e& PPF Telecom Group B.V.

Annual accounts 2024

Table of contents

DIRECTORS' REPORT 2

CONSOLIDATED FINANCIAL STATEMENTS 20

SEPARATE FINANCIAL STATEMENTS 102

OTHER INFORMATION 128

AUDITOR'S REPORT 129

Directors' Report

Description of the Company

e& PPF Telecom Group B.V.

(formerly PPF Telecom Group B.V.)

Date of incorporation:	16 October 2013
Registered office:	Netherlands, Zuidplein 168, 1077 XV Amsterdam[1]
Identification number:	59009187
Authorised capital:	EUR 701,000
Issued capital:	EUR 701,000
Paid-up capital:	EUR 701,000
Principal business:	Holding company activities and financing thereof

General information

e& PPF Telecom Group B.V. (the "**Company**") is a holding company of leading providers of retail, wholesale and infrastructure telecommunication and other services in the CEE region. The services provided include mobile telecommunication, fixed-line telecommunication, infrastructure-related services, data services and internet television. The Company is ultimately owned by Emirates Telecommunications Group Company PJSC ("**e& Group**", 50% plus one share), ultimately controlled by the United Arab Emirates Federal Government, and PPF Group N.V. ("**PPF Group**, 50% less one share), ultimately controlled by Mrs Kellnerová.

On 1 August 2023, PPF Group and e& Group signed an agreement whereby e& Group acquired a controlling stake in assets of PPF Telecom Group B.V. (subsequently renamed to e& PPF Telecom Group B.V.) in Slovakia, Hungary, Bulgaria, and Serbia. PPF Telecom Group B.V.'s assets in Czechia were not part of the transaction.

To be able to close the transaction with e& Group, PPF Group first undertook a pre-closing reorganisation of its telecommunications subgroup to achieve the agreed-upon structure. As part of this pre-closing reorganisation, the Company divested its Czech assets CETIN a.s. and O2 Czech Republic a.s., and their immediate holding companies CETIN Group N.V. and PPF Comco N.V. The reorganisation was carried out in the first half of October 2024. The transaction between PPF Group and e& Group was successfully closed on 24 October 2024 after obtaining all regulatory approvals and satisfying other customary closing conditions. As a result, since October 2024, the Company owns retail, wholesale, and infrastructure telecommunication operations only in Slovakia, Hungary, Bulgaria and Serbia.

The Company and its subsidiaries (collectively, the "**Group**"), until October 2024, provided services in Czechia, Slovakia, Hungary, Bulgaria, and Serbia, and operated through ten principal segments primarily based on geography and type of services provided. In addition, the Group entities undertake certain other ancillary activities included in its unallocated segment. Details on the segments are described in Section D of the notes to the accompanying consolidated financial statements.

The Group's infrastructure assets are consolidated under an intermediary holding company CETIN Group N.V. ("**CETIN Group**"), where the Group has a minority partner, Roanoke Investment Pte. Ltd. ultimately owned by GIC (Ventures) Pte. Ltd., the company 100% owned by Minister for Finance of the Singapore's Government ("**Roanoke Investment**").

1. O2 Slovakia Segment

The Group's O2 Slovakia segment consists of the activities of O2 Slovakia, s.r.o. ("**O2 Slovakia**"), a leading mobile telecommunications provider in Slovakia, and its subsidiaries. As of 31 December 2024, the Group held a 100% ownership interest in O2 Slovakia, with no changes during 2024.

[1] This address is valid since 7 January 2025; formerly Netherlands, Strawinskylaan 933, 1077XX Amsterdam

2. CETIN Slovakia Segment

The Group's CETIN Slovakia segment consists of the activities of CETIN Networks s.r.o. ("**CETIN Slovakia**"), a mobile telecommunications infrastructure provider. CETIN Slovakia was incorporated on 1 June 2022 (under the name O2 Networks s.r.o.) as a result of the spin-off of the active and passive mobile infrastructure assets from O2 Slovakia. The legal name changed to CETIN Networks s.r.o. effective 1 January 2024. CETIN Slovakia provides mobile network services on a wholesale basis to O2 Slovakia as its principal customer. As of 31 December 2024, the Group held a 70% ownership interest in CETIN Slovakia, while the remaining 30% was owned by Roanoke Investment.

3. Yettel Hungary Segment

The Group's Yettel Hungary segment consists of the activities of Yettel Magyarország Zrt., a leading mobile telecommunications provider in Hungary ("**Yettel Hungary**"), and Yettel Real Estate Hungary Zrt., owner of the principal real estate used by Yettel Hungary, including its main office buildings. As of 31 December 2023, the Group held 75% of ownership interest in both companies. As of 31 December 2024, the Group held 100% ownership interest in both companies, having acquired the remaining 25% minority in December 2024.

4. CETIN Hungary Segment

The Group's CETIN Hungary segment has been newly created on 1 July 2020 as a result of the spin-off of the active and passive mobile infrastructure assets of Yettel Hungary into CETIN Hungary Zrt. ("**CETIN Hungary**"). CETIN Hungary provides mobile network services on a wholesale basis to Yettel Hungary as its anchor customer. As at 31 December 2023, the Group held, together with Roanoke Investment through an intermediate holding company CETIN Group, a 75% of ownership interest in CETIN Hungary. Having acquired the remaining 25% minority stake in December 2024, as of 31 December 2024, the Group held a 70% ownership interest in CETIN Hungary, while the remaining 30% was owned by Roanoke Investment.

5. Yettel Bulgaria Segment

The Group's Yettel Bulgaria segment consists of the activities of Yettel Bulgaria EAD ("**Yettel Bulgaria**"), the largest mobile telecommunications provider in Bulgaria. As at 31 December 2024, the Group held a 100% of the ownership interest in Yettel Bulgaria, with no changes during 2024.

6. CETIN Bulgaria Segment

The Group's CETIN Bulgaria segment has been newly created on 1 July 2020, as a result of the spin-off of the active and passive mobile infrastructure assets from Yettel Bulgaria into CETIN Bulgaria EAD ("**CETIN Bulgaria**"). CETIN Bulgaria provides mobile network services on a wholesale basis to Yettel Bulgaria as its anchor customer. As of 31 December 2023, the Group held a 70% ownership interest in CETIN Bulgaria, while the remaining 30% was owned by Roanoke Investment, with no changes during 2024.

7. Yettel Serbia Segment

The Group's Yettel Serbia segment consists of the activities of Yettel d.o.o. Beograd and its subsidiaries (collectively, "Yettel Serbia"), a leading mobile telecommunications provider in Serbia with growing presence in the fixed telecommunications and pay TV markets as well. As of 31 December 2024, the Group held a 100% of ownership interest in Yettel Serbia, with no changes during 2024.

8. CETIN Serbia Segment

The Group's CETIN Serbia segment has been newly created on 1 July 2020 as a result of the spin-off of the active and passive mobile infrastructure assets and wholesale business of Yettel Serbia into CETIN d.o.o., Belgrade ("**CETIN Serbia**"). CETIN Serbia provides mobile network services on a wholesale basis to Yettel Serbia as its anchor customer. As of 31 December 2024, the Group held a 70% ownership interest in CETIN Serbia, while the remaining 30% was owned by Roanoke Investment, with no changes during 2024.

9. O2 Czech Republic Segment (divested)

The Group's O2 Czech Republic segment consists of the activities of O2 Czech Republic a.s. and its subsidiaries (collectively, "**O2 Czech Republic**"), a leading fixed-mobile convergent telecommunications provider in Czechia, the former state monopoly (incumbent) telecom operator. As of 31 December 2023, the Group held a 100% ownership interest in O2 Czech Republic. The Group divested the segment in October 2024.

10. CETIN Czechia Segment (divested)

The Group's infrastructure segment in Czechia consists of the activities of CETIN a.s., the owner and operator of the incumbent and largest telecommunications network infrastructure in Czechia, and its subsidiaries (collectively, "**CETIN Czechia**"). CETIN Czechia acts as a wholesale provider of fixed and mobile telecommunications infrastructure to all telecommunications operators on an equal and transparent footing. CETIN Czechia was incorporated in June 2015 as a spin-off of the infrastructure assets and wholesale business from O2 Czech Republic. CETIN Czechia divides its business activities into two main divisions: domestic network services and international transit services. Its largest customers include O2 Czech Republic, T-Mobile Czech Republic a.s. ("**T-Mobile Czechia**") and Vodafone Czech Republic a.s.. As of 31 December 2023, the Group held a 70% ownership interest in CETIN Czechia. The remaining 30% was owned by Roanoke Investment through CETIN Group. The Group divested the segment in October 2024.

11. Unallocated Segment

As of 31 December 2024, the segment included the Group's holding and intermediary holding companies: the Company, PPF TMT Bidco 1 N.V., TMT Hungary B.V., TMT Hungary Infra B.V., and CETIN International N.V. During 2024, PPF Comco N.V. and CETIN Group N.V. were also included in the segment. These companies were divested in October 2024.

CETIN Group N.V. is a holding company that consolidated CETIN Czechia, CETIN Hungary, CETIN Bulgaria, and CETIN Serbia. As of 31 December 2023, the Group held a 70% stake in CETIN Group, while the other 30% stake in CETIN Group was held by Roanoke Investment. CETIN Group divested its assets in Hungary, Bulgaria and Serbia in October 2024, and subsequently was divested by the Group, together with its assets in Czechia.

CETIN International N.V. ("**CETIN International**") is a company newly established in September 2024, with the Group holding a 70% stake and Roanoke Investment holding the remaining 30%. CETIN International acquired CETIN Slovakia, CETIN Hungary, CETIN Bulgaria, and CETIN Serbia in October 2024.

For detailed information on ownership interests of the Group in particular segments and Group companies, see Notes B.1 and B.2 of the accompanying consolidated financial statements.

Business objectives

The Group's mission is to be a leader in providing telecommunication services across the CEE region. In this mission, the Group benefits from the following key strengths:

- well diversified businesses across several geographies with leading positions in stable markets with positive trends
- high-quality telecommunication assets and services, with strong financial performance of the operating companies
- strong track record and experience of the e& Group and PPF Group, with accomplished executive management, backed by strong shareholder support.

The Group aims to achieve its mission through the following strategy:

- further expansion of its customer and revenue base
- continuous investment in infrastructure, innovation, and technology
- continued optimisation, vertical integration and realisation of synergies within the Group
- continued focus on cash flow generation with conservative financial profile and policy.

Business model

The Company is a holding company for entities active in the telecommunications sector. As of 31 December 2024, the Group's main subsidiaries exercised two different operating models:

Wholesale infrastructure provider

Used by CETIN Slovakia, CETIN Hungary, CETIN Bulgaria, and CETIN Serbia

Wholesale providers of fixed and mobile telecommunications infrastructure to all telecommunications operators on equal and transparent footing. Wholesale providers do not provide services directly to end users.

CETIN Slovakia, CETIN Hungary, CETIN Bulgaria, and CETIN Serbia are owners of mobile telecommunications infrastructure in their respective countries, formerly owned and operated by O2 Slovakia, Yettel Hungary, Yettel Bulgaria, and Yettel Serbia, respectively.

Main products and services
Mobile network services – provided on a wholesale basis predominantly for O2 Slovakia, Yettel Hungary, Yettel Bulgaria, and Yettel Serbia, respectively.

Mobile operator

Used by O2 Slovakia, Yettel Hungary, Yettel Bulgaria, and Yettel Serbia

The subsidiaries in these segments are mobile telecommunications providers in different national markets. They provide services to end users in retail, corporate and government institutions market segments. They market their services to retail users through a network of its own shops and to corporate and government institutions customers through its own sales representatives. These companies own mobile spectrum licences for their services. They do not own most of the physical infrastructure required for the provision of its services; the infrastructure services are subcontracted to CETIN Slovakia, CETIN Hungary, CETIN Bulgaria, and CETIN Serbia, respectively.

Main products and services
Mobile services – Internet and data, voice services, multimedia message services and short message services on a contract or prepaid basis through a spectrum of tariffs targeting different market segments.

Fixed services – Internet connectivity, data and TV and fixed voice services, offered through a combination of FWA (Fixed Wireless Access) service through own mobile networks or through wholesale access to other operators' networks.

Sales of devices – handsets, accessories, and other devices complementary to the telecommunications services and products provided by the company.

Other mobile services – mainly provision of mobile network services on a wholesale basis.

Information and communication technology services – complex customer solutions and managed services, mainly system integration, outsourcing services, project solutions and software development.

Group level

The Company does not have own operations. The senior management team of the Group comprises experienced executives from e& Group and PPF Group with extensive experience in the telecommunications sector, mainly in the CEE region, and the top level of the management in the Group's operating subsidiaries with vital local knowledge and expertise. The role of the management teams in segments is to deliver operational and financial objectives set by the Group through managing commercial, financial, and regulatory aspects of the subsidiaries' operations. The senior management of the Group is involved in determining the Group's strategy, setting objectives for the subsidiaries, managing the human resources responsible for the delivery of these objectives, and managing knowledge transfer between the subsidiaries to spread best practice across the segments in commercial, operational, purchasing, organisational, technological, procurement, financial and other aspects of their operations.

Discontinued operations

O2 Czech Republic Segment operates as a convergent commercial telecommunications operator. The company is a leading fixed and mobile convergent telecommunications provider in Czechia. The company provides services to end users in retail, corporate and government institutions market segments. The company markets its services to retail users through a network of its own shops and to corporate and government institutions customers through its own sales representatives. The company owns mobile spectrum licences for its services and owns and operates core of the radio access networks. The company does not own most of the physical infrastructure required for the provision of its services; the infrastructure services are subcontracted mainly to CETIN Czechia.

Main products and services
Mobile services – Internet and data, voice services, multimedia message services and short message services on a contract or prepaid basis through a spectrum of tariffs targeting different market segments.
Fixed services – Internet connectivity, data and TV and fixed voice services, offered on a standalone basis or in a bundle with other fixed and mobile services.
Sales of devices – handsets, modems, TV set-top boxes and other devices complementary to the telecommunications services and products provided by the company.
Other mobile services – mainly provision of mobile network services on a wholesale basis to virtual operators.
Information and communication technology services – complex customer solutions and managed services, mainly system integration, outsourcing services, project solutions and software development.

CETIN Czechia Segment operates as a wholesale infrastructure provider, with broader range of assets and services than other infrastructure segments in the Group. It is the owner and operator of the largest telecommunications infrastructure portfolio in Czechia, namely the largest fixed access network in the country, comprising both metallic and fibre lines; radio access network for mobile services in the eastern part of the country and operated in network sharing arrangement with another leading mobile infrastructure operator, T-Mobile Czechia; transport network and data centres connecting the fixed and radio access networks; points of presence, transport network and switching equipment for transit of international voice calls. CETIN Czechia uses radio access network for mobile services in the western part of the country operated by T-Mobile Czechia in network sharing arrangement. CETIN Czechia manages an extensive portfolio of real estate properties across the country as an owner or as a lessee, housing its telecommunications equipment.

CETIN Czechia divides its business activities into two very different business lines – provision of national network services and international transit services. These two business lines operate in different types of markets; the services are largely provided via different assets, and their business models, profitability and investment demands are fundamentally different.

The national network services primarily consist of mobile network services, mass fixed-line network services – network access service, xDSL, FTTH/FTTC, IPTV and voice service, data services, data centres and other services. Their main customers are service providers in the Czech telecommunications market. These services yield gross margins at industry standard level, which the Company reinvests in the development of network infrastructure for the provision of these services.

The international transit services primarily consist of the transmission of international voice traffic for international operators from all over the world. Considerable revenues with a very low margin that require minimum operating and capital costs are characteristic of this type of services.

Main products and services
Mobile network services – CETIN Czechia is the main provider of mobile network services for O2 Czech Republic. It also operates the mobile network for T-Mobile Czechia in half the country through a shared network. The lease transmission station capacity is a secondary source of income.
Mass fixed-line network services – CETIN Czechia primarily offers all operators in the Czech market services involving access to the fixed-line network for the vast majority of housing units in the country, together with related voice services, xDSL or fibre broadband Internet access (broadband, FBB), IPTV paid television, local-loop unbundling (VULA and LLU) and technology collocation.
Data services – CETIN Czechia also provides operators with data services on leased lines for their corporate customers.
International transit services – CETIN Czechia provides international operators from all over the world with the

transmission of international traffic, primarily voice.
Other services – This category includes the lease of dark fibres, housing in data centres, national interconnection services, support services for roaming, forced network transfers, duct hire and other associated services.

2024 highlights

In 2024, the continuing operations of the Group showed sound operational and financial performance and continued developing its telecommunications assets.

The Group's O2 and Yettel commercial operators continued improving the quality and availability of their network services for customers in retail as well as corporate and government market segments. The availability of 5G mobile services was further extended, and opportunities in fixed-mobile convergence were actively pursued.

Yettel Hungary and Yettel Bulgaria have been increasing the penetration of their fixed broadband access, using FWA technology through the radio access network owned and operated by CETIN Hungary and CETIN Bulgaria. Yettel Serbia has been increasing the market share of its own proposition of fixed broadband access, through the fixed network owned and operated by Telekom Srbija (mts).

The Group's CETIN infrastructure companies focused on exploring synergies in their operating model, purchasing, network construction and system development.

CETIN Slovakia, Hungary, and Bulgaria continued upgrading their mobile network infrastructure for 5G requirements.

CETIN Serbia continued improving the availability and the capacity of its mobile network infreastructure in line with the growing demand for mobile data services, and in preparation for the introduction of 5G services.

O2 Networks s.r.o. changed its name to CETIN Networks s.r.o. effective 1 January 2024.
In June 2024 CETIN Czechia has sold the customer base of Nej.cz, an internet service provider acquired in November 2023, to O2 Czech Republic, retaining the infrastructure of Nej.cz.

In October 2024, the Group has executed the pre-closing reorganisation required for the transaction between PPF Group and e& Group.

The Group divested its Czech assets CETIN a.s. and O2 Czech Republic a.s., and their immediate holding companies CETIN Group N.V. and PPF Comco N.V. CETIN International N.V. was established as a holding company for CETIN operators in Slovakia, Hungary, Bulgaria, and Serbia, replacing the function of CETIN Group within the Group. The transaction between PPF Group and e& Group was successfully closed on 24 October 2024, e& Group became the majority shareholder of the Group, and the Company's name was changed to e& PPF Telecom Group.

In October 2024, the Company has published its 2023 Sustainability report.

In December 2024 the Group acquired the remaining 25% shares in its Hungarian assets, raising its ownership of Yettel Hungary to 100% and CETIN Hungary to 70%.

The Company and its subsidiaries sustained their strong commitment to financial discipline and maintained ratings from all major rating agencies. The ratings from all agencies improved in October 2024, in the wake of the successful closing of the transaction between e& Group and PPF Group and the new financial policy:

Rating agency	**31 December 2023**	**31 December 2024**
Standard&Poor's	BB+, CreditWatch Positive	BBB-, Stable
Moody's	Ba1, Negative	Ba1, Stable
Fitch	BBB-, Stable	BBB, Stable

Key results

Operational performance

The Group has continued increasing the number and quality of its mobile customer base and further developing its portfolio of subscribers to fixed broadband and PayTV services.

As at 31 December 2024, the Group's operating companies served a total of 12.2 million active mobile subscribers, showing a significant year-on-year drop due to the divestment of the Czech assets. Mobile customer base of the continuing operations marginally declined year on year, a result of the Group's continued focus on consumer postpaid and B2B[2] segments. The share of contract customers in the base (excluding mobile-to-mobile) across the continuing operations has further increased in 2024 by 1 percentage point to 73%[3]. This migration of customers to higher value contracts, driven by continued demand for mobile data, has contributed to further growth of ARPU[4]. ARPU growth was further driven by price adjustments reflecting the enhanced product content and inflationary pressure in most markets.

The fixed broadband customer base has dropped significantly year on year due to the divestment of the Czech assets. The customer base of the continued operations has grown by 40% compared to the previous year, the growth being driven mainly by the rapid expansion of FWA client base in Hungary and Bulgaria, and fibre connections in Serbia and Slovakia. The Group's own PayTV platform has been successfully growing in step with its fixed customer base, reaching a total of 251 thousand subscribers across the Group, having grown more than 50% year on year across the continuing operations.

O2 Slovakia reported moderate customer and ARPU growth of 0.6% and 2.7% year on year, respectively, and further progress in converting prepaid subscriptions to contracts. Fixed broadband services, provided through FWA as well as through a wholesale access to Telekom Slovakia's fibre network have grown by 22% in 2024, driven by rapidly expanding fibre services, reaching 93 thousand subscribers by the end of the year.

Yettel operators reported resilient mobile business performance with modest growth in mobile traffic and data consumption, driven by 5G and unlimited tariffs, and growing contract customer base. New focus was on complementing mobile services with fixed broadband proposition and gaining foothold in the fixed market.

Yettel Hungary's mobile customer base has declined by 1.1% year on year due to the continued focus on consumer postpaid and B2B segments, with significant ARPU growth driven mainly by price adjustments to compensate for the inflation. The fixed broadband customer base has reached 97 thousand subscribers, having grown by more than 50% year on year.

Yettel Bulgaria's mobile customer base decreased by 1.6%, affected by the consolidation of customers with multiple subscriptions, and continued focus on consumer postpaid and B2B segments. Sound ARPU growth was achieved mainly through price adjustments to compensate for inflation, enhanced products, and continued upselling. Contract subscriptions maintain very high share within the customer base. Fixed broadband customer base has grown by more than 50% in 2024, having reached 107 thousand subscriptions through FWA.

Yettel Serbia's mobile customer base has grown marginally by 0.1 %, with sound progress in converting prepaid subscriptions to contracts. This contributed to strong ARPU growth, that was further reinforced by price adjustments to compensate for the inflation. Fixed broadband services, provided through a wholesale access to Telekom Srbija's fibre network have grown by a third in 2024, reaching 121 thousand subscribers.

Non-financial KPIs

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[2] Business-to-Business

[3] Mobile subscriber base consists of subscribers with a long-term, postpaid contract, subscribers using prepaid cards and subscribers to M2M (mobile-to-mobile) services. The share of contract subscribers is calculated as the number of contract subscribers divided by the sum of contract and prepaid subscribers, excluding the M2M accounts. M2M subscribers are a dynamically growing sector, with only limited services required and therefore substantially lower ARPU, compared to the traditional subscribers with contract or prepaid cards.

[4] Average Revenue Per Customer

Mobile services as of 31 December 2024

		1. O2 Slovakia Segment	***3. Yettel Hungary Segment***	***5. Yettel Bulgaria Segment***	***7. Yettel Serbia Segment***	***9. O2 Czech Republic Segment***	***Group continuing operations***
mobile subscribers	thousands	2,343	3,662	3,184	3,031	Divested	12,220
y-o-y growth	*per cent*	*1.7%*	*-1.1%*	*-1.6%*	*0.1%*	Divested	*-0.4%*
mobile contract subscribers	per cent of total	63%	74%	85%	68%	Divested	73%
y-o-y growth	percentage points	1	1	-	4	Divested	1
mobile ARPU	EUR	11.6	15.8	12.2	11.6	Divested	13.1
y-o-y growth	*per cent*	*2.7%*	*9.7%*	*5.2%*	*10.5%*	Divested	*1.6%*

Fixed services as of 31 December 2024

		1. O2 Slovakia Segment	***3. Yettel Hungary Segment***	***5. Yettel Bulgaria Segment***	***7. Yettel Serbia Segment***	***9. O2 Czech Republic Segment***	***Group continuing operations***
fixed broadband subscribers	thousands	91.6	96.5	107.1	121.3	Divested	416
y-o-y growth	*per cent*	*22%*	*53%*	*54%*	*34%*	Divested	*40%*
Pay TV subscribers	thousands	27.2	42.2	74.6	107.1	Divested	251
y-o-y growth	*per cent*	*39%*	*48%*	*116%*	*32%*	Divested	*53%*
fixed voice subscribers	thousands	n/a	n/a	97	11.1	Divested	108
y-o-y growth	*per cent*	*n/a*	*n/a*	*(4%)*	*42%*	Divested	*(1%)*

CETIN Slovakia, CETIN Hungary, CETIN Bulgaria, and CETIN Serbia provide wholesale infrastructure services mainly to O2 and Yettel operators and currently do not have meaningful operational KPIs.

Revenues, costs, and operating profit

The Group's total reported revenues of EUR 3,531 million were 6.5% lower than in 2023, due to the divestment of the Czech segments in October 2024.
The Group's consolidated revenues from continuing operations of EUR 2,123 million have grown 7.5% over the previous year, driven by the monetisation of continued demand for mobile data consumption. The year-on-year improvement was partially helped by price increases, compensating elevated inflation of costs. The operating profit before interest, taxes, depreciation, and amortisation (EBITDA) from continuing operations grew by 12% year on year, driven by the topline growth and the Group's continued focus on operational efficiencies and savings.

O2 Slovakia's reported revenue and EBITDA growth in 2024 was 4.0% and 2.6% year on year, respectively, as a result of growing contract customer base and ongoing efficiency improvement programme.

Yettel Hungary reported revenue and EBITDA growth of 6.3% and 14% year on year, respectively, as a result of growing contract customer base and ongoing efficiency improvement programme.

Yettel Bulgaria reported revenue and EBITDA growth of 6.6% and 7.9% year on year, respectively, as a result of growing contract customer base and ongoing efficiency improvement programme.

Yettel Serbia reported revenue and EBITDA growth of 10% and 19% year on year, respectively, as a result of growing contract customer base, price adjustment compensating for the inflation, and ongoing efficiency improvement programme.

CETIN Slovakia, CETIN Hungary, CETIN Bulgaria, and CETIN Serbia, whose revenues come predominantly from Group's subsidiaries, have reported a 9.2% revenue growth, driven mainly by strong demand for further modernisation of 5G mobile infrastructure and growth in its capacity, helped by price adjustment compensating for the inflation. The combined EBITDA of the four segments reflected the topline growth, having increased 14% year on year.

Depreciation and Net Profit

The amount of depreciation (including leases-related right-of-use assets), amortisation, and impairment charges from continuing operations increased in 2024 compared to previous period, reflecting robust investment programme. The net profit of the Group from continuing operations, excluding the net gain from the sale of the discontinued subsidiaries, declined 6% year on year to EUR 289 million, due to increased depreciation and amortisation charges, impairment loss, finance costs, and adverse foreign currency exchange rates development compared to 2023. The net profit from discontinued operations, divested in October 2024 amounted to EUR 173 million, lower than in the previous year because the divested assets contributed to the Group's results for only 9 months in 2024.
The Group has reported net gain from the sale of the discontinued subsidiaries to the amount of EUR 2,414 million. The total net profit of the Group thus amounted to EUR 2,876 million.

Capital expenditure

In 2024, the continuing operations of the Group acquired fixed assets totalling EUR 352 million. These investments were mainly channelled in further development of the Group's telecommunications infrastructure. The main investment projects were related to the roll-out of 5G mobile networks and the related modernisation of the network infrastructure across most segments.

O2 Czech Republic continued investing in content rights for its leading IPTV platform and upgrading its IT systems. CETIN Czechia continued accelerating the roll-out of fibre in its national broadband network to protect its market leadership position.

The total capital expenditure of the Group including discontinued operations was EUR 747 million.

Current assets

The cash position of the Group and its trade receivables have decreased significantly as of 31 December 2024 due to the divestment of the Czech segments in October 2024.

Fixed assets

In 2024, the total value of fixed assets of the Group decreased significantly due to the divestment of the Czech segments in October 2024. As at 31 December 2024, non-current assets stood at EUR 3,062 million, tangible assets had a net book value of EUR 864 million, while the net book value of intangible assets and goodwill reached EUR 1,779 million.

Right-of-use assets recorded at a net book value of EUR 286 million represent mainly the value of real estate leases for mobile sites, office and technology buildings with network installations.

For detailed information, see Notes E.6, E.7, and E.18.1 of the accompanying consolidated financial statements.

Debt and equity

Financing at e& PPF Telecom Group level

Bonds

In March 2019, the Company established a EUR 3,000 million Euro Medium Term Note Programme, of which a total of EUR 1,650 million was utilised as of 31 December 2024, in three issues of Eurobonds from 2019 and 2020, with no changes during 2024.

Bank loans

As of 31 December 2023, the Company had utilised a EUR 600m term loan due in June 2028 and a EUR 250 million term loan due in April 2026.
The Company had also available a EUR 600m backstop facility (undrawn) due in May 2026.
In October 2024, as part of pre-closing reorganisation required for the transaction between PPF Group and e& Group, the Company has transferred the two term loans to PPF TMT Holdco 2 B.V., its immediate parent company, and the backstop facility was cancelled.
In November 2024, the backstop facility was replaced with a new committed EUR 1,200m general purpose revolving credit facility (RCF, as at 31 December 2024 undrawn) as a liquidity backstop for its outstanding Eurobonds. Together with the RCF, the Company signed a EUR 246m committed term loan, that was drawn in December 2024 to finance the purchase of the remaining 25% stakes in Hungarian segments.
During the pre-closing reorganisation, the Company had available interim financing facilities.

Financing at CETIN Group level

Bank Loans

In August 2021, CETIN Group established up to EUR 1,650 million term and revolving credit facilities ("**RCF**") agreement. As at 31 December 2023, the aggregated outstanding amount of bank loans under this agreement was EUR 955 million, and a EUR 197 million was utilised from the RCF.
In October 2024, as part of pre-closing reorganisation required for the transaction between PPF Group and e& Group, CETIN Group has decreased the total utilised amount of these facilities to EUR 707 million, having repaid EUR 248 million of the bank loans and EUR 197 million of the RCF. Subsequently, the Company has divested CETIN Group together with these liabilities.

Bonds

In April 2022, CETIN Group established a EUR 2,000 million Euro Medium Term Note Programme, of which EUR 500 million was utilised as at 31 December 2023.
In October 2024, as part of pre-closing reorganisation required for the transaction between PPF Group and e& Group, the Company has divested CETIN Group together with this liability.

Shareholder loans

As at 31 December 2023, CETIN Group had EUR 122.5 million shareholder loan from the Company and EUR 52.5 million from Roanoke Investment, both due in April 2025.
In October 2024, as part of pre-closing reorganisation required for the transaction between PPF Group and e& Group, the Company has divested CETIN Group together with these liabilities.

Financing at O2 Czech Republic level

Bank Loans

In May 2020, O2 Czech Republic obtained an unsecured facility, denominated in CZK, of which the equivalent of EUR 190 million was utilised as at 31 December 2023.
In October 2024, as part of pre-closing reorganisation required for the transaction between PPF Group and e& Group, the Company has divested O2 Czech Republic together with its liabilities.

Overview of external debt (at nominal values)

Level	Instrument	Due Date	Amount 31 Dec 2023	Amount 31 Dec 2024	Comment
e& PPF Telecom Group	2023 Term loan	May 2028	EUR 600 million	-	Transferred to PPF TMT Holdco 2
	2023 Term loan	Apr 2026	EUR 250 million	-	Transferred to PPF TMT Holdco 2
	Backstop facility	*May 2026*	*EUR 600 million*	-	Cancelled
	RCF	*Nov 2029*	-	*EUR 1,200 million, undrawn*	Covering upcoming bond maturities[5]
	2024 Term loan	Nov 2029[6]	-	EUR 246 million	Utilised in Dec 2024
	Eurobond	Jan 2025	EUR 600 million	EUR 600 million	No change[7]
	Eurobond	Mar 2026	EUR 550 million	EUR 550 million	No change
	Eurobond	Sep 2027	EUR 500 million	EUR 500 million	No change
CETIN Group	Eurobond	Apr 2027	EUR 500 million	-	Divested in Oct 2024
	2021 Term loan	Aug 2026	EUR 511 million	-	Divested in Oct 2024
	2021 Term loan	Nov 2026	EUR 444 million	-	Divested in Oct 2024
	RCF	Aug 2026	EUR 197 million	-	Divested in Oct 2024
	Shareholder loan	Apr 2025	EUR 52.5 million	-	Divested in Oct 2024
O2 Czech Republic	2020 Term loan	May 2025	EUR 190 million	-	Divested in Oct 2024
TOTAL			**EUR 4,395 million**	**EUR 1,896 million**	**Decreased by EUR 2,499 million**

The total consolidated indebtedness of the Group as at 31 December 2024 thus represented EUR 1.9 billion, EUR 2.5 billion less than in 2023 (at nominal values), with debt concentrated at the Company level and with maturity significantly extended through new bank facilities. For detailed information, see Notes E.11 and E.12 of the accompanying consolidated financial statements.

