation of entertainment revenues and related costs, previously reported under other income and other operating expenses captions, respectively, in the condensed consolidated statement of income. The Group concluded that it is more appropriate to report these items under leisure and entertainment revenues and leisure and entertainment costs as such classification better reflects their nature and role in the Group's operations.

The below table shows the comparative figures as they were previously reported and after the above-described restatements:

In millions of EUR, for the six months ended 30 June 2023

	2023 (reported)	Restatement due to discontinued operations	Presentation of entertainment revenues	2023 (restated)
Interest income	1,261	(406)	-	855
Interest expense	(658)	62	-	(596)
Net interest income	**603**	**(344)**	**-**	**259**
Fee and commission income	181	(107)	-	74
Fee and commission expense	(63)	9	-	(54)
Net fee and commission expense	**118**	**(98)**	**-**	**20**
Leisure and entertainment revenues	121	-	18	139
Leisure and entertainment costs	(84)	-	(10)	(94)
Net leisure and entertainment income	**37**	**-**	**8**	**45**
Net gain/(loss) on financial assets/liabilities	131	2	-	133
Other income	94	-	(18)	76
TOTAL OPERATING INCOME	**2,607**	**(440)**	**(10)**	**2,157**
Net impairment losses on financial assets	(228)	134	-	(94)
Personnel expenses	(642)	104	-	(538)
Depreciation and amortisation	(534)	3	-	(531)
Other operating expenses	(602)	48	10	(544)
PROFIT BEFORE TAX	**869**	**(151)**	**-**	**718**
Income tax benefit	(160)	21	-	(139)
Net profit from continuing operations	**709**	**(130)**	**-**	**579**
Net profit from discontinued operations, net of tax	-	130	-	130
NET PROFIT FOR THE PERIOD	**709**	**-**	**-**	**709**

B. Consolidated group and 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 2024 and 31 December 2023.

Company	Domicile	Effective proportion of ownership interest	
		30 June 2024	31 December 2023
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	100.00%	91.12%
Air Bank a.s.	Czech Republic	100.00%	91.12%
EmbedIT s.r.o.	Czech Republic	100.00%	91.12%
Favour Ocean Ltd.	Hong Kong	100.00%	91.12%
Home Credit Bank JSC(1)	Kazakhstan	100.00%	100.00%
Home Credit a.s.	Czech Republic	100.00%	91.12%
Home Credit Asia Ltd.	Hong Kong	100.00%	91.12%
Home Credit N.V.	Netherlands	100.00%	91.12%
Home Credit Consumer Finance Co., Ltd.	China	100.00%	91.12%
Home Credit India Finance Private Ltd.	India	100.00%	91.12%
Home Credit International a.s.	Czech Republic	100.00%	91.12%
Home Credit Slovakia, a.s.	Slovakia	100.00%	91.12%
Home Credit Vietnam Finance Company Ltd.	Vietnam	100.00%	91.12%
Yettel Bank a.d. Beograd *(formerly 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	100.00%	91.12%
Shenzhen Home Credit Xinchi Consulting Co., Ltd.	China	100.00%	91.12%
PPF Financial Holdings subgroup – associates			
CB Growth Holdings Limited(2)	United Kingdom	38.79%	33.32%
ClearBank Ltd.(2)	United Kingdom	38.79%	33.32%
Telecommunications subgroup – subsidiaries			
PPF Telecom Group B.V.	Netherlands	100.00%	100.00%
CETIN a.s.	Czech Republic	70.00%	70.00%
CETIN Bulgaria EAD	Bulgaria	70.00%	70.00%
CETIN d.o.o. Beograd-Novi Beograd	Serbia	70.00%	70.00%
CETIN Finance B.V.	Netherlands	70.00%	70.00%
CETIN Group N.V.	Netherlands	70.00%	70.00%
CETIN Hungary Zrt.(3)	Hungary	77.50%	72.50%
CETIN Networks, s.r.o. *(formerly O2 Networks, s.r.o.)*	Slovakia	100.00%	100.00%
DeCeTel s.r.o. *(formerly Nej.cz s.r.o.)*	Czech Republic	70.00%	70.00%
O2 Czech Republic a.s.	Czech Republic	100.00%	100.00%
O2 IT Services s.r.o.	Czech Republic	100.00%	100.00%
O2 Slovakia, s.r.o.	Slovakia	100.00%	100.00%
PPF Comco N.V.	Netherlands	100.00%	100.00%
PPF TMT Bidco 1 N.V.	Netherlands	100.00%	100.00%
Yettel Bulgaria EAD	Bulgaria	100.00%	100.00%
Yettel d.o.o. Beograd	Serbia	100.00%	100.00%
Yettel Magyarország Zrt	Hungary	100.00%	100.00%
Yettel Real Estate Hungary Zrt	Hungary	100.00%	100.00%
TMT Hungary B.V.	Netherlands	100.00%	100.00%
TMT Hungary Holdco B.V.	Netherlands	100.00%	100.00%
TMT Hungary Infra B.V.(3)	Netherlands	77.50%	72.50%

Company	Domicile	Effective proportion of ownership interest	
		30 June 2024	31 December 2023
Real estate subgroup – subsidiaries			
PPF Real Estate Holding B.V.	Netherlands	100.00%	100.00%
ARC DEVELOPMENT S.R.L.	Romania	100.00%	100.00%
Art Office Gallery a.s.	Czech Republic	100.00%	100.00%
Boryspil Project Management Ltd.	Ukraine	100.00%	100.00%
Capellalaan (Hoofddorp) B.V.	Netherlands	100.00%	100.00%
EusebiusBS (Arnhem) B.V.	Netherlands	100.00%	100.00%
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%
Johan H (Amsterdam) B.V.	Netherlands	100.00%	100.00%
Kateřinská Office Building s.r.o.	Czech Republic	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 CYPRUS RE MANAGEMENT Ltd.	Cyprus	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%
One Westferry Circus B.V.	Netherlands	100.00%	100.00%
RC PROPERTIES S.R.L.	Romania	100.00%	100.00%
Sun Belt Multi I, LLC	USA	100.00%	100.00%
Sun Belt Multi II, 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%
De Reling (Dronten) B.V.(4)	Netherlands	-	100.00%
Wagnerford LLC(4)	Russia	-	89.91%
Fosol Enterprises Limited(5)	Cyprus	-	89.91%
Devediaco Enterprises Limited(5)	Cyprus	-	89.91%
Real estate subgroup – associates/joint ventures			
Aventon Alaira II JV, LLC	USA	90.00%	90.00%
Gilbey Holdings Ltd.	Cyprus	60.00%	60.00%
Komodor LLC	Ukraine	59.40%	59.40%
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%
Elekouso Limited(5)	Cyprus	-	49.94%
Flowermills Holding B.V.(5)	Netherlands	-	49.94%
Vitodol Holdings Limited(5)	Cyprus	-	49.94%
Marisana Enterprises Ltd.(5)	Cyprus	-	49.94%
Engineering subgroup – subsidiaries(6)			
Škoda a.s.	Czech Republic	80.00%	85.70%
Bammer trade a.s.	Czech Republic	80.00%	85.70%
ŠKODA ELECTRIC a.s.	Czech Republic	80.00%	85.70%
Škoda Investment a.s.	Czech Republic	80.00%	85.70%
ŠKODA PARS a.s.	Czech Republic	80.00%	85.70%
Škoda Transportation a.s.	Czech Republic	80.00%	85.70%
Škoda Transtech Oy	Finland	80.00%	85.70%
ŠKODA VAGONKA a.s.	Czech Republic	80.00%	85.70%
Engineering subgroup – joint ventures			
Temsa Skoda Ulaşim Araçlari San.ve Tic. A.Ş.(6), (11)	Turkey	40.00%	42.85%

Company	Domicile	Effective proportion of ownership interest	
		30 June 2024	31 December 2023
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.	Croatia	100.00%	100.00%
TV Nova s.r.o.	Czech Republic	100.00%	100.00%
Leisure and entertainment subgroup - subsidiaries			
Bestsport, a.s.	Czech Republic	100.00%	100.00%
BLUE SEA HOLDING Srl	Belgium	58.91%	58.91%
Dream Yacht Group SA	Belgium	51.17%	51.17%
Hotel Stages Operations s.r.o. *(formerly Bestsport SPV s.r.o.)*	Czech Republic	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%
Prague Entertainment Group B.V.	Netherlands	100.00%	100.00%
Privilège Marine SAS	France	99.72%	99.72%
Robertson and Caine Proprietary Limited	South Africa	100.00%	100.00%
Robertson and Caine Properties Proprietary Limited	South Africa	100.00%	100.00%
Vox Ventures B.V.	Netherlands	100.00%	100.00%
Leisure and entertainment subgroup – associates			
Navigare Yachting Holding AB	Sweden	33.88%	33.88%
Other significant subsidiaries			
BONAK a.s.	Czech Republic	100.00%	100.00%
Cytune Pharma SAS	France	97.00%	97.00%
Fodina B.V.(7)	Netherlands	100.00%	100.00%
GEMCOL Ltd.	Cyprus	100.00%	100.00%
Miridical Holding Limited	Cyprus	100.00%	100.00%
Naneva B.V.	Netherlands	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 IM LTD	Cyprus	100.00%	100.00%
PPF Life Insurance LLC	Russia	100.00%	100.00%
PPF NIPOS B.V	Netherlands	100.00%	100.00%
SCT Cell Manufacturing s.r.o.	Czech Republic	97.00%	97.00%
SOTIO Biotech AG	Switzerland	97.00%	97.00%
SOTIO Biotech a.s.	Czech Republic	97.00%	97.00%
Tanemo a.s.	Czech Republic	100.00%	100.00%
Other significant associates/joint ventures			
CE Electronics Holding a.s.	Czech Republic	50.00%	50.00%
FAST ČR, a.s.	Czech Republic	50.00%	50.00%
Heureka Group a.s.	Czech Republic	50.00%	50.00%
InPost S.A.(8)	Luxembourg	28.75%	21.75%
ITIS Holding a.s.	Czech Republic	50.00%	50.00%
CzechToll s.r.o.	Czech Republic	50.00%	50.00%
SkyToll, a.s.	Slovakia	50.00%	50.00%
VITRONIC Machine Vision GmbH(9)	Germany	50.00%	-
LEAG Holding a.s.	Czech Republic	30.00%	30.00%
Lausitz Energie Verwaltungs GmbH	Germany	30.00%	30.00%
MONETA Money Bank, a.s.	Czech Republic	29.94%	29.94%
Viaplay Group AB(10)	Sweden	29.29%	-

(1) The effective legal ownership share is 7.5%. However, the Group continues controlling the subsidiary as the remaining ownership is held by individuals related to the Group, and under relevant contractual arrangements, the Group keeps being exposed to risks and related variable returns from the subsidiary.
(2) In April 2024, the Group increased its share in CB Growth Holdings Limited (refer to B.3.3).
(3) On 4 March 2024, the Group through its subsidiary TMT Hungary Holdco B.V. increased its ownership interest in TMT Hungary Infra B.V. (refer to B.3.4).
(4) Sold or indirectly sold
(5) The Group sold its entire stakes in real estate projects in Russia on 10 June 2024 (refer to B.2.2).

(6) On 29 May, the Group sold an additional 5.7% share in Skoda a.s. to the minority shareholder, while retaining a 80% share in the company.
(7) On 9 July 2024, Fodina B.V. was renamed to PPF Management Services B.V.
(8) On 7 May 2024, PPF NIPOS B.V. increased its share in InPost S.A. (refer to B.3.1).
(9) On 23 May 2024, ITIS Holding a.s., the Group's joint-venture, acquired the 100% share in VITRONIC Machine Vision GmBH.
(10) On 16 February 2024, the Group acquired a significant influence in Viaplay Group AB (refer to B.3.2.)
(11) During 2024, TEMSA ULASIM ARACLARI SANAYI VE TICARET A.S. was renamed to Temsa Skoda Ulaşim Araçlari San.ve Tic. A.Ş.

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

Place of business	Entity
Germany	Monheim Property B.V.
United Kingdom	Tanaina Holdings Ltd., One Westferry Circus B.V.

B.2. Changes through business combinations in 2024/2023

B.2.1. Discontinued operations of Southeast Asia („SEA“) region under Financial services segment

The Group’s operations in the SEA region, both related to the group of assets held for sale and associated liabilities (described in B.2.1.1) and those already sold (described in B.2.1.2), fulfil the conditions of IFRS 5 for discontinued operations, and the whole SEA region is presented as discontinued operations in these condensed consolidated interim financial statements. The SEA region’s operations form one of the geographical regions within the consumer lending subsegment under the financial services segment (refer to D section). The comparative financial information for the six months ended 30 June 2023 comprise the Group’s operations of entities in the Philippines and Indonesia sold during 2023 as they formed part of the SEA region operations as well. Therefore, the comparative figures in the Group’s condensed consolidated interim statement of income for the six months ended 30 June 2023 were restated and the figures of the whole SEA region are presented as discontinued operations.

B.2.1.1. Expected sale of Home Credit business in Vietnam and India

On 28 February 2024, the Group signed a conditional framework agreement to sell its 100% share in Home Credit Vietnam business (“HC Vietnam”) to The Siam Commercial Bank Public Company Limited. The consideration for the transaction amounts to approximately EUR 800 million. The deal is subject to regulatory approval and expected to be completed in the second half of 2025.

In May 2024, the Group also concluded an agreement to sell 100% of its Home Credit India Finance Private Limited (“HC India”) business to a group of investors led by an Indian conglomerate, TVS Holdings Limited. The consideration for the transaction amounts approximately to EUR 75 million. The deal is subject to Indian regulatory approvals and is expected to be closed in the first half of 2025.

Referring to the above facts, both companies fulfill the conditions for being classified as disposal groups of assets and liabilities held for sale (refer to E.7). With this classification, the Group recognised an impairment loss totalling EUR 16 million for write-downs of the Indian disposal group of assets to their fair value less costs to sell, as the carrying amount of the disposal group of assets exceeded that fair value less costs to sell. In the condensed consolidated interim statement of income, the impairment loss is presented as part of the net profit from discontinued operations, net of tax.

