# CETIN GROUP N.V.

*Annual accounts 2024*

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# Directors' Report

## Description of the Company

**CETIN Group N.V.**

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|---|---|
| Date of incorporation: | 23 January 2016 |
| Registered office: | Netherlands, Zuidplein 168, 1077 XV Amsterdam[1] |
| Identification number: | 65167899 |
| Authorised capital: | EUR 45,000 |
| Issued capital: | EUR 45,000 |
| Paid up capital: | EUR 45,000 |
| Principal business: | Holding company activities and financing thereof |

## General information

CETIN Group N.V. (the "**Parent Company**") is a leading open access provider of active and passive telecommunications infrastructure services in the CEE region. The services provided include mobile telecommunication, fixed-line telecommunication, telecommunications infrastructure, data services, internet television, and international voice transit. The Parent Company belongs to a group comprised of PPF Group N.V. and its subsidiaries ("**PPF Group**"). The ultimate controlling person is Mrs Kellnerová.

As of 31 December 2023, PPF Group held a 70% ownership interest in the Parent Company. The remaining 30% was owned by 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**"). PPF Group re-purchased the 30% stake from Roanoke Investment in October 2024. As of 31 December 2024, the only shareholder of the Parent Company was PPF TMT Holdco 2 B.V., a company 100% owned by the PPF Group, consolidating telecommunication operators and telecommunications infrastructure providers in Czechia ("**PPF TMT Holdco 2**").

During 2024, the Parent Company and its subsidiaries (collectively, the "**Group**") provided services in Czechia, Hungary, Bulgaria, and Serbia and operated through four principal segments that were defined in geographical terms. Anchor customers of the Group's operating companies were telecommunications operators from e& PPF Telecom Group B.V. ("**e& PPF Telecom Group**", formerly PPF Telecom Group B.V., "**PPF Telecom Group**"), operating under O2 and Yettel brands. In addition, the Group undertakes 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. In October 2024, the Parent Company sold its operations in Hungary, Bulgaria, and Serbia to CETIN International N.V. ("**CETIN International**"), a newly founded subsidiary of e& PPF Telecom Group, and as a result, as of 31 December 2024, it operated through only one segment, in Czechia.

***1. CETIN Czechia Segment***

The Group's infrastructure segment in Czechia consists of the activities of CETIN a.s. and its subsidiaries ("**CETIN Czechia**"), the owner and operator of the incumbent and largest telecommunications network infrastructure in Czechia. CETIN Czechia acts as a wholesale provider of fixed and mobile telecommunications infrastructure to all telecommunications operators on an equal and transparent footing. As of 31 December 2024, the Parent Company held a 100% ownership interest in CETIN Czechia. CETIN Czechia was incorporated in June 2015 as a spin-off of the infrastructure assets and wholesale business of O2 Czech Republic a.s. ("**O2 Czechia**"). CETIN Czechia divides its business activities into two main divisions: domestic network services and international transit services. Its largest customers include O2 Czechia, T-Mobile Czech Republic a.s. ("**T-Mobile Czechia**") and Vodafone Czech Republic a.s.

***2. CETIN Hungary Segment (divested)***

The Group's CETIN Hungary segment has been newly created in 2020. It was incorporated on 1 July 2020 as a spin-off of the active and passive mobile infrastructure assets of Telenor Hungary[2]. CETIN Hungary consisted of the

[1] This address is valid since 7 January 2025; formerly Netherlands, Strawinskylaan 933, 1077XX Amsterdam
[2] Rebranded to Yettel in March 2022

activities of CETIN Hungary Zrt. ("**CETIN Hungary**"). CETIN Hungary was owned by the TMT Hungary Infra B.V., a holding company, in which as of 1 January 2024 the Parent Company owned 75%. A 20% minority stake was owned by TMT Hungary Holdco B.V., a 100% direct subsidiary of PPF Group (i.e. outside the perimeter of the Parent Company and the Group), and the remaining 5% by Corvinus International Investment Zrt., a company wholly owned by the Hungarian state[3]. CETIN Hungary provided mobile network services on a wholesale basis to Yettel Magyarország Zrt. ("**Yettel Hungary**") as its anchor customer. The Group divested the segment in October 2024.

***3. CETIN Bulgaria Segment (divested)***

The Group's CETIN Bulgaria segment has been newly created in 2020. It was incorporated on 1 July 2020 as a spin-off of the active and passive mobile infrastructure assets of Telenor Bulgaria[4]. CETIN Bulgaria consisted of the activities of CETIN Bulgaria EAD ("**CETIN Bulgaria**"). As of 1 January 2024, it was 100% owned by the Parent Company and provides mobile network services on a wholesale basis to Yettel Bulgaria EAD ("**Yettel Bulgaria**") as its anchor customer. The Group divested the segment in October 2024.

***4. CETIN Serbia Segment (divested)***

The Group's CETIN Serbia segment has been newly created in 2020. It was incorporated on 1 July 2020 as a spin-off of the active and passive mobile infrastructure assets and wholesale business of Telenor Serbia[5]. CETIN Serbia consisted of the activities of CETIN d.o.o., Belgrade ("**CETIN Serbia**"). As of 1 January 2024, it was 100% owned by the Parent Company and provides mobile network services on a wholesale basis to Yettel d.o.o. Beograd ("**Yettel Serbia**") as its anchor customer. The Group divested the segment in October 2024.

***5. Unallocated Segment***

The unallocated segment represents the holding entities: the Parent Company and TMT Hungary Infra B.V. The latter holding entity was divested by the Group in October 2024.

## Business objectives

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

- Leading open access telecommunication infrastructure platform in the CEE region.
- The Group is well positioned to benefit from a structural increase in digitalisation and data demand.
- Committed and growing cash flows underpinned by mobile service agreements with high quality customers.
- Significant upselling and growth opportunities beyond the mobile service agreements.
- Conservative financial profile with strong margins and high revenue visibility.

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

- Strengthen its position as a leading integrated, open access telecommunication infrastructure services provider in the CEE region, capitalising on network modernisation driven by 5G roll-out.
- Pursue macro site and small cell network densification.
- Build on the Group's existing capabilities to position itself in infra+ projects with a particular focus on private networks & EDGE, DAS and smart cities.
- Maximise value capture from fixed broadband and the roll-out of FTTH in Czechia.
- Explore multiple inorganic expansion opportunities in mobile infrastructure services and fibre optic.
- Maintain high-quality operations and service levels.
- Continue investing in the modernisation of infrastructure.

[3] Corvinus International Investment Zrt. sold its 5% stake to TMT Hungary Holdco B.V. on 5 March 2024
[4] Rebranded to Yettel in March 2022.
[5] Rebranded to Yettel in March 2022.

## Business model

The Parent Company was originally established as a holding company for entities of the PPF Group active in the telecommunications infrastructure sector. Following the divestments in October 2024, the Parent Company owns entities of PPF Group in Czechia.

The Group's operating segments are wholesale providers of fixed and mobile telecommunications infrastructure in their territories to all telecommunications operators on equal and transparent footing. The Group does not provide services directly to end users.

***Main products and services***

- Mobile network infrastructure services – services of mobile network provided on a wholesale basis to telecommunication operators.
- Fixed network infrastructure services – Internet connectivity, data and TV and fixed voice services provided on a wholesale basis to telecommunication operators.
- Data centres – housing service in the Group's data centres.
- Data services – infrastructure services on the Group's leased lines for ICT solutions provided by telecommunications operators to their corporate customers.
- International transit services – international voice traffic transmissions provided for international operators from all over the world.

Although the business model was the same for all segments, CETIN Hungary, CETIN Bulgaria and CETIN Serbia do not have the same range of assets and services as CETIN Czechia.

***CETIN Czechia***

CETIN Czechia is the owner 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 CETIN Czechia 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 Czechia. 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.

***Discontinued operations***

CETIN Hungary, CETIN Bulgaria, and CETIN Serbia are the owners of mobile telecommunications infrastructure in their respective countries, formerly owned by Yettel Hungary, Yettel Bulgaria, and Yettel Serbia, and providers of the mobile infrastructure services on a wholesale basis predominantly for Yettel Hungary, Yettel Bulgaria, and Yettel Serbia

***Group level***

The Parent Company does not have own operations. The senior management team of the Group comprises experienced executives from 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 was 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, legal and other aspects of their operations.

## 2024 highlights

The major event of 2024 was the sale of non-Czech assets to CETIN International, that resulted in limiting the Group's scope to the Czech market only, and the change in the direct shareholders of the Parent Company.

During the year, the Group showed sound operational and financial performance and continued developing its telecommunications assets.