The owner's equity of the Group decreased to EUR 0.5 billion as at 31 December 2024 due to the divestment of the Czech segments in October 2024. The main positive contribution to equity was EUR 2.9 billion of net profit achieved in 2024, offset mainly by the distributions to shareholders.

The debt-to-assets ratio[8] remained at the same level of 0.88 and the debt-to-equity ratio[9] grew slightly from 7.39 to 7.42.

Profit distribution and other payments to shareholders

The consolidated net profit of the Group in 2024 reached EUR 2,876 million. The Company paid EUR 2,240 million in dividends to its controlling shareholders, while non-controlling shareholders of the Company's subsidiaries received EUR 561 million in dividends.

Cash flows

[5] EUR 600 million was utilised in January 2025 to repay the maturing EUR 600m Eurobond
[6] Including a prolongation option of the borrower
[7] Repaid on maturity in January 2025, utilizing partially the new RCF
[8] Debt to assets = total liabilities/total assets
[9] Debt to equity = total liabilities/owners' equity

Operating cash flows
Consolidated net cash from operating activities of the Group, comprising both continuing and discontinued operations, reached EUR 1,447 million, similar to the previous year.

Investment cash flows
Cash used for purchases of tangible and intangible assets consisted mainly of EUR 699 million investments in the development of the telecommunications infrastructure.
Free cash flows before acquisitions and divestments[10] reached EUR 760 million. The Group received EUR 3,426 million of proceeds from the sale of its Czech assets (net of cash and net of payments for acquisitions).

Financing cash flows
Repayments of bank loans in 2024 were EUR 1,295 million, comprising refinancing of the Group's bank facilities, and the Group received proceeds from the new EUR 246 million term loan that was used to partially fund the acquisition of the remaining 25% stakes in Hungarian assets.

Extraordinary financing cash flows
The Group recorded a series of financing activities connected to the internal reorganisation preceding the sale of the controlling stake in PPF Telecom Group B.V. to e& Group, to the actual sales transaction between PPF Group and e& Group.
The Group received a total of EUR 735 million in contribution from Roanoke Investment for the establishment of CETIN International and for the purchase of the remaining 25% stake in CETIN Hungary, EUR 157 million as consideration for the share in CETIN Slovakia, and paid EUR 345 million back to Roanoke Investment following the sale of CETIN Group's assets to CETIN International.
Following the divestment of Czech assets, the Group received a total of EUR 453 million in repaid intragroup loans, related to these assets, and paid out EUR 1,056 million in excess share premium.
The Group paid EUR 299 million in consideration for the purchase of the remaining 25% stakes in assets in Hungary.
After net interest payments of EUR 188 million and lease payments of EUR 121 million, the total pre-dividend cash flows generated in 2024 were EUR 2,432 million. The Group distributed a total of EUR 2,801 million in dividends.
The closing cash position of the Group was EUR 269 million.

For detailed information, see the accompanying consolidated statement of cash flows for the financial year ended on 31 December 2024.

Business outlook

The Group will continue growing its revenue base within the current telecommunications market, primarily through organic growth. The Group's long-term focus is to maintain a low churn rate of customers and improve its mobile customers mix to ensure a continued upward trend in ARPU. The Group aims to build on the individual company's strengths and synergies and capitalise on trends in the telecommunications market, especially increasing data usage and demand for content offering, availability of fixed and mobile convergent proposition and evolving its existing portfolio of products and services to meet clients' expectations. To maintain a leading position in its respective telecommunications markets and to ensure the high quality of services, the Group plans to continue investing substantial amounts in the modernisation of its infrastructure and in the development of new products and services, such as hardware and insurance and procuring licences for its current or future services, including new 5G spectrum and renewals of the existing licences, if needed. The Group is in the process of upgrading its infrastructure to capture the growing demand for data consumption and to facilitate speed upgrades.

The Group will continue investing in the development of new telecommunication solutions and products, to sustain or extend its market positions in local markets. At the local level, segments will continue developing tactical solutions and products for its local markets. The Group's executive management will continue researching and developing strategic solutions around emerging technologies and trends so that they can be efficiently deployed

[10] Net cash from operating activities less purchase of PPE and intangible assets plus proceeds from disposal of PPE and intangible assets

across the whole Group. The Group will continue monitoring markets for potential opportunities to acquire targets with a strong strategic fit and added value for the Group, while remaining within its financial policy.

The Group's strong and reliable operating cash flows together with its cash reserves and undrawn credit facilities provide sufficient liquidity for its intended future business activities, capital investments, and for meeting its liabilities towards its creditors, including banks and bondholders. The Group will continue monitoring the financial markets and may consider further refinancing parts of its debts or exploring other ways of optimising its capital structure and benefit from potentially favourable market conditions. The Group will remain focused on increasing the efficiency and high levels of staff loyalty of the workforce in its subsidiaries through local training, personal development, and performance management programmes. The Group will continue investing substantial amounts in the development of more efficient internal systems to further increase the time spent by its employees on value added activities, especially in customer-facing positions. The Group will also remain focused on sharing its best practices in retail and operations, procurement, technology transformation, management, and the structuring of its subsidiaries, to create synergies and efficiencies to be reinvested in telecommunications infrastructure, licences, products and services that will sustain its leading market position.

The Group will continue enhancing its Sustainability strategy and will continue reporting on its contribution to the improvement of the environment, global climate, human rights and social development.

Organisational structure, management, and staff development

Senior Management

The following table sets forth the members of the senior management of the Group (the "**Senior Management**") appointed as of 31 December 2024.

Name	Position	Commencement of Current Term of Office
Balesh Sharma	Chief Executive Officer	18 July 2022
Murat Kirkgöz	Chief Financial Officer	24 October 2024
Branimir Marić	Chief Technology and Information Officer	1 June 2024
Marek Sláčík	Chief Commercial Officer Chief Sustainability Officer	1 April 2021
Jan Kadaník	Chairman of the Board of CETIN International N.V.	30 September 2024
Juraj Šedivý	Chief Executive Officer of CETIN International N.V.	30 September 2024
Igor Tóth	Chief Executive Officer of O2 Slovakia	1 January 2021
Igor Přerovský	Chief Executive Officer of Yettel Hungary	1 September 2023
Jason King	Chief Executive Officer of Yettel Bulgaria	1 September 2018
Mike Michel	Chief Executive Officer of Yettel Serbia	8 October 2018

The Chief Financial Officer is an employee of the Company. Other members of the Senior Management are employees of PPF Group or of a relevant subsidiary of the Company.

The Company has two employees, the Chief Financial Officer and the Group Accountant. All other Group employees are employed by the subsidiaries of the Company. The Company's organisational structure comprises Finance department only.

Staff development

The average number of employees for continuing operations during 2024 remained stable, having reached 7,047, a 3.2% increase compared to 2023, mainly due to hiring employees for new projects.

Social and environmental aspects of operating the business

The Company has no operations. Operations are conducted by the segments of the Company The segments have their own social policies that are reflective of specific local regulatory requirements and of specific local challenges

and opportunities to contribute to the larger society. The Group is contributing to the efforts by enabling and instigating transfer of best practices across its segments.

Accelerating technology for sustainable future

The segments dedicate ample resources to research and development, primarily in the field of telecommunications technology development and related IT systems. The very nature of telecommunications contributes to solutions to some of the current social and environmental challenges. The segments provide a technology foundation for stable and secure communication of the individuals, communities, and the society in its operating countries by connecting people, organisations, and businesses at a level previously not possible, offering uninterrupted mobile voice and data connections anytime and in almost any location, providing means of communication, access to information, increased security, convenience, education and entertainment to ever larger groups of the population. This enables software and solutions developers to invent and deliver still new solutions that are profoundly changing the way of life for individuals and the way of doing business for companies and entrepreneurs. These new solutions often call for new advances in telecommunications and the two industries operate in a virtuous cycle, driving further innovations and growth of the telecommunications business.

Besides developing and using technology for sustainable future, the segments also continue with their dedicated respective corporate citizenship programmes.

Safeguarding cyber security, digital and personal data

As privacy and security are top of mind for the society, each operating segment of the Group is continuously working on improving the privacy of its customers' data and increasing the resilience of the network against cyber-attacks and cyber frauds. The operating segments are also cooperating with the respective national law enforcement authorities on issues that focus on the safety of individuals and of the public from crime and terrorism.

Another stream of the segments' activities is related to educating and upskilling employees, stakeholders, and communities on the risks and opportunities of digital technologies and how to benefit from them safely.

Reducing our environmental impact

The Group is aware of the importance of maintaining a healthy and undamaged environment for current and future generations. It has therefore incorporated a policy of reducing the environmental impact of its operations, throughout its value chain, whilst leveraging new technologies to facilitate environmental transformation. Initiatives aiming to contribute to the improvement of the environment in 2024 mainly focused on reducing energy consumption, fuel savings and replacing refrigerants in air-conditioning units, which also lead to a reduction in the emission of greenhouse gases and other harmful substances into the atmosphere, and to financial savings. Managing input materials and waste is another important area where the Group contributes to the improvement of the environment.

Safeguarding health, wellbeing, and human rights

All segments are committed to safeguarding health, safety and wellbeing of its employees, customers, partners, suppliers, and communities in which they operate, including workers across the supply chain.

The Group has established standards of responsible network deployment across all segments, and product quality practices for ensuring health and safety of its customers and the communities. Continuous employee training and development is coordinated by the Group and all segments are brought to the Group's best practice standards. The Group plays the same role in establishing the best practice in occupational health and safety across all segments.

The Group segments operate within the national and international supply chains for telecommunications equipment, software, and network construction materials. The Group pays close attention to the selection of its suppliers, choosing them from the world's most reputable providers, and requiring certificates of quality and compliance of the products with all standards and regulations relevant to the import and operation of these products. In 2024, the Group has further strengthened its commitment to high standards of social and environmental sustainability and business ethics throughout their value chain by adopting a formal Supplier Code of Conducts. The Code establishes the minimum behaviours, standards, and practices that the Group expects and requires its suppliers to comply with.

Code of conduct

PPF Group, the former ultimate parent and the current significant minority shareholder responsible for the operations of the Group, has implemented a Corporate Compliance programme which sets out the fundamental principles and rules of conduct for all employees in the Group and enables compliance checks and putting remedies in place when shortcomings are discovered, or objectionable or illegal conduct identified. An important part of the programme is the PPF Group Code of Ethics, dealing, among other topics, with the protection of human rights and the prevention of corrupt conduct in all Group activities. Internal guidelines entitled Corporate Compliance Internal Investigation further regulate how workers, managers and the governing and inspection bodies of PPF Group should proceed in case of suspicion, investigation and discovery of actions that are unethical or improper and/or contrary to legal regulations or the Code of Ethics of PPF Group. PPF Group's Corporate Compliance programme remains in effect within the Group, as per the agreement between PPF Group and e& Group.

The Group is also working with partners and suppliers to ensure dignity and equality across its value chain.

Corporate governance

The Company has a management structure consisting of its Board of Directors (bestuur in Dutch) (the "**Board of Directors**"). The Board of Directors represents the Company in all matters and is charged with its day-to-day business management. The Company has no administrative, management or supervisory body other than the Board of Directors.

Board of Directors

The Board of Directors is the Company's statutory body, which directs its operations and acts on its behalf. The Company's general meeting (the "**General Meeting**") elects the members of the Board of Directors for a term of office determined by the General Meeting at its sole discretion. Re-election of the members of the Board of Directors is permitted. Pursuant to the Company's Articles of Association (*statuten* in Dutch) (the "**Articles of Association**"), the Board of Directors has at least one member. As of the date of this report, all five members of the Board of Directors are executives.

All members of the Board of Directors are obliged to perform their tasks and duties related to the office in the best corporate interest of the Company and the undertaking attached to it, as required under Dutch law. Pursuant to the Articles of Association, the members of the Board of Directors are authorised to solely and independently represent the Company.

The following table sets forth the members of the Board of Directors appointed as of 31 December 2024:

Name	Position	Commencement of Current Term of Office
Ilya Kiykov	Director A, Chairman of the Board of Directors	24 October 2024
Jaap Johan van der Vlies	Director A	24 October 2024
Murat Kirkgöz	Director A	24 October 2024
Jan Cornelis Jansen	Director B	16 October 2013
Lubomír Král	Director B	16 October 2013

The business address of all members of the Board of Directors is at Zuidplein 168, 1077 XV Amsterdam, in Netherlands[11].

Composition of the Board of Directors

The size and composition of the Board of Directors and the combined experience and expertise of their members should reflect the best fit for the profile and strategy of the Company. This aim for the best fit, in combination with the availability of qualifying candidates, has resulted in the Company currently having a Board of Directors in which all five members are male.

[11] This address is valid since 7 January 2025; formerly Netherlands, Strawinskylaan 933, 1077XX Amsterdam

Audit, Risk and Compliance committee

As the Company's securities aren't traded on a regulated market, the Company isn't a Public Interest Entity and as such it is not required to have established an audit committee.
Although the Company is not required to establish an audit committee, following the closing of the transaction between e& Group and PPF Group, the shareholders have agreed to include such a committee in the corporate governance structure. The following table sets forth the members of the Audit, Risk and Compliance committee as of 31 December 2024:

Name	Position	Commencement of Current Term of Office
Karim Bennis	Chairman	22 November 2024
Mohamed Dukandar	Member	22 November 2024
Nitin Kumar	Member	22 November 2024
Kateřina Jirásková	Member	22 November 2024
Lubomír Král	Member	22 November 2024

Nomination and Remuneration committee

Following the closing of the transaction between e& Group and PPF Group, the shareholders have agreed that Nomination and Remuneration committee shall be established. The following table sets forth the members of the committee as of 31 December 2024:

Name	Position	Commencement of Current Term of Office
Petr Janák	Chairman	22 November 2024
Ali Al Mansuri	Member	22 November 2024
Khalifa Al Shamsi	Member	22 November 2024

Information supply and computerisation

The Group's IT applications and systems are decentralised by segments. Back-office systems in use are mostly industry standard applications, mainly desktop office applications and ERP systems by SAP and Oracle, with certain levels of customisation. Telecommunications network management systems are mostly industry standard systems supplied by technology vendors. Customer-facing systems are mostly developed internally and tailored to specific local requirements, market conditions, regulation, and commercial opportunities.

Risk management

The Group has implemented a robust set of risk management procedures throughout all material segments, to ensure business continuity and emergency preparedness. The uncertainties and risks that the Group may be facing are continually identified by all segments and evaluated for their potential financial impacts and risk likelihood. Significant risks are periodically monitored, while preventive measures are applied to effectively limit the impact or likelihood of risks. The effectiveness of the measures is periodically reviewed by management.

Strategic uncertainties

The Group's main strategic uncertainties stem from potential changes in the market environment, including regulatory issues, new entrants, new technologies, economic developments, and global phenomena such as pandemics. The Group's key mitigants of these potential risks are geographical diversification and a dedicated team of accomplished industry professionals at the Group level, monitoring the developments in the individual segments in the global environment, making critical decisions about technology investments and marketing strategies in the segments to anticipate and avert or minimise the potential risks.

Operating risks

Operating risks in the segments primarily concern issues of network capacity and quality, business critical systems and cybersecurity. The Group's dedicated executive team plays an important role in further improving the resilience of the segments against operating risks by transferring best practices across the segments and by taking decisions on investment programmes and future developments of critical network and systems capabilities. All Group's subsidiaries comply with EU's General Data Protection Regulation and the derived national laws and regulations. In compliance with the GDPR requirements the Group's subsidiaries established rigorous security standards for storage, treatment, and processing of personal data. Consequences of international conflicts such as the invasion of Ukraine might indirectly affect the operations of the Group in the future, mainly through disruption of supply chain and macroeconomic factors. The Group will continue to follow closely the developments, anticipate possible risks, and will have mitigating solutions available.

Financial risks

Financial risks mainly include the effects of changes in debt market prices, foreign currency exchange rates, and interest rates. The Group uses derivative financial instruments and/or non-derivative instruments to hedge potential exposures. At the operational level in the segments, the Group is also facing credit risk from its customers and other debtors, and liquidity risk, stemming from differences in the timing of operating, investing, and financing cash in- and outflows. Risk management is carried out by the treasury departments in the segments in accordance with policies issued at the Group level, where the executive management benefits from the insight into the best practices in the segments.

Credit risk

Under the Group's policy, all customers wishing to trade on credit terms are subjected to credit verification procedures. In addition, receivable balances are continuously monitored, together with the resulting non-significant Group's exposure to bad debts. Most of the risk in 2024 was related to trade receivables from households and individuals, arising from the provision of services to more than 12 million private and corporate customers, followed by the financial services, with 50% stemming from Hungary and Serbia, and the remaining part mostly from Bulgaria, Slovakia and Czechia, in equal measure. The impacts of international conflicts such as the Russian invasion of Ukraine to macroeconomic factors might potentially put receivables collection under pressure and drive bad debt growth. The Group's operating companies are focused on customers' payment discipline and have measures in place helping the customers migrate to online payment methods. As a result, the impact on Group's collection was negligible in 2024.

For detailed information, see Note C.1 of the accompanying consolidated financial statements.

Liquidity risk

The object of the Group's liquidity risk management is to secure access to cash resources sufficient to meet all cash payment obligations as they fall due. The Group collects information from the business units and holding companies regarding the liquidity profile of their financial assets and liabilities and details of other projected cash flows arising from projected future business. A portfolio of short-term liquid assets is maintained to ensure sufficient liquidity. The daily liquidity position is monitored, and regular liquidity stress testing is conducted under a variety of scenarios covering both normal and more severe market conditions.
The Group maintains access to a financing base via bank loans from various banks worldwide, to enhance financing flexibility, limit dependence on any one source of funds and lower the costs.
The Group particularly focuses on its liquidity profile within the time horizon of the next 12-24 months, considering projected cash flow from operations, capital investment requirements, and the maturity structure of both debt obligations and financial investments. 64% of the Group's financial debt (excluding the conditional commitment to acquire NCI's shares) is due in the next 2 years, 32% in 2 to 5 years and the remaining 4% in more than 5 years, however.
For detailed information, see Note C.2 of the accompanying consolidated financial statements.

Market risks

Fluctuations in interest rates or foreign exchange rates might affect the Group's income or the value of its holdings of financial instruments.

The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group is exposed to interest rate risks arising from floating, interest-rate-bearing cash investments and some debt instruments with a floating interest rate. Interest rate sensitivity analyses showed that the impact of a yield-curve movement by a hypothetical one percentage point on the Group's equity would be immaterial.

The Group is exposed to currency risk through transactions in foreign currencies, and assets and liabilities denominated in foreign currencies. Foreign currency risk arises when the actual or forecast assets denominated in a given foreign currency are either greater or less than the liabilities denominated in that currency. It is the Group's policy to hedge such mismatches with derivative financial instruments to eliminate the foreign currency exposure.
The Group's main foreign exposures are towards the countries in which the Group operates. Its exposures are measured mainly in Hungarian forints, Bulgarian levs, and Serbian dinars. As the currency in which the Group presents its consolidated financial statements is the euro, movements in the exchange rates between these currencies and the euro affect the Group's consolidated financial statements and are presented as part of a translation reserve in other comprehensive income. Net investments in foreign operations are not hedged.

As of 31 December 2024, the Group hedged neither the interest risk nor the foreign currency risk at the Company level, due to present market conditions. The Group keeps monitoring the market development to potentially take an appropriate action in the future.

O2 Czech Republic has been hedging cash flows arising from long-term debt denominated in CZK with a floating interest rate to hedge interest rate risk. The used hedging instrument was a combination of several interest rate swaps denominated in CZK. During 2024, the O2 Czech Republic hedged part of the expected payments from a long-term unsecured facility agreement. The Group applied hedge accounting for these hedge instruments.

In 2024, a cash flow hedge of O2 Czech Republic was in effect, and no ineffectiveness was recognised in profit or loss. Czech operations have been divested in October 2024 and risks related to CZK were not managed anymore as of 31 December 2024.

For detailed information, see Note C.3 of the accompanying consolidated financial statements.

Events after the reporting period

On 31 January 2025, the Group has drawn EUR 600m from the available RCF and used the proceeds to repay its maturing Eurobond.
On 12 February 2025, the Group has signed a binding agreement with United Group BV to acquire 100% of SBB d.o.o., a leading cable television and broadband internet service provider in Serbia, for a consideration of EUR 825 million (on a cash free, debt free basis). The deal received regulatory approval in March 2025 and is expected to close in the coming weeks.

21 March 2024

The Board of Directors

e& PPF Telecom Group B.V.

Consolidated financial statements for the year ended 31 December 2024

Table of contents

GLOSSARY **22**
CONSOLIDATED STATEMENT OF INCOME AND OTHER COMPREHENSIVE INCOME **23**
CONSOLIDATED STATEMENT OF FINANCIAL POSITION **24**
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY **25**
CONSOLIDATED STATEMENT OF CASH FLOWS **28**
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS **30**
A. GENERAL **30**
B. CONSOLIDATED GROUP AND MAIN CHANGES FOR THE PERIOD **36**
C. RISK EXPOSURES, RISK MANAGEMENT OBJECTIVES AND PROCEDURES **43**
D. SEGMENT REPORTING **52**
E. ADDITIONAL NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS **57**
F. MATERIAL ACCOUNTING POLICIES **85**
G. SUBSEQUENT EVENTS **101**

Glossary

AC	- amortised cost
ATAD	- anti-tax avoidance directive
CEE	- Central and Eastern Europe
CGU	- cash generating unit
EBITDA	- earnings before interest, tax, depreciation and amortisation
EC	- European Commission
ECL	- expected credit loss
EV	- enterprise value
FVOCI	- fair value through other comprehensive income
FVTPL	- fair value through profit or loss
IFRS-AS	- International Financial Reporting Standards – Accounting Standards
NCI	- non-controlling interests
OCI	- other comprehensive income
PPE	- property, plant and equipment
ROU	- right-of-use assets

Consolidated statement of income and other comprehensive income

For the year ended 31 December

In millions of EUR

	Note	2024	2023 (restated)[1]
CONTINUING OPERATIONS			
Revenue	E1	2,123	1,975
Other income from non-telecommunication services		3	1
Personnel expenses	E2	(208)	(178)
Other operating expenses	E2	(913)	(899)
Gain on sale of investments in subsidiaries	B.2.1	2,414	-
Operating profit excluding depreciation, amortisation, and impairments		**3,419**	**899**
Depreciation and amortisation	E3	(334)	(313)
Depreciation on lease-related right-of-use assets	E18.1	(59)	(55)
Amortisation of costs to obtain contracts	E1.3	(59)	(53)
Impairment loss on PPE and intangible assets	E6, E7.2	(46)	(6)
Operating profit		**2,921**	**472**
Interest income		19	14
Other interest expense		(97)	(94)
Interest expense on lease liabilities		(13)	(10)
Net foreign currency gains/(losses)		(23)	2
Other finance costs	E4	(26)	(18)
PROFIT BEFORE TAX		**2,781**	**366**
Income tax expense	E5.1	(78)	(58)
Net profit from continuing operations		**2,703**	**308**
DISCONTINUED OPERATIONS			
Net profit from discontinued operations	B.2.1	173	234
NET PROFIT FOR THE PERIOD		**2,876**	**542**
Other comprehensive expense[2]			
Foreign operations - currency translation differences		(88)	(4)
Cash flow hedge – effective portion of changes in fair value		(4)	(10)
Disposal and deconsolidation of subsidiaries	B.2.1	(138)	-
Income tax relating to components of other comprehensive expense		1	2
Other comprehensive expense, net of tax		**(229)**	**(12)**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**2,647**	**530**
Net profit attributable to:			
Owners of the Parent[3]		2,799	475
Non-controlling interests	E17	77	67
Net profit for the period		**2,876**	**542**
Total comprehensive income attributable to:			
Owners of the Parent		2,791	458
Non-controlling interests	E17	(144)	72
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**2,647**	**530**

(1) The comparative figures have been restated due to the discontinued operations in the Czech Republic (refer to A.7 and B.2.1)

(2) Items that are or will be reclassified subsequently to profit or loss.

(3) Of the net profit attributable to owners of the Parent totalling EUR 2,799 million (2023: EUR 475 million), the amount of EUR 2,673 million (2023: EUR 183 million) relates to the continuing operations, and EUR 126 million (2023: EUR 292 million) relates to the discontinued operations.

The notes on pages 30 to 101 are an integral part of these consolidated financial statements.

Consolidated statement of financial position

In millions of EUR

	Note	31 December 2024	31 December 2023
ASSETS			
Goodwill	E7.1	968	1,710
Property, plant and equipment	E6	864	2,900
Other intangible assets	E7.2	811	1,545
Right-of-use assets	E18.1	286	496
Costs to obtain contracts	E1.3	36	66
Trade and other receivables	E8.2	8	70
Contract assets	E8.3	29	25
Other assets	E9	44	51
Deferred tax assets	E5.3	16	11
Other financial assets	E8	-	11
Non-current assets		**3,062**	**6,885**
Trade and other receivables	E8.2	232	518
Other financial assets	E8	74	73
Contract assets	E8.3	71	67
Inventories	E9	67	90
Costs to obtain contracts	E1.3	22	24
Other assets	E9	52	71
Cash and cash equivalents	E10	269	642
Current income tax receivables		-	7
Current assets		**787**	**1,492**
TOTAL ASSETS		**3,849**	**8,377**
LIABILITIES			
Debt securities issued	E12	1,046	2,140
Due to banks	E11	240	2,182
Lease liabilities	E18	228	416
Trade and other payables	E13	43	90
Contract liabilities	E8.3	3	56
Provisions	E14	44	67
Deferred tax liabilities	E5.3	30	331
Due to non-banks		-	53
Non-current liabilities		**1,634**	**5,335**
Debt securities issued	E12	629	40
Due to banks	E11	1	22
Lease liabilities	E18	57	93
Trade and other payables	E13	444	815
Contract liabilities	E8.3	29	52
Current income tax liability		19	10
Provisions	E14	16	29
Conditional commitment to acquire NCI´s share	E16.4	564	983
Current liabilities		**1,759**	**2,044**
TOTAL LIABILITIES		**3,393**	**7,379**
EQUITY			
Issued capital*	E15	1	-
Share premium	E15	518	1,575
Other reserves	E16	(772)	(1,161)
Retained earnings		713	89
Total equity attributable to owners of the Parent		460	503
Non-controlling interests	E17	(4)	495
Total equity		**456**	**998**
TOTAL LIABILITIES AND EQUITY		**3,849**	**8,377**

*Issued capital is EUR 701 thousand (2023: EUR 1 thousand).

The notes on pages 30 to 101 are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

In millions of EUR, for the year ended 31December 2024

	Issued capital*	Share premium	Other reserves			Retained earnings	Attributable to owners of the Parent	Attribut-able to NCI	Total
			Translation reserve	Hedging reserve	Reserve for puttable instruments				
Balance as at 1 January 2024	**-**	**1,575**	**(183)**	**5**	**(983)**	**89**	**503**	**495**	**998**
Profit for the period	**-**	**-**	**-**	**-**	**-**	**2,799**	**2,799**	**77**	**2,876**
Currency translation differences	-	-	(64)	-	-	-	(64)	(24)	(88)
Disposals and deconsolidation of subsidiaries (refer to B section)	-	-	61	(2)	-	-	59	(197)	(138)
Cash flow hedge – effective portion of changes in fair value	-	-	-	(4)	-	-	(4)	-	(4)
Tax on items taken directly to or transferred from equity	-	-	-	1	-	-	1	-	1
Other comprehensive expense for the period	**-**	**-**	**(3)**	**(5)**	**-**	**-**	**(8)**	**(221)**	**(229)**
Total comprehensive income	**-**	**-**	**(3)**	**(5)**	**-**	**2,799**	**2,791**	**(144)**	**2,647**

In millions of EUR, for the year ended 31 December 2024

	Issued capital*	Share premium	Other reserves			Retained earnings	Attributable to owners of the Parent	Attribut-able to NCI	Total
			Translation reserve	Hedging reserve	Reserve for puttable instruments				
Total comprehensive income	**-**	**-**	**(3)**	**(5)**	**-**	**2,799**	**2,791**	**(144)**	**2,647**
Increase in share capital	1	-	-	-	-	-	1	-	1
Share premium contributions	-	843	-	-	-	-	843	-	843
Share premium distributions	-	(1,900)	-	-	-	-	(1,900)	-	(1,900)
Dividends to shareholders	-	-	-	-	-	(2,240)	(2,240)	-	(2,240)
Dividends to NCI	-	-	-	-	-	-	-	(561)	(561)
Acquisition of shares in subsidiaries from NCI (refer to B.2.3)	-	-	(22)	-	-	(78)	(100)	(199)	(299)
Sale of shares in subsidiaries to NCI (refer B.2.2)	-	-	-	-	-	116	116	41	157
Conditional commitment to acquire NCI's share – derecognition (refer to E.16.4)	-	-	-	-	983	-	983	-	983
Conditional commitment to acquire NCI's share – origination (refer to E.16.4)	-	-	-	-	(663)	-	(663)	-	(663)
Conditional commitment to acquire NCI's share – net change in the present value	-	-	-	-	99	-	99	-	99
Contributions by NCI	-	-	-	-	-	-	-	735	735
Other distributions to NCI	-	-	-	-	-	-	-	(345)	(345)
Other changes in NCI	-	-	-	-	-	25	25	(25)	-
Other	-	-	-	-	-	2	2	(1)	1
Total transactions with owners of the Parent	1	**(1,057)**	**(22)**	**-**	**419**	**(2,175)**	**(2,834)**	**(355)**	**(3,189)**
Balance as at 31 December 2024	**1**	**518**	**(208)**	**-**	**(564)**	**713**	**460**	**(4)**	**456**

*As at 31 December 2024, the issued capital is EUR 701 thousand.

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

	Issued capital*	Share premium	Other reserves			Retained earnings / (Accumulated losses)	Attributable to owners of the Parent	Attribut-able to NCI	Total
			Translation reserve	Hedging reserve	Reserve for puttable instruments				
Balance as at 1 January 2023	**-**	**1,575**	**(174)**	**13**	**(850)**	**(50)**	**514**	**480**	**994**
Profit for the period	**-**	**-**	**-**	**-**	**-**	**475**	**475**	**67**	**542**
Currency translation differences	-	-	(9)	-	-	-	(9)	5	(4)
Cash flow hedge - effective portion of changes in fair value	-	-	-	(10)	-	-	(10)	-	(10)
Tax on items taken directly to or transferred from equity	-	-	-	2	-	-	2	-	2
Other comprehensive income/(expense) for the period	**-**	**-**	**(9)**	**(8)**	**-**	**-**	**(17)**	**5**	**(12)**
Total comprehensive income	**-**	**-**	**(9)**	**(8)**	**-**	**475**	**458**	**72**	**530**
Dividends to shareholders	-	-	-	-	-	(337)	(337)	-	(337)
Dividends to NCI	-	-	-	-	-	-	-	(58)	(58)
Conditional commitment to acquire NCI's share – net change in the present value (refer to E.16.4)	-	-	-	-	(133)	-	(133)	-	(133)
Other	-	-	-	-	-	1	1	1	2
Total transactions with owners of the Parent	-	**-**	**-**	**-**	**(133)**	**(336)**	**(469)**	**(57)**	**(526)**
Balance as at 31 December 2023	**-**	**1,575**	**(183)**	**5**	**(983)**	**89**	**503**	**495**	**998**

*As at 31 December 2023, the issued capital is EUR 1 thousand.

