

8 November 2022

# PPF Telecom Group

## 1H2022 results

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# Meet the presenters



## Bales Sharma

*Chief Executive Officer*

*27 years experience in telco*

- Vodacom South Africa, Managing Director
- Vodafone Idea, India, CEO
- Vodafone Czech Republic, CEO
- Vodafone Malta, CEO



## Lukáš Kubesa

*Financial manager*

*6 years experience in telco, CETIN and PPF,  
13 years in finance*

- Financial Manager of PPF Telecom Group (since 2018)
- Head of Financial reporting of CETIN (2016-2018)
- Senior financial reporting specialist at Raiffeisenbank CZ (2012-2016)
- Senior Audit Associate at PwC (2009-2012)



## Marek Sláčík

*Executive Director,  
Chief Commercial Officer,  
Chief Sustainability Officer*

*22 years experience in telco*

- Chief commercial officer of PPF Telecom Group (since 2018)
- Chief commercial officer of Beeline/VEON Russia
- Chief executive officer of Telenor Denmark
- Management positions at Telenor in Sweden and Serbia, at O2 and Vodafone in Czechia

# Executive summary 2022 to date

Strong performance, continued streamlining of corporate structure

## 1 Stable markets and 5G rollout

- Stable markets and competitive landscape in all countries of operations
- 5G rollout underway in 4 countries
- 3.6 GHz renewal in Slovakia
- FTTH rollout in Czechia
- Network sharing inquiry closed
- Manageable regulation

**17.9m**

mobile subscribers<sup>1</sup>

**+2.0% yoy**

contract subscribers

## 2 Good financial performance

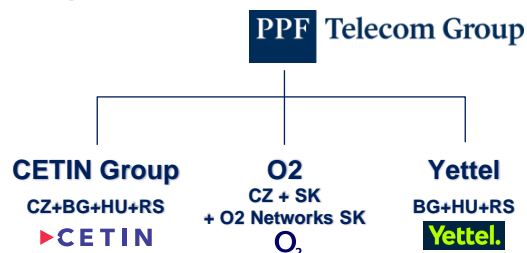
- OpCos delivered EBITDA
- All segments contributed to EBITDA growth
- Trends preserved in consumer segment with upselling
- Top network positions
- High cash conversion ~50%
- FX tailwinds/headwinds

**+7.2%**

EBITDAaL<sup>2</sup>  
y-o-y

## 3 Corporate structure further streamlined

- Consolidation of 100% ownership CETIN CZ and O2 CR
- CETIN Group 30% stake sold
- O2 Slovakia structural separation
- No change to the financial policy



## 4 Eurobonds at CETIN Group level

- **CETIN Group Eurobond**, Baa2/BBB  
EUR 500m to partly refinance CETIN Group term loans
- **O2 Schuldscheins repaid** EUR 326m
- **Yettel Hungary loan topped**  
to finance new spectrum

**€500m**

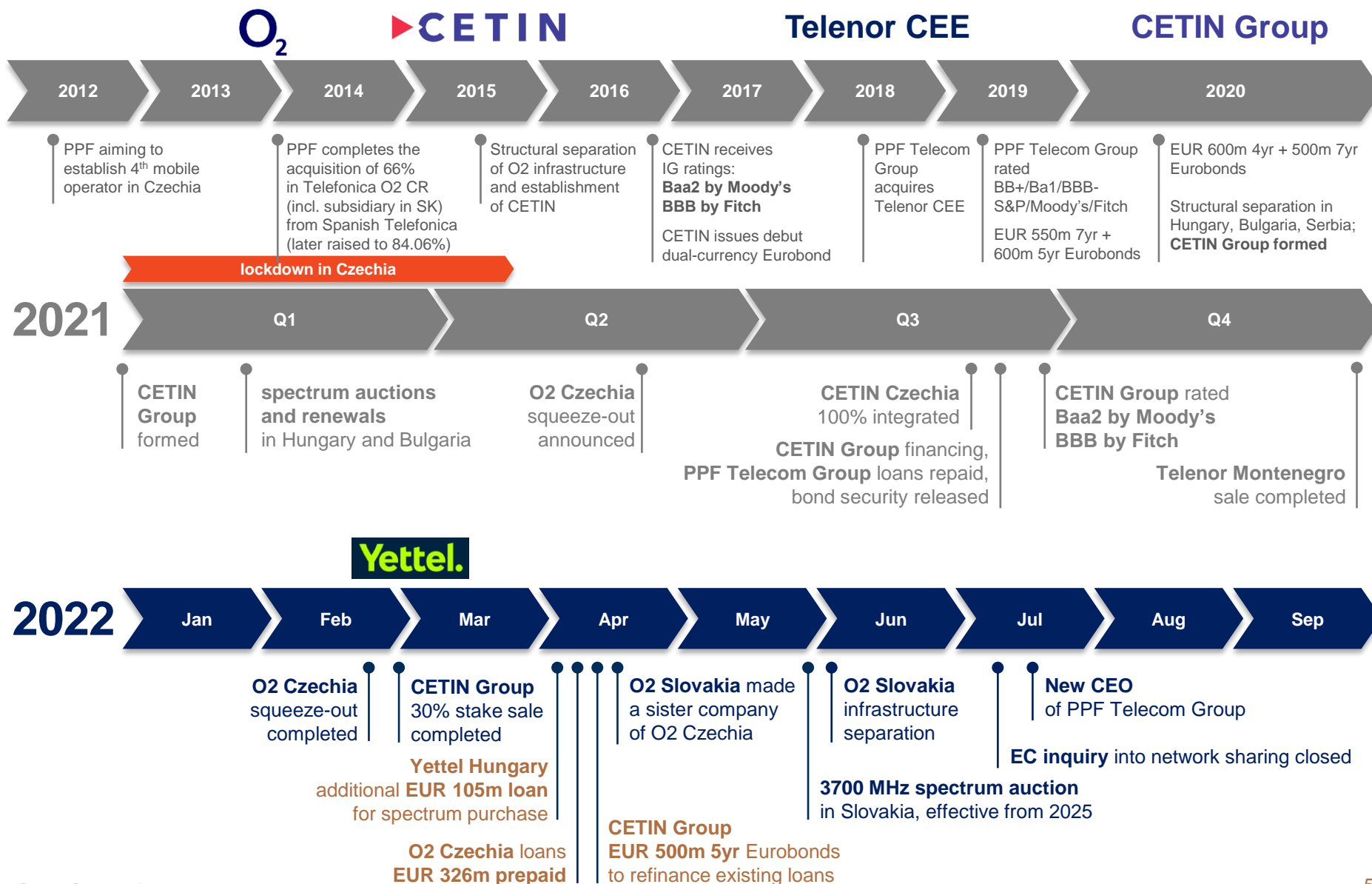
IG Eurobond

Source: Company data

[1] Including M2M subscribers; 15.2m excluding M2M subscribers. Change of reporting in Czechia and Slovakia from 2Q2022

















[2] EBITDAaL (EBITDA after leases) is defined as Operating profit excluding depreciation, amortisation and impairments less Depreciation on lease related rights of use less Interest expense on lease liabilities

# PPF track record in telecom and 2022 achievements



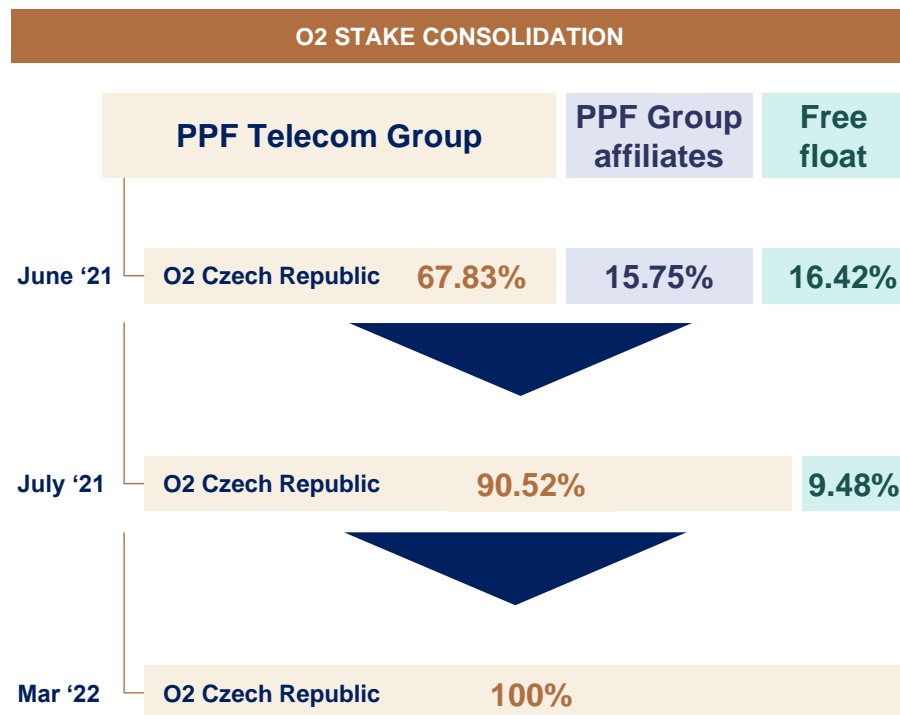
# Spectrum auctions update

Major spectrum acquisitions in 2020-21, 5G auctions anticipated in BG+RS

	2020	2021	2022	2023	2024
<b>Czechia</b> 	<b>700 / 3,500 MHz auction</b>  EUR 53m cost 100% paid	<b>2,100 MHz renewal</b>  EUR 24m cost 100% paid			<b>900 / 1,800 MHz renewal</b>
<b>Slovakia</b> 	<b>700 / 900 / 1,800 MHz auction</b>  EUR 33m cost 50% paid	 25% paid	<b>3,600 MHz renewal</b>  from Sep 2025 EUR 17m cost EUR 4m paid  25% paid		<i>EUR 6.5m to be paid in Aug 2025,            EUR 6.5m in Aug 2026</i>
<b>Hungary</b> 	<b>700 / 2,100 / 3,600 MHz auction</b>  EUR 100m cost 100% paid	<b>900 / 1,800 MHz renewal</b>  EUR 153m cost	CAPEX booked, 100% paid		
<b>Bulgaria</b> 		<b>900 / 1,800 MHz renewal</b>  EUR 23m cost 100% paid  <b>2,100 and 2,600 auctions</b>  EUR 3.3m cost 100% paid  <b>3,700 MHz auction</b>  EUR 2.1m cost 100% paid		<b>700 / 800 MHz auction</b>	
<b>Serbia</b> 				<b>700 / 2,600 / 3,600 MHz auction</b>	