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

CETIN Czechia, CETIN Hungary, and CETIN Bulgaria continued upgrading their mobile networks for 5G requirements and rolling out 5G service.

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

CETIN Czechia continued upgrading its fixed network to Next Generation Access (NGA) standards.

In June 2024, Nej.cz s.r.o., an internet service provider that was acquired by CETIN Czechia in November 2023, was renamed DeCeTel s.r.o. Subsequently, the part of the company serving end customers was spun off to CETIN Servis s.r.o. and sold to O2 Czech Republic, with a record date of 1 January 2024. The part of the company's assets relating to infrastructure was merged into CETIN Czechia, with a record date of 1 January 2024.

In October 2024, the Group sold CETIN Hungary, CETIN Bulgaria, and CETIN Serbia to CETIN International, in consequence of the partnership between PPF Group and Emirates Telecommunications Group Company PJSC, announced in August 2023 and closed in October 2024. Additionally, the former direct controlling shareholder of the Parent Company, PPF Telecom Group, sold its entire 70% stake in CETIN Group to PPF Telecom Group's immediate parent company, PPF TMT Holdco 2 B.V. Subsequently, Roanoke Investment Pte. Ltd. the company that owned the remaining 30% stake in the Parent Company, sold its stake to PPF TMT Holdco 2, too.

Following the completion of these transactions, the Parent Company publicly confirmed its financial policy and the new capital structure. In consequence, the rating agencies changed their outlook:

| **Rating agency** | **31 December 2023** | **31 December 2024** |
|---|---|---|
| Moody's | Baa2, Negative | Baa2, Stable |
| Fitch | BBB, Rating Watch Negative | BBB, Stable |

## Key results

***Operational performance and non-financial KPIs***

**CETIN Czechia** further strengthened its mobile network infrastructure by adding new stations, new layers, and new network capacity. The fixed network modernisation programme has progressed further, and the company now offers Next Generation Access lines (50 Mbps or more) including speeds of up to 2 Gbps. At the end of 2024, the average speed available across the company's fixed access network reached 426 Mbps, an increase of almost 50% year over year. The number of access lines provided to telecommunications operators for providing services to the end-users, reached a total of 1,245 thousand at the end of 2024, a growth of 0.1% year over year. The driver of the growth were the fibre-to-the-home (FTTH) connections, whose number has increased by almost 50% during 2024.

**CETIN Hungary, CETIN Bulgaria, and CETIN Serbia** reported resilient business performance with growing mobile traffic and data consumption. These segments provide wholesale mobile infrastructure services predominantly to Yettel companies in these countries and do not have meaningful operational KPIs at the moment.

***Revenues, costs, and operating profit***

The Group's results include the performance of CETIN Hungary, CETIN Bulgaria, and CETIN Serbia only from January to mid-October, when these three segments were sold to CETIN International. In the primary statement of income, the results of the divested segments are presented as discontinued operations.

In the continuing operations, the Group reported a healthy 4.7% growth in total consolidated revenues year over year, reflecting sound performance of the domestic segment and price indexation, partly offset by the declining, low-margin international voice transit segment. The operating profit excluding depreciation, amortisation, and impairments (EBITDA) before the gains from disposals of subsidiaries was 2.4% year over year, driven by the growing demand for more capacity and speed in mobile networks, sustained growth of demand for reliable, fast and unlimited fixed connection, and continued focus on operational efficiency, partly affected by the missing earnings from the segments that were sold in October 2024. The Group recorded gain from sale of subsidiaries, related to the sale of its three segments to CETIN International, in the amount of EUR 1,785 million. Total EBITDA for the year thus reached 2,211 million.

**CETIN Czechia** total revenues grew in 2024 by 4.3% compared to the previous year. The key driver was a strong demand for 5G mobile infrastructure, helped by price indexation. Domestic revenues, that are the decisive driver of earnings, have grown by 8.8% year over year. Focus on fewer revenues with higher profit margins helps to moderate the ongoing decline of the international voice transit segment. Growing gross margins mainly from mobile services and the fixed lines services translated in EBITDA growth of 2.2% year over year, despite growing energy consumption related to network expansion, and inflationary pressures on energy and labour prices.

***Depreciation and net profit***

The total amount of depreciation (including leases-related right-of-use assets), amortisation, and impairment charges in 2024 has grown by 4.7% year over year. Net profit of the Group excluding the gain from sale of subsidiaries has grown by 2.7% year over year. The total net profit recorded by the Group has reached EUR 2.0 billion.

***Capital expenditure***

In 2024, the Group acquired fixed assets totalling EUR 380 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 all segments. CETIN Czechia continued accelerating the roll-out of fibre in its national broadband network to protect its market leadership position.

***Current assets***

The cash position of the Group as at 31 December 2024 was EUR 49 million, having declined by EUR 26 million year on year. Trade receivables have declined, driven by the sale of three segments to CETIN International.

Assets held for sale have decreased from EUR 175 million to zero, following the sale of CETIN Servis s.r.o. to O2 Czechia.

***Fixed assets***

In 2024, the value of fixed assets decreased significantly due to the discontinued operations of three segments in October 2024, and the sale of CETIN Servis s.r.o. to O2 Czechia. As at 31 December 2024, non-current assets of the Group stood at EUR 2,606 million, tangible assets had a net book value of EUR 2,078 million, while the net book value of intangible assets and goodwill reached EUR 297 million.

Right-of-use assets recorded at a net book value of EUR 214 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.4, E.5, and E.18.1 of the accompanying consolidated financial statements.

***Debt and equity***

*Bank loans*
In August 2021, the Parent Company established up to EUR 1,650 million term facility and revolving credit facility ("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.

*Bonds*
In April 2022, the Parent Company established a EUR 2,000 million Euro Medium Term Note Programme, of which EUR 500 million was utilised as of 31 December 2023, with no changes during 2024.

*Shareholder loans*
In November 2023, the Parent Company received a EUR 122.5 million shareholder loan from PPF Telecom Group and EUR 52.5 million from Roanoke Investment, to fund the acquisition of Nej.cz. In November 2024, these loans were repaid.

## Overview of external debt (at nominal values)

| Instrument | Due Date | Amount<br>31 Dec 2023 | Amount<br>31 Dec 2024 | Comment |
|---|---|---|---|---|
| Eurobond | Apr 2027 | EUR 500 million | EUR 500 million | No change |
| 2021 Term loan | Aug 2026 | EUR 511 million | EUR 290 million | Partially repaid |
| 2021 Term loan | Nov 2026 | EUR 444 million | EUR 417 million | Partially repaid |
| RCF | Aug 2026 | EUR 197 million | - | Repaid |
| Shareholder loans | Apr 2025 | EUR 122.5 million + EUR 52.5 million | - | Repaid |
| **TOTAL** | | **EUR 1,827 million** | **EUR 1, 207 million** | **Decreased by EUR 620 million** |

The total consolidated indebtedness of the Group as at 31 December 2024 thus represented EUR 1.21 billion, EUR 0.62 billion less that in 2023 (at nominal values). For detailed information, see Notes E.10, E.11, and E.12 of the accompanying consolidated financial statements.

The owner's equity of the Group stood at EUR 0.8 billion as at 31 December 2024 having decreased by EUR 0.2 billion during the year, the main movements being the net profit of EUR 2.0 billion achieved in 2024 and the net distributions of EUR 2.2 billion to shareholders.

The debt-to-assets ratio[6] decreased slightly from 0.75 to 0.71 and the debt-to-equity ratio[7] from 3.00 to 2.46.

***Profit distribution and other payments to shareholders***

The consolidated net profit of the Group in 2024 reached EUR 2.0 billion. During 2024, the Parent Company paid EUR 1.8 billion in dividends to its shareholders.

***Cash flows***

*Operating cash flows*
Consolidated net cash from operating activities of the Group reached EUR 655 million.

*Investment cash flows*
Cash used for purchases of tangible and intangible assets in the amount of EUR 394 million (net of disposals) consisted mainly of investments in the development of the telecommunications infrastructure. Free cash flows before acquisitions and divestments reached EUR 261 million. Proceeds from sale of subsidiaries amounted to EUR 2,662 million.

*Financing cash flows*
The Group has partially decreased its debt by paying back EUR 445 million in bank loans and EUR 175 million in shareholder loans. After net interest payments and lease payments of EUR 157 million, and EUR 325 million of distributed share premium (net of proceeds from share premium), the total cash flows for 2024 before dividends amounted to EUR 1,821 million. The Group distributed EUR 1,847 million in dividends.

The closing cash position of the Group was EUR 49 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 the Group's revenue base within its current telecommunications market, primarily through organic growth. The Group's long-term operational focus is to continue modernising and developing its

[6] Debt to assets = total liabilities/total assets
[7] Debt to equity = total liabilities/owners' equity

telecommunications infrastructure, while improving the efficiency of its operations.

