



30 March 2023

# PPF Telecom Group

## 2022 results

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# Meet the presenters



**Bales Sharma**

*Chief Executive Officer*

*27 years experience in telco*

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



**Lukáš Kubesa**

*Financial manager*

*7 years experience in telco, CETIN and PPF,  
14 years in finance*

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- 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)



**Jan Huk**

*Investor Relations*

*14 years experience in telco, O2, CETIN and PPF,  
10 years in investor relations*

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- Investor Relations of PPF Telecom Group (since 2019)
- Investor Relations of CETIN (2015-2018)
- Investor Relations of O2 Czech Republic (2013-2015)
- Various management roles in finance (1994-2013)

# Executive summary

## Strong performance, continued streamlining of corporate structure

### 1 Stable market conditions

- 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
- Stable regulation

**18.0m**

mobile subscribers<sup>1</sup>

**1.1m**

FBB subscribers

### 2 Good financial performance

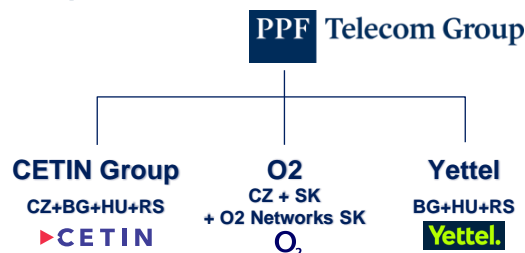
- OpCos delivered underlying EBITDA
- Cost pressures offset with price increases
- Top network positions
- High cash conversion ~50%
- FX tailwinds/headwinds

**+3.1%**

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 repaid
- Gross debt reduced by more than 0.4bn EUR

**€500m**

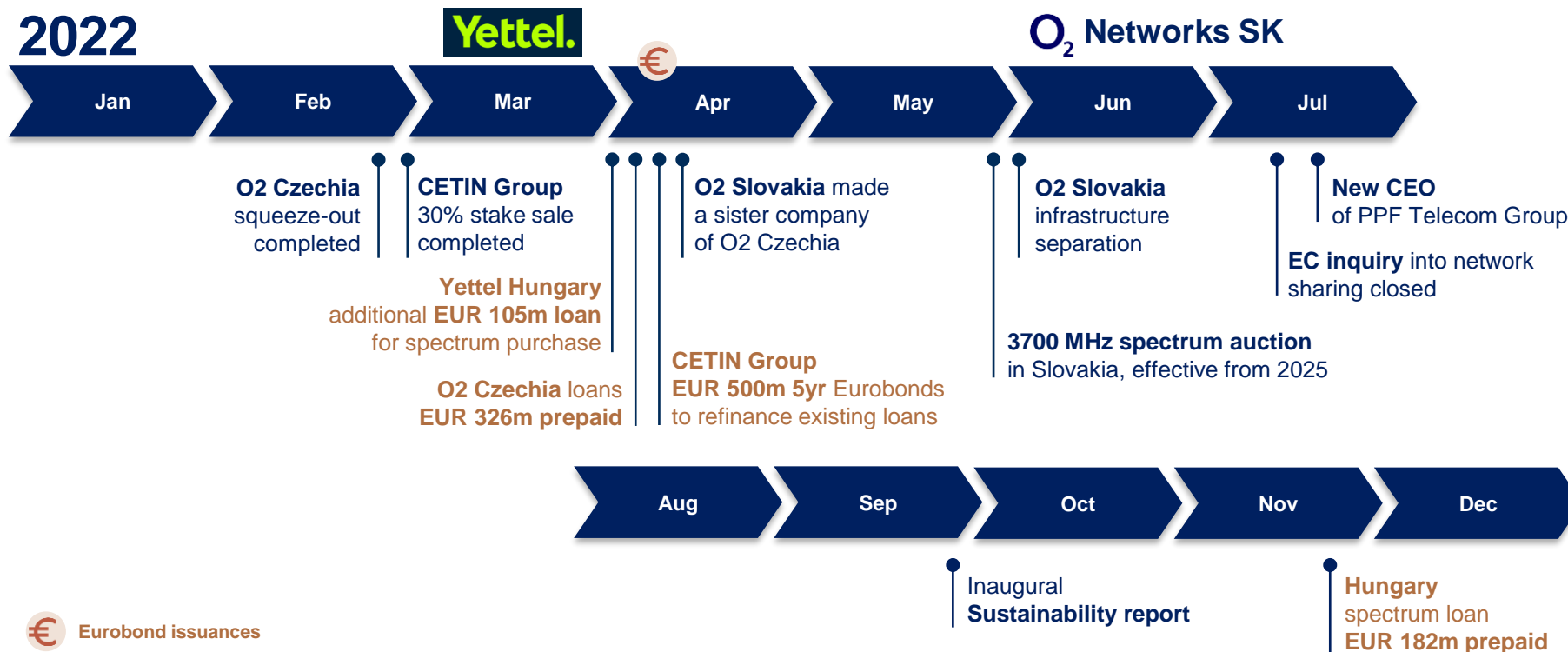
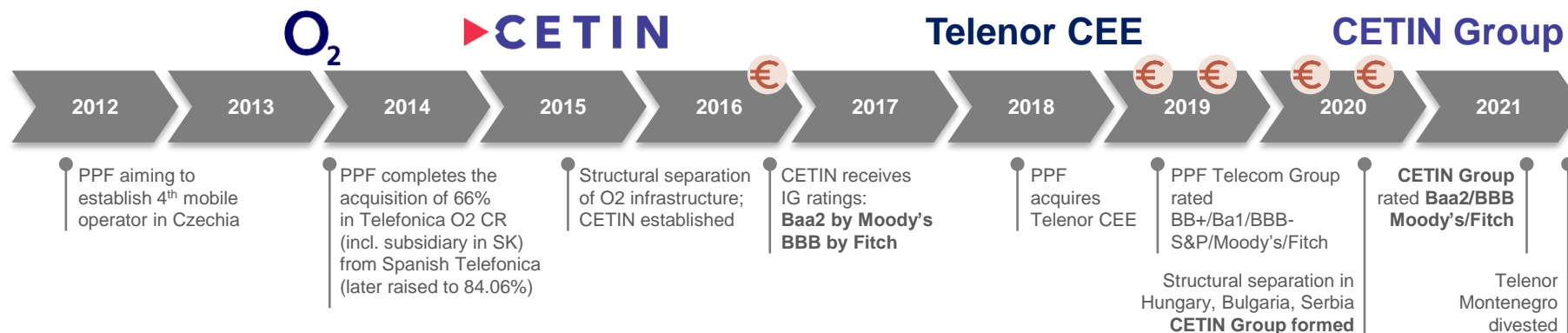
IG Eurobond

Source: Company data

[1] Including M2M subscribers; 15.3m excluding M2M subscribers

[2] Underlying 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



# Strong and stable position in five markets – Dec 2022

Market leader in CEE region (excl. Poland) with 32% retail market share<sup>1</sup>

## ► CETIN Group

### Czechia

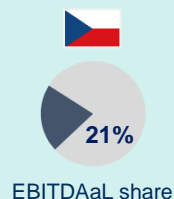
#### Fixed network

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

#### Mobile network

Population coverage

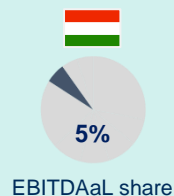
- 98% 4G
- 57% 5G
- 4.3k own mobile sites



### Hungary

Population coverage

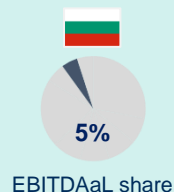
- 100% 4G
- 16% 5G
- 2.8k own mobile sites



### Bulgaria

Population coverage

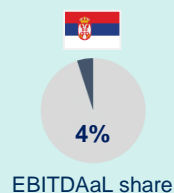
- 100% 4G
- 59% 5G
- 2.8k own mobile sites



### Serbia

Population coverage

- 97% 4G
- 1.7k own mobile sites



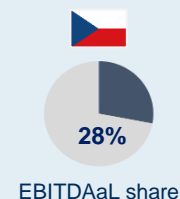
## O<sub>2</sub>

### Czechia

- 5,670k mobile subscribers<sup>3</sup>
- 34% market share<sup>1</sup>
- €13.1 ARPU<sup>4</sup>
- 900k FBB<sup>6</sup> subscribers



mobile  
+ fixed<sup>2</sup>

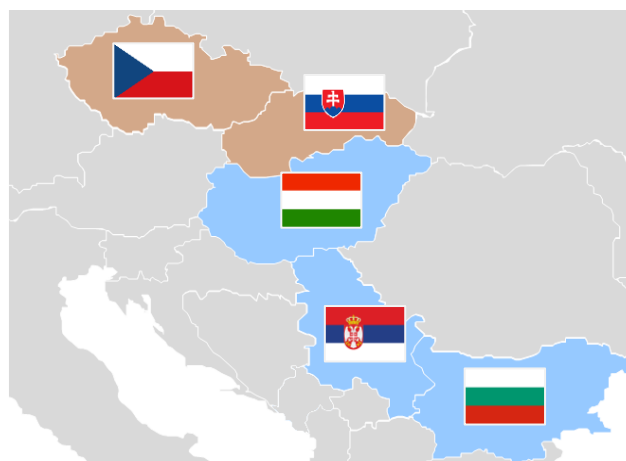
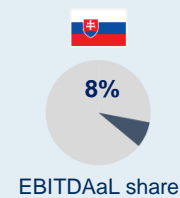