# O2 stake consolidated, EC inquiry closed

## Key steps toward further development of the operating model



	stake	price per share	amount	resulting stake
June '21, market purchases	6.94%	CZK 264	EUR 220m	74.77%
June-July '21, intra-group	15.75%	CZK 264	EUR 520m	90.52%
February '21, squeeze-out	9.48%	CZK 270	EUR 310m	100.00%

### EC INQUIRY INTO NETWORK SHARING CLOSED

- EC's concern in 2016 was that "...network sharing agreement restricts competition ... in the more densely populated areas of the country"
- CETIN maintained its opinion that active LTE 4G sharing has been beneficial to Czech customers
- The proceedings have been extended to the parent companies, to PPF Group N.V. and Deutsche Telekom AG
- Commitments offered jointly by CETIN, O2 and T-Mobile to address competition concerns have been accepted
- **In July 2022, EC found no violation of competition rules and concluded the proceedings without penalty**

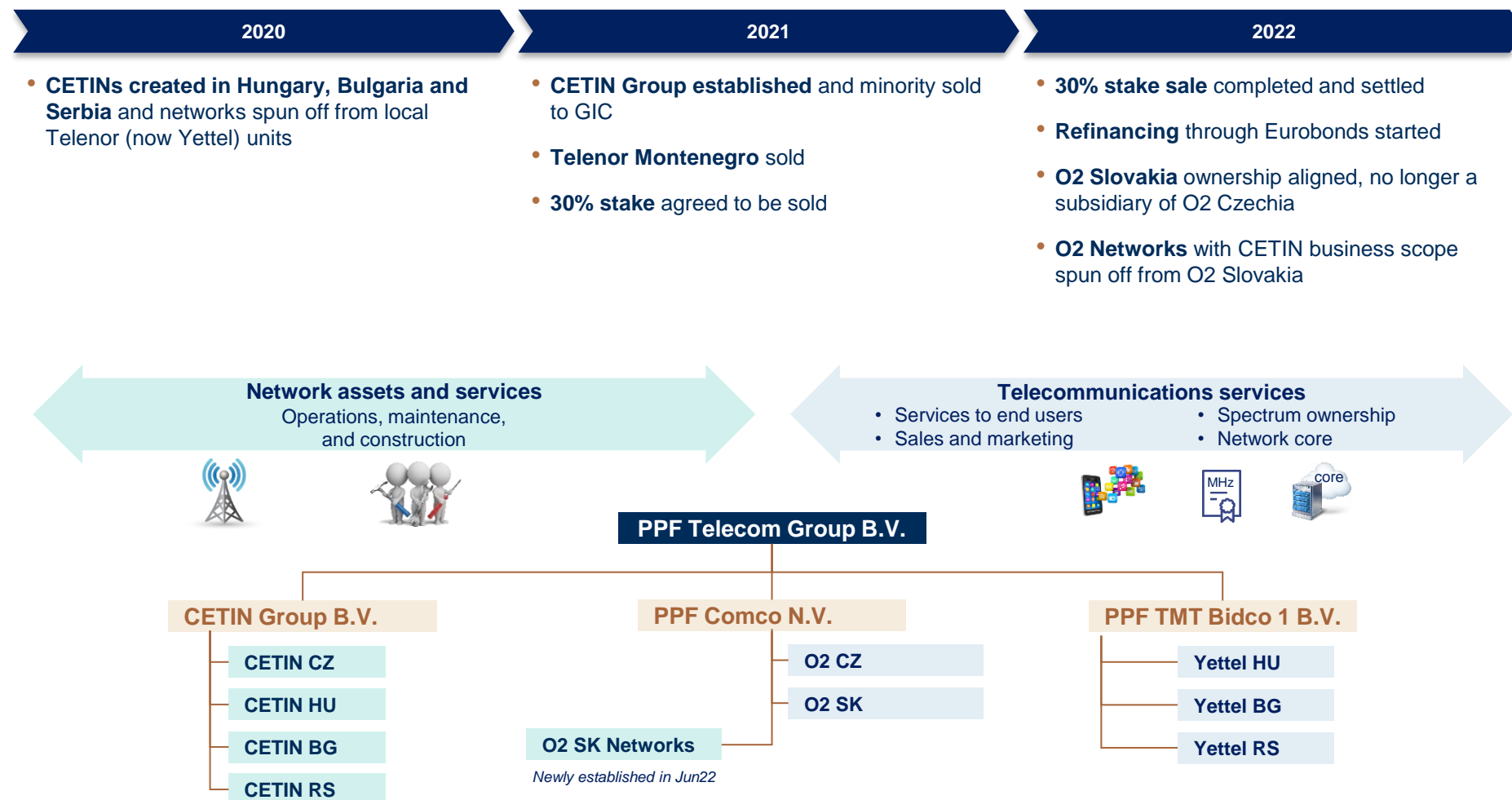
### COMMITMENTS SUMMARY

#### Modification of the agreements to:

- **Not extend the geographical scope** to Prague and Brno
- **Modernise RAN** to enable more flexibility and independence in certain radio frequencies
- Apply **cost-based pricing** of unilateral network deployments or services on behalf of the other operator
- Limit **information exchange** between the parties: CETIN to prevent **information spill-over** between O2 and T-Mobile
- New arrangements to remain in force **until 2033** or the term of the agreements
- EC appointed a **trustee** to monitor the parties' compliance

# Path towards the target operating model

All five countries structurally separated their networks





# Strong and stable position in five markets

Market leader in CEE region (excl. Poland) with 34% retail market share<sup>1</sup>

## ► CETIN Group

### Czechia

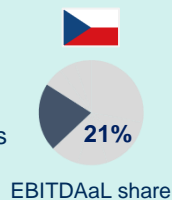
#### Fixed network

- 1.2m active lines
- 1.1m FBB<sup>5</sup> connections

#### Mobile network

##### Population coverage

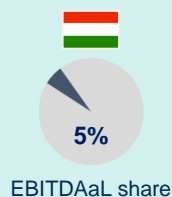
- 99% 4G
- 18% 5G



### Hungary

##### Population coverage

- 100% 4G
- 11% 5G



### Bulgaria

##### Population coverage

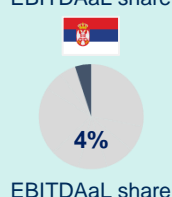
- 99% 4G
- 60% 5G



### Serbia

##### Population coverage

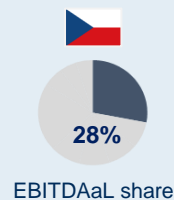
- 97% 4G



## O<sub>2</sub>

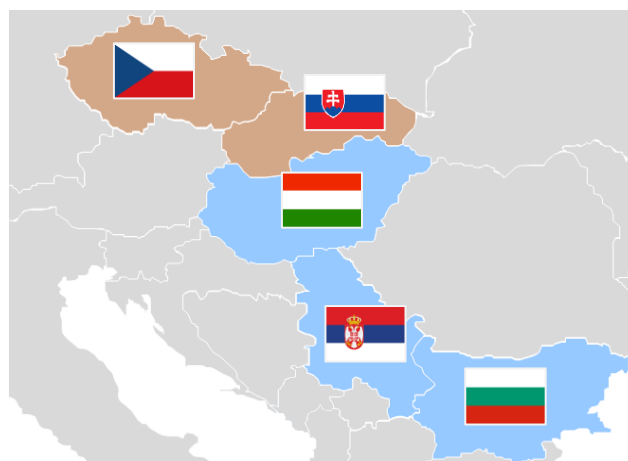
### Czechia

- 5,178k mobile subscribers<sup>3</sup>
- 36% market share<sup>1</sup>
- €12.4 ARPU<sup>4</sup>
- 886k FBB<sup>5</sup> subscribers



### Slovakia

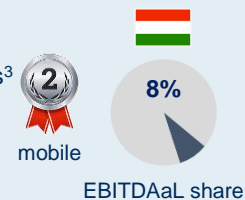
- 2,246k mobile subscribers<sup>3</sup>
- 27% market share<sup>1</sup>
- €10.8 ARPU<sup>4</sup>
- 98% 4G, 24% 5G



## Yettel.

### Hungary

- 3,608k mobile subscribers<sup>3</sup>
- 30% market share<sup>1</sup>
- €11.9 ARPU<sup>4</sup>



### Bulgaria

- 3,490k mobile subscribers<sup>3</sup>
- 35% market share<sup>1</sup>
- €9.6 ARPU<sup>4</sup>



### Serbia

- 2,971k mobile subscribers<sup>3</sup>
- 42% market share<sup>1</sup>
- €10.0 ARPU<sup>4</sup>



Source: Company data, Analysys Mason

[1] Market share for the CEE region is calculated as weighted average of mobile revenue market share for countries where PPF Telecom Group is active; the source for market shares is Analysys Mason, Sep 2022; market shares are for 1Q2022

[2] #1 position in mobile and fixed markets combined; #1 position in fixed market, #2 position in mobile market

[3] including M2M subscribers; pre-paid subscribers reported using 3 months active criterion

[4] Blended ARPU is calculated according to IAS 18 for the last six months ending 30 June 2022, excluding M2M accounts

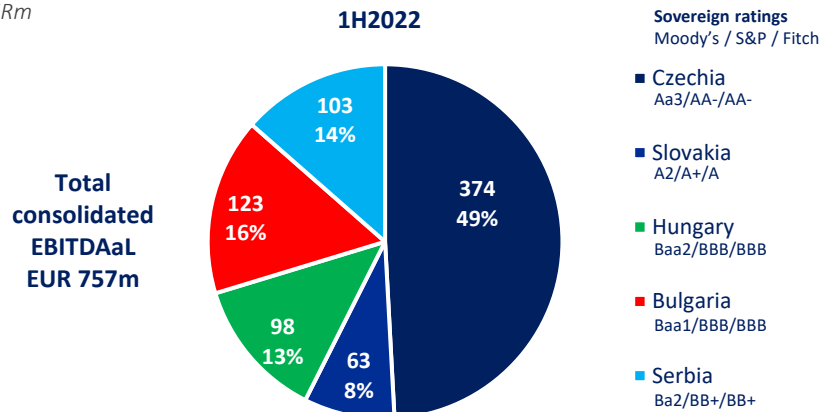
[5] Fixed broadband, comprising DSL and FTTH