The results of the SEA region for the six months ended 30 June 2024 and for 30 June 2023 are presented below:

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

	2024*	2023**
Interest income	221	406
Interest expense	(34)	(62)
Net interest income	**187**	**344**
Fee and commission income	43	107
Fee and commission expense	(8)	(9)
Net fee and commission expense	**35**	**98**
Net loss on financial assets/liabilities	(1)	(2)
Other income	1	2
TOTAL OPERATING INCOME	**222**	**442**
Net impairment losses on financial assets	(71)	(134)
Personnel expenses	(46)	(104)
Depreciation and amortisation	(2)	(3)
Other operating expenses	(23)	(50)
Loss allowance for the disposal group of assets	(16)	-
PROFIT BEFORE TAX	**64**	**151**
Income tax expense	(9)	(21)
NET PROFIT FROM DISCONTINUED OPERATIONS	**55**	**130**

*Represents results of the Group from activities in India and Vietnam.
**Represents results of the Group from activities in the whole SEA region, i.e., including results from activities of the entities in the Philippines and Indonesia sold during 2023 (refer also to B.2.1.2).

Net cash flow incurred by discontinued SEA region operation:

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

	2024*	2023**
Cash flows from/(used in) operating activities	(200)	161
Cash flow used in investing activities	(18)	(14)
Cash flows from/(used in) financing activities	83	(339)
Net cash flow from discontinued operations in SEA region	**(135)**	**(192)**

*Represents net cash flows of the Group from activities in India and Vietnam.
**Represents net cash flows of the Group from activities in the whole SEA region, i.e., including cash flows from activities of the entities in the Philippines and Indonesia sold during 2023 (refer also to B.2.1.2).

B.2.1.2. Sale of Home Credit businesses in the Philippines and Indonesia (2023)

On 24 November 2022, through its Home Credit subsidiaries the Group entered into agreements for the 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 was undertaken with a consortium of Mitsubishi UFJ Financial Group (“MUFG”) affiliates and led by Krungsri Bank, a leading Thai institution. Both sales were subject to the customary regulatory approvals, where for the Philippines and for the Indonesian transactions, the Group obtained these regulatory approvals on 1 June 2023 and on 2 October 2023, respectively. The transactions were closed on these dates.

The following table summarises the gains on sale from both transactions:

In millions of EUR

Transaction	Philippine entities in total	Indonesian entity
Direct ownership sold	100.00%	77.45%
Sale price	468	188
Net assets value disposed	(199)	(69)
where:		
Accumulated translation losses until loss of control relating to these foreign operations (reclassified from equity to profit or loss)	*(7)*	*(8)*
Non-controlling interests	-	12
Total net gain on sale	262	123

The following table summarises the assets and liabilities of both entities:

In millions of EUR, as at the moment when the control was lost

	Philippine entities in total	Indonesian entity
Loss of control date	*1 June 2023*	*2 October 2023*
Loans and receivables due from customers	701	184
Other assets	114	62
Cash and cash equivalents	39	18
Total assets	**854**	**264**
Due to banks and other financial institutions	(525)	(144)
Other liabilities	(130)	(51)
Total liabilities	**(655)**	**(195)**
Net assets value	**199**	**69**

B.2.2. Sale of real estate project in Russia (2024)

In October 2023, the Group signed agreements to sell its 90% stake in its subsidiary Devediaco Enterprises Limited and its 49.94% stakes in its equity-accounted investees Elekouso Limited and Vitodol Holdings Limited (together representing the Metropolis project). The total consideration for these sales was EUR 12 million. These transactions were subject to regulatory approvals by the Russian government which were obtained in March 2024 and transactions were closed on 10 June 2024 resulting in a total loss of EUR 112 million.

The following table summarises the loss on sale of the subsidiary:

In millions of EUR

Transaction	Devediaco
Direct ownership sold	90.00%
Sale price	9
Net assets value disposed	(13)
where:	
Accumulated translation losses until loss of control relating to these foreign operations (reclassified from equity to profit or loss)	*(12)*
Non-controlling interests	1
Total net loss on sale	(15)

The following table summarises the assets and liabilities of the subsidiary sold:

In millions of EUR, as at 10 June 2024

	Devediaco
Investment property	104
Cash and cash equivalents	11
Total assets	**115**
Due to banks and other financial institutions	(78)
Deferred tax liability	(20)
Other liabilities	(4)
Total liabilities	**(102)**
Net assets value	**13**

The following table summarises the losses on sales of the equity-accounted investees:

In millions of EUR, as at 10 June 2024

Transaction	Elekouso and Vitodol in total
Direct ownership sold	49.94%
Sale price	3
Group's share on net assets disposed	(28)
where:	
Group's share on accumulated translation losses until loss of significant influence on these foreign operations (reclassified from equity to profit or loss)	*(72)*
Total net loss on sale	(97)

B.2.3. Sale of the real estate project in the Netherlands (2024)

On 28 March 2024, the Group sold its 100% stake in De Reling (Dronten) B.V. (a retail park project in Netherlands) for EUR 27 million, implying a negligible gain in thousands of EUR.

B.2.4. Agreement with Emirates Telecommunication Group Company (closing pending)

On 1 August 2023, the Parent Company and Emirates Telecommunications Group Company PJSC ("e&") signed the agreement under which e& will acquire a stake of 50% plus one share in PPF Telecom Group B.V.'s assets in Bulgaria, Hungary, Serbia, and Slovakia. PPF Telecom Group B.V.'s existing assets in the Czech Republic, including CETIN a.s. and the Czech operator O2 Czech Republic a.s., are not part of the transaction. The transaction parties have agreed that e& will pay approximately EUR 2,300 million upfront (subject to closing accounts adjustments) at the closing for the acquisition of the 50% stake plus one share in PPF Telecom Group B.V. and additional earn-out payments of up to EUR 350 million within three years after the closing if PPF Telecom Group B.V., at its consolidated level, exceeds certain financial targets. This is subject to a claw back of up to EUR 75 million if such financial targets are not achieved.

The transaction with e& is expected to close in the last quarter of 2024 and is subject to regulatory approvals, the latest of which was obtained in late September 2024 (including the EU Foreign Subsidies Regulation review), and other customary closing conditions.

The Group's management performed a thorough analysis and evaluated that the PPF Telecom Group B.V.'s assets in Bulgaria, Hungary, Serbia, and Slovakia subject to this sale transaction did not meet the criteria to be classified as held-for-sale as at 30 June 2024. However, with obtaining the last outstanding regulatory approval in September 2024, alongside the approval of the non-controlling partner, the assets subject to the sale transaction have since met thecriteria for classification as held-for-sale and discontinued operations. For details on the expected impact of the transaction on the Group's consolidated financial statements refer to G section.

B.2.5. Sale of real estate projects in Russia (2023)

At the beginning of 2023, the Group sold its 100% stake in Trilogy Park Holding B.V. and Investitsioniy Trust CJSC (a logistics park, warehouses near Moscow) for a negligible consideration (in thousands of EUR), resulting in a loss of EUR 11 million. Additionally, the Group sold its 100% stake in Oil Investments LLC with Stockmann StP Centre LLC (a shopping mall in Saint Petersburg) for a consideration of approx. EUR 11 million, resulting in a loss of EUR 19 million. The results of both transactions include the impact of accumulated translation losses until the loss of control relating to these foreign operations, reclassified to profit or loss, of EUR 15 million.

The entities representing the above sold real estate projects in Russia comprised primarily the following items:

In millions of EUR, as at the disposal dates during the year ended 31 December 2023

Investment property	208
Loans due from customers	48
Other assets	17
Cash and cash equivalents	3
Total assets	**276**
Due to banks and other financial institutions	(159)
Due to non-banks	(46)
Other liabilities	(46)
Total liabilities	**(251)**
Net assets value	**25**

B.2.6. Robertson & Caine acquisition (2023)

In January 2023, the Group signed an agreement to acquire Robertson & Caine (R&C), a South African producer of Leopard catamarans, from its founder and shareholder. Leopard is most notably known in the US markets. This acquisition complements the Group's current global activities in the production and rental of recreational vessels and the provision of related services. The transaction was closed on 1 June 2023 after the required approvals from South African regulatory authorities were obtained.

In accordance with IFRS 3, the Group prepared a purchase price allocation exercise (PPA) to identify the fair value of the assets acquired and the liabilities assumed. Assets and liabilities denominated in foreign currencies were translated using the exchange rate valid as at the acquisition date. Consequently, the assets and liabilities were restated to their respective fair values. The difference between the allocated purchase price and the fair values of the identified assets and liabilities resulted in the recognition of goodwill. As the previous shareholders were entitled to a potential earn-out payment contingent on achieving EBITDA for 2023, the contingent consideration payable was determined at its fair value as at the acquisition date. Subsequently, the liability was measured at fair value through profit or loss. The earn-out was agreed at its maximum amount at the beginning of 2024 (refer to the below goodwill table).

Key assumption and valuation approach

As the acquired business is a boat builder manufacturing for export and globally the third largest builder of catamarans, key asset categories acquired were inventories, fixed assets representing land and a building, machinery and equipment, along with the newly identified Leopard brand and a customer-related contract.

Since each asset category has distinct characteristics, different valuation methods were appropriately applied.

The following table summarises the recognised amounts of assets and liabilities assumed at the acquisition and considering the above facts:

In millions of EUR, as at 1 June 2023

Fair value of assets (excluding goodwill)	**95**
Intangible assets	34
Inventories	30
Property, plant and equipment	17
Cash and cash equivalents	9
Other assets	5
Fair value of liabilities	**(44)**
Trade and other payables	(28)
Deferred tax liability	(10)
Financial liabilities at FVTPL	(4)
Due to banks and other financial institutions	(2)
Fair value of identifiable net assets	**51**

Goodwill arising from the acquisition has been recognised as follows:

In millions of EUR

Effective ownership	100.00%
Total consideration [a]	81
Purchase price (paid in cash)	*53*
*Fair value of contingent consideration as at the acquisition date**	*28*
Fair value of identifiable net assets [b]	51
Goodwill [a-b]	30

*The maximum amount of the earn-out payment amounted to USD 30 million (approx. EUR 28 million).

Goodwill is primarily attributable to the established position of R&C in the industry and anticipated synergies with the Group’s complementary businesses.

During the one-month period ended 30 June 2023, the acquired entities contributed the revenue of EUR 14 million and profit of EUR 7 million to the Group´s results. If the acquisition had occurred on 1 January 2023, the consolidated revenue would have been increased by EUR 50 million and profit by EUR 9 million.

B.2.7. Acquisition of Nej.cz (2023)

In April 2023, the Group (specifically CETIN a.s.) entered into an agreement to acquire a 100% stake in Nej.cz s.r.o. (hereinafter as “Nej.cz”), the internet connection, voice and television services provider in the Czech Republic. The Group has primarily acquired a high-speed optical infrastructure in its portfolio, which is available for half a million households in several regions of the Czech Republic. The transaction was subject to the approval of the Office for the Protection of Competition and the closing of the transaction occurred on 30 November 2023. On 1 June 2024, Nej.cz s.r.o. was renamed to DeCeTel s.r.o.

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

Key assumptions and valuation approach

As the acquired business is an internet connection, voice and television services provider, the key asset categories acquired in the acquisition were fixed assets reported in the balance sheet, and customer relationships identified in addition to the fixed assets. The main fixed assets category was ducts, cables, and related plant.

Since each asset category has distinct characteristics, different asset valuation methods were applied. Based on the nature of the tangible assets and their continuing use, the reproduction or replacement cost approach was applied. Physical depreciation was reflected by the application of the Iowa and linear depreciation curves. Newly identified customer relations were valued using the multi-period excess earnings method, and the brand's fair value was determined using the relief from royalty method.

It was concluded that the carrying amounts of the current non-financial assets, current financial assets, and all assumed liabilities represented their respective fair values as at the acquisition date.

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

In millions of EUR, as at 30 November 2023

Fair value of assets acquired (excl. goodwill)	**203**
Property, plant and equipment (incl. right-of-use assets)	152
Intangible assets	39
Trade and other receivables	6
Other assets	3
Cash and cash equivalents	3
Fair value of liabilities assumed	**(153)**
Due to non-banks	(106)
Deferred tax liability	(20)
Lease liabilities	(13)
Trade and other payables	(7)
Contract liabilities	(6)
Other liabilities	(1)
Fair value of identifiable net assets	**50**

Prior to the closing of the transaction, the Group refinanced Nej.cz's debts, i.e., external CZK bank loans totalling approx. EUR 69 million and a shareholder CZK loan from Nej.cz's previous owner of approx. EUR 37 million by way of a CZK loan provided by Cetin a.s. to Nej.cz (presented in the above table together as liabilities due to non-banks). Thus, with the acquisition of control over Nej.cz, the loan became an intragroup relationship and, as at 31 December 2023 was fully eliminated from the Group's perspective.

Total consideration transferred for the acquisition of Nej.cz effectively amounts to EUR 352 million comprising a base consideration of EUR 246 million and the above-described loans refinancing totalling EUR 106 million.

The acquisition of shares and the above loan was financed by a mix of equity and external debt financing.

Goodwill arising from the acquisition was recognised as follows:

In millions of EUR, as at 30 November 2023

Consideration paid	246
Fair value of identifiable net assets	50
Goodwill	**196**

Goodwill is attributable to the established position of Nej.cz's businesses on the Czech market, anticipated synergies with other Group's operations and the assembled workforce. The goodwill balance is not expected to be deductible for tax purposes.

In the period from the acquisition date to 31 December 2023, Nej.cz contributed revenue of EUR 5 million and profit of EUR 1 million to the Group's results. If the acquisition had occurred on 1 January 2023, consolidated revenues would have increased by approximately EUR 62 million and profit by approximately EUR 9 million.

B.3. Other changes

B.3.1. Acquisition of the significant influence in InPost

In May 2023, the Group through its newly established Dutch holding company PPF NIPOS B.V. entered into an agreement to acquire an additional 15% share in the publicly traded InPost S.A. ("InPost") for a cash consideration of EUR 750 million. After the closing of the transaction in June 2023, the Group held a 16.75% share in InPost and became the second largest shareholder in this e-commerce distribution group currently active on its home market in Poland and in eight Western European countries. InPost operates automated parcel machines (APMs) providing self-service delivery boxes for e-commerce clients, develops fulfilment centres (parcel storage and distribution), and offers its services to e-shops.

Along with the above acquisition, the Group agreed with the seller on a call option to purchase an additional 15% share in InPost. After a thorough analysis of the arrangements the Group arrived at the assessment that in June 2023 it had acquired a significant influence over InPost. The InPost investment has therefore been classified as an associate, and the equity method has been applied since then.

In accordance with IAS 28 and 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 together with the significant influence. Since InPost is a publicly traded company, the accessibility of InPost's data is legally restricted to those publicly available. Although the significant influence was acquired on 7 June 2023, to perform the PPA, the Group only had access to the publicly available data as at 30 June 2023. The PPA itself was performed by an independent certified valuation expert company under the legal restrictions on the data availability of publicly traded entities.