### Slovakia

- 2,264k mobile subscribers<sup>3</sup>
- 24% market share<sup>1</sup>
- €10.9 ARPU<sup>4</sup>
- 98% 4G, 38% 5G
- 1.0k own mobile sites



mobile



## Yettel.

### Hungary

- 3,632k mobile subscribers<sup>3</sup>
- 29% market share<sup>1</sup>
- €12.3 ARPU<sup>4</sup>



mobile



### Bulgaria

- 3,446k mobile subscribers<sup>3</sup>
- 37% market share<sup>1</sup>
- €10.5 ARPU<sup>4</sup>



mobile

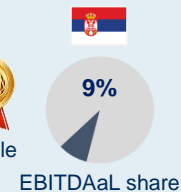


### Serbia

- 3,016k mobile subscribers<sup>3</sup>
- 38% market share<sup>1</sup>
- €10.4 ARPU<sup>4</sup>



mobile



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, Feb 2023; market shares are for 9M2022

[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 12 months ending 31 December 2022, excluding M2M accounts

[5] Fixed broadband, comprising DSL and FTTH

[6] Fixed broadband, comprising DSL, FTTH, and FWA

# Regional market overview

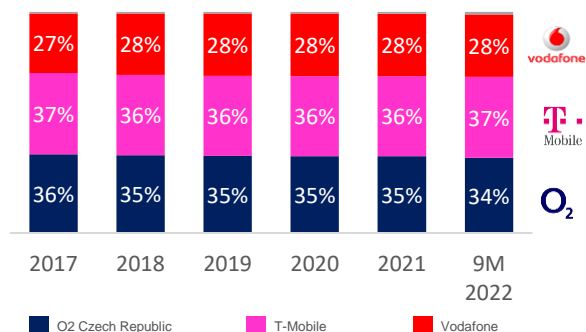
Market structure with three main operators preserved after the wave of 5G auctions



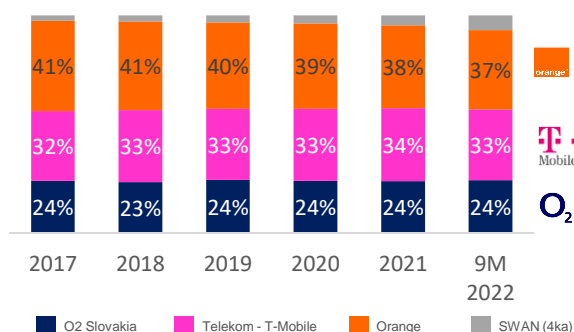
# Mobile revenue market shares

## Yettel and O2 maintain mobile revenue market shares

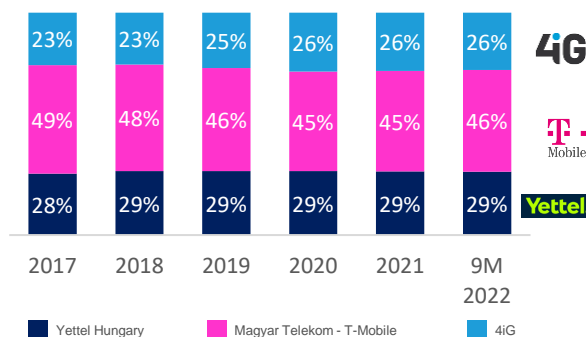
### CZECHIA



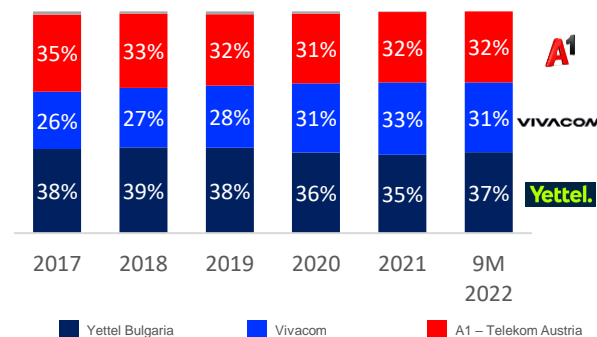
### SLOVAKIA



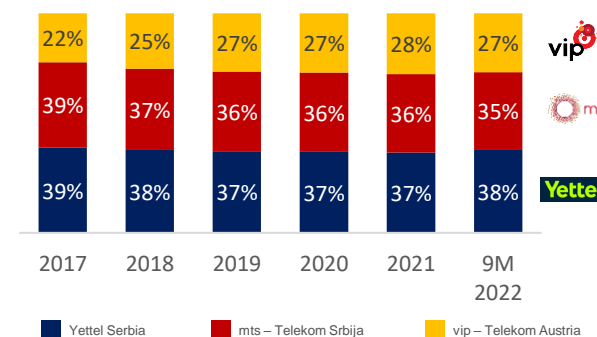
### HUNGARY



### BULGARIA



### SERBIA





# 2022 Commercial update

## O2 Czechia and O2 Slovakia

### MOBILE AND FIXED

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



### TV AND OTHER SERVICES

- Continuous IPTV growth
- Pushing O2 branded HW initiatives driven (Xmas O2 Pods+)
- Omnichannel strategy as the key driver of commercial performance



### NETWORK

- Continued 5G rollout in Czechia and Slovakia
- Best in test based on CVUT in 5G download speed



## Yettel Hungary, Bulgaria, and Serbia

### MOBILE

- YETTEL brand gaining momentum with positive market reaction
- Steady customer base value growth via upselling and new product portfolios
- Continuous growth of FTTH/TV base of Serbian greenfield FMC meeting its targets

**Yettel.**

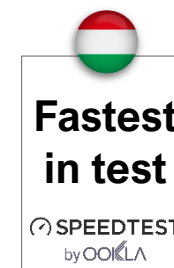
### OTHER SERVICES AND INITIATIVES

- Network security product launched across all markets with good volumes
- Yettel TV with good momentum and performance improvements in SRB
- ESG agenda embedded into our commercial strategy



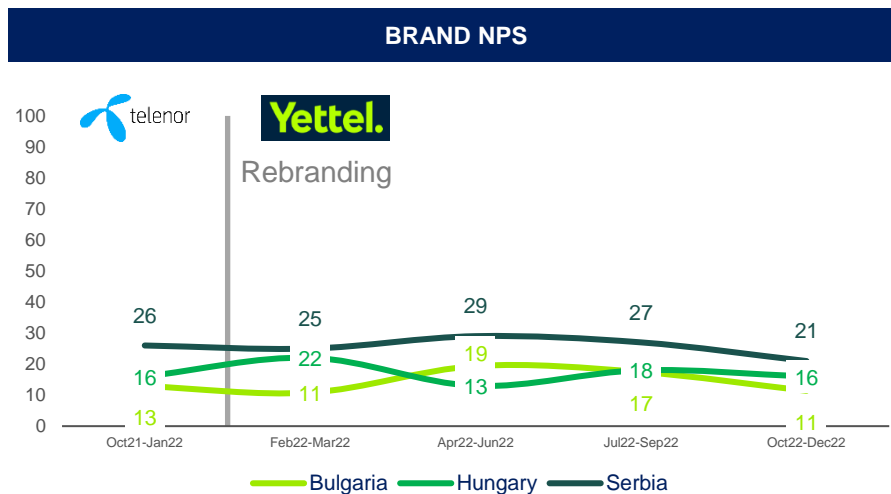
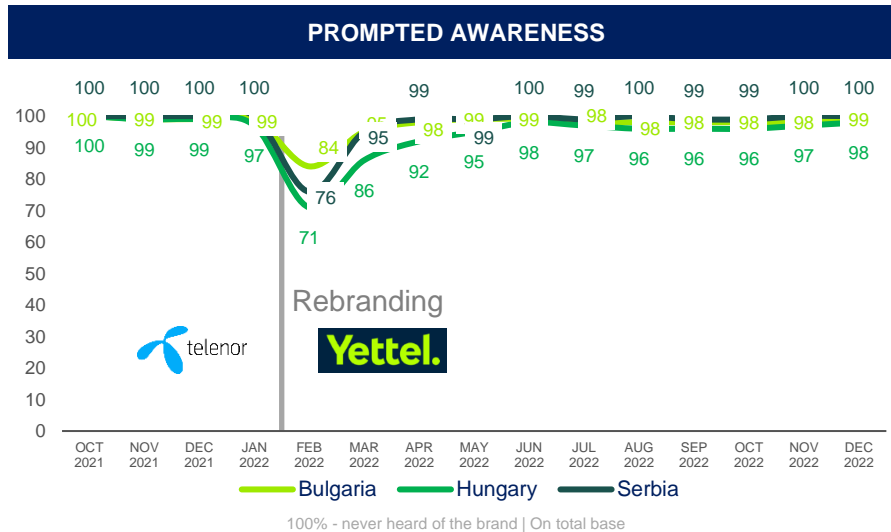
### NETWORK