# Diversification of PPF Telecom Group

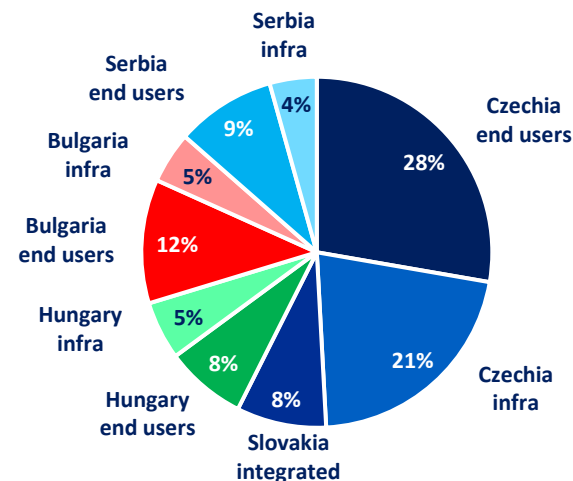
Regionally balanced portfolio with half of the business in Czechia

GEOGRAPHICAL DISTRIBUTION OF EBITDAaL

in EURm

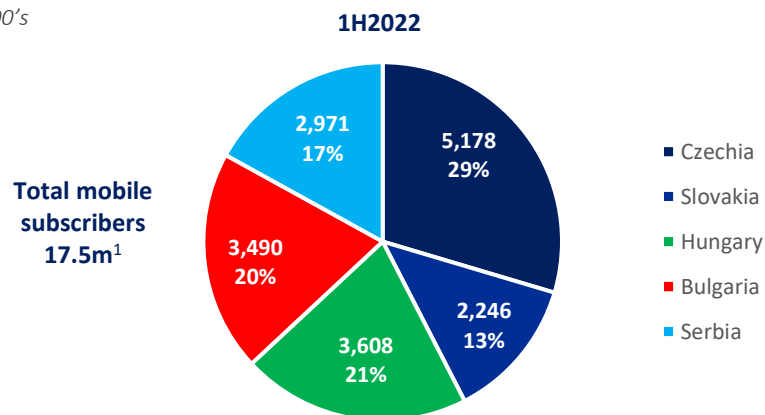


DISTRIBUTION OF EBITDAaL BY COUNTRY AND BUSINESS



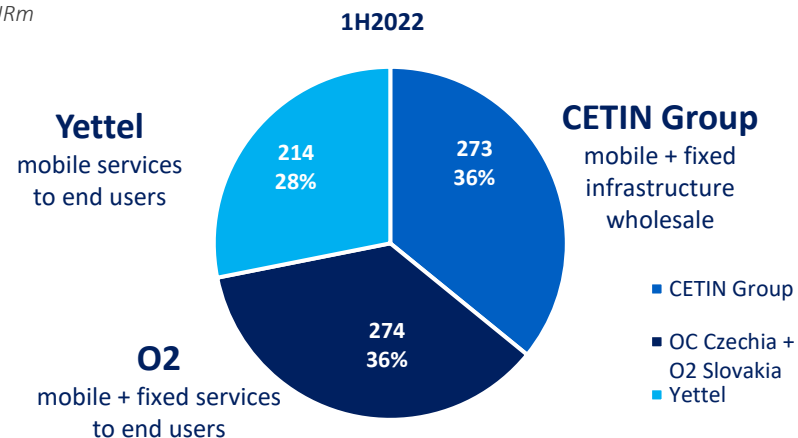
MOBILE SUBSCRIBERS<sup>1</sup> BY SEGMENT

in 000's



EBITDAaL BY TYPE OF BUSINESS

in EURm

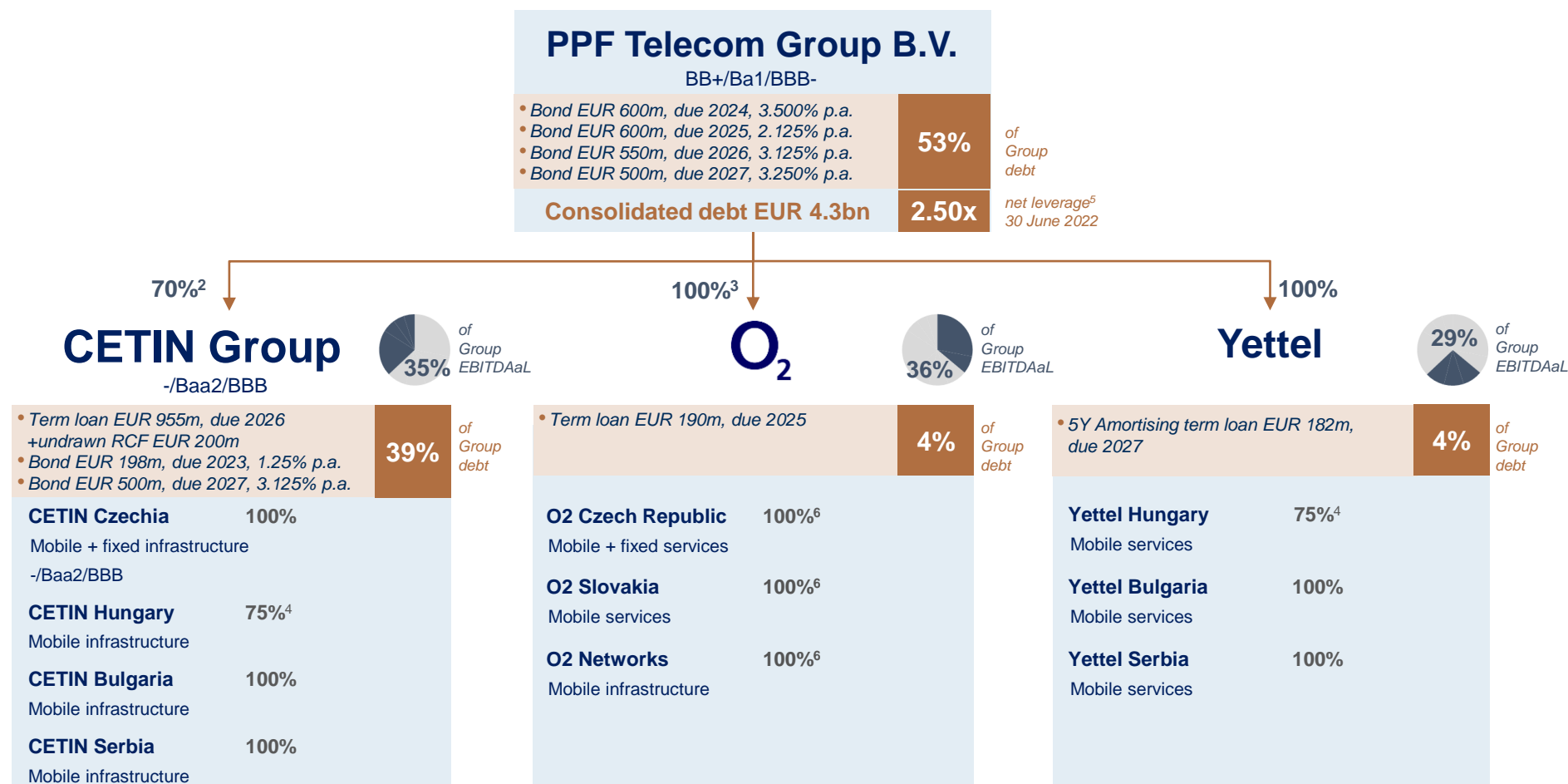


Source: PPF Telecom Group B.V. Consolidated financial statements for 1H2022

[1] Including M2M subscribers; 14.6m excluding M2M subscribers

# PPF Telecom Group corporate structure as of June '22

A cluster of market-leading CEE telecom retail and infrastructure assets<sup>1</sup>



Source: Company data

[1] The chart represents a simplified group structure to illustrate main segments within PPF Telecom Group B.V. and financing as of 30 June 2022

[2] 30% stake sold to Roanoke Investment Pte Ltd, a company incorporated in Singapore and an affiliate of GIC Private Limited (Government Of Singapore Investment Corporation) in March 2022

[3] Squeeze-out of the remaining minority investors (9.48% free float at Prague Stock Exchange) has taken place on 28 February 2022

[4] 25% stake owned by Antenna Hungária Zrt., the country's leading state-owned telecommunications service provider, via TMT Hungary B.V. holding company

[5] Consolidated net leverage ratio = consolidated Gross Debt less Cash and cash equivalents / EBITDA for the last twelve months preceding 30 June 2022, excluding IFRS 16 impact

[6] O2 Czech Republic, O2 Slovakia and O2 Networks are sister companies directly owned by PPF Comco N.V. since April 2022

# Regional market overview

Market structure with three main operators preserved after the wave of 5G auctions



# 2022 Mobile market commercial update

## O2 Czech Republic and O2 Slovakia

### MOBILE AND FIXED

- Continuous growth of customer base and profitability across mobile, fixed and TV driven by successful bundling strategy
- Launch of 5G Fixed Wireless Access with good momentum
- Radost(Joy digital proposition) momentum continues in SK



### TV AND OTHER SERVICES

- Continuous IPTV growth reaching 632k O2 TV users
- Pushing HW initiatives driven by innovation (Smartbox 2, O2 Pods)
- Omnichannel strategy as the key driver of commercial performance



### NETWORK

- Continued 5G rollout in Czechia and Slovakia
- Fastest 5G download based on Czech Technical University testing



## Yettel Hungary, Bulgaria, and Serbia

### MOBILE

- Successful rebranding to YETTEL with no business disruption and positive market reaction
- Steady customer base value growth via upselling and new product portfolios
- Continuous growth of FTTH/TV base of Serbian greenfield FMC

**Yettel.**

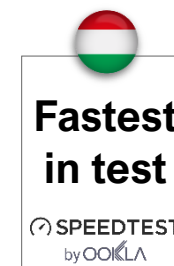
### OTHER SERVICES AND INITIATIVES

- Retail rebranded
- Focus on device insurance, bundling wearables on instalments and accessories
- Strong device recycling campaigns across the region supporting the new brand