To maintain a leading position in its telecommunications market 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 the next generation RAN (radio access network), 5G mobile network service or FTTH (fibre-to-the-home) fixed networks. The Group will likewise continue investing in the development of new telecommunication solutions and products, to meet clients' expectations and capitalise on trends in the telecommunications market, especially increasing data usage and demand for fast, reliable, and unlimited access to data. At the local level, the executive management of the continuing segment will continue developing tactical solutions and products for its local market, and researching and developing strategic solutions around emerging technologies and trends.

The Group's strong and reliable operating cash flows together with its cash reserves and credit facilities provide sufficient financing 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 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.

Supply chain disruptions caused by international conflicts are the main global events that might be indirectly affecting the business of the Group in the future. The Group will continue to follow closely the developments, anticipate possible risks and will have mitigating solutions available. The Group will be prepared to exploit the possible emerging opportunities.

## Organisational structure, management, and staff development

***Senior Management***

For the most part of 2024, the Group had a senior management team in place, comprised of employees of PPF Group or of a relevant subsidiary of the Parent Company. Following the disposal of non-Czech assets and the subsequent re-purchasing of the 30% stake from Roanoke Investment by PPF Group in October 2024, the senior management structure of the Group ceased to exist.

As of 31 December 2024, the Parent Company had no employees and therefore no organisational structure. All Group employees were employed by CETIN Czechia, in consequence of the sale of non-Czech assets to CETIN International in October 2024.

***Staff development***

The average number of employees for continuing operations during 2024 has increased by 26% year over year due to the full year effect of the acquisition of Nej.cz in November 2023, and new staff taken on to accelerate the deployment of fibre network.

## Social and environmental aspects of operating the business

The Parent Company has no operations. For the most part of 2024, the Group had four operating segments, of which three were divested in October 2024, and one remains part of the Group. This section describes policies and practices that were in place for all four segments during 2024, and that remain in place for the Group's one continuing segment.

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 has been 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.

***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. The Group is committed to high standards of social and environmental sustainability and business ethics throughout their value chain and has a formal Supplier Code of Conducts in place. The Supplier Code of Conduct establishes the minimum behaviours, standards, and practices that the Group expects and requires its suppliers to comply with.

***Code of conduct***

PPF Group and consequently 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 the 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.

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

## Corporate governance

The Parent Company has a one-tier management structure consisting of its Board of Directors (*bestuur* in Dutch) (the "**Board of Directors**"). The Board of Directors represents the Parent Company in all matters and is charged with its day-to-day business management.

### *Board of Directors*

The Board of Directors is the Parent Company's statutory body, which directs its operations and acts on its behalf.

The Parent Company's general meeting of shareholders elects the members of the Board of Directors and may at any time suspend or remove any member. Re-election of the members of the Board of Directors is permitted. Pursuant to the Parent Company's Articles of Association (*statuten* in Dutch) (the "**Articles of Association**"), the Board of Directors consists of one or more directors. Since 1 November 2024, the Board of Directors has three directors.

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 Parent Company and the undertaking attached to it, as required under Dutch law. The Parent Company can be represented the Board of Directors and by two directors acting jointly, or by granting a power of attorney to one or more natural persons and/or legal entities to represent the Parent Company and determine the scope of authority.

For the most part of 2024, the Parent Company had in place a Board of Directors of 7 members, nominated by the PPF Group, by Roanoke Investment, or independent. Following the disposal of non-Czech assets and the subsequent re-purchasing of the 30% stake from Roanoke Investment by PPF Group in October 2024, the Board of Directors was reconstituted and streamlined, with members nominated by PPF Group only.

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

| Name | Position | Commencement of Current Term of Office |
|---|---|---|
| Jan Cornelis Jansen | Director | 23 January 2016 |
| Lubomír Král | Director | 1 November 2024 |
| Ion Diaconu | Director | 1 November 2024 |

Since 7 January 2025, the business address of all members of the Board of Directors Zuidplein 168, 1077 XV Amsterdam, Netherlands.

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 Parent Company. This aim for the best fit, in combination with the availability of qualifying candidates, has resulted in the Parent Company currently having a Board of Directors in which all members are male.

### *Audit Committee*

As the Parent Company's securities are not traded on a regulated market, the Parent Company is not a Public Interest Entity, and it is not required to establish an audit committee.

For the most part of 2024, the Parent Company had an Audit and Risk Committee in place. Following the disposal of non-Czech assets and the subsequent re-purchasing of the 30% stake from Roanoke Investment by PPF Group in October 2024, the committee was dissolved.

## Information supply and computerisation

The Group's IT applications and systems are decentralised by segments. This section describes policies and practices that were in place for all four segments during 2024, and that remain in place for the Group's one continuing segment. Back-office systems in use are mostly industry standard applications, mainly desktop office applications and ERP system by SAP, 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. This section describes policies and practices that were in place for all four segments during 2024, and that remain in place for the Group's one continuing segment. 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 were geographical diversification and a dedicated team of accomplished industry professionals at the Group level and in the segments' executive management, 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. 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 Russian invasion of Ukraine might indirectly affect the operations of the Group in the future, mainly through disruption of supply chain and macroeconomic factors. The subsidiaries 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 facing certain credit risk, that is largely limited to the segment of international transit, arising from the provision of services to a large number of telecommunication operators worldwide, 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.

***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 the corporate sector, with 84% stemming from Czechia and the remainder being distributed across a number of European countries. All customers of the Group's operating companies are telecommunications operators, and the Group therefore is not directly exposed to retail customers' credit risks. 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 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. 99% of the liquidity available to the Group is accessible within less than 3 months, while 60% of the Group's debt is due in the next 2 years, 34% in 2 to 5 years and the remaining 5% in more than 5 years.

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 debt instruments with a floating interest rate. Interest rate sensitivity analyses showed that the impact of a yield-curve movement by a hypothetical two percentage points 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 to the countries in which the Group operates. For the most part of 2024, these were Czechia, Hungary, Bulgaria, and Serbia. As of 31 December 2024, its exposures were measured only in Czech crowns, following the disposal of non-Czech assets in October 2024. 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.

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

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

## Events after the reporting period

In January 2025, CETIN Czechia has signed a contract with O2 Czechia to purchase certain infrastructure assets, formerly owned by Nordic Telecom.

10 March 2025

The board of directors

# CETIN Group N.V.

*Consolidated financial statements for the year ended 31 December 2024*

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# Glossary

| | |
|---|---|
| AC | - amortised cost |
| ATAD | - anti-tax avoidance directive |
| CGU | - cash generating unit |
| EBITDA | - earnings before interest, tax, depreciation and amortisation |
| 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 |
| MOSA | - management and operational services agreement |
| MSA | - master service agreement |
| 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)* |
|---|---|---|---|
| ***CONTINUING OPERATIONS*** | | | |
| Domestic revenue | E1 | 655 | 600 |
| International transit revenue | E1 | 193 | 210 |
| **Total revenue** | | **848** | **810** |
| Other income from non-telecommunication services | | 4 | 5 |
| Personnel expenses | E2 | (95) | (69) |
| Other operating expenses | E2 | (331) | (330) |
| Gain on sale of investments in subsidiaries | B2.1 | 1,785 | - |
| **Operating profit excluding depreciation, amortisation, and impairments** | | **2,211** | **416** |
| Depreciation of property, plant and equipment | E4 | (170) | (166) |
| Depreciation on lease-related right-of-use assets | E18 | (36) | (35) |
| Amortisation of intangible assets | E5.2 | (39) | (33) |
| Impairment loss on PPE and intangible assets | E4, E5 | (2) | (2) |
| **Operating profit** | | **1,964** | **180** |
| Interest income | | 1 | 3 |
| Net foreign currency losses | | (20) | (27) |
| Interest expense on lease liabilities | E18 | (9) | (8) |
| Other interest expense | | (76) | (67) |
| Other finance costs | | (6) | (1) |
| **PROFIT BEFORE TAX** | | **1,854** | **80** |
| Income tax expense | E3.1 | (23) | (48) |
| **Net profit from continuing operations** | | **1,831** | **32** |
| ***DISCONTINUED OPERATIONS*** | | | |
| Net profit from discontinued operations, net of tax | B2.1 | 144 | 153 |
| **NET PROFIT FOR THE PERIOD** | | **1,975** | **185** |
| **Other comprehensive expense**** | | | |
| Foreign operations - currency translation differences | | (36) | (11) |
| Disposal and deconsolidation of subsidiaries | | 6 | - |
| **Other comprehensive expense, net of tax** | | **(30)** | **(11)** |
| **TOTAL COMPREHENSIVE INCOME FOR THE PERIOD** | | **1,945** | **174** |
| **Net profit attributable to:** | | | |
| Owners of the Parent | | 1,961 | 170 |
| Non-controlling interests*** | E17 | 14 | 15 |
| **Net profit for the period** | | **1,975** | **185** |
| **Total comprehensive income attributable to:** | | | |
| Owners of the Parent | | 2,023 | 157 |
| Non-controlling interests | E17 | (78) | 17 |
| **TOTAL COMPREHENSIVE INCOME FOR THE PERIOD** | | **1,945** | **174** |

*The comparative figures have been restated due to the discontinued operations in Hungary, Bulgaria, and Serbia (refer to A.7 and B.2.1).
**Items that are or will be reclassified subsequently to profit or loss.
***Fully attributable to discontinued operations.