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



# Yettel rebranding outcome – rapid recovery

All metrics are back at the Telenor baseline level



How likely are you to recommend this brand to friends or family? (% of Promoters - % of Detractors) | On brand user base

## FINANCIAL IMPACT

- Brand developed and owned by PPF Group
- PPF Telecom Group will be paying EUR 2m annual fee
- One-off advertising and IT costs in 2022

# Sustainability agenda

## 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**

# Financial and operational results

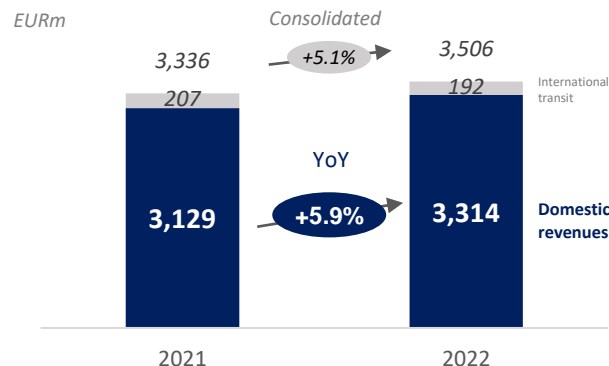
# FY2022 consolidated results highlights

Robust results in all businesses, sound operating cash flows

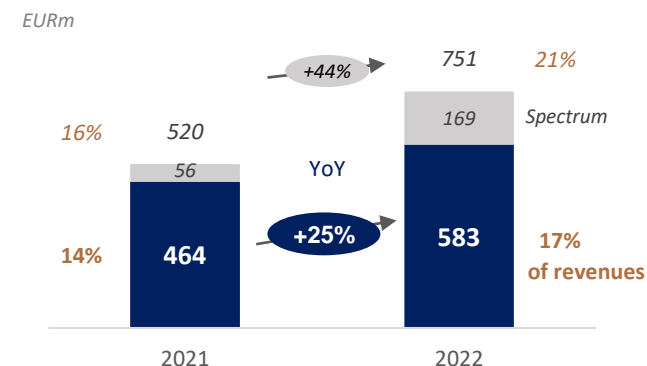
## REVENUES OVERVIEW

EURm	2021	2022	2022 yoy
<b>Consolidated revenues<sup>1</sup></b>	<b>3,336</b>	<b>3,506</b>	<b>5.1%</b>
O2 Czechia	1,294	1,393	7.7%
O2 Slovakia + Networks	305	324	6.2%
Yettel + CETIN Hungary	673	672	-0.1%
Yettel + CETIN Bulgaria	529	570	7.8%
Yettel + CETIN Serbia <sup>2</sup>	571	584	2.3%
CETIN CZ excl. transit	476	546	14.7%
Eliminations and transit	-514	-584	
<b>Consolid. revenues excl. transit</b>	<b>3,129</b>	<b>3,314</b>	<b>5.9%</b>

## REVENUES



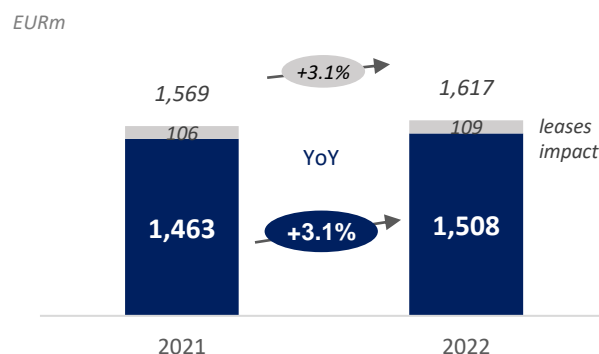
## CAPEX<sup>4</sup>



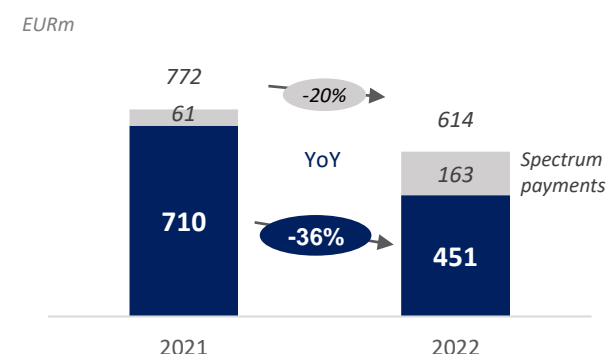
## EBITDAaL<sup>3</sup> OVERVIEW

EURm	2021	2022	2022 yoy
<b>EBITDAaL</b>	<b>1,463</b>	<b>1,508</b>	<b>3.1%</b>
O2 Czechia	408	435	6.6%
O2 Slovakia + Networks	123	128	3.9%
Yettel + CETIN Hungary	213	185	-13%
Yettel + CETIN Bulgaria	199	228	15%
Yettel + CETIN Serbia <sup>2</sup>	205	199	-2.9%
CETIN Czechia	313	338	8.0%
<b>EBITDA reported</b>	<b>1,569</b>	<b>1,617</b>	<b>3.1%</b>

## EBITDA



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



[1] Revenues + other income; [2] 2021 figures include Telenor Montenegro, divested in Dec 2021

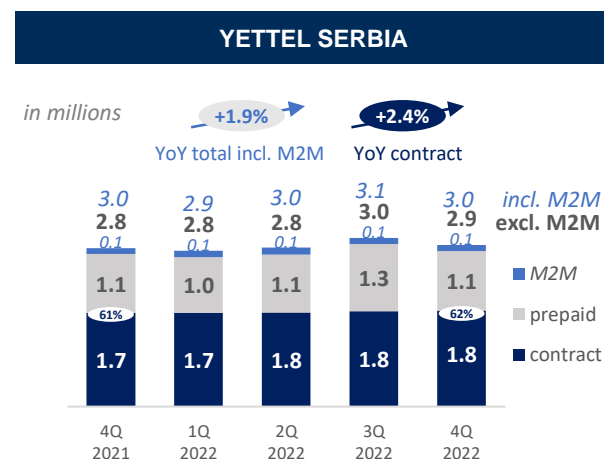
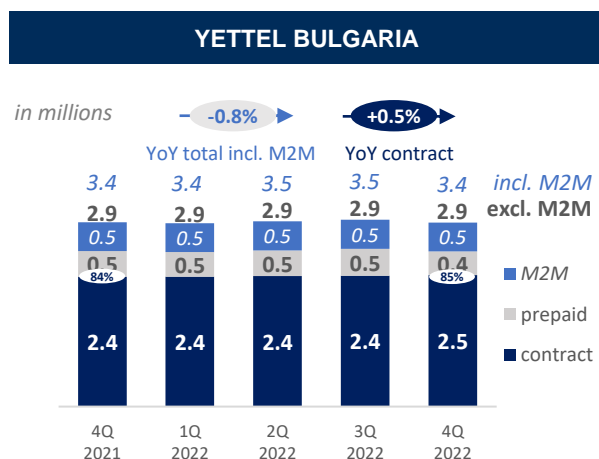
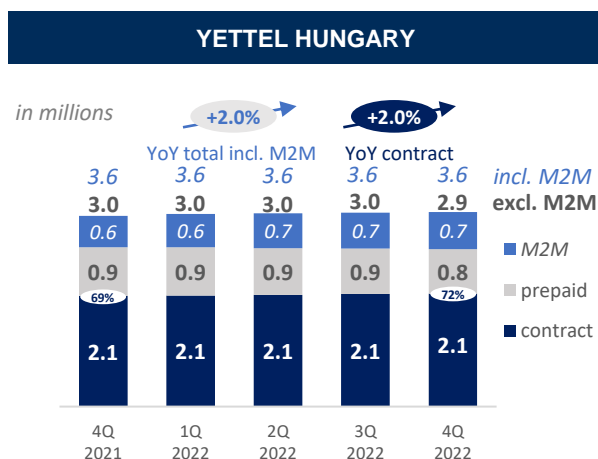
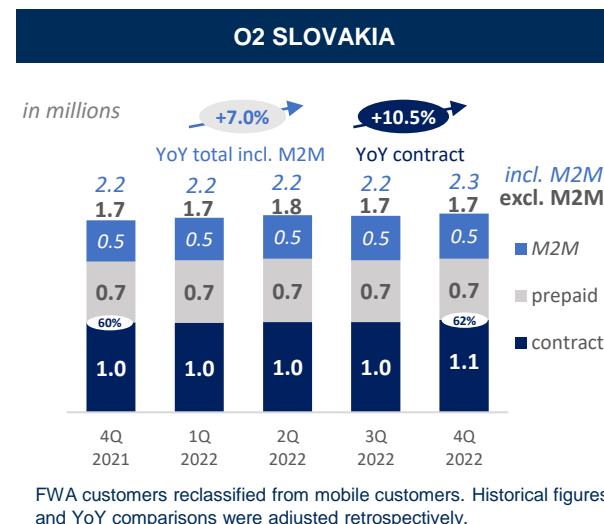
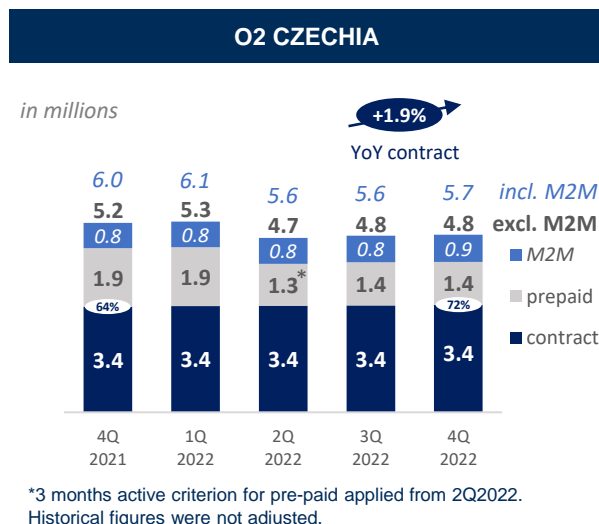
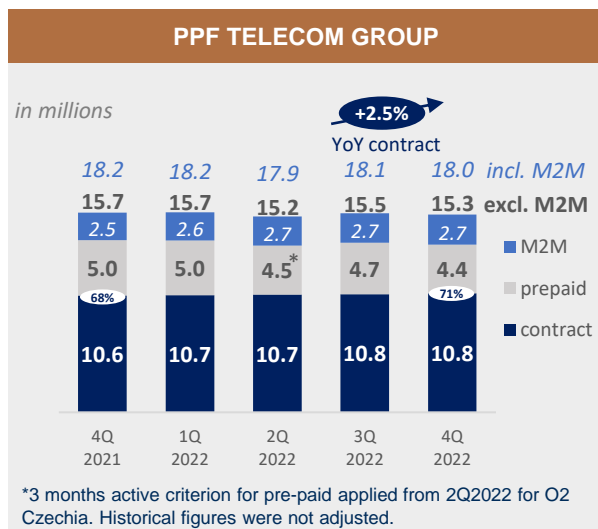
[3] EBITDAaL (EBITDA after leases) is defined as Operating profit excluding depreciation, amortisation and impairments less Depreciation on lease related rights of use less Interest expense on lease liabilities