### NETWORK

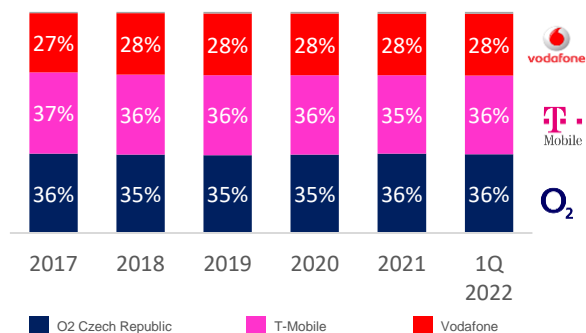
- Umlaut Best in Test in Bulgaria/Serbia
- Fastest network in Hungary based on Ookla
- 5G roll out in Bulgaria and Hungary



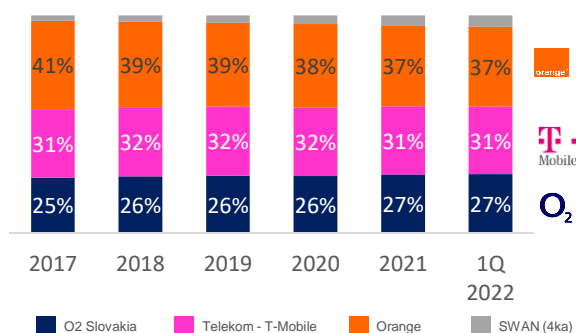
# Mobile revenue market shares

## Yettel and O2 maintain mobile revenue market shares

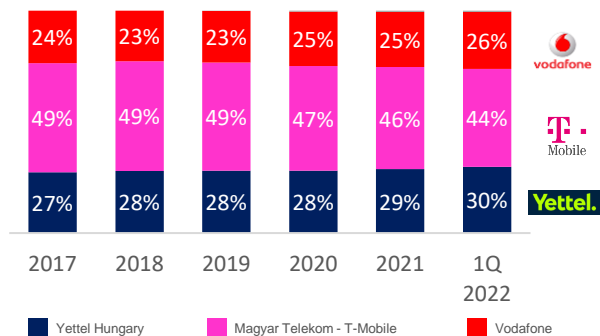
### CZECHIA



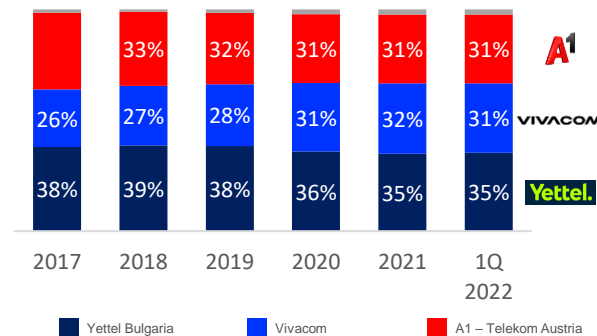
### SLOVAKIA



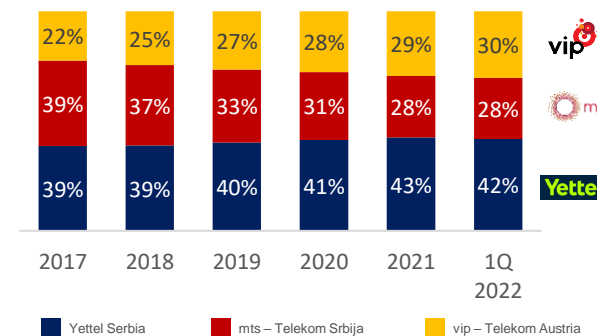
### HUNGARY



### BULGARIA

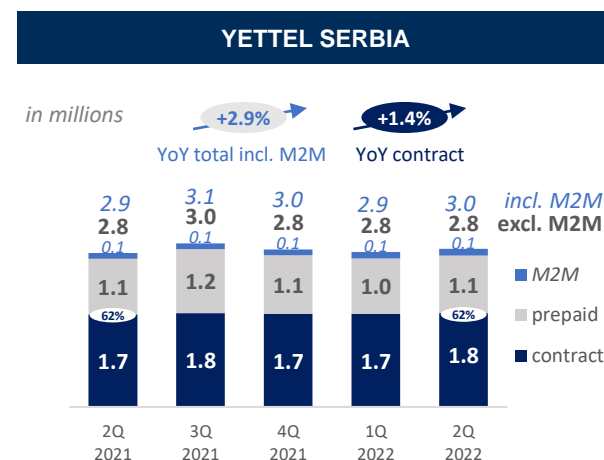
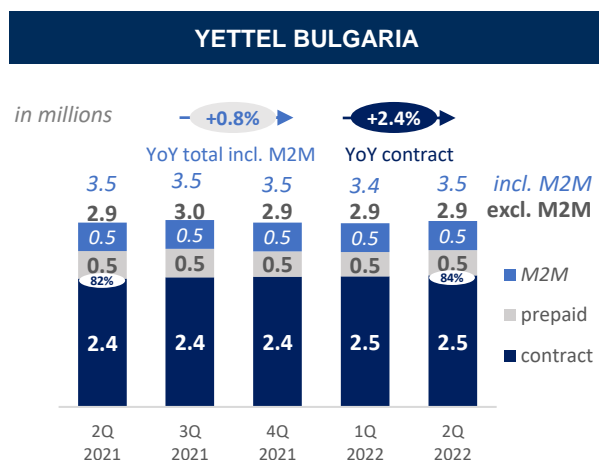
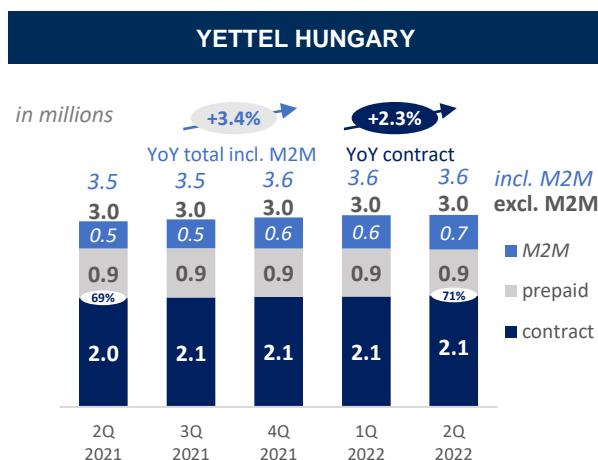
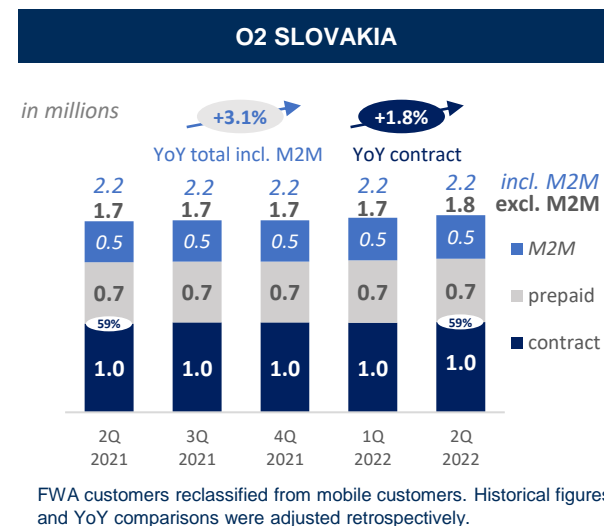
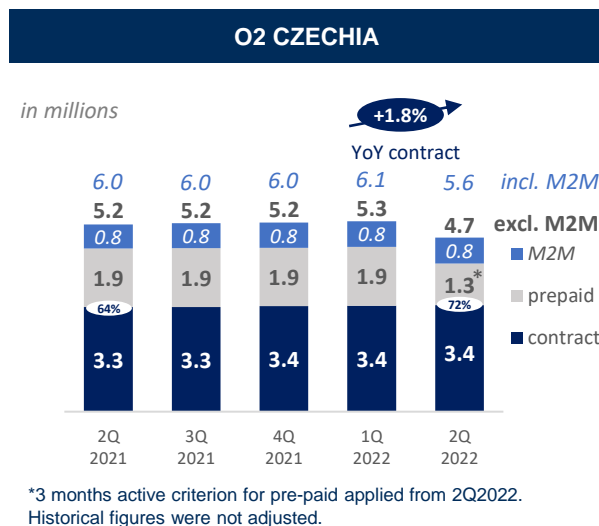
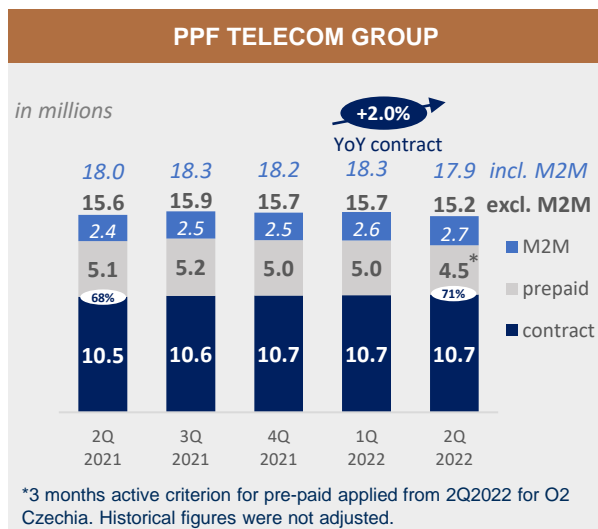


