

**Česká telekomunikační infrastruktura a.s.**

**SHORTENED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2019**

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## CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME

In CZK million	For the period ended	
	31 March 2019	31 March 2018
Revenues	4,303	4,989
Other income from non-telecommunication services	32	53
Expenses	<u>(2,251)</u>	<u>(3,167)</u>
<b>Earnings before impairment loss, interest, tax, depreciation and amortization (EBITDA)</b>	<b>2,084</b>	<b>1,875</b>
Depreciation and amortisation	(1,151)	(1,045)
Impairment loss	(5)	(3)
<b>Operating profit (EBIT)</b>	<b>928</b>	<b>827</b>
Finance income	5	5
Finance costs	<u>(132)</u>	<u>(76)</u>
Profit before tax	801	756
Corporate income tax	<u>(167)</u>	<u>(155)</u>
<b>Profit for the period</b>	<b>634</b>	<b>601</b>
<b>Other comprehensive income</b>		
<b>Items that may be reclassified subsequently to profit or loss</b>		
Translation differences	-	-
Gains / (losses) on valuation differences from cash flow hedges	22	5
Related deferred tax	(4)	(1)
<b>Other comprehensive income, net of tax</b>	<b>18</b>	<b>4</b>
<b>Total comprehensive income, net of tax</b>	<b>652</b>	<b>605</b>
Profit attributable to:		
Equity holders of the Company	634	601
Total comprehensive income attributable to:		
Equity holders of the Company	652	605

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

In CZK million	31 March 2019	As at 31 December 2018
<b>ASSETS</b>		
Property, plant and equipment	48,324	48,633
Intangible assets	1,564	1,616
Right-of-use assets	4,546	-
Other assets	579	467
<b>Non-current assets</b>	<b>55,013</b>	<b>50,716</b>
Inventories	51	56
Receivables, including derivative	3,141	3,392
Income tax receivable	1	1
Cash and cash equivalents	482	1,650
<b>Current assets</b>	<b>3,675</b>	<b>5,099</b>
<b>Non-current assets held for sale</b>	<b>26</b>	<b>26</b>
<b>Total assets</b>	<b>58,714</b>	<b>55,841</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	3,102	3,102
Reserves	582	564
Other funds	14,620	14,620
Retained earnings	641	2,552
<b>Total equity</b>	<b>18,945</b>	<b>20,838</b>
Long-term financial debts	20,921	20,869
Deferred tax liability	6,199	6,203
Non-current provisions for liabilities and charges	369	376
Lease liability	4,524	-
Non-current other liabilities, including derivative	1,518	1,561
<b>Non-current liabilities</b>	<b>33,531</b>	<b>29,009</b>
Short-term financial debts	92	21
Trade and other payables	5,967	5,824
Income tax liability	80	64
Provisions for liabilities and charges	99	85
<b>Current liabilities</b>	<b>6,238</b>	<b>5,994</b>
<b>Total liabilities</b>	<b>39,769</b>	<b>35,003</b>
<b>Total equity and liabilities</b>	<b>58,714</b>	<b>55,841</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS

In CZK million	For the period ended	
	31 March 2019	31 March 2018
Profit for the year	634	601
Non-cash adjustments for:		
Depreciation and amortisation	1,151	1,045
Impairment loss	5	3
Profit on sale of property, plant and equipment	(3)	(10)
Net finance expenses	110	75
Foreign exchange losses (net)	17	(4)
Other non-cash adjustments	7	2
Tax expense	167	155
<b>Operating cash flow before working capital changes</b>	<b>2,088</b>	<b>1,867</b>
<b>Working capital adjustments:</b>		
Change in trade and other receivables	207	(1)
Change in inventories	5	1
Change in trade and other payables	(446)	49
Change in provisions	38	5
<b>Cash flows from operating activities</b>	<b>1,892</b>	<b>1,921</b>
Income tax paid	(158)	(95)
<b>Net cash flow from operating activities</b>	<b>1,734</b>	<b>1,826</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment and intangibles	(780)	(717)
Proceeds from sales of property, plant and equipment and intangible assets	9	13
<b>Net cash used in investing activities</b>	<b>(771)</b>	<b>(704)</b>
<b>Cash flows from financing activities</b>		
Interest paid	(42)	-
Other financial transactions	6	4
Cash collateral placed due to derivatives transactions	(10)	(186)
Dividends paid	(1,900)	-
Lease payments	(185)	-
<b>Net cash used in financing activities</b>	<b>(2,131)</b>	<b>(182)</b>
<b>Net increase in cash and cash equivalents</b>	<b>(1,168)</b>	<b>940</b>
Cash and cash equivalents at beginning of year	1,650	843
<b>Cash and cash equivalents at the period end</b>	<b>482</b>	<b>1,783</b>