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

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

# Mobile market dynamics

## Sustainable growth in contract customer base



# Mobile ARPU in PPF Telecom Group business units

ARPU helped by FX rate in Czechia and impaired in Hungary

## O2 CZECHIA

in EUR

**+4.3%** → YoY blended EUR  
**-0.1%** → YoY blended CZK

12.9 13.0 13.1 13.2 13.3

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

blended

## O2 SLOVAKIA

in EUR

**+2.2%** → YoY blended EUR

10.7 10.4 10.9 11.1 11.4

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

blended

## YETTEL HUNGARY

in EUR

**-2.7%** → YoY blended EUR  
**+6.0%** → YoY blended HUF

12.7 12.7 12.3 12.2 12.0

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

blended

## YETTEL BULGARIA

in EUR

**+6.5%** → YoY blended EUR  
**+6.5%** → YoY blended BGN

10.1 10.1 10.4 10.5 10.6

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

blended

## YETTEL SERBIA

in EUR

**+9.5%** → YoY blended EUR  
**+9.4%** → YoY blended RSD

9.5 10.2 10.6 10.5 10.4

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

blended

Source: Company data

Note: ARPU calculation excludes inbound roaming and M2M revenues

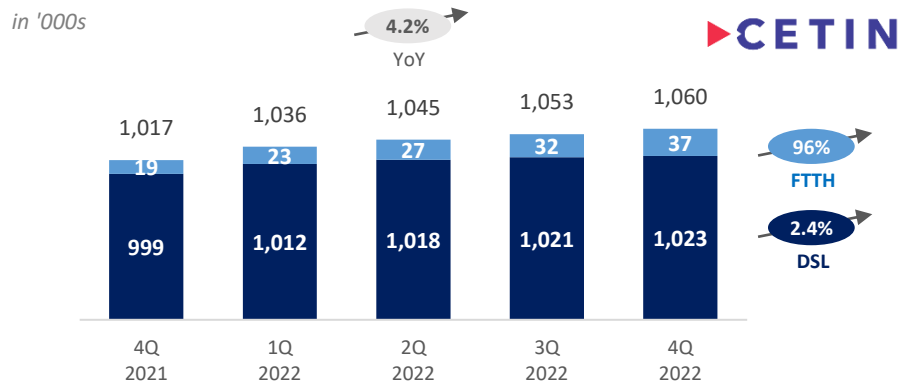
% YoY growth in EUR

% YoY growth in local currency

# Fixed services

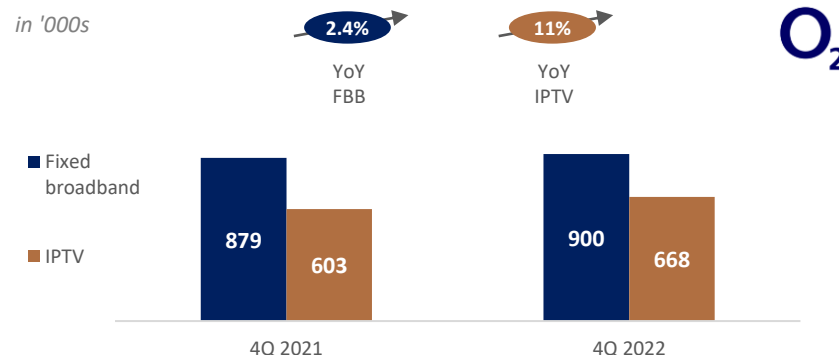
## FTTH investments in Czechia, growing fixed presence in other countries

### CETIN WHOLESALE FBB SUBSCRIPTIONS



Source: PPF Telecom Group data

### O2 CZECHIA BROADBAND<sup>1</sup> AND PAY TV<sup>2</sup> SUBSCRIPTIONS



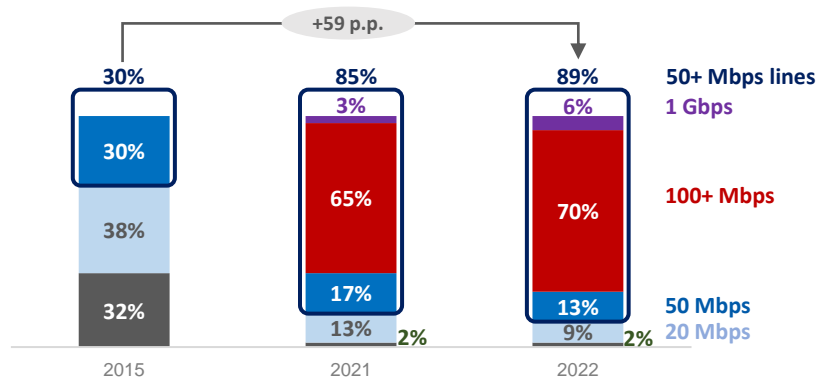
[1] Cable (ADSL, VDSL, fibre) and wireless (4G LTE, WTTx)

[2] IPTV and OTT, incl. prepaid O2 TV Sport Pack online + O2 TV HBO and Sport Pack