*The notes on pages 23 to 77 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** | | | |
| Property, plant and equipment | E4 | 2,078 | 2,527 |
| Right-of-use assets | E18.1 | 214 | 370 |
| Goodwill | E5.1 | 173 | 643 |
| Other intangible assets | E5.2 | 124 | 136 |
| Other assets | E8 | 17 | 19 |
| Deferred tax assets | E3.2 | - | 5 |
| **Non-current assets** | | **2,606** | **3,700** |
| Trade and other receivables | E6 | 139 | 191 |
| Inventories | | 4 | 4 |
| Current income tax receivables | | 1 | 4 |
| Other assets | E8 | 35 | 32 |
| Cash and cash equivalents | E9 | 49 | 75 |
| Assets held for sale | E7 | - | 175 |
| **Current assets** | | **228** | **481** |
| **TOTAL ASSETS** | | **2,834** | **4,181** |
| **LIABILITIES** | | | |
| Due to non-banks | E10 | - | 175 |
| Due to banks | E11 | 705 | 1,147 |
| Debt securities issued | E12 | 498 | 497 |
| Lease liabilities | E18 | 193 | 320 |
| Trade and other payables | E13 | 59 | 67 |
| Provisions | E14 | 10 | 46 |
| Deferred tax liabilities | E3.3 | 237 | 259 |
| **Non-current liabilities** | | **1,702** | **2,511** |
| Due to banks | E11 | 2 | 4 |
| Debt securities issued | E12 | 11 | 11 |
| Lease liabilities | E18 | 36 | 60 |
| Trade and other payables | E13 | 263 | 526 |
| Provisions | E14 | 2 | 8 |
| Liabilities directly associated with assets held for sale | E7 | - | 11 |
| Current income tax liability | | - | 5 |
| **Current liabilities** | | **314** | **625** |
| **TOTAL LIABILITIES** | | **2,016** | **3,136** |
| **EQUITY** | | | |
| Issued capital* | E15 | - | - |
| Share premium | E15 | 368 | 693 |
| Other reserves | E16 | 155 | 93 |
| Retained earnings | | 295 | 172 |
| Total equity attributable to owners of the Parent | | 818 | 958 |
| Non-controlling interests | E17 | - | 87 |
| **Total equity** | | **818** | **1,045** |
| **TOTAL LIABILITIES AND EQUITY** | | **2,834** | **4,181** |

*Issued capital is EUR 45 thousand (2023: EUR 45 thousand).

*The notes on pages 23 to 77 are an integral part of these consolidated financial statements.*

# Consolidated statement of changes in equity

*In millions of EUR*

| | Issued capital* | Share premium | Other reserves | | Retained earnings | Attributable to owners of the Parent | Attributable to NCI | Total |
|---|---|---|---|---|---|---|---|---|
| | | | Translation reserve | Other reserves | | | | |
| **Balance as at 1 January 2024** | **-** | **693** | **(22)** | **115** | **172** | **958** | **87** | **1,045** |
| **Net profit for the period** | **-** | **-** | **-** | **-** | **1,961** | **1,961** | **14** | **1,975** |
| Currency translation differences | - | - | (32) | - | - | (32) | (4) | (36) |
| Disposals and deconsolidation of subsidiaries (refer to B section) | - | - | 94 | - | - | 94 | (88) | 6 |
| **Other comprehensive income/(expense) for the period** | **-** | **-** | **62** | **-** | **-** | **62** | **(92)** | **(30)** |
| **Total comprehensive income/(expense) for the period** | **-** | **-** | **62** | **-** | **1,961** | **2,023** | **(78)** | **1,945** |
| Dividends to shareholders | - | - | - | - | (1,838) | (1,838) | - | (1,838) |
| Dividends to NCI | - | - | - | - | - | - | (9) | (9) |
| Increase of share premium | - | 175 | - | - | - | 175 | - | 175 |
| Decrease of share premium | - | (500) | - | - | - | (500) | - | (500) |
| **Total transactions with owners of the Parent** | **-** | **(325)** | **-** | **-** | **(1,838)** | **(2,163)** | **(9)** | **(2,172)** |
| **Balance as at 31 December 2024** | **-** | **368** | **40** | **115** | **295** | **818** | **-** | **818** |

*Issued capital is EUR 45 thousand.

*The notes on pages 23 to 77 are an integral part of these consolidated financial statements.*

*In millions of EUR*

| | Issued capital* | Share premium | Other reserves | | Retained earnings | Attributable to owners of the Parent | Attributable to NCI | Total |
|---|---|---|---|---|---|---|---|---|
| | | | Translation reserve | Other reserves | | | | |
| **Balance as at 1 January 2023** | **-** | **693** | **(9)** | **115** | **144** | **943** | **73** | **1,016** |
| **Net profit for the period** | **-** | **-** | **-** | **-** | **170** | **170** | **15** | **185** |
| Currency translation differences | - | - | (13) | - | - | (13) | 2 | (11) |
| **Other comprehensive income/(expense) for the period** | **-** | **-** | **(13)** | **-** | **-** | **(13)** | **2** | **(11)** |
| **Total comprehensive income/(expense) for the period** | **-** | **-** | **(13)** | **-** | **170** | **157** | **17** | **174** |
| Dividends to shareholders | - | - | - | - | (143) | (143) | - | (143) |
| Dividends to NCI | - | - | - | - | - | - | (3) | (3) |
| Other | - | - | - | - | 1 | 1 | - | 1 |
| **Total transactions with owners of the Parent** | **-** | **-** | **-** | **-** | **(142)** | **(142)** | **(3)** | **(145)** |
| **Balance as at 31 December 2023** | **-** | **693** | **(22)** | **115** | **172** | **958** | **87** | **1,045** |

*In 2023, issued capital was EUR 45 thousand.

*The notes on pages 23 to 77 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)* | | 1,975 | 185 |
| Adjustments for: | | | |
| Gain on sale of investments in subsidiaries | B2.1 | (1,785) | - |
| Depreciation and amortisation | | 344 | 357 |
| Net impairment losses on current and non-current assets | | 3 | 8 |
| Loss on financial assets | | - | 1 |
| Net interest expense | | 92 | 80 |
| Net foreign currency losses | | 22 | 27 |
| Income tax expense | | 45 | 70 |
| **Net operating cash flow before changes in working capital** | | **696** | **728** |
| Change in trade and other receivables | | 12 | (23) |
| Change in trade and other payables | | (4) | (13) |
| Change in inventories and other assets | | (7) | 5 |
| Change in provisions | | 6 | 5 |
| **Cash generated from operating activities** | | **703** | **702** |
| Interest received | | 3 | 3 |
| Income tax paid | | (51) | (65) |
| **Net cash from operating activities** | | **655** | **640** |
| **Cash flows from investing activities** | | | |
| Purchase of tangible and intangible assets | | (397) | (361) |
| Proceeds from disposals of tangible and intangible assets | | 3 | 3 |
| Acquisition of subsidiaries, net of cash acquired | B2.2 | - | (349) |
| Proceeds from sale of subsidiaries, net of cash disposed | B2.1 | 2,662 | - |
| Advances received for the sale of part of the business | B2.2 | - | 169 |
| **Net cash from/(used in) investing activities** | | **2,268** | **(538)** |
| **Cash flows from financing activities** | | | |
| Proceeds from share premium increases | E15 | 175 | - |
| Distributions of share premium | E15 | (500) | - |
| Proceeds from loans due to banks and other financial institutions | E11 | - | 197 |
| Proceeds from loans due to non-banks | E10 | - | 175 |
| Repayment of debt securities | E12 | - | (203) |
| Repayment of loans due to banks and other financial institutions | E11 | (445) | - |
| Repayment of loans due to non-banks | E10 | (175) | - |
| Net payments on settlement of derivatives | | - | 4 |
| Interest paid (other than lease liabilities) | | (79) | (59) |
| Interest paid from lease liabilities | | (18) | (16) |
| Cash payments for principal portion of lease liability | E19 | (60) | (60) |
| Dividends paid to shareholders | E15 | (1,838) | (143) |
| Dividends paid to NCI | E17 | (9) | (3) |
| **Net cash used in financing activities** | | **(2,949)** | **(108)** |
| **Net decrease in cash and cash equivalents** | | **(26)** | **(6)** |
| **Cash and cash equivalents as at 1 January** | | **75** | **82** |
| Effect of exchange rate changes on cash and cash equivalents | | - | (1) |
| **Cash and cash equivalents as at 31 December** | E9 | **49** | **75** |

*For more details on the discontinued operations refer to B.2.1.