## NOTES TO SHORTENED CONSOLIDATED FINANCIAL STATEMENTS

### GENERAL INFORMATION

Česká telekomunikační infrastruktura a.s. Group (Group) consists of Česká telekomunikační infrastruktura a.s. (Company) and its subsidiaries: CZECH TELECOM Germany GmbH, CZECH TELECOM Austria GmbH, CETIN Finance B.V. and CETIN služby s.r.o.

Česká telekomunikační infrastruktura a.s. was incorporated by a spin –off (Separation) from the company O2 Czech Republic a.s. and registered on 1 June 2015 with decisive day of incorporation 1 January 2015.

The Company has the form of a joint stock company and is incorporated and domiciled in the Czech Republic. The address of its registered office is Olšanská 2681/6, Praha 3, 130 00, Czech Republic.

The majority shareholder of the Company as at 31 March 2019 is PPF Infrastructure B.V. (part of the PPF Group).

The Company is the leading telecommunications provider in the Czech market providing fully integrated services. It is understood as the access, aggregation and backbone infrastructure, mediating the access of customers of other operators to their fixed and mobile voice, data and video services.

The shortened consolidated financial statements are not audited.

## SIGNIFICANT ACCOUNTING POLICIES

The Group has adopted a new standard IFRS 16 Leases as of 1 January 2019.

The following tables summarise the impacts of adopting IFRS 16 on the Group's balance sheet, income statement and cash flow statement.

### Impact on profit and loss for the period ended 31 March 2019

In CZK million	Balances with IFRS 16	Impact	Balances without IFRS 16
Revenues	4,303	-	4,303
Other income from non-telecommunication services	32	-	32
Expenses	(2,251)	(205)	(2,456)
<b>Earnings before impairment loss, interest, tax, depreciation and amortization (EBITDA)</b>	<b>2,084</b>	<b>(205)</b>	<b>1,879</b>
Depreciation and amortisation	(1,151)	167	(984)
Impairment loss	(5)	-	(5)
<b>Operating profit (EBIT)</b>	<b>928</b>	<b>(38)</b>	<b>890</b>
Finance income	5	-	5
Finance costs	(132)	38	(94)
Profit before tax	801	-	801
Corporate income tax	(167)	-	(167)
<b>Profit for the period</b>	<b>634</b>	<b>-</b>	<b>634</b>

