

20 September 2023

# PPF Telecom Group

## 1H2023 results

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# Meet the presenters



**Balesh Sharma**

*Chief Executive Officer*

*28 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 2023 to date

## Strong performance and a new partnership to support further growth

1

### STABLE MARKETS AND 5G ROLLOUT

- Stable markets and competitive landscape in all countries of operations
- 5G rollout underway in 4 countries
- Mobile network sharing in Slovakia
- FTTH rollout in Czechia
- Fibre ISP acquisition in Czechia
- Manageable regulation

**18m**  
mobile subscribers<sup>1</sup>  
**1.1m**  
FBB subscribers

2

### STRONG FINANCIAL PERFORMANCE

- All segments contributed to underlying EBITDA growth, partly helped by CZK appreciation
- OPEX pressures continue with limited easing compared to last year (energy prices, inflation)
- Strong growth in revenues, shifting customers to more valuable propositions
- Continued investment to retain top network positions

**+7.7%**  
EBITDAaL<sup>2</sup>  
y-o-y

3

### PARTNERSHIP WITH e&

- To grow PPF's regional leadership further
- e& will gain controlling stake in four markets
- PPF retains sole ownership of Czech assets
- Pending regulatory approvals, customary closing conditions, capital structure and corporate reorganisation



4

### STRENGTHENED LIQUIDITY POSITION

- All debts maturing before Mar 2025 are covered
- EUR 600m new term loan (2028), utilised to redeem 2024 Eurobond
- EUR 600m backstop facility for May '25 Eurobond
- EUR 250m undrawn facility

**€1.5bn**  
new funding

Source: Company data

[1] Including M2M subscribers; 15.1m excluding M2M subscribers.

[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

# Strategic rationale of PPF's partnership with e&

A partnership to grow PPF Telecom Group's regional leadership further

1

## NEW STRONG SHAREHOLDER JOINING FORCES WITH PPF

- PPF joins forces with **new strong majority shareholder e&**, which brings impressive telco presence, best-in-class industry knowledge and access to innovation
- Transaction will allow PPF to:
  - lock-in portion of value generated since acquisition of its telco assets in 2014 and 2018, but at the same time
  - keeping economic exposure via its retained stake to further grow the business, additionally supported by synergies with e&

3

## PPF MANAGEMENT EXPERTISE

- e& and PPF retain Balesh Sharma, current CEO of PPF Telecom Group
- Continuity of the operations is assured
- Partnership to continue drawing from broad expertise of PPF Telecom Group's teams with proven track record in the region:
  - Lean group structure
  - Structural separation of ComCos and NetCos
  - Network sharing

2

## SYNERGIES AND OPERATIONAL ENHANCEMENTS

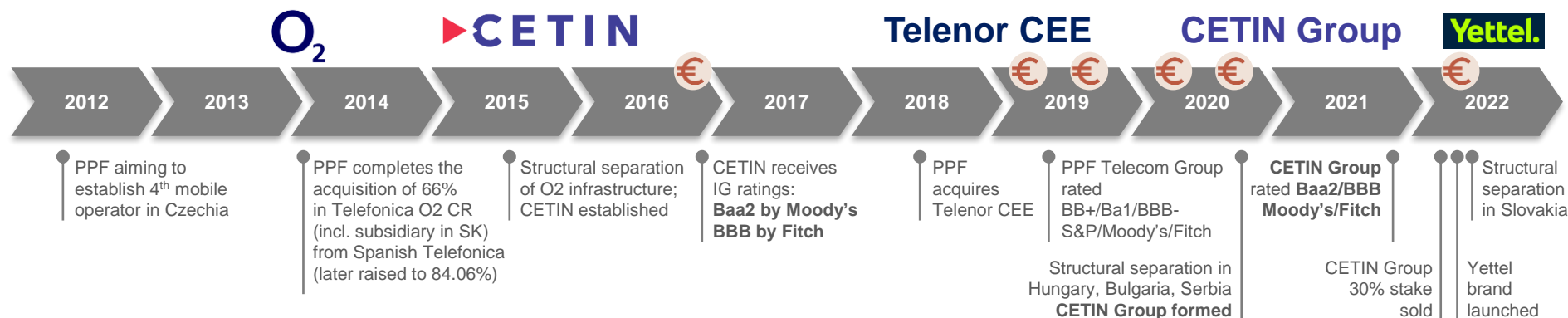
- Leveraging e&'s expertise in best-in-class digital, IoT, and B2B services
- Enhancing customer offerings and experience, digital and lifestyle products
- Merging know-how in customer value management
- Efficiencies from scope in vendor relationships and procurement, including wholesale and roaming
- Cross-continent learning and career development opportunities for top talents

4

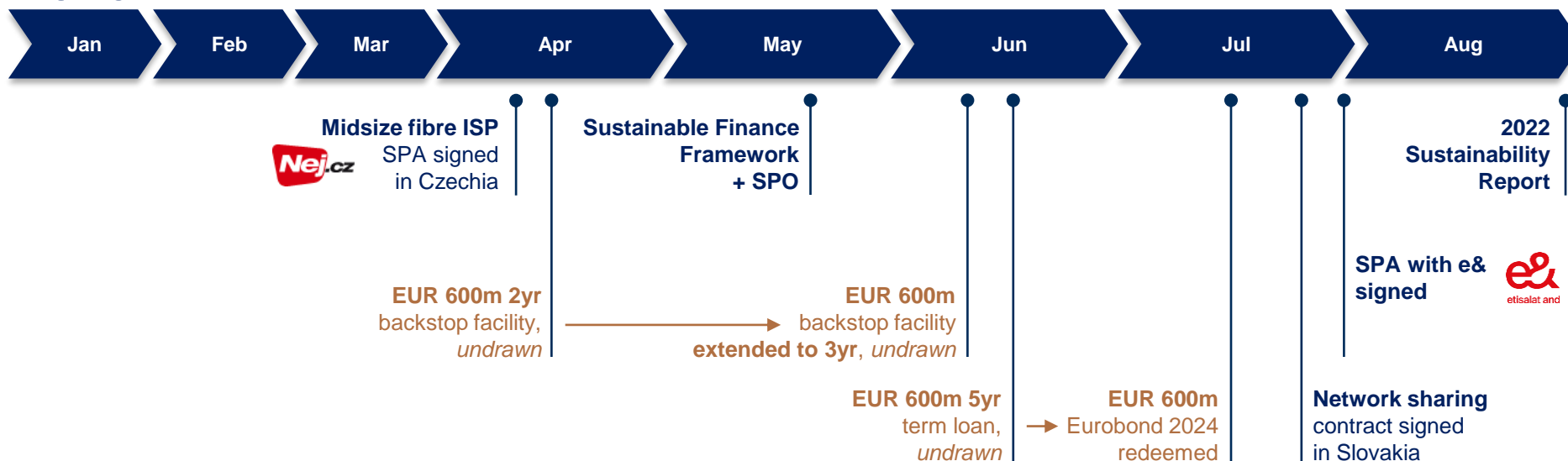
## FOUNDATION FOR FURTHER GROWTH

- Shared ambition to build a major telecommunications business in Central and Eastern Europe together with e&
- Gaining the capacity for further expansion of the business,
  - while remaining within the range of the financial policy and
  - with joint aim of e& and PPF to maintain PPF Telecom Group's current ratings

# PPF track record in telecom and 2023 achievements



## 2023



€ Eurobond issuances

# Strong and stable position in five markets

Market leader in CEE region (excl. Poland) with 33% retail market share<sup>1</sup>

## ► CETIN Group

### Czechia

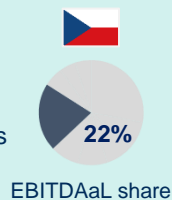
#### Fixed network

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

#### Mobile network

##### Population coverage

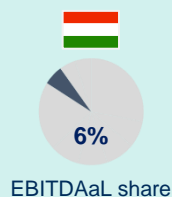
- 98% 4G
- 57% 5G



### Hungary

##### Population coverage

- 100% 4G
- 16% 5G



### Bulgaria

##### Population coverage

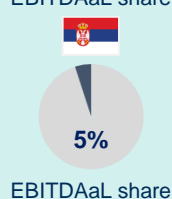
- 99% 4G
- 59% 5G



### Serbia

##### Population coverage

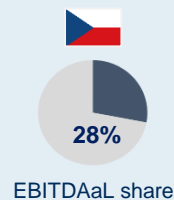
- 97% 4G



## O<sub>2</sub>

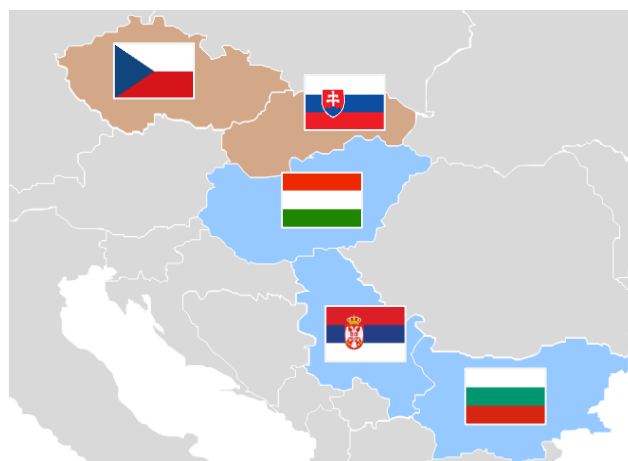
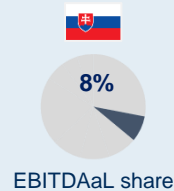
### Czechia