The notes on pages 30 to 101 are an integral part of these consolidated financial statements.

Consolidated statement of cash flows

For the year ended 31 December, prepared using the indirect method

In millions of EUR

	Note	2024	2023
Cash flows from operating activities			
Net profit for the period (incl. discontinued operations)*		2,876	542
Adjustments for:			
Depreciation and amortisation	E3	619	657
Depreciation on lease-related right-of-use assets	E18.1	100	103
Amortisation of costs to obtain contracts	E1.3	81	76
Impairment losses on current and non-current assets	E2, E6, E7.2	66	29
Gain on sale of investments in subsidiaries		(2,414)	-
Net interest expense		160	161
Loss on financial assets	E4	20	18
Net foreign exchange losses		52	27
Income tax expense		139	161
Other expenses not involving movement of cash		-	4
Net operating cash flow before changes in working capital		**1,699**	**1,778**
Change in financial assets at FVTPL		(21)	4
Change in trade and other receivables		53	(55)
Change in contract assets		(14)	(11)
Change in inventories and other assets		(76)	(16)
Change in costs to obtain contracts		(86)	(89)
Change in trade and other payables		22	6
Change in provisions		(2)	(1)
Cash flows from operating activities		**1,575**	**1,616**
Interest received		24	24
Income tax paid		(152)	(189)
Net cash from operating activities		**1,447**	**1,451**
Cash flows from investing activities			
Purchase of tangible and intangible assets		(699)	(593)
Proceeds from disposals of tangible and intangible assets		12	7
Acquisition of subsidiaries, net of cash acquired**		(48)	(349)
Proceeds from disposal of subsidiaries, net of cash disposed		3,426	-
Net cash from/(used in) investing activities		**2,691**	**(935)**
Cash flows from financing activities			
Proceeds from share premium increase***	E15	844	-
Distribution of share premium	E15	(1,900)	-
Repayment of debt securities	E12	-	(803)
Proceeds from loans due to banks	E11, E19	246	1,043
Repayment of loans due to banks	E11, E19	(1,295)	-
Proceeds from loans due to non-banks		453	53
Net payments on settlement of derivatives		7	15
Interest paid (excl. interest on lease liabilities)		(188)	(157)
Cash payments for principal portion of lease liability	E19	(99)	(97)
Interest paid on lease liabilities	E19	(22)	(20)
Acquisition of shares in subsidiaries from NCI	B2.3	(299)	-
Proceeds from disposals of shares in subsidiaries to NCI	B2.2	157	-
Dividends paid to shareholders	E15	(2,240)	(337)
Dividends paid to NCI	E17	(561)	(58)
Contributions by NCI		735	-
Other distributions related to NCI		(345)	-
Net cash used in financing activities		**(4,507)**	**(361)**
Net (decrease)/increase in cash and cash equivalents		**(369)**	**155**
Cash and cash equivalents as at 1 January	**E10**	**642**	**488**
Effect of exchange rate changes on cash and cash equivalents		(4)	(1)
Cash and cash equivalents as at 31 December	**E10**	**269**	**642**

*For more details on the discontinued operations refer to B.2.1
**In 2024, relates to the advance payment for investments in subsidiaries paid by O2 Czech Republic a.s..
***comprises proceeds from share capital increase of EUR 700 thousand

The notes on pages 30 to 101 are an integral part of these consolidated financial statements.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

A. General

A.1. Description of the Group

e& PPF Telecom Group B.V., renamed from PPF Telecom Group B.V., (the “Parent Company” or the “Parent”) is a limited liability company incorporated in the Netherlands since 16 October 2013. On 24 October 2024, PPF Group N.V. (through its subsidiary PPF TMT Holdco 4 B.V.) sold a controlling stake in the Parent company to Emirates Telecommunication Group Company PJSC (“e& Group”) domiciled in the United Arab Emirates (“the UAE”). For more details on the transaction refer to B.2.1. Prior to the closing of the transaction, e& Group entered into an assignment and assumption agreement, whereby assigned all of its rights and obligations arising from the agreement with PPF Group N.V. to e& International Holding Limited making it a direct shareholder of the Parent Company. Emirates Telecommunication Group Company PJSC remains the ultimate parent of the Parent Company. The ultimate controlling party is the UAE Federal Government.

The registered office address of the Parent Company is Zuidplein 168, 1077XV Amsterdam, the Netherlands.

The Parent is the holder of several significant investments: mobile telecommunication operators providing services in Hungary, Bulgaria, and Serbia under brand Yettel and in Slovakia under brand O2, also with separated infrastructure entities operating complementary in the same countries under brand CETIN. The Parent also held other significant investments in mobile telecommunication operator and telco infrastructure entities in the Czech Republic, which were sold in October 2024 (refer to B.2.1.).

The consolidated financial statements of the Parent Company for the year ended 31 December 2024 comprise the Parent Company and its subsidiaries (together, the “Group”) and the Group’s interests in associates, joint ventures and affiliated entities. Refer to Section B of these consolidated financial statements for a list of significant Group entities and changes to the Group in 2024 and 2023.

A.2. Statement of compliance

The consolidated financial statements were approved by the board of directors on 21 March 2025, as part of the formally approved annual accounts of the Parent Company for the year ended 31 December 2024.

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as adopted by the European Union (IFRS-AS EU) including the International Accounting Standards (IAS), promulgated by the International Accounting Standards Board (IASB), and interpretations issued by the International Financial Reporting

Interpretations Committee (IFRIC) of the IASB and with Section 2:362(8) and (9) of the Dutch Civil Code.

The Company has also prepared the separate financial statements for the year ended 31 December 2024, which have been prepared in accordance with IFRS-AS EU, including IASs, promulgated by the IASB and interpretations issued by the IFRIC of the IASB as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code.

A.3. Basis of measurement

The consolidated financial statements have been prepared on the basis of the going concern assumption, applying a historical cost basis, except for the following assets and liabilities stated at their fair value: derivative financial instruments, financial instruments at FVTPL (incl. those designated upon initial recognition as at FVTPL) and financial instruments at FVOCI. Financial assets and liabilities as well as non-financial assets and liabilities measured at historical cost are stated at AC using the effective interest method or historical cost, as appropriate, net of any relevant impairment.

The Group accounts for business combinations using the acquisition method when control is transferred to the Group (refer to A.5). In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes at a minimum an input and substantive process and whether the acquired set has the ability to produce outputs. The Group has the option to apply a ‘concentration test’ that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred in the acquisition is measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested semi-annually for impairment. Any gains on bargain purchase is immediately recognised in profit or loss (refer to F.1.10.1). Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay a contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured and settlement is accounted for within equity. Otherwise, other contingent considerations are re-measured at fair value at each reporting date and subsequent changes in the fair value of the contingent considerations are recognised in profit or loss.

A.4. Use of judgements and estimates

In preparing these consolidated financial statements, management has made judgements, estimates, and assumptions that affect the application of the Group’s accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

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

- assessment of control over subsidiaries (refer to B.2);
- the fair value of tangible and intangible assets identified during the purchase price allocation exercise and initial value of goodwill for each business combination and its subsequent impairment testing (refer to E.6, E.7);
- useful life of tangible and intangible fixed assets;
- provisions recognised under liabilities (refer to E.14);
- expected credit losses on trade receivables and contract assets (refer to E.8);
- commissions as cost to obtain contracts with customers (refer to E.1.3);
- stand-alone selling prices;
- lease-term for the lessee accounting whether the Group is reasonably certain to exercise extension options (refer to E.18);
- contingent assets and liabilities (refer to E.20);
- assessment of recognition and the present value of the conditional commitment to acquire NCI's share (refer to E.16.4).

Control over subsidiaries

The Group assesses its control over subsidiaries and equity-accounted investees after acquisitions or changes in its ownership interests. In 2024, the Group assessed whether the shareholders agreement with GIC Private Limited group forming part of the establishment of CETIN International N.V. (refer to B.2.1.1) during autumn 2024 would trigger any changes in control over CETIN International N.V. The Group concluded that, with the existence of the shareholders agreement, it retained its control over CETIN International N.V. and all its subsidiaries – TMT Hungary Infra B.V. (a sole shareholder of CETIN Hungary Zrt.), CETIN Bulgaria EAD, and CETIN d.o.o. Beograd-Novi Beograd in Serbia.

Useful life of fixed assets

The accounting treatment of fixed assets entails the use of estimates to determine the useful life for depreciation and amortisation purposes. Determining useful life of software, telecommunication technologies and equipment requires making estimates in connection with future technological developments and alternative uses for assets. There is a significant element of judgement involved in making technological development assumptions, since the timing and scope of future technological advances are difficult to predict. The set useful asset life is reviewed at each balance sheet date and adjusted as a change in accounting estimate if needed.

Provisions and contingent assets and liabilities

As set out in sections E.14 and E.20, the Group is a participant in several lawsuits and administrative proceedings, including those related to its pricing policies. For every litigation and administrative proceeding, it is necessary to estimate the occurrence probability of the liability, its amount and the moment of its occurrence. Provisions are recognised only when it is probable that the Group will be forced to pay a present obligation in future, and it is possible to reliably estimate its amount. Contingent assets and liabilities are not recognised because their existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Expected credit losses on trade receivables and contract assets

Trade receivables are carried at their original amount less a bad debt allowance. The bad debt allowance is estimated according to historical experience and expected future development; and individual assessment.

Commission as costs to obtain contracts with customers

For the capitalised costs to obtain contracts, the amortisation period was determined as the expected average period over which the customer will continue to use the Group's services. This amortisation period was further specified according to the customer segments of the Group that include resident customers, entrepreneurs and medium and large corporate clients.

Throughout the amortisation period, the actual values are subject to periodic review and reassessment against the developments of business activities, trends in the telecommunications sector, and the structure of business channels.

Stand-alone selling prices

In accordance with the requirements of IFRS 15, the transaction price is allocated to separate performance obligations based on the proportional stand-alone selling prices of the products and services provided. A stand-alone selling price is the price at which the Group sells a promised product or service to its customers in a stand-alone transaction. In most cases, the Group considers the prices shown in its price list to be the stand-alone selling prices.

Lease-term for lessee accounting

A lease liability is initially measured at the present value of lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group’s incremental borrowing rate. This incremental borrowing rate used for the discounting of future lease payments is based on the current interest rate defined as a reference rate adjusted by the Group´s spread and further adjusted by lease-specific adjustments. Generally, the Group uses its incremental borrowing rate as the discount rate. The Group further assesses at the lease commencement date whether it is reasonably certain to exercise the extension options to determine the lease term. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

Right-of-use assets are depreciated in accordance with the length of the lease contract. For unlimited contracts (or contracts with a prolongation option on the Group’s side), the depreciation period is determined based on the management’s assessment and plans, and expected changes in technologies.

A.5. Basis of consolidation

Subsidiaries are entities controlled by the Group. The Group controls an entity if it is exposed, or has rights to, variable returns from investment with the entity, and has the ability to affect those returns through its power over the entity. The Group reassesses whether it has control if one or more of the elements of control changes. This includes circumstances in which protective rights held, either by the Group or by the non-controlling interests, (e.g., those resulting from a lending relationship) become substantive and lead to the Group, or the non-controlling interest, having power over an investee, or, if the substantive right on the contrary come to the benefit on the non-controlling interests, the Group might lose its power over an investee and

cease controlling it. The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of the subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

The Group's interests in equity-accounted investees comprise interests in associates and joint ventures. Associates are those entities in which the Group has significant influence, but not control, over financial and operating policies. A joint venture is an arrangement in which the Group has joint control based on a contractual agreement, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. The consolidated financial statements include the Group's share of the total recognised gains and losses of associates and jointly controlled entities on an equity-accounted basis, from the date that significant influence or joint control commences until the date the significant influence or joint control ceases to exist. When the Group's share of losses exceeds the carrying amount of the associate or jointly controlled entity, the carrying amount is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has incurred obligations in respect of the associate or jointly controlled entity.

Reorganisations and mergers involving the companies under common control are accounted for using consolidated net book values (the "predecessor accounting method"). Consequently, no adjustment is made to carrying amounts in the consolidated accounts and no goodwill or gain on bargain purchase arises on such transactions.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss and any interest retained in the former subsidiary is measured at fair value when control is lost.

Intra-group balances and transactions, and any unrealised income and expenses, gains and losses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only if there is no evidence of impairment.

A.6. Presentation and functional currency

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

A.7. Comparative figures in the consolidated statement of income

The comparative figures in the consolidated statement of income for the year ended 31 December 2023 have been restated to present the continuing operations separately from the operations in the Czech Republic presented as discontinued operations (for details refer to B.2.1). Results of the discontinued operations are presented in one line caption “net profit from discontinued operations, net of tax”.

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

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

	2023 (reported)	Restatement due to discontinued operations	2023 (restated)
Revenue	3,776	(1,801)	1,975
Other income from non-telecommunication services	14	(13)	1
Personnel expenses	(417)	239	(178)
Other operating expenses	(1,616)	717	(899)
Operating profit excluding depreciation, amortisation, and impairments	**1,757**	**(858)**	**899**
Depreciation and amortisation	(657)	344	(313)
Depreciation on lease-related right-of-use assets	(103)	48	(55)
Amortisation of costs to obtain contracts	(76)	23	(53)
Impairment loss on PPE and intangible assets	(9)	3	(6)
Operating profit	**912**	**(440)**	**472**
Interest income	24	(10)	14
Other interest expense	(165)	71	(94)
Interest expense on lease liabilities	(20)	10	(10)
Net foreign currency gains/(losses)	(27)	29	2
Other finance costs	(21)	3	(18)
PROFIT BEFORE TAX	**703**	**(337)**	**366**
Income tax expense	(161)	103	(58)
Net profit from continuing operations	**542**	**(234)**	**308**
Net profit from discontinued operations, net of tax	-	234	234
NET PROFIT FOR THE PERIOD	**542**	**-**	**542**

B. Consolidated group and main changes for the period

B.1. Group entities

The following list only shows the significant holding and operating entities that were subsidiaries of the Parent Company as at 31 December 2024 and 31 December 2023.

Company	Domicile	Effective proportion of ownership interest	
		31 December 2024	31 December 2023
e& PPF Telecom Group B.V.	Netherlands	Parent	Parent
Commercial subgroup			
PPF TMT Bidco 1 B.V.	Netherlands	100.00%	100.00%
O2 Slovakia, s.r.o.	Slovakia	100.00%	100.00%
Yettel Bulgaria EAD	Bulgaria	100.00%	100.00%
Yettel d.o.o. Beograd	Serbia	100.00%	100.00%
TMT Hungary B.V.(1)	Netherlands	100.00%	75.00%
Yettel Magyarország Zrt.(1)	Hungary	100.00%	75.00%
Yettel Real Estate Hungary Zrt.(1)	Hungary	100.00%	75.00%
PPF Comco N.V.(2)	Netherlands	-	100.00%
O2 Czech Republic a.s.(2)	Czech Republic	-	100.00%
O2 IT Services s.r.o.(2)	Czech Republic	-	100.00%
Infrastructure subgroup			
CETIN International N.V.(3)	Netherlands	70.00%	-
CETIN Networks s.r.o.(4)	Slovakia	70.00%	100.00%
CETIN Bulgaria EAD	Bulgaria	70.00%	70.00%
CETIN d.o.o. Beograd-Novi Beograd	Serbia	70.00%	70.00%
TMT Hungary Infra B.V.(1)	Netherlands	70.00%	52.50%
CETIN Hungary Zrt.(1)	Hungary	70.00%	52.50%
CETIN Group N.V.(2)	Netherlands	-	70.00%
CETIN a.s.(2)	Czech Republic	-	70.00%
CETIN Finance B.V.(2)	Netherlands	-	70.00%
DeCeTel s.r.o. (*formerly Nej.cz s.r.o.*)(2)	Czech Republic	-	70.00%

(1) On 3 December 2024, the Group acquired the remaining 25% shares in TMT Hungary B.V. and TMT Hungary Infra B.V. (refer to B.2.3).
(2) Sold in October 2024 as a part of a pre-closing group restructuring relating to the e& transaction (refer to B.2.1).
(3) Established on 30 September 2024.
(4) In October 2024, a 30% effective ownership was sold to a non-controlling partner (refer to B.2.2).

B.2. Significant changes in the Group structure in 2024 and 2023

B.2.1. PPF Group N.V.'s agreement with Emirates Telecommunication Group Company

On 1 August 2023, PPF Group N.V. (the previous ultimate parent of the Parent Company, hereinafter referred to as "PPF Group") and Emirates Telecommunications Group Company PJSC ("e& Group") signed an agreement whereby e& Group acquired a controlling stake in the Parent Company. The controlling stake represented 50% of all issued ordinary shares plus 1 ordinary share and 50 million, out of a total 70 million issued, preferred shares in the Parent Company. As the Group's assets in the Czech Republic, including the infrastructure CETIN a.s. and the Czech operator O2 Czech Republic a.s., were not part of the transaction, PPF Group first had to complete an internal pre-closing restructuring process of the Group to achieve the desired Group structure as agreed with e& Group. The pre-closing restructuring involved many steps that were carried out in the first half of October 2024. The transaction between PPF Group and e& Group was successfully closed on 24 October 2024 after obtaining all regulatory approvals and satisfying other customary closing conditions.

B.2.1.1. Sale of Czech entities

Within the pre-closing restructuring process, in the first half of October 2024, the Parent Company sold its Czech assets to its immediate holding company PPF TMT Holdco 2 B.V. The impact of the sale on these consolidated financial statements is summarised in the following table:

In millions of EUR

Transaction	CETIN CZ*	O2 Czech Republic*	Total
Loss of control date	*11 October 2024*	*15 October 2024*	
Direct ownership sold	70.00%	100.00%	
Consideration received in cash (sale price)	621	2,992	3,613
Net assets value sold**	(637)	(698)	(1,335)
where:			
Accumulated translation gains/(losses) until loss of control relating to these foreign operations (reclassified from equity to profit or loss)	*91*	*(152)*	*(61)*
Non-controlling interests disposed	197	-	197
Gain on sale of investments in subsidiaries	**272**	**2,142**	**2,414**

*Including the holding companies CETIN Group N.V. for CETIN CZ and PPF Comco N.V. for O2 Czech Republic.
**Net assets value sold is expressed as after intercompany eliminations between the entities sold comprised in this table.

The following table summarises the assets and liabilities of the sold businesses when the Group lost control over them:

In millions of EUR, as at the loss of control date

	CETIN CZ*	O2 Czech Republic*	Total
Loss of control date	*11 October 2024*	*15 October 2024*	
ASSETS			
Property, plant and equipment	2,064	57	2,121
Goodwill	173	535	708
Other intangible assets	117	505	622
Right-of-use assets	217	47	264
Costs to obtain contracts	-	38	38
Trade and other receivables	-	60	60
Other assets	16	57	73
Non-current assets	**2,587**	**1,299**	**3,886**
Trade and other receivables	58	140	198
Inventories	4	39	43
Other assets	37	28	65
Cash and cash equivalents	85	102	187
Current assets	**184**	**309**	**493**
TOTAL ASSETS	**2,771**	**1,608**	**4,379**
LIABILITIES			
Debt securities issued	497	-	497
Due to banks	700	-	700
Due to non-banks	52	332	384
Lease liabilities	187	38	225
Trade and other payables	13	94	107
Contract liabilities	53	14	67
Deferred tax liabilities	239	25	264
Non-current liabilities	**1,741**	**503**	**2,244**
Debt securities issued	9	-	9
Due to banks	2	186	188
Due to non-banks	123	-	123
Lease liabilities	43	10	53
Trade and other payables	205	195	400
Contract liabilities	11	16	27
Current liabilities	**393**	**407**	**800**
TOTAL LIABILITIES	**2,134**	**910**	**3,044**
NET ASSETS VALUE SOLD	**637**	**698**	**1,335**

*including the holding companies CETIN Group N.V. for CETIN CZ and PPF Comco N.V. for O2 Czech Republic

The sold businesses, CETIN CZ and O2 Czech Republic, fulfil the conditions of IFRS 5 for discontinued operations, therefore, their results are presented separately from the continuing operations in the consolidated statement of income and other comprehensive income (the conditions were met at the end of September 2024). The comparative figures for the year ended 31 December 2023 were restated accordingly (refer to A.7).

The results of the discontinued operations for 2024 until the moment at which the Group lost control and for the year ended 31 December 2023 are presented below:

In millions of EUR, for the year ended 31 December

	2024*	2023
Revenue	1,408	1,801
Other income from non-telecommunication services	6	13
Personnel expenses	(202)	(239)
Other operating expenses	(528)	(717)
Operating profit excluding depreciation, amortisation, and impairments	**684**	**858**
Depreciation and amortisation	(285)	(344)
Depreciation on lease-related right-of-use assets	(41)	(48)
Amortisation of costs to obtain contracts	(22)	(23)
Impairment loss on PPE and intangible assets	(3)	(3)
Operating profit	**333**	**440**
Interest income	5	10
Other interest expense	(65)	(71)
Interest expense on lease liabilities	(9)	(10)
Net foreign currency losses	(29)	(29)
Other finance costs	(1)	(3)
PROFIT BEFORE TAX	**234**	**337**
Income tax expense	(61)	(103)
NET PROFIT FROM DISCONTINUED OPERATIONS	**173**	**234**

*until the loss of control

Net cash flows generated by discontinued operations are as follows:

In millions of EUR, for the year ended 31 December

	2024*	2023
Cash flows from operating activities	758	855
Cash flows from/(used in) investing activities	3,573	(643)
Cash flows used in financing activities	(4,219)	(307)
Net cash flows from/(used in) discontinued operations	**112**	**(95)**

*until the loss of control

B.2.2. Sale of shares in the Slovak infrastructure to a non-controlling shareholder

On 11 October 2024, CETIN International N.V. acquired the 100% share in the Slovak infrastructure business, CETIN Networks s.r.o., from its fellow subsidiary, PPF Comco N.V. From the Group's perspective, this transaction increased GIC Private Limited's ("GIC") involvement (presented as an increase in book value of the non-controlling interest) due to their 30% share in CETIN International N.V. The financial aspects for this transaction as at 11 October 2024 were as follows:

In millions of EUR

Effective ownership sold	30.00%
Total consideration received	157
Total net asset value attributable to non-controlling interests	41
Effect attributable to the owners of the Parent in equity (gain)	116

B.2.3. Increased share in Yettel Hungary and Cetin Hungary

On 4 December 2024, the Group acquired the remaining 25% share in TMT Hungary B.V. (a holding entity of Yettel Magyarország Zrt. and Yettel Real Estate Hungary Zrt.) and a 25% share in TMT Hungary Infra B.V. (a holding entity of CETIN Hungary Zrt.) from a non-controlling shareholder, TMT Hungary Holdco B.V., the Parent Company's previous fellow subsidiary having been under common control of PPF Group N.V. by the moment of the e&

transaction closing on 24 October 2024. The acquisition was financed by an external bank loan. For more details on the impact of this transactions on the non-controlling interests refer to E.17.

The following table summarises the financial aspects of the transactions:

In millions of EUR	
Effective ownership acquired – TMT Hungary B.V.	25.00%
Effective ownership acquired – TMT Hungary Infra B.V.	25.00%
Total consideration paid	299
Total net asset value attributable to non-controlling interests acquired	199
Effect attributable to the owners of the Parent in equity	100
out of which:	
recorded in retained earnings (loss)	78
recorded in translation reserve (loss)	22

B.2.4. Acquisition of Nej.cz (2023)

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

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

Key assumptions and valuation approach

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

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

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

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

In millions of EUR, as at 30 November 2023

Fair value of assets acquired (excl. goodwill)	**203**
Property, plant and equipment	139
Intangible assets	39
Right-of-use assets	13
Trade and other receivables	6
Other assets	3
Cash and cash equivalents	3
Fair value of liabilities assumed (adjusted)*	**47**
Deferred tax liability	20
Lease liabilities	13
Trade and other payables	7
Contract liabilities	6
Other liabilities	1
Fair value of identifiable net assets (adjusted)*	**156**

*The figures exclude Nej.cz's pre-existing loans due to non-banks totalling EUR 106 million provided by the Group before the acquisition of control over Nej.cz by the Group (for details refer to the below paragraph).

Prior to the closing of the transaction, the Group refinanced Nej.cz's debts, represented by external CZK bank loans totalling approx. EUR 69 million and a shareholder CZK loan from Nej.cz's previous owner of approx. EUR 37 million, by way of a CZK loan provided by Cetin CZ to Nej.cz. Thus, with the acquisition of control over Nej.cz, the loan became an intragroup relationship and, as at 31 December 2023, was fully eliminated from the Group's perspective.

Total consideration transferred for the acquisition of Nej.cz effectively amounted to EUR 352 million, which comprised the base consideration paid of EUR 246 million and the above-described loans refinancing totalling EUR 106 million.

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

Goodwill arising from the acquisition was recognised as follows:

In millions of EUR, as at 30 November 2023

Total consideration transferred [a]	352
Consideration paid (for the 100% share)	*246*
Refinancing of loans due to non-banks	*106*
Fair value of identifiable net assets (adjusted) [b]	156
Goodwill (total) [a-b]	**196**

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

In the period from the acquisition date to 31 December 2023, Nej.cz contributed revenue of EUR 5 million and profit of EUR 1 million to the Group's results. If the acquisition had

occurred on 1 January 2023, consolidated revenue would have increased by approximately EUR 62 million and profit by approximately EUR 9 million.

C. Risk exposures, risk management objectives and procedures

The Group is exposed to a variety of financial risks, including the effects of changes in debt market prices, foreign currency exchange rates and interest rates as a result of ordinary business, debt taken on to finance its business, and net investment in foreign operations. The Group's overall risk management focuses on the unpredictability of financial markets and seeks to minimise any potential adverse effects on the financial performance of the Group. The Group uses either derivative financial instruments or non-derivative instruments (such as cash instruments) to hedge certain exposures.

The Group does not conduct any speculative trading activities.

Risk management is carried out by the relevant treasury departments in accordance with approved policies. The board of directors provides written principles for overall risk management. In accordance with these principles, policies are in place for specific areas, such as foreign exchange risk, interest rate risk, credit risk, liquidity risk, use of derivative financial instruments, and investing excess liquidity.

C.1. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial asset fails to meet its contractual obligations, arising principally from the Group's trade receivables. Individual significant credit exposures to third parties are monitored by the Group's top management and the board of directors on a case-by-case basis. Individual exposures are monitored and assessed, as is the Group's country and sector concentration.

Under the Group's policy, all customers wishing to trade on credit terms are subjected to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis, together with the resulting non-significant Group's exposure to bad debts.

The maximal possible credit risk arising from receivables and other financial assets equals the carrying amount of those financial instruments.

Credit risk is managed by:

- prevention: scoring of new customers – regular monitoring of customers' payment morale, activation of control procedures (integrated black list, external credit registers, and other external information databases), limits and/or deposits applied based on customer segments or the product, credit limits for indirect sales partners (dealers, distributors, franchises) for the purchase of our products, collateral security (deposits, receivables insurance, bills of exchange, pledges of real estate, bank guarantees etc.).
- monitoring of accounts receivables: regular monitoring of the creditworthiness of existing customers and monitoring and analysing of the receivable aging structure (internal and external indicators of any potential bad debts). These activities are processed in an integrated system solution for the scoring, maintenance and collection of receivables.
- collection process: credit management units cooperate with the customer care units in the implementation of a reasonable, effective and continual collection process. Collection process competences are allocated separately. In CETIN International subgroup, collection from active customers is in the competence of the accounting unit; subsequent collection is

the responsibility of the treasury unit, the legal unit, and the accounting unit. In other segments, collection from active customers is in the competence of the customer care unit; any collection after contracts are cancelled falls within the responsibility of the credit management unit.

The following tables show the economic and geographic concentration of credit risk:

In millions of EUR

	31 December 2024	31 December 2024	31 December 2023	31 December 2023
Economic concentration				
Financial services	273	39.39%	660	46.71%
Corporate sector	109	15.73%	353	24.98%
Household/individuals	308	44.45%	380	26.89%
Public sector/Government	3	0.43%	20	1.42%
Total	**693**	**100.00%**	**1,413**	**100.00%**
Geographic concentration				
Czech Republic	104	15.00%	793	56.13%
Hungary	157	22.66%	173	12.24%
Serbia	190	27.42%	187	13.24%
Slovakia	108	15.58%	103	7.29%
Bulgaria	116	16.74%	95	6.72%
Other EU countries	18	2.60%	45	3.18%
Other	-	-	17	1.20%
Total	**693**	**100.00%**	**1,413**	**100.00%**
Of which:				
Cash and cash equivalents (excl. cash on hand) (E.10)	268	38.68%	640	45.29%
Trade and other receivables (E.8.2)	240	34.63%	588	41.61%
Contract assets (E.8.3)	100	14.43%	92	6.51%
Financial assets at FVTPL (E.8.1)	72	10.39%	79	5.60%
Provided guarantees (E.20)	10	1.44%	10	0.71%
Loans and receivables due from banks and other financial institutions	2	0.29%	2	0.14%
Specific deposits and other specific receivables (E.9)	1	0.14%	2	0.14%
Total	**693**	**100.00%**	**1,413**	**100.00%**

The amounts in the tables represent the maximum accounting loss that would be recognised at the reporting date if the counterparties failed completely to meet their obligations and all collateral or security proved to be of no value. The amounts, therefore, exceed the expected losses that are included in the allowance for collectability. The table comprises financial assets excluding equity securities.

Trade and other receivables and contract assets

The Group generally uses an allowance matrix to measure the expected credit losses (ECLs) of trade receivables from individual customers, which comprise a large number of small balances. In industry segments, where trade receivables comprise small number of large balances, a specific allowance for impairment is used.

Loss rates are calculated using the roll rate method based on the probability of a receivable progressing through the successive stages of delinquency to write-off. Roll rates are calculated separately for exposures in different segments based on the following common credit risk

characteristics – geographic region, age of customer relationship, and type of product purchased.

The following table provides information about the exposure to credit risk and ECLs for trade and other receivables and contract assets from individual customers using the provision matrix as at 31 December 2024 and the comparative period.

In millions of EUR, as at 31 December 2024

	Weighted-average loss rate	**Gross amount**	**Loss allowance**	**Carrying amount**	**Credit-impaired**
Current (not past due)	4.0%	302	(12)	290	No
1-90 days	6.7%	45	(3)	42	No
91-180 days	55.6%	9	(5)	4	Yes
more than 180 days past due	90.9%	44	(40)	4	Yes
Total		**400**	**(60)**	**340**	

In millions of EUR, as at 31 December 2023

	Weighted-average loss rate	**Gross amount**	**Loss allowance**	**Carrying amount**	**Credit-impaired**
Current (not past due)	3.8%	640	(24)	616	No
1-90 days	9.4%	64	(6)	58	No
91-180 days	66.7%	12	(8)	4	Yes
more than 180 days past due	97.3%	87	(85)	2	Yes
Total		**803**	**(123)**	**680**	

Loss rates are based on actual credit loss experience over past years. The rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data was collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables. The most significant scalar factors are the GDP forecast and industry outlook, actual and forecasted unemployment rates.

C.2. Liquidity risk

The Group's essential objective of liquidity risk management is having access to cash resources sufficient to meet all its cash payment obligations as they fall due, allowing some flexibility. The cash resources consist of a generated cash position maintained in highly liquid instruments.

The Group collects information from business units and holding companies regarding the liquidity profile of their financial assets and liabilities and details of other projected cash flows arising from projected future business.

The following tables show exposure to liquidity risk (discounted view) as at 31 December 2024:

In millions of EUR, as at 31 December 2024

	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
Due to banks	1	-	-	240	-	241
Debt securities issued	625	4	549	497	-	1,675
Conditional commitment to acquire NCI´s share	-	564	-	-	-	564
Trade and other payables*	333	38	6	3	17	397
Lease liabilities	13	43	54	93	82	285
Total financial liabilities	**972**	**649**	**609**	**833**	**99**	**3,162**

*excluding tax and other non-financial liabilities

The management of the Group does not expect any cash outflows in future in relation to the recognised conditional commitment to acquire NCI's share, refer to E.16.4.