The following table summarises InPost'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 InPost's net assets is presented in the equity-accounted investees balance in the consolidated statement of financial position:

In millions of EUR, as at 30 June 2023

Fair value of assets (excluding goodwill)	3,120
Fair value of liabilities	(2,059)
Fair value of identifiable net assets (100%)	1,061

Goodwill arising from the acquisition has been recognised and presented with the equity-accounted investee's 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, as at 30 June 2023

Effective ownership at acquisition of the significant influence	16.75%
Total consideration	837
Fair value of the previously held interest (1.75% share)	*87*
Total cash consideration for the additional acquired 15% share	*750*
Carrying value of identifiable net assets, excl. goodwill (100%)	1,061
Carrying value of identifiable net assets, excl. goodwill (attributable to the Group's 16.75% share)	178
Goodwill (included in equity-acc. investee's carrying amount at acquisition)	659

In December 2023, the call option described above to acquire the additional 15% share expired unexercised, however, on 7 December 2023, the Group instead acquired an additional 5% share, increasing its ownership interest in InPost to 21.75% as at 31 December 2023. The Group also entered into a new call option agreement to acquire a 10% share and exercised it in April 2024. In parallel, the Group agreed to sell its 3% share in InPost to an unrelated investment fund. The Group thus eventually settled its optimal ownership in InPost at 28.75%. As a result of these transactions, the goodwill recognised within the InPost equity-accounted investment's carrying amount increased to a total of EUR 1,376 million (refer to E.8). Net cash outflow from the transactions performed during the first half of 2024 totalled EUR 364 million. The acquisition of the above additional share in 2024 was financed through a combination of equity and external secured bank financing.

B.3.2. Acquisition of significant influence in Viaplay Group AB

On 16 February 2024, the Group increased its ownership in the Stockholm Exchange-traded Swedish streaming group Viaplay Group AB ("Viaplay") from a 9.39% share held by the end of 2023 to a 29.29% share for SEK 1.33 billion (approx. EUR 118 million). As the transaction represents an ordinary share acquisition, the Group thus acquired a significant influence over Viaplay, and the investment has been classified as an associate, with the equity method having been applied since then.

In accordance with IAS 28 and 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 together with the significant influence. Since Viaplay is a publicly traded company, the accessibility of Viaplay's data is legally restricted to those publicly available. Although the significant influence was acquired on 16 February 2024, to perform the PPA, the Group only had access to the publicly available data as at 31 March 2024. The PPA itself was performed by an independent certified valuation expert company under the legal restrictions on the data availability of publicly traded entities.

The following table summarises Viaplay's estimated fair values of assets and liabilities determined as at 16 February 2024 (the date of the significant influence acquisition). The below assets and liabilities are not recognised in the Group's consolidated figures directly, and only the Group's share on Viaplay'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 February 2024

Fair value of assets (excluding goodwill)	1,610
Fair value of liabilities	(1,178)
Fair value of identifiable net assets (100%)	433

The following table summarises the financial aspects of the transaction:

In millions of EUR, as at 16 February 2024

Effective ownership at acquisition of the significant influence	29.29%
Total consideration	119
Fair value of the previously held interest (9.39% share)	*1*
Total cash consideration for the additional acquired 19.9% share	*118*
Carrying value of identifiable net assets, excl. goodwill (100%)	433
Carrying value of identifiable net assets, excl. goodwill (attributable to the Group's 29.29% share)	127
Bargain purchase (recognised in share of profit of equity-accounted investees, net of tax)	8

B.3.3. Increased share in Clearbank

In April 2024, the Group increased its shareholding in CB Growth Holdings Limited from 33.32% to 38.79% exercising its existing call option for a consideration of GBP 28 million (approx. EUR 32 million). CB Growth Holdings Limited is a holding entity for Clearbank, the UK based licenced clearing bank on which the Group has a significant influence. As a result of this transaction, the Group recognised an additional goodwill amounting to EUR 15 million, for details refer to E.8.

B.3.4. Increased share in Yettel Hungary and Cetin Hungary

On 19 December 2023, through its newly established subsidiary TMT Hungary Holdco B.V., the Group acquired the entire remaining 25% share in TMT Hungary B.V. (the holding company for the telecommunication retail business in Hungary, Yettel) from a non-controlling shareholder and became the sole shareholder. The Group also acquired an additional 20% share in TMT Hungary Infra B.V. (the holding company for telecommunication infrastructure in Hungary, Cetin) while the non-controlling shareholder retained a 5% share. For more details on the impact of this transaction on the non-controlling interest, please refer also to E.22.

The following table summarises the financial aspects of these transactions in 2023:

In millions of EUR

Effective ownership acquired – TMT Hungary B.V.	25.00%
Effective ownership acquired – TMT Hungary Infra B.V.	20.00%
Total consideration paid	269
Total net asset value attributable to non-controlling interests acquired	200
Effect attributable to the owners of the Parent in equity	(69)
out of which:	
recorded in retained earnings (loss)	*(59)*
recorded in translation reserve (loss)	*(10)*

On 19 December 2023, the Group also entered into a call option with the non-controlling shareholder to purchase the remaining 5% share in TMT Hungary Infra B.V., whereas the non-controlling shareholder created a mirror position by entering into a put option agreement. The Group measured the call option at FVTPL. The NCI's put option represented a conditional commitment to acquire NCI's share of EUR 36 million. In 2024, the NCI's put option expired unexercised, and the conditional commitment was derecognised, as the Group exercised its call option to acquire the remaining 5% share in TMT Hungary Infra B.V. for a consideration of EUR 36 million on 5 March 2024.

B.3.5. Arrangements between Home Credit shareholders

With effect from 1 July 2019, PPF Financial Holdings B.V. (subsequently, PPF Financial Holdings a.s.) and Emma Omega Ltd. as the direct shareholders of Home Credit Group B.V. (subsequently, Home Credit N.V.) entered into an agreement concerning certain transactions with Home Credit Group shares. The agreement was subsequently modified in September 2019 (the "Agreement"). As of 31 December 2023, the Agreement ended with the expiration of the period for which it was concluded. In April 2024, the Group became the sole shareholder of Home Credit N.V.

The following table summarises the financial aspects of acquisition of the non-controlling share in Home Credit N.V.:

In millions of EUR

Effective ownership acquired – Home Credit N.V.	8.88%
Total consideration paid	221
Contingent consideration	(26)
Total net asset value attributable to non-controlling interests acquired	54
Effect attributable to the owners of the Parent in equity	(142)
out of which:	
recorded in retained earnings (loss)	*(142)*
recorded in translation reserve (gain)	*2*
recorded in revaluation reserve (loss)	*(2)*

The Group also entered into an agreement to sell its 8.88% share in the Kazakhstani bank Home Credit Bank JSC to Emma Omega Ltd. The closing of the transaction is subject to various conditions precedent (incl. regulatory approvals). With respect to the current state of the transaction, the agreement had no impact on these condensed consolidated interim financial statements so far.

B.3.6. Partial sale of a share in LEAG JV (in 2023)

At the end of 2022, the Group and its joint venture partner were in negotiations on the sale of the Group's 20% stake in LEAG joint-venture investment. As a result of these negotiations reflecting the prevailing market conditions, during the first half of 2023, the Group concluded a sale agreement with the joint venture partner to sell the 20% stake in LEAG for EUR 1. The Group and the joint-venture partner also granted call and put options to each other (the Group to sell, the joint-venture partner to buy) for the remaining 30% stake in LEAG for its fair market value. The options are exercisable at any time from 1 October 2024 to 30 September 2026.

The Group classified this 20% stake in LEAG as held-for-sale with the carrying amount of EUR 435 million, as at 30 June 2023. The transaction was subject to regulatory approvals that were obtained in September and October 2023, and the transaction was closed. As a result of this transaction, the Group recognised a loss from sale of equity-accounted investees amounting to EUR 435 million.

As at 30 June 2024 and 31 December 2023, the remaining 30% stake is classified as an associate and continues to be measured by applying the equity method (refer to E.8).

B.3.7. Increased share in Heureka Group and CE Electronics Holding, and sale of Vivantis (in 2023)

On 24 May 2023, the Group, together with its jointly participating partners, entered into a series of agreements through which it aimed to increase its share in Heureka Group and in CE Electronics Holding Group (CEEH) from the previous 40% stake to the new 50% stake in both cases, and fully dispose its 40% stake in Vivantis. The additional acquisitions were closed by 30 June 2023 and changed the classification of Heureka Group and CEEH from associates to joint-ventures following the contractual arrangements with the continuing joint-venture partner while the equity method retains to be applied for the measurement of these two investments. The sale of Vivantis was closed in August 2023 (with a negligible loss on sale in thousands of EUR).

The additional 10% stake in Heureka Group was acquired for a cash consideration of EUR 16 million resulting in an additional goodwill recognised within the carrying amount of Heureka Group investment of EUR 32 million. The increase in goodwill is enhanced by the negative net assets of Heureka Group reported under IFRS-AS (refer to E.8). The additional 10% stake in CEEH was acquired for a cash consideration of EUR 2 million resulting in no additional goodwill recognition.

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 2023.

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 apart from those described in section B.

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 2024 (excl. held-for-sale)

	Carrying amount	Fair value	Level 1	Level 2	Level 3
Financial assets at AC (E.2.2)	2,494	2,369	2,325	44	-
Loans and receivables due from banks and other financial institutions	274	273	38	232	3
Loans due from customers	7,669	7,585	-	15	7,570
Trade and other receivables*	1,702	1,702	-	-	1,702
Due to non-banks	(15,574)	(15,560)	-	(15,339)	(221)
Due to banks and other financial institutions	(6,925)	(6,972)	-	(5,748)	(1,224)
Debt securities issued	(2,767)	(2,725)	-	(2,586)	(139)
Subordinated liabilities	(26)	(26)	-	(12)	(14)
Trade and other payables**	(1,928)	(1,928)	-	-	(1,928)

*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 2023 (excl. held-for-sale)

	Carrying amount	Fair value	Level 1	Level 2	Level 3
Financial assets at AC (E.2.2)	2,410	2,323	2,276	47	-
Loans and receivables due from banks and other financial institutions	193	193	32	158	3
Loans due from customers	8,457	8,236	-	11	8,225
Trade and other receivables*	1,658	1,658	-	-	1,658
Due to non-banks	(14,661)	(14,658)	-	(14,443)	(215)
Due to banks and other financial institutions	(7,438)	(7,444)	-	(6,239)	(1,205)
Debt securities issued	(3,165)	(3,114)	-	(2,697)	(417)
Subordinated liabilities	(26)	(23)	-	(12)	(11)
Trade and other payables**	(2,157)	(2,157)	-	-	(2,157)

*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 2024 (excl. held-for-sale)

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL	724	3,699	41	4,464
Financial assets FVOCI	1,624	662	62	2,348
Financial liabilities at FVTPL	(288)	(3,331)	(4)	(3,623)
Total	**2,060**	**1,030**	**99**	**3,189**

In millions of EUR, as at 31 December 2023 (excl. held-for-sale)

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL	796	3,839	21	4,656
Financial assets FVOCI	1,722	145	62	1,929
Financial liabilities at FVTPL	(467)	(3,535)	(32)	(4,034)
Total	**2,051**	**449**	**51**	**2,551**

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

In millions of EUR, for the six months ended 30 June 2024

	Financial assets FVTPL	Financial assets FVOCI	Financial liabilities FVTPL	Total
Balance as at 1 January	21	62	(32)	51
Net gains recorded in profit or loss (included in net gain/(loss) on financial instruments)	2	-	1	3
Net gains/(losses) recorded in other comprehensive income	-	(1)	26	25
Purchases and other additions of financial assets	49	-	-	49
Sales/settlements	(31)	-	-	(31)
Transfers out of / into Level 3	-	1	1	2
Balance at 30 June 2024	**41**	**62**	**(4)**	**99**

In millions of EUR, for the year ended 31 December 2023

	Financial assets FVTPL	Financial assets FVOCI	Financial liabilities FVTPL	Total
Balance as at 1 January	174	82	(174)	82
Net gains/(losses) recorded in profit or loss (included in other net gain/(loss) on financial instruments)	(5)	-	18	13
Net losses recorded in other comprehensive income	-	(29)	-	(29)
Purchases or originations of financial assets	49	-	-	49
Sales/settlements	(197)	-	151	(46)
Additions of financial liabilities/Issues	-	-	(2)	(2)
Additions resulting from business combinations	-	-	(27)	(27)
Transfer out of / into Level 3	-	10	-	10
Effect of movements in exchange rates	-	(1)	2	1
Balance as at 31 December 2023	**21**	**62**	**(32)**	**51**

The Group uses the consistent techniques to determine fair value under Level 2 and Level 3 in these condensed consolidated interim financial statements as were applied in the most recent annual consolidated financial statements for the year ended 31 December 2023.

The financial assets at FVOCI presented in Level 3 represent equity securities of EUR 62 million (31 December 2023: equity securities of EUR 62 million). Their fair value is sensitive to economic developments of the businesses whose equity securities the Group holds (incl. macroeconomic environment in which the businesses operate).

C.2. Capital management

PPF Financial Holdings a.s. as an approved financial holding entity (in the sense of Section 28 of Act No. 21/1992 Coll. on banks) is subject to prudential requirements on its consolidated basis pursuant to Regulation (EU) 575/2013 of the European Parliament and of the Council, and the Directive 2013/36/EU of the European Parliament and of the Council (as transposed in the Czech Republic). The Czech National Bank acts as a supervisory authority over PPF Financial Holdings on its consolidated basis (the “Subgroup”).

As of 30 June 2024, in addition to an 8% capital adequacy, the Subgroup was required to maintain a capital conservation buffer amounting to 2.5%, an institution specific countercyclical capital buffer amounting to 0.949%, and a capital buffer for other systemically important institutions amounting to 0.5% of its risk weighted assets. Furthermore, an additional capital requirement according to Pillar Two of 1.0% of risk weighted assets has been applicable between 1 January 2024 and 31 March 2024. With effect from 31 March 2024, the Pillar Two requirement of 1.2% is applicable.