- 5,810k mobile subscribers<sup>3</sup>
- 34% market share<sup>1</sup>
- €13.5 ARPU<sup>4</sup>
- 900k FBB<sup>5</sup> subscribers



### Slovakia

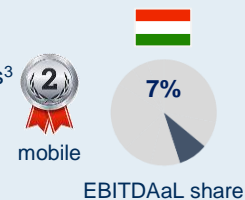
- 2,296k mobile subscribers<sup>3</sup>
- 27% market share<sup>1</sup>
- €11.1 ARPU<sup>4</sup>
- 98% 4G, 37% 5G



## Yettel.

### Hungary

- 3,663k mobile subscribers<sup>3</sup>
- 30% market share<sup>1</sup>
- €13.9 ARPU<sup>4</sup>



### Bulgaria

- 3,261k mobile subscribers<sup>3</sup>
- 35% market share<sup>1</sup>
- €11.4 ARPU<sup>4</sup>



### Serbia

- 2,986k mobile subscribers<sup>3</sup>
- 42% market share<sup>1</sup>
- €10.6 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, September 2023; 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

# Regional market overview

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

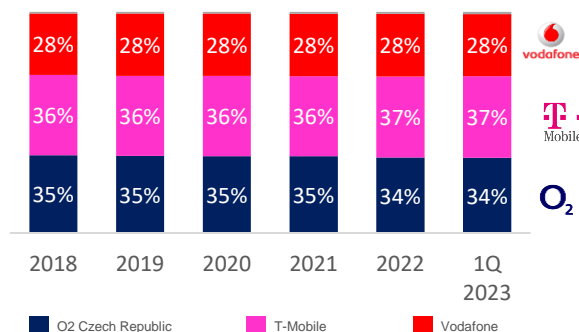




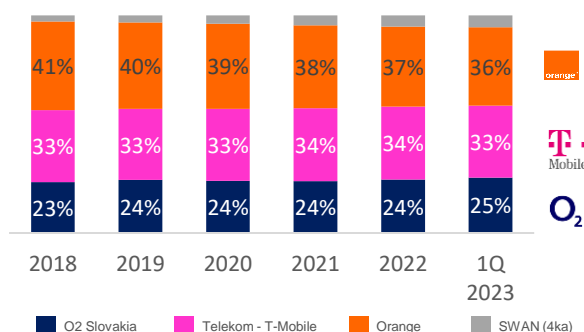
# Mobile revenue market shares

## Yettel and O2 maintain mobile revenue market shares

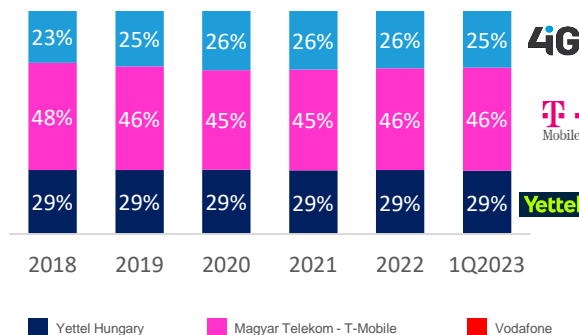
### CZECHIA



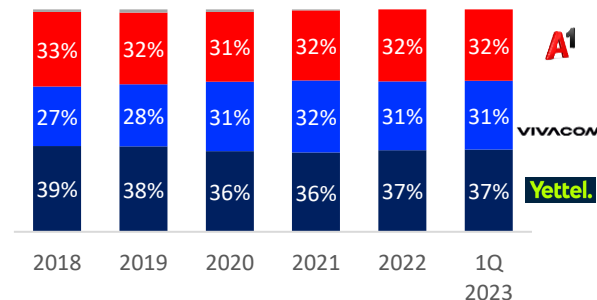
### SLOVAKIA



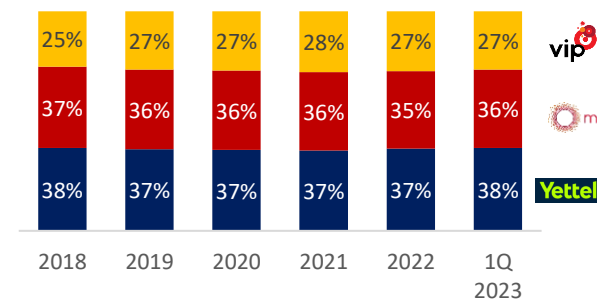
### HUNGARY



### BULGARIA



### SERBIA



# 1H2023 Commercial update

## O2 Czech Republic and O2 Slovakia

### MOBILE AND FIXED

- Solid growth of customer base across mobile, fixed and TV driven by successful bundling strategy
- Continued momentum in 5G Fixed Wireless Access sales
- Radost (Joy) digital proposition momentum sustained in SK



### TV AND OTHER SERVICES

- Continued IPTV growth
- Pushing HW initiatives driven by innovation (Smartbox 2, O2 Pods)
- Omnichannel strategy as the key driver of commercial performance



### NETWORK

- Continued 5G rollout, coverage growing rapidly
- Fastest 5G download in the market (testing by the Czech Technical University)



## Yettel Hungary, Bulgaria, and Serbia

### MOBILE AND FIXED

- Steady customer base value growth via upselling and inflationary price adjustments
- IPTV TV rolled out now in all YETTEL markets supporting FWA strategy
- Continuous growth of FTTH/TV base of Serbian greenfield FMC

**Yettel.**

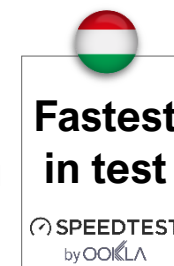
### OTHER SERVICES AND INITIATIVES

- Focus on device insurance, bundling wearables on instalments and accessories
- Device recycling campaigns across the region supporting the new brand
- Strong ESG initiative pipeline



### NETWORK

- Umlaut Best in Test in Bulgaria and Serbia
- Fastest network in Hungary based on Ookla, superior network based on OpenSignal
- 5G roll out in Bulgaria and Hungary continues



# Sustainability strategy advanced in 2022

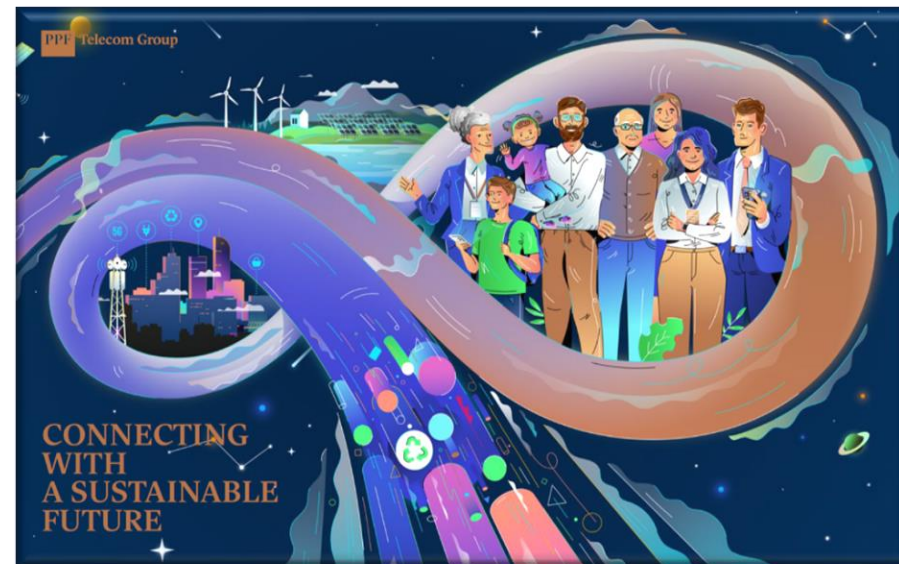
## Connecting with a sustainable future

### MISSION

PPF Telecom Group's mission is to provide as many people as possible with access to high-quality, affordable connectivity and digital solutions for increasingly productive, healthier and safer lives.

Through sustainable business practices, including the deployment of the best available technology, we are also minimizing our impact on the environment.