The following tables show exposure to liquidity risk (discounted view) as at 31 December 2023:

In millions of EUR, as at 31 December 2023

	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
Due to banks	21	-	439	1,744	-	2,204
Debt securities issued	25	15	599	1,541	-	2,180
Conditional commitment to acquire NCI´s share	-	983	-	-	-	983
Trade and other payables*	591	91	20	22	34	758
Lease liabilities	26	67	82	169	165	509
Due to non-banks	-	-	-	53	-	53
Total financial liabilities	**663**	**1,156**	**1,140**	**3,529**	**199**	**6,687**

*excluding tax and other non-financial liabilities

The following tables show the residual maturities of balance sheet and off-balance sheet liabilities on an undiscounted cash flow basis. Listed are only liability items for which the total estimated undiscounted cash flows differ from the book values shown in the consolidated statement of the financial position:

In millions of EUR, as at 31 December 2024

	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
Due to banks	2	7	9	249	-	267
Debt securities issued	630	16	583	516	-	1,745
Trade and other payables*	333	38	6	3	17	397
Lease liabilities	18	50	60	102	90	320
Provided guarantees	4	2	-	-	-	6
Total	**987**	**113**	**658**	**870**	**107**	**2,735**

*excluding tax and other non-financial liabilities

In millions of EUR, as at 31 December 2023

	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
Due to banks	41	84	545	1,909	-	2,579
Debt securities issued	29	32	663	1,631	-	2,355
Trade and other payables*	591	91	20	23	38	763
Lease liabilities	30	80	95	197	184	586
Due to non-banks	1	2	3	56	-	62
Provided guarantees	-	1	4	-	1	6
Total	**692**	**290**	**1,330**	**3,816**	**223**	**6,351**

*excluding tax and other non-financial liabilities

C.3. Market risk

Market risk is the risk that changes in market rates such as interest rates or foreign exchange rates will affect the Group’s income or the value of its holdings of financial instruments. The objective of market risk management is to manage market risk exposure and keep it within acceptable limits.

C.3.1. Interest rate risk

The Group’s income and operating cash flows are substantially independent of changes in market interest rates. Short- and long-term debt as well as cash assets can be maintained on both floating and fixed interest rates. The Group may sometimes use interest rate swaps, forward rate agreements and option-based products to manage a desired mix of fixed and variable interest rates.

The Group’s objective in managing its exposure to interest rate fluctuations is to minimise reported earnings and cash flow volatility associated with interest rate changes.

The Group is exposed to interest rate risk arising from cash investments with a floating interest rate and some debt instruments bearing a floating interest rate. Considering the derivative hedging instruments, an interest rate sensitivity analysis showed that the impact of a yield-curve movement by a hypothetical one percentage point on the Group’s equity would be immaterial.

The tables below summarise the interest rate repricing gap of the Group’s financial liabilities as at the reporting date. The carrying amounts of interest-rate-sensitive liabilities and the notional amounts of swaps and other derivative financial instruments are presented in the periods in which they mature or in which the interest rates will next be fixed. To reflect anticipated prepayments, certain asset and liability categories are included in the table based on estimated rather than contractual maturity dates. Items are allocated to time bands by reference to the earlier of the next contractual interest rate repricing date and the expected maturity date.

The following tables present an analysis of the interest rate gap position (excl. derivatives):

In millions of EUR, as at 31 December 2024

	Effective interest rate	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
Due to banks	3.80%	241	-	-	-	-	241
Debt securities issued	2.76%	612	-	562	501	-	1,675
Trade and other payables*	0.20%	350	21	6	3	17	397
Lease liabilities	4.79%	13	43	54	93	82	285
Total financial liabilities		**1,216**	**69**	**622**	**597**	**99**	**2,598**

*excluding tax and other non-financial liabilities

In millions of EUR, as at 31 December 2023

	Effective interest rate	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
Due to banks	5.59%	2,204	-	-	-	-	2,204
Debt securities issued	2.88%	25	15	599	1,541	-	2,180
Trade and other payables*	0.69%	591	91	20	22	34	758
Lease liabilities	4.12%	26	67	82	169	165	509
Due to non-banks	5.45%	53	-	-	-	-	53
Total financial liabilities		**2,899**	**173**	**701**	**1,732**	**199**	**5,704**

*excluding tax and other non-financial liabilities

Effect of interest rate derivatives		**142**	**-**	**(142)**	**-**	**-**	**-**
Total financial liabilities incl. derivatives		**3,041**	**173**	**559**	**1,732**	**199**	**5,704**

C.3.2. Currency risk

The Group is exposed to currency risk through transactions in foreign currencies and assets and liabilities denominated in foreign currencies. Foreign currency risk arises when the actual or forecast assets denominated in a given foreign currency are either greater or less than the liabilities denominated in that currency. It is the Group's policy to hedge such mismatches with derivative financial instruments to eliminate the foreign currency exposure.

The Group's main foreign exposures are to the countries in which the Group operates. Its exposures are measured mainly in Hungarian forints and Bulgarian levs and Serbian dinars. As the currency in which the Group presents its consolidated financial statements is the euro, movements in the exchange rates between these currencies and the euro affecting the Group's consolidated financial statements are presented as part of a translation reserve in other comprehensive income. Net investments in foreign operations are not hedged.

The Group's transactional exposures give rise to foreign currency gains and losses that are recognised in the consolidated statement of income. These exposures comprise the monetary assets and monetary liabilities of the Group entities that are not denominated in the functional currency of the respective Group entity. In respect of monetary assets and liabilities in foreign currencies, the Group ensures that its net exposure is kept to an acceptable level by buying and selling foreign currencies at spot rates when considered appropriate, or through short-term FX trades.

The Group entities' foreign currency largest exposures are for financial liabilities, meaning the exposures in currencies different from the entities' functional currencies:

In millions of EUR, as at 31 December 2024

	EUR	USD	Other	Total
Financial liabilities	75	5	9	89

In millions of EUR, as at 31 December 2023

	EUR	USD	Other	Total
Financial liabilities	294	24	7	325
Effect of FX derivatives	60	5	-	65
Net FX position	**354**	**29**	**7**	**390**

The following tables present an analysis of the sensitivity of the Group's equity to changes in currency exchange rates based on positions existing as at 31 December 2024 and 2023 and a simplified scenario of a 5% change in CZK, HUF, BGN and RSD to EUR exchange rates:

In millions of EUR

	CZK	HUF	BGN	RSD
Effect of 5% currency depreciation against EUR in 2024	-	(48)	(33)	(43)
Effect of 5% currency appreciation against EUR in 2024	-	48	33	43
Effect of 5% currency depreciation against EUR in 2023	(155)	(52)	(33)	(43)
Effect of 5% currency appreciation against EUR in 2023	155	52	33	43

C.3.3. Hedging

As at 31 December 2024 and 31 December 2023, the Group hedged neither the interest risk nor the foreign currency risk at the Parent Company level. The Group keeps monitoring the market development to take an appropriate action in future.

The Group's objective is to maintain an appropriate mix of debt with fixed and floating interest rates in line with the risk management concept.

C.4. Fair value of financial assets and liabilities

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques based on observable inputs, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments measured using: market prices quoted in active markets for similar instruments; prices quoted for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are measured based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Valuation techniques include, where applicable, a comparison with similar instruments for which market observable prices exist, the net present value and discounted cash flow models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premiums used in estimating discount rates, bond prices, foreign currency exchange rates, expected price volatilities and correlations. The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the reporting date that would have been determined by market participants acting at arm's length.

The fair value of derivative financial instruments is calculated based on discounted cash flow models (using market rates).

The carrying amount of financial assets and financial liabilities not measured at fair value is a reasonable approximation of its fair value (except for the fix-rate debt securities issued presented in the below table), since financial assets and liabilities comprise mainly current trade receivables and payables, cash and cash equivalents and borrowings with a floating interest rate.

In millions of EUR, as at 31 December

	2024 Carrying amount	2024 Fair value	2023 Carrying amount	2023 Fair value
Debt securities issued (Level 2)	(1,675)	(1,674)	(2,180)	(2,139)

The following table presents an analysis of financial instruments recorded at fair value, broken down by how the fair value calculation is accomplished: i.e., based on quoted market prices (Level 1); calculated using valuation techniques where all the model inputs are observable in the market (Level 2); or calculated using valuation techniques where significant model inputs are not observable in the market (Level 3):

In millions of EUR, as at 31 December 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL	-	-	72	72
Total	**-**	**-**	**72**	**72**

In millions of EUR, as at 31 December 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL	-	9	70	79
Financial assets at FVOCI	-	-	3	3
Total	**-**	**9**	**73**	**82**

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

In millions of EUR, for the year ended 31 December 2024

	Financial assets FVTPL	Financial assets FVOCI	Total
Balance as at 1 January 2024	70	3	73
Net losses recognised in profit or loss	(18)	-	(18)
Origination of new financial assets	194	-	194
Settlements	(173)	-	(173)
Disposals from business combinations (refer to B.2.1)	-	(3)	(3)
Effect of movements in exchange rates	(1)	-	(1)
Balance as at 31 December 2024	**72**	**-**	**72**

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

	Financial assets FVTPL	Financial assets FVOCI	Total
Balance as at 1 January 2023	91	2	93
Net losses recognised in profit or loss	(18)	-	(18)
Origination of new financial assets	160	-	160
Settlements	(164)	-	(164)
Effect of movements in exchange rates	1	1	2
Balance as at 31 December 2023	**70**	**3**	**73**

C.5. Capital management

For the purposes of the Group's capital management, capital includes issued share capital, share premium and all other equity reserves attributable to the equity holders of the Parent. The primary objective of the Group's capital management is to maximise the shareholder value while maintaining investor, creditor and market confidence and being able to sustain the future development of the business.

To achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets the financial covenants attached to interest-bearing loans and borrowings. Further, the PPF facilities agreement also contains financial covenants involving the regular testing of consolidated leverage calculated as consolidate net debt to consolidate EBITDA, which for any relevant period ending on or after 31 December 2024 may not exceed 4.00:1 for the Group consisting of all material Group's entities.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Group is not subject to any externally imposed regulatory capital requirements. No changes were made in the objectives, policies, or processes for managing capital during the years ended 31 December 2024 and 2023.

D. Segment reporting

The Group recognises reportable segments that are defined in both geographical and sector terms. The Group's board of directors and shareholders (the chief operating decision makers) review the internal management reports of the individual segments on a regular basis.

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

Reportable segment	Operations	Geographic focus
O2 Czech Republic	Fixed and mobile telecommunication and data services	Czech Republic(1)
O2 Slovakia	Mobile telecommunication and data services, and infrastructure	Slovakia
Yettel Hungary	Mobile telecommunication and data services	Hungary
Yettel Bulgaria	Mobile telecommunication and data services	Bulgaria
Yettel Serbia	Mobile telecommunication and data services	Serbia
CETIN CZ(2)	Wholesale telecommunication services (mobile, fixed and data services) to other telco operators and international transit	Czech Republic(1)
CETIN Slovakia(3)	Telecommunication infrastructure	Slovakia
CETIN Hungary	Telecommunication infrastructure	Hungary
CETIN Bulgaria	Telecommunication infrastructure	Bulgaria
CETIN Serbia	Telecommunication infrastructure	Serbia

(1) Czech entities and their holding companies are presented as discontinued operations (refer to B.2.1)
(2) incl. DeCeTel s.r.o. (renamed from Nej.cz s.r.o. on 1 June 2024), refer to B.2.4.
(3) CETIN Slovakia segment represents activities of CETIN Networks s.r.o. (on 1 January 2024, renamed from O2 Networks, s.r.o.). In October 2024, CETIN Networks s.r.o. became a part of CETIN International N.V. subgroup (refer to B.2.2).

The unallocated segment represents operations of holding entities not directly attributable to the core segments and comprising mainly funding related to acquisitions.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Inter-segment pricing is determined on an arm's length basis. Segment assets and liabilities include all assets and liabilities attributable to segments. Eliminations represent intercompany balances among individual reporting segments.

The total segment revenue for the year ended 31 December 2024 amounting to EUR 3,531 million (31 December 2023: EUR 3,776 million) represents revenues from external customers generated from continuing operations as presented in the statement of income under Revenue caption and discontinued operations of Czech entities (refer to B.2.1 and A.7).

The revenues reported include revenue from contracts with customers, comprising service and equipment revenues as well as other revenue items including interest revenue arising from Group's ordinary transactions with a significant financing component (refer to E.1.1).

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

The following table shows the main items from the financial statements broken down according to reportable segments:

In millions of EUR

2024	O2 Czech Republic *(disc.)*	O2 Slovakia	Yettel Hungary	Yettel Bulgaria	Yettel Serbia	CETIN CZ *(disc.)*	CETIN Slovakia	CETIN Hungary	CETIN Bulgaria	CETIN Serbia	Unallo-cated	Unallo-cated[1] *(disc.)*	Elimina-tions with DISC[2]	Elimina-tions within CONT[3]	Elimina-tions - other[4]	**Consoli-dated**
Revenue from external customers	1,141	360	651	533	551	267	1	4	9	14	-	-	-	-	-	3,531
Inter-segment revenue	9	3	3	3	10	392	99	183	145	124	-	-	(16)	(554)	(401)	-
Total revenue	**1,150**	**363**	**654**	**536**	**561**	**659**	**100**	**187**	**154**	**138**	**-**	**-**	**(16)**	**(554)**	**(401)**	**3,531**
Other income from non-telecommunication services	5	1	-	-	-	4	1	-	1	-	9	-	-	(9)	(3)	9
Operating expenses	(777)	(284)	(510)	(373)	(390)	(328)	(21)	(50)	(42)	(34)	(18)	-	37	564	375	(1,851)
Gain on sale of investments in subsidiaries	-	-	-	-	-	-	-	-	-	-	2,414	-	-	-	-	2,414
Operating profit excl. depr., amort. and impairments	**378**	**80**	**144**	**163**	**171**	**335**	**80**	**137**	**113**	**104**	**2,405**	**-**	**21**	**1**	**(29)**	**4,103**
Depreciation and amortisation	(123)	(41)	(67)	(43)	(54)	(162)	(33)	(34)	(33)	(28)	(1)	-	-	-	-	(619)
Depreciation on lease related RoU	(16)	(2)	(4)	(5)	(4)	(30)	(9)	(15)	(9)	(11)	-	-	-	-	5	(100)
Amortisation of costs to obtain a contract	(22)	(8)	(8)	(14)	(29)	-	-	-	-	-	-	-	-	-	-	(81)
Impairment loss	(2)	-	(12)	(26)	(7)	(1)	-	(1)	-	-	-	-	-	-	-	(49)
Operating profit	**215**	**29**	**53**	**75**	**77**	**142**	**38**	**87**	**71**	**65**	**2,404**	**-**	**21**	**1**	**(24)**	**3,254**
Interest income	3	-	4	1	5	1	-	1	-	1	43	45	(14)	(22)	(44)	24
Net foreign currency gains/(losses)	(5)	-	(2)	-	-	(25)	-	(2)	-	-	(19)	1	-	-	-	(52)
Interest expense on lease liability	(2)	-	-	-	(1)	(8)	(1)	(5)	(2)	(4)	-	-	-	-	1	(22)
Other interest expense	(17)	(3)	(16)	-	(2)	(38)	(4)	-	-	(1)	(92)	(70)	-	21	60	(162)
Other finance cost	-	(9)	(7)	(5)	-	-	-	-	-	-	(5)	(1)	-	-	-	(27)
Profit for the period before tax	**194**	**17**	**32**	**71**	**79**	**72**	**33**	**81**	**69**	**61**	**2,331**	**(25)**	**7**	**-**	**(7)**	**3,015**
Income tax expense	(43)	(5)	(10)	(11)	(10)	(17)	(7)	(10)	(10)	(9)	(6)	(1)	-	-	-	(139)
Profit for the period	**151**	**12**	**22**	**60**	**69**	**55**	**26**	**71**	**59**	**52**	**2,325**	**(26)**	**7**	**-**	**(7)**	**2,876**
Capital expenditure	170	27	39	38	39	214	60	55	45	57	11	-	-	(19)	11	747
Segment assets	-	328	695	496	630	-	315	516	378	440	435	-	-	(384)	-	3,849
Segment liabilities	-	178	309	129	109	-	176	157	112	114	2,494	-	-	(385)	-	3,393
Segment equity	-	150	386	367	521	-	139	359	266	326	(2,059)	-	-	1		456

(1) Includes PPF Comco N.V. and CETIN Group N.V. presented as discontinued operations, refer to B.2.1.
(2) Represents the eliminations of the continuing operations' transactions with the discontinued ones solely from the perspective of the continuing operations.
(3) Represents the eliminations of the transactions solely within the continuing operations.
(4) Represents together the eliminations of the discontinued operations' transactions with the continuing ones solely from the perspective of the discontinued operations and the eliminations of the transactions within discontinued operations.

In millions of EUR

2023	O2 Czech Republic *(disc.)*	O2 Slovakia	Yettel Hungary	Yettel Bulgaria	Yettel Serbia	CETIN CZ *(disc.)*	CETIN Slovakia	CETIN Hungary	CETIN Bulgaria	CETIN Serbia	Unallo-cated	Unallo-cated[1] *(disc.)*	Elimina-tion with DISC[2]	Elimina-tions within CONT[3]	Elimina-tions - other[4]	**Consoli-dated**
Revenue from external customers	1,453	345	612	499	498	348	-	5	5	11	-	-	-	-	-	3,776
Inter-segment revenue	13	4	3	4	11	468	93	170	136	110	-	-	(20)	(511)	(481)	-
Total revenue	**1,466**	**349**	**615**	**503**	**509**	**816**	**93**	**175**	**141**	**121**	**-**	**-**	**(20)**	**(511)**	**(481)**	**3,776**
Other income from non-telecommunication services	13	1	-	-	-	5	-	-	-	-	4	-	-	(4)	(5)	14
Operating expenses	(1,007)	(272)	(489)	(352)	(365)	(403)	(24)	(56)	(40)	(29)	(6)	(2)	41	515	456	(2,033)
Operating profit excl. depr., amort. and impairments	**472**	**78**	**126**	**151**	**144**	**418**	**69**	**119**	**101**	**92**	**(2)**	**(2)**	**21**	**-**	**(30)**	**1,757**
Depreciation and amortisation	(145)	(40)	(67)	(38)	(49)	(199)	(28)	(31)	(31)	(30)	-	-	1	-	-	(657)
Depreciation on lease related RoU	(20)	(3)	(5)	(4)	(4)	(35)	(8)	(14)	(8)	(9)	-	-	-	-	7	(103)
Amortisation of costs to obtain a contract	(23)	(7)	(8)	(13)	(25)	-	-	-	-	-	-	-	-	-	-	(76)
Impairment loss	(1)	-	-	-	-	(2)	-	(1)	-	(5)	-	-	-	-	-	(9)
Operating profit	**283**	**28**	**46**	**96**	**66**	**182**	**33**	**73**	**62**	**48**	**(2)**	**(2)**	**22**	**-**	**(23)**	**912**
Interest income	7	-	5	1	4	1	-	-	-	1	42	33	(7)	(32)	(31)	24
Net foreign currency gains/(losses)	(3)	-	1	-	-	(25)	-	-	-	-	1	(1)	-	-	-	(27)
Interest expense on lease liability	(3)	-	(1)	-	(1)	(8)	(1)	(4)	(1)	(2)	-	-	-	-	1	(20)
Other interest expense	(12)	(1)	(30)	(1)	(3)	(36)	(2)	(1)	-	(1)	(87)	(62)	-	32	39	(165)
Other finance cost	(2)	(5)	(7)	(6)	-	-	-	-	-	-	-	(1)	-	-	-	(21)
Profit for the period before tax	**270**	**22**	**14**	**90**	**66**	**114**	**30**	**68**	**61**	**46**	**(46)**	**(33)**	**15**	**-**	**(14)**	**703**
Income tax expense	(54)	(8)	(8)	(9)	(3)	(47)	(8)	(9)	(6)	(7)	-	(2)	-	-	-	(161)
Profit for the period	**216**	**14**	**6**	**81**	**63**	**67**	**22**	**59**	**55**	**39**	**(46)**	**(35)**	**18**	**-**	**(17)**	**542**
Capital expenditure	82	22	27	56	33	221	29	81	39	35	-	-	-	-	-	625
Segment assets	1,581	320	794	555	653	2,932	271	509	362	372	1,079	1,081	(423)	(381)	(1,328)	8,377
Segment liabilities	892	160	334	131	102	1,959	157	163	103	80	3,521	1,909	(10)	(381)	(1,741)	7,379
Segment equity	**689**	**160**	**460**	**424**	**551**	**973**	**114**	**346**	**259**	**292**	**(2,442)**	**(828)**	**(413)**	**-**	**413**	**998**

(1) Represents PPF Comco N.V. and CETIN Group N.V. presented as discontinued operations (refer to B.2.1.).
(2) Represents the eliminations of the continuing operations’ transactions with the discontinued ones solely from the perspective of the continuing operations.
(3) Represents the eliminations of the transactions solely within the continuing operations.
(4) Represents together the eliminations of the discontinued operations’ transactions with the continuing ones solely from the perspective of the discontinued operations and the eliminations of the transactions within discontinued operations.

The following table shows the main revenue streams broken down according to reportable segments:

In millions of EUR

2024	O2 Czech Republic *(disc.)*	O2 Slovakia	Yettel Hungary	Yettel Bulgaria	Yettel Serbia	CETIN CZ *(disc.)*	CETIN Slovakia	CETIN Hungary	CETIN Bulgaria	CETIN Serbia	Unallo-cated	Unallo-cated[1] *(disc.)*	Elimina-tion with DISC[2]	Elimina-tions within CONT[3]	Elimina-tions - other[4]	**Consoli-dated**
Major service/product lines:																
Mobile originated revenue	573	239	505	391	383		-	-	-	-	-	-	-	(2)	(6)	2,083
Fixed originated revenue	447	26	3	1	21	21	-	-	-	-	-	-	-	-	-	519
Hardware sales revenues	83	75	98	122	106	-	-	-	-	-	-	-	-	-	-	484
Interconnect revenue	34	17	18	11	40	-	-	-	-	-	-	-	(8)	(3)	-	109
International transit revenue	-	-	-	-	-	164	-	-	5	-	-	-	(2)	(2)	(21)	144
Other wholesale revenue	13	6	11	11	11	474	100	187	149	138	-	-	(6)	(547)	(374)	173
Other sales	-	-	19	-	-	-	-	-	-	-	-	-	-	-	-	19
Revenue recognition:																
Revenue recognised over time	1,067	288	556	414	455	659	100	187	154	138	-	-	(16)	(554)	(401)	3,047
Revenue recognised at a point in time	83	75	98	122	106	-	-	-	-	-	-	-	-	-		484
Total revenue	**1,150**	**363**	**654**	**536**	**561**	**659**	**100**	**187**	**154**	**138**	**-**	-	(16)	(554)	(401)	3,531

(1) Represents PPF Comco N.V. and CETIN Group N.V. presented as discontinued operations (refer to B.2.1.).
(2) Represents the eliminations of the continuing operations' transactions with the discontinued ones solely from the perspective of the continuing operations.
(3) Represents the eliminations of the transactions solely within the continuing operations.
(4) Represents together the eliminations of the discontinued operations' transactions with the continuing ones solely from the perspective of the discontinued operations and the eliminations of the transactions within discontinued operations.

2023	O2 Czech Republic *(disc.)*	O2 Slovakia	Yettel Hungary	Yettel Bulgaria	Yettel Serbia	CETIN CZ *(disc.)*	CETIN Slovakia	CETIN Hungary	CETIN Bulgaria	CETIN Serbia	Unallo-cated	Unallo-cated(1) *(disc.)*	Elimina-tion with DISC(2)	Elimina-tions within CONT(3)	Elimina-tions - other(4)	**Consoli-dated**
Major service/product lines:																
Mobile originated revenue	767	230	455	366	336	-	-	-	-	-	-	-	-	(2)	(8)	2,144
Fixed originated revenue	522	20	1	1	10	4	-	-	-	-	-	-	-	-	(1)	557
Hardware sales revenues	105	71	104	108	103	-	-	-	-	-	-	-	-	-	-	491
Interconnect revenue	55	21	28	19	49	-	-	-	-	-	-	-	(9)	(3)	(2)	158
International transit revenue	-	-	-	-	-	214	-	-	7	-	-	-	(3)	(4)	(23)	191
Other wholesale revenue	17	7	11	9	11	598	93	175	134	121	-	-	(8)	(501)	(447)	220
Other sales	-	-	16	-	-	-	-	-	-	-	-	-	-	(1)	-	15
Revenue recognition:																
Revenue recognised over time	1,361	278	511	395	406	816	93	175	141	121	-	-	(20)	(511)	(481)	3,285
Revenue recognised at a point in time	105	71	104	108	103	-	-	-	-	-	-	-	-	-	-	491
Total revenue	1,466	349	615	503	509	816	93	175	141	121	-	-	(20)	(511)	(481)	3,776

(1) Represents PPF Comco N.V. and CETIN Group N.V. presented as discontinued operations (refer to B.2.1.).
(2) Represents the eliminations of the continuing operations’ transactions with the discontinued ones solely from the perspective of the continuing operations.
(3) Represents the eliminations of the transactions solely within the continuing operations.
(4) Represents together the eliminations of the discontinued operations’ transactions with the continuing ones solely from the perspective of the discontinued operations and the eliminations of the transactions within discontinued operations.

E. Additional notes to the consolidated financial statements

Due to the discontinuance of operations in the Czech Republic (refer to A.7 and B.2.1), in the whole section E in the disclosures to the consolidated statement of income, the comparative figures for the year ended 31 December 2023 have been restated not reflect the Czech entities' and their holding companies' expenses, losses, revenues or income in the Group's comparative figures as they were presented in the most recent consolidated financial statements for the year ended 31 December 2023.

E.1. Revenue

E.1.1. Revenue from telco business – major lines of business

Revenue from the telecommunication business comprises the following:

In millions of EUR, for the year ended 31 December

	2024	2023
Mobile originated revenue	1,516	1,385
Hardware sales revenues	401	386
Interconnect revenue	75	105
Fixed originated revenue	51	32
Other wholesale revenue	60	52
Other sales	20	15
Revenue from telecommunication business	**2,123**	**1,975**
out of which:		
Services/Products transferred over time	1,722	1,589
Services/Products transferred at a point in time	401	386

Hardware sales revenues include interest income arising from the Group's ordinary transactions with a significant financing component. For the year ended 31 December 2024, interest income amounts to EUR 6 million (2023: EUR 6 million).

For the information on contract assets and contract liabilities, please refer to E.8.3.

E.1.2. Revenue from telco business – geographical markets

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

In millions of EUR, for the year ended 31 December

	2024	2023
Services/products transferred over time	1,722	1,589
Hungary	553	507
Bulgaria	398	373
Serbia	449	393
Slovakia	282	269
Other	40	47
Services/products transferred at a point in time	401	386
Hungary	98	104
Bulgaria	122	108
Serbia	106	103
Slovakia	75	71

E.1.3. Incremental costs to obtain contracts

Capitalised incremental costs to obtain contracts include commissions for external and internal business channels that are directly attributable to obtaining customer contracts and are incremental. The amortisation of these costs is recognised on a separate line (amortisation of cost to obtain contracts) in profit or loss; the amortisation period is determined by the expected average duration of contracts separately for business customers and consumers, and separately for certain product types (ranging from 16 to 48 months).

In millions of EUR, for the year ended 31 December

	2024	2023
Balance as at 1 January	90	77
Additions through business combinations	-	1
Disposals through business combinations (refer to B.2.1)	(38)	-
Capitalised costs to obtain contracts	88	89
Amortisation of capitalised costs to obtain contracts (incl. discontinued operations)	(81)	(76)
Effects of movements in exchange rates	(1)	(1)
Balance as at 31 December	**58**	**90**

The Group regularly evaluates capitalised incremental costs to obtain contracts and assesses whether there is any indication of impairment. The assessment is based on the monitoring of two parameters – the statistical evolution of clawbacks, i.e., deductions for the additional change of contracted services or contractual penalties for the non-observance of performance indicators and, simultaneously, the monitoring of calculation corrections based on the revision of the period in which the customers use the individual segments of the Group. According to an assessment of these parameters, there was no impairment allowance of the capitalised costs to obtain contracts recognised as at 31 December 2024 or 31 December 2023.

E.2. Personnel expenses and other operating expenses

In millions of EUR, for the year ended 31 December

	2024	2023
Employee compensation	171	147
Payroll related taxes (including pension contribution)	37	31
Total personnel expenses	**208**	**178**
Cost of telco and other devices sold (inventories)	402	392
Other cost of sales	109	88
Interconnection and roaming	92	121
Utilities	56	64
Advertising and marketing	41	38
Network&IT maintenance	36	33
Professional services	27	14
Commissions	23	21
Rentals, buildings and vehicles	15	8
Net impairment losses on trade and other receivables	14	14
Telecommunication and postage	7	8
International transit	7	8
Taxes other than income tax	4	3
Other	80	87
Total other operating expenses	**913**	**899**

The average number of employees for continuing operations during 2024 was 7,047 (2023: 6,826 employees). In 2024, two employees worked for the Group in the Netherlands (no employee in 2023).

E.3. Depreciation and amortisation

Depreciation and amortisation charges (excl. right-of-use assets) comprise the following:

In millions of EUR, for the year ended 31 December

	2024	2023
Depreciation of property, plant and equipment	160	140
Amortisation of intangible assets	174	173
Total depreciation and amortisation	**334**	**313**

E.4. Other finance costs

Other finance costs comprise the following:

In millions of EUR, for the year ended 31 December

	2024	2023
Net loss on financial derivatives and other FVTPL assets	21	18
Fee and commission expense	5	-
Total finance costs	**26**	**18**

E.5. Income taxes

E.5.1. Income tax expense

Income tax expense comprises the following:

In millions of EUR, for the year ended 31 December

	2024	2023
Current tax expense	(95)	(76)
Deferred tax benefit	17	18
Total income tax expense	**(78)**	**(58)**

The following table reconciles the tax expense:

In millions of EUR, for the year ended 31 December

	2024	2023
Tax rate (see the below paragraph for further reference)	25.8%	25.8%
Profit from continuing operations (before taxation)	2,781	366
Computed taxation using applicable tax rate	(718)	(94)
Effect of non-taxable gain on sale of investments in subsidiaries	624	-
Tax rate differences on foreign results	57	51
Non-deductible interests due to ATAD (earning stripping) rules	(18)	(6)
Current tax expense related to global minimum top-up tax	(7)	-
Items taxed at a different tax rate (e.g., withholding tax)	(5)	-
Tax non-deductible expenses	(4)	(10)
Current year losses for which no deferred tax asset is recognised	(2)	-
Other	(5)	1
Total income tax expense	**(78)**	**(58)**

The Company is subject to corporate income tax in the Netherlands at an income tax rate of 25.8% (2023: 25.8%). The Company's subsidiaries are also subject to corporate income tax laws in the respective jurisdictions where the Group operates, with corporate income tax rates ranging from 9% in Hungary to 21% in Slovakia.

E.5.2. Global minimum tax (Pillar Two)

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

The Group acknowledged these complexities and ongoing changes in the global tax environment as well as possible changes in the Group's structure during the preparation of its thorough analyses. As a result, the Group recorded EUR 7 million of income tax expense related to top-up tax for Bulgarian subsidiaries for the year ended 31 December 2024.

The Group continued to apply the temporary mandatory relief from deferred tax accounting for the future impacts of the top-up tax and no deferred tax impact was recognised for the year ended 31 December 2024.