Some of the Subgroup’s subsidiaries operating in the banking and consumer finance 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, Asia
	Air Bank[(1)] and its subsidiaries	Deposits, loans and other transactions and balances with retail customers	Czech Republic, Slovakia
	Bank Home Credit	Deposits, loans and other transactions and balances with retail customers	Kazakhstan
	Yettel bank (formerly Mobi Banka)	Deposits, loans and other transactions and balances with retail customers	Serbia
	ClearBank *(associate)*	Clearing and settlement services	United Kingdom
Telecommunications	O2 Czech Republic	Fixed and mobile telecommunication and data services	Czech Republic
	O2 Slovakia	Mobile telecommunication and data services	Slovakia
	CETIN	Administration and operation of data and communication networks	Czech Republic, Slovakia, Hungary, Bulgaria, Serbia
	Yettel	Mobile operators providing a range of voice and data services	Hungary, Bulgaria, Serbia
Media	CME and its subsidiaries	Television broadcasting	Czech Republic, Bulgaria, Romania, Slovakia, Slovenia, Croatia
Real estate	PPF Real Estate Holding	Developing, investing, and professional consulting in the property sector	Central and Western Europe, Romania, USA
Mechanical engineering	Škoda	Production, development, assembling and repairs of vehicles for public transport	Czech Republic, Eastern Europe, Finland, Belgium
	Temsa *(JV)*	Production of buses	Turkey
Leisure and entertainment	Dream Yacht *(subs.)*/ Navigare *(associate)*	Sea boat charter services and production	worldwide
	Robertson & Caine	Catamaran producer	South Africa, USA
	O2 Arena/ O2 Universum	Operation of multipurpose hall hosting mainly sports and cultural events	Czech Republic

Reportable segment	Business name/brand	Operations	Geographic focus
Other	Sotio	Development of new medical therapies, focusing on the treatment of cancer	Czech Republic, USA, France, Switzerland
	PPF Insurance	Provision of life insurance products	Russia
	ITIS Holding *(JV)*	Toll operating and collection system	Czech Republic, Slovakia
	Heureka *(JV)*	E-commerce and comparison-shopping platforms	Central and Eastern Europe
	FAST *(JV)*	Consumer electronic wholesaler and retailer	Czech Republic, Slovakia, Hungary, Poland
	LEAG *(associate)*	Extraction, processing, refining and sale of lignite, generation of electricity and heat	Germany
	InPost *(associate)*	Operator of automated parcel machines	Poland, Western Europe
	MONETA Money Bank *(associate)*	Provider of banking and financing services to individual customers and clients in the SME segment	Czech Republic
	Viaplay[(2)] *(associate)*	Video streaming service	Sweden, Northern Europe

(1) a part of Home Credit Group
(2) acquired in February 2024 (refer to B.3.2)

As a reaction to the changing portfolio of the Group, the management, for the purposes of consolidated financial statements ended 31 December 2023, re-evaluated the way how the segment distribution is perceived, and the relevant information evaluated, by the chief operating decision maker. This re-evaluation resulted in a change of the segment structure presentation to correspond with the chief operating decision maker's views. Thus, the leisure and entertainment segment was newly reportable separately, comprising entities previously allocated to other segment (refer to the above table), whereas the insurance segment had no longer been evaluated separately but newly within other segment (refer to the above table). The comparative information for the six months ended 30 June 2023 was restated accordingly to ensure the comparability of the financial figures presented.

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 comprises the following categories of continuing operations which are reconcilable to the condensed consolidated interim statement of income, and the SEA region discontinued operations (refer to B.2.1):

In millions of EUR, for the six months ended 30 June 2024

	Continuing	Discontinued(1)	Total
Interest income(2)	826	221	1,047
Fee and commission income	69	43	112
Insurance income	13	-	13
Telecommunication revenues	1,914	-	1,914
Media revenues	441	-	441
Mechanical engineering revenues	571	-	571
Rental and related revenues	75	-	75
Leisure and entertainment revenues	201	-	201
Total revenue from external customers	**4,110**	**264**	**4,374**

(1) financial services operations in SEA region only (refer to B.2.1)
(2) interest income related solely to financial services, unallocated segments and insurance business (reported under other segment)

In millions of EUR, for the six months ended 30 June 2023

	Continuing (restated)(1)	Discontinued(2)	Total
Interest income(3)	824	406	1,230
Fee and commission income	74	107	181
Insurance income	16	-	16
Telecommunication revenues	1,831	-	1,831
Media revenues	396	-	396
Mechanical engineering revenues	518	-	518
Rental and related revenues	83	-	83
Leisure and entertainment revenues	139	-	139
Total revenue from external customers	**3,881**	**513**	**4,394**

(1) for more details on the restatement refer to A.6
(2) financial services operations in SEA region only (refer to B.2.1)
(3) interest income related solely to financial services, unallocated segments and insurance business (reported under other segment)

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

The following table shows the main items from the financial statements broken down according to reportable segments for the six months ended 30 June 2024 and the comparative figures for 2023:

In millions of EUR

30 June 2024	Financial services	Telecommu-nications	Media	Real estate	Mechanical engineering	Leisure and entertainment	Other	Unallocated	Eliminations	**Consolidated**
Revenue from external customers	1,146	1,914	441	69	571	207	26	-	-	4,374
Inter-segment revenue	7	4	11	-	-	-	-	8	(30)	-
Total revenue	**1,153**	**1,918**	**452**	**69**	**571**	**207**	**26**	**8**	**(30)**	**4,374**
Segment share of profit/(loss) of associates/JVs	-	-	-	(8)	3	-	246	-	-	241
Net profit/(loss) for the period	**230**	**266**	**71**	**(170)**	**(38)**	**12**	**325**	**(51)**	**(11)**	**634**
Other significant non-cash expenses*	(129)	(61)	1	(4)	(6)	-	(17)	-	(8)	(224)
30 June 2024										
Segment assets	25,171	8,485	2,316	1,567	1,341	765	6,247	457	(2,288)	44,061
of which: equity-accounted investees	_123_	_1_	-	_40_	_71_	_1_	_3,956_	-	-	_4,192_
Segment liabilities	23,133	7,525	1,105	917	949	470	1,326	1,234	(2,308)	34,351
Segment equity	**2,038**	**960**	**1,211**	**650**	**392**	**295**	**4,921**	**(777)**	**20**	**9,710**

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

In millions of EUR

30 June 2023	Financial services	Telecommu-nications	Media	Real estate	Mechanical engineering	Leisure and entertainment	Other	Unallocated	Eliminations	**Consolidated**
Revenue from external customers	1,381	1,831	396	79	518	143	30	16	-	4,394
Inter-segment revenue	7	2	5	1	-	-	-	14	(29)	-
Total revenue	**1,388**	**1,833**	**401**	**80**	**518**	**143**	**30**	**30**	**(29)**	**4,394**
Segment share of profit/(loss) of associates/JVs	(10)	-	-	(34)	(2)	-	486	-	-	440
Net profit/(loss) for the period	**330**	**345**	**59**	**(92)**	**(20)**	**6**	**85**	**(8)**	**4**	**709**
Other significant non-cash expenses*	(236)	(47)	1	(3)	(1)	-	(7)	(6)	(7)	(306)
31 December 2023										
Segment assets	25,220	8,388	2,305	1,751	1,386	759	5,302	959	(2,586)	43,484
of which: equity-accounted investees	_92_	_1_	-	_69_	_59_	_2_	_3,056_	-	-	_3,279_
Segment liabilities	23,091	7,685	1,154	1,041	957	527	1,162	1,219	(2,614)	34,222
Segment equity	**2,129**	**703**	**1,151**	**710**	**429**	**232**	**4,140**	**(260)**	**28**	**9,262**

*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 PPF Banka (corporate banking), Home Credit Group (consumer lending), and Bank Home Credit (consumer lending). 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 three geographic clusters: Southeast Asia (discontinued, refer to B.2.1), Central and Eastern Europe and China. The Home Credit Group operates or operated in the comparative period of these condensed consolidated financial statements in the following principal geographical areas: the Czech Republic and Slovakia, China, Vietnam and India (both currently under the sale process, refer to B.2.1.1), Indonesia (until 2 October 2023, refer to B.2.1.2) and the Philippines (until 1 June 2023, refer to B.2.1.2). Air Bank and Bank Home Credit (Kazakhstan) operate under banking licences allowing for the collection of deposits.

Retail banking in Serbia comprises Yettel bank (formerly 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 2024 and comparative figures for 2023:

In millions of EUR

30 June 2024	Corporate banking	Consumer lending					Consumer lending	Retail banking	Unallocated	Eliminations	**Consolidated**
			SEA[1] disc[2]	*CEE[1]*	*China*	*Other*	*Kazakhstan*	*Serbia*			
Revenue from customers	325	566	264	290	5	7	240	18	4	-	1,153
Inter-segment revenue	28	14	-	13	-	1	-	-	3	(45)	-
Total revenue	**353**	**580**	**264**	**303**	**5**	**8**	**240**	**18**	**7**	**(45)**	**1,153**
Net interest income from external customers	98	316	187	143	(14)	-	141	11	2	-	568
Inter-segment net interest income	24	(10)	(9)	(1)	-	-	-	(2)	3	(15)	-
Total net interest income	**122**	**306**	**178**	**142**	**(14)**	**-**	**141**	**9**	**5**	**(15)**	**568**
Net profit/(loss) for the period	**96**	**108**					**36**	**1**	**(2)**	**(9)**	**230**
Other significant non-cash expenses	(2)	(93)					(35)	(1)	1	1	(129)
30 June 2024											
Segment assets	14,221	9,535					1,805	327	185	(902)	25,171
Segment liabilities	13,372	8,855					1,431	283	100	(908)	23,133
Segment equity	**849**	**680**					**374**	**44**	**85**	**6**	**2,038**

(1) SEA – Southeast Asia, CEE – Central and Eastern Europe
(2) SEA region and its related operations are classified as discontinued as at 30 June 2024, whereas the 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 2023	Corporate banking	Consumer lending					Consumer lending	Retail banking	Unallocated	Eliminations	**Consolidated**
			SEA(1) Disc(2)	*CEE(1)*	*China*	*Other*	*Kazakhstan*	*Serbia*			
Revenue from customers	391	818	61	513	244	-	162	13	4	-	1,388
Inter-segment revenue	29	15	-	-	15	-	-	-	11	(55)	-
Total revenue	**420**	**833**	**61**	**513**	**259**	**-**	**162**	**13**	**15**	**(55)**	**1,388**
Net interest income from external customers	124	497	14	344	139	-	99	8	(2)	-	726
Inter-segment net interest income	24	(20)	(1)	(11)	4	(12)	-	(1)	11	(14)	-
Total net interest income	**148**	**477**	**13**	**333**	**143**	**(12)**	**99**	**7**	**9**	**(14)**	**726**
Net profit/(loss) for the period	**96**	**226**					**18**	**1**	**(8)**	**(3)**	**330**
Other significant non-cash expenses	(12)	(206)					(19)	(1)	2	-	(236)
31 December 2023											
Segment assets	15,589	8,309					1,609	303	414	(1,004)	25,220
Segment liabilities	14,727	7,732					1,268	267	89	(992)	23,091
Segment equity	**862**	**577**					**341**	**36**	**325**	**(12)**	**2,129**

(1) SEA – South East Asia, CEE – Central and Eastern Europe
(2) SEA region and its related operations are classified as discontinued as at 30 June 2024, whereas the comparative segment reporting for the six months ended 30 June 2023 is presented as if there were no discontinued operations. The results from discontinued operations are presented in the separate note B.2.1.

D.2. Telecommunication segment

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

O2 Networks, renamed to CETIN Networks, s.r.o. on 1 January 2024, is presented under CETIN Slovakia segment in the below tables.

In millions of EUR

30 June 2024	O2 Czech Republic	O2 Slovakia	Yettel Hungary	Yettel Bulgaria	Yettel Serbia	CETIN CZ	CETIN Slovakia	CETIN Hungary	CETIN Bulgaria	CETIN Serbia	Unallo-cated	Elimi-nations	**Consoli-dated**
Revenue from external customers	714	173	319	257	262	181	-	2	4	6	-	-	1,918
Inter-segment revenue	5	1	1	1	5	237	50	91	72	60	-	(523)	
Total revenue	**719**	**174**	**320**	**258**	**267**	**418**	**50**	**93**	**76**	**66**	**-**	**(523)**	**1,918**
Operating profit excl. depr., amort. and impairments	**231**	**37**	**73**	**77**	**85**	**213**	**38**	**69**	**56**	**50**	**(1)**	**(4)**	**924**
Net profit/(loss) for the period	**96**	**4**	**14**	**41**	**32**	**37**	**14**	**36**	**31**	**28**	**(66)**	**(1)**	**266**
Capital expenditure	88	7	17	22	11	121	19	20	20	19	-	-	344
Depreciation and amortisation	(84)	(23)	(36)	(23)	(28)	(123)	(19)	(22)	(21)	(16)	-	3	(392)
Other significant non-cash expenses	(18)	(5)	(6)	(9)	(22)	(1)	-	-	-	-	-	-	(61)
30 June 2024													
Segment assets	1,670	313	746	551	684	2,748	289	506	370	381	2,191	(1,964)	8,485
Segment liabilities	961	149	350	152	101	1,779	161	167	132	79	5,458	(1,964)	7,525
Segment equity	**709**	**164**	**396**	**399**	**583**	**969**	**128**	**339**	**238**	**302**	**(3,267)**	**-**	**960**

In millions of EUR

30 June 2023	O2 Czech Republic	O2 Slovakia	Yettel Hungary	Yettel Bulgaria	Yettel Serbia	CETIN CZ	CETIN Slovakia	CETIN Hungary	CETIN Bulgaria	CETIN Serbia	Unallo-cated	Elimi-nations	**Consoli-dated**
Revenue from external customers	718	166	292	241	236	171	-	2	2	5	-	-	1,833
Inter-segment revenue	7	2	2	2	5	235	46	87	67	53	-	(506)	-
Total revenue	**725**	**168**	**294**	**243**	**241**	**406**	**46**	**89**	**69**	**58**	**-**	**(506)**	**1,833**
Operating profit excl. depr., amort. and impairments	**242**	**37**	**60**	**75**	**73**	**205**	**34**	**59**	**50**	**46**	**-**	**(5)**	**876**
Net profit/(loss) for the period	**118**	**7**	**1**	**42**	**33**	**64**	**11**	**30**	**27**	**25**	**(13)**	**-**	**345**
Capital expenditure	26	14	9	14	13	95	12	33	21	15	-	-	252
Depreciation and amortisation	(82)	(21)	(34)	(21)	(26)	(116)	(17)	(21)	(19)	(16)	-	4	(369)
Other significant non-cash expenses	(15)	(4)	(5)	(8)	(13)	(1)	-	(1)	-	-	-	-	(47)
31 December 2023													
Segment assets	1,581	320	794	555	653	2,932	271	509	362	372	1,974	(1,935)	8,388
Segment liabilities	892	160	334	131	102	1,959	157	163	103	80	5,539	(1,935)	7,685
Segment equity	**689**	**160**	**460**	**424**	**551**	**973**	**114**	**346**	**259**	**292**	**(3,565)**	**-**	**703**

E. Additional notes to the condensed consolidated interim financial statements

Due to the discontinuance of operations in the Southeast Asia ("SEA") region (refer to A.6 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 2023 have been restated not to reflect the SEA 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 2023.