### SERBIA



# Mobile market dynamics

## Growth in contract customer base



# Mobile ARPU in PPF Telecom Group business units

ARPU grew across our footprint except Czechia, where helped by FX

## O2 CZECHIA

in EUR



12.2 12.2 12.4 12.4 12.5

2Q 2021 3Q 2021 4Q 2021 1Q 2022 2Q 2022

## O2 SLOVAKIA

in EUR



10.9 10.7 10.8 10.9 11.0

2Q 2021 3Q 2021 4Q 2021 1Q 2022 2Q 2022

## YETTEL HUNGARY

in EUR



11.7 12.2 11.9 11.9 11.6

2Q 2021 3Q 2021 4Q 2021 1Q 2022 2Q 2022

## YETTEL BULGARIA

in EUR



9.4 9.2 9.4 9.8 10.1

2Q 2021 3Q 2021 4Q 2021 1Q 2022 2Q 2022

## YETTEL SERBIA

in EUR



9.6 9.7 9.5 10.2 10.6

2Q 2021 3Q 2021 4Q 2021 1Q 2022 2Q 2022

Source: Company data

Note: ARPU calculation excludes inbound roaming and M2M revenues

% YoY growth in EUR

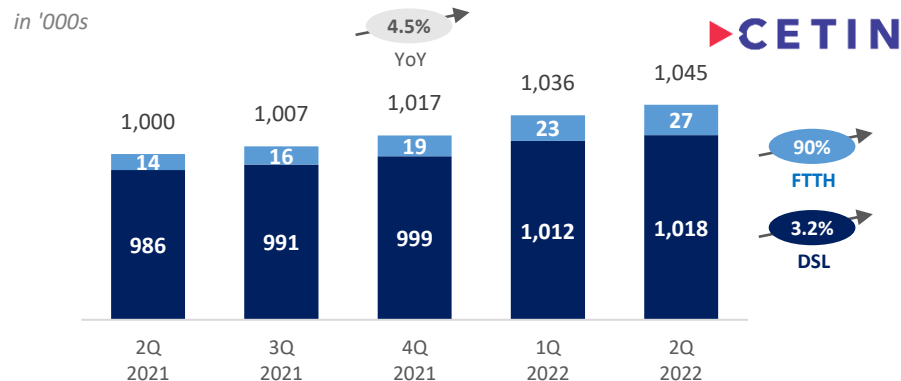
% YoY growth in local currency



# Fixed services in Czechia

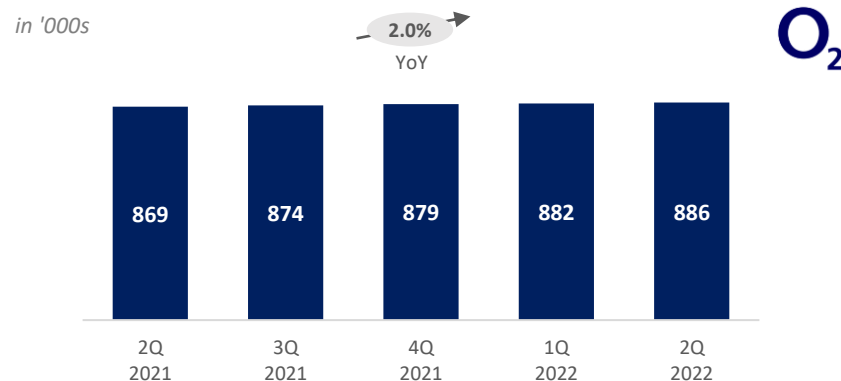
## FTTH investments launched, taking over from FTTC

### CETIN WHOLESALE FBB SUBSCRIPTIONS



Source: PPF Telecom Group internal data

### O2 CR TECHNOLOGY-AGNOSTIC BROADBAND<sup>1</sup> SUBSCRIBERS

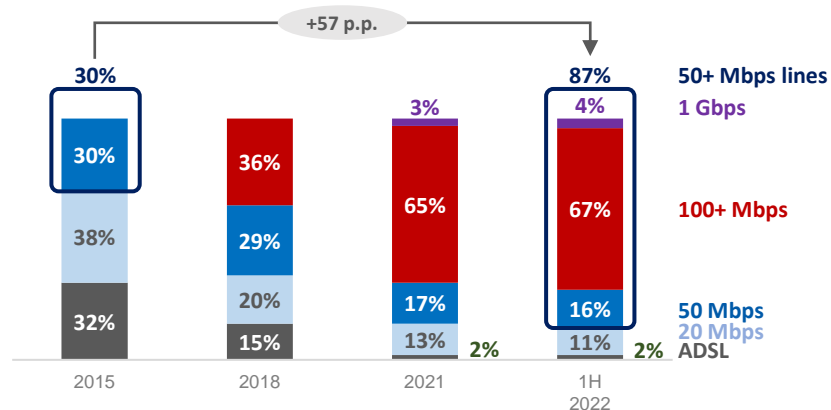


[1] O2 CR definition: Cable (ADSL, VDSL, fibre) and wireless (4G/5G LTE, WTTx)

Source: PPF Telecom Group internal data

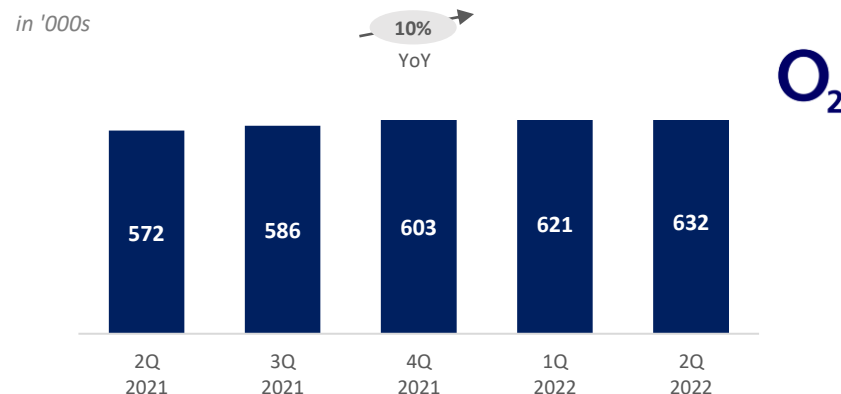
### CETIN FIXED NETWORK MODERNISATION

- Upgrading xDSL via FFTc/FTTB/FTTH



Source: PPF Telecom Group internal data

### O2 CR PAY TV SUBSCRIBERS<sup>2</sup>



[2] O2 CR definitions: IPTV and OTT, incl. prepaid O2 TV Sport Pack online and O2 TV HBO and Sport Pack packages

Source: PPF Telecom Group internal data

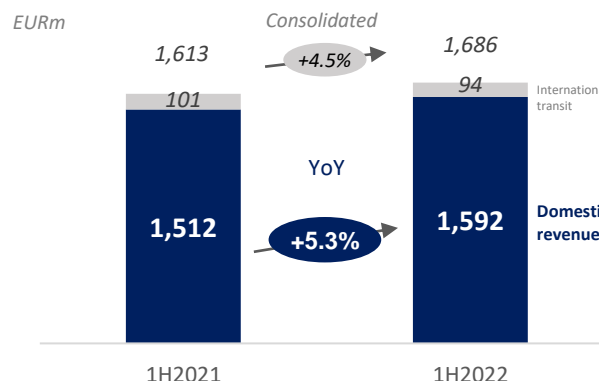
# 1H2022 consolidated results at a glance

Sound results, all businesses contributed to earnings, solid cash flows

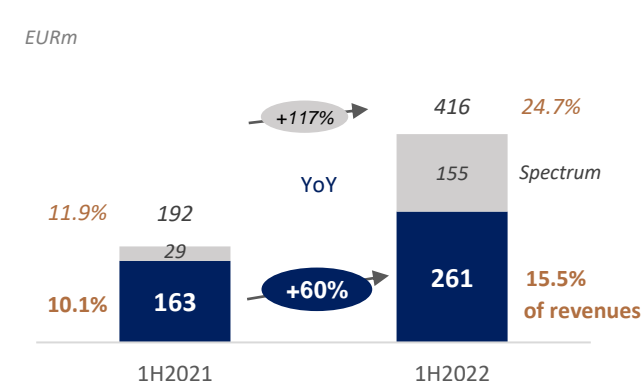
## REVENUES OVERVIEW

EURm	1H2021	1H2022	1H2022 yoy	FY2021 yoy
<b>Consolidated revenues<sup>1</sup></b>	<b>1,613</b>	<b>1,686</b>	<b>4.5%</b>	<b>5.6%</b>
O2 Czechia	629	670	6.5%	5.5%
O2 Slovakia + Networks	150	151	0.7%	5.2%
CETIN CZ excl. transit	233	264	13.3%	4.6%
Yettel + CETIN Hungary	261	335	3.4%	7.1%
Yettel + CETIN Bulgaria	204	276	5.9%	7.3%
Yettel + CETIN Serbia	225	281	2.7%	9.1%
Eliminations and transit	-190	-210		
<b>Consolid. revenues excl. transit</b>	<b>1,512</b>	<b>1,592</b>	<b>5.3%</b>	<b>7.0%</b>

## REVENUES



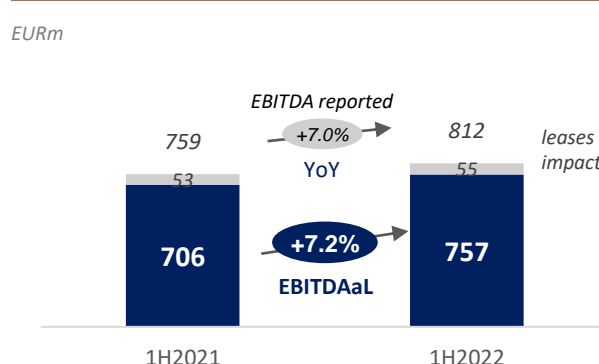
## CAPEX<sup>4</sup>



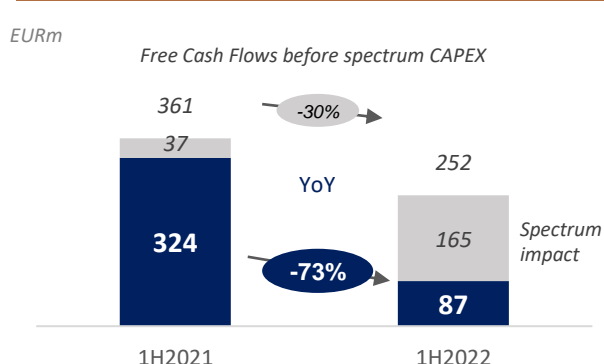
## EBITDAaL<sup>3</sup> OVERVIEW

EURm	1H2021	1H2022	1H2022 yoy	FY2021 yoy
<b>EBITDAaL</b>	<b>706</b>	<b>757</b>	<b>7.2%</b>	<b>10.9%</b>
O2 Czechia	185	211	14.1%	14.6%
O2 Slovakia + Networks	62	63	1.6%	6.0%
CETIN CZ	153	163	6.5%	4.9%
Yettel + CETIN Hungary	106	98	-7.5%	8.9%
Yettel + CETIN Bulgaria	97	123	26.8%	21.3%
Yettel + CETIN Serbia	101	103	2.0%	13.0%
<b>EBITDA reported</b>	<b>759</b>	<b>812</b>	<b>7.0%</b>	<b>10.1%</b>