Impact on the balance sheet as at 31 March 2019

In CZK million	Balances with IFRS 16	Impact	Balances without IFRS 16
<b>ASSETS</b>			
Property, plant and equipment	48,324	-	48,324
Intangible assets	1,564	-	1,564
Right-of-use assets	4,546	(4,546)	-
Other assets	579	22	601
<b>Non-current assets</b>	<b>55,013</b>	<b>(4,524)</b>	<b>50,489</b>
Inventories	51	-	51
Receivables, including derivative	3,141	-	3,141
Income tax receivable	1	-	1
Cash and cash equivalents	482	-	482
<b>Current assets</b>	<b>3,675</b>	<b>-</b>	<b>3,675</b>
<b>Non-current assets held for sale</b>	<b>26</b>	<b>-</b>	<b>26</b>
<b>Total assets</b>	<b>58,714</b>	<b>(4,524)</b>	<b>54,190</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital	3,102	-	3,102
Reserves	582	-	582
Other funds	14,620	-	14,620
Retained earnings	641	-	641
<b>Total equity</b>	<b>18,945</b>	<b>-</b>	<b>18,945</b>
Long-term financial debts	20,921	-	20,921
Deferred tax liability	6,199	-	6,199
Non-current provisions for liabilities and charges	369	-	369
Lease liability	4,524	(4,524)	-
Non-current other liabilities, including derivative	1,518	-	1,518
<b>Non-current liabilities</b>	<b>33,531</b>	<b>(4,524)</b>	<b>29,007</b>
Short-term financial debts	92	-	92
Trade and other payables	5,967	-	5,967
Income tax liability	80	-	80
Provisions for liabilities and charges	99	-	99
<b>Current liabilities</b>	<b>6,238</b>	<b>-</b>	<b>6,238</b>
<b>Total liabilities</b>	<b>39,769</b>	<b>(4,524)</b>	<b>35,245</b>
<b>Total equity and liabilities</b>	<b>58,714</b>	<b>(4,524)</b>	<b>54,190</b>

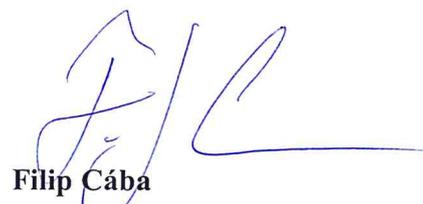
**Impact on cash flow statement  
for the period ended 31 March 2019**

In CZK million	Balances with IFRS 16	Impact	Balances without IFRS 16
Profit for the year	634	-	634
Non-cash adjustments for:			
Depreciation and amortisation	1,151	(167)	984
Impairment loss	5	-	5
Profit on sale of property, plant and equipment	(3)	-	(3)
Net finance expenses	110	(38)	72
Foreign exchange losses (net)	17	-	17
Other non-cash adjustments	7	-	7
Tax expense	167	-	167
<b>Operating cash flow before working capital changes</b>	<b>2,088</b>	<b>(205)</b>	<b>1,883</b>
<b>Working capital adjustments:</b>			
Change in trade and other receivables	207	(22)	185
Change in inventories	5	-	5
Change in trade and other payables	(446)	-	(446)
Change in provisions	38	-	38
<b>Cash flows from operating activities</b>	<b>1,892</b>	<b>(227)</b>	<b>1,665</b>
Income tax paid	(158)	-	(158)
<b>Net cash flow from operating activities</b>	<b>1,734</b>	<b>(227)</b>	<b>1,507</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment and intangibles	(780)	-	(780)
Proceeds from sales of property, plant and equipment and intangible assets	9	-	9
<b>Net cash used in investing activities</b>	<b>(771)</b>	<b>-</b>	<b>(771)</b>
<b>Cash flows from financing activities</b>			
Interest paid	(42)	42	-
Other financial transactions	6	-	6
Cash collateral placed due to derivatives transactions	(10)	-	(10)
Dividends paid	(1,900)	-	(1,900)
Lease payments	(185)	185	-
<b>Net cash used in financing activities</b>	<b>(2,131)</b>	<b>227</b>	<b>(1,904)</b>
<b>Net increase in cash and cash equivalents</b>	<b>(1,168)</b>	<b>-</b>	<b>(1,168)</b>
Cash and cash equivalents at beginning of year	1,650	-	1,650
<b>Cash and cash equivalents at the period end</b>	<b>482</b>	<b>-</b>	<b>482</b>

The Group's consolidated financial statements for the period ended 31 March 2019 fairly represent Group's financial condition and operations as at 31 March 2019.

The shortened consolidated financial statements were approved by the Board of Directors on 3 May 2019 and signed on behalf of the Company:

  
**Juraj Šedivý**  
Chairman of the Board

  
**Filip Cába**  
Vice-chairman of the Board