E.1. Cash and cash equivalents

Cash and cash equivalents comprise the following:

In millions of EUR

	30 June 2024	31 December 2023
Cash on hand	120	130
Current accounts	706	719
Balances with central banks	576	614
Placements with financial institutions due within three months	173	75
Reverse repo operations with central banks	5,609	6,997
Total cash and cash equivalents	**7,184**	**8,535**

As at 30 June 2024, current accounts comprise EUR 95 million (2023: EUR 82 million) which is to a certain extent restricted to its use. The use of the cash is restricted by the Group's borrowing agreements with its creditors for the received funding.

Balances with central banks include minimum reserve deposits totalling EUR 243 million (2023: EUR 298 million). 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. In the event of non-fulfilment of this requirement by the commercial bank, the central bank burdens the unfulfilled part of the mandatory minimum reserve deposit requirement with interest, representing the interest expense for the commercial bank.

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 2024	31 December 2023
Financial assets at FVTPL (incl. derivatives)	4,464	4,656
Financial assets at AC	2,417	2,359
Amortised cost	2,494	2,410
FV hedge adjustment	(77)	(51)
Financial assets at FVOCI	2,348	1,929
Total investment securities and derivatives	**9,229**	**8,944**

E.2.1. Financial assets at FVTPL

Financial assets at FVTPL comprise the following:

In millions of EUR

	30 June 2024	31 December 2023
Financial assets held for trading	4,172	4,386
Reverse repo operations	3,192	3,130
Debt securities	547	612
Positive fair values of trading derivatives	411	623
Equity securities	20	21
Other	2	-
Financial assets not held for trading	292	270
Shares	162	164
Positive fair values of hedging derivatives	88	85
Loans and receivables	10	17
Other	32	4
Total financial assets at FVTPL	**4,464**	**4,656**

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

	30 June 2024	31 December 2023
Government bonds	2,478	2,393
Corporate bonds	16	17
Total financial assets at AC	**2,494**	**2,410**

ECL allowances related to the debt securities presented in the above table are negligible (units of EUR thousand).

E.2.3. Financial assets at FVOCI

Financial assets at FVOCI comprise the following:

In millions of EUR

	30 June 2024	31 December 2023
Debt securities	1,895	1,334
Government bonds	1,480	954
Corporate bonds	415	380
Equity securities	453	595
Shares	414	558
Mutual fund investments	26	24
Other equity securities	13	13
Total financial assets at FVOCI	**2,348**	**1,929**

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

In millions of EUR

Company name	30 June 2024	31 December 2023
ProSiebenSat.1 Media SE	176	130
Kontron AG	65	72
Autolus Therapeutics PLC	48	85
Polymetal	39	63
Allegro.eu	1	104
Other	85	104
Total equity securities - shares (at FVOCI)	**414**	**558**

Net revaluation gains and losses from these share investments recognised through other comprehensive income for the six months ended 30 June 2024 and 2023 were as follows:

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

	2024	2023
ProSiebenSat.1 Media SE	27	3
Allegro.eu	15	26
Autolus Therapeutics PLC	(38)	6
Polymetal	(25)	(8)
Kontron AG	(5)	9
Other	(13)	35
Total net revaluation gains/(losses) in OCI*	**(39)**	**71**

*excluding revaluation gains/(losses) related to mutual funds investments and other equity securities

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 2024	31 December 2023
Gross amount	276	195
Allowance for impairment	(2)	(2)
Total carrying amount	**274**	**193**
Term deposits at banks	41	47
Loans and advances provided under reverse repo operations	120	7
Loans due from banks	4	5
Cash collateral for derivative instruments	109	134

E.4. Loans due from customers

Loans due from customers measured at amortised cost comprise the following items:

In millions of EUR

	30 June 2024	31 December 2023
Loans due from customers – retail		
Gross amount	5,835	6,751
Allowance for impairment	(364)	(451)
Loans due from customers – retail (carrying amounts)*	**5,471**	**6,300**
Loans due from customers – non-retail		
Gross amount	2,444	2,379
Allowance for impairment	(246)	(222)
Loans due from customers – non-retail (carrying amounts)	**2,198**	**2,157**
Total loans due from customers (carrying amounts)	**7,669**	**8,457**

*Due to the held-for-sale classification, a significant amount of loans due from customers – retail is presented under assets held for sale, refer to E.7.

In millions of EUR

	30 June 2024	31 December 2023
Cash loans	3,446	4,071
Consumer loans	215	455
Revolving loans	622	731
Mortgage loans	840	727
Car loans	348	316
Loans due from customers – retail (carrying amounts)*	**5,471**	**6,300**
Loans to corporations	1,902	1,780
Loans and advances provided under reverse repo operations	175	269
Loans due from equity-accounted investees	105	96
Other	16	12
Loans due from customers – non-retail (carrying amounts)	**2,198**	**2,157**
Total loans due from customers (carrying amounts)	**7,669**	**8,457**

*Due to the held-for-sale classification, a significant amount of loans due from customers – retail is presented under assets held for sale, refer to E.7.

E.5. Trade and other receivables, contract balances

Trade and other receivables and contract assets comprise the following:

In millions of EUR

	30 June 2024	31 December 2023
Gross amount	1,308	1,415
Trade receivables	1,258	1,363
Accrued income	50	52
Individual loss allowance	(147)	(161)
Total trade and other receivables	**1,161**	**1,254**
Gross amount	400	281
Individual loss allowance	(5)	(6)
Total contract assets	**395**	**275**

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 2024	31 December 2023
Receivables, which are included in trade and other receivables	**1,101**	**1,110**
Contract assets	**395**	**275**
out of which:		
Contract assets (mechanical engineering)	295	183
Contract assets (telecommunication)	100	92
Contract liabilities	**(359)**	**(397)**
out of which:		
Contract liabilities (mechanical engineering)	(138)	(179)
Contract liabilities (telecommunication)	(104)	(109)
Contract liabilities (leisure)	(72)	(66)
Contract liabilities (financial services)	(45)	(43)

E.6. Inventories and programming assets

Inventories comprise the following:

In millions of EUR

	30 June 2024	31 December 2023
Mechanical engineering inventories	259	301
Goods/merchandise for resale	108	91
Boats manufacturing inventories	59	54
Agricultural inventories	9	11
Other inventories	-	3
Total inventories	**435**	**460**

The carrying amounts of inventories comprise impairment allowance of EUR 37 million (2023: EUR 37 million) and represents notably an allowance for mechanical engineering categories and slow-moving and damaged items.

Programming assets comprise the following:

In millions of EUR

	30 June 2024	31 December 2023
Acquired programming rights	105	97
Produced programming rights	153	135
Released	98	83
Completed but not transmitted	2	2
In the course of production	53	50
Prepayments on acquired programming rights, other programming assets	44	70
Total programming assets	**302**	**302**

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 and liabilities directly associated with assets held for sale

As at 30 June 2024, the assets held for sale and liabilities directly associated with assets held for sale represent assets and liabilities of two Home Credit subgroup entities – HC Vietnam and HC India, where both sale transaction's closing is still pending (refer to B.2.1.1).

As at 31 December 2023, the assets held for sale (EUR 28 million) and liabilities directly associated with assets held for sale (EUR 13 million) represented one Dutch project under De Reling (Dronten) B.V. This transaction was closed on 28 March 2024.

Assets held for sale

In millions of EUR, as at 30 June 2024

	HC Vietnam	HC India	Total
Cash and cash equivalents	165	39	204
Investment securities and derivatives	8	-	8
Loans and receivables due from banks and other financial institutions	-	9	9
Loans due from customers	834	576	1,410
Current tax assets	-	2	2
Deferred tax assets	3	82	85
Other assets	34	13	47
Property, plant and equipment	5	5	10
Intangible assets	9	4	13
Allowance for impairment of a disposal group of assets HFS	-	(16)	(16)
Total assets held for sale	**1,058**	**714**	**1,772**

Liabilities directly associated with assets held for sale

In millions of EUR, as at 30 June 2024

	HC Vietnam	HC India	Total
Due to banks and other financial institutions	224	109	333
Debt securities issued	488	72	560
Current tax liabilities	1	-	1
Trade and other payables	80	45	125
Provisions	-	6	6
Total liabilities directly associated with assets held for sale	**793**	**232**	**1,025**

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 2024	31 December 2023
InPost S.A. (refer to B.3.1)	1,731	1,115
LEAG	1,471	1,338
Moneta	449	483
ClearBank	123	88
Viaplay (refer to B.3.2)	123	-
ITIS Holding*	113	51
Temsa*	70	58
Heureka Group*	38	40
CE Electronics Holding Group*	32	29
Metropolis (Russia) (refer to B.2.2)	-	26
Other	42	51
Total equity-accounted investees	**4,192**	**3,279**

*a joint-venture

The following table shows the breakdown of the share of profits/(losses) of equity-accounted investees:

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

	2024	2023
LEAG	158	455
ITIS Holding*	42	8
Moneta	27	25
InPost S.A. (refer to B.3.1)	17	-
Viaplay (refer to B.3.2)	5	-
Temsa*	3	(2)
ClearBank	2	(5)
Heureka Group*	(1)	1
CE Electronics Holding Group*	(2)	(3)
Metropolis (Russia) (refer to B.2.2)	(4)	(10)
Other	(6)	(29)
Total share of profit in equity-accounted investees	**241**	**440**

*a joint-venture

<u>InPost S.A.</u>

During 2023, the Group acquired a significant influence in InPost, an e-commerce distribution group currently active on its home market in Poland and in eight Western European countries, operating automated parcel machines and developing fulfilment centres for e-shops. During the six months ended 30 June 2024, the Group further increased its share in InPost to its currently held share of 28.75% (refer to B.3.1).

The following table presents InPost's financial position and performance:

In millions of EUR

	30 June 2024	31 December 2023
Percentage ownership interest (direct)	**28.75%**	**21.75%**
Non-current assets	2,880	2,781
Current assets	571	489
Non-current liabilities	(1,719)	(1,665)
Current liabilities	(499)	(462)
Net assets (100.00%)	1,233	1,143
Group's share of net assets (28.75%; 2023: 21.75%)	355	249
Goodwill included in carrying amount	1,376	866
Carrying amount of investment in associate (28.75%; 2023: 21.75%)	**1,731**	**1,115**
	30 June 2024	30 June 2023*
Total revenue	1,166	-
Total net profit for the six-month period (100.00%)	69	-
Group's share on profit (24.01%; 2023: -%)**	**17**	**-**
Total other comprehensive income for the period (100.00%)	8	-
Group's share of other comprehensive income (24.01%; 2023: -%)**	**2**	-

*Since the acquisition of significant influence on 7 June 2023, financial performance data available as at 30 June only (refer to B.3.1), therefore no performance data presented.
**weighted average for the period presented

LEAG

In October 2016, the Group acquired a 50% share 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. In 2023, the Group sold a 20% share and, as at 30 June 2024, the Group held a 30% share in LEAG (refer to B.3.6). The following table shows LEAG's performance:

In millions of EUR

	30 June 2024	31 December 2023
Percentage ownership interest (direct)	**30.00%**	**30.00%**
Non-current assets	9,972	6,186
Current assets	7,242	7,249
Non-current liabilities	(5,684)	(3,344)
Current liabilities	(6,628)	(5,631)
Net assets (100.00%)	4,902	4,460
Carrying amount of investment in associate/JV (30.00%)	**1,471**	**1,338**
	30 June 2024	30 June 2023
Total revenue	3,797	5,706
Total net profit for the six-month period (100.00%)	525	1,516
Group's share on profit (30.00%)	**158**	**455**
Total other comprehensive expense for the period (100.00%)	(83)	(32)
Group's share on other comprehensive expense (30.00%)	**(25)**	**(10)**

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 2024 and 2023, as well as profit for the period, follows the development of emission rights market prices. For the cumulated hedging reserve refer to E.21.4.

MONETA

As at 30 June 2024, the Group held a 29.94% share in MONETA Money Bank. The following table shows the financial position and performance of MONETA:

In millions of EUR

	30 June 2024	31 December 2023
Percentage ownership interest (direct)	**29.94%**	**29.94%**
Total assets*	19,337	18,579
Total liabilities*	(18,105)	(17,239)
Net assets (100.00%)	1,232	1,340
Group’s share of net assets (29.94%)	368	401
Goodwill included in carrying amount of the investment	81	82
Carrying amount of investment in associate (29.94%)	**449**	**483**
	30 June 2024	30 June 2023
Total revenue	561	511
Total net profit for the six-month period (100.00%)	91	84
Group’s share on profit (29.94%)	**27**	**25**
Dividends received by the Group	55	52

*Being a bank, it does not report assets and liabilities in division between current and non-current parts.

ClearBank

ClearBank Ltd. is a licensed clearing bank operating in the UK.

The following table shows the bank’s performance:

In millions of EUR

	30 June 2024	31 December 2023
Percentage ownership interest (direct)*	**38.79%**	**33.32%**
Total assets**	10,017	7,323
Total liabilities**	(9,786)	(7,109)
Net assets (100.00%)	231	214
Group’s share of net assets (38.79%; 2023: 33.32%)	90	70
Goodwill included in carrying amount	33	18
Carrying amount of investment in associate	**123**	**88**
	30 June 2024	30 June 2023
Total revenue	61	57
Total net profit/(loss) for the six-month period (100.00%)	5	(4)
Group’s share on the net profit/(loss) (36.06%; 2023: 33.32%)***	2	(2)
Dilution gain/(loss)	-	(3)
Total share on profit/(loss) for the period (36.06%; 2023: 33.32%)* **	**2**	**(5)**
Total other comprehensive income/(expense) for the period (100%)	15	(1)
Group's share of other comprehensive income/(expense) (36.06%; 2023: 33.32%)* **	**6**	**-**

*For the details on the change in ownership refer to B.3.3
**Being a bank, in its reporting it does not distinguish between current and non-current assets and liabilities.
***weighted average for the period

Viaplay

On 16 February 2024, the Group increased its share in Viaplay Group AB (Swedish video streaming service group, which operates in countries in Northern Europe and the Netherlands) from 9.39% owned by the end of 2023 to a currently held 29.29% share. With this acquisition Viaplay became an associate for the Group (refer to B.3.2).