## EBITDA



## FREE CASH FLOWS AFTER LEASES<sup>5</sup>



Source: PPF Telecom Group audited consolidated financial statements for the six months ended 30 June 2021 and 2022; Yettel internal data, CETIN Annual report 2021,

[1] Revenues + other income

[3] EBITDAaL (EBITDA after leases) is defined as Operating profit excluding depreciation, amortisation and impairments less Depreciation on lease related rights of use less Interest expense on lease liabilities

[4] CAPEX represents additions to property, plant and equipment and intangible assets

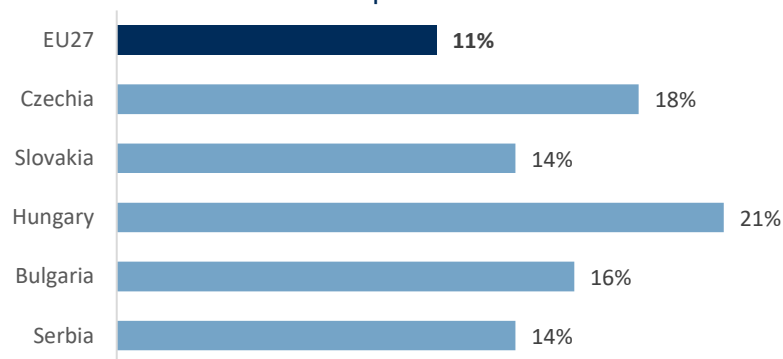
[5] Free cash flows represent Net cash from operating activities less Cash used for Purchase of PPE and intangible assets and including Proceeds from disposals of PPE and intangible assets and Lease payments

# Inflationary pressures

Adverse impact in 2022, further negative impacts expected in 2023

## INFLATION RATES IN OUR REGION

### Harmonised index of consumer prices (HICP) inflation rate September 2022

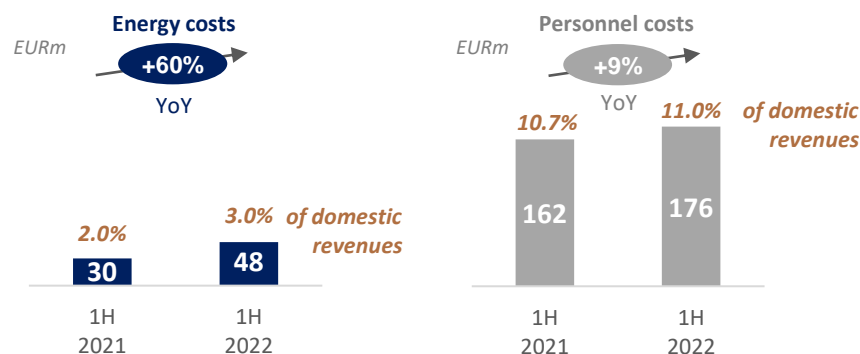


## ANTICIPATED DEVELOPMENT

- Energy costs and salaries are the main OPEX lines affected in our P&L
- The peak is probably behind us
- CAPEX generally covered under long-term contracts with vendors, usually without automatic inflation indexation

## ENERGY AND PERSONNEL COSTS DEVELOPMENT

### PPF Telecom Group consolidated



## MITIGATION AT PPF TELECOM GROUP

### 2022 energy costs increased by 60% yoy

- Driven partly by inflation, partly by 5G consumption increase
- Increase in line with your expectations
- Full visibility of costs for the rest of 2022

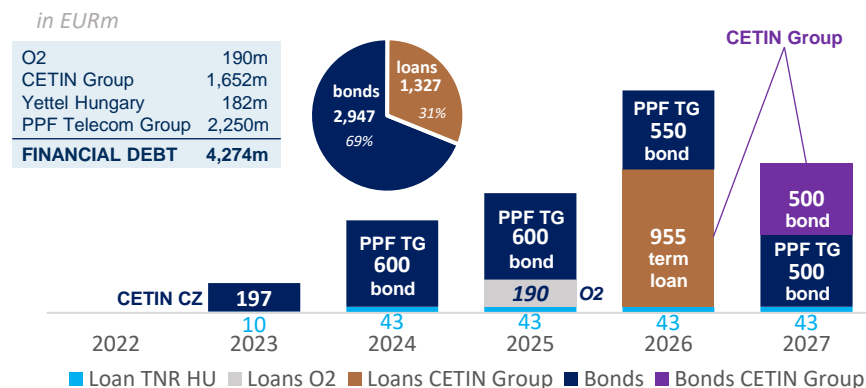
### 2023 outlook

- Partial hedging and government subsidies (BG and RS) are expected to ease the impact, but not fully
- Spot prices recently stabilised at acceptable levels; hedging for 2023 currently does not make sense
- Exploring renewable PPA opportunities to secure prices for long period, in line with our ESG strategy

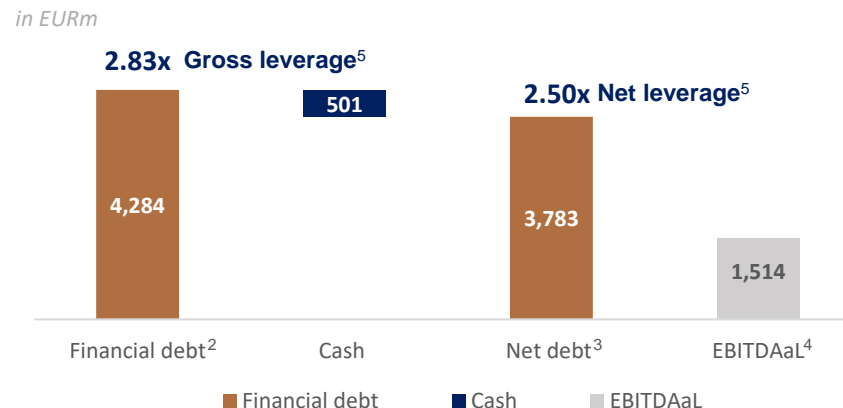
# Key credit metrics

Maturity further extended through CETIN Group; net leverage preserved

## NOMINAL FINANCIAL DEBT<sup>1</sup> PROFILE AS OF 30-JUN-2022



## CONSOLIDATED NET LEVERAGE RATIO<sup>5</sup> AS OF 30-JUN-2022



## BONDS

**CETIN CZ** - investment grade Baa2 / BBB (Moody's / FitchRatings)

- Eurobond CZK 4,866m (EUR 197m), 7 years, due Dec 2023, 1.25% p.a.

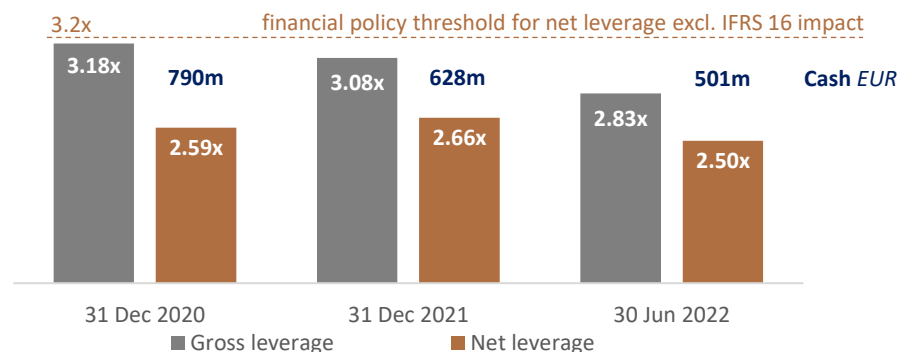
**CETIN Group** - investment grade Baa2 / BBB (Moody's / FitchRatings)

- Eurobond EUR 500m, 5 years, due Apr 2027, 3.125% p.a.

**PPF Telecom Group** - crossover rating BB+ / Ba1 / BBB- (S&P / M / F)

- Eurobond EUR 600m, 4 years, due May 2024, 3.500% p.a.
- Eurobond EUR 600m, 5 years, due Jan 2025, 2.125% p.a.
- Eurobond EUR 550m, 7 years, due Mar 2026, 3.125% p.a.
- Eurobond EUR 500m, 7 years, due Sep 2027, 3.250% p.a.

## 2022 LEVERAGE<sup>5</sup> DYNAMICS



Source: PPF Telecom Group internal data, PPF Telecom Group consolidated financial statements for 2020, 2021, and 1H2022

[1] Outstanding principal amounts, excluding RCF and overdraft facilities; CZK-denominated debt converted with EUR/CZK rate of 24.739, HUF-denominated debt EUR/HUF rate of 397.04

[2] Financial debt = amount due to banks and debt securities issued, including amortised legal fees/bank fees and accrued interest, excluding IFRS 16 impact

[3] Net debt = Gross debt (excluding IFRS 16 impact) less Cash and cash equivalents and other highly liquid assets

[4] EBITDAaL (EBITDA after leases) is defined as Operating profit excluding depreciation, amortisation and impairments less Depreciation on lease related rights of use less Interest expense on lease liabilities

[5] Consolidated gross leverage ratio = consolidated Gross debt / EBITDA for the last twelve months preceding 30 June 2022, excluding IFRS 16 impact

Consolidated net leverage ratio = consolidated Gross debt less Cash and cash equivalents / EBITDA for the last twelve months preceding 30 June 2022, excluding IFRS 16 impact

Contingent NCI Put Option is not part of the financial debt

# Sale of 30% stake in CETIN Group to GIC

## Accounting treatment of the contingent put option

### TRANSACTION SUMMARY

- Closed in March 2022
- 30% of CETIN Group sold for total consideration of EUR 1.4bn

*In millions of EUR*

Effective ownership sold	30%
Total consideration received in cash	1,411
Net asset value attributable to non-controlling interests sold	260
Effect recorded in retained earnings (gain)	1,151

### RECOGNITION OF CONDITIONAL CHANGE OF CONTROL PUT OPTION

*In millions of EUR*

#### Current liabilities

Conditional commitment to acquire NCI's share	983
---	-----

#### Equity

Conditional commitment to acquire NCI's share – origination	(1,411)
Conditional commitment to acquire NCI's share – change in NPV	428

### CONTINGENT PUT OPTION LIABILITY

- Put option of GIC to sell its stake to PPF Telecom Group for fair market value **in case** of Unapproved Change of Control of PPF Telecom Group B.V. or PPF Group N.V. happens.
- Customary protection of minority investor, which is event-driven.
- Change of Control fully under control of PPF Group N.V. ultimate shareholders, but not under control of PPF Telecom Group management
- IAS 32 requires recognition in redemption amount, in our case 30% share on fair value derived by external valuation expert, without including near-to-zero probability of being exercised
- Please refer to section B.2.2. of *Condensed consolidated interim financial statements for the six months ended 30 June 2022* for more details

### IMPACT ON CREDIT METRICS

- It is a **non-interest bearing liability**
- The Contingent NCI Put Option **does not**:
  - meet the definition of financial debt in **bond** documentation
  - influence **bond covenant** calculations
- Our financial policy remains unchanged
- It is not recognised in the individual financial statements of PPF Telecom Group B.V.