### 2022 REPORT PUBLISHED



### SUSTAINABILITY STRATEGY

#### ENVIRONMENT

Reducing the Group's impact on the environment

#### PEOPLE

Putting people at the centre of our business

#### TECHNOLOGY

Accelerating technology for a sustainable future

#### TRANSPARENCY

Acting with transparency and integrity

# Financial and operational results

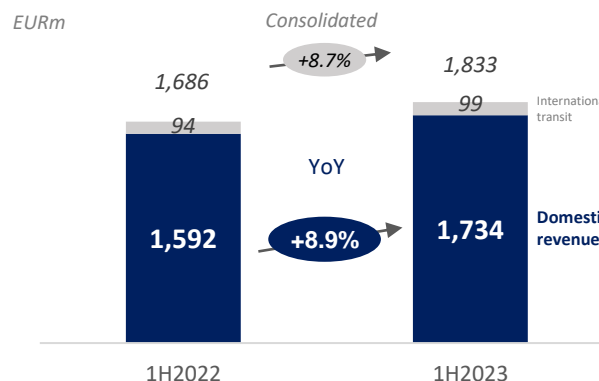
# 1H2023 consolidated results at a glance

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

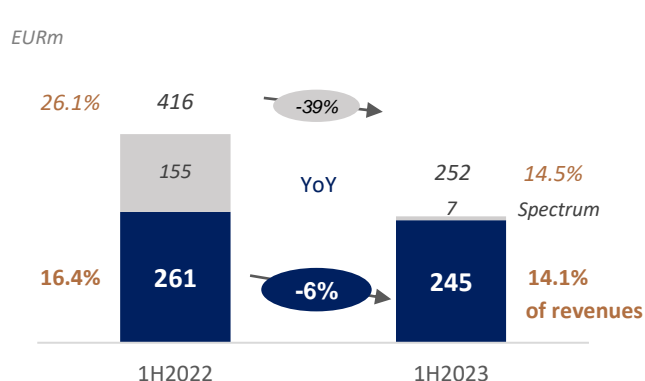
## REVENUES OVERVIEW

EURm	1H2022	1H2023	1H2023 yoy	FY2022 yoy
<b>Consolidated revenues<sup>1</sup></b>	<b>1,686</b>	<b>1,833</b>	<b>8.7%</b>	<b>5.1%</b>
O2 Czechia	670	725	8.2%	7.7%
CETIN CZ excl. transit	264	294	11.4%	14.7%
O2 Slovakia + Networks	150	166	10.7%	6.2%
Yettel + CETIN Hungary	270	294	8.9%	-0.1%
Yettel + CETIN Bulgaria	216	243	12.5%	7.8%
Yettel + CETIN Serbia	231	241	4.3%	2.3%
Eliminations and transit	-209	-229		
<b>Consolid. revenues excl. transit</b>	<b>1,592</b>	<b>1,734</b>	<b>8.9%</b>	<b>5.9%</b>

## REVENUES



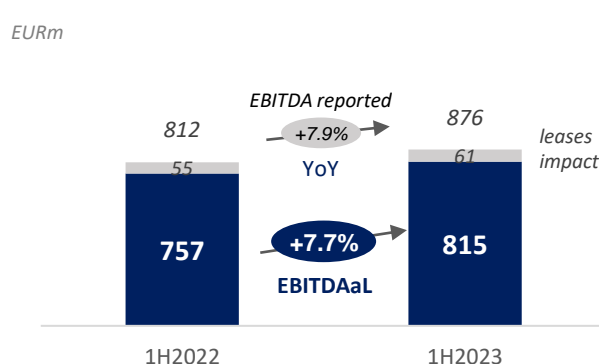
## CAPEX<sup>4</sup>



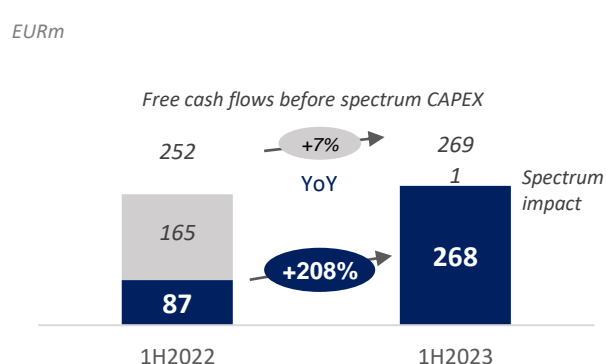
## EBITDAaL<sup>3</sup> OVERVIEW

EURm	1H2022	1H2023	1H2023 yoy	FY2022 yoy
<b>EBITDAaL</b>	<b>757</b>	<b>815</b>	<b>7.7%</b>	<b>7.2%</b>
O2 Czechia	211	228	8.1%	14.1%
CETIN Czechia	163	184	12.9%	6.5%
O2 Slovakia + Networks	63	65	3.2%	1.6%
Yettel + CETIN Hungary	98	108	10.2%	-7.5%
Yettel + CETIN Bulgaria	123	119	-3.3%	26.8%
Yettel + CETIN Serbia	103	112	8.7%	2.0%
<b>EBITDA reported</b>	<b>812</b>	<b>876</b>	<b>7.9%</b>	<b>7.0%</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 2022 and 2023; company data

[1] Revenues + other income

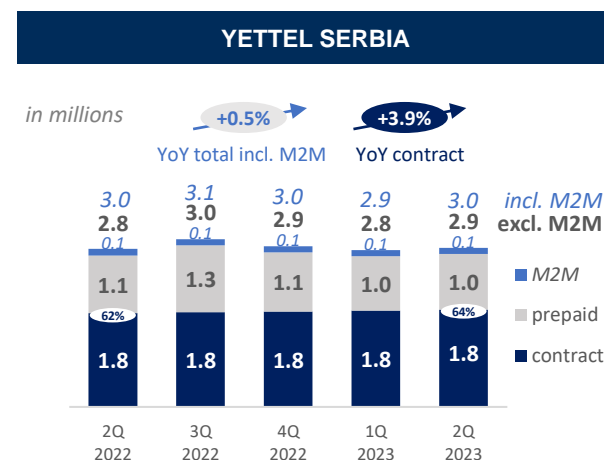
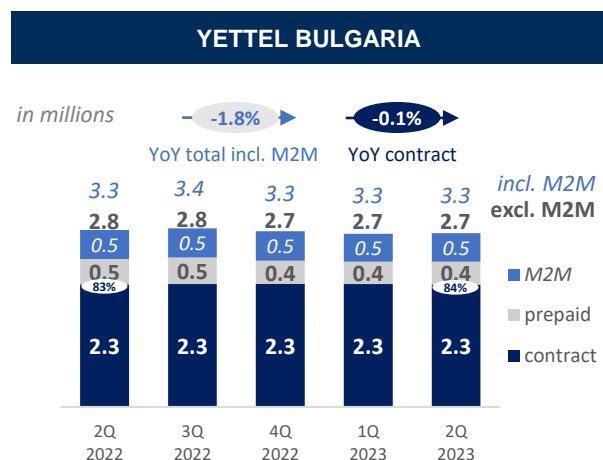
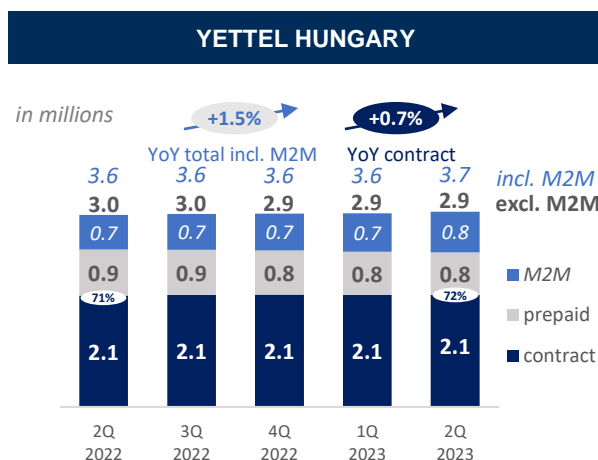
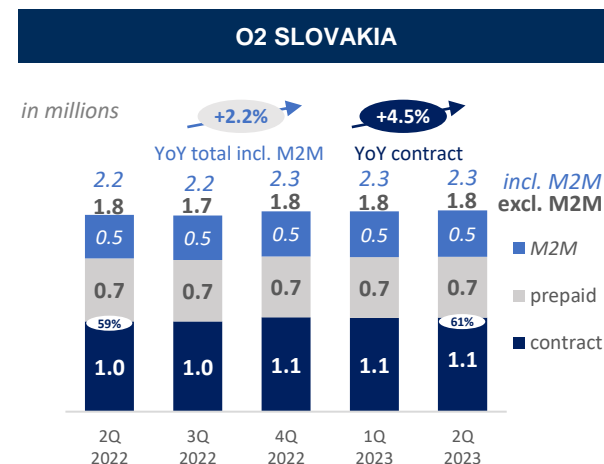
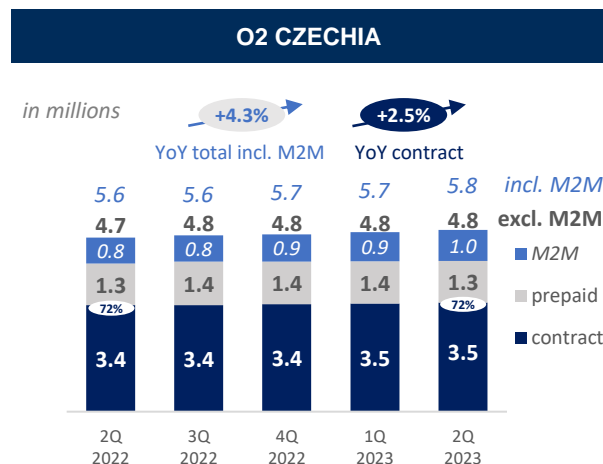
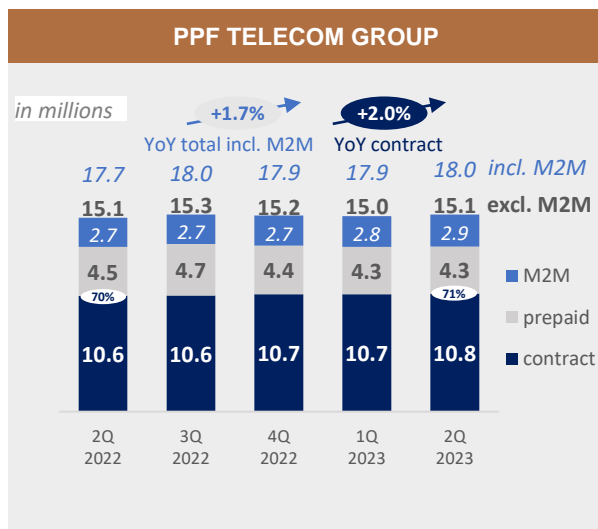
[3] EBITDAaL (EBITDA after leases) is defined as Operating profit excluding depreciation, amortisation and impairments less Depreciation on lease related rights of use less Interest expense on lease liabilities