E.5.3. Deferred tax

The table below shows the roll-forward of net deferred taxes:

In millions of EUR, for the year ended 31 December

	2024	2023
Net deferred tax liability as at 1 January	(320)	(320)
Additions resulting from business combinations (refer to B.2.4)	-	(20)
Disposals resulting from business combinations (refer to B.2.1)	264	-
Deferred tax income for the period (incl. discontinued operations)	35	11
Deferred tax recognised directly in equity	1	2
Effects of movements in exchange rates	6	7
Net deferred tax liability as at 31 December	**(14)**	**(320)**

Recognised deferred tax assets and liabilities were as follows:

In millions of EUR, as at 31 December

	2024 Deferred tax liabilities	2024 Deferred tax assets	2023 Deferred tax liabilities	2023 Deferred tax assets
Financial assets at FVTPL	-	2	-	2
Trade receivables	-	3	-	9
Property, plant and equipment	(38)	7	(368)	8
Intangible assets	(36)	4	(72)	1
Contract assets	(3)	-	(4)	-
Other assets	-	2	-	1
Lease liabilities	-	28	-	86
Other liabilities	-	10	-	10
Provisions	-	7	-	12
Other temporary differences	-	-	(11)	6
Deferred tax assets/(liabilities)	**(77)**	**63**	**(455)**	**135**
Net deferred tax assets/(liabilities)	**(30)**	**16**	**(331)**	**11**

E.5.4. Tax losses and unrecognised deferred tax asset

As at 31 December 2024, the Group has incurred tax losses from recent years of EUR 59 million (2023: EUR 82 million), available to be carried forward and off-set against future taxable income. The Group also carried forward EUR 519 million (2023: EUR 494 million) of interests disallowed for tax purposes due to ATAD regulations. To the extent that it is not considered likely that taxable profits will be available against which the unused tax losses or disallowed interests can be utilised, the deferred tax assets are not recognised. The unrecognised deferred tax assets amount to EUR 149 million (2023: EUR 147 million). The unutilised tax losses can be claimed during the year 2025 in Hungary, and for an unlimited period in the Netherlands.

In millions of EUR

	31 December 2024	31 December 2023
2025	1	-
2026	-	1
2027	-	1
2030	-	1
Unlimited	58	79
Total	**59**	**82**

E.6. Property, plant and equipment

The following table shows the roll-forward of property, plant and equipment:

In millions of EUR, for the year ended 31 December 2024

	Land and buildings	Ducts, cables and related plant	Telecom. Technology and related equipment	Other tangible assets and equipment	Construction in progress	Total
Cost	433	2,183	1,826	283	243	4,968
Accumulated depreciation and impairment	(166)	(782)	(964)	(148)	(8)	(2,068)
Carrying amount as at 1 January 2024	**267**	**1,401**	**862**	**135**	**235**	**2,900**
Disposals resulting from business combinations (refer to B.2.1)	(206)	(1,309)	(374)	(37)	(195)	(2,121)
Additions*	16	30	151	23	238	458
Disposal	-	-	(1)	(1)	(1)	(3)
Transfers	10	31	74	6	(121)	-
Depreciation charge (incl. discontinued operations)	(19)	(74)	(192)	(22)	-	(307)
Impairment charge	-	-	-	-	(1)	(1)
Effects of movements in exchange rates	(6)	(28)	(18)	(4)	(6)	(62)
Carrying amount as at 31 December 2024	**62**	**51**	**502**	**100**	**149**	**864**
Cost	120	68	1,077	165	151	1,581
Accumulated depreciation and impairment	(58)	(17)	(575)	(65)	(2)	(717)

*Out of the total additions of EUR 458 million, EUR 261 million related to additions within the continuing operations.

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

	Land and buildings	Ducts, cables and related plant	Telecom. technology and related equipment	Other tangible assets and equipment	Construction in progress	Total
Cost	437	2,039	1,586	265	273	4,600
Accumulated depreciation and impairment	(160)	(714)	(856)	(141)	(7)	(1,878)
Carrying amount as at 1 January 2023	**277**	**1,325**	**730**	**124**	**266**	**2,722**
Additions resulting from business combinations (refer to B.2.4)	13	105	15	1	5	139
Additions*	8	46	212	26	142	434
Disposal	(3)	-	(2)	(1)	(1)	(7)
Transfers	(7)	46	123	8	(170)	-
Depreciation charge (incl. discontinued operations)	(17)	(86)	(203)	(23)	-	(329)
Impairment charge	-	-	(7)	-	(2)	(9)
Effects of movements in exchange rates	(4)	(35)	(6)	-	(5)	(50)
Carrying amount as at 31 December 2023	**267**	**1,401**	**862**	**135**	**235**	**2,900**
Cost	433	2,183	1,826	283	243	4,968
Accumulated depreciation and impairment	(166)	(782)	(964)	(148)	(8)	(2,068)

*Out of the total additions of EUR 434 million, EUR 237 million related to additions within the continuing operations.

In both periods, the most significant additions of PPE relate to the construction and modernization of a mobile telecommunication infrastructure mainly in the Czech Republic (related radio network modernisation and roll-out of 5G and continuous investments into a fixed network), Hungary (radio network modernization and roll-out of 5G), Slovakia (radio network modernization and roll-out of 5G), and Serbia (network modernisation, swap).

In 2023, the impairment charge results from re-evaluation of the expected useful life period of the current telecommunication infrastructure in Serbia in connection with its planned modernisation. Such modernisation has already been running in the other countries where the Group operates (refer to the above paragraph).

No property, plant and equipment were pledged either as at 31 December 2024 or 31 December 2023.

E.7. Goodwill and other intangible assets

Intangible assets comprise the following:

In millions of EUR

	31 December 2024	31 December 2023
Goodwill	968	1,710
Licences	367	603
Customer relationships	274	467
Software	86	257
Valuable rights	22	63
Other intangible assets	15	62
Work in progress	47	93
Total intangible assets (incl. goodwill)	**1,779**	**3,255**

Acquired licences represent the rights to operate cellular networks. The licences are technologically neutral. The Group uses the following standards for the operation of cellular networks in Slovakia, Hungary, Bulgaria, Serbia and until October 2024 also in the Czech Republic: GSM (Global System for Mobile Communication, second generation technology), UMTS (Universal Mobile Telecommunication System, third generation mobile cellular technology for networks), CDMA (Code Division Multiple Access) and LTE (Long Term Evolution).

Customer relationships are assets that ensure a long-term revenue stream from customers who have made commitments to purchase specific amounts of products or services.

Work in progress represents acquired intangible fixed assets not put in use during the same reporting period. It comprises mainly software.

E.7.1. Goodwill

The following table shows the roll-forward of goodwill:

In millions of EUR, for the year

	2024	2023
Balance as at 1 January	1,710	1,515
Disposals resulting from business combinations (refer to B.2.1)	(708)	-
Additions resulting from business combinations (refer to B.2.4)	-	196
Effect of movement in exchange rates	(34)	(1)
Balance as at 31 December	**968**	**1,710**

Goodwill is allocated to individual CGUs as follows:

In millions of EUR

	31 December 2024	31 December 2023
O2 Slovakia	24	24
Yettel Hungary(1)	169	182
Yettel Bulgaria	118	118
Yettel Serbia	183	184
CETIN Networks	16	16
CETIN Hungary(1)	165	177
CETIN Bulgaria	104	104
CETIN Serbia	189	189
O2 Czech Republic(2)	-	543
CETIN CZ(2)	-	173
Total goodwill	**968**	**1,710**

(1) The changes in values of goodwill are affected by changes in the translation FX rates.
(2) O2 Czech Republic and CETIN CZ were sold in October 2024 (refer to B.2.2).

Goodwill is tested semi-annually for impairment. A reasonably possible change in the key assumptions on which management bases its determination of the recoverable amounts would not result in O2 Slovakia, Yettels, and CETINs carrying amounts being higher than their recoverable amounts.

<u>O2 Slovakia and Yettels</u>

O2 Slovakia, operating in Slovakia, was identified as an individual CGU for the purposes of the impairment test. Yettels' CEE businesses, operating in Hungary, Bulgaria and Serbia, were also identified as individual CGUs for the purposes of the impairment test.

The impairment test involves determining the recoverable amount of the above four cash-generating units, which correspond to their value in use. The value in use of a CGU is the present value of future cash flows expected to be derived from each CGU.

The value in use is determined in an enterprise valuation model and assessed from the group-internal perspective. The value in use is derived from the medium-term forecast for a period of five years (from 2025 to 2029), prepared by the management at the time of the impairment test. The forecast is also based on future market trends, general macroeconomic data derived from macroeconomic and financial studies. The key assumptions on which management bases its business plan and growth rates include trends in the gross domestic product, interest rates, nominal wages, capital expenditures, market share, growth rates, and discount rates.

The calculations of value in use for each CGU are the most sensitive to the following assumptions:

The estimated growth rate in terminal value – forecasts of the market and regulatory environment in which the company conducts its principal business, as well as the investment life cycle, are the basis for determining the value assigned to the estimated growth rate. A 3.0% growth rate is applied to Serbia and Hungary, while a 2.0% growth rate is used for Bulgaria and Slovakia.

The discount rate – the discount rate reflects the Group's estimate of the risk and related expected return specific to the CGU. The weighted average cost of capital forms the basis for the determination of the discount rate. Relevant data taken from independent financial analysts as a benchmark for the weighted average cost of capital are used to determine the discount rate for each respective CGU. The resulting discount rate and its effect on value in use are tested for sensitivity. The current methodology used as of 31 December 2024 will be subject to regular reassessments and potential adjustments. The pre-tax discount rates applied for the respective CGUs are as follows:

	31 December 2024	31 December 2023
O2 Slovakia	12.6%	8.2%
Yettel Hungary	11.9%	11.9%
Yettel Bulgaria	9.1%	8.6%
Yettel Serbia	13.5%	12.1%

The discounted cash flow valuation is supported by a valuation using the market approach based on publicly traded peer companies. The multiple of enterprise value (EV) to earnings before interest, taxes, depreciation and amortisation (EBITDA) was selected as the most suitable multiple, as EBITDA is considered to be the closest approximate of free cash flow. The value estimates the draw on EV/EBITDA multiples based on market data as at the valuation date and the EBITDA of the peer public companies for 2024.

CETINs

CETINs' businesses represent operating companies in four countries and were identified as individual CGUs for the purposes of the impairment test. These operating businesses are in Slovakia, Hungary, Bulgaria, and Serbia.

The impairment test involves determining the above four cash-generating unit's recoverable amount, corresponding to the value in use. Value in use is the present value of the future cash flows expected to be derived from the CGUs.

The value in use is determined in an enterprise valuation model and assessed from a group-internal perspective. The value in use is derived from the medium-term forecast for a period of seven years (for 2025 to 2031), prepared by management and most recent at the time of the impairment test. Management believes that use of longer than usual 5 years forecast of future cashflows is sufficiently reliable due to long term contracts with operating companies (e.g., MSA and MOSA contracts). The medium-term forecast is based on the past experience, future market trends, and general economic data derived from macroeconomic and financial studies. The key assumptions on which management bases its business plan and growth rates include trends in the gross domestic product, interest rates, nominal wages, capital expenditures, market share, growth rates, and discount rates.

The calculations of a CGU's value in use are the most sensitive to the following assumptions:

The estimated growth rate in terminal value – forecasts of the market and regulatory environment in which the company conducts its principal business, as well as the investment life cycle, are the basis for determining the value assigned to the estimated growth rate. A 3.0% growth rate is applied to Serbia and Hungary, while a 2.0% growth rate is used for Bulgaria and Slovakia.

The discount rate – this reflects the Group's estimate of the risk and related expected return. The weighted average cost of capital forms the basis for the determination of the discount rate. Relevant data taken from independent financial analyses as a benchmark for the weighted average cost of capital is used to determine the discount rate. The resulting discount rate and its effect on value in use are tested for sensitivity. The current methodology used as of 31 December 2024 is a subject to regular reassessments and potential adequate adjustments. The pre-tax discount rates applied for the respective CGUs are as follows:

	31 December 2024	31 December 2023
CETIN Slovakia	11.4%	7.4%
CETIN Hungary	11.7%	11.8%
CETIN Bulgaria	8.9%	8.1%
CETIN Serbia	13.3%	12.2%

The discounted cash flow valuation is supported by a valuation using the market approach based on publicly traded peer companies. The multiple of enterprise value (EV) to earnings before interest, taxes, depreciation and amortisation (EBITDA) was selected as the most suitable multiple, as EBITDA is considered to be the closest approximate of free cash flow. The value estimates draw on EV/EBITDA multiples based on market data as at the valuation date and EBITDA of the peer public companies for 2024. EV/Sales multiple is considered as well.

E.7.2. Other intangible assets

The following table shows the roll-forward of the remaining categories of intangible assets:

In millions of EUR, for the year ended 31 December 2024

	Software	Licences	Valuable rights	Customer relation-ships	Other intangible assets	Work in progress	Total
Cost	813	1,100	244	1,330	129	93	3,709
Accumulated amortisation and impairment losses	(556)	(497)	(181)	(863)	(67)	-	(2,164)
Carrying amount as at 1 January 2024	**257**	**603**	**63**	**467**	**62**	**93**	**1,545**
Additions*	64	38	22	-	77	88	289
Disposals resulting from business combinations (refer to B.2.1)	(166)	(164)	(50)	(86)	(96)	(60)	(622)
Disposal	-	-	(6)	-	-	(1)	(7)
Transfers	29	(2)	-	-	-	(27)	-
Amortisation charge (incl. discontinued operations)	(92)	(87)	(6)	(100)	(26)	-	(311)
Impairment charge	(1)	-	-	-	-	(45)	(46)
Effects of movements in exchange rates	(5)	(21)	(1)	(7)	(2)	(1)	(37)
Carrying amount as at 31 December 2024	**86**	**367**	**22**	**274**	**15**	**47**	**811**
Cost	270	802	25	719	34	91	1,941
Accumulated amortisation and impairment losses	(184)	(435)	(3)	(445)	(19)	(44)	(1,130)

*Out of the total additions of EUR 289 million, EUR 91 million related to additions within the continuing operations.

In 2024, recognised impairment relates mostly to the discontinued implementation of a business support systems project, refer to E.20.4.

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

	Software	Licences	Valuable rights	Customer relation-ships	Other intangible assets	Work in progress	Total
Cost	736	1,063	247	1,300	101	85	3,532
Accumulated amortisation and impairment losses	(493)	(411)	(179)	(762)	(54)	-	(1,899)
Carrying amount as at 1 January 2023	**243**	**652**	**68**	**538**	**47**	**85**	**1,633**
Additions resulting from business combinations (refer to B.2.4)	1	-	2	36	-	-	39
Additions*	93	23	-	-	36	39	191
Transfers	23	6	-	-	1	(30)	-
Amortisation charge (incl. discontinued operations)	(104)	(88)	(6)	(109)	(21)	-	(328)
Effects of movements in exchange rates	1	10	(1)	2	(1)	(1)	10
Carrying amount as at 31 December 2023	**257**	**603**	**63**	**467**	**62**	**93**	**1,545**
Cost	813	1,100	244	1,330	129	93	3,709
Accumulated amortisation and impairment losses	(556)	(497)	(181)	(863)	(67)	-	(2,164)

*Out of the total additions of EUR 191 million, EUR 85 million related to additions within the continuing operations.

In 2023, the Group invested in modernisations of IT systems in all countries, where it operates. Yettel Bulgaria purchased additional frequency spectrum in total amount of EUR 22 million, which is presented as additions in licences.

E.8. Financial assets (excluding cash and cash equivalents)

Financial assets comprise the following:

In millions of EUR

	31 December 2024	31 December 2023
Trade and other receivables	8	70
Contract assets	29	25
Financial assets at FVTPL*	-	8
Financial assets at FVOCI*	-	3
Non-current	**37**	**106**
Trade and other receivables	232	518
Contract assets	71	67
Financial assets at FVTPL*	72	71
Receivables due from banks*	2	2
Current	**377**	**658**
Total financial assets	**414**	**764**

*Presented as other financial assets in the consolidated statement of financial position.

E.8.1. Financial assets/liabilities at FVTPL

Financial assets at FVTPL comprise the following:

In millions of EUR

	31 December 2024	31 December 2023
Positive fair values of hedging derivatives	-	7
Positive fair values of trading derivatives	-	1
Non-current	**-**	**8**
Instalment receivables at FVTPL	72	70
Positive fair values of trading derivatives	-	1
Current	**72**	**71**
Total financial assets at FVTPL	**72**	**79**

The Group provides mobile handsets and other telecommunication equipment to its customers on instalments (usually for 12 to 24 months, interest-free). To improve its working capital, the Group enters into securitisation transactions with its related parties within PPF Group, which has been the Group's non-controlling shareholder since October 2024 (refer to B.2.1). Under these transactions, Yettel Bulgaria and Yettel Hungary issue participation certificates acquired by PPF Co3 B.V., and O2 Slovakia issue participation certificates acquired by AB 4 B.V. Both, PPF Co3 B.V. and AB 4 B.V., are controlled by PPF Group N.V. All risks and rewards related to these instalment receivables are transferred under the certificates and derecognised from the Group's consolidated statement of financial position. From the Group's perspective, no recourse or other liability results from these transactions.

The outstanding balance of all issued tranches of the above participation certificates issued by the Group as at 31 December 2024 is EUR 146 million (31 December 2023: EUR 121 million).

As at 31 December 2024 and 2023, the part of trade receivables being subject to future securitisation transactions (i.e., not yet transferred to PPF Co3 B.V. or AB 4 B.V and not derecognised, but fulfilling all necessary conditions to be transferred) is recognised under financial assets at FVTPL, as an instalment receivables at FVTPL in the table above.

As at 31 December 2024, the Group did not hold any derivatives. Details of derivatives as at 31 December 2023 are provided in the following table:

In millions of EUR, as at 31 December 2023

	Notional amount	Positive fair values	Negative fair values
OTC products:			
Interest rate swaps – trading	16	1	-
Forward exchange contracts - trading	65	1	-
Interest rate swaps - hedging	125	7	-

E.8.2. Trade and other receivables

Trade and other receivables comprise the following:

In millions of EUR

	31 December 2024	31 December 2023
Trade receivables	8	74
Subtotal (gross) - non-current	**8**	**74**
Individual allowances for impairment on trade and other receivables	-	(4)
Subtotal (net) - non-current	**8**	**70**
Trade receivables	241	590
Accrued income	45	41
Subtotal (gross) - current	**286**	**631**
Individual allowances for impairment on trade and other receivables	(54)	(113)
Subtotal (net) - current	**232**	**518**
Carrying amount trade and other receivables - total	**240**	**588**

The movements in the allowance for impairment in respect of trade and other receivables during the year were as follows:

In millions of EUR, for the year ended 31 December

	2024	2023
Balance as at 1 January	(117)	(114)
Additions resulting from business combinations (refer to B.2.4)	-	(2)
Disposals resulting from business combinations (refer to B.2.1)	56	-
Impairment losses recognised in consolidated statement of income (incl. discontinued operations)	(31)	(29)
Release of expected credit loss allowances on written off items	35	26
Financial assets derecognised during the period	1	1
Effects of movements in exchange rates	2	1
Balance as at 31 December	**(54)**	**(117)**

E.8.3. Contract assets and liabilities

The following table provides information about the carrying amounts of receivables, contract assets and contract liabilities from contracts with customers.

In millions of EUR

	31 December 2024	31 December 2023
Receivables, which are included in “trade and other receivables”	**240**	**575**
Contract assets	**100**	**92**
Non-current part	29	25
Current part	71	67
Contract liabilities	**(32)**	**(108)**
Non-current part	(3)	(56)
Current part	(29)	(52)

As at 31 December 2024, the ECL allowance for current contracts assets amounted to EUR 6 million (2023: EUR 6 million).

Contract assets primarily relate to the Group's rights to consideration in exchange for goods or services that the Group has already transferred to customers and which it has not yet invoiced. These include contracts with customers where the supply of telecommunication services is supplemented by the sale of subsidised telecommunication equipment. A contract asset arises from the reallocation of revenues under a customer contract from telecommunication services provided and recognised during the life of the contract to the revenues from the sale of such subsidised equipment, which is recognised at the time of sale.

A contract liability is the Group's obligation to deliver goods or to provide services for which the Group has received consideration from the customer.

Contract liabilities include mostly telecommunication services prepaid by customers on prepaid cards. These revenues are recognised when the voice or data traffic takes place, or when other services are provided, or when the card associated with the prepaid credit expires. Contract liabilities also arise when activation fees are invoiced upon the conclusion of a new contract, which is not a distinct performance obligation, and are thus accrued over the term of the contract with the customer.

Significant changes in the contract assets and the contract liabilities balances during the period are as follows:

In millions of EUR, for the year ended 31 December 2024

	Contract assets	**Contract liabilities**
Balance as at 1 January 2024	92	(108)
Disposals resulting from business combinations (refer to B.2.1)	(7)	94
Revenue recognised that was included in the contract liability balance at the beginning of the period	-	49
Increases due to cash received, excluding amounts recognised as revenue during the period	-	(68)
Transfers from contract assets recognised at the beginning of the period to receivables	(74)	-
Increases due to revenue recognised during the period, not yet invoiced	91	-
Effects of movements in exchange rates	(2)	1
Balance as at 31 December 2024	**100**	**(32)**

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

	Contract assets	**Contract liabilities**
Balance as at 1 January 2023	79	(101)
Additions resulting from business combinations (refer to B.2.4)	-	(6)
Revenue recognised that was included in the contract liability balance at the beginning of the period	-	48
Increases due to cash received, excluding amounts recognised as revenue during the period	-	(51)
Transfers from contract assets recognised at the beginning of the period to receivables	(64)	-
Increases due to revenue recognised during the period, not yet invoiced	78	-
Net changes in ECL	(2)	-
Effects of movements in exchange rates	1	2
Balance as at 31 December 2023	**92**	**(108)**

The transaction price allocated to the remaining performance obligations related to contracts with customers is as follows:

In millions of EUR

	31 December 2024	31 December 2023
Within 1 year	281	365
Between 1 and 2 years	188	194
Between 2 and 5 years	3	92
More than 5 years	-	18
Transaction price on performance obligations yet to be satisfied	**472**	**669**

The Group applies the practical expedient of the standard and discloses in the table above neither information about contracted revenues with originally expected term of contract one year or less, nor contracted revenues for which the expected revenues are recognised in the amount corresponding to the right to invoice.

E.9. Inventories and other assets

Other assets comprise the following:

In millions of EUR

	31 December 2024	31 December 2023
Deferred expenses and advances	43	48
Specific deposits and other specific receivables	1	2
Other assets	-	1
Non-current	**44**	**51**
Inventories	67	90
Deferred expenses and advances	34	53
Other tax receivables	13	7
Other assets	5	11
Current	**119**	**161**
Total inventories and other assets	**163**	**212**

As at 31 December 2024, the balance of inventories consist mainly from goods for sale and includes and allowance for impairment of EUR 5 million (2023: EUR 12 million).

E.10. Cash and cash equivalents

Cash and cash equivalents comprise the following:

In millions of EUR

	31 December 2024	31 December 2023
Current accounts	268	640
Cash on hand	1	2
Total cash and cash equivalents	**269**	**642**

E.11. Liabilities due to banks

Liabilities due to banks comprise the following unsecured loans:

In millions of EUR

	31 December 2024	31 December 2023
Non-current	240	2,182
Current	1	22
Total liabilities due to banks	**241**	**2,204**

CETIN Group N.V., the former Parent Company's subsidiary, became a party to a term and revolving facilities agreement with a syndicate of banks in August 2021. CETIN Group N.V. then utilised bridge, term, and incremental term loan facilities amounting to EUR 1,450 million in aggregate. In April 2022, CETIN Group N.V. issued senior notes with the total nominal amount of EUR 500 million (refer to E.12) and used the proceeds to prepay the bridge loan (in full) and term loans (partially). In December 2023, CETIN Group N.V. utilised EUR 197 million of EUR 200 million committed revolving facility and the Group used the proceeds to repay the bond with a nominal value of CZK 4,866 million (EUR 203 million) (refer to E.12).

In October 2024, as part of the internal pre-closing restructuring (refer to B.2.1), the loan facilities were repaid in total amount of EUR 445 million and subsequently, the Group disposed of CETIN Group N.V. including its liabilities.

In April 2023, the Parent company became a party to a term loan facility amounting to EUR 250 million and a backstop loan facility amounting to EUR 600 million. In June 2023, the Parent company became a party to an additional term loan facility agreement of up to EUR 600 million, which was used to repay the bond with a nominal value of EUR 600 million (refer to E.12).

In October 2024, as part of the internal pre-closing restructuring (refer to B.2.1), PPF TMT Holdco 2 B.V., the former direct parent company, assumed in full both term loan facilities. The backstop loan facility remained undrawn and ceased to exist as at the completion of transaction with e& Group. The outstanding principal amount of these term loan facilities as at 31 December 2024 was nil (2023: EUR 850 million).

In November 2024, the Parent company became a party to a term loan facility amounting to EUR 1,446 million. The first utilization of EUR 246 million was executed on 3 December 2024 and it was used for the purchase of the 25% share in Yettel Hungary and CETIN Hungary (refer to B.2.3).

As at 31 December 2024 and 2023, the Group complied with the financial covenants imposed by its loan facilities.

Parameters of EUR-denominated loan facilities borrowed by the Parent company and outstanding as at 31 December 2024:

	Term and Revolving facilities agreement
Repayable by	2029[1]
Margin rate over EURIBOR	0.80%-0.90%[2]
Actual respective margin levels applicable	0.80%

(1) including a prolongation option of the borrower
(2) depending on the rating grade

On 20 May 2020, the Group concluded a long-term unsecured facility agreement with a 5-year maturity (until 2025) and a credit limit of CZK 9,240 million (approx. EUR 346 million) by which it refinanced the previously maturing loan (no cash movement related to this refinancing). In October 2024, the Group disposed of this long-term loan facility in full amount of CZK 4,690 million (approx. EUR 186 million) as a part of the sale of O2 Czech Republic a.s. (refer to B.2.1). As at 31 December 2024, the outstanding principal amount of this loan facility was nil (2023: CZK 4,690 million (approx. EUR 190 million)).

E.12. Debt securities issued

Debt securities (all unsecured) issued comprise the following:

In millions of EUR

	Date of issue	Maturity	Fixed rate	31 December 2024	31 December 2023
Bond (EUR 600 million)*	2019/2020	2025	2.13%	612	611
Bond (EUR 550 million)	2019	2026	3.13%	562	561
Bond (EUR 500 million)	2020	2027	3.25%	501	500
Bond (EUR 500 million)	2022	2027	3.13%	-	508
Total debt securities issued				**1,675**	**2,180**

*The aggregate nominal amount after consolidation of the EUR 500 million Eurobond issued in November 2019 with the EUR 100 million Eurobond issued in January 2020 (as a tap issue).

In March 2019, the Group established EUR 3,000 million Euro medium term note programme. At the same moment, the Group obtained corporate credit ratings Ba1 by Moody's, BB+ by Standard & Poor’s and BBB- by Fitch Ratings. During 2019 and 2020, under this programme, the Group issued senior secured Eurobonds in the aggregate nominal amount of EUR 2,250 million. Most of the bond proceeds were used to repay the Group’s secured loans.

In April 2022, CETIN Group N.V. established EUR 2,000 million Euro medium term note programme under which it issued senior notes with the total nominal amount of EUR 500 million. CETIN Group N.V. used the bond proceeds to repay its outstanding bank loans (refer to E.11). In October 2024, the Group disposed of these senior notes in nominal amount of EUR 500 million as a part of the sale of CETIN Group N.V. (refer to B.2.1).

E.13. Trade and other payables

Trade and other payables comprise the following:

In millions of EUR

	31 December 2024	31 December 2023
Settlements with suppliers	20	21
Deferred income and prepayments	11	5
Accrued expenses	3	54
Other liabilities	9	10
Non-current	**43**	**90**
Settlements with suppliers	241	546
Accrued expense	107	109
Wages and salaries	35	60
Other tax payable	25	45
Social security and health insurance	4	18
Deferred income and prepayments	4	3
Advances received	1	8
Other liabilities	27	26
Current	**444**	**815**
Total trade and other payables	**487**	**905**

E.14. Provisions

Provisions comprise the following:

In millions of EUR

	31 December 2024	31 December 2023
Fixed asset retirement obligation	43	63
Provision for litigations except for tax issues	1	5
Provision for restructuring	-	2
Other provisions	16	26
Total provisions	**60**	**96**

In millions of EUR, for the year ended 31 December 2024

	Fixed asset retirement obligation	Provision for litigations except for tax issues	Provision for restructuring	Other	Total
Balance as at 1 January 2024	63	5	2	26	96
Disposals resulting from business combinations (refer to B.2.1)	(9)	(4)	(3)	(5)	(21)
Provisions created during the year	4	-	3	9	16
Provisions used during the year	-	-	(2)	(3)	(5)
Provisions released during the year	(13)	-	-	(11)	(24)
Effect of movements in exchange rates	(2)	-	-	-	(2)
Balance as at 31 December 2024	**43**	**1**	**-**	**16**	**60**
Non-current	**43**	**1**	**-**	**-**	**44**
Current	**-**	**-**	**-**	**16**	**16**

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

	Fixed asset retirement obligation	Provision for litigations except for tax issues	Provision for restructuring	Other	Total
Balance as at 1 January 2023	50	2	2	32	86
Provisions created during the year	16	4	1	13	34
Provisions used during the year	-	-	(1)	(10)	(11)
Provisions released during the year	(3)	(1)	-	(10)	(14)
Effect of movements in exchange rates	-	-	-	1	1
Balance as at 31 December 2023	**63**	**5**	**2**	**26**	**96**
Non-current	**62**	**1**	**1**	**3**	**67**
Current	**1**	**4**	**1**	**23**	**29**

The Group recognised a provision for the estimated cost of dismantling and removing assets and restoring sites of EUR 43 million (2023: EUR 63 million). The amount of the provision is affected by the estimate of the present value of the future costs of dismantling, removing of assets and restoring sites in connection with network construction. Scenarios of future costs based on management estimations, market prices, and historical costs were discounted to their present value. Discount rates are paired with the expected dates of any future dismantling and removing of assets.

E.15. Issued capital, share premium and dividends

Issued capital is capital in respect of which the shareholders' liability for an entity's obligation towards its creditors is limited. The amount is limited to the current nominal capital approved by a shareholders' resolution.

On 15 October 2024, the Parent Company changed its share capital structure. Previously issued 1,000 ordinary shares of EUR 1 were split into 100,000,000 ordinary shares of EUR 0.00001. The Group also issued 1 new ordinary share with a notional amount of EUR 0.00001 and 70,000,001 new preferred shares with a notional amount of EUR 0.01 per share. The issued capital thus increased by EUR 700 thousand to a total amount of EUR 701 thousand as at 31 December 2024 (2023: EUR 1 thousand).

Referring to the above change in the issued capital, as at 31 December 2024, the Parent Company's share capital is issued in Euros and divided into shares of two different classes comprising preferred and ordinary shares. The preferred shares are tracking shares without any voting rights but to which preferential rights to (distributions of) certain profits, reserves and liquidation proceeds are attached. All ordinary shares rank equally with regards to distributions by the Company of profits and reserves other than those to which the holders of preferred shares are entitled. The holder of ordinary shares is entitled to cast one vote for each ordinary share in the general meeting of the Parent Company.

	31 December 2024	31 December 2023
Number of ordinary shares authorised	100,000,001	1,000
Number of ordinary shares issued, out of which fully paid	100,000,001	1,000
Par value per share	EUR 0.00001	EUR 1
Number of preferred shares authorised	70,000,001	-
Number of preferred shares issued, out of which fully paid	70,000,001	-
Par value per share	EUR 0.01	-

The share premium is the amount received by the Parent Company in excess of the par value of its shares.

As at 31 December 2024, the share premium amounts to EUR 518 million (2023: EUR 1,575 million). The share premium is freely distributable.

During 2024, the Parent Company paid dividends amounting to EUR 2,240 million, i.e., EUR 2,240 thousand per share (2023: EUR 337 million, i.e. EUR 337 thousand per share).