*The notes on pages 23 to 77 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*

CETIN Group N.V. (hereinafter the “Parent Company”, or the “Parent”) has been domiciled in the Netherlands since its incorporation on 23 January 2016. The immediate holding company of CETIN Group N.V. is PPF TMT Holdco 2 B.V. holding directly 100% of its ordinary shares and is based in the Netherlands as well. The ultimate controlling party is Mrs Kellnerová.

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”). 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.

As at 31 December 2024, the Group comprises telco infrastructure activities in the Czech Republic. In October 2024, the telco infrastructure activities in Hungary, Bulgaria, and Serbia were sold by the Parent, refer to section B.2.

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

## *A.2. Statement of compliance*

The consolidated financial statements were authorised for issue by the board of directors on 10 March 2025.

These consolidated financial statements have been prepared in accordance with the 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 a bargain purchase are immediately recognised in profit or loss (refer to F.1.8.1). Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

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 preparation of 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:

- the fair value of tangible and intangible assets identified during the purchase price allocation exercise and initial value of goodwill or gain on bargain purchase for each business combination (refer to B.2.2, E.5);
- useful life of tangible and intangible fixed assets;
- expected credit losses on trade receivables and contract assets (refer to F.1.4);
- the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits (refer to E.3.3);
- provisions recognised under liabilities (refer to E.14);
- contingent assets and liabilities (refer to E.20);
- revenue recognition timing in terms of the transfer of control over the goods and services to the customer – at a point in time or over time (refer to E.1);
- assessment of the recognition principles for master service agreements between the guidance of IFRS 15 and IFRS 16 (refer to E.1, E.21.2);

- lease-term for the lessee accounting if the Group is reasonably certain to exercise extension options (refer to E.18).

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.

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.

Provisions and contingent assets and liabilities

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 the 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.

Mobile network services agreement

Amongst the most important contracts of the Group are mobile network services agreements as described in E.1.1 and E.21.2. The Group evaluated these arrangements as a service contract because fulfilment of the arrangement was not dependent on the use of a specified assets.

The Group has evaluated amendments to the Mobile network services agreements (throughout these consolidated financial statements referred to as MSA) valid from 1 January 2022. No assets, from the lessor perspective, are identified under IFRS 16 from these amendments, and services provided by the Group under these amended contracts will continue being recognised in line with IFRS 15.

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 its involvement 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.

Reorganisations and mergers involving 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. Any interest retained in the former subsidiary is measured at fair value when the control is lost.

Intra-group balances, transactions, and any unrealised income and expenses, gains and losses arising from intra-group transaction, are eliminated. Unrealised losses are eliminated only to the extent that 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, rounded to the nearest million.

The functional currency of the operating infrastructure companies corresponds to the country of origin: CZK for the Czech Republic (continuing), HUF for Hungary, BGN for Bulgaria, and RSD for Serbia. TMT Hungary Infra, the holding company based in the Netherlands, had HUF as its functional currency. All non-Czech operations are discontinued.

## _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 due to discontinued operations in Hungary, Bulgaria, and Serbia (refer to B.2.1) as follows:

_In millions of EUR, for the year ended 31 December 2023_

| | 2023 (reported) | Restatement due to discontinued operations* | 2023 (restated) |
|---|---|---|---|
| Domestic revenue | 1,027 | (427) | 600 |
| International transit revenue | 214 | (4) | 210 |
| **Total revenue** | **1,241** | **(431)** | **810** |
| Other income from non-telecommunication services | 5 | - | 5 |
| Personnel expenses | (91) | 22 | (69) |
| Other operating expenses | (427) | 97 | (330) |
| **Operating profit excluding depreciation, amortisation, and impairments** | **728** | **(312)** | **416** |
| Depreciation of property, plant and equipment | (251) | 85 | (166) |
| Depreciation on lease-related right-of-use assets | (66) | 31 | (35) |
| Amortisation of intangible assets | (40) | 7 | (33) |
| Impairment loss on PPE and intangible assets | (8) | 6 | (2) |
| **Operating profit** | **363** | **(183)** | **180** |
| Interest income | 3 | - | 3 |
| Net foreign currency gains/(losses) | (27) | - | (27) |
| Interest expense on lease liabilities | (15) | 7 | (8) |
| Other interest expense | (68) | 1 | (67) |
| Other finance costs | (1) | - | (1) |
| **PROFIT BEFORE TAX** | **255** | **(175)** | **80** |
| Income tax expense | (70) | 22 | (48) |
| **Net profit from continuing operations** | **185** | **(153)** | **32** |
| Net profit from discontinued operations, net of tax | - | 153 | 153 |
| **NET PROFIT FOR THE PERIOD** | **185** | **-** | **185** |

*refer to B.2.1

# 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 |
| CETIN Group N.V. | Netherlands | Parent Company | Parent Company |
| CETIN a.s. | Czech Republic | 100.00% | 100.00% |
| DeCeTel s.r.o.[(1)] | Czech Republic | - | 100.00% |
| TMT Hungary Infra B.V.[(2)] | Netherlands | - | 75.00% |
| CETIN Hungary Zrt.[(2)] | Hungary | - | 75.00% |
| CETIN Bulgaria EAD[(2)] | Bulgaria | - | 100.00% |
| CETIN d.o.o. Beograd-Novi Beograd[(2)] | Serbia | - | 100.00% |

(1) On 1 June 2024, Nej.cz s.r.o. was renamed to DeCeTel s.r.o. and, on 1 November 2024, as a disappearing company it merged with CETIN a.s.
(2) On 11 October 2024, the Group sold its shares in these entities (refer to B.2.1).

## *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 holding company of PPF Group, 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 assets of PPF Telecom Group B.V. (previously the direct parent of the Parent Company, subsequently renamed to e& PPF Telecom Group B.V.) in Bulgaria, Hungary, Serbia, and Slovakia. PPF Telecom Group B.V.'s assets in the Czech Republic, including the Czech infrastructure CETIN a.s. and the Czech operator O2 Czech Republic a.s., were not part 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. The pre-closing restructuring 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 part of this pre-closing restructuring, CETIN Group N.V. on 11 October 2024 sold and lost control over all its shares in its infrastructure businesses in Hungary, comprising both the holding company TMT Hungary Infra B.V. and the infrastructure company CETIN Hungary Zrt. (together as "CETIN Hungary"), in Bulgaria, represented by CETIN Bulgaria EAD ("CETIN Bulgaria"), and in Serbia, represented by CETIN d.o.o. Beograd-Novi Beograd ("CETIN Serbia"), to CETIN International N.V., a newly established subsidiary of

PPF Telecom Group B.V. The subsidiaries were sold for a cash consideration of EUR 2,712 million. CETIN Group N.V. retained control over CETIN a.s. which operates in the Czech Republic.