The following table represents the financial position and performance of Viaplay:

In millions of EUR

	30 June 2024
Percentage ownership interest (direct)	**29.29%**
Non-current assets	444
Current assets	1,257
Non-current liabilities	(452)
Current liabilities	(835)
Net assets (100.00%)	414
Carrying amount of investment in associate (29.29%)	**121**
	30 June 2024*
Total revenue	392
Total net loss for the six-month period (100.00%)	(11)
Group's share on net loss (29.29%)	(3)
Group's share on bargain purchase	8
Total share on profit for the period	**5**
Total other comprehensive expense for the period (100.00%)	(4)
Group's share on other comprehensive expense (29.29%)	**(1)**

*Since the acquisition of significant influence on 16 February 2024 to 30 June 2024; financial performance data available as at 31 March and 30 June 2024 only (refer to B.3.2).

ITIS Holding a.s.

ITIS Holding is a joint project combining Czech and Slovak toll operating and supporting activities for toll operations in the Czech Republic and Slovakia. ITIS Holding was formed in August 2022. In May 2024, ITIS Holding acquired a 100% stake in Vitronic Group, a German developer of machine vision technology.

The following table presents the performance of ITIS Holding a.s.:

In millions of EUR

	30 June 2024	31 December 2023
Percentage ownership interest (direct)	**50.00%**	**50.00%**
Non-current assets	147	70
Current assets	467	194
Non-current liabilities	(168)	(39)
Current liabilities	(220)	(123)
Net assets (100.00%)	226	102
Carrying amount of investment in JV (50.00%)	**113**	**51**
	30 June 2024	30 June 2023
Total revenue	88	57
Total net profit for the six-month period (100.00%)	84	16
Group's share on profit (50.00%)	**42**	**8**
Total other comprehensive expense for the period (100.00%)	**2**	**-**
Group's share on other comprehensive expense (50.00%)	**1**	**-**

Temsa

In October 2020, the Group acquired a 50% share in Temsa Ulasim Araclari Sanayi ve Ticaret A.S. ("Temsa"). Temsa is a Turkish bus manufacturer with subsidiaries responsible for sales and marketing activities in Germany, France, and the USA. In the financial year ended 31 December 2022, Turkey met the requirements to be designated as a hyperinflationary economy under IAS 29 'Financial Reporting in Hyperinflationary Economies'. The Group has therefore applied hyperinflationary accounting as specified in IAS 29, since for the reporting period commencing 1 January 2022, Temsa's functional currency is the Turkish lira.

The following table presents the performance of TEMSA:

In millions of EUR

	30 June 2024	31 December 2023
Percentage ownership interest (direct)	**50.00%**	**50.00%**
Non-current assets	99	88
Current assets	225	207
Non-current liabilities	(55)	(56)
Current liabilities	(129)	(123)
Net assets (100.00%)	140	116
Carrying amount of investment in JV (50.00%)	**70**	**58**
	30 June 2024	30 June 2023
Total revenue	223	131
Total net profit/(loss) for the six-months period (100.00%)	5	(3)
Group's share on profit/(loss) (50.00%)	**3**	**(2)**
Total other comprehensive income/(expense) for the period (100.00%)	20	(12)
Group's share on other comprehensive income/(expense) (50.00%)	**10**	**(6)**

Heureka Group

The following table presents the financial position and performance of Heureka Group:

In millions of EUR

	30 June 2024	31 December 2023
Percentage ownership interest (direct)	**50.00%**	**50.00%**
Non-current assets	53	52
Current assets	29	22
Non-current liabilities	(94)	(207)
Current liabilities	(151)	(30)
Net assets (100.00%)	(163)	(163)
Group's share of net assets (50.00%)	(82)	(81)
Goodwill included in carrying amount	120	121
Carrying amount of investment in JV (50.00%)	**38**	**40**
	30 June 2024	30 June 2023
Total revenue	46	44
Total net profit/(loss) for the six-months period (100.00%)	(1)	2
Group's share on profit/(loss) for the period (50.00%, 2023: 40.00%)	**(1)**	**1**

CE Electronics Holding Group.

The following table presents the performance of CE Electronics Holding Group:

In millions of EUR

	30 June 2024	31 December 2023
Percentage ownership interest (direct)	**50.00%**	**50.00%**
Non-current assets	82	73
Current assets	256	222
Non-current liabilities	(141)	(122)
Current liabilities	(144)	(125)
Net assets (100.00%)	53	48
Group's share of net assets (50.00%)	27	24
Goodwill included in carrying amount	5	5
Carrying amount of investment in JV (50.00%)	**32**	**29**
	30 June 2024	30 June 2023
Total revenue	279	261
Total net loss for the period (100.00%)	(5)	(5)
Group's share on the loss (50.00%, 2023: 40.00%)	**(2)**	**(3)**

Metropolis (Russia)

Metropolis project represented two operating Moscow office buildings where the Group held a 49.99% share. The project was sold on 10 June 2024 and the Group lost its significant influence over the project (refer to B.2.2). The following table shows the project's performance until the date of sale:

In millions of EUR

	30 June 2024	31 December 2023
Percentage ownership interest (direct)	**-%**	**49.99%**
Non-current assets	-	299
Current assets	-	20
Non-current liabilities	-	(258)
Current liabilities	-	(9)
Net assets (100.00%)	-	52
Carrying amount of investment in associate (-%)	**-**	**26**
	30 June 2024	30 June 2023
Total revenue	12	17
Total net loss for the six-months period (100.00%)	(8)	(20)
Group's share on loss (49.99%)	**(4)**	**(10)**
Total other comprehensive income/(expense) for the period (100.00%)	**11**	(54)
Group's share on other comprehensive income/(expense) (49.99%)	**5**	**(27)**

E.9. Investment property

Investment property comprises projects located in the USA, the Netherlands, the UK, the Czech Republic, Romania, Russia, Poland, and Germany, and consists 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 2024

	USA	Netherlands	UK	Czech Rep.	Romania	Russia	Poland	Germany	Other	Total
Office	321	279	93	93	89	-	72	25	-	972
Residential	-	-	31	21	-	-	-	-	3	55
Land plot	22	-	-	7	10	1	5	-	-	45
Total investment property	**343**	**279**	**124**	**121**	**99**	**1**	**77**	**25**	**3**	**1,072**

In millions of EUR, as at 31 December 2023

	USA	Netherlands	UK	Czech Rep.	Romania	Russia	Poland	Germany	Total
Office	335	279	97	93	100	104	90	25	1,123
Residential	-	-	30	21	-	-	-	-	51
Land plot	22	-	-	7	10	1	5		45
Total investment property	**357**	**279**	**127**	**121**	**110**	**105**	**95**	**25**	**1,219**

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

	2024	2023
Balance as at 1 January	1,219	1,632
Disposals resulting from business combination*	(104)	(208)
Additions - capitalised costs	12	8
Transfer to assets held for sale (refer to E.7)	-	(28)
Transfer from property, plant & equipment	3	-
Other changes	-	17
Unrealised revaluation gains from investment property	1	15
Unrealised revaluation losses from investment property	(75)	(137)
Effect of movements in exchange rates	16	(80)
Total balance as at 30 June 2024/31 December 2023	**1,072**	**1,219**

*For detail refer to B section.

E.10. Property, plant and equipment

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

In millions of EUR

30 June 2024	Land and buildings	Ducts, cables and related plant	Telecom technology and related equipment	Other tangible assets and equipment	Construction in progress	**Total**
Cost	1,139	2,179	1,879	848	321	6,366
Accumulated depreciation and impairment	(327)	(816)	(1,028)	(473)	(7)	(2,651)
Total PPE	**812**	**1,363**	**851**	**375**	**314**	**3,715**

In millions of EUR

31 December 2023	Land and buildings	Ducts, cables and related plant	Telecom technology and related equipment	Other tangible assets and equipment	Construction in progress	**Total**
Cost	1,138	2,183	1,826	851	277	6,275
Accumulated depreciation and impairment	(315)	(782)	(964)	(476)	(8)	(2,545)
Total PPE	**823**	**1,401**	**862**	**375**	**269**	**3,730**

As at 30 June 2024, carrying amount of right-of-use assets totalled EUR 657 million (31 December 2023: EUR 673 million).

E.11. Goodwill and other intangible assets

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

	2024	2023
Balance as at 1 January	3,236	2,987
Additions resulting from business combinations (for 2023 refer to B.2)	8	269
Effect of movements in exchange rates	(26)	(20)
Total balance as at 30 June 2024/31 December 2023	**3,218**	**3,236**

Goodwill is allocated to individual CGUs as follows:

In millions of EUR

	30 June 2024	31 December 2023
O2 CZ	538	543
O2 Slovakia	24	24
CETIN Networks	16	16
CETIN CZ	174	173
CETIN Hungary	172	177
CETIN Bulgaria	104	104
CETIN Serbia	189	189
Yettel Hungary	176	182
Yettel Bulgaria	118	118
Yettel Serbia	184	184
CME - Bulgaria	58	58
CME - Czech Republic	662	670
CME - Romania	363	363
CME - Slovakia	201	201
CME - Slovenia	90	90
CME – Croatia	24	24
Other	125	120
Total goodwill	**3,218**	**3,236**

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. Other intangible assets

Intangible assets comprise the following:

In millions of EUR

30 June 2024	Software	Licences	Customer relationships	IPRD	Trade-marks*	Other intangible assets	Work in progress	**Total**
Cost	1,506	1,129	1,290	140	488	250	242	5,045
Accumulated amortisation and impairment	(1,120)	(541)	(856)	(81)	(189)	(179)	(2)	(2,968)
Total intangible assets	**386**	**588**	**434**	**59**	**299**	**71**	**240**	**2,077**

*Trademarks with total cost of EUR 237 million (no accumulated impairment) are evaluated as having an indefinite useful life, not amortised but subject to regular impairment reviews.

In millions of EUR

31 December 2023	Software	Licences	Customer relationships	IPRD	Trade-marks*	Other intangible assets	Work in progress	**Total**
Cost	1,484	1,107	1,355	138	487	240	193	5,004
Accumulated amortisation and impairment	(1,077)	(498)	(864)	(74)	(186)	(170)	(3)	(2,872)
Total intangible assets	**407**	**609**	**491**	**64**	**301**	**70**	**190**	**2,132**

*Trademarks with total cost of EUR 233 million (no accumulated impairment) are evaluated as having an indefinite useful life, not amortised but subject to regular impairment reviews.

E.12. Other assets

Other assets comprise the following:

In millions of EUR

	30 June 2024	31 December 2023
Prepaid expenses and advances	219	209
Cost to obtain or fulfil the contract	101	104
Cash collateral for payment cards*	66	60
Other settlements accounts*	62	46
Other tax receivables	21	22
Receivables from sale of shares in subsidiaries, associates, and JVs*	14	17
Specific deposits and other specific receivables*	5	8
Other	50	50
Subtotal other assets (gross)	**538**	**516**
Individual allowances for impairment	(2)	(4)
Total other assets (net)	**536**	**512**

*represents other financial assets

E.13. Financial liabilities at fair value through profit or loss

Financial liabilities at FVTPL comprise the following:

In millions of EUR

	30 June 2024	31 December 2023
Financial liabilities held for trading	3,576	3,940
Liabilities from repo operations	2,952	3,099
Negative fair values of trading derivatives	338	373
Liabilities from short sales of securities	286	468
Financial liabilities not held for trading	47	94
Negative fair values of hedging derivatives	23	44
Financial liabilities designated at FVTPL	18	18
Other	6	32
Total financial liabilities at FVTPL	**3,623**	**4,034**

E.14. Liabilities due to non-banks

Liabilities to non-banks comprise the following:

In millions of EUR

	30 June 2024	31 December 2023
Current accounts and demand deposits	9,603	7,830
Loans received under repo operations	2,181	4,819
Term deposits	3,703	1,846
Loans	57	150
Other	30	16
Total liabilities due to non-banks	**15,574**	**14,661**

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 and Air Bank.

E.15. Liabilities due to banks and other financial institutions

Liabilities to banks and other financial institutions comprise the following:

In millions of EUR

	30 June 2024	31 December 2023
Secured loans (other than repo operations)	3,852	3,982
Unsecured loans	2,624	2,792
Loans received under repo operations	268	495
Collateral deposits for derivatives	178	166
Repayable on demand	3	2
Other	-	1
Total liabilities due to banks	**6,925**	**7,438**

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

Consolidating its media segment, in October 2019, CME Media Enterprises B.V. entered into a senior facilities agreement (SFA) 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. On 14 November 2023, CME entered into an amendment and restatement agreement to extend the maturity date of the senior facilities agreement from 25 April 2025 to 25 April 2028 (the "Amended,"). The amended SFA became effective on 5 December 2023 and resulted in a substantial modification and the derecognition of the prior loan (including transaction costs) and the recognition of a new loan. As at 30 June 2024, the outstanding principal amount of these facilities is EUR 831 million (31 December 2023: EUR 872 million). The actual outstanding secured loan liabilities stated in the above table are 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 2024 and 31 December 2023, the remaining 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:

In August 2021, 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. 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 a total nominal amount of EUR 500 million and used the proceeds to prepay the entire bridge and a portion of the term loan. In December 2023, CETIN Group N.V. utilised EUR 197 million of a EUR 200 million committed revolving facility. The Group used the proceeds to repay a bond with a nominal value of CZK 4,866 million (EUR 203 million).

The outstanding principal amounts of the loans as at 30 June 2024 were EUR 511 million (2023: EUR 511 million) for the term loan, EUR 444 million for the incremental term loan (2023: EUR 444 million) and EUR 197 million for the revolving facility (31 December 2023: EUR 197 million). 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. These loan facilities are unsecured.

In April 2023, PPF Telecom Group B.V. became a party to a term loan facility amounting to EUR 250 million and a backstop loan facility amounting to EUR 600 million. In June 2023, the company became a party to an additional term loan facility agreement of up to EUR 600 million, which was used to repay a bond with a nominal value of EUR 600 million. The outstanding principal amount of the term loan facilities as at 31 December 2023 was EUR 850 million in aggregate. As at 30 June 2024, the backstop loan facility remained undrawn. The actual amount of the outstanding loan liabilities stated in the table above is lower by unamortised fees and other transaction costs 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 2024 and 31 December 2023, the Group complied with the financial covenants imposed by its loans facilities.

E.16. Debt securities issued

Debt securities issued 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 2024	31 December 2023
Fixed rate debt securities	**2,650**	**3,024**
Within 1 year	742	478
1-2 years	749	883
2-3 years	629	646
3-4 years	509	1,006
4-5 years	21	11
Variable rate debt securities	**117**	**141**
Within 1 year	58	81
2-3 years	59	60
Total debt securities issued*	**2,767**	**3,165**

*Due to held for sale classification, a significant amount of fixed rate debt securities is presented under assets held for sale, refer to E.7.