Source: PPF Telecom Group data

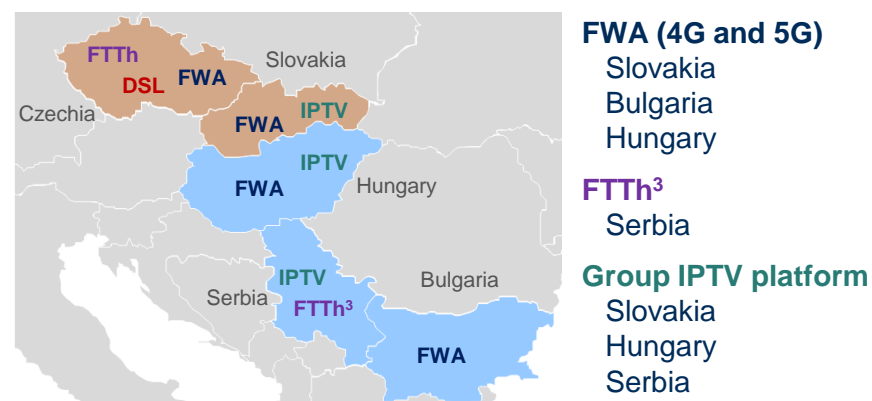
### CETIN FIXED NETWORK MODERNISATION

- Upgrading xDSL via FFTc/FTTB/FTTH



Source: PPF Telecom Group data

### FIXED SERVICES IN OTHER COUNTRIES



[3] Wholesale contract with Telekom Srbija since 2021

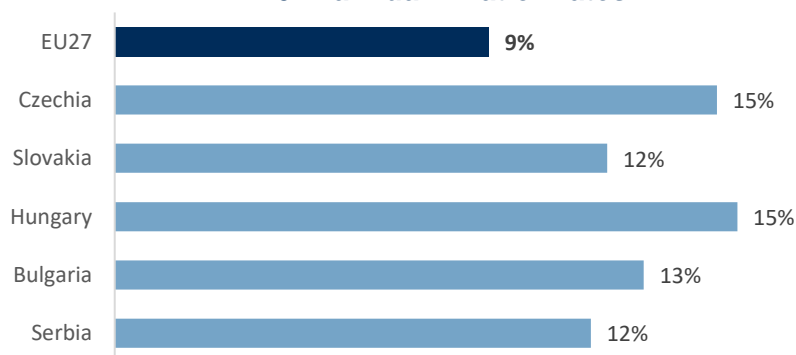


# Inflationary pressures

Adverse impact in 2022, further negative impacts expected in 2023

## INFLATION RATES IN OUR REGION

### Harmonised indices of consumer prices (HICP) 2022 annual inflation rates

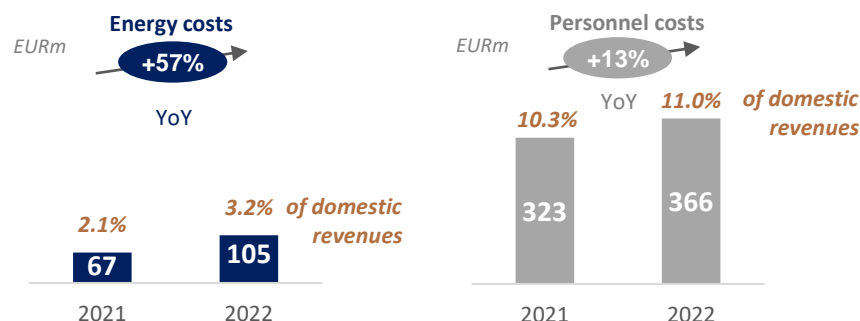


## 2022 DEVELOPMENT

- **Energy costs and salaries** are the main OPEX lines affected in our P&L
  - **Energy costs** increased by 57% yoy, driven partly by higher costs, partly by 5G consumption increase.
  - **Personnel costs** +13% yoy, partially due to new projects
- 5G and network modernisation CAPEX generally covered under long-term contracts with vendors, implementation and construction works increased significantly

## ENERGY AND PERSONNEL COSTS DEVELOPMENT

### PPF Telecom Group consolidated



## OUTLOOK

### Revenues

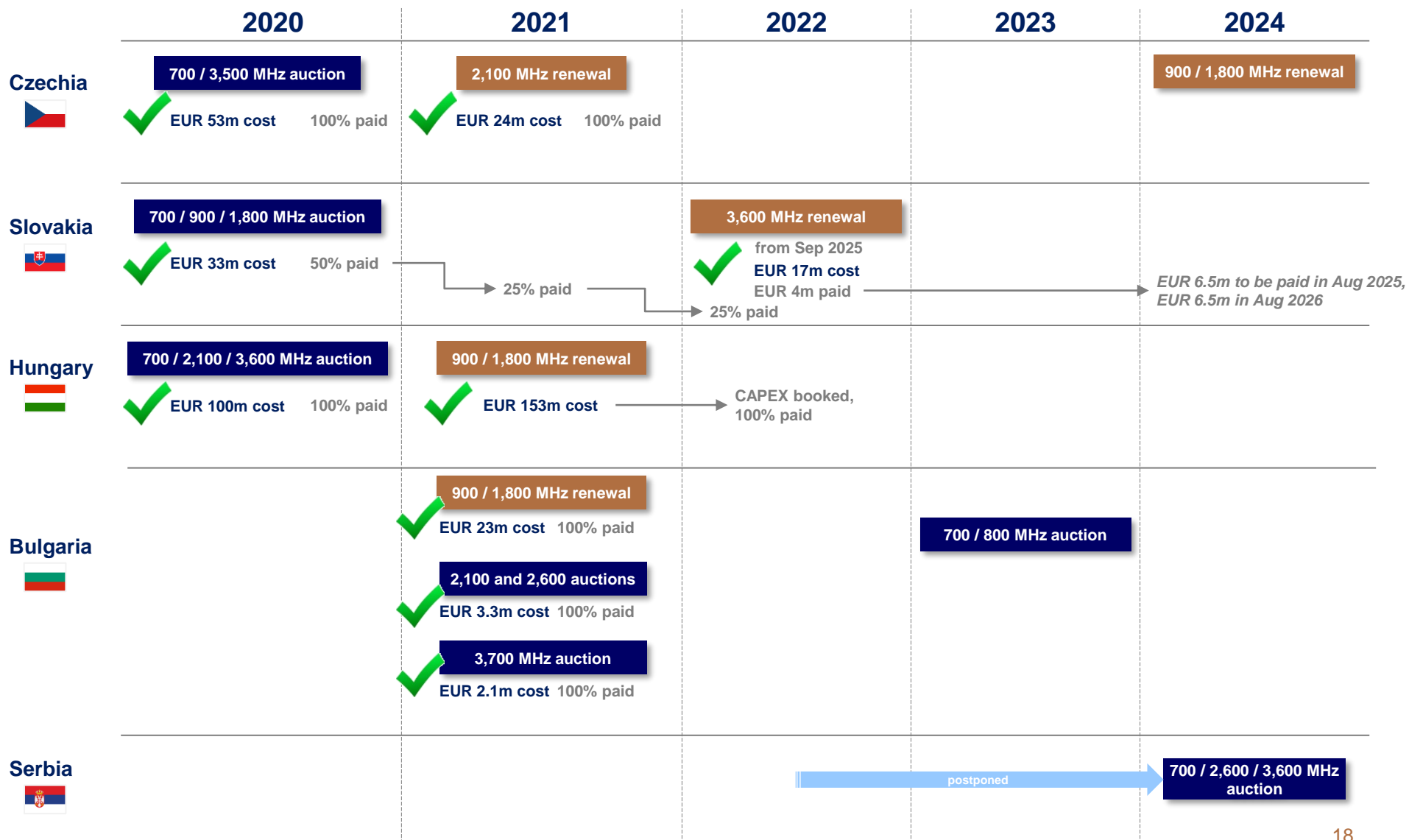
- Inflation clauses in Bulgaria, partially in Hungary and in Czechia
- Price increases in Serbia and Slovakia

### Energy prices: hedging, government caps and subsidies, spots

- situation is stabilising, futures on energy are decreasing
- exploring renewable PPA opportunities (Bulgaria deal signed) with long-term hedging

# Spectrum auctions update

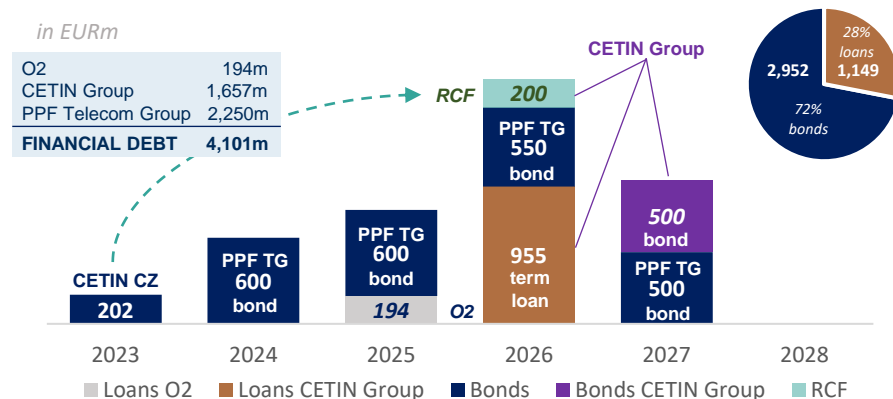
Major spectrum acquisitions in 2020-21, 5G auctions anticipated in BG+RS



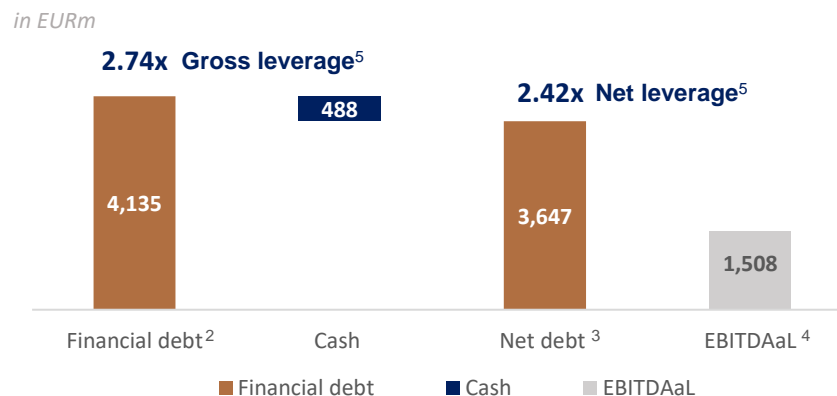
# Key credit metrics

## Maturity further extended through CETIN Group, net leverage preserved

### NOMINAL FINANCIAL DEBT<sup>1</sup> PROFILE AS OF 31-DEC-2022



### CONSOLIDATED NET LEVERAGE RATIO<sup>5</sup> AS OF 31-DEC-2022



### BONDS

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

- Eurobond CZK 4,866m (eq. EUR 202m), 7 years, due Dec 2023, 1.25% p.a.