E.16. Reserves

E.16.1. Retained earnings

Retained earnings include legal and statutory reserves representing reserves, the creation and use of which is limited by legislation and the articles of association of each company within the Group and that are not available for distribution to shareholders. As at 31 December 2024, these non-distributable reserves to shareholders totalled EUR 6 million (2023: EUR 7 million).

E.16.2. Currency translation reserve

The currency translation reserve comprises foreign exchange differences arising from the translation of the financial statements of companies within the Group with a functional currency other than the Group presentation currency, which is the euro. The translation reserve is not available for distribution to the shareholders. The translation reserve attributable to subsidiaries sold is reclassified from equity to profit and loss (refer to B.2.1).

E.16.3. Hedging reserve

The hedging reserve, i.e., the cash flow hedge reserve, represents the effect of the recognition of the effective portion of changes in the fair value of hedging instruments in other comprehensive income in equity. The cash flow hedge reserve is not available for distribution to shareholders. The hedging reserve attributable to subsidiaries sold is reclassified from equity to profit and loss (refer to B.2.1).

E.16.4. Reserve for puttable instruments

The reserve for puttable instruments represented the equity impact of a conditional commitment to acquire the 30% NCI‘s share in CETIN Group N.V. from March 2022, when the Group sold its 30% share in CETIN Group N.V. to GIC Private Limited („GIC“) until the sale of CETIN Group outside the Group (B.2.1.1.). With this sale, the Group also granted a put option to GIC for its 30% share in CETIN Group N.V. for the fair value of the share as at the exercise date of the option. Should the Parent Company’s controlling party change without prior approval, as defined in the agreement (incl. the ultimate parent and the ultimate controlling party defined in note A.1, hereinafter together as “controlling parties”), GIC was allowed to exercise this put option. As the same GIC put option arrangements apply to the newly established CETIN International N.V. that has become the holding entity for the infrastructure subgroup following the internal pre-closing restructuring (refer to B.2.1) a new reserve related to CETIN International N.V. ownership has been created.

Although the Group is fully capable of avoiding the situations that would allow GIC to exercise the put option, except for the above-mentioned unapproved change of control (which is fully in the power of the Parent Company's immediate holding company), it has to recognise a hypothetical financial liability following the guidance in IFRS AS (IAS 32), as this situation would require the Group to deliver cash or another financial asset because technically, the Group's management itself cannot avoid triggering an unapproved change of control over the Parent Company. However, the Parent Company's controlling parties will always consider all effects of an unapproved change of control. Thus, the Group's management considers the exercisability of the put option highly unlikely.

However, even though the above situation is exceedingly unlikely, i.e., the put option is highly improbable to be exercised, IFRS AS guidance does not define such put option liabilities based on what is likely to happen but instead uses the contractual terms of the agreement. As with the existence of this put option GIC still has access to the returns from the investment in CETIN International N.V., previously to CETIN Group N.V. that was sold in October 2024 as described in B.2.1.1, (such as dividends), applying the present-access method, the Group's conditional commitment to acquire NCI's share was recognised in the consolidated financial statements as at 31 December 2024 and 31 December 2023 as a financial liability at present value with the present value remeasurements directly through equity attributable to the owners of the Parent.

As at 31 December 2024, the present value of the conditional commitment to acquire NCI's share totalling EUR 564 million (31 December 2023: nil) was derived from the fair value of the 30% share in CETIN International N.V. determined by independent valuation experts using a multicriteria approach aligned with general professional valuation practices comprising the discounted-cash-flows method, and market multiples of comparable companies. A derecognition of the reserve for the conditional commitment related to the sold CETIN Group N.V., with the present value of EUR 983 million as at 31 December 2023, and a recognition of the reserve for the conditional commitment for CETIN International N.V., with the initial recognition value of EUR 663 million in October 2024, are presented on gross basis in the consolidated statement of changes in equity.

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

E.17. Non-controlling interests

The following tables summarises the information relating to CETIN Group, CETIN International, TMT Hungary and TMT Hungary Infra that were consolidated subgroups with NCI:

In millions of EUR

As at 31 December 2024	CETIN Group(1)	CETIN International(2)	TMT Hungary(3)	TMT Hungary Infra(3,4)	**Total**
NCI percentage (effective ownership)	**-%**	**30.00%**	**-%**	**-%**	
Country of incorporation	Netherlands	Netherlands	Netherlands	Netherlands	
Total assets	-	1,650	715	516	
Total liabilities	-	(1,666)	(311)	(157)	
Net assets	-	(16)	404	359	
Carrying amount of NCI	**-**	**(4)**	**-**	**-**	**(4)**
NCI effective percentage during the period	**30.00%(1)**	**30.00%(2)**	**25.00%(3)**	**25.00%(3)**	
Revenue	1,023	130	654	187	
Profit	157	30	22	71	
Other comprehensive expense	(30)	(9)	(32)	(26)	
Total comprehensive income/(expense)	127	21	(10)	45	
Profit allocated to NCI	47	8	6	16	**77**
OCI allocated to NCI	20	(32)	(7)	(5)	**(24)**
Dividends paid to NCI	**542**	**-**	**10**	**9**	**561**

(1) Sold in October 2024 (refer to B.2.1); The effective percentage shows ownership from January 2024 to October 2024.
(2) CETIN International was established on 30 September 2024; The effective percentage shows ownership from October 2024 to December 2024.
(3) For details on decrease in NCI's percentage ownership refer to B.2.3; The effective percentage shows ownership from January 2024 to the beginning of December 2024.
(4) TMT Hungary Infra was a part of CETIN International subgroup.

In millions of EUR

As at 31 December 2023	CETIN Group	TMT Hungary	TMT Hungary Infra*	**Total**
NCI percentage (effective ownership)	**30.00%**	**25.00%**	**47.50%**	
Country of incorporation	Netherlands	Netherlands	Netherlands	
Total assets	4,181	815	512	
Total liabilities	(3,136)	(335)	(163)	
Net assets	**1,045**	**480**	**349**	
Net assets attributable to NCI of the subgroup	(87)	-	-	
Net assets attributable to owners of the Parent	958	480	349	
Carrying amount of NCI	**288**	**120**	**87**	**495**
NCI effective percentage during the period	**30.00%**	**25.00%**	**47.50%**	
Revenue	1,241	615	176	
Profit	185	7	59	
Other comprehensive income/(expense)	(11)	23	13	
Total comprehensive income	174	30	72	
Profit allocated to NCI	51	1	15	**67**
OCI allocated to NCI	(3)	6	2	**5**
Dividends paid to NCI	**43**	**12**	**3**	**58**

*TMT Hungary Infra was a part of CETIN Group subgroup.

E.18. Leases

E.18.1. Right-of-use assets

The following table shows the roll-forward of right-of-use assets' carrying amounts:

In millions of EUR, for the year ended 31 December 2024

	Land and buildings	Ducts, cables and related plant	Telecom. technology and related equipment	Other tangible assets and equipment	Total
Balance as at 1 January 2024	**456**	**4**	**26**	**10**	**496**
Disposals resulting from business combinations (refer to B.2.1)	(234)	(2)	(20)	(8)	(264)
Additions	158	-	8	9	175
Disposal	(5)	-	-	(2)	(7)
Other transfers	(2)	(2)	2	-	(2)
Depreciation charge (incl. discontinued operations)	(89)	-	(5)	(6)	(100)
Effects of movements in exchange rates	(11)	-	(1)	-	(12)
Balance as at 31 December 2024	**273**	**-**	**10**	**3**	**286**

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

	Land and buildings	Ducts, cables and related plant	Telecom. technology and related equipment	Other tangible assets and equipment	Total
Balance as at 1 January 2023	**442**	**2**	**25**	**10**	**479**
Additions resulting from business combinations (refer to B.2.4)	11	2	-	-	13
Additions	101	-	6	7	114
Disposal	(3)	-	-	-	(3)
Depreciation charge (incl. discontinued operations)	(91)	-	(5)	(7)	(103)
Effects of movements in exchange rates	(4)	-	-	-	(4)
Balance as at 31 December 2023	**456**	**4**	**26**	**10**	**496**

E.18.2. Extension options

Some property leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. At the lease commencement date the Group assesses whether it is reasonably certain that it will exercise the extension options. The Group reassesses whether it is reasonably certain that it will exercise the options if a significant events or significant changes in circumstances within its control occur.

The Group has estimated that should it exercise the extension option, potential future lease payments would not result in material increase of lease liability (2023: EUR 9 million).

Total cash outflow for leases amounted to EUR 121 million for the year ended 31 December 2024 (2023: EUR 117 million).

E.19. Reconciliation of movements of liabilities to cash flows arising from financing activities

Reconciliation of movements of liabilities to cash flows arising from financing activities:

In millions of EUR, for the year ended 31 December 2024

	Debt securities issued	Liabilities due to banks	Liabilities due to non-banks	Lease liabilities	Total
Balance as at 1 January 2024	**2,180**	**2,204**	**53**	**509**	**4,946**
Changes from financing cash flows:					
Proceeds from liabilities due to banks	-	246	-	-	246
Proceeds from liabilities due to non-banks	-	-	453	-	453
Repayment of liabilities due to banks	-	(1,295)	-	-	(1,295)
Repayment of principal portion of lease liability	-	-	-	(99)	(99)
Interest paid	(61)	(121)	(3)	(22)	(207)
Total changes from financing cash flows	**(61)**	**(1,170)**	**450**	**(121)**	**(902)**
Disposals resulting from business combinations (refer to B.2.1)	(506)	(888)	(507)	(278)	(2,179)
New leases	-	-	-	162	162
Interest expense (incl. discontinued operations)	62	99	3	22	186
Effect of changes in foreign exchange rates and transfers	-	(4)	1	(9)	(12)
Balance as at 31 December 2024	**1,675**	**241**	**-**	**285**	**2,201**

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

	Debt securities issued	Liabilities due to banks	Liabilities due to non-banks	Lease liabilities	Total
Balance as at 1 January 2023	**2,990**	**1,145**	**-**	**487**	**4,622**
Changes from financing cash flows:					
Proceeds from liabilities due to banks	-	1,043	-	-	1,043
Proceeds from liabilities due to non-banks	-	-	53	-	53
Repayment of debt securities issued	(803)	-	-	-	(803)
Repayment of principal portion of lease liability	-	-	-	(97)	(97)
Interest paid	(89)	(57)	-	(20)	(166)
Total changes from financing cash flows	**(892)**	**986**	**53**	**(117)**	**30**
Additions resulting from business combinations (refer to B.2.4)	-	-	-	13	13
New leases	-	-	-	107	107
Interest expense (incl. discontinued operations)	81	79	-	20	180
Effect of changes in foreign exchange rates and transfers	1	(6)	-	(1)	(6)
Balance as at 31 December 2023	**2,180**	**2,204**	**53**	**509**	**4,946**

E.20. Off-balance sheet items

E.20.1. Commitments

In millions of EUR

	31 December 2024	31 December 2023
Capital expenditure commitments – PPE	85	227
Capital expenditure commitments – intangible assets	10	143
Guarantees provided	10	10
Total commitments and contingent liabilities	**105**	**380**

In 2023, capital expenditure commitments for PPE mostly relates to CETIN CZ's development of networks with more advanced technologies in connection with the acquisition of Nej.cz (refer to B.2.4).

E.20.2. Off-balance sheet assets

In millions of EUR

	31 December 2024	31 December 2023
Loan commitments received	7	768
Guarantees accepted	5	9
Other	-	16
Total commitments and contingent assets	**12**	**793**

In 2024, decrease in loan commitments relate mostly to the expiration of backstop loan facility, refer to E.11.

E.20.3. Assets pledged as security

As at 31 December 2024 and 31 December 2023, the Group does not pledge any of its assets for funding liabilities.

E.20.4. Litigations

In August 2024, following consumer complaints, the Bulgarian Consumer Protection Commission (the "Bulgarian CPC") launched an investigation into Yettel Bulgaria's practices concerning penalties and subsidies charged upon early contract termination. The investigation resulted in the Bulgarian CPC prohibiting Yettel Bulgaria from charging device price subsidy and subscription cost subsidy upon early termination. As of the date of issue of consolidated financial statements, the prohibition is not binding upon Yettel Bulgaria due to Yettel Bulgaria's appeal, which is currently pending before a first instance court in Bulgaria.

In September 2024, the management of Yettel Bulgaria and subsequently Yettel Hungary decided to discontinue the implementation of a business support systems (BSS) project with Amdocs Software Systems Limited and Amdocs Bulgaria EEOD (together, "Amdocs") in those countries. Despite significant management effort to deliver the project, the implementation milestones for the first phase of the project failed. Amdocs claims that the Yettel companies were not entitled to terminate the contracts and commenced a Vienna International Arbitral Centre arbitration in October 2024, claiming potential damages of approximately EUR 31 million. The Group does not agree with Amdocs' claims and has filed counterclaims against

Amdocs for damages relating to the non-delivery of the project in the amount of approximately EUR 77 million. Given the factual circumstances relating to the delivery of the project and the contractual terms agreed with Amdocs, management is of the view that the termination of the contract by the Yettel companies was permitted, and therefore no provision has been recognised as of 31 December 2024 for the damages claimed by Amdocs in the arbitration. The Group expect oral hearings in the arbitration to occur during the second half of 2025.

In January 2025, the Bulgarian CPC launched an investigation into Yettel Bulgaria's price increase practices used between 4 December 2024 and 5 January 2025. In this period, Yettel Bulgaria increased its prices in accordance with the European Electronic Communications Code ("EECC") (as transposed into Bulgarian law), rather than pursuant to contractual indexation clauses. As required by Bulgarian law, Yettel Bulgaria's customers affected by the increase were allowed to terminate their contracts without incurring early termination penalties. Consequently, the Bulgarian CPC issued three orders, which prohibited the following unfair commercial practices (i) contract modifications without consumer written consent, (ii) aggressive commercial practices, specifically the demanding of payment for unsolicited goods and/or services, and (iii) misleading commercial practices related to information provided on website related to the legal grounds for a price increase. Yettel Bulgaria has appealed the prohibitions, and the case is currently pending before a first instance court in Bulgaria. Yettel Bulgaria successfully defended itself from the preliminary execution of the orders at the first instance court and is currently waiting for a second instance court ruling.

Previously reported O2 Czech Republic's legal dispute with VOLNÝ, a.s. is no longer relevant after the sale of O2 Czech Republic in October 2024 (refer to B.2.1).

The Group believes that all litigation risks have been faithfully reflected in the consolidated financial statements.

E.21. Related parties

The Group has related party transactions with e& International Holding Limited and Emirates Telecommunications Group Company PJSC (as the direct or indirect parent companies) and fellow subsidiaries. Beside the transactions listed in section B, other significant ones are disclosed below.

E.21.1. Transactions with shareholders

As of 31 December 2024, the Group had an accrued liability of EUR 3 million towards its shareholder e& International Holding Limited.

E.21.2. Transactions with fellow subsidiaries

As at the reporting date, the Group had the following balances with its fellow subsidiaries (i.e., entities under control of Emirates Telecommunications Group Company PJSC and those under control of PPF Group N.V. as an indirect minority shareholder of the Parent Company):

In millions of EUR

	31 December 2024	31 December 2023
Cash and cash equivalents	99	455
Intangible assets	10	20
Receivables due from banks (gross amounts)	5	5
Receivables due from banks (loss allowance)	*(3)*	*(3)*
Trade and other receivables	5	6
Other assets	8	-
Positive fair values of derivatives	-	2
Right-of-use assets (IFRS 16)	-	1
Trade and other payables	(17)	(38)
Debt securities issued	-	(4)
Lease liabilities (IFRS 16)	-	(1)

During the year, the Group had the following significant transactions with fellow subsidiaries (incl. discontinued operations):

In millions of EUR, for the year ended 31 December

	2024	2023
Revenue from telecommunication business	17	16
Other operating expenses	(55)	(42)
Depreciation and amortisation	(9)	(8)
Interest income	10	9

In 2024 and 2023, the Group issued participation certificates that were fully acquired by its related parties under the control of PPF Group N.V. For more details refer to E.8.1.

Cash and cash equivalents represent the Group’s current accounts with PPF banka a.s. and Yettel Bank a.d. Beograd (both under control of PPF Group N.V.).

E.21.3. Transactions with key management personnel

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

For year ended 31 December 2024, key management personnel were provided with benefits totalling EUR 16.4 million (2023: EUR 17.4 million). These benefits consist mainly of short-term employee benefits including fixed and variable salaries, such as bonuses. Total amount of remuneration deferred at the end of the year is EUR 2.0 million (2023: EUR 2.6 million).

No loans were provided to key management personnel in 2024 and 2023.

F. Material accounting policies

F.1. Material accounting policies

The accounting policies set out below have been applied consistently by all Group entities to all periods presented in these consolidated financial statements.

F.1.1. Foreign currency

F.1.1.1. Foreign currency transactions

A foreign currency transaction is a transaction that is denominated in or requires settlement in a currency other than the functional currency. The functional currency is the currency of the primary economic environment in which an entity operates. For initial recognition purposes, a foreign currency transaction is translated into the functional currency using the exchange rate effective at the date of the transaction and announced by the bank authority ("BA") for the respective country in which the entity operates. At the reporting date:

- monetary assets and liabilities denominated in foreign currencies are retranslated to the functional currency using the exchange rate at that date (announced by the BA);
- non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated using the exchange rates (announced by the BA) prevailing at the date that the fair value was determined;
- non-monetary items denominated in foreign currencies that are measured in terms of historical cost are translated using the exchange rate (announced by the BA) at the date of the original transaction.

The following table summarises the applied foreign exchange rates of the currencies of the most significant businesses:

	31 December 2024	31 December 2023
CZK/EUR spot rate	-	24.72
CZK/EUR yearly average rate*	25.09	24.00
HUF/EUR spot rate	411.35	382.80
HUF/EUR yearly average rate	395.30	381.85
BGN/EUR spot rate	1.96	1.96
BGN/EUR yearly average rate	1.96	1.96
RSD/EUR spot rate	117.01	117.17
RSD/EUR yearly average rate	117.08	117.25

*In 2024, for the period from 1 January 2024 until 15 October 2024 (refer to B.2.1).

F.1.1.2. Foreign operations

For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation in these terms and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, and the income and expenses of foreign operations are translated to euro following the respective guidance in the IFRS AS using the exchange rates announced by the

European Central Bank. For those currencies for which the European Central Bank does not announce the rate either at all or at any reasonably time frequency, the exchange rates announced by the respective local central banks are applied.

The income and expenses of foreign operations are translated to euros at exchange rates approximating the foreign exchange rates prevailing at the dates of the transactions.

F.1.2. Financial assets

Financial assets are recognised in the statement of financial position when the Group becomes a party to the contractual provisions of the instrument. For regular purchases and sales of financial assets, the Group's policy is to recognise them using settlement date accounting. Any change in the fair value of an asset to be received during the period between the trade date and the settlement date is accounted for in the same way as if the Group used trade date accounting. Financial instruments, with the exception of financial instruments at FVTPL, are measured initially at fair value plus transaction costs directly attributable to the acquisition or issue of the financial instrument.

F.1.2.1. Business model assessment

The Group assesses the objective of the business model in which a financial asset is held either at a portfolio level, as this best reflects the way the business is managed and information is provided to management or the asset is assessed individually in the specific cases. Apart from the portfolio's cash-flow characteristics, the information that is considered for portfolio assets includes the portfolio objectives, management strategies and operations, compensation of the managers, risks affecting the business model and evaluation of the portfolio performance. The same information is considered in specific individual cases.

The Group differentiates between the following basic business models:

- held-to-collect business model
- both held-to-collect and for-sale business model
- other business models (incl. trading, managing assets on a fair value basis, maximizing cash-flows through sale and other models).

F.1.2.2. Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, principal is defined as the fair value of the financial asset on initial recognition. Interest is defined as consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g., liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows in a way that it would not meet this condition. In making the assessment, the Group considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;

- terms that limit the Group's claim to cash flows from specified assets – e.g., non-recourse asset arrangements; and
- features that modify consideration for the time value of money – e.g., periodic reset of interest rates.

F.1.2.3. Financial assets at FVTPL

Financial assets that at initial recognition are mandatorily at FVTPL are those that are managed and whose performance is evaluated on a fair value basis, equity securities for which the irrevocable option to measure them at FVOCI was not applied and debt securities that did not meet the SPPI criterion. Non-trading financial assets are financial assets that at initial recognition are designated at FVTPL.

The financial assets at FVTPL presented by the Group also include certain derivative contracts that are not designated as effective hedging instruments. All trading derivatives in a net receivable position (positive fair value), as well as options purchased, are reported as financial assets at FVTPL. All trading derivatives in a net payable position (negative fair value), as well as options written, are reported as financial liabilities at FVTPL.

Subsequent to initial recognition, all financial assets at FVTPL are measured at fair value based on the market prices quoted on an active market, except for derivative instruments that are not exchange-traded and financial assets that are not quoted on an active market, which are measured based on generally accepted valuation techniques depending on the product. Gains and losses arising from changes in the fair values of financial assets at FVTPL are recognised in the consolidated statement of income.

F.1.2.4. Financial assets at AC

Financial assets at AC comprise cash and cash equivalents, receivables due from banks, trade receivables, contract assets and accrued income, and certain investment debt securities.

A financial asset is measured at AC if it meets both of the following conditions and is not designated as at FVTPL (held-to-collect business model):

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

F.1.2.5. Trade receivables

Amounts receivable from and payable to other domestic and foreign operators related to transit are netted and settled net on a regular basis.

Trade receivables (unless those without a significant financing component that are initially measured at the transaction price) are initially measured at fair value plus eligible transaction costs. The Group subsequently measures the trade receivables at AC less expected credit losses (impairment).

F.1.3. Derecognition of financial assets and liabilities

A financial asset or a financial liability is derecognised, in general, when the rights to receive, or obligation to pay, respectively, the contractual cash-flows expire or the terms of the financial

asset or financial liability are substantially modified. In the case the terms are modified but not substantially, the modification of a financial asset or liability measured at amortised cost is not accounted for as derecognition. The amortised cost of the asset or liability is recalculated by discounting the modified cash flows at the original effective interest rate and the resulting gain or loss is recognised in profit or loss. For floating-rate financial assets or liabilities, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs and fees incurred are recognised as an adjustment to the carrying amount of the asset or liability and amortised over the remaining term of the modified financial asset or liability by re-computing the effective interest rate on the instrument.

F.1.4. Derivatives and hedge accounting

The Group has used the transitional provisions in IFRS 9 and continues to apply IAS 39 for existing hedging relations, as follows:

At the inception of a financial derivative contract, the Group designates the derivative instrument as either held for trading or hedging.

Hedging derivatives are derivatives that the Group uses to hedge against interest rate and foreign exchange rate risks to which it is exposed as a result of its financial market transactions. The Group designates a derivative as hedging only if the criteria set out under IFRS AS are met at the designation date, i.e. if, and only if, all of the following conditions are met:

- the derivative is in compliance with the Group’s risk management objective and strategy in undertaking the hedge;
- at the inception of the hedge, the hedging relationship has been formally designated and documented including the identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument’s effectiveness in offsetting the exposure to changes in the hedged item’s fair value or cash flows attributable to the hedged risk;
- the hedge is expected to be highly effective at inception and throughout the period;
- the effectiveness of the hedge can be reliably measured;
- changes in the fair value or cash flows of the hedged item are almost fully offset by changes in the fair value or cash flows of the hedging instrument and the results are within a range of 80% to 125%.

The Group hedges, and accounts for the hedge relationships accordingly, an exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction and that could affect profit or loss (cash flow hedge).

Changes in the fair value of a derivative that is designated and qualified as a cash flow hedge and that proves to be highly effective in relation to the hedged risk are recognised in OCI transferred to the consolidated statement of income and classified as income or expense in the periods during which the hedged assets and liabilities affect the consolidated statement of income.

On this basis, the Group hedges the interest rate risk and foreign currency risk associated with individually significant assets or liabilities. The effectiveness of the hedge is regularly tested through prospective and retrospective tests on a quarterly basis. If the hedge no longer meets

the criteria for hedge accounting, the hedging instrument expires or is sold, terminated or exercised, the entity revokes the designation, and the hedge accounting is discontinued prospectively.

F.1.5. Impairment

F.1.5.1. Non-derivative financial assets

The Group's entities recognise the loss allowance for ECLs on the following financial instruments that are not measured at FVTPL:

- trade receivables and accrued income;
- cash and cash equivalents.

The Group has elected to measure loss allowances for trade receivables and accrued income at an amount equal to lifetime ECLs.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days overdue. In the case of cash and cash equivalents, it includes the situation where Moody's external credit rating falls from the investment grade (Aaa-Baa3 rating) to the speculative (non-investment) grade (Ba1-B3 rating). The Group categorises these assets into the 2nd stage of the IFRS 9 impairment model and calculates a loss allowance equal to expected lifetime credit losses. Credit-impaired financial assets are included in the third stage of the IFRS 9 impairment model. The Group assesses a financial asset as credit-impaired when one or more of the following events occurs: the debtor is facing significant financial difficulty; It is probable that the debtor will enter bankruptcy or other financial reorganisation; the financial asset is more than 90 days overdue. Loss allowance for assets in the third stage is equal to the expected lifetime credit losses and the interest is calculated from the net value of the asset.

A financial asset is considered to be in default when it is more than 90 days overdue. And in the case of cash and cash equivalents, it includes the situation, where according to Mood's, the external credit rating of the counterparty decreases to risk grade (Caa1-C rating) or below.

F.1.5.2. Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired.

An impairment loss in respect of goodwill is not reversed. For other assets, impairment losses are reversed only to the extent that the assets' carrying amounts do not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

F.1.6. Leases

At the inception of a contract, the Group assesses whether a contract is or contains a lease. A contract is or contains a lease if it conveys the right to control the use of an identified asset

for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- The contract involves the use of an identified asset. This may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified.
- The Group has the right to obtain substantially all economic benefits from the use of the asset throughout the period of use.
- The Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:
  - the Group has the right to operate the asset
  - the Group has designed the asset predetermining how and for what purpose it will be used.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost comprising the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The Group presents right-of-use assets that do not meet the definition of investment property as in separate line item in the consolidated statement of financial position.

The lease liability is initially measured at the present value of lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group has elected to apply the practical expedient not to recognise right-of-use assets and lease liabilities for leases of low-value assets. The lease payments associated with these leases is recognised as an expense on a straight-line basis over the lease term. The Group has decided not to recognise lease and non-lease components separately.

F.1.7. Inventories

Costs of inventories include the purchase price and related costs of acquisition (transport, customs duties and insurance). The cost of inventory is determined using weighted average cost. For impairment testing purposes, a net realisable value is determined as an estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

F.1.8. Assets held for sale

Non-current assets (or disposal groups comprising assets and liabilities) expected to be recovered primarily through sale rather than through continued use are classified as held for sale. Immediately before being classified as held for sale, the assets (or components of a disposal group) are measured in accordance with the applicable IFRS AS. Thereafter, the assets (or disposal groups) are generally measured at the lower of their carrying amount and fair value less cost to sell. Any impairment loss on a disposal group is first allocated to the carrying amount of any related goodwill and, in the case the impairment loss is higher than the related goodwill balance, to the assets and liabilities on a pro rata basis, except that no loss is allocated to inventory, financial assets, deferred tax assets, employee benefit assets and investment property; these continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

F.1.9. Property, plant and equipment

Property, plant and equipment is stated at purchase price or production cost, less accumulated depreciation (except for freehold land) and any accumulated impairment losses.

Property, plant and equipment include all costs directly attributable to bringing the asset to working condition for its intended use. With respect to the construction of the network, this comprises every expenditure up to the customer premises, including the cost of contractors, material, direct labour costs and interest cost incurred during the course of construction. The costs also include the estimated costs of dismantling and removing the asset and restoring the site. No borrowing costs are capitalised to assets under construction.

The gain or loss on disposal of an item of property and equipment is determined by comparing the proceeds from disposal with the carrying amount of the item of property, plant and equipment, and is recognised in other operating income/other operating expenses in profit or loss.

Depreciation is provided on a straight-line basis using the following useful lives:

Buildings and constructions	up to 90 years
Ducts and cables	up to 45 years
Telecommunication technology and equipment	up to 35 years
Other tangible assets and equipment	up to 35 years

Component parts of an asset with different useful lives or providing benefits in a different pattern are recognised as separate assets with different depreciation rates.

The depreciation methods, useful lives and residual values, if not insignificant, are reassessed annually. If a material technical improvement is made to an asset during the year, its useful life and residual value are reassessed at the time the technical improvement is recognised.

F.1.10. Intangible assets

F.1.10.1. Goodwill and gain on bargain purchase

The Group accounts for all business combinations, as acquisitions, except for business combinations determined to be reorganisations involving group companies under common control.

F.1.10.2. Other intangible assets

Intangible assets of the Group include computer software, licences, valuable rights, customer bases and other intangible assets. Computer software mainly represents the external acquisition costs of the Group's information systems that are intended for use within the Group. Generally, costs associated with developing or maintaining computer software programs are recognised as an incurred expense. However, costs that are directly associated with identifiable and unique software products controlled by the Group and that have a probable economic benefit exceeding the cost beyond one year, are recognised as intangible assets. Computer software costs recognised as assets are amortised using the straight-line method over their useful lives, generally from 1 to 20 years. Valuable rights are amortised according to the period for which the Group is allowed to utilise the rights, usually for a period from 2 to 22 years.

Customer bases are amortised over a period of the remaining average terms of the binding contracts or the period over which they are utilisable to generate an economic benefit for the entity, which is between the period from 3 to 15 years.

Acquired licences are recorded at cost, which represents a fee paid to obtain the licence from a regulator, and amortised on a straight-line basis from the start of commercial service over the remaining life of the licence (i.e. over 15 to 22 years) to best reflect the pattern in which the economic benefits of the intangible assets will be utilised by the Group. Subsequent regular fees paid for the usage of licenses are not considered to be estimated reliably and are recognised as other operating expense in the period.

Intangible assets, except for assets with an indefinite useful life, are amortised using the straight-line method from the time they are available for use.

F.1.11. Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the consolidated statement of income except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

F.1.11.1. Current tax

Current tax is the expected tax payable on the taxable income for the year, using the tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

The Group does not offset current tax assets and current tax liabilities unless it has a legally enforceable right to set off the recognised amounts or intends to settle them on a net basis, or to realise the asset and settle the liability simultaneously.

F.1.11.2. Deferred tax

A deferred tax position is recognised when temporary differences arise between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for: the initial recognition of goodwill arising from a business combination, the initial recognition of assets or liabilities that affect neither the accounting nor the taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using the tax rates enacted or substantially enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Recognised deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The Group offsets deferred income tax assets and deferred income tax liabilities only if it has a legally enforceable right to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income tax levied by the same taxation authority and relate to the same taxable entity.

F.1.11.3. Tax exposure

The Group is subject to income taxes in different jurisdictions. Significant judgment is required in determining the worldwide provision for income taxes. During the ordinary course of business, the ultimate tax determination is uncertain for many transactions and calculations. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these issues is different from the amounts that were initially recorded, such differences will affect the income tax and deferred tax provisions in the period in which such a determination is made.

F.1.12. Equity

F.1.12.1. Non-controlling interests

Non-controlling interests consist of the minority shareholders' proportion of the subsidiary's recognised net assets at the date of the original combination, plus or minus their share of changes in the subsidiary's equity since that date.

Net profit allocated to non-controlling interests is that part of the net results of the Group attributable to interests which are not owned, either directly or indirectly through subsidiaries, by the equity holders of the Parent Company.

Losses applicable to non-controlling interests, including negative other comprehensive income, are allocated to non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

F.1.12.2. *Purchase commitment for NCI's share*

The Group can grant a put option to minority shareholders (NCI) of its fully consolidated subsidiaries. If the put option provides for a settlement in cash or in another financial asset, the Group recognises a liability for the present value of the exercise price of the option. Pending specific guidance from IFRS AS regarding this issue, the Group first assess whether such put option effectively means either that the minority shareholder has no longer its access to the returns associated with the underlying ownership interest or whether the minority shareholder's access to the returns is still present.