[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

# 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

**+3.6%** → YoY blended EUR  
**-0.3%** → YoY blended CZK

13.0 13.2 13.3 13.3 13.7

2Q 2022 3Q 2022 4Q 2022 1Q 2023 2Q 2023

## O2 SLOVAKIA

in EUR

**+4.3%** → YoY blended EUR

10.9 11.1 11.4 10.8 11.3

2Q 2022 3Q 2022 4Q 2022 1Q 2023 2Q 2023

— blended

## YETTEL HUNGARY

in EUR

**+2.4%** → YoY blended EUR  
**+9.7%** → YoY blended HUF

12.3 12.2 12.0 12.8 15.0

2Q 2022 3Q 2022 4Q 2022 1Q 2023 2Q 2023

## YETTEL BULGARIA

in EUR

**+8.6%** → YoY blended EUR  
**+8.6%** → YoY blended BGN

10.4 10.5 10.6 11.2 11.6

2Q 2022 3Q 2022 4Q 2022 1Q 2023 2Q 2023

## YETTEL SERBIA

in EUR

**+5.5%** → YoY blended EUR  
**+5.3%** → YoY blended RSD

10.6 10.5 10.4 10.4 10.9

2Q 2022 3Q 2022 4Q 2022 1Q 2023 2Q 2023

— blended

Source: Company data

Note: ARPU calculation excludes inbound roaming and M2M revenues

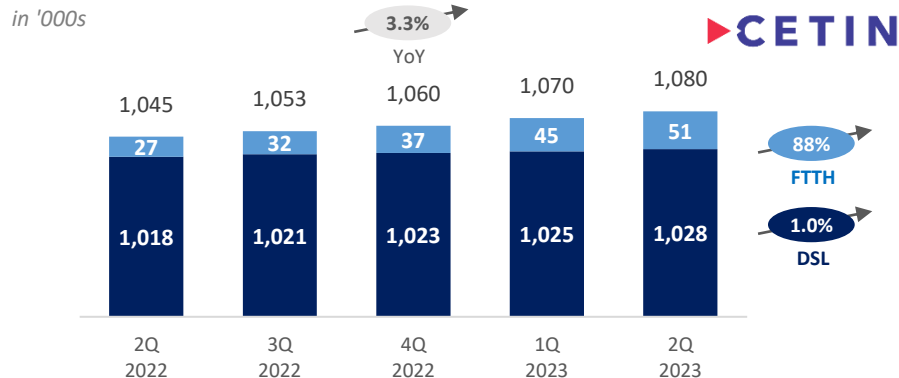
% YoY growth in EUR

% YoY growth in local currency

# Fixed services

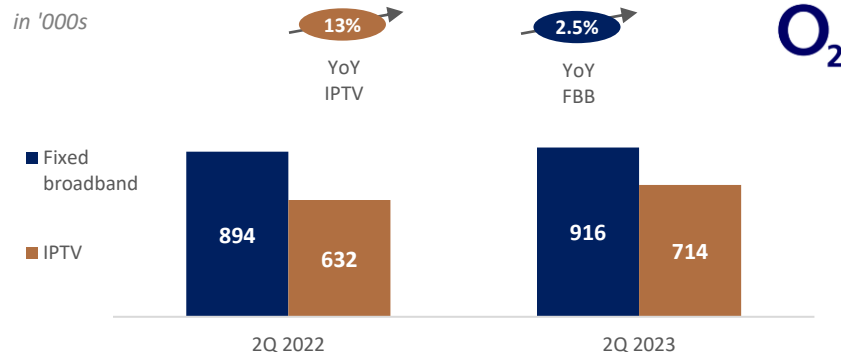
## FTTH investment in Czechia, growing fixed presence in other markets

### CETIN WHOLESALE FBB SUBSCRIPTIONS



Source: PPF Telecom Group internal data

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



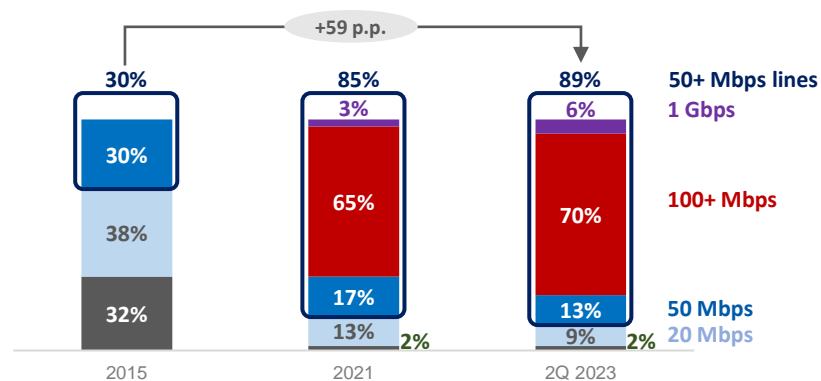
[1] Cable (ADSL, VDSL, fibre) and wireless (4G LTE, WTTx)

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

Source: PPF Telecom Group data

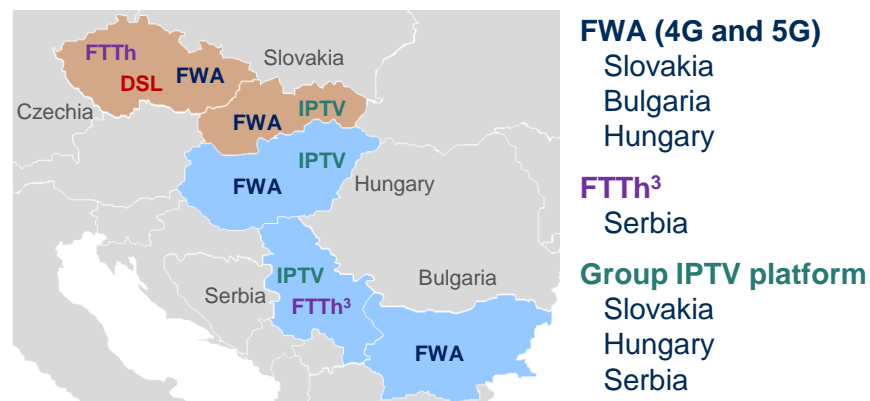
### CETIN FIXED NETWORK MODERNISATION

- Upgrading xDSL via FFTc/FTTB/FTTH



Source: PPF Telecom Group internal data

### FIXED SERVICES IN OTHER COUNTRIES



[3] Wholesale contract with Telekom Srbija since 2021

Source: PPF Telecom Group internal data

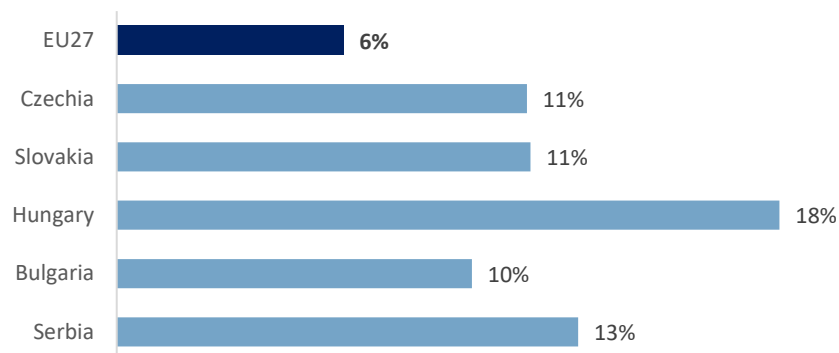


# Inflationary pressures

## Adverse impacts easing in 2023

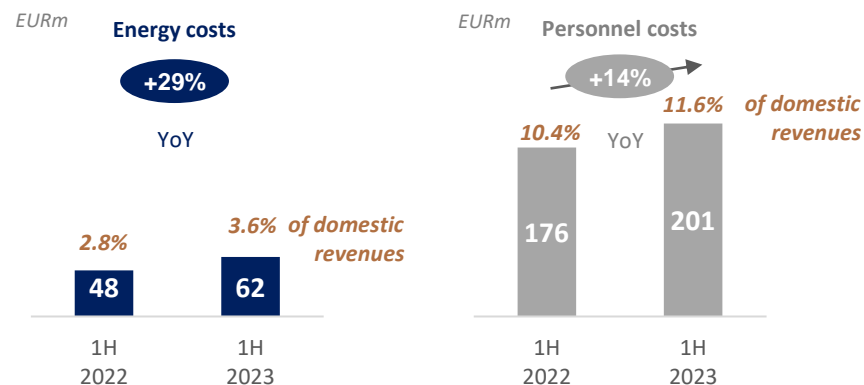
### INFLATION RATES IN OUR REGION

#### 2023 assumed annual inflation rates



### ENERGY AND PERSONNEL COSTS DEVELOPMENT

#### PPF Telecom Group consolidated



### 2022 DEVELOPMENT

- **Energy costs and salaries** are the main OPEX lines affected in our P&L:
  - **Energy costs** increased by 29% yoy, driven partly by higher costs, partly by 5G consumption increase.
  - **Personnel costs** +14% 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

### OUTLOOK

#### Revenues













- Automatic inflation clauses in Bulgaria, partially in Hungary and in Czechia

#### Energy prices

- The situation is stabilising, but still a significant increase compared to the levels two years ago
- Exploring renewable PPA opportunities
  - Bulgaria electricity to be provided under PPA with long-term price hedged