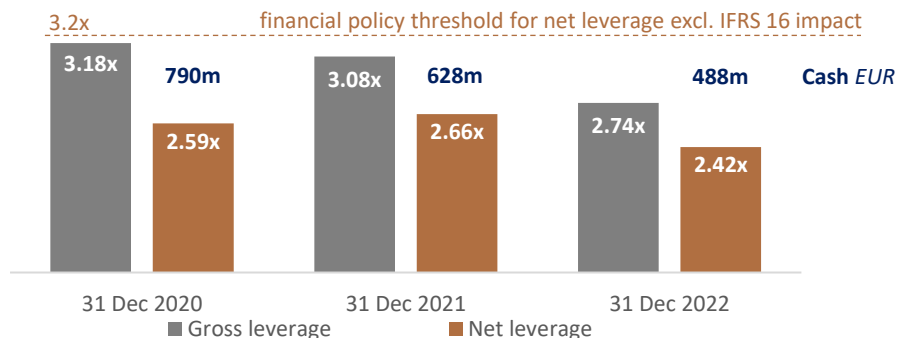
**CETIN Group** - investment grade Baa2 / BBB (Moody's / FitchRatings)

- 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 2022

[1] Outstanding principal amounts, excluding RCF and overdraft facilities; CZK-denominated debt converted with EUR/CZK rate of 24.115

[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 31 December 2022, excluding IFRS 16 impact

Consolidated net leverage ratio = consolidated Gross debt less Cash and cash equivalents / EBITDA for the last twelve months preceding 31 December 2022, excluding IFRS 16 impact

Contingent NCI Put Option is not part of the financial debt

# Q&A TIME

# Appendices

# Key financial metrics

## Robust results in all businesses, sound operating cash flows

EURm	2020	2021	2022	2022 yoy
<b>Consolidated revenues</b>	<b>3,159</b>	<b>3,336</b>	<b>3,506</b>	<b>5.1%</b>
O2 Czechia	1,227	1,294	1,393	7.7%
O2 Slovakia + O2 Networks	290	305	324	6.2%
Yettel Hungary	511	545	541	-0.7%
Yettel Bulgaria	402	427	456	6.8%
Yettel Serbia	436	472	481	2.0%
CETIN Group excl. transit	615	806	894	11%
Czechia	455	477	547	14.7%
Hungary	64	128	131	2%
Bulgaria	48	103	113	11%
Serbia <sup>2</sup>	48	99	103	4%
Eliminations	-556	-720	-776	
CETIN Group transit revenues	233	207	192	-7.1%
<b>Cons. revenues (excl. transit)</b>	<b>2,926</b>	<b>3,129</b>	<b>3,314</b>	<b>5.9%</b>

<b>EBITDA after leases</b>	<b>1,320</b>	<b>1,463</b>	<b>1,508</b>	<b>3.1%</b>
O2 Czechia	356	408	435	6.6%
O2 Slovakia + O2 Networks	116	124	128	3.9%
Yettel Hungary	155	128	104	-18.8%
Yettel Bulgaria	131	129	153	18.5%
Yettel Serbia	149	139	132	-4.7%
CETIN Group	405	534	561	5.1%
Czechia	299	313	338	7.7%
Hungary	41	85	81	-4%
Bulgaria	33	70	75	8%
Serbia <sup>2</sup>	32	66	67	1%
<b>EBITDA reported</b>	<b>1,426</b>	<b>1,569</b>	<b>1,617</b>	<b>3.1%</b>

EURm	2020	2021	2022	2022 yoy
<b>CAPEX (incl. spectrum)</b>	<b>612</b>	<b>520</b>	<b>751</b>	<b>44%</b>
O2 Czechia	159	83	68	-18%
O2 Slovakia + O2 Networks	70	59	93	58%
Yettel Hungary	140	16	171	952%
Yettel Bulgaria	19	41	31	-25%
Yettel Serbia	29	24	33	39%
CETIN Group	197	299	368	23%
Czechia	147	185	223	20.2%
Hungary	23	44	61	38%
Bulgaria	16	49	51	4%
Serbia <sup>2</sup>	11	21	34	61%

<b>FCF after lease payments<sup>1</sup></b>	<b>584</b>	<b>710</b>	<b>451</b>	<b>-36%</b>
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Source: PPF Telecom Group preliminary consolidated financial statements for the year ended 31 December 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, amortization 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 operators; their 1H2020 figures are included in Telenor results, 2H2020 in CETIN results.

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

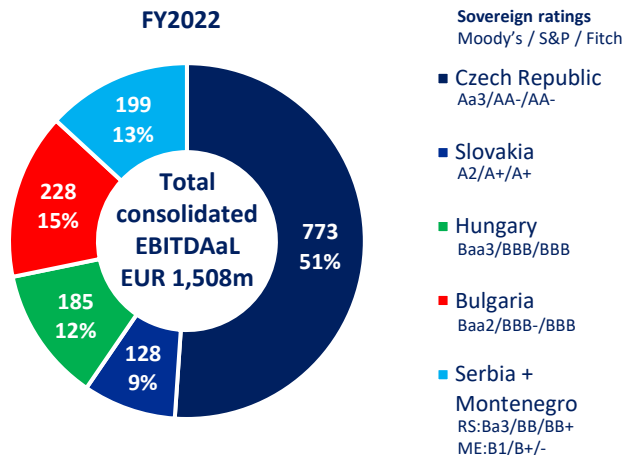
[2] 2020-2021 figures include Telenor Montenegro, divested in Dec 2021

# Diversification of PPF Telecom Group

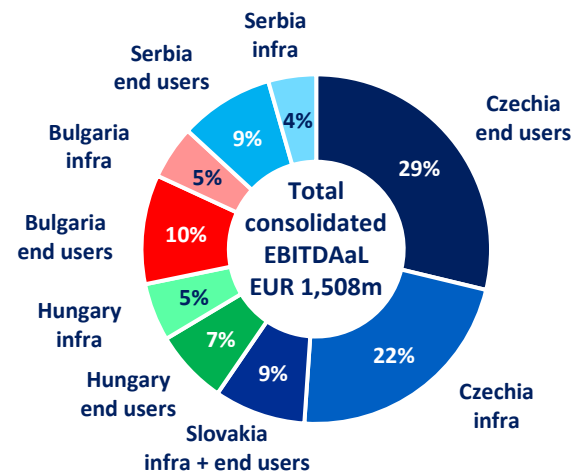
Regionally balanced portfolio with half of the business in Czechia

## GEOGRAPHICAL DISTRIBUTION OF EBITDAaL

in EURm

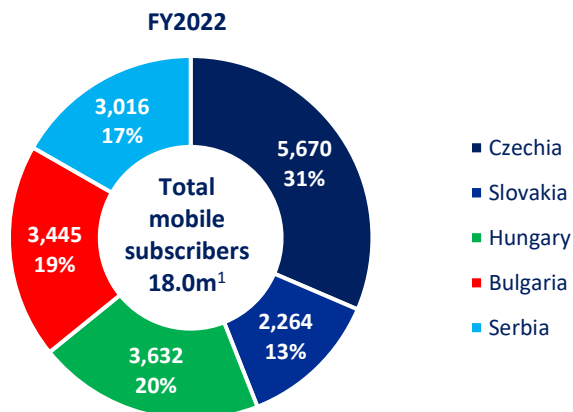


## DISTRIBUTION OF EBITDAaL BY COUNTRY AND BUSINESS



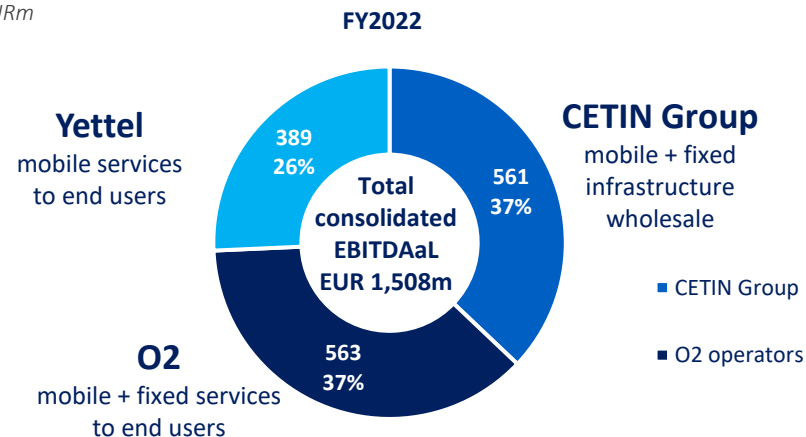
## MOBILE SUBSCRIBERS<sup>1</sup> BY SEGMENT