The following table summarises financial aspects of the transactions from the perspective of these consolidated financial statements:

*In millions of EUR*

| | CETIN Hungary | CETIN Bulgaria | CETIN Serbia | Total |
|---|---|---|---|---|
| Direct ownership sold | 75.00% | 100.00% | 100.00% | |
| Consideration received in cash (sale price) | 748 | 1,239 | 725 | 2,712 |
| Net assets value sold | (350) | (255) | (316) | (921) |
| *where:* | | | | |
| *Accumulated translation losses until loss of control relating to these foreign operations (reclassified from equity to profit or loss)* | *(60)* | *(17)* | *(17)* | *(94)* |
| Non-controlling interests disposed | 88 | - | - | 88 |
| **Gain on sale of investments in subsidiaries** | **426** | **967** | **392** | **1,785** |

The following table summarises the assets and liabilities of the sold businesses at the time the Group lost control:

*In millions of EUR, as at 11 October 2024*

| | CETIN Hungary | CETIN Bulgaria | CETIN Serbia | Total |
|---|---|---|---|---|
| **ASSETS** | | | | |
| Property, plant and equipment (refer to E.4) | 192 | 174 | 124 | 490 |
| Right-of-use assets (refer to E.18.1) | 88 | 52 | 67 | 207 |
| Goodwill (refer to E.5) | 168 | 104 | 190 | 462 |
| Other intangible assets (refer to E.5.2) | 9 | 7 | 3 | 19 |
| Other assets | - | 2 | - | 2 |
| Deferred tax assets (refer to E.3.3) | 1 | - | 4 | 5 |
| **Non-current assets** | **458** | **339** | **388** | **1,185** |
| Trade and other receivables | 16 | 10 | 9 | 35 |
| Other assets | - | - | 2 | 2 |
| Cash and cash equivalents | 21 | 8 | 21 | 50 |
| **Current assets** | **37** | **18** | **32** | **87** |
| **TOTAL ASSETS** | **495** | **357** | **420** | **1,272** |
| **LIABILITIES** | | | | |
| Lease liabilities (refer to E.18) | 77 | 41 | 64 | 182 |
| Trade and other payables | - | 4 | 4 | 8 |
| Provisions (refer to E.14) | 10 | 11 | 11 | 32 |
| Deferred tax liabilities (refer to E.3.3) | - | 8 | - | 8 |
| **Non-current liabilities** | **87** | **64** | **79** | **230** |
| Lease liabilities (refer to E.18) | 14 | 7 | 1 | 22 |
| Trade and other payables | 35 | 24 | 22 | 81 |
| Provisions (refer to E.14) | 8 | 1 | 1 | 10 |
| Current income tax liability | 1 | 6 | 1 | 8 |
| **Current liabilities** | **58** | **38** | **25** | **121** |
| **TOTAL LIABILITIES** | **145** | **102** | **104** | **351** |
| **NET ASSETS VALUE SOLD** | **350** | **255** | **316** | **921** |

The sold businesses in Hungary, Bulgaria, and Serbia fulfil the conditions of IFRS 5 for discontinued operations (the conditions were met at the end of September 2024). Therefore, their results are presented separately from the continuing operations in the consolidated statement of income. 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 on 11 October 2024 and for the year ended 31 December 2023 are presented below (refer also to the operating segment analysis in D section for disaggregation as per each business):

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

| | 2024* | 2023 |
|---|---|---|
| Domestic revenue | 363 | 427 |
| International transit revenue | 4 | 4 |
| **Total revenue** | **367** | **431** |
| Personnel expenses | (17) | (22) |
| Other operating expenses | (74) | (97) |
| **Operating profit excluding depreciation, amortisation, and impairments** | **276** | **312** |
| Depreciation of property, plant and equipment | (65) | (85) |
| Depreciation on lease-related right-of-use assets | (28) | (31) |
| Amortisation of intangible assets | (6) | (7) |
| Impairment loss on PPE and intangible assets | (1) | (6) |
| **Operating profit** | **176** | **183** |
| Interest income | 2 | - |
| Net foreign currency losses | (2) | - |
| Interest expense on lease liabilities | (9) | (7) |
| Other interest expense | (1) | (1) |
| **PROFIT BEFORE TAX** | **166** | **175** |
| Income tax expense | (22) | (22) |
| **NET PROFIT FROM DISCONTINUED OPERATIONS, NET OF TAX** | **144** | **153** |

*until the loss of control on 11 October 2024.

Net cash flows generated withing the discontinued operations are as follows:

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

| | 2024* | 2023 |
|---|---|---|
| Cash flows from operating activities | 291 | 285 |
| Cash flows used in investing activities | (139) | (134) |
| Cash flows used in financing activities | (143) | (137) |
| **Net cash flows from discontinued operations** | **9** | **14** |

*until the loss of control on 11 October 2024

### B.2.2. Acquisition and subsequent partial disposal of Nej.cz

In April 2023, the Group (specifically the Czech CETIN a.s.) entered into an agreement to acquire a 100% stake in Nej.cz s.r.o. (hereinafter referred to 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. and, on 1 November 2024, as a disappearing company it merged with CETIN a.s.

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.

<u>Key assumptions and valuation approach</u>

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.

Additionally, in November 2023, the Group entered into an agreement with O2 Czech Republic a.s. (a mobile telecommunication operator owned at that time by PPF Telecom Group B.V.) to sell a retail part of Nej.cz's assets and liabilities constituting together a business for CZK 4.1 billion (approx. EUR 166 million), subject to closing adjustments. The Group assessed that this business was acquired with the subsequent view to resale, therefore, it met the criteria for classification as held for sale at acquisition in line with IFRS 5 as at 31 December 2023 (refer to E.7). Most of these acquired held-for-sale assets represented the newly identified customer relations. No impairment losses were recognised by the Group in connection with this held-for-sale classification. The transaction was successfully closed on 1 June 2024 with no loss or gain on the sale for the year ended 31 December 2024.

The following table summarises the recognised acquisition amounts of the acquired assets and assumed liabilities in 2023:

*In millions of EUR, as at 30 November 2023*

| | |
|---|---|
| **Fair value of assets acquired (excl. goodwill)** | **203** |
| Property, plant and equipment (refer to E.4) | 135 |
| Intangible assets | 6 |
| Right-of-use assets | 13 |
| Trade and other receivables | 3 |
| Other assets | 2 |
| Assets held for sale (refer to E.7) | 42 |
| Cash and cash equivalents | 2 |
| **Fair value of liabilities assumed (adjusted)*** | **47** |
| Deferred tax liability | 13 |
| Lease liabilities | 13 |
| Trade and other payables | 3 |
| Contract liabilities | 6 |
| Other liabilities | 1 |
| Liabilities directly associated with assets held for sale (refer to E.7) | 11 |
| **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, 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 a.s. 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 amounts 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 loans was financed by a mix of shareholder loans totalling EUR 175 million provided by the Parent and the non-controlling partner (refer also to E.10 and E.21.1), and an advance received of CZK 4,102 million (approx. EUR 169 million as at the date of the proceeds receipt) from O2 Czech Republic a.s. for the part acquired with the subsequent view to resale (refer also to E.21.2).

Goodwill arising from the acquisition in 2023 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 (refer to E.5.1) | 60 |
| Goodwill (held-for-sale part), (refer to E.7) | 136 |

A part of the total identified goodwill amounting to EUR 136 million was associated with the retail business subject to the agreement for subsequent sale to O2 Czech Republic a.s. and, as such, it was presented within the assets held for sale in these consolidated financial statement as at 31 December 2023. The total goodwill is attributable to the established position of Nej.cz's businesses on the Czech market, anticipated synergies with other Group's (and O2 Czech Republic a.s.'s) operations, and the assembled workforce. The goodwill balance is not deductible for tax purposes.

In the comparative 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 provide 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 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, 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 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.

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

*In millions of EUR, as at 31 December*

| | 2024 | 2024 | 2023 | 2023 |
|---|---|---|---|---|
| Economic concentration | | | | |
| Corporate sector | 130 | 68.42% | 191 | 70.48% |
| Financial services | 49 | 25.79% | 75 | 27.67% |
| Public Sector | 11 | 5.79% | 5 | 1.85% |
| **Total** | **190** | **100.00%** | **271** | **100.00%** |
| Geographic concentration | | | | |
| Czech Republic | 160 | 84.20% | 127 | 46.86% |
| Bulgaria | 2 | 1.05% | 33 | 12.18% |
| Slovakia | 2 | 1.05% | 3 | 1.11% |
| Hungary | 1 | 0.53% | 50 | 18.45% |
| Serbia | 1 | 0.53% | 27 | 9.96% |
| Other EU countries | 12 | 6.32% | 17 | 6.27% |
| Other countries | 12 | 6.32% | 14 | 5.17% |
| **Total** | **190** | **100.00%** | **271** | **100.00%** |
| *Of which:* | | | | |
| Trade and other receivables (E.6) | 139 | 73.16% | 191 | 70.48% |
| Cash and cash equivalents (E.9) | 49 | 25.79% | 75 | 27.67% |
| Provided guarantees (E.20) | 2 | 1.05% | 4 | 1.48% |
| Specific deposits and other specific receivables (E.8) | - | - | 1 | 0.37% |
| **Total** | **190** | **100.00%** | **271** | **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.

<u>Trade and other receivables</u>
In accordance with IFRS 9, entities calculate the loss allowance for financial assets as equal to the 12-month expected credit losses or equal to the expected credit losses over the life of the financial assets.

The Group 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 loans provided, the Group 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 Group 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 Group's historical experience, available information and market analyses, including actual macroeconomic indicators and future forecasts.