# Spectrum auctions update

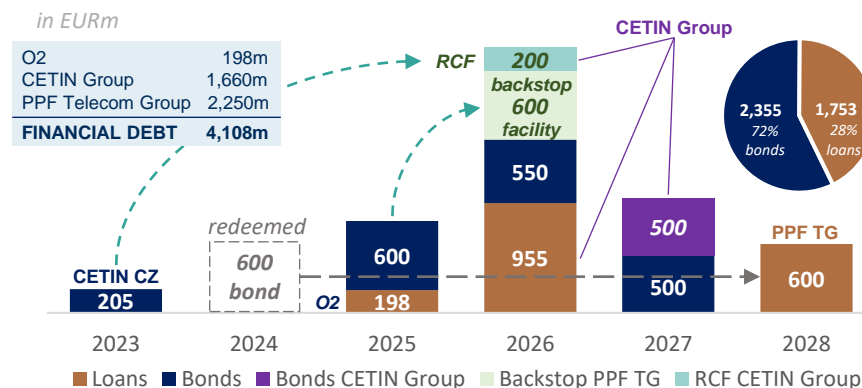
Major spectrum acquisitions in 2020-21, 5G auctions anticipated in BG+RS

	2020	2021	2022	2023   NOW	2024
<b>Czechia</b> 	 <b>700 MHz 3,500 MHz auction</b> EUR 53m cost	<b>2,100 MHz renewal</b> EUR 24m cost			<b>900 MHz 1,800 MHz renewal</b>
<b>Slovakia</b> 	 <b>700 MHz 900 MHz 1,800 MHz auction</b> EUR 33m cost		<b>3,600 MHz renewal</b> from Sep 2025 EUR 17m cost EUR 4m paid	 <b>done</b> <b>1,800 MHz renewal</b> from 2026 EUR 9m cost EUR 1.5m paid	<b>900 MHz 2,100 MHz renewal</b>  <i>the rest to be paid in yearly installments in 2025-2029</i>  <i>EUR 6.5m to be paid in Aug 2025, EUR 6.5m in Aug 2026</i>
<b>Hungary</b> 	 <b>700 MHz 2,100 MHz 3,600 MHz auction</b> EUR 100m cost	<b>900 MHz 1,800 MHz renewal</b> EUR 153m cost			
<b>Bulgaria</b> 		<b>900 MHz 1,800 MHz renewal</b> EUR 23m cost <b>2,100 MHz 2,600 MHz auctions</b> EUR 3.3m cost <b>3,700 MHz auction</b>  EUR 2.1m cost		 <b>700 MHz 800 MHz auction</b>	
<b>Serbia</b> 					<b>700 MHz 2,600 MHz 3,600 MHz auction</b> 

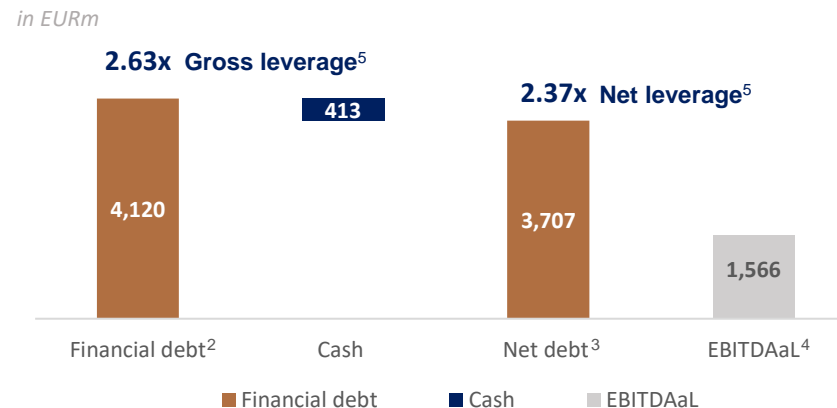
# Key credit metrics

## Maturity further extended; net leverage preserved

### NOMINAL FINANCIAL DEBT<sup>1</sup> PROFILE AS OF SEPTEMBER 2023



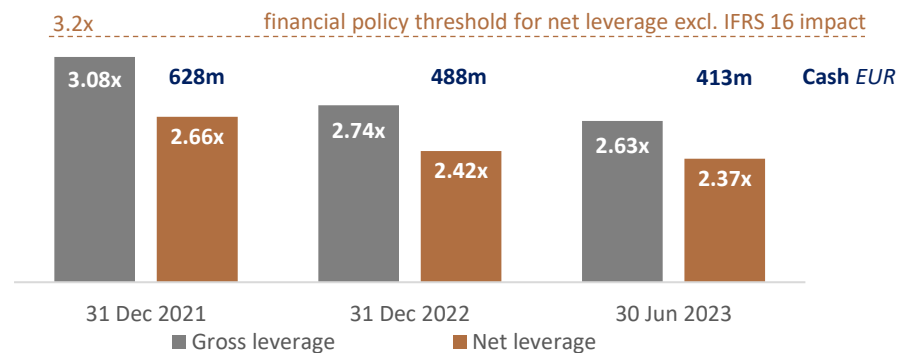
### CONSOLIDATED NET LEVERAGE RATIO<sup>5</sup> AS OF 30-JUN-2022



### BONDS AS OF SEPTEMBER 2023

- CETIN CZ** investment grade  
Baa2, outlook negative Moody's / BBB, rating watch negative Fitch
- Eurobond CZK 4,866m (EUR 205m eq.), 7 years, due Dec 2023, 1.25% p.a.
- CETIN Group** investment grade,  
Baa2, outlook negative Moody's / BBB, rating watch negative Fitch
- Eurobond EUR 500m, 5 years, due Apr 2027, 3.125% p.a.
- PPF Telecom Group** crossover rating, BB+, credit watch positive S&P,  
Ba1, outlook negative Moody's / BBB-, outlook stable Fitch
- 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.

### 2023 LEVERAGE<sup>5</sup> DYNAMICS



Source: PPF Telecom Group internal data, PPF Telecom Group consolidated financial statements for 2021, 2022, and 1H2023

[1] Outstanding principal amounts, excluding RCF and overdraft facilities; CZK-denominated debt converted with EUR/CZK rate of 23.742

[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 2023, 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 2023, excluding IFRS 16 impact

Contingent NCI Put Option is not part of the financial debt

# Q&A TIME

# Appendices

# Appendix - Key financial metrics

Sound results, recurring earnings growing in all businesses

EURm	2021	2022	2022 yoy	1H 2022	1H 2023	1H2023 yoy
<b>Consolidated revenues</b>	<b>3,336</b>	<b>3,506</b>	<b>5.1%</b>	<b>1,686</b>	<b>1,833</b>	<b>8.7%</b>
O2 Czechia	1,294	1,393	7.7%	670	725	8.2%
O2 Slovakia <sup>1</sup>	305	324	6.2%	151	168	11.3%
Yettel Hungary	545	541	-0.7%	271	294	8.5%
Yettel Bulgaria	427	456	6.8%	216	243	12.5%
Yettel Serbia	472	481	2.0%	230	241	4.8%
CETIN Group excl. transit	805	894	11%	434	506	16.6%
Czechia	476	546	14.7%	264	294	11.4%
Hungary	128	131	2%	64	89	39.1%
Bulgaria	102	114	11%	55	65	18.2%
Serbia <sup>2</sup>	99	103	4%	51	58	13.7%
O2 Networks Slovakia	n/a	n/a	n/a	41	46	12.2%
Eliminations	-719	-775		-438	-506	
International transit revenues	244	227	-7.0%	111	116	15.5%
<b>Cons. revenues (excl. transit)</b>	<b>3,129</b>	<b>3,314</b>	<b>5.9%</b>	<b>1,592</b>	<b>1,734</b>	<b>8.9%</b>

<b>EBITDA after leases</b>	<b>1,463</b>	<b>1,508</b>	<b>3.1%</b>	<b>757</b>	<b>815</b>	<b>7.7%</b>
O2 Czechia	408	435	6.6%	211	228	8.1%
O2 Slovakia <sup>1</sup>	123	128	4.1%	35	36	2.9%
Yettel Hungary	128	104	-18.8%	57	58	1.8%
Yettel Bulgaria	129	153	18.6%	87	73	-16.1%
Yettel Serbia	139	132	-5.0%	70	71	1.4%
CETIN Group	534	561	5.1%	273	321	17.6%
Czechia	313	338	8.0%	163	184	12.9%
Hungary	85	81	-4.7%	41	50	22.0%
Bulgaria	70	75	7.1%	36	46	27.8%
Serbia <sup>2</sup>	66	67	1.5%	33	41	24.2%
O2 Networks Slovakia	n/a	n/a	n/a	28	29	3.6%
<b>EBITDA reported</b>	<b>1,569</b>	<b>1,617</b>	<b>3.1%</b>	<b>812</b>	<b>876</b>	<b>7.9%</b>

EURm	2021	2022	2022 yoy	1H 2022	1H 2023	1H2023 yoy
<b>CAPEX (incl. spectrum)</b>	<b>520</b>	<b>751</b>	<b>44%</b>	<b>416</b>	<b>252</b>	<b>-39%</b>
O2 Czechia	83	68	-18%	30	26	-13%
O2 Slovakia <sup>1</sup>	59	93	58%	21	14	-33%
Yettel Hungary	16	171	969%	165	9	-95%
Yettel Bulgaria	41	31	-24%	13	14	8%
Yettel Serbia	24	34	42%	14	13	-7%
CETIN Group	299	369	23%	166	164	-1%
Czechia	185	223	21%	89	95	7%
Hungary	44	61	39%	39	33	-15%
Bulgaria	49	51	4%	25	21	-16%
Serbia <sup>2</sup>	21	34	62%	13	15	15%
O2 Networks Slovakia	n/a	n/a	n/a	21	12	-43%
<b>FCF after lease payments<sup>3</sup></b>	<b>710</b>	<b>451</b>	<b>-36%</b>	<b>87</b>	<b>268</b>	<b>208%</b>

Source: PPF Telecom Group audited consolidated financial statements for the year ended 31 December 2022 and for the six months ended 30 June 2023;

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.