E.17. Subordinated liabilities

Subordinated liabilities comprise the following:

In millions of EUR

	Interest rate	Maturity	30 June 2024	31 December 2023
Bond issue of EUR 80 million	Fixed	2031	14	14
Bond issue of CZK 290 million	Variable	2029	12	12
Total subordinated liabilities			**26**	**26**

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 2024 and as at 31 December 2023, 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 + 2.3% 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 2024	31 December 2023
Settlements with suppliers*	788	908
Lease liabilities*	642	663
Accrued expenses*	229	249
Wages and salaries	198	228
Deferred income	108	101
Other taxes payable	81	93
Advances received	72	84
Customer loan overpayments*	37	83
Programming related liabilities – media*	69	73
Insurance contract liabilities	71	65
Social security and health insurance payable	43	44
Financial settlement and other similar accounts*	29	27
Liabilities from acquisitions of subsidiaries or equity-accounted investees*	3	8
Payables arising out of insurance operations*	4	3
Other*	61	85
Total trade and other payables	**2,435**	**2,714**

*represents other financial liabilities

E.18.1 Insurance contract liabilities

Insurance contract liabilities comprise the following:

In millions of EUR

	30 June 2024	31 December 2023
Contractual service margin	54	31
Risk adjustment	12	9
Estimates of the PVFCF	5	25
Total insurance contract liabilities	**71**	**65**

E.19. Provisions

Provisions comprise the following:

In millions of EUR

	30 June 2024	31 December 2023
Provisions for asset retirement obligations	59	63
Warranty provisions	53	50
Provisions for litigation except for tax-related litigations	18	14
Provisions for onerous contracts	19	18
Other provisions	56	71
Provisions for restructuring	10	13
Provisions for expected credit losses from loan commitments and financial guarantees	5	9
Other	41	49
Total provisions	**205**	**216**

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 2024	31 December 2023
Number of shares authorised	2,500,000	2,500,000
Number of shares issued and fully paid	603,605	603,605
Par value per share	EUR 1	EUR 1

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. As of 30 June 2024, the Parent Company paid no dividends (2023: EUR 118 million, i.e., EUR 189 per share).

As of 30 June 2024, share premium representing the excess received by the Parent Company over the par value of its share amounted to EUR 677 million (31 December 2023: 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 2024, these non-distributable reserves to shareholders totalled EUR 119 million (2023: EUR 119 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 2024, a significant balance of accumulated translation losses totalling EUR 85 million was reclassified to profit or loss with the Group's loss of control over the Russian operations (refer to B.2.2).

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 2024, the Group recognised its share on the loss in other comprehensive income amounting to EUR 26 million (30 June 2023: a loss of EUR 10 million).

E.21.5. Reserve for puttable instruments

The reserve for puttable instruments represents the equity impact of a conditional commitment to acquire NCI's share resulting from a put option agreement granted to the non-controlling interest. The conditional commitment relates mainly to the sale of a non-controlling 30% share in CETIN Group N.V. in March 2022. It is measured at present value of the put option's exercise price. As at 30 June 2024, the present value of this conditional commitment to acquire NCI's share totalling EUR 932 million (31 December 2023: EUR 983 million) was 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 ended 30 June 2024, a remeasurement gain of EUR 51 million from the decrease in 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 (six months ended 30 June 2023: a remeasurement gain of EUR 13 million).

In December 2023, the Group also recognised a conditional commitment to acquire NCI's 5% share in TMT Hungary Infra B.V. as the Group granted a put option to the non-controlling partner. As at 31 December 2023, the present value of the related conditional commitment amounted to EUR 36 million (refer to B.3.4). The TMT Hungary Infra B.V. related conditional commitment was derecognised in the first half of 2024 as the Group acquired the remaining underlying 5% share in the subsidiary from the non-controlling partner.

E.22. Non-controlling interests

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

Name of subsidiary	Abbr.	Applicable	Country of incorporation
PPF banka, a.s. (subgroup)	PPFB	2024/2023	Czech Republic
Home Credit N.V. (subgroup)*	HC	2024/2023	Netherlands
CETIN Group N.V. (subgroup)	CETIN	2024/2023	Netherlands
TMT Hungary Infra B.V. (subgroup)	TMT Infra	2024/2023	Netherlands
Škoda a.s. (subgroup)	MECH	2024/2023	Czech Republic
TMT Hungary B.V. (subgroup)	TMT	2023	Netherlands

*In April 2024, the Group became a sole shareholder of Home Credit N.V., for detail refer to B.3.5.

The following table summarises the information relating to these subsidiaries:

In millions of EUR

As at 30 June 2024	PPFB	HC(1)	CETIN	TMT Infra(2)	MECH(3)	Other	Total
NCI percentage (effective ownership)	**7.04%**	**-%**	**30.00%**	**22.50%**	**20.00%**		
Total assets	14,221	9,535	4,012	506	1,342		
Total liabilities	(13,372)	(8,855)	(2,921)	(149)	(951)		
Net assets	**849**	**680**	**1,091**	**357**	**391**		
Net assets attributable to NCI of the subgroup	-	-	(89)	-	-		
Net assets attributable to owners of the Parent	849	680	1,002	357	391		
Carrying amount of NCI	**60**	**-**	**301**	**-**	**78**	**13**	**452**

For the six months ended 30 June 2024	PPFB	HC(1)	CETIN	TMT Infra(2)	MECH(3)	Other	Total
NCI percentage during the period (effective ownership)	**7.04%**	**4.76%**	**30.00%**	**24.17%**	**15.25%**		
Revenue	368	396	649	93	571		
Profit/(loss)	96	108	115	36	(38)		
Other comprehensive income/(expense)	(13)	(1)	(24)	(11)	(4)		
Total comprehensive income/(expense)	83	107	91	25	(42)		
Profit/(loss) allocated to NCI	**7**	**3**	**32**	**1**	**(6)**	**(6)**	**31**
OCI allocated to NCI	**-**	**(1)**	**(6)**	**1**	**(1)**	**(2)**	**(9)**
Dividends paid to NCI	7	-	12	-	-	-	19

(1) In April 2024, the Group became a sole shareholder of Home Credit N.V., for detail refer to B.3.5.
(2) TMT Hungary Infra is part of Cetin Group subgroup, for details on decrease in NCI‘s percentage ownership refer to B.3.4.
(3) For details on change in NCI‘s percentage ownership refer to B.1.

In millions of EUR

As at 31 December 2023	PPFB	HC	CETIN	TMT Infra[1,2]	MECH	TMT[2]	Other[3]	Total
NCI percentage (effective ownership)	**7.04%**	**8.88%**	**30.00%**	**27.50%**	**14.30%**	**-%**		
Total assets	15,588	8,310	4,181	512	1,386	815		
Total liabilities	(14,727)	(7,732)	(3,136)	(163)	(955)	(335)		
Net assets	**861**	**578**	**1,045**	**349**	**431**	**480**		
Net assets attributable to NCI of the subgroup	-	-	(87)	-	-	-		
Net assets attributable to owners of the Parent	861	578	958	349	431	480		
Carrying amount of NCI	**61**	**51**	**288**	**17**	**61**	**-**	**15**	**493**

For the six months ended 30 June 2023	PPFB	HC	CETIN	TMT Infra[1,2]	MECH	TMT[2]	Other[3]	Total
NCI percentage during the period (effective ownership)	**7.04%**	**8.88%**	**30.00%**	**47.50%**	**14.30%**	**25.00%**		
Revenue	427	843	616	89	518	294		
Profit/(loss)	96	226	130	30	(20)	1		
Other comprehensive income/(expense)	22	31	38	23	(7)	39		
Total comprehensive income/(expense)	118	257	168	53	(27)	40		
Profit/(loss) allocated to NCI	**7**	**20**	**38**	**7**	**(3)**	**-**	**2**	**71**
OCI allocated to NCI	**1**	**3**	**9**	**6**	**(1)**	**10**	**(6)**	**22**
Dividends paid to NCI	4	-	23	3	-	-	15	45

(1) TMT Hungary Infra is part of Cetin Group subgroup.
(2) For details on decrease in NCI‘s percentage ownership refer to B.3.4.
(3) During 2023, the subgroup became subsequently a group of empty holding companies after the sale of the related operating entities in 2022.

E.23. Net interest income

Interest income comprises the following:

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

	2024	2023
Cash loan receivables	284	257
Due from banks and other financial institutions	194	234
Loans to corporations	96	100
Revolving loan receivables	66	56
Financial assets at FVTPL (E.2.1)*	56	68
Financial assets at FVOCI (E.2.3)	52	50
Financial assets at AC (E.2.2)	40	37
Consumer loan receivables	22	15
Car loan receivables	17	18
Mortgage loan receivables	14	9
Other	7	11
Total interest income*	**848**	**855**

*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

	2024	2023
Due to customers	311	280
Due to banks and other financial institutions	224	189
Debt securities issued	71	65
Lease liabilities	15	13
Significant financing component (IFRS 15)	3	3
Subordinated liabilities	1	1
Other	43	45
Total interest expenses	**668**	**596**
Total net interest income	**180**	**259**

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

	2024	2023
Customer payment processing and account maintenance	25	23
Insurance commissions	14	11
Penalty fees	7	7
Cash transactions	5	6
Commission income from partners	-	5
Other	18	22
Total fee and commission income	**69**	**74**

Fee and commission expense comprises the following:

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

	2024	2023
Cash transactions	10	9
Commissions to retailers	9	12
Payment processing and account maintenance	8	9
Credit and other register expense	3	3
Other	21	21
Total fee and commission expense	**51**	**54**
Total net fee and commission income	**18**	**20**

E.25. Net gain on financial assets

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

	2024	2023
Net trading income/(expense)	146	89
Debt and equity securities trading	(2)	(2)
FX trading	26	23
Derivatives	122	68
Changes in fair value hedge adjustments	(26)	25
Net realised gains/(losses)	69	10
Financial assets at FVOCI	1	14
Loans and receivables at AC	68	(4)
Dividend income	5	3
Net gains on financial assets/liabilities at FVTPL not held for trading	35	6
Total net gain on financial assets	**229**	**133**

E.26. Net impairment losses on financial assets

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

	2024	2023
Cash loan receivables	31	68
Loans to corporations	24	13
Trade and other receivables	21	13
Revolving loan receivables	10	12
Car loan receivables	6	2
Financial assets at FVOCI (debt securities)	1	(10)
Due from banks and other financial institutions	(1)	12
Consumer loan receivables	(8)	(19)
Other financial assets*	1	3
Total net impairment losses on financial assets	**85**	**94**

*incl. impairment losses on undrawn credit limit

E.27. Net rental and related income

Rental and related revenues comprise the following:

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

	2024	2023
Gross rental revenues	49	58
Hotel revenues	15	12
Service revenues	6	7
Service charge revenues	5	6
Total rental and related revenues	**75**	**83**

Property operating expenses comprise the following:

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

	2024	2023
Repairs and maintenance	5	6
Hotel operating expenses	5	5
Material and energy consumed	4	5
Service charge expense	3	3
Other taxes	4	3
Employee compensation (including payroll related taxes)	2	2
Other expenses	2	6
Total property operating expenses	**25**	**30**

E.28. Net telecommunication income

E.28.1. Revenues from telecommunication business – major lines of business

Telecommunication income comprises the following:

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

	2024	2023
Mobile originated revenues	1,387	1,334
Fixed originated revenues	327	292
International transit revenues	85	99
Other wholesale revenues	106	99
Other sales	9	7
Revenues from telecommunication business	**1,914**	**1,831**
out of which:		
Services/products transferred over time	1,684	1,604
Services/products transferred at a point in time	230	227
Supplies	(265)	(301)
Cost of goods sold	(220)	(218)
Commissions	(19)	(18)
Costs related to telecommunication business	**(504)**	**(537)**
Total net telecommunication income	**1,410**	**1,294**

E.28.2. 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

	2024	2023
Services/products transferred over time	1,684	1,604
Czech Republic	756	731
Hungary	273	245
Serbia	216	188
Bulgaria	198	186
Slovakia	138	136
Germany	12	15
Other	91	103
Services/products transferred at a point in time	230	227
Czech Republic	46	49
Hungary	46	48
Bulgaria	56	52
Serbia	50	46
Slovakia	32	32

E.29. Net media income

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

Net media income comprises the following:

In millions of EUR, for six months ended 30 June

	2024	2023
TV advertising revenues	304	279
Carriage fees	79	73
Subscription fees	33	23
Other revenue	25	21
Revenues from media business	**441**	**396**
out of which:		
Services/products transferred over time	441	396
Services/products transferred at a point in time	-	-
Programming assets amortisation	(203)	(179)
Salaries and staff related expenses	(13)	(12)
Royalties	(9)	(9)
External services and other operating costs	(13)	(12)
Costs related to media business	**(238)**	**(212)**
Total net media income	**203**	**184**

E.29.2. 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

	2024	2023
Services/products transferred over time	441	396
Czech Republic	154	143
Romania	109	95
Slovak Republic	65	56
Bulgaria	47	42
Slovenia	39	36
Croatia	27	24

E.30. Net mechanical engineering income

E.30.1. 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

	2024	2023
Sales of finished goods, services and goods for resale	571	518
Electric locomotives and suburb units	275	215
Tramcars	128	87
Full service and repairs	63	67
Metro	2	64
Trolleybuses	50	25
Spare parts	10	13
Electric equipment	5	12
Modernisation of rail vehicles	18	3
Other products and services	20	32
Revenues from mechanical engineering business	**571**	**518**
out of which:		
Services/products transferred over time	532	463
Services/products transferred at a point in time	39	55
Raw material	(332)	(273)
Purchased services related to projects	(35)	(48)
External workforce	(19)	(17)
Other	(30)	(25)
Costs related to mechanical engineering business	**(416)**	**(363)**
Total net mechanical engineering income	**155**	**155**

E.30.2. Revenues from mechanical engineering business – geographical markets

The revenue from mechanical engineering business is geographically disaggregated per customer sites, as follows:

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

	2024	2023
Services/products transferred over time	532	463
Czech Republic	298	198
Finland	46	38
Slovakia	18	38
Latvia	25	64
Lithuania	22	-
Germany	79	35
Poland	1	68
Other	43	22
Services/products transferred at a point in time	39	55
Czech Republic	25	41
Slovakia	2	5
Other	12	9

E.31. Net leisure and entertainment income

Net leisure and entertainment income comprises net income from boat manufacturing, net income from non-manufacturing business (boat charter, resale of boats and other) and net entertainment income:

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

	2024	2023
Revenues from leisure business (non-manufacturing)	71	100
Charter revenues (transferred overtime)	46	45
USA and Caribbean	27	10
Europe & Mediterranean Sea	8	5
Asia & Indian Ocean	10	1
Pacific Ocean	1	29
Revenues from resale of boats (transferred at a point in time)	25	55
New boats	19	50
Used boats	6	5
Revenues from boats manufacturing (transferred at a point in time)	88	14
Entertainment revenues (transferred at a point in time)	35	18
Other revenues	7	7
Revenues from leisure and entertainment business	**201**	**139**
Costs related to leisure business (non-manufacturing)	(67)	(85)
Direct costs relating to charter services	(29)	(28)
Commissions to brokers	(4)	(3)
Costs attributable to boat sales	(20)	(44)
Entertainment costs	(14)	(10)
Costs related to boat manufacturing	(58)	(9)
Raw materials consumed	(41)	(6)
Employee costs	(12)	(2)
Manufacturing expenses (incl. depreciation)	(4)	(1)
Other	(1)	-
Costs related to leisure and entertainment business	**(125)**	**(94)**
Net leisure and entertainment income	**76**	**45**

E.32. Other income

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

	2024	2023
Income from other services provided	14	12
Rental income (other than from investment property rental activities)	12	8
Net gain on disposal of PPE and other intangible assets	2	-
Foreign currency gains	-	31
Other	19	25
Total other income	**47**	**76**

E.33. Personnel expenses and other operating expenses

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

	2024	2023
Employee compensation*	478	423
Payroll related taxes (including pension contribution)*	125	115
Total personnel expenses	**603**	**538**
Rental, maintenance and repair expense	76	73
Professional services	68	65
Advertising and marketing	69	55
Information technologies	59	56
Amortisation of cost to obtain a contract	42	36
Collection agency fee	25	36
Telecommunication and postage	13	11
Taxes other than income tax	17	16
Foreign currency losses	10	-
Payments to deposit insurance institutions	8	11
Travel expenses	8	7
Net impairment losses on other intangible assets	8	35
Net impairment losses on other assets	2	21
Net impairment losses on property, plant and equipment	-	2
Other	122	120
Total other operating expenses	**527**	**544**

*In the comparative figures for the six months ended 30 June 2023, the Group reclassified EUR 30 million of social security expenses from employee compensation caption to payroll related taxes (including pension contribution) caption, following the clarification of the local legislation of the reporting entities.

E.34. Depreciation and amortisation

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

	2024	2023
Depreciation of property, plant and equipment	207	195
Depreciation of property, plant and equipment – ROU (IFRS 16)	78	77
Amortisation of intangible assets	206	259
Total depreciation and amortisation	**491**	**531**

E.35. Income tax expense

Income tax expense comprises the following:

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

	2024	2023
Current tax expense	(171)	(163)
Deferred tax benefit	26	24
Total income tax expense	**(145)**	**(139)**

E.35.1. Global minimum tax (Pillar Two)

The Group became a subject to the global minimum tax under Pillar Two legislation (top-up tax) from 1 January 2024. Related legislation has already been enacted or substantively enacted in some of the jurisdictions in which the Group operates, while it is only in the process of development in other jurisdictions. Potential liability from Pillar Two rules is further influenced by the dynamic nature of Group's portfolio (with reference especially to the active transactions described in B section of these condensed consolidated interim financial statements).

The Group acknowledged these complexities and ongoing changes in the global tax environment as well as possible changes in the Group's structure during the preparation of its thorough analyses. As a result, the Group assessed that the impact of the Pillar Two legislation is immaterial for the six months ended 30 June 2024, thus no income tax expense related to top-up tax was recognised in its condensed consolidated interim financial statements as at 30 June 2024.

The Group continued to apply the temporary mandatory relief from deferred tax accounting for the future impacts of the top-up tax and no deferred tax impact was recognised for the six months ended 30 June 2024.

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 2024	31 December 2023
Loan commitments	933	1,117
Revolving loan commitments	528	734
Consumer loan commitments	51	43
Cash loan commitments	18	23
Undrawn overdraft facilities	128	123
Term loan facilities	208	194
Capital expenditure commitments	397	469
Programming liabilities	236	236
Guarantees provided	88	102
Non-payment guarantees	39	44
Payment guarantees	27	42
Provided undrawn commitments to provide	22	16
Digital transmission obligations	26	30
Other	59	186
Total commitments and contingent liabilities	**1,739**	**2,140**

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 2024	31 December 2023
Loans received under repo operations	5,400	8,412
Secured bank loans (refer to E.15)	3,852	3,982
Debt securities issued (refer to E.16)	-	37
Total secured liabilities	**9,252**	**12,431**

The assets pledged as security were as follows:

In millions of EUR

	30 June 2024	31 December 2023
Financial assets in off-balance sheet (repo operations)	5,214	8,355
Investments in equity-accounted investees	2,186	1,598
Investment property (incl. assets held for sale)	1,044	1,194
Property, plant and equipment	311	320
Financial assets FVTPL (repo operations)	199	35
Investment securities at amortised cost	137	51
Cash and cash equivalents	101	91
Loans and receivables due from customers	60	434
Financial assets FVOCI (other)	46	71
Trade and other receivables	42	44
Financial assets FVOCI (repo operations)	24	-
Other assets	114	65
Total assets pledged as security	**9,478**	**12,258**

As at 30 June 2024 and 31 December 2023, the Group has certain assets pledged 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., Pro Plus d.o.o., Pop TV d.o.o., RTL Hrvatska d.o.o., and a 94% share of CME Bulgaria B.V. held by CME Media Enterprises B.V.

As at 30 June 2024 and 31 December 2023, shares of PPF TMT Holdco 1 B.V., PPF Finco B.V. and Tanemo a.s., 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. On 6 June 2023 the Municipal Court in Prague approved procedural succession on side of ex-minority shareholders whereby all of them were replaced by one successor. On 31 July 2023 the court held hearing without any decision. On 13 December 2023 the Municipal Court in Prague fully dismissed the claims of the plaintiff (successor of the ex-minority shareholders) and confirmed that the consideration paid to the minority shareholders was adequate. In March 2024, the plaintiff filed its appeal against this decision to the High Court in Prague.

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 interim 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 and delivered its expert opinion dated 20 July 2023; its conclusions fully support position of the Group.

The Group (through its subsidiary PPF Telco B.V.) is involved in litigations connected to a squeeze-out of minority shareholders in O2 Czech Republic a.s., approved by general meeting of this company on 26 January 2022. In the first half of 2023, the Group was informed that 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 Telco B.V.) for their shares in O2 Czech Republic a.s. The Group rejected these claims as ungrounded and proposed to the court to dismiss the actions.

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

Dispute with VOLNÝ, a.s. related to O2 CZ represents a significant legal case from the Group's perspective, however, no development occurred throughout the six months ended 30 June 2024.

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 2024.

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 condensed consolidated interim financial statements.

E.36.2.2. Taxation

The taxation systems in 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 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.

Home Credit India Finance Private Limited is currently undergoing a tax inspection. The results are not yet known.

E.36.3. Off-balance sheet assets

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

In millions of EUR

	30 June 2024	31 December 2023
Value of assets received as collateral (including repo operations)	7,018	5,026
Loan commitments received	754	768
Programming assets	293	291
Guarantees accepted	181	185
Other	740	946
Total contingent assets	**8,986**	**7,216**

Other contingent assets in the above table represent primarily bank guarantees issued by various banks for Škoda Group's projects.

E.37. Related parties

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

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 transactions at arm's length with the equity-accounted investees:

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

	2024	2023
Fee and commission income	7	7
Interest income	7	5
Revenues from telecommunication business	5	4
Media income	2	-
Net impairment losses on loans to customers	2	7
Net gain on financial assets	-	2
Other income	-	1
Total revenue	**23**	**26**
Net loss on financial assets	(8)	-
Interest expense	-	(1)
Costs related to telecommunication business	-	(1)
Costs related to mechanical engineering business	-	(1)
Other operating expenses	(2)	(2)
Total expenses	**(10)**	**(5)**

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

In millions of EUR

	30 June 2024	31 December 2023
Loans due from customers (gross amounts)	145	132
Loans due from customers (loss allowances)	*(40)*	*(36)*
Investment securities and derivatives	43	43
Trade and other receivables	5	3
Loans and receivables due from banks and other financial institutions	4	2
Cash and cash equivalents	-	2
Total assets	**157**	**146**
Due to non-banks	(41)	(49)
Financial liabilities at FVTPL	(15)	(14)
Due to banks and other financial institutions	(7)	(5)
Trade and other payables	(5)	(2)
Total liabilities	**(68)**	**(70)**

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

	2024	2023
Interest income	6	9
Net gain on financial assets	2	7
Net impairment losses on IC loans to customers	3	-
Total revenue	**11**	**16**
Other operating expenses	(6)	-
Interest expense	(2)	(1)
Total expenses	**(8)**	**(1)**

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

In millions of EUR

	30 June 2024	31 December 2023
Loans due from customers (gross amounts)	32	216
Loans due from customers (loss allowances)	*(1)*	*(4)*
Investment securities and derivatives	28	-
Total assets	**59**	**212**
Liabilities due to non-banks	(238)	(206)
Trade and other payables	(18)	-
Total liabilities	**(256)**	**(206)**

F. Material accounting policies

F.1. Material 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 2023 except for the changes described below:

F.1.1. Amendments to IAS 1 Presentation of Financial Statement Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants (effective from 1 January 2024)

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

F.1.2. Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (effective from 1 January 2024)

The amendments to IAS 7 introduce a disclosure objective for supplier finance arrangements, where entities need to disclose details about arrangements where finance providers pay the entity's owed amounts to suppliers, affecting payment terms. This is to help users assess effects on cash flows, liabilities, and liquidity risk. Notably, arrangements solely enhancing credit or settling amounts with suppliers are not considered. Changes in IFRS 7 require entities to include these arrangements when disclosing liquidity risk management related to financial liabilities.

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

F.1.3. 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.

These amendments had no material impact on the Group's condensed consolidated interim 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 2024 and have not been applied in the preparation of these condensed consolidated interim financial statements. Of these pronouncements, the following might have a potential impact on the Group's operations. The Group plans to adopt these pronouncements when they become effective.

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

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

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

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

The amendments include:

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

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

Annual Improvements Volume 11 (effective from 1 January 2026)

The Annual Improvements contain amendments to five standards as a result of the IASB's annual improvements project. It addresses some inconsistencies between paragraphs of

IFRS-AS standards, potential confusions or lack of clarity in IFRS 1, IFRS 7, IFRS 9, IFRS 10, and IAS 7.

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

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

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

IFRS 18 has not been adopted by EU yet. The Group is assessing the potential impact on its consolidated financial statements resulting from the application of this new IFRS-AS standard.

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

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

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

G. Subsequent events

G.1. Development in the sale transaction with Emirates Telecommunication Group Company (closing pending)

At the end of September 2024, Emirates Telecommunication Group Company PJSC ("e&") obtained the last pending regulatory approval, the EU Foreign Subsidies Regulation Review, which allowed PPF Group to initiate the agreed pre-closing steps leading to the closing of the transaction (for more details refer to B.2.4). The closing is anticipated to become effective during the last quarter of 2024.

As a result of the expected forthcoming closing of this sale transaction with e&, the Group will lose control over its telecommunication operations (including the related infrastructure) in Bulgaria, Hungary, Serbia, and Slovakia (all under the umbrella of the holding company PPF Telecom Group B.V.) and will retain a significant influence on these operations.

In terms of the impact on the Group's consolidated financial statements, the above-mentioned operations (hereinafter together also as "non-Czech telecommunication businesses") will not be consolidated as subsidiaries anymore but will become equity accounted.

With obtaining the last outstanding regulatory approval from the EU by e&, alongside the approval from the non-controlling partner in the infrastructure part, the non-Czech telecommunication businesses have since met the criteria for the held-for-sale classification and the classification as discontinued operations. Had the approval been obtained by 30 June 2024, the Group would have classified the following disposal group's assets and liabilities as held for sale in its condensed consolidated interim financial statements:

In millions of EUR, as at 30 June 2024

	Non-Czech telecommunication businesses
ASSETS	
Cash and cash equivalents	601
Loans and receivables due from banks and other financial institutions	2
Loans to companies within PPF Group	453
Trade and other receivables	359
Contract assets	94
Current tax assets	2
Inventories	63
Property, plant and equipment	1,049
Goodwill	983
Intangible assets	905
Other assets	115
Deferred tax assets	11
TOTAL ASSETS OF THE DISPOSAL GROUP	**4,637**
LIABILITIES	
Due to banks and other financial institutions	848
Debt securities issued	1,667
Current tax liabilities	16
Trade and other payables	674
Contract liabilities	32
Provisions	74
Deferred tax liability	37
TOTAL LIABILITIES OF THE DISPOSAL GROUP	**3,348**

The following table shows the performance of the non-Czech businesses as if they had been classified as discontinued operations as at 30 June 2024:

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

	2024	2023
Telecommunications revenues*	1,031	954
Telecommunications costs*	(297)	(305)
Net telecommunication income*	**734**	**649**
Interest income	20	9
Interest expense	(62)	(45)
Net impairment loss on financial assets	(8)	(6)
Personnel expenses	(98)	(81)
Depreciation and amortisation	(189)	(176)
Other income	-	22
Other operating expenses	(191)	(155)
Net loss on financial assets	(9)	(9)
PROFIT BEFORE TAX	**197**	**208**
Income tax expense	(35)	(31)
NET PROFIT FROM DISCONTINUED OPERATIONS	**162**	**177**

*For the disaggregation of these items, refer to the table below.

The following table disaggregates the above-presented telecommunications revenues and costs:

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

	2024	2023
Mobile originated revenues	964	904
Fixed originated revenues	28	17
International transit revenues	1	2
Other wholesale revenues	29	24
Other sales	9	7
Revenues from telecommunication business	**1,031**	**954**
out of which:		
Services/products transferred over time	846	774
Services/products transferred at a point in time	185	180
Supplies	(102)	(117)
Cost of goods sold	(183)	(177)
Commissions	(12)	(11)
Costs related to telecommunication business	**(297)**	**(305)**
Total net telecommunication income	**734**	**649**

Due to the overall complexity of the transaction involving a larger number of restructuring steps within the perimeter being subject to the transaction, the Group currently only estimates the expected gain on sale of these subsidiaries to range within the lower billions of EUR.

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

10 October 2024

The board of directors:

Aleš Minx
Chairman of the board of directors

Jan Cornelis Jansen	Rudolf Bosveld
Member of the board of directors	*Member of the board of directors*