The following table provides information about the exposure to credit risk and ECLs for trade receivables 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) | 0.0% | 120 | - | 120 | No |
| 1-90 days | 0.0% | 18 | - | 18 | No |
| 91-180 days | - | - | - | - | Yes |
| more than 180 days past due | 50.0% | 2 | (1) | 1 | Yes |
| **Total** | | **140** | **(1)** | **139** | |

*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) | 0.0% | 181 | - | 181 | No |
| 1-90 days | 0.0% | 9 | - | 9 | No |
| 91-180 days | 50.0% | 2 | (1) | 1 | Yes |
| more than 180 days past due | 100.0% | 2 | (2) | - | Yes |
| **Total** | | **194** | **(3)** | **191** | |

## *C.2. Liquidity risk*

The Group's essential objective of liquidity risk management is having access to sufficient cash resources 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. 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 individual scenarios focus on liquidity available on specific markets and facilities, the nature of the related risks and the magnitude of their impact on the Group's business, available management tools and preventive actions.

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.

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 |
|---|---|---|---|---|---|---|
| Trade and other receivables | 137 | 2 | - | - | - | 139 |
| Cash and cash equivalents | 49 | - | - | - | - | 49 |
| **Total financial assets** | **186** | **2** | **-** | **-** | **-** | **188** |

_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 | - | 705 | - | - | 707 |
| Debt securities issued | - | 11 | - | 498 | - | 509 |
| Lease liabilities | 12 | 24 | 30 | 74 | 89 | 229 |
| Trade and other payables* | 164 | 59 | - | 1 | - | 224 |
| **Total financial liabilities** | **178** | **94** | **735** | **573** | **89** | **1,669** |

*excluding tax, wages and salaries and other non-financial liabilities

| | | | | | | |
|---|---|---|---|---|---|---|
| **Net liquidity position 2024** | **8** | **(92)** | **(735)** | **(573)** | **(89)** | **(1,481)** |

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 |
|---|---|---|---|---|---|---|
| Trade and other receivables* | 189 | 2 | - | - | 1 | 192 |
| Cash and cash equivalents | 75 | - | - | - | - | 75 |
| **Total financial assets** | **264** | **2** | **-** | **-** | **1** | **267** |

*including specific deposits and other specific receivables

_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 | 4 | - | - | 1,147 | - | 1,151 |
| Debt securities issued | - | 11 | - | 497 | - | 508 |
| Lease liabilities | 18 | 42 | 55 | 133 | 132 | 380 |
| Trade and other payables* | 254 | 65 | - | 1 | 1 | 321 |
| Due to non-banks | - | - | 123 | 52 | - | 175 |
| **Total financial liabilities** | **276** | **118** | **178** | **1,830** | **133** | **2,535** |

*excluding tax, wages and salaries and other non-financial liabilities

| | | | | | | |
|---|---|---|---|---|---|---|
| **Net liquidity position 2023** | **(12)** | **(116)** | **(178)** | **(1,830)** | **(132)** | **(2,268)** |

The following tables show the residual maturities of 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 | 7 | 22 | 731 | - | - | 760 |
| Debt securities issued | - | 15 | 16 | 516 | - | 547 |
| Lease liabilities | 14 | 30 | 37 | 88 | 102 | 271 |
| Trade and other payables* | 164 | 59 | - | 1 | - | 224 |
| Provided guarantees | - | 2 | - | - | - | 2 |
| **Total** | **185** | **128** | **784** | **605** | **102** | **1,804** |

*excluding tax, wages and salaries 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 | 15 | 44 | 58 | 1,199 | - | 1,316 |
| Debt securities issued | - | 16 | 16 | 531 | - | 563 |
| Lease liabilities | 22 | 52 | 65 | 155 | 149 | 443 |
| Trade and other payables* | 253 | 65 | - | 1 | 1 | 320 |
| Due to non-banks | 3 | 7 | 128 | 56 | - | 194 |
| Provided guarantees | - | - | 4 | - | - | 4 |
| **Total** | **293** | **184** | **271** | **1,942** | **150** | **2,840** |

*excluding tax, wages and salaries 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-term 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 floating, interest-rate-bearing cash investments and some debt instruments with a floating interest rate. The management of interest rate risk against interest rate gap limits is supplemented by monitoring of the sensitivity of the Group's financial assets and liabilities to various standard and non-standard interest rate scenarios. Standard scenarios that are considered include a 200- basis-point parallel fall or rise in all yield curves worldwide. In such a case, the net interest income for the year ended 31 December 2024 would be approximately EUR 23 million higher/lower (2023: EUR 35 million).

The tables below summarise the interest rate repricing gap of the Group's financial assets and liabilities as at the reporting date. The carrying amounts of interest-rate-sensitive assets and 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:

*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 |
|---|---|---|---|---|---|---|---|
| Trade and other receivables | - | 137 | 2 | - | - | - | 139 |
| Cash and cash equivalents | 1.05% | 49 | - | - | - | - | 49 |
| **Total financial assets** | | **186** | **2** | **-** | **-** | **-** | **188** |

*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 | 3.97% | 707 | - | - | - | - | 707 |
| Debt securities issued | 3.13% | - | 11 | - | 498 | - | 509 |
| Lease liabilities | 3.94% | 12 | 24 | 30 | 74 | 89 | 229 |
| Trade and other payables* | - | 164 | 59 | - | 1 | - | 224 |
| **Total financial liabilities** | | **883** | **94** | **30** | **573** | **89** | **1,669** |

*excluding tax, wages and salaries and other non-financial liabilities

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Net position 2024** | | **(697)** | **(92)** | **(30)** | **(573)** | **(89)** | **(1,481)** |

*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 |
|---|---|---|---|---|---|---|---|
| Trade and other receivables* | - | 189 | 2 | - | - | 1 | 192 |
| Cash and cash equivalents | 0.27% | 75 | - | - | - | - | 75 |
| **Total financial assets** | | **264** | **2** | **-** | **-** | **1** | **267** |

*including specific deposits and other specific receivables

*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 | 5.01% | 1,151 | - | - | - | - | 1,151 |
| Debt securities issued | 3.13% | - | 11 | - | 497 | - | 508 |
| Lease liabilities | 4.41% | 18 | 42 | 55 | 133 | 132 | 380 |
| Trade and other payables* | - | 254 | 65 | - | 1 | 1 | 321 |
| Due to non-banks | 5.44% | 175 | - | - | - | - | 175 |
| **Total financial liabilities** | | **1,598** | **118** | **55** | **631** | **133** | **2,535** |

*excluding tax, wages and salaries and other non-financial liabilities

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Net position 2023** | | **(1,334)** | **(116)** | **(55)** | **(631)** | **(132)** | **(2,268)** |

### 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 Czech crowns, Hungarian forints, Bulgarian levs, and Serbian dinars, where for 31 December 2024 only Czech crowns apply with the discontinuance of operations in Hungary, Bulgaria, and Serbia (refer to B.2.1). As the currency in which the Group presents its the 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 the translation reserve in other comprehensive income. Net investments in foreign operations are not hedged.

The following table summarises the Group's exposure in individual countries and respective local functional currencies. Any exposure in the individual country other than in its local functional currency is excluded.

_In millions of EUR, as at 31 December 2024_

| | EUR | CZK | HUF | BGN | RSD | Total |
|---|---|---|---|---|---|---|
| Net investments in foreign operations | (1,188) | 2,054 | - | - | - | 866 |

_In millions of EUR, as at 31 December 2023_

| | EUR | CZK | HUF | BGN | RSD | Total |
|---|---|---|---|---|---|---|
| Net investments in foreign operations | (1,829) | 2,031 | 362 | 266 | 291 | 1,121 |

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 assets and financial liabilities, meaning the exposures in currencies different from the entities' functional currencies:

_In millions of EUR, as at 31 December 2024_

| | EUR | USD | Total |
|---|---|---|---|
| Financial assets | 28 | 16 | 44 |
| Financial liabilities | 76 | 16 | 92 |
| **Net FX position** | **(48)** | **-** | **(48)** |

_In millions of EUR, as at 31 December 2023_

| | EUR | USD | Total |
|---|---|---|---|
| Financial assets | 40 | 11 | 51 |
| Financial liabilities | 113 | 13 | 126 |
| **Net FX position** | **(73)** | **(2)** | **(75)** |

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 | (103) | - | - | - |
| Effect of 5% currency appreciation against EUR in 2024 | 103 | - | - | - |
| Effect of 5% currency depreciation against EUR in 2023 | (102) | (18) | (13) | (15) |
| Effect of 5% currency appreciation against EUR in 2023 | 102 | 18 | 13 | 15 |

### C.3.3. Hedging

The Group generally keeps monitoring the market development to take an appropriate action when needed, i.e., to mitigate primarily interest risk and foreign currency by use of derivative contracts.