[1] In 2021 and 2022, O2 Slovakia is consolidated with O2 Networks; 1H2022 and 1H2023 figures are shown separately

[2] Montenegro operations divested in December 2021

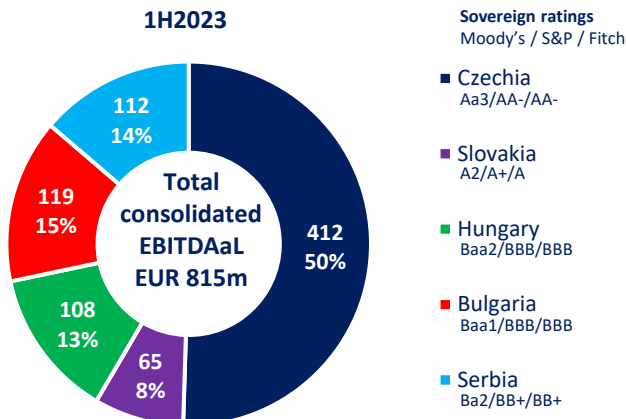
[3] Net cash flows from operating activities less CAPEX paid and proceeds from sale of assets less cash payments for principals and interest of lease liabilities

# Diversification of PPF Telecom Group

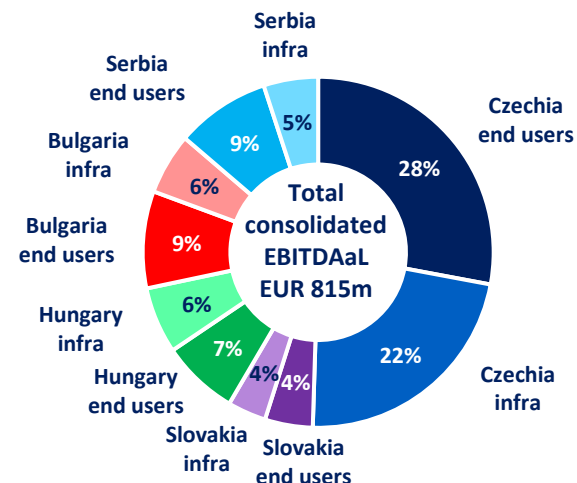
Regionally balanced portfolio with half of the business in Czechia

## GEOGRAPHICAL DISTRIBUTION OF EBITDAaL

in EURm

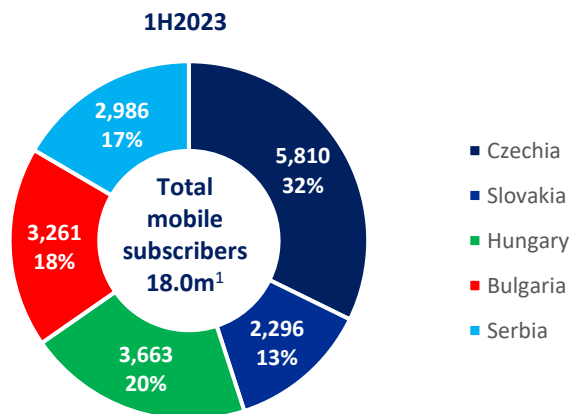


## DISTRIBUTION OF EBITDAaL BY COUNTRY AND BUSINESS



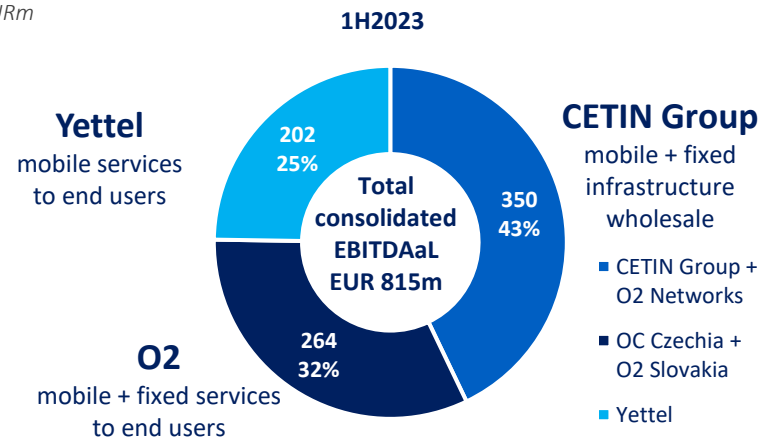
## MOBILE SUBSCRIBERS<sup>1</sup> BY SEGMENT