# Sustainability strategy formalised

Connecting with a sustainable future

## MISSION

PPF Telecom Group's mission is to provide as many people as possible with access to high-quality, affordable connectivity and digital solutions so they can live increasingly productive, healthier and safer lives. Through sustainable business practices, we are also protecting the environment.

## 2021 REPORT PUBLISHED



## SUSTAINABILITY PILLARS

### TECHNOLOGY

Accelerating technology for a sustainable future

### ENVIRONMENT

Reducing the Group's impact on the environment

### PEOPLE

Putting people at the centre of our business

### TRANSPARENCY

Acting with transparency and integrity

# Sustainability highlights of 2022

1/2

## Sustainability agenda embraced as key strategy enabler

HIGHLIGHTS OF 2022		COMMITMENTS GOING FORWARD	
TECHNOLOGY	<b>Tackling the digital divide</b> Nationwide mobile networks with <b>98%+ 4G coverage</b> <b>5G network rollout</b> underway in CZ, SK, HU, BG <b>Independent awards</b> for mobile networks quality <b>FTTH lines doubled</b> yoy in Czechia <b>FWA</b> available across the footprint  <b>Information security and personal data</b> Network security service grew 48% yoy in Czechia New network protection against DDOS attacks	TECHNOLOGY	<b>Tackling the digital divide</b> <ul style="list-style-type: none"><li>5G connectivity available to 50% of the population by 2024, and 80% by 2027; speed in urban areas above 250Mbps</li></ul> <b>Promoting digital education and awareness</b> <ul style="list-style-type: none"><li>Measure and report the impact of our educational projects</li></ul> <b>Smart solutions that benefit people</b> <ul style="list-style-type: none"><li>Group's own Centre of Excellence and Innovation Hub</li></ul> <b>Information security and personal data</b> <ul style="list-style-type: none"><li>Security solutions used by 20% of consumer segment by 2025</li></ul>
	<b>Greenhouse gas emissions measured for Scope 1 – 3</b> <b>Publicly committed to Science Based Targets initiative (SBTi)</b> to set near-term emission reductions in line with science <b>Disclosed data with Carbon Disclosure Project (CDP)</b> <b>Reducing greenhouse gas (GHG) emissions</b> Network sharing in Czechia: total annual savings of 6.2 GWh Network in Serbia uses 100% green energy	ENVIRONMENT	<b>Reducing emissions and carbon neutrality</b> <ul style="list-style-type: none"><li>A programme to reduce GHG emissions in line with SBTi and climate science in the next 12–24 months</li><li>Carbon neutrality as per the Paris Agreement (1.5C)</li></ul> <b>Waste management plan to support circular economy</b> <ul style="list-style-type: none"><li>Improve management of paper, plastic and cardboard waste</li><li>Increase recycling and reuse of the Group's network equipment and devices collected from customers</li></ul>

# Sustainability highlights of 2022

2/2

## Sustainability agenda embraced as key strategy enabler

HIGHLIGHTS OF 2022		COMMITMENTS GOING FORWARD
<b>Understanding the Group's employees</b> 64% of workforce is covered by collective bargaining 80% staff retention rate 44% identify as female / 56% as male <b>Understanding the Group's customers</b> Mobile operators reach high NPS scores <b>Severe and fatal injuries maintained at zero level</b> <b>No incidence of non-compliance</b> Health & safety regulations Electromagnetic field (EMF) radiation regulations	PEOPLE	<b>Creating future leaders, encouraging women in their careers</b> <ul style="list-style-type: none"><li>Over the next 12 months, the Group will set specific targets related to a talent development programme and diversity</li></ul> <b>Understanding the Group's employees</b> <ul style="list-style-type: none"><li>More than 60% participation in company surveys</li></ul> <b>Understanding the Group's customers</b> <ul style="list-style-type: none"><li>Regular customer satisfaction surveys to improve our services</li></ul> <b>Keep injuries classified as severe or fatal at zero.</b> <b>Support local communities</b>
<b>Sustainability governance structure</b> <b>Chief Executive Officer</b> Overall accountability <b>Sustainability Executive Committee</b> Led by Chief Sustainability Officer <b>Sustainability Steering Committee</b> Sustainability managers from all subsidiaries Specific action plans for each area <b>PPF Group Code of Ethics</b> Applied across PPF Telecom Group	TRANSPARENCY	<b>Sustainability as an integral part of Group's strategy</b> <ul style="list-style-type: none"><li>Sustainability training throughout PPF Telecom Group, with 100% senior management participation and at least 50% employee participation by 2023</li></ul> <b>Sourcing responsibly and sustainably</b> <ul style="list-style-type: none"><li>Supplier engagement plan in the next 12 months to engage the key suppliers on climate change, the environment, ethics, health, safety and product stewardship</li></ul>



# Appendices

# Appendix - Key financial metrics

Sound results, recurring earnings growing in all businesses

EURm	2020	2021	2021 yoy	1H 2021	1H 2022	1H2022 yoy
<b>Consolidated revenues</b>	<b>3,159</b>	<b>3,336</b>	<b>5.6%</b>	<b>1,613</b>	<b>1,686</b>	<b>4.5%</b>
O2 Czechia	1,227	1,294	5.5%	629	670	6.5%
O2 Slovakia + O2 Networks	290	305	5.2%	150	151	0.7%
CETIN Group excl. transit	615	816	<sup>2</sup>	394	434	10.2%
Czechia	455	476	4.6%	233	264	13.3%
Hungary	64	128	<sup>2</sup>	63	64	1.6%
Bulgaria	48	103	<sup>2</sup>	49	55	12.2%
Serbia	48	99	<sup>2</sup>	49	51	4.1%
Yettel	1,349	1,444	<sup>2</sup>	692	717	3.6%
Hungary	511	545	<sup>2</sup>	262	271	3.4%
Bulgaria	402	427	<sup>2</sup>	205	216	5.4%
Serbia + Montenegro <sup>1</sup>	436	472	<sup>2</sup>	225	230	2.2%
Eliminations	-555	-720	<sup>2</sup>	-353	-380	
International transit revenues	233	207	-11.2%	101	94	-6.9%
<b>Cons. revenues (excl. transit)</b>	<b>2,926</b>	<b>3,129</b>	<b>7.0%</b>	<b>1,512</b>	<b>1,592</b>	<b>5.3%</b>

<b>EBITDA after leases</b>	<b>1,320</b>	<b>1,463</b>	<b>10.9%</b>	<b>706</b>	<b>757</b>	<b>7.2%</b>
O2 Czechia	356	408	14.6%	185	211	14.1%
O2 Slovakia + O2 Networks	116	123	6.0%	62	63	1.6%
CETIN Group	405	533	<sup>2</sup>	262	273	4.2%
Czechia	299	313	4.9%	153	163	6.5%
Hungary	41	85	<sup>2</sup>	41	41	0.0%
Bulgaria	33	70	<sup>2</sup>	35	36	2.9%
Serbia	32	66	<sup>2</sup>	33	33	0.0%
Yettel	439	398	<sup>2</sup>	195	214	9.7%
Hungary	155	128	<sup>2</sup>	65	57	-12.3%
Bulgaria	131	129	<sup>2</sup>	62	87	40.3%
Serbia + Montenegro <sup>1</sup>	149	139	<sup>2</sup>	70	70	2.9%
<b>EBITDA reported</b>	<b>1,425</b>	<b>1,569</b>	<b>10.1%</b>	<b>759</b>	<b>812</b>	<b>7.0%</b>

EURm	2020	2021	2021 yoy	1H 2021	1H 2022	1H2022 yoy
<b>CAPEX (incl. spectrum)</b>	<b>612</b>	<b>520</b>	<b>-15%</b>	<b>192</b>	<b>416</b>	<b>117%</b>
O2 Czechia	158	83	-47%	23	30	30%
O2 Slovakia + O2 Networks	70	59	-16%	16	42	163%
CETIN Group	197	299	<sup>2</sup>	102	166	63%
Czechia	147	185	26%	67	89	33%
Hungary	23	44	<sup>2</sup>	14	39	179%
Bulgaria	16	49	<sup>2</sup>	14	25	79%
Serbia	11	21	<sup>2</sup>	7	13	86%
Yettel	187	81	<sup>2</sup>	51	192	276%
Hungary	140	16	<sup>2</sup>	8	165	1,963%
Bulgaria	19	41	<sup>2</sup>	33	13	-61%
Serbia + Montenegro <sup>1</sup>	29	24	<sup>2</sup>	10	14	40%
<b>FCF after lease payments<sup>3</sup></b>	<b>584</b>	<b>710</b>	<b>21%</b>	<b>324</b>	<b>87</b>	<b>-73%</b>

Source: PPF Telecom Group audited consolidated financial statements for the year ended 31 December 2021 and for the six months ended 30 June 2022;

From 2021 the Group aligned the reporting of EBITDA with the industry standard. EBITDAaL (EBITDA after leases) is defined as Operating profit excluding depreciation, amortisation and impairments less Depreciation on lease related rights of use less Interest expense on lease liabilities. 2020 figures were restated.

CETIN Hungary, Bulgaria and Serbia were incorporated in 2H2020 by separation from Telenor (now Yettel) operators; their 1H2020 figures are included in Yettel results, 2H2020 in CETIN results.