In the case the minority shareholder's access to returns no longer exists with the put option granted, the "anticipated-acquisition method" is applied, under which:

- purchase commitment liability is recognised and subsequently measured at present value with the present value changes recognised directly in equity, presented in the reserve for puttable instruments
- non-controlling interest is derecognised when the put option is granted
- any difference between the initial recognition value of the purchase commitment liability and the carrying amount of the non-controlling interest at derecognition is recognised directly in equity in the reserve for puttable instruments
- subsequently, non-controlling interest's share on profit or loss and other comprehensive income is no longer recognised as under this method the put option is accounted for as if had been exercised already
- when the put option expires unexercised, the non-controlling interest is recognised at its proportionate share on net assets of the investee and the purchase commitment liability is derecognised at its present value
- any difference between the carrying amount of non-controlling interest newly recognised and the present value of the purchase commitment liability at derecognition is recognised in equity in the reserve for puttable instruments. The accumulated reserve for puttable instruments is subsequently reclassified directly to retained earnings with no impact on profit or loss.

In the case the minority shareholder's access to returns is still present with the put option granted, the "present-access method" is applied, under which:

- purchase commitment liability is recognised and subsequently measured at present value with the present value changes recognised directly in equity, presented in the reserve for puttable instruments
- with the recognition of the above purchase commitment liability, any losses or gains are recognised directly in equity in the reserve for puttable instruments at initial recognition value of the purchase commitment liability
- non-controlling interest continues to be recognised when the put option is granted
- subsequently, non-controlling interest's share on profit or loss and other comprehensive income is recognised in a standard way as if no put option was granted

- when the put option expires unexercised, the purchase commitment liability is derecognised at its present value as well as the accumulated reserve for puttable instruments. No difference between the derecognition value of the liability and the accumulated reserve for puttable instruments shall arise.

F.1.13. Interest income and interest expense

Interest income and interest expense are recognised in the statement of income on an accrual basis, considering the effective yield of the asset or liability in question, or the applicable floating rate. Interest income and interest expenses include the amortisation of any discounts or premiums or other differences between the initial carrying amount of an interest-bearing instrument and its amount at maturity calculated using the effective interest rate method.

F.1.14. Net gain/loss on financial assets

Net gain/loss on financial assets comprises net gains/losses on financial assets at FVTPL that are not held for trading and net gains/loss from derivatives. Net gains on financial assets at FVTPL that are not held for trading arise from their subsequent measurement at fair value or from their disposal.

F.1.15. Revenue and expenses

The Group generates revenues through the sale of mobile and fixed telecommunication services such as voice and data services, internet services, SMS services, ICT services as well as the sale of mobile and fixed access devices. Products and services may be sold separately or in bundles. The standard length of contracts with customers that includes a bundle is 24 months.

In the case of contracts containing bundles, the Group accounts separately for specific products or services if these products or services can be separated and have added value for the customer in that stand-alone form. The total price invoiced to customers is allocated to respective products and services based on their stand-alone selling prices.

Commissions paid to agents for activation, marketing, and other activities are included in the cost of sales for the period, unless it is the cost that meets the definition of incremental costs to obtain contracts. Capitalised incremental costs to obtain contracts are amortised over the expected average period that the customer uses the service of the Company.

Revenues within the network sharing project are recognised at net value, because mutually provided services within the project are of similar nature and value. Net revenues are generated also from provision of premium SMS, audiotex or other services.

F.1.15.1. Mobile origination - internet and data, voice services, MMS and SMS

Revenues from mobile services include revenues from both contract and prepaid cards for the provision of telecommunication services (internet and data, voice, MMS and SMS services).

Contract service comprises a flat rate and a variable part invoiced according to the actual usage. Revenues are recognised, invoiced, and paid by customers on a monthly basis according to the actual utilisation of services with the exception of contracts containing multiple services and products where the total transaction price is allocated based on the standalone selling prices of respective performance obligations. A typical contract is for 24 months.

Revenues from prepaid cards are recognised when voice or data traffic is made or other services are provided. In the case of prepayments unused by customers, the Group considers to what extent it is entitled to this amount and recognises it as revenues in proportion to the pattern exercised by the customer. Prepaid cards are paid by customers purchasing a coupon or recharging an already purchased SIM card.

Interconnection revenues arise from calls and SMSs initiated in the networks of other domestic or foreign operators but terminating in or transiting through the Group's network. These revenues are recognised in profit or loss at the time when the call or SMS is received in the Group's network. Interconnection revenues are invoiced and paid on a monthly basis. The Group pays a part of the proceeds from its customers to domestic and foreign operators whose network is used for calls initiated in the Group's network and which use the networks of other domestic or foreign operators. Receivables and payables in respect of other domestic and foreign operators are regularly offset and settled.

Other mobile revenues include, in particular, revenues from virtual operators (MVNOs) for the use of the Group's mobile network services, roaming revenues and insurance revenues. Revenues from virtual operators for usage of the Group’s mobile network and related services are recognised on a monthly basis; the price is usually set at a flat monthly rate with a variable component charged according to the actual usage of individual MVNOs. The services are invoiced to and paid by MVNOs on a monthly basis. Roaming revenues are revenues from foreign partner operators for their customers’ usage of the Group's mobile network. The services are invoiced and paid on a monthly basis according to the actual usage. As a rule, agreed volume discounts are calculated annually, for which estimates are created by the Group on a monthly basis. Revenues are recognised on a monthly basis. Revenues from insurance include revenues from insurance of mobile devices and travel insurance sold to the Group's customers. The service is invoiced and paid by customers on a monthly basis, which is in line with the recognition of relevant revenues. Customers have the option to terminate this service at any time without penalty.

F.1.15.2. Fixed services – voice, internet, data and television

Revenues from fixed telecommunication services include revenues from internet connectivity, data, TV, and fixed voice services. The services are offered at a flat monthly rate with the option to purchase additional services, or with variable invoicing according to the actual usage. Revenues are recognised, invoiced, and paid by customers monthly. Currently, a typical contract duration is either 12 or 24 months.

Information and communication technology (ICT) services include complex customer solutions and managed services, mainly system integration, outsourcing services, project solutions and software development. Revenue recognition of such services reflects the substance of the service provided. Generally, it relates to services which are invoiced and paid by customers on a monthly basis, for a period of at least 24 months. Revenue from fixed price construction contracts (long-term contracts) is recognised using the percentage of completion method, measured by reference to the percentage of the actual costs incurred to date to the estimated total costs of the contract. A loss expected from the construction contract is immediately recognised as an expense, when it is probable that total contract costs will exceed total contract revenue.

F.1.15.3. Hardware sales and sale of other goods

Revenues from the sale of equipment and other goods are recognised at the time of the sale, i.e. at the time the goods were handed over to the distributor or the final customer, which usually occurs when the contract is signed. Where equipment is subsidised and sold together with the services as a bundle, revenue from the subsidised equipment is recognised at the point of sale at a value determined using the stand-alone selling prices of services and products within the bundle.

Revenue from mobile devices is recognised under mobile originated revenue and fixed access equipment is recognised under fixed originated revenue.

Mobile devices and fixed access equipment can be paid for in full by the customer when bought, or they can be sold on an instalment basis, with contracts signed for periods from 12 to 48 months. The sale of equipment on an instalment basis can contain a significant financing component, which is presented as telecommunications income and recognised as revenue transferred over time.

F.1.15.4. International transit

Revenue from transit represents the service of routing and termination of mostly international voice traffic of international operators utilising points of presence outside of the Czech Republic and Bulgaria. The revenue is calculated by valuation of the incoming and outgoing minutes based on the measurement of monthly traffic.

F.1.15.5. Other wholesale revenues

Other wholesale revenues include but are not limited to revenues from the granting of the right to use the optical fibre (dark fibre); revenues are deferred at the time of signing of the contract and recognised as revenue on straight-line basis over the contract term. Revenue from housing represents data centre services; the revenue occurs continuously in accordance with the invoicing.

F.1.16. Pensions and similar employee benefits

The governments of the countries the Group operates in are responsible for providing pensions and retirement benefits to the Group's employees. A regular contribution linked to employee salaries is made by the Group to the governments to fund national pension plans. Payments under these pension schemes are charged as expenses as they fall due.

The Group recognises employee bonuses related to the given accounting period in accordance with the expectations of achievement of the targets of the Group, which take into consideration key performance indicators such as turnover or free cash flow after adjustments. The Group recognises a liability where the Group is contractually obliged to grant bonuses or where there is a past practice that has created a constructive obligation.

Employees whose employment was terminated due to statutory reasons are entitled to redundancy and severance payment. The Group recognises a provision for redundancy and severance payments when it is demonstrably committed to terminate the employment of current employees according to a detailed formal plan without an opt-out possibility. Severance payments falling due more than 12 months after the balance sheet date are discounted to their present value. The Group presently has no redundancy and severance obligations falling due more than 12 months after the balance sheet date.

F.2. Changes in accounting policies and accounting pronouncements adopted since 1 January 2024, and new accounting policies

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

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

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

These amendments had no material impact on the Group’s consolidated financial statements.

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (expected effectiveness from 1 January 2024)

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

These amendments had no material impact on the Group’s consolidated financial statements.

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

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

These amendments had no material impact on the Group’s consolidated financial statements.

F.3. Standards, interpretations and amendments to published standards that are not yet effective but relevant for the Group's consolidated financial statements

A number of new standards, amendments to standards and interpretations were not yet effective as of 31 December 2024 and have not been applied in the preparation of the consolidated financial statements. Of these pronouncements, the following will have potentially an impact on the Group's operations. The Group plans to adopt these pronouncements when they become effective.

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

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

The Group does not expect these amendments to have any impact on its consolidated financial statements.

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

The amendments include:

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

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

Annual Improvements Volume 11 (effective from 1 January 2026)

The Annual Improvements contain amendments to five standards as a result of the IASB's annual improvements project. It addresses some inconsistencies between paragraphs of IFRS-AS standards, potential confusions or lack of clarity in IFRS 1, IFRS 7, IFRS 9, IFRS 10, and IAS 7.

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

IFRS 18 Presentation and Disclosure in Financial Statements (expected effectiveness from 1 January 2027)

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

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

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

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

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

G. Subsequent events

G.1. Bond repayment

On 31 January 2025, the Group has drawn EUR 600 million from the available revolving facility and used the proceeds to repay its maturing Eurobond in a nominal amount of EUR 600 million (refer to E.12).

G.2. United Group Serbia

On 12 February 2025, the Group has signed a binding agreement with United Group B.V. to acquire a 100% share in SBB d.o.o., a leading cable television and broadband internet service provider in Serbia, for a consideration of EUR 825 million (on a cash free, debt free basis). The deal received a regulatory approval on 5 March 2025 and the transaction is expected to be closed within the forthcoming weeks. Transaction will be entirely financed by an external debt that will be raised by the Parent company.

No other significant events that would require an adjustment to these consolidated financial statements occurred after the end of the reporting period.

e& PPF Telecom Group B.V.

Separate financial statements for the year ended 31 December 2024

Table of contents

Statement of financial position 104
Statement of comprehensive income 105
Statement of changes in equity 106
Statement of cash flows 107
Notes to the financial statements 108
Other information 128

Statement of financial position

(before profit appropriation)

In millions of EUR

	Note	31 December 2024	31 December 2023
ASSETS			
Investments in subsidiaries	5	3,796	5,177
Intangible fixed assets		10	-
Loan receivable	6	1,395	374
Non-current assets		**5,201**	**5,551**
Cash and cash equivalents	7	97	340
Loan receivable	6	14	338
Trade receivables		2	1
Current assets		**113**	**679**
TOTAL ASSETS		**5,314**	**6,230**
LIABILITIES			
Due to banks	8	240	846
Debt securities issued	9	1,046	1,643
Non-current liabilities		**1,286**	**2,489**
Due to banks		1	17
Debt securities issued	9	629	29
Trade and other payables		11	1
Current liabilities		**641**	**47**
TOTAL LIABILITIES		**1,927**	**2,536**
Issued capital*	11.1	1	-
Share premium	11.2	518	1,575
Unappropriated result		2,868	295
Retained earnings		-	1,824
Total Equity		**3,387**	**3,694**
TOTAL LIABILITIES AND EQUITY		**5,314**	**6,230**

*Issued capital is EUR 700 thousand, EUR 1 thousand in 2023.

Statement of comprehensive income

For the year ended 31 December

In millions of EUR

	Note	2024	2023
Gain on sale of investment in subsidiaries	5	1,392	-
Dividend income	12	1,693	342
Interest income		54	41
Other operational revenues		4	-
Net foreign currency and derivative revaluation gains/ (losses)	5, 10	(18)	2
Total operating income		**3,125**	**385**
Operating expenses	13	18	10
Finance cost	14	93	80
Impairment on investment in subsidiaries	5	25	-
Total operating expense		**136**	**90**
PROFIT BEFORE TAX		**2,989**	**295**
Income tax expense	16	-	-
NET PROFIT FOR THE PERIOD		**2,989**	**295**
Other comprehensive income for the period		**-**	**-**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**2,989**	**295**

Statement of changes in equity

In millions of EUR

	Issued capital*	Share premium	Unappropri-ated result	Retained earnings	Total
Balance at 1 January 2024	**-**	**1,575**	**295**	**1,824**	**3,694**
Transactions with the owners of the Company					
Share premium contribution	-	843	-	-	843
Share premium distribution	-	(1,900)	-	-	(1,900)
Share capital issue	1	-			1
Dividends distribution	-	-	-	(2,240)	(2,240)
Total comprehensive income					
Profit appropriation	-	-	(416)	416	-
Net profit for the year	-	-	2,989	-	2,989
Balance at 31 December 2024	**1**	**518**	**2,868**	**-**	**3,387**

*Issued capital is EUR 700 thousand.

In millions of EUR

	Issued capital*	Share premium	Unappropri-ated result	Retained earnings	Total
Balance at 1 January 2023	**-**	**1,575**	**3,117**	**(956)**	**3,736**
Transactions with the owners of the Company					
Dividends distribution	-	-	-	(337)	(337)
Total comprehensive income					
Profit appropriation	-	-	(3,117)	3,117	-
Net profit for the year	-	-	295	-	295
Balance at 31 December 2023	**-**	**1,575**	**295**	**1,824**	**3,694**

*Issued capital is EUR 1 thousand.

Statement of cash flows

For the year ended 31 December, prepared using the indirect method

In millions of EUR

	Note	2024	2023
Profit from operations		2,989	295
Adjustments for:			
Dividend income	12	(1,693)	(342)
Gain on sale of investment in subsidiaries	5	(1,392)	-
Impairment on investments in subsidiaries	5	25	
Interest expense (net)		39	39
Net foreign currency and derivative revaluation gains/ (losses)	5, 10	18	(2)
Net operating cash flows before changes in working capital		**(14)**	**(10)**
Change in other receivables and payables		1	(3)
Cash flows used in operating activities		**(13)**	**(13)**
Contributions of share premium in subsidiaries	5	(2,904)	-
Distributions from investment in subsidiary	5	2,039	-
Dividends received	12	1,693	342
Proceeds from sale of a subsidiary	5	3,613	-
Purchases of intangible fixed assets		(10)	
Loans provided to a subsidiary	6	(1,225)	(197)
Loans repaid by a subsidiary	6	524	127
Interest received		43	41
Cash flows from investing activities		**3,773**	**313**
Proceeds from loans from banks (net of fees)	8	246	850
Repayment of loans from banks (net of fees)	8	(850)	-
Interest paid		(102)	(72)
Proceeds from share capital and premium contribution	11	843	-
Distribution of share premium		(1,900)	
Repayment of debt securities		-	(600)
Dividends paid	20	(2,240)	(337)
Cash flows used in financing activities		**(4,003)**	**(159)**
Change in cash and cash equivalents		**(243)**	**141**
Cash and cash equivalents at beginning of year	7	340	199
Effect of exchange rate changes on cash and cash equivalents		-	-
Cash and cash equivalents at end of year	7	**97**	**340**

NOTES TO THE FINANCIAL STATEMENTS

1 General information

e& PPF Telecom Group B.V., until October 2024 named PPF Telecom Group B.V. (the "Company"), was incorporated with limited liability under the Dutch law on 16 October 2013. The registered office of the Company is Zuidplein 168, Amsterdam, the Netherlands. The main activity of the Company is to act as a holding and financing company.

Since 24 October 2024, the Company is a subsidiary of e& International Holding Limited, the ultimate parent is Emirates Telecommunications Group Company PJSC. The ultimate controlling party is the United Arab Emirates Federal Government.

As of 31 December 2024, the Company's board of directors has the following composition:

Ilya Kiykov	Chairman of the board
Jan Cornelis Jansen	Director
Lubomír Král	Director
Murat Kirkgöz	Director
Jaap Johan van der Vlies	Director

2 Basis of preparation

2.1 Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards – Accounting Standards as adopted by the European Union ("IFRS AS-EU") including International Accounting Standards ("IASs"), promulgated by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB and with Part 9 of Book 2 of the Dutch Civil Code.

These separate financial statements and the consolidated financial statements together constitute the statutory financial statements of e& PPF Telecom Group B.V. The Company's consolidated financial statements are available in a separate part of the annual report.

2.2 Basis of measurement

The financial statements are prepared at the historical cost convention and are presented in Euro ("EUR"), and rounded to the nearest million. Assets and liabilities are stated at nominal value, unless stated otherwise.

2.3 Functional and presentation currency

These financial statements are presented in Euro, which is the Company's functional currency.

2.4 Use of judgement and estimates

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are those affecting valuation and possible impairment of subsidiaries. Refer to Note 5 for more details.

2.5 Going concern

These financial statements have been prepared on the basis of the going concern assumption.

2.6 Changes in accounting policies and accounting pronouncements adopted since 1 January 2024

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

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (expected effectiveness from 1 January 2024)

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

All these amendments had no impact on the Company's separate financial statements.

2.7 Standards, interpretations and amendments to published standards that are not yet effective and are relevant for the Company's financial statements

A number of new Standards, amendments to Standards and Interpretations were not yet effective as of 31 December 2024 and have not yet been applied in preparing these financial statements. Of these pronouncements, potentially the following will have an impact on the Company's operations. The Company plans to adopt these pronouncements when they become effective.

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

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

Annual Improvements Volume 11 (effective from 1 January 2026)

IFRS 18 Presentation and Disclosure in Financial Statements (expected effectiveness from 1 January 2027)

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

These amendments, except for Amendments to IAS 21, have not been adopted by the EU yet. The Company does not expect any significant impact on its separate financial statements resulting from the application of these amendments.

3 Material accounting policies

3.1 Foreign currency transactions

A foreign currency transaction is a transaction that is denominated or requires settlement in a currency other than functional currency. The functional currency is the currency of the primary economic environment in which an entity operates. For initial recognition purposes, a foreign currency transaction is translated into the functional currency using the foreign currency exchange rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at rates of exchange prevailing at the reporting date. Transactions denominated in foreign currencies are translated at rates prevailing at the time the transaction occurred. Translation differences are recorded in the statement of comprehensive income.

3.2 Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The Company initially recognises its investments in subsidiaries at cost. Subsequently they are measured at cost less impairment losses.

3.3 Financial instruments

a) Recognition and derecognition

Financial assets and liabilities are recognised in the statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

b) Classification and measurement

Financial assets
IFRS 9 contains a classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristics. IFRS 9 includes three principal classification categories for financial assets: measured at amortised

cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL).

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:
– it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
– its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

All financial assets financial assets held by the Company are measured at amortised costs following the initial recognition at fair value plus/minus transaction cost that are directly attributable to the acquisition of the financial asset.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or, when derivative or held for trading, at FVTPL. All financial liabilities held by the Company are subsequently measured at amortised cost using the effective interest method.

3.4 Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand, deposits held at call with banks, short term deposits at banks with original maturity of three months or less, other short-term highly liquid investments readily convertible to a known amount of cash and subject to an insignificant risk of changes in value, and bank overdrafts. Cash and cash equivalents are carried at amortised cost less expected credit losses (impairment) in the statement of financial position.

3.5 Other receivables and payables

Other receivables and payables are measured at amortised cost, which is normally equal to their nominal or repayment value.

3.6 Equity

Share capital represents the nominal value of shares issued by the Company. Dividends on share capital, share premium reduction and other capital distributions are recognised as a liability provided that they are declared before the end of the reporting period. Dividends, share premium reduction and other capital distributions declared after the end of the reporting period are not recognised as a liability but are disclosed in the notes.

3.7 Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The only potential source of deferred tax relevant to the Company are unused tax losses. A deferred tax asset is recognised for unused tax losses only to the extent that it is probable that future taxable profits will be available against which the unused tax losses can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.8 Income and expense recognition

Interest income and interest expense are recognised in the statement of comprehensive income on an accrual basis, taking into account the effective yield of the asset or liability, or the applicable floating rate. Interest income and interest expense include the amortisation of any discounts or premiums of other differences between the initial carrying amount of an interest-bearing instrument and its amount at maturity calculated using the effective interest rate method.

Dividend income is recognised in profit or loss on the date that the dividend is declared.

Other income and expense items are recognised in profit or loss when the corresponding service is provided, so in the period in which these are incurred. Losses are accounted for in the year in which they are identified.

3.9 Impairment

Non-derivative financial assets

In accordance with IFRS 9, the Company calculates the loss allowance for financial assets as equal to 12-month expected credit losses or equal to the expected credit losses over the life of the financial assets.

The Company calculates loss allowances for receivables at the amount of expected credit losses over the life of the financial asset. For cash and cash equivalents and loan receivables, the Company calculates loss allowances equal to the 12-month expected credit losses unless there has been a significant increase in the credit risk since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Company compares the default risk of a financial instrument at the balance sheet date with the risk at the date of initial recognition and considers reasonable and supportable information that is relevant and available without undue cost or effort and that indicates a significant increase in the credit risk. The assessment is mainly based on the Company's historical experience, available information and market analyses, including actual macroeconomic indicators and future forecasts.

Regardless of these analyses, the Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days overdue. In the case of cash and cash equivalents, it includes the situation where Moody's external credit rating falls from the investment grade (Aaa-Baa3 rating) to the speculative (non-investment) grade (Ba1-B3 rating). The Company categorises these assets into the 2nd stage of the IFRS 9 impairment model and calculates a loss allowance equal to expected lifetime credit losses. Credit-impaired financial assets are included in the third stage of the IFRS 9 impairment model. The Company assesses a financial asset as credit-impaired when one or more of the following events occurs:

the debtor is facing significant financial difficulty; it is probable that the debtor will enter bankruptcy or other financial reorganisation; the financial asset is more than 90 days overdue. Loss allowance for assets in the third stage is equal to the expected lifetime credit losses and the interest is calculated from the net value of the asset.

A financial asset is considered to be in default when it is more than 90 days overdue. And in the case of cash and cash equivalents, it includes the situation, where according to Moody's, the external credit rating of the counterparty decreases to risk grade (Caa1-C rating) or below. Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the original effective interest rate.

Investment in subsidiaries

The carrying amounts of the Company's investment in subsidiaries are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated.

The recoverable amount of the Company's investment in subsidiaries is the greater of their value less the cost to sell and their value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised in the statement of comprehensive income if the carrying amount of an asset exceeds its recoverable amount.

An impairment loss is reversed through the statement of comprehensive income if there has been an increase in the recoverable amount and increase can be objectively related to an event occurring after the date of the impairment. An impairment loss is reversed only to the extent that the assets carrying amount does not exceed the carrying amount of the asset that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

4 Risk management

Management of the risk arising from participating in subsidiaries and risk arising from financial instruments is fundamental to the Company's business and is an essential element of the Company's operations. The major risks related to participating in foreign subsidiaries and associates is the risk of impairment due to adverse economic conditions, movements in foreign exchange rates and liquidity risks given the strong growth in the Central and Eastern European market. These risks are managed by the Company monitoring the development of financial markets, using robust investment decision process and proper liquidity management. Financial instrument risks faced by the Company are those related to credit exposures, movements in interest rates and foreign exchange rates. The board of directors has the overall responsibility for the establishment and oversight of the Company's risk management framework. The risks are managed in the following manner:

4.1 Credit risk

Credit risk is the risk of financial loss occurring as a result of default by a borrower or counterparty on their obligation. The majority of the Company's exposure to credit risk arises in connection the provision of loans to related parties. The remaining part of the Company's exposures to credit risk is related to investments in debt securities, deposits with banks and certain other assets. Loans provided by the Company to related parties are unsecured. The carrying amount of financial assets represents the maximum credit exposure.

The Company limits its exposure to credit risk by providing loans only to related parties, investing to debt securities issued by central banks and placing funds with reputable financial institutions.

4.2 Interest rate risk

Interest rate risk is measured by the extent to which changes in market interest rates impact on margins and net interest income. The Company's objective in managing its exposure to interest rate fluctuations is to minimise reported earnings and cash flow volatility associated with interest rate changes.

A summary of the Company's interest rate gap position, analysed by the earlier of contractual re-pricing or maturity date, is as follows.

In millions of EUR, as at 31 December 2024

	Effective interest rate	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
Cash and cash equivalents	1.8%	97	-	-	-	97
Loan receivable	5.1%	227	1,182	-	-	1,409
Other receivables	0.0%	2	-	-	-	2
Total interest-bearing financial assets		**326**	**1,182**	**-**	**-**	**1,508**
Due to banks	3.8%	241	-	-	-	241
Debt securities issued	2.8%	625	4	549	497	1,675
Trade and other payables	0.0%	11	-	-	-	11
Total interest-bearing financial liabilities		**877**	**4**	**549**	**497**	**1,927**
Net position 2024		**(551)**	**1,178**	**(549)**	**(497)**	**(419)**

In millions of EUR, as at 31 December 2023

	Effective interest rate	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
Cash and cash equivalents	2.6%	340	-	-	-	340
Loan receivable	5.4%	376	336	-	-	712
Other receivables	0.0%	1				1
Total interest-bearing financial assets		**717**	**336**	**-**	**-**	**1,053**
Due to banks	6.0%	863	-	-	-	863
Debt securities issued	2.8%	25	4	599	1,044	1,672
Trade and other payables	0.0%	1	-	-	-	1
Total interest-bearing financial liabilities		**889**	**4**	**599**	**1,044**	**2,536**
Net position 2023		**(172)**	**332**	**(599)**	**(1,044)**	**(1,483)**

4.3 Liquidity risk

Liquidity risk represents the risk of being unable to fund assets using instruments with appropriate maturities and rates, the risk of being unable to liquidate an asset sufficiently quickly and in the appropriate amount and the risk of being unable to meet obligation as they become due. The Company continually assesses its liquidity risk with the Group treasury by identifying and monitoring changes in the funding required to meet the business goals.

A summary of the Company's liquidity gap position (discounted view), analysed by the maturity date, is as follows:

In millions of EUR, as at 31 December 2024

	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
Due to banks	1	-	-	240	241
Debt securities issued	625	4	549	497	1,675
Trade and other payables	11	-	-	-	11
Total financial liabilities	**637**	**4**	**549**	**737**	**1,927**

In millions of EUR, as at 31 December 2023

	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
Due to banks	17	-	249	597	863
Debt securities issued	25	4	599	1,044	1,672
Trade and other payables	1	-	-	-	1
Total financial liabilities	**43**	**4**	**848**	**1,641**	**2,536**

The following tables show the residual maturities of interest bearing liabilities on an undiscounted cash flow basis.

In millions of EUR, as at 31 December 2024

	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
Due to banks	2	7	9	254	272
Debt securities issued	630	16	584	516	1,746
Total financial liabilities	**632**	**23**	**593**	**770**	**2,018**

In millions of EUR, as at 31 December 2023

	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
Due to banks	23	29	292	710	1,054
Debt securities issued	30	16	646	1,100	1,792
Total financial liabilities	**53**	**45**	**938**	**1,810**	**2,846**

4.4 Foreign currency risk

Foreign currency risk arises when the actual or forecasted assets in foreign currency are either greater or less than the liabilities in that currency. The Company's strategy is to keep its foreign currency position closed, as practically as possible, but only for external financial assets and liabilities. The Company provides intra-group financing to several subsidiaries in local currencies of those subsidiaries. Such funding is not hedged.

A summary of the Company's currency gap position, analysed by currencies, is as follows.

In millions of EUR, as at 31 December 2024

	EUR	**CZK**	**HUF**	**Total**
Cash and cash equivalents	97	-	-	97
Loans receivable	1,242	-	167	1,409
Trade and other receivables	2	-	-	2
Total financial assets	**1,341**	**-**	**167**	**1,508**
Due to banks	241	-	-	241
Debt securities issued	1,675	-	-	1,675
Trade and other payables	11	-	-	11
Total financial liabilities	**1,927**	**-**	**-**	**1,927**
Net position	**(586)**	**-**	**167**	**(419)**

In millions of EUR, as at 31 December 2023

	EUR	CZK	HUF	Total
Cash and cash equivalents	340	-	-	340
Loans receivable	332	200	180	712
Trade and other receivables	1	-		1
Total financial assets	**673**	**200**	**180**	**1,053**
Due to banks	863	-		863
Debt securities issued	1,672	-	-	1,672
Trade and other payables	1	-	-	1
Total financial liabilities	**2,536**	**-**	**-**	**2,536**
Net position	**(1,863)**	**200**	**180**	**(1,483)**

A 5% negative change in HUF to EUR exchange rate based on positions existing as at 31 December 2024 would result in an equity decrease of EUR 8 million (2023: EUR 9 million).

4.5 Capital management

For the purpose of the Company's capital management, capital includes issued share capital, share premium and all other equity reserves. The primary objective of the Company's capital management is to maximise the shareholder value while maintaining investor, creditor and market confidence and being able to sustain the future development of the business.

To achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings, as applicable. Please refer to Note C.5. in the Company's consolidated financial statements for details of the financial covenants.

Breaches in meeting the financial covenants would permit lenders to call loans and borrowings, subject to Company not being able to remedy the breach. There have been no breaches of the financial covenants of any interest-bearing loans and borrowings in the current period.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Company is not subject to any externally imposed regulatory capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2024 and 2023.

4.6 Fair values of financial instruments

The Company has performed an assessment of fair values of its financial instruments. Fair values have been estimated either by reference to the market value at the end of the reporting period date or by discounting the relevant cash flows using current interest rates for similar instruments.

The fair values of the following financial instruments differ from their carrying amounts shown in the statement of financial position, either in 2024 or 2023:

In millions of EUR

	2024 Carrying amount	2024 Fair value	2023 Carrying amount	2023 Fair value
Loan receivable (Level 3)	1,409	1,409	712	709
Debt securities issued (Level 2)	1,675	1,674	1,672	1,646

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

All of the Company's financial assets and liabilities are classified as Level 2 in the fair value hierarchy (except for loan receivable that is Level 3) and no transfers between levels occurred in 2024 or 2023.

5 Investments in subsidiaries

In millions of EUR

	Domicile	Share	31 December 2024	Share	31 December 2023
PPF TMT Bidco 1 N..V.	Netherlands	100%	2,193	100%	1,376
CETIN International N.V.	Netherlands	70%	1,603	-	-
CETIN Group N.V.	Netherlands	-	-	70%	509
PPF Comco N.V.	Netherlands	-	-	100%	3,292
Total			**3,796**		**5,177**

On 30 September, the Company established a new subsidiary CETIN International N.V. that subsequently acquired controlling stakes in Hungarian, Serbian, Bulgarian and Slovak CETINs, previously held by CETIN Group N.V. and PPF Comco N.V.

On 11 October, the Company sold a 70% share in CETIN Group N.V. holding the residual investment - Czech CETIN to PPF TMT Holdco 2 B.V., its former parent company. The sale price amounted to EUR 621 million and resulted in gain on sale of EUR 462 million.

On 15 October, the Company sold a 100% share in PPF Comco Group N.V. holding the residual investment - O2 Czech Republic to PPF TMT Holdco 2 B.V., its former parent company. The sale price amounted to EUR 2,992 million and resulted in gain on sale of EUR 930 million.