in 000's



## EBITDAaL BY TYPE OF BUSINESS

in EURm

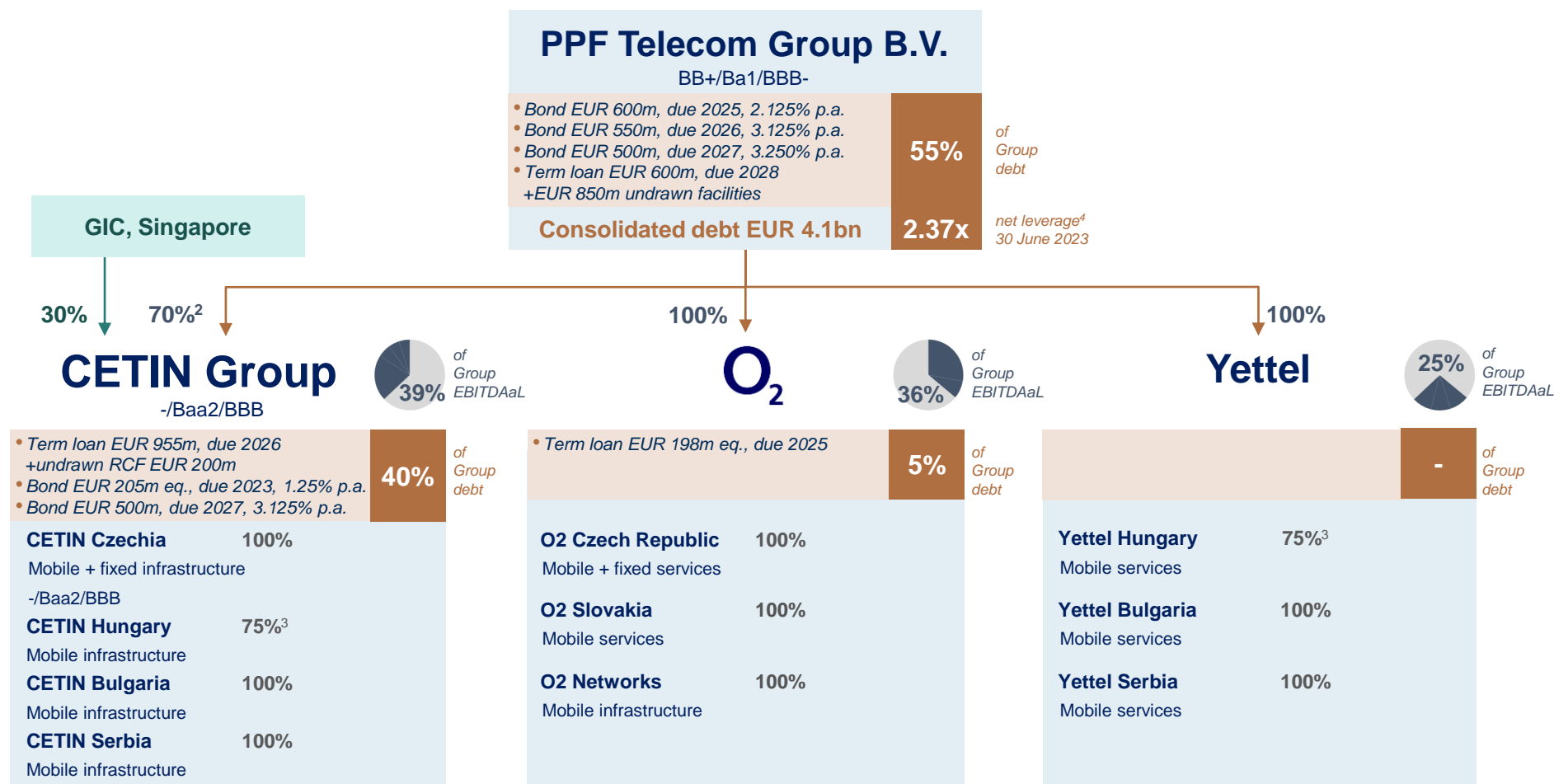


Source: PPF Telecom Group B.V. Consolidated financial statements for 1H2023

[1] Including M2M subscribers; 15.1m excluding M2M subscribers

# PPF Telecom Group corporate structure as of Sep '23

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 September 2023

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

[4] 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



# Appendix - Financing structure changes

Bonds maturing in 2023-25 covered with bank loans, new acquisition loan

DECEMBER 2022			SEPTEMBER 2023		COMMENTARY
<i>in EURm</i>			<i>in EURm</i>		
<b>PPF Telecom Group B.V.</b>	<b>4,101</b>	<b>+7m</b>	<b>PPF Telecom Group B.V.</b>	<b>4,108</b>	<b>PPF Telecom Group consolidated debt</b>
Bond 2024	600		Term Loan 2028	600	2024 EUR 600m Eurobond refinanced with term loan;
Bond 2025	600		Bond 2025	600	2025 EUR 600m Eurobond maturity covered by a
Bond 2026	550		Bond 2026	550	backstop facility
Bond 2027	500		Bond 2027	500	EUR 250m/2yr undrawn facility to finance
			Backstop facility 600m, undrawn		the acquisition of Nej.cz
			Committed facility 250m, undrawn		
<b>Total</b>	<b>2,250</b>		<b>Total</b>	<b>2,250</b>	
<b>CETIN Group N.V.</b>	<b>1,658</b>	<b>+3m</b>	<b>CETIN Group N.V.</b>	<b>1,660</b>	<b>CETIN Group consolidated debt</b>
Bond 2027	500		Bond 2027	500	
Term Loan 2026	511		Term Loan 2026	511	
Term Loan 2026	444		Term Loan 2026	444	
Committed RCF 200m, undrawn			Committed RCF 200m, undrawn		
<b>Total</b>	<b>1,455</b>		<b>Total</b>	<b>1,455</b>	
<b>CETIN CZ</b>	<b>202</b>	<b>+3m</b>	<b>CETIN CZ</b>	<b>205</b>	CETIN CZ bond to be repaid in Dec 2023
Bond 2023	202		Bond 2023	205	using CETIN Group's RCF
<b>O2 CZ</b>	<b>194</b>	<b>+4m</b>	<b>O2 CZ</b>	<b>198</b>	
Term Loan 2025	194		Term Loan 2025	198	

## 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

No changes in 1H2023; a bond repaid early in July 2023

<i>in EURm</i>	31 Dec 2022	30 Jun 2023	diff.	
<b>Non-current assets</b>	<b>6,553</b>	<b>6,655</b>	<b>+1.6%</b>	
• o/w property, plant & equip. + intangible	4,355	4,381	+0.6%	
<b>Current assets</b>	<b>1,321</b>	<b>1,356</b>	<b>+2.6%</b>	
• o/w cash & other highly liquid assets	488	413	-15%	
<b>Total assets</b>	<b>7,874</b>	<b>8,011</b>	<b>1.7%</b>	
<b>Equity</b>	<b>994</b>	<b>1,183</b>	<b>+19%</b>	+345m net profit 1H2023, -253m dividend paid
<b>Liabilities</b>	<b>6,880</b>	<b>6,828</b>	<b>-0.8%</b>	
• o/w bonds	2,990	2,971	-0.6%	July '23: EUR 600m bond repaid early
o/w debt to banks	1,145	1,149	-35%	July '23: EUR 600m term loan utilised
		<b>4,120</b>		
o/w non-interest bearing liabilities		837		Contingent put option for 30% stake in CETIN Group

# Appendix - Spectrum allocations

recent auctions and extensions		band size up to:		2 x 30 MHz	2 x 30 MHz	2 x 35 MHz	2 x 115 MHz	2 x 60 MHz	2 x 80 MHz	70 MHz	2 x 100 MHz	200 MHz	200 MHz	
upcoming		410	450	700	800	900	1 800	2 100	FDD 2 600	TDD 2 600	FDD 3 500	TDD 3 500	TDD 3 700	
Czechia	3 MHz	5G	Vodafone	2 x 10 MHz	2 x 10 MHz	2 x 10 MHz	2 x 27 MHz	2 x 19.8 MHz	2 x 20 MHz			20 MHz	40 MHz	Vodafone
			Nordic	2 x 10 MHz	2 x 10 MHz	2 x 12.7 MHz	2 x 20 MHz	2 x 19.8 MHz	2 x 30 MHz	25 MHz	80 MHz	80 MHz	Nordic	
			T-Mobile	2 x 10 MHz	2 x 10 MHz	2 x 12.7 MHz	2 x 20 MHz	2 x 19.8 MHz	2 x 30 MHz	25 MHz	20 MHz	40 MHz	PODA	
			O2	4 MHz	2 x 10 MHz	2 x 10 MHz	2 x 12.4 MHz	2 x 27.8 MHz	2 x 19.8 MHz	2 x 20 MHz	25 MHz	60 MHz	40 MHz	O2
Slovakia		5G	Orange	2 x 10 MHz	2 x 10 MHz	2H2023 2 x 10 MHz	Jun-2023 2 x 20 MHz	2H2023 2 x 20 MHz	2 x 30 MHz		Slovanet 2 x 35 MHz		until Sep 2025 80 MHz regional	
			T-Mobile	2 x 10 MHz	2 x 10 MHz	2 x 10.2 MHz	2 x 18 MHz	2 x 20 MHz	2 x 40 MHz	50 MHz		20 MHz	40 MHz	SWAN (4ka)
													40 MHz	Benestra
			O2	2 x 10 MHz	2 x 10 MHz	2 x 14.8 MHz	2 x 18.8 MHz	2 x 20 MHz		2 x 45 MHz	20 MHz	40 MHz	O2	
Hungary		5G	Vodafone	2 x 10 MHz	2 x 10 MHz	2 x 10 MHz	2 x 20 MHz	2 x 20 MHz	2 x 20 MHz	25 MHz		120 MHz	50 MHz	
						2 x 4.9 MHz			25 MHz		60 MHz			
			T-Mobile	2 x 10 MHz	2 x 10 MHz	2 x 10 MHz	2 x 30 MHz	2 x 25 MHz	2 x 30 MHz		20 MHz	120 MHz		
			Yettel	2 x 5 MHz	2 x 10 MHz	2 x 15 MHz	2 x 20 MHz	2 x 15 MHz	2 x 20 MHz			140 MHz		
Bulgaria		2H2023 5G	A1	2 x 11.2 MHz		2 x 10 MHz	2 x 5 MHz	2 x 15 MHz	2 x 20 MHz	2 x 20 MHz		100 MHz		
			Vivacom	2 x 11.2 MHz		2 x 15 MHz	2 x 20 MHz	2 x 20 MHz		100 MHz				
						2 x 15 MHz								
			Yettel	2 x 11.2 MHz		2 x 15 MHz	2 x 20 MHz	2 x 20 MHz		100 MHz				
Serbia			mt:s	2 x 10 MHz	2 x 11.2 MHz	2 x 5 MHz	2 x 15 MHz				Slovakia - from Sep 2025			
			Vip mobile	2 x 10 MHz	2 x 9.6 MHz	2 x 20 MHz	2 x 15 MHz			Orange	100 MHz	100 MHz	T-Mobile	
					2 x 4.2 MHz	2 x 30 MHz	2 x 15 MHz			SWAN (4ka)	100 MHz	100 MHz	O2	
			Yettel	2 x 10 MHz	2 x 9.6 MHz	2 x 20 MHz	2 x 15 MHz							
	410	450	700	800	900	1 800	2 100	2 600 FDD	2 600 TDD	3 500 FDD	3 500 TDD	3 700 TDD		27

# Sustainability highlights of 2022

1/2

## How we create value with impact

OBJECTIVES	IMPACTS
<ul style="list-style-type: none"><li>• Achieve carbon neutrality by 2050.</li><li>• Prepare decarbonization plan in line with SBTi requirements by 2024 and reduce Scope 1 and 2 emissions by 40% by 2030.</li><li>• Implement waste management action plan with objectives to reuse, resell or recycle 100% of decommissioned equipment by 2025 (CETIN and O2 Networks) and repair, reuse or recycle e-waste to prevent at least 250 tonnes from disposal into landfill (Yettel and O2).</li></ul>	<div data-bbox="1017 491 1058 668">ENVIRONMENT</div> <ul style="list-style-type: none"><li>• Scope 1 and Scope 2 emissions at 195,379 tCO<sub>2</sub>e down by 18% y-o-y.</li><li>• 100% renewable electricity used by CETIN Serbia network.</li><li>• Group's electricity from renewable sources up by 102%.</li><li>• 1,033 t of waste recycled, 153 t of e-waste collected and recycled, 163 t of reused, recycled or decommissioned network equipment.</li></ul>
<ul style="list-style-type: none"><li>• Maintain a benchmark of no fatal or life-changing injuries</li><li>• Establish a talent development programme to oversee initiatives at our business units to improve diversity in the Group's talent pool and eliminate unconscious bias cultures.</li><li>• Min. 60% participation in annual employee surveys to improve interaction with employees and understand their motivations.</li><li>• Continuously improve customer engagement processes, collect and incorporate feedback, to improve our services and products.</li><li>• Support our communities through employee volunteering, charities and sponsorships.</li></ul>	<div data-bbox="1017 1015 1058 1115">PEOPLE</div> <ul style="list-style-type: none"><li>• Zero work-related employee fatalities.</li><li>• 2.7% employee increase over 2021.</li><li>• 60% of employees (FTE) participated in employee surveys.</li><li>• 473,604 hours of employee training (37.2 hours / employee).</li><li>• 15% of technical positions held by women.</li><li>• 20% of leadership positions held by women.</li><li>• EUR 4.4 million donated for charitable causes. Assistance to Ukrainian citizens, including the donation of 140,000 SIM cards.</li></ul>