[1] Montenegro operations divested in December 2021

[2] Year-over-year growth figures omitted where the comparison isn't life-for-like due to the separation of CETIN Hungary, Bulgaria and Serbia in the middle of 2020

[3] Net cash flows from operating activities less CAPEX paid and proceeds from sale of assets

# Appendix - Group balance sheet highlights

## CETIN Group inaugural Eurobond refinanced CETIN Group loan

<i>in EURm</i>	31 Dec 2021	30 Jun 2022	diff.	
<b>Non-current assets</b>	<b>6,359</b>	<b>6,411</b>	<b>+0.8%</b>	
• o/w property, plant & equip. + intangible	4,190	4,261	+1.7%	
<b>Current assets</b>	<b>1,380</b>	<b>1,331</b>	<b>-3.6%</b>	
• o/w cash & other highly liquid assets	628	501	-20%	
<b>Total assets</b>	<b>7,739</b>	<b>7,742</b>	<b>0.0%</b>	
<b>Equity</b>	<b>1,357</b>	<b>665</b>	<b>-51%</b>	+359m net profit 1H2022, -1,044m dividend paid, -311m acquisition of O2 shares +428m revaluation of Conditional commitment to acquire NCIs
<b>Liabilities</b>	<b>6,382</b>	<b>7,077</b>	<b>+11%</b>	
• o/w bonds	2,474	2,959	+20%	+500m CETIN Group new bond
o/w debt to banks	2,039	1,325	-35%	-500m term loan refinanced with the new bond
		4,284		-326m O2 Shuldscheins repaid
o/w non-interest bearing liabilities		983		+105m increased loan in Hungary
				Contingent put option for 30% stake in CETIN Group

Source: PPF Telecom Group audited consolidated financial statements for the year ended 31 December 2021

# Appendix - Financing structure changes

New financing at CETIN Group level, O2 deleveraging, new spectrum loan

DECEMBER 2021			SEPTEMBER 2022			COMMENTARY
<i>in EURm</i>			<i>in EURm</i>			
<b>PPF Telecom Group B.V.</b>	<b>4,489</b>	<b>-215m</b>	<b>PPF Telecom Group B.V.</b>	<b>4,274</b>		<b>PPF Telecom Group consolidated debt</b>
Bond 2026	550		Bond 2026	550		
Bond 2025	600		Bond 2025	600		
Bond 2024	600		Bond 2024	600		
Bond 2027	500		Bond 2027	500		
<b>Total</b>	<b>2,250</b>		<b>Total</b>	<b>2,250</b>		
<b>CETIN Group N.V.</b>	<b>1,646</b>	<b>+6m</b>	<b>CETIN Group N.V.</b>	<b>1,652</b>		<b>CETIN Group consolidated debt</b>
Bridge Loan 2023	296		Bond 2027	500		5yr Eurobond issued at CETIN Group N.V. level on 14 April 2022.
Term Loan 2026	700		Term Loan 2026	511		Bridge loan 2023 EUR 296m refinanced,
Term Loan 2026	454		Term Loan 2026	444		term loans 2026 EUR 700+454m partly prepaid
<i>Committed RCF 200m, undrawn</i>			<i>Committed RCF 200m, undrawn</i>			
<b>Total</b>	<b>1,450</b>		<b>Total</b>	<b>1,455</b>		
<b>CETIN CZ</b>	<b>196</b>		<b>CETIN CZ</b>	<b>197</b>		
Bond 2023	196		Bond 2023	197		
<b>O2 CZ</b>	<b>516</b>	<b>-326m</b>	<b>O2 CZ</b>	<b>190</b>		Schuldscheins fully repaid on 6 Apr 2022,
Schuldscheins 2022-26	299					term loan 2025 partly prepaid (EUR 27m)
Term Loan 2025	217		Term Loan 2025	190		
<b>Yettel HU</b>	<b>77</b>	<b>+105m</b>	<b>Yettel HU</b>	<b>182</b>		New 5yr amortising loan taken on 31 Mar 2022
Amortising loan 2025	77		Amortising loan 2027	182		to finance 900/1,800 MHz spectrum payment,
						old loan refinanced

## Financial policy of PPF Telecom Group:

Net leverage excl. IFRS 16 below 3.2x

Companies below PPF Telecom Group subject to covenants, as amended to capture also CETIN Group N.V. and PPF Comco N.V. interim holding entities:

- O2 CR Group + CETIN Group 2.2x,
- Other parts of PPF Telecom Group 1.0x

Debt denominated in CZK converted to EUR with EUR/CZK 24.739 exchange rate. Debt denominated in HUF converted to EUR with EUR/HUF 397.04 exchange rate.

Source: PPF Telecom Group internal data, PPF Telecom Group audited consolidated financial statements for the six months ended 30 June 2022

# Appendix - Spectrum allocations



# PPF Group is an international investment group founded in 1991 in Czechia

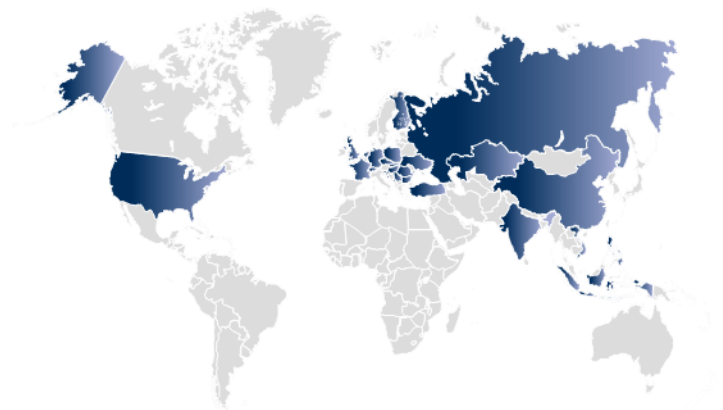
**42.2** billion EUR  
total assets<sup>1</sup>

**8.5** billion EUR  
equity<sup>1</sup>

**0.3** billion EUR  
net income<sup>1</sup>

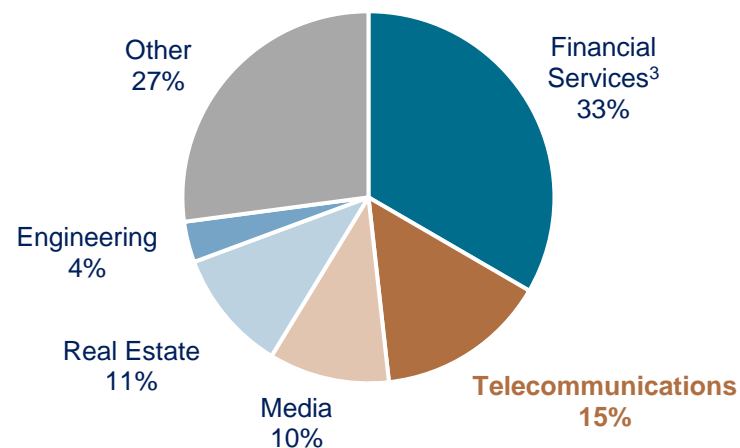
**80 ths.**  
employees<sup>1</sup>

## PPF GROUP OPERATES IN 25 COUNTRIES



Diverse business activities encompassing banking and financial services, telecommunications, media, biotechnology, real estate and engineering

## EQUITY BY SEGMENT<sup>2</sup>



## SHAREHOLDERS



**98.93 %**  
**Renáta Kellnerová and family**  
59.358% Mrs. Kellnerová  
All other family members represented  
by Mrs. Kellnerová



**0.535 %**  
**Ladislav Bartoníček**  
Member of the Advisory Board of  
Kellner Family



**0.535 %**  
**Jean-Pascal Duvieusart**  
CEO of Home Credit, Member of Board of  
Directors of PPF Real Estate

[1] Assets as of 31 December 2021, equity attributable to owners of the parent as of 31 December 2021, net income attributable to owners of the parent for the period of 12 months up to 31 December 2021, average rounded number of employees for 2021

[2] Total equity as of 31 December 2021

[3] PPF Financial Holdings + Moneta

# PPF Telecom Group: Key credit highlights

1

## Market leading businesses with strong brand recognition, high quality assets and superior network coverage

- Stable market leading positions across five European markets
- #1 to #2 positions in most retail markets by both revenue and customer share
- Quality brand positioning in all markets
- High quality mobile networks with full coverage
- National fixed network infrastructure in Czechia

2

## Stable markets with positive long-term trends supporting growth

- Predictable regulatory environment in all markets
- Moderate intensity of the competition with stable market shares and ARPUs
- Growing demand for data across our footprint, further accelerated during COVID lockdown period
- Track record of moderate growth in all markets

3

## Diversified, strong and stable cash flow generation

- EBITDA generation well diversified across five countries and between infrastructure and retail
- Group cash conversion rate historically around 50%<sup>1</sup>
- Strong interest coverage ratios at consolidated and at PPF Telecom Group (stand-alone) level

4

## Efficient and innovative corporate structure

- Sustainable model for the infrastructure separated from the commercial companies
- Managerial specialisation, focus and priorities NetCo vs. ComCo
- Potential for infrastructure services wholesaling and network sharing
- Synergies in purchasing, research, infrastructure development and deployment

## Crossover rating from three agencies

### PPF Telecom Group

- **BB+, stable**      **Standard&Poor's**
- **Ba1, negative**      **Moody's**
- **BBB-, stable**      **FitchRatings**

## Four Eurobond issues since 2019

- EUR 600m, 4Y due 2024, 3.500% p.a.
- EUR 600m, 5Y due 2025, 2.125% p.a.
- EUR 550m, 7Y due 2026, 3.125% p.a.
- EUR 500m, 7Y due 2027, 3.250% p.a.

## Investment grade infrastructure

### ▶ CETIN Group

- **Baa2, negative**      **Moody's**
- **BBB, stable**      **FitchRatings**

## Inaugural Eurobond issue in 2022

- EUR 500m, 5Y due 2027, 3.125% p.a.
- CZK 4,866m, 7Y due 2023, 1.25% p.a. (approx. EUR 197m), Eurobond issued in 2016 by CETIN Czechia, a subsidiary of CETIN Group

[1] Cash conversion = Free cash flow / EBITDA; based on unaudited pro forma condensed consolidated financial information for 2017-2018 and Annual Reports 2019, 2020 and 2021

# Q&A TIME

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**THANK YOU FOR YOUR ATTENTION**