in 000's



## EBITDAaL BY TYPE OF BUSINESS

in EURm

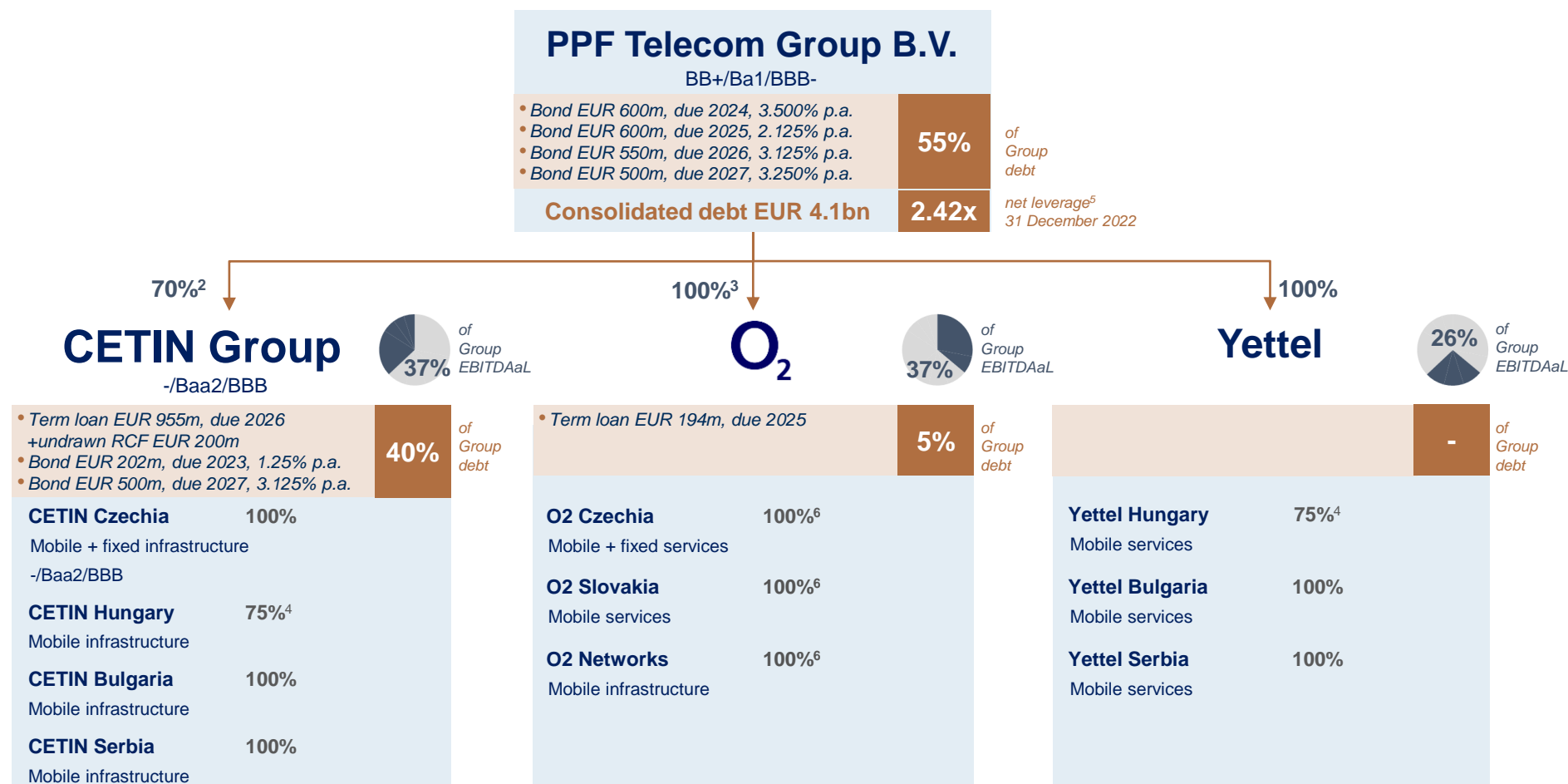


Source: PPF Telecom Group B.V. Consolidated financial statements for 2021

[1] Including M2M subscribers; 15.3m excluding M2M subscribers

# PPF Telecom Group corporate structure as of Dec '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 31 December 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 31 December 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



# Financing structure changes

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

DECEMBER 2021			DECEMBER 2022			COMMENTARY
<i>in EURm</i>			<i>in EURm</i>			
<b>PPF Telecom Group B.V.</b>	<b>4,489</b>	<b>-388m</b>	<b>PPF Telecom Group B.V.</b>	<b>4,101</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>+11m</b>	<b>CETIN Group N.V.</b>	<b>1,657</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>202</b>		
Bond 2023	196		Bond 2023	202		
<b>O2 CZ</b>	<b>516</b>	<b>-322m</b>	<b>O2 CZ</b>	<b>194</b>		Schuldscheins fully repaid on 6 Apr 2022, term loan 2025 partly prepaid (EUR 23m)
Schuldscheins 2022-26	299		Term Loan 2025	194		
Term Loan 2025	217					
<b>Yettel HU</b>	<b>77</b>	<b>-77m</b>	<b>Yettel HU</b>			New 5yr amortising loan taken on 31 Mar 2022 to finance 900/1,800 MHz spectrum payment, old loan refinanced; loan repaid on 25 Nov 2022
Amortising loan 2025	77					

## 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

# Appendix - Group balance sheet highlights

## Sale of minority stake in CETIN Group and debt reduction

<i>in EURm</i>	31 Dec 2021	31 Dec 2022	diff.	
<b>Non-current assets</b>	<b>6,359</b>	<b>6,553</b>	<b>+3.1%</b>	
• o/w property, plant & equip. + intangible	4,190	4,355	+3.9%	
<b>Current assets</b>	<b>1,380</b>	<b>1,321</b>	<b>-4.3%</b>	
• o/w cash & other highly liquid assets	628	488	-22%	
<b>TOTAL ASSETS</b>	<b>7,739</b>	<b>7,874</b>	<b>+1.7%</b>	
<b>EQUITY</b>	<b>1,356</b>	<b>994</b>	<b>-27%</b>	+651m net profit 2022, -1,173m dividend paid, -311m acquisition of O2 shares +561m revaluation of Conditional commitment to acquire NCIs
<b>Liabilities</b>	<b>6,382</b>	<b>6,880</b>	<b>+7.8%</b>	
• o/w bonds	2,474	2,990	+21%	+500m CETIN Group new bond
o/w debt to banks	2,039	1,145	-44%	-500m term loan refinanced with the new bond
	<b>4,513</b>	<b>4,135</b>		-326m O2 loans and -77m Hungary loan prepaid
o/w non-interest bearing liabilities		850		Contingent put option for 30% stake in CETIN Group

# 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	850
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#### Equity

Conditional commitment to acquire NCI's share – origination	(1,411)
Conditional commitment to acquire NCI's share – change in NPV	561