# Sustainability highlights of 2022

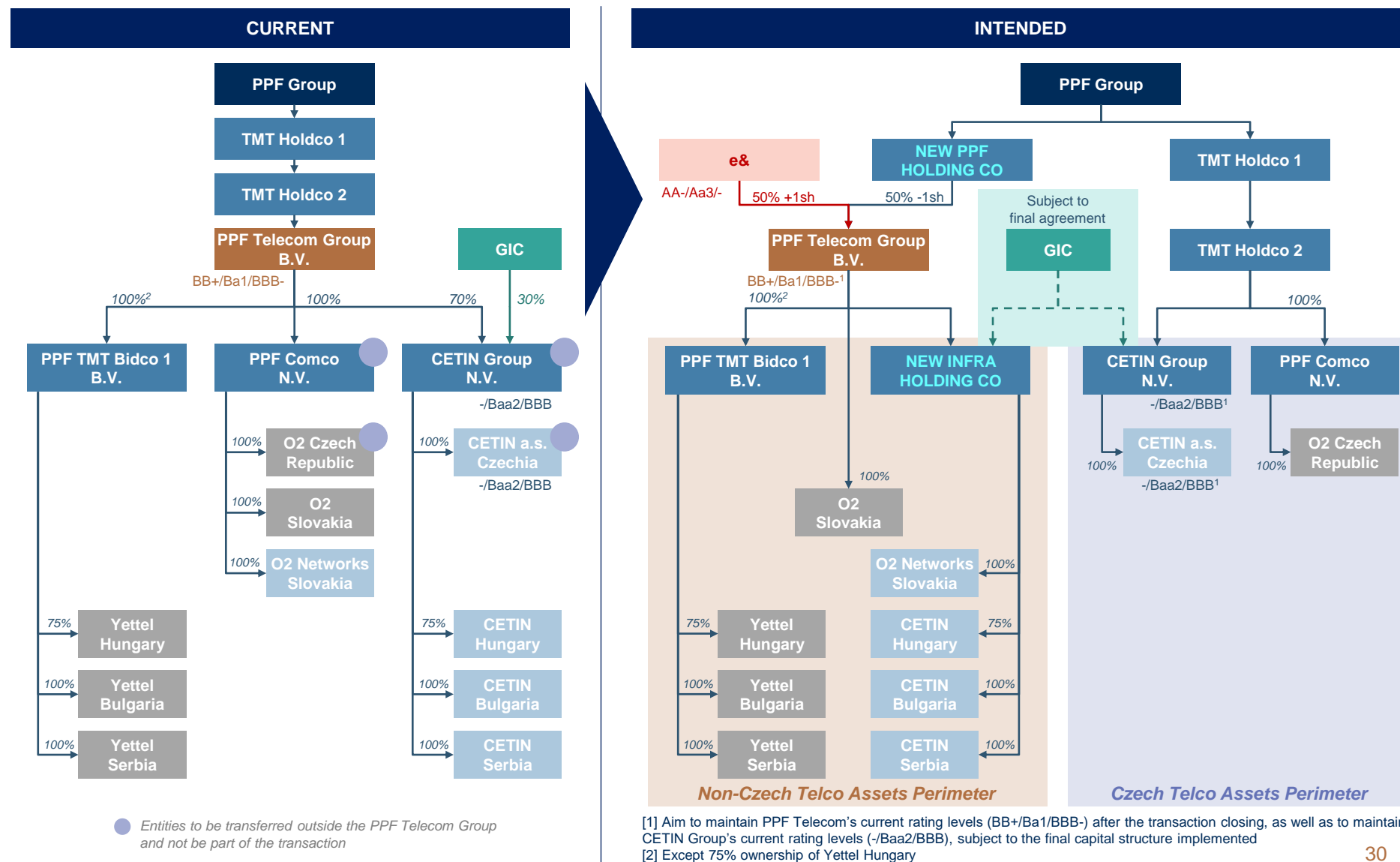
2/2

## How we create value with impact

OBJECTIVES	IMPACTS
<ul style="list-style-type: none"><li>• Prioritize availability of 5G connectivity in the countries where we operate to at least 50% of the population by 2024 and 80% by 2027.</li><li>• Deliver security solutions for data protection to at least 20% of the Group's applicable post-paid customers in the consumer segment by 2025.</li><li>• Reach as many people as possible with educational campaigns, advice, information and training to develop digital skills and digital literacy, raise awareness to any potential threats in new technologies. Train at least 500,000 people in digital skills and digital literacy by 2025.</li></ul>	<div data-bbox="1017 505 1058 672">TECHNOLOGY</div> <ul style="list-style-type: none"><li>• 18m mobile + 1.1m FBB subscribers, 6,667 petabytes of data.</li><li>• 34% of population covered by 5G, 99% covered by 4G.</li><li>• O2 network in Czechia the fastest in 5G download, Best in Test in Bulgaria and Serbia (Umlaut), fastest in Hungary (Ookla)</li><li>• Security solutions for data at 16% of the Group's applicable customers. O2 Security prevented 387 million cyberattacks.</li><li>• 73,321 people trained in digital skills and internet safety.</li><li>• Innovation Hub set up to help accelerate the deployment of innovative technologies (e.g. 5G and the IoT).</li></ul>
<ul style="list-style-type: none"><li>• Operate ethically, lawfully, transparently and with integrity.</li><li>• Fully integrate our sustainability strategy into the organization, introduce sustainability training across the Group, with 100% participation by senior management + 50% employees by 2023.</li><li>• By 2024, establish a sustainable supply chain programme with key suppliers to enhance environmental stewardship and social responsibility.</li></ul>	<div data-bbox="1017 958 1058 1158">TRANSPARENCY</div>

# Intended changes in corporate structure

Subject to customary approvals and reaching agreements with all parties



● Entities to be transferred outside the PPF Telecom Group and not be part of the transaction

**Non-Czech Telco Assets Perimeter**

**Czech Telco Assets Perimeter**

[1] Aim to maintain PPF Telecom's current rating levels (BB+/Ba1/BBB-) after the transaction closing, as well as to maintain CETIN Group's current rating levels (-/Baa2/BBB), subject to the final capital structure implemented

[2] Except 75% ownership of Yettel Hungary

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

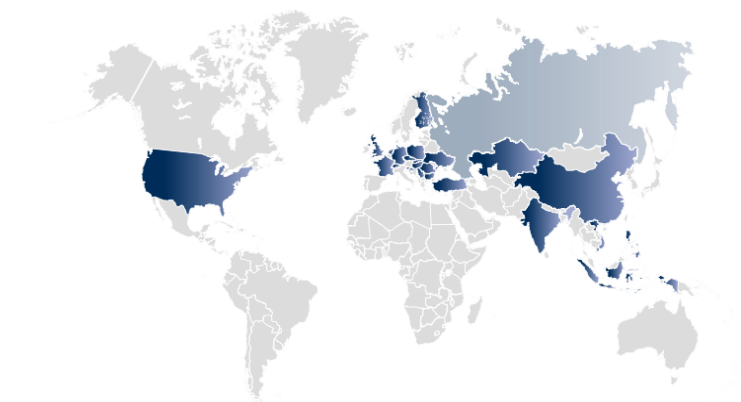
**39.9** billion EUR  
total assets<sup>1</sup>

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

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

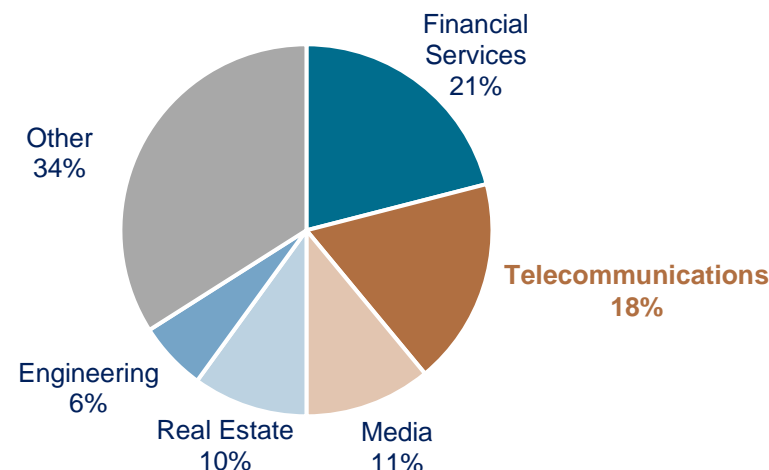
**61 ths.**  
employees<sup>1</sup>

## 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



**100 %**

**Renáta Kellnerová and family**

60% Mrs. Kellnerová

All other family members represented by Mrs. Kellnerová

[1] Assets as of 31 December 2022, equity attributable to owners of the parent as of 31 December 2022, net income attributable to owners of the parent for the period of 12 months up to 31 December 2022, average rounded number of employees for 2022

[2] Total equity as of 31 December 2022

[3] PPF Financial Holdings + Moneta

Source: PPF Group financial accounts for 2022

# 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

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## 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

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## 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+**, credit watch positive, **S&P**
- **Ba1**, outlook negative **Moody's**
- **BBB-**, outlook stable **Fitch**

## Three Eurobond issues

- 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**, outlook negative **Moody's**
- **BBB**, rating watch negative, **Fitch**

## Bonds issued

- EUR 500m, 5Y due 2027, 3.125% p.a.
- CZK 4,866m, 7Y due Dec 2023, 1.25% p.a. (EUR 205m eq.), 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 2019-2022



# Q&A TIME

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**THANK YOU FOR YOUR ATTENTION**