In 2024, the Company recognised an impairment of investment in CETIN International N.V. amounting to EUR 25 million. The value of investment was impaired to its recoverable amount which was determined based on the value in use of the operating businesses held by CETIN International N.V. The main factors that led to the impairment were macroeconomics developments such as changes in Slovak tax environment and also the restructuring process that led to an increase in the cost of investment.

The following table shows movement of investment in subsidiaries in 2024 reflecting the facts stated above (no movements in 2023):

In millions of EUR

	PPF TMT Bidco 1 N.V.	CETIN International N.V.	CETIN Group N.V.	PPF Comco N.V.	Total
Balance as at 1 January 2024	**1,376**	**-**	**509**	**3,292**	**5,177**
Share premium contributions	822	2,082	-	-	2,904
Share premium distributions	(5)	(454)	(350)	(1,230)	(2,039)
Sale (residual cost)	-	-	(159)	(2,062)	(2,221)
Impairment	-	(25)	-	-	(25)
Balance as at 31 December 2024	**2,193**	**1,603**	**-**	**-**	**3,796**

6 Loans receivable

Since 2022, the Company entered into several intra-group loan agreements with its direct and indirect subsidiaries that were used to refinance the existing debt with new unsecured intra-group loans or to finance a new acquisition.

In 2024, the Company entered into an intra-group unsecured loan agreement with its newly set-up subsidiary CETIN International N.V. that were used to finance a group debt and equity restructuring. The following table shows details of the loans:

In millions of EUR

Debtor	Maturity	FX	Rate	Facility limit	31 December 2024	31 December 2023
O2 Slovakia s.r.o.	April 2029	EUR	1M EURIBOR + 1.3%	60	60	60
PPF TMT Bidco 1 N.V.	November 2027	HUF	3M BUBOR + 1.08%	170	167	180
CETIN International N.V.	October 2029	EUR	6M EURIBOR + 1.75%	1,170	1,182	-
O2 Czech Republic a.s.	April 2024	CZK	1.46%	-	-	200
CETIN Networks, s.r.o.	April 2024	EUR	2.26%	-	-	75
PPF Comco N.V.	April 2025	EUR	1M EURIBOR + 1.61%	-	-	75
CETIN Group N.V.	April 2025	EUR	1M EURIBOR + 1.60%	-	-	122
Total loan receivable					**1,409**	**712**

In 2024, The loans owed by O2 Czech Republic and CETIN Networks were prolonged but finally settled in October 2024.

As of 31 December 2024, the gross principal of the intra-group loan receivable amounted to EUR 1,396 million (2023: EUR 711 million). The Company recognised an expected probability-weighted estimate of credit losses relating to the intra-group loan receivable amounting to EUR 1 million (2023: EUR 1 million).

7 Cash and cash equivalents

In millions of EUR

		31 December 2024	31 December 2023
Current accounts	EUR	97	340
Total cash and cash equivalents		**97**	**340**

All current accounts are payable on demand. Cash and cash equivalents are freely distributable. In 2023, the bank that the Company uses was an affiliated entity.

8 Due to banks

In April 2023, the Company became a party to two unsecured term loan facility agreements amounting to EUR 850 million. The outstanding principal amounts of the loans as at 31 December 2023 were EUR 850 million. In October 2024, these loan facilities were fully assigned to PPF TMT Holdco 2 B.V. (a former direct parent of the Company).

In November 2024, the Company became a party to a term and revolving loan facilities amounting to EUR 1,446 million. The first utilisation of EUR 246 million was executed in December 2024 and it was used for the capital increase in the Company´s subsidiaries. As at 31 December 2024, a EUR 1,200 million revolving part of this committed facility is unused.

The actual amount of outstanding loan liabilities stated in the statement of financial position is lower by unamortised fees and other transaction costs directly attributable to the origination of the loan facilities. These fees were capitalised and are amortised to finance costs using the effective interest rate method.

Parameters of the EUR-denominated loan facilities as at 31 December 2024 are as follows:

	Term and revolving loan facilities
Repayable by	2027*
Margin rate over EURIBOR (based on the selected rating grade)	0.8-0.9%
Actual margin rate applicable	0.8%

*The borrower has a prolongation option until 2029

As at 31 December 2024 and 2023, the Company complied with the financial covenants imposed by its loan facilities.

9 Debt securities issued

In March 2019, the Company established EUR 3,000 million medium term note programme. At the same moment, the Company obtained corporate credit ratings Ba1 by Moody's, BB+ by Standard & Poor’s and BBB- by Fitch Ratings. During 2019 and 2020, under this programme, the Company issued senior secured Eurobonds in the aggregate nominal amount of EUR 2,250 million.

The actual amount of outstanding debt securities liabilities stated in the statement of financial position is lower by unamortised transaction fees directly attributable to the origination of the

securities. These fees were capitalised and are amortised to finance costs using the effective interest rate method.

As of 31 December 2024 and 2023 the bonds were unsecured and the unused capacity of the programme was EUR 750 million.

The following table shows nominal values of issued bonds:

In millions of EUR

Bond ID	Maturity	Fixed rate	31 December 2024	31 December 2023
XS2078976805	January 2025	2.13%	600	600
XS1969645255	March 2026	3.13%	550	550
XS2238777374	September 2027	3.25%	500	500
Total			**1,650**	**1,650**

The following shows accrued interests of issued bonds:

In millions of EUR

Bond ID	31 December 2024	31 December 2023
XS2078976805	12	12
XS1969645255	13	13
XS2238777374	4	4
Total	**29**	**29**

10 Reconciliation of movements of liabilities to cash flows arising from financing activities

In millions of EUR

	Debt securities issued	Due to banks	Share premium	Total
Balance as at 1 January 2024	**1,672**	**863**	**1,575**	**4,110**
Proceeds from share premium increase	-	-	843	843
Distributions from share premium	-	-	(1,900)	(1,900)
Proceeds from due to banks	-	246	-	246
Repayments of due to banks	-	(850)	-	(850)
Interest paid	(46)	(56)	-	(102)
Total changes from financing cash flows	**(46)**	**(660)**	**(1,057)**	**(1,763)**
Interest expense	49	44	-	93
Capitalised expenses	-	(6)	-	(6)
Balance as at 31 December 2024	**1,675**	**241**	**518**	**2,434**

In millions of EUR

	Debt securities issued	Due to banks	Share premium	Total
Balance as at 1 January 2023	**2,282**	**-**	**1,575**	**3,857**
Proceeds from due to banks	-	850	-	850
Repayments of due to banks	(600)	-	-	(600)
Interest paid	(71)	(1)	-	(72)
Total changes from financing cash flows	**(671)**	**849**	**-**	**178**
Interest expense	61	18	-	79
Effect of changes in FX rates and transfers	-	(4)	-	(4)
Balance as at 31 December 2023	**1,672**	**863**	**1,575**	**4,110**

11 Equity

11.1 Share capital

In EUR

	31 December 2024	31 December 2023
Authorised capital - ordinary shares	100,000,001	1,000
Issued and fully paid up	100,000,001	1,000
Nominal value	0.00001	1
Authorised capital - preferred shares	70,000,001	-
Issued and fully paid up	70,000,001	-
Nominal value	0.01	-

As of 31 December 2024, the Company's share capital is issued in euros and divided into shares of two different classes comprising preferred and ordinary shares. Preferred shares are tracking shares to which preferential rights to (distributions of) certain profits, reserves and liquidation proceeds are attached. No voting rights are attached to these preferred shares. All ordinary shares rank equally with regards to distributions by the Company of profits and reserves other than those to which the holders of preferred shares are entitled. The holder of ordinary shares is entitled to cast one vote for each share he is holding in the general meeting of the Company.

11.2 Share premium

Share premium is the amount received by the Company in excess of the par value of its shares. Share premium is freely distributable.

As at 31 December 2024, the share premium amounted to EUR 518 million (2023: 1,575 million). In October 2024, the Company increased its share premium by EUR 843 million and subsequently decreased it by EUR 1,900 million.

11.3 Reconciliation of the Company's equity to its consolidated equity

The difference between the Company's equity and its consolidated equity results from the fact that the Company presents its investments in subsidiaries at cost. In consolidated financial statements the subsidiaries are consolidated and their cumulative result is added to the consolidated equity. The Company's net result for 2024 is higher than the consolidated result by EUR 215 million (2023: lower by EUR 180 million), dividend income and the net result of subsidiaries for the period, and also a difference between individual and consolidated gain on sale of subsidiaries. The reconciliation of equity as per these separate financial statements and consolidated financial statements is shown below.

In millions of EUR

	Share capital	Share premium	Translation reserve	Reserve for puttable instruments	Retained earnings incl. unappropri-ated profit	Attributable to equity holders of parent	*out of which:* Net profit	Total comprehen-sive income
Individual balance as at 31 December 2024	**1**	**518**	**-**	**-**	**2,868**	**3,387**	**2,989**	**2,989**
Adjustment for:								
Dividend income	-	-	-	-	(1,693)	(1,693)	(1,693)	(1,693)
Impairment on investment	-	-	-	-	25	25	25	25
Difference between individual and consolidated gain on sale of subsidiaries	-	-	-	-	1,022	1,022	1,022	1,022
Individual gain on sale of subsidiaries (previous period)	-	-	-	-	(1,192)	(1,192)	-	-
Net result of subsidiaries in 2024	-	-	-	-	456	456	456	456
Puttable instrument related to non-controlling interests	-	-	-	(564)	-	(564)	-	-
Reserves related to subsidiaries*	-	-	(208)	-	(773)	(981)		(8)
Consolidated balance as at 31 December 2024	**1**	**518**	**(208)**	**(564)**	**713**	**460**	**2,799**	**2,791**

*Reserves related to subsidiaries represent equity of the Company's subsidiaries, other than their net result for the current period, which has not been distributed to the Company. The balance also includes adjustments to retained earnings related to transactions with NCI owners.

In millions of EUR

	Share premium	Translation reserve	Hedging reserve	Reserve for puttable instruments	Retained earnings incl. unappropria ted profit	Attributable to equity holders of parent	*out of which:* Net profit	Total comprehen-sive income
Individual balance as at 31 December 2023	**1,575**	**-**	**-**	**-**	**2,119**	**3,694**	**295**	**295**
Adjustment for:								
Dividend income	-	-	-		(342)	(342)	(342)	(342)
Individual gain on sale of subsidiaries (previous period)	-	-	-	-	(1,192)	(1,192)		
Net result of subsidiaries in 2023	-	-	-	-	522	522	522	522
Puttable instrument related to non-controlling interests	-	-	-	(983)	-	(983)		
Reserves related to subsidiaries*	-	(183)	5		(1,018)	(1,196)		(17)
Consolidated balance as at 31 December 2023	**1,575**	**(183)**	**5**	**(983)**	**89**	**503**	**475**	**458**

*Reserves related to subsidiaries represent equity of the Company’s subsidiaries, other than their net result for the current period, which has not been distributed to the Company. The balance also includes adjustments to retained earnings related to transactions with NCI owners.

12 Dividend income

In millions of EUR, for the year ended 31 December

	2024	2023
CETIN Group N..V.	1,265	100
PPF TMT Bidco 1 B.V.	274	82
PPF Comco N.V.	154	160
Total dividend income	**1,693**	**342**

13 Operating expenses

In millions of EUR, for the year ended 31 December

	2024	2023
Professional expenses	13	4
Financial expenses	5	6
Total operating expenses	**18**	**10**

Professional expenses represent namely professional, legal and accounting services provided to the Company.

14 Finance costs

In millions of EUR, for the year ended 31 December

	2024	2023
Interest expense on amounts due to banks	39	18
Interest expense on debt securities issued	46	58
Amortised origination fees	8	4
Total finance costs	**93**	**80**

15 Audit fee

The following fees were charged by KPMG Accountants N.V. to the Company as referred to in Section 2:382a(1) and (2) of the Dutch Civil Code:

In thousands of EUR, for the year ended 31 December

	2024	2023
Audit of the financial statements	515	360
Other audit engagements	189	248
Total audit fee	**704**	**608**

16 Income tax

In millions of EUR, for the year ended 31 December

	2024	2023
Profit before tax	2,989	295
Non-taxable dividend	(1,693)	(342)
Non-deductible interest due to ATAD (earning stripping) rules	61	47
Non-deductible costs (other)	30	-
Non-taxable income (gain on sale of investments)	(1,392)	-
Current year losses for wihich no deferred tax is recognised	5	-
Utilised tax loss previous years	-	-
Profit/(loss) taxable	-	-
Income tax expense	-	-

Unutilised tax losses for a total amount of EUR 25 million (2023: EUR 20 million) are not recognised as its future utilisation is uncertain.

The Company is the head of a fiscal unity with PPF TMT Bidco 1 N.V. effective from 1 January 2019. Consequently, effective from 1 January 2019 the corporate income tax of the fiscal unity is calculated on a consolidated basis.

17 Employees and directors

As at 31 December 2024, the Company employed two people (2023: nil). The Company had 5 directors as at 31 December 2024 (3 directors as at 31 December 2023). During 2024 and 2023 directors of the Company were not entitled to any remuneration.

18 Related parties

The Company has a related party relationship with its parent, subsidiaries and affiliates. All transactions with related parties are disclosed in the individual disclosures above. Furthermore, the management board, plus the close family members of such personnel and other parties, which are controlled, jointly controlled or significantly influenced by such individuals and entities in which the individuals hold significant voting power are also considered related parties. The Company did not conclude any transaction with these related parties in 2024 and 2023.

19 Events after the reporting period

There have not been significant events after the reporting period.

20 Profit appropriation for 2024

In 2024, the Company distributed dividend to its shareholder in total amount of EUR 2,240 million (i.e. EUR 2,240 thousand per share) from the retained earnings (2023: EUR 337 million, i.e. EUR 337 thousand per share).

21 Confirmation

The Company´s financial statements for the year ended 31 December 2024 give a true and fair view of the Company´s financial condition and operations as at and for the year ended 31 December 2024.

21 March 2025

The board of directors:

Ilya Kiykov
Chairman of board of directors

Jan Cornelis Jansen
Member of board of directors

Lubomír Král
Member of board of directors

Murat Kirkgöz
Member of board of directors

Jaap Johan van der Vlies
Member of board of directors

Other information

Profit appropriation

The allocation of profits accrued in a financial year shall be determined by the General Meeting of Shareholders. Distribution of profits shall be made after adoption of the annual accounts if permissible under the law given the contents of the annual accounts. The General Meeting of Shareholders may resolve at the proposal of the management board to make interim distributions and/or to make distributions at the expense of any reserve of the Company. Distributions may be made only up to an amount which does not exceed the amount of the distributable equity.

Offices

The company has operating offices in the Netherlands and the Czech Republic. For further details please refer to Note 1 of the financial statements.

Auditor’s report

The auditor’s report on the company financial statements is set out at the end of the annual report.

Independent auditor's report

To: the General Meeting of Shareholders and the Audit Committee of e& PPF Telecom Group B.V.

Report on the audit of the financial statements 2024 included in the annual accounts

Our opinion

In our opinion the accompanying financial statements give a true and fair view of the financial position of e& PPF Telecom Group B.V. as at 31 December 2024 and of its result and its cash flows for the year then ended, in accordance with IFRS Accounting Standards as adopted by the European Union (IFRS AS-EU) and with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the financial statements 2024 of e& PPF Telecom Group B.V. (the 'Company') based in Amsterdam, the Netherlands.

The financial statements comprise:

1 the consolidated and company statement of financial position as at 31 December 2024;

2 the following consolidated and company statements for 2024: the statement of income and other comprehensive income, changes in equity and cash flows; and

3 the notes comprising material accounting policy information and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of e& PPF Telecom Group B.V. in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

KPMG Accountants N.V., a Dutch limited liability company registered with the trade register in the Netherlands under number 33263683, is a member firm of the global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The information in respect of going concern, fraud and non-compliance with laws and regulations and the key audit matters was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information in support of our opinion

Summary

Materiality

Consolidated financial statements

- Materiality of EUR 34.5 million
- Based on estimated Earnings before interest, tax, depreciation and amortisation (EBITDA) (2.1% of EUR 1,614 million)

Group audit

- Performed substantive procedures for 79% of total assets
- Performed substantive procedures for 93% of revenue

Risk of material misstatements related to Fraud, NOCLAR and Going concern

- Presumed fraud risks: presumed risk of management override of controls and presumed risk of revenue recognition.
- Non-compliance with laws and regulations (NOCLAR) risks: risk of fraud relating to the purchase of 5G licenses by Yettel Serbia identified and further described in the section ‘Audit response to the risk of fraud and non-compliance with laws and regulations’.
- Going concern risks: no going concern risks identified.

Key audit matters

- Group restructuring as a result of disposal of a majority stake of non-Czech Republic assets by PPF Group N.V. to Emirates Telecommunications Group Company PJSC (“e&”)
- Valuation of conditional commitment to acquire NCI’s shares

Materiality

Based on our professional judgement we determined the materiality for the consolidated financial statements as a whole at EUR 34.5 million (2023: EUR 35 million).

The materiality for the consolidated financial statements is determined with reference to estimated EBITDA (2,1%). We consider EBITDA as the most appropriate benchmark based on the nature of the business, the level of activities and focus of the users of the consolidated financial statements on EBITDA for the purpose of evaluating the Group's financial performance in the telecom sector.

We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the consolidated and company financial statements for qualitative reasons.

We agreed with the Audit Committee that misstatements identified during our audit in excess of EUR 1.55 million of the consolidated and company financial statements would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Scope of the group audit

e& PPF Telecom Group B.V. is at the head of a group of components (hereafter "Group"). The financial information of this group is included in the financial statements of e& PPF Telecom Group B.V.

This year, we applied the revised group auditing standard in our audit of the financial statements. The revised standard emphasises the role and responsibilities of the group auditor. The revised standard contains new requirements for the identification and classification of components, scoping, and the design and performance of audit procedures across the group. As a result, we determine coverage differently and comparisons to prior period coverage figures are not meaningful.

We performed risk assessment procedures throughout our audit to determine which of the Group's components are likely to include risks of material misstatement to the Group financial statements. To appropriately respond to those assessed risks, we planned and performed further audit procedures, either at component level or centrally. We identified 13 components associated with a risk of material misstatement. For 10 out of these 13 components we involved component auditors. We as group auditor audited the remaining components. We set component performance materiality levels considering the component's size and risk profile.

We have performed substantive procedures for 93% of Group revenue and 79% of Group total assets. At group level, we assessed the aggregation risk in the remaining financial information and concluded that there is less than reasonable possibility of a material misstatement.

In supervising and directing our component auditors, we:

- held risk assessment discussions with the component auditors to obtain their input to identify matters relevant to the group audit;
- issued group audit instructions to component auditors on the scope, nature and timing of their work, and received written communication about the results of the work they performed;
- communicated with all component auditors through written instructions, exchange of emails, remote audit file reviews, and held multiple conference calls and virtual meetings. During these calls and virtual meetings, we discussed in more detail the planning and the risk assessment phase and the procedures performed including the findings and observations;

- held meetings with 10 component auditors in person and/or virtually to discuss relevant developments and understand and evaluate their work;
- inspected the work performed by all component auditors and evaluated the appropriateness of audit procedures performed and conclusions drawn from the audit evidence obtained, and the relation between communicated findings and work performed. In our inspection we mainly focused on key audit matters and significant risks.

We consider that the scope of our group audit forms an appropriate basis for our audit opinion. Through performing the procedures mentioned above we obtained sufficient and appropriate audit evidence about the Group's financial information to provide an opinion on the financial statements as a whole.

Audit response to the risk of fraud and non-compliance with laws and regulations

In the paragraphs code of conduct and safeguarding cyber security, digital and personal data of the directors' report, the board of directors describes its procedures in respect of the risk of fraud and non-compliance with laws and regulations.

As part of our audit, we have gained insights into the Group and its business environment and assessed the design and implementation of the Group's risk management in relation to fraud and non-compliance. Our procedures included, among other things, assessing the Group's code of ethics, whistleblowing policy and its internal audit procedures. Furthermore, we performed relevant inquiries with management and other relevant functions, such as Internal Audit and Legal Counsel. We have also incorporated various elements of unpredictability in our audit, such as, but not limited to, testing smaller value revenue account balances and inspecting bank statements for any indication of facilitation payments to banks for the procurement of external financing. These procedures were performed in addition to our standard audit procedures on these accounts. As part of our audit procedures, we:

- evaluated internal audit reports on indications of possible fraud and non-compliance;
- evaluated legal confirmation letters;
- performed inquiry with in-house legal counsel; and
- inspected minutes of meetings with board of directors and shareholders.

In addition, we performed procedures to obtain an understanding of the legal and regulatory frameworks that are applicable to the Group and identified the following area as most likely to have a material effect on the financial statements:

- Anti-bribery and corruption laws and regulations (reflecting the Group's presence in low CPI countries).

We, together with our forensics specialists, evaluated the fraud and non-compliance risk factors to consider whether those factors indicate a risk of material misstatement in the financial statements.

Based on the above and on the auditing standards, we identified the following fraud risks that are relevant to our audit, including the relevant presumed risks laid down in the auditing standards, and responded as follows:

Management override of controls (a presumed risk)

Risk:

Management is in a unique position to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

Audit Reponses:

- We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness of internal controls that mitigate fraud risks, such as processes related to journal entries and estimates.
- We performed data analyses of high-risk journal entries recorded throughout the period, with specific attention to revenue postings and post-closing adjusting journal entries. Where we identified instances of unexpected journal entries or other risks through our data analytics, we performed additional audit procedures to address each identified risk, including inquiry and testing of transactions back to source information.
- We evaluated key estimates and judgements for bias by management, including retrospective reviews of prior years' estimates with respect to estimates such as valuation of goodwill and valuation of conditional commitment to acquire NCI's share.

Revenue recognition (a presumed risk)

Risk:

In accordance with Dutch Standards on Auditing 240, there is a presumed fraud risk related to revenue recognition. It is presumed there are generally pressures or incentives on management to commit fraudulent financial reporting through inappropriate revenue recognition.

As a result of budget, key performance indicator and rating agency requirements, there may be an increased pressure to achieve certain results and pressure on management or operating personnel to meet financial targets.

Therefore, we have identified a risk of fraud over the existence of revenue at certain components. The specific risk per component has been determined based on the identified opportunities to manipulate revenues.

Audit Reponses:

- We evaluated the design and implementation of relevant anti-fraud controls related to the revenue process.
- We performed substantive test of details procedures over revenue transactions, through a combination of increased audit sampling and specific item testing, including assessing the appropriateness of the applied revenue recognition method.

- We tested journal entries to identify unusual or irregular items and to assess that these were properly authorised and supported by proper underlying documentation.

Risk of fraud relating to the purchase of 5G licenses by Yettel Serbia

Risk:

As a result of the combination of the upcoming 5G license auction in the fourth quarter of 2025 in which Yettel Serbia will participate and the known vulnerability of the telecommunication sector to bribery and corruption, we have identified a risk of fraud in Yettel Serbia in relation to the purchases of 5G licenses from the relevant Regulatory Authority.

Audit Reponses:

- We inquired with management regarding the laws and regulations in place with respect to anti-bribery and corruption.
- We inquired with management regarding the processes in place to ensure compliance with relevant, anti-bribery, anti-competition and corruption laws and regulations.
- We discuss with the inquired management about the existence (or intention) of any unusual arrangements/agreements (to be) entered with governments during the year.
- We reviewed the procurement process with respect to the acquisition of 5G licenses.
- We evaluated the design and implementation of relevant anti-fraud controls.
- We assessed other positions held by management board members and/or other employees and paid special attention to procedures and governance/compliance in view of possible conflicts of interest.
- We inspected certain general ledger accounts and payment listings for payments/purchases towards the relevant Regulatory Authority, and performed specific item testing on these transactions, in order to ensure the transaction has sufficient business rationale, reconciles to appropriate external supporting documentation and is therefore not indicative of potential non-compliance with laws and regulations.

Our procedures to address the identified risks of fraud did not result in a key audit matter. We communicated our risk assessment, audit responses, and results to management and the Audit Committee.

Our audit procedures did not reveal indications and/or reasonable suspicion of fraud and non-compliance that are considered material to our audit.

Audit response to going concern

As explained in the basis of measurement section of note A.3 of the financial statements, the Board of Directors has performed its going concern assessment and has not identified any going concern risks. To assess the board’s assessment, we have performed the following procedures:

- We considered whether the board’s assessment of the going concern risks includes all relevant information of which we are aware as a result of our audit.

— We analysed the Company’s financial position as at year-end and compared it to the previous financial year in terms of indicators that could identify significant going concern risks.

The outcome of our risk assessment procedures did not give reason to perform additional audit procedures on management’s going concern assessment.

Our key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the Audit Committee. The key audit matters are not a comprehensive reflection of all matters discussed.

Compared to last year the key audit matter with respect to Business combination accounting over Nej.cz acquisition is not included, as this transaction occurred in 2023. Compared to last year the key audit matter with respect to Inaccurate valuation of Goodwill is removed, as this related specifically to CETIN a.s. which is disposed of during 2024.

Group restructuring as a result of disposal of non-Czech Republic assets by PPF Group N.V. to e&

Description

As disclosed in Note B.2.1.1, on 24 October 2024 e& acquired a stake of 50% plus one share in e& PPF Telecom Group B.V.’s assets in Bulgaria, Hungary, Serbia, and Slovakia from PPF Group N.V. One of the conditions of the agreement was that e& PPF Telecom Group B.V.’s existing assets in the Czech Republic will have been sold by e& PPF Telecom Group B.V. before closing of the transaction. As the Czech assets were not part of the transaction described above, PPF Group first had to complete a pre-closing restructuring of its telecommunications subgroup to achieve the desired structure as agreed with e& Group. As a result, e& PPF Telecom Group B.V. sold its Czech assets (which includes O2 Czech Republic and CETIN CZ) to its previous immediate holding company, PPF TMT Holdco 2 B.V.

The subsidiaries were sold for a cash consideration of EUR 3,613 million. The difference between the cash consideration of EUR 3,613 million, the net assets sold of EUR 1,335 million, the non-controlling interests disposed of EUR 197 million and the accumulated translation losses of EUR 61 million was recognised as a gain on sale of investments in subsidiaries of EUR 2,414 million.

Due to the magnitude and complexity of the restructuring, the accounting of the restructuring as a result of the disposal of non-Czech Republic assets to e& has been identified as a key audit matter.

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Our response

Our procedures to evaluate the transaction and assess the related accounting treatment included, amongst others:

- Understand the business purpose of the transaction through inquiry with management, inspection of minutes of meeting of directors and shareholders, inspection of the shareholders agreement between PPF Group N.V. and e& and inspection of the sale agreements between e& PPF Telecom Group B.V. and PPF TMT Holdco 2 B.V..
- Test the design and implementation of the relevant control of management to appropriately account and disclose for the transaction.
- Inspect and evaluate management's accounting position paper for the accounting and disclosure of the internal restructuring.
- Inspect and evaluate management's disclosure in the financial statements in relation to the transaction, to ensure it is an accurate and complete reflection of the facts, and that is it in line with the accounting standards.

Our observation

Based on our procedures relating to the accounting of the restructuring as a result of the disposal of non-Czech Republic assets to e&, we determine that the accounting treatment is appropriate. We determined that the related disclosures (note B.2.1.1) meet the requirements of IFRS AS-EU.

Valuation of conditional commitment to acquire NCI's shares

Description

As disclosed in note E.16.4, in 2022 the Group entered into an agreement with GIC Private Limited ("GIC") to sell its 30% stake in CETIN Group N.V. Within this transaction, the Group also granted a put option to GIC for its 30% share in CETIN Group N.V. for the fair value of the share as at the exercise date of the option. The put option may be exercised by GIC should e& PPF Telecom Group B.V.'s ultimate controlling party change without prior approval. As the Group's management cannot avoid an unapproved change of control over e& PPF Telecom Group B.V., the Group could be required to deliver cash or another financial asset. Following IFRS guidance (IAS 32), the Group recognised the conditional commitment to acquire NCI's share as a financial liability at net present value with the net present value and subsequent remeasurements directly through equity.

Following the sale of a majority stake in the non-Czech assets of e& PPF Telecom Group B.V., GIC sold its 30% share in CETIN Group N.V. and purchased a 30% stake in CETIN International N.V. As a result, the previous put option with respect to the shareholder agreement in relation to CETIN Group N.V. was derecognised and the new put option with respect to the shareholder agreement in relation to CETIN International N.V. was recognised. The new put option's terms and conditions are the same as the previous put option.

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Due to the complexity and judgement involved in determining the fair value of the 30% share in CETIN International N.V. in order to derive the net present value of the conditional commitment to acquire NCI's share, we consider this to be a key audit matter.

Our response

With involvement of our valuation specialist, our procedures to assess the valuation of the conditional commitment to acquire NCI's share, included, amongst others:

- Test the design and implementation of the relevant controls over the preparation of the key assumptions included in the valuation of the conditional commitment to acquire NCI's share.
- Inspect management’s accounting position paper for the accounting of the put option.
- Inspect the cash flow projections, verify mathematical accuracy, and vouch the key inputs to management's relevant documentation.
- Assess the appropriateness of the methodology used in calculating the valuation of the conditional commitment to acquire NCI's share.
- Inquire of key senior management to corroborate the assumptions applied in the forecasts.
- Perform procedures to assess the reasonability of the key inputs and assumptions used in management's cash flow projections.
- Perform independent assessment of WACC and terminal growth rate and compare with management's WACC and terminal growth rate to determine the reasonability thereof.
- Perform a retrospective review of the current year actual results as compared to the prior year budget in accordance with Dutch Standards on Auditing 540 guidance.
- Perform a re-estimation review of the prior year budget to the current year forecasts for the same period. Inquire of management to corroborate changes to cash flow projections from prior periods.
- Assess the adequacy of the related disclosure in relation to the requirements of IAS 32.

Our observation

Based on our procedures relating to the valuation of the conditional commitment to acquire NCI's share, we consider the management's key assumptions and estimates to be within a reasonable range. We determined that the related disclosures (note E.16.4) meet the requirements of EU-IFRS.

Report on the other information included in the annual accounts

In addition to the financial statements and our auditor’s report thereon, the annual accounts contain other information.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements; and
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code for the management report and other information.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is less than the scope of those performed in our audit of the financial statements.

The Board of Directors is responsible for the preparation of the other information, including the information as required by Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Engagement

We were initially appointed by the General Meeting of Shareholders as auditor of e& PPF Telecom Group B.V. as of the audit for the year 2014 and have operated as statutory auditor ever since that financial year.

Description of responsibilities regarding the financial statements

Responsibilities of the Board of Directors and the Audit Committee for the financial statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Board of Directors is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error. In that respect the Board of Directors under supervision of the Audit Committee, is responsible for the prevention and detection of fraud and non-compliance with laws and regulations, including determining measures to resolve the consequences of it and to prevent recurrence.

As part of the preparation of the financial statements, the Board of Directors is responsible for assessing the e& PPF Telecom Group B.V.'s ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the Board of Directors should prepare the financial statements using the going concern basis of accounting unless the Board of Directors either intends to liquidate e& PPF Telecom Group B.V. or to cease operations, or has no realistic alternative but to do so. The Board of Directors should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The Audit Committee is responsible for overseeing e& PPF Telecom Group B.V.'s financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A further description of our responsibilities for the audit of the financial statements is included in the appendix of this auditor's report on the next page. This description forms part of our auditor's report.

Amstelveen, 21 March 2025

KPMG Accountants N.V.

F.A.M. Croiset van Uchelen

Appendix:
Description of our responsibilities for the audit of the financial statements

Appendix

Description of our responsibilities for the audit of the financial statements

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the e& PPF Telecom Group B.V.'s internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;
- concluding on the appropriateness of the Board of Director's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on e& PPF Telecom Group B.V.'s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We are responsible for planning and performing the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the financial statements. We are also responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We bear the full responsibility for the auditor's report.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

We provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.