### CONTINGENT PUT OPTION LIABILITY

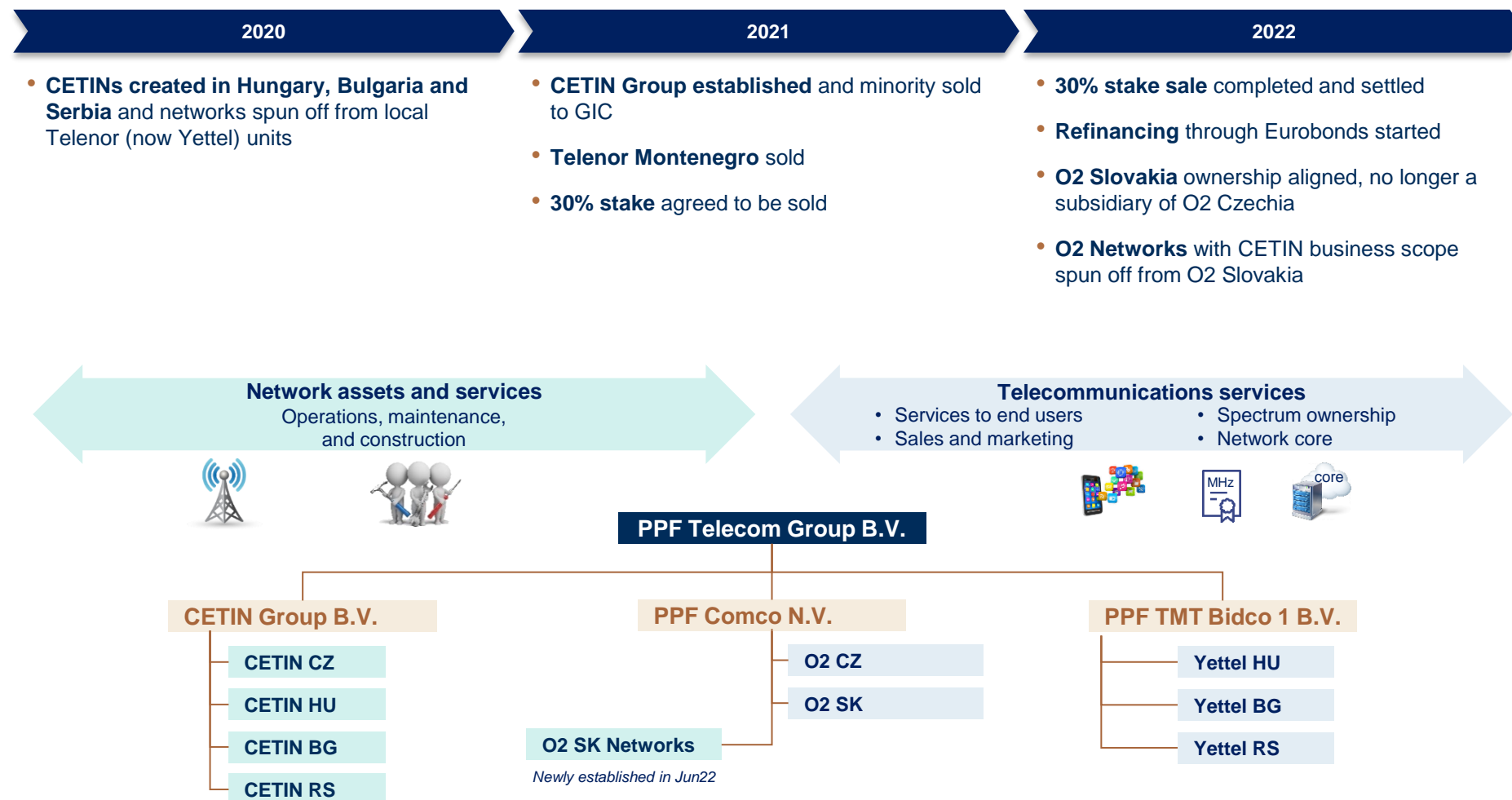
- Put option of GIC to sell its stake to PPF Telecom Group for fair market value **in case** of Unapproved Change of Control of PPF Telecom Group B.V. or PPF Group N.V. happens.
- Customary protection of minority investor, which is event-driven.
- Change of Control fully under control of PPF Group N.V. 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.

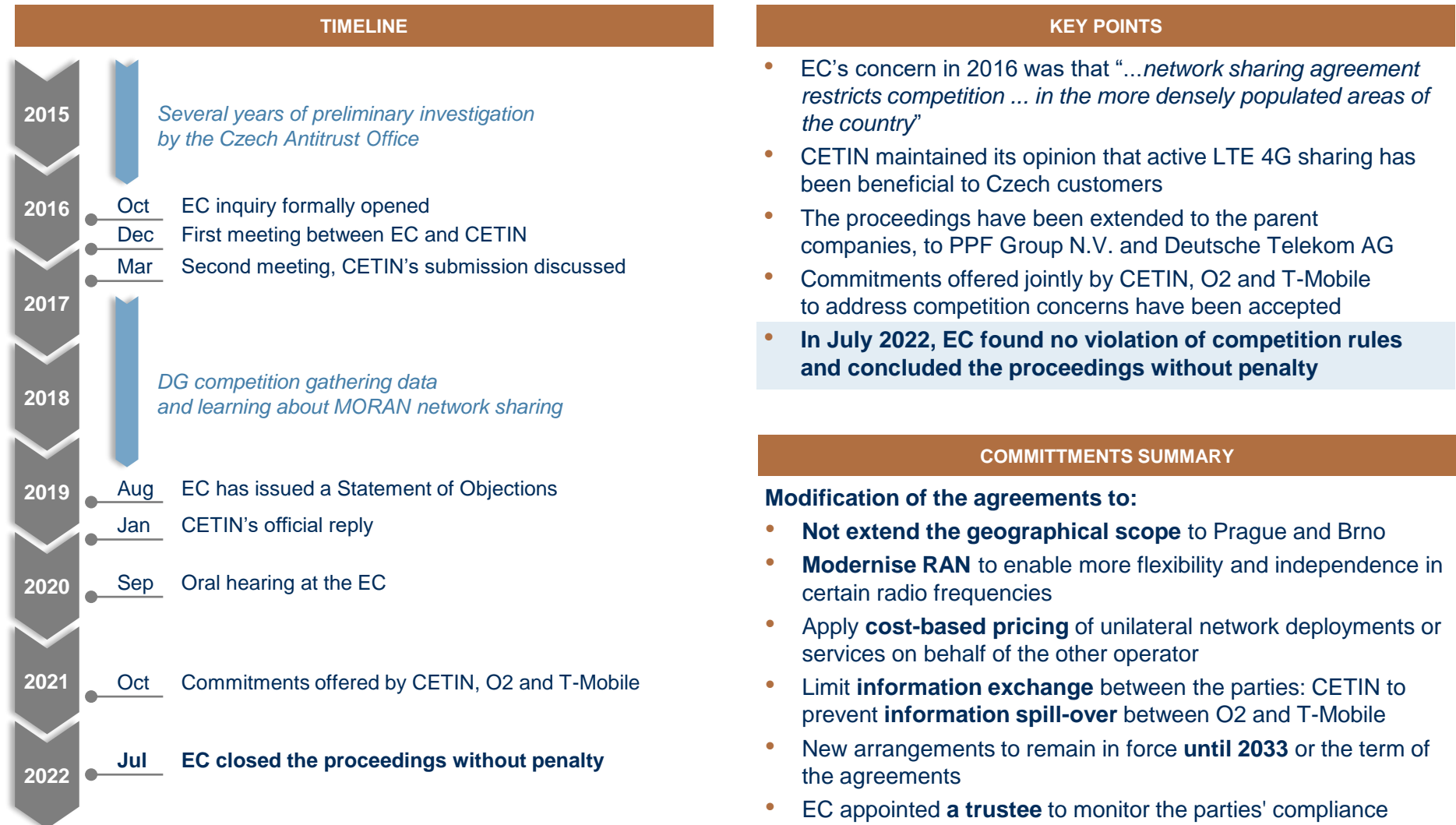
# Path towards the target operating model

## Structurally separated networks across the board



# EC inquiry into network sharing in Czechia closed

No violation of competition rules found, concluded without penalty



# Spectrum allocations



# 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>



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

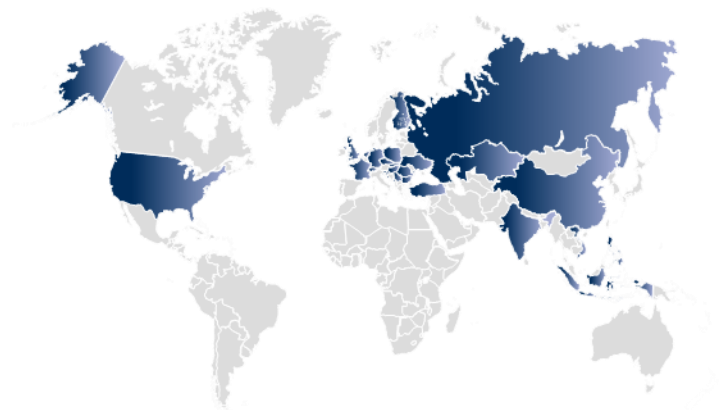
**40.1** billion EUR  
total assets<sup>1</sup>

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

**(0.4)** billion EUR  
net income<sup>1</sup>

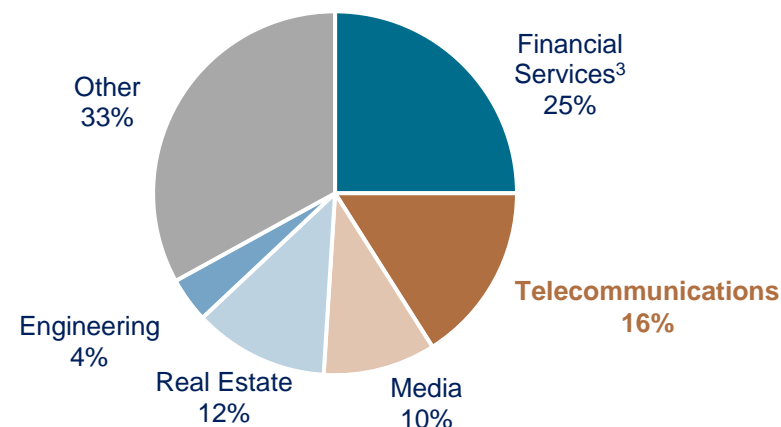
**70 ths.**  
employees<sup>1</sup>

## PPF GROUP OPERATES IN 26 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  
descendants of Mr Petr Kellner**  
59.358% Mrs Renáta 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 30 June 2022, equity attributable to owners of the parent as of 30 June 2022, net income attributable to owners of the parent for the period of 6 months up to 30 June 2022, average rounded number of employees for 2021

[2] Total equity as of 30 June 2022  
[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 ARPU's
- 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



[www.ppftelecom.eu](http://www.ppftelecom.eu)

**THANK YOU FOR YOUR ATTENTION**