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, refer to C.3.1.

As at 31 December 2024 and 2023, the Group did not apply hedge accounting.

## *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 carrying amount of financial assets and financial liabilities not measured at fair value is a reasonable approximation of its fair value, since financial assets and liabilities (except for those presented in the below table) comprise mainly current trade receivables and payables, cash and cash equivalents, and loans due to banks.

*In millions of EUR*

| | 2024 Carrying amount | 2024 Fair value | 2023 Carrying amount | 2023 Fair value |
|---|---|---|---|---|
| Debt securities issued (Level 2) | 509 | 509 | 508 | 493 |

As at 31 December 2024 and 2023, all financial liabilities recognised are classified and measured at amortised cost.

## *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 as well as keep being in compliance with the bank financing covenants at the Group level.

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 geographical terms. The Group's board of directors and the shareholder (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 |
|---|---|---|
| CETIN CZ | Wholesale telecommunication services (mobile, fixed and data services) to other telco operators and international transit | Czech Republic |
| CETIN Hungary *(discontinued)* | Telco infrastructure | Hungary |
| CETIN Bulgaria *(discontinued)* | Telco infrastructure | Bulgaria |
| CETIN Serbia *(discontinued)* | Telco infrastructure | Serbia |

On 11 October 2024, the Group sold entities presented under the following segments: CETIN Hungary, CETIN Bulgaria, and CETIN Serbia (refer to B.2.1). For the year ended 31 December 2024, these segments are presented as discontinued operations in the consolidated statement of income and other comprehensive income. The segment reports in the following pages present the full financial results for both, continuing and discontinued operations.

On 30 November 2023, the Group acquired Nej.cz which has been reported within CETIN CZ segment since then (refer to B.2.2).

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

Total segment revenue presented in the segment reporting analysis for the year ended 31 December 2024 amounts to EUR 1,215 million (2023: EUR 1,241 million), comprises both continuing and discontinued operations, and represents revenues from external customers with the same substance as the corresponding total revenue caption in the consolidated statement of income.

The Group is reliant on several major customers, that are fixed and mobile telecommunication operators owned by direct parent companies of CETIN Group N.V. (PPF Telecom Group B.V. before the PPF Group N.V.'s internal restructuring (refer to B.2.1) and PPF TMT Holdco 2 B.V. after the internal restructuring). For the period ending 31 December 2024, revenues from these customers represent approximately 69% of revenues reported in total for all segments (2023: 70% of revenues reported in total for all segments). The most significant customer of CETIN CZ continues to be O2 Czech Republic a.s., indirectly owned by the Parent's immediate holding company PPF TMT Holdco 2 B.V.

_In millions of EUR_

| 2024 | CETIN CZ | CETIN Hungary _(discontinued)_ | CETIN Bulgaria _(discontinued)_ | CETIN Serbia _(discontinued)_ | Unallocated | Eliminations | **Consolidated** |
|---|---|---|---|---|---|---|---|
| Revenue from external customers | 848 | 146 | 118 | 103 | - | - | 1,215 |
| Inter-segment revenue | 3 | - | 2 | 3 | - | (8) | - |
| **Total revenue** | **851** | **146** | **120** | **106** | **-** | **(8)** | **1,215** |
| _Major service/products lines:_ | | | | | | | |
| Mobile service revenues | 270 | 146 | 115 | 100 | - | (3) | 628 |
| Contracted MSA/MOSA fee from anchor tenants | 253 | 142 | 108 | 94 | - | (3) | 594 |
| Contracted revenue from third-party tenants | 12 | 4 | - | 1 | - | - | 17 |
| Other non-contracted mobile revenue | 5 | - | 7 | 5 | - | - | 17 |
| Fixed broadband service revenues | 218 | - | - | 2 | - | - | 220 |
| Other fixed and domestic service revenues | 167 | - | - | 4 | - | (1) | 170 |
| Domestic revenue | 655 | 146 | 115 | 106 | - | (4) | 1,018 |
| International transit revenue | 196 | - | 5 | - | - | (4) | 197 |
| **Total revenue** | **851** | **146** | **120** | **106** | **-** | **(8)** | **1,215** |
| Other income from non-telecommunication services | 4 | - | - | - | - | - | 4 |
| Operating expenses | (428) | (39) | (31) | (26) | (1) | 8 | (517) |
| Gain on sale of investments in subsidiaries | - | - | - | - | 1,785 | - | 1,785 |
| **Operating profit excluding depreciation, amortisation and impairments** | **427** | **107** | **89** | **80** | **1,784** | **-** | **2,487** |
| Depreciation on PPE | (170) | (24) | (24) | (17) | - | - | (235) |
| Depreciation on lease-related ROU | (36) | (12) | (7) | (9) | - | - | (64) |
| Amortisation of intangible assets | (39) | (2) | (2) | (2) | - | - | (45) |
| Impairment loss | (2) | (1) | - | - | - | - | (3) |
| **Operating profit** | **180** | **68** | **56** | **52** | **1,784** | **-** | **2,140** |
| Interest income | 1 | 1 | - | 1 | 52 | (52) | 3 |
| Interest expense on lease liability | (9) | (4) | (2) | (3) | - | - | (18) |
| Other interest expense | (49) | - | - | (1) | (79) | 52 | (77) |
| Other finance costs | - | - | - | - | (6) | - | (6) |
| Net foreign currency gains/(losses) | (20) | (2) | - | - | - | - | (22) |
| **Profit for the period before tax** | **103** | **63** | **54** | **49** | **1,751** | **-** | **2,020** |
| Income tax expense | (22) | (8) | (6) | (8) | (1) | - | (45) |
| **Profit for the period** | **81** | **55** | **48** | **41** | **1,750** | **-** | **1,975** |
| Capital expenditure | 279 | 32 | 32 | 37 | - | - | 380 |
| Segment assets | 2,804 | - | - | - | 1,029 | (999) | 2,834 |
| Segment liabilities | 1,797 | - | - | - | 1,218 | (999) | 2,016 |
| **Segment equity** | **1,007** | **-** | **-** | **-** | **(189)** | **-** | **818** |

*In millions of EUR*

| 2023 | CETIN CZ | CETIN Hungary *(discontinued)* | CETIN Bulgaria *(discontinued)* | CETIN Serbia *(discontinued)* | Unallocated | Eliminations | **Consolidated** |
|---|---|---|---|---|---|---|---|
| Revenue from external customers | 810 | 175 | 138 | 118 | - | - | 1,241 |
| Inter-segment revenue | 6 | - | 3 | 3 | - | (12) | - |
| **Total revenue** | **816** | **175** | **141** | **121** | **-** | **(12)** | **1,241** |
| *Major service/products lines:* | | | | | | | |
| Mobile service revenues | 263 | 174 | 132 | 115 | - | (4) | 680 |
| Contracted MSA/MOSA fee from anchor tenants | 236 | 169 | 127 | 110 | - | (4) | 638 |
| Contracted revenue from third-party tenants | 22 | 5 | - | 1 | - | - | 28 |
| Other non-contracted mobile revenue | 5 | - | 5 | 4 | - | - | 14 |
| Fixed broadband service revenues | 200 | - | - | 2 | - | - | 202 |
| Other fixed and domestic service revenues | 139 | 1 | 2 | 4 | - | (1) | 145 |
| Domestic revenue | 602 | 175 | 134 | 121 | - | (5) | 1,027 |
| International transit revenue | 214 | - | 7 | - | - | (7) | 214 |
| **Total revenue** | **816** | **175** | **141** | **121** | **-** | **(12)** | **1,241** |
| Other income from non-telecommunication services | 5 | - | - | - | - | - | 5 |
| Operating expenses | (403) | (56) | (40) | (29) | (2) | 12 | (518) |
| **Operating profit excluding depreciation, amortisation and impairments** | **418** | **119** | **101** | **92** | **(2)** | **-** | **728** |
| Depreciation on PPE | (166) | (28) | (29) | (28) | - | - | (251) |
| Depreciation on lease-related ROU | (35) | (14) | (8) | (9) | - | - | (66) |
| Amortisation of intangible assets | (33) | (3) | (2) | (2) | - | - | (40) |
| Impairment loss | (2) | (1) | - | (5) | - | - | (8) |
| **Operating profit** | **182** | **73** | **62** | **48** | **(2)** | **-** | **363** |
| Interest income | 1 | - | - | - | 33 | (31) | 3 |
| Interest expense on lease liability | (8) | (4) | (1) | (2) | - | - | (15) |
| Other interest expense | (36) | (1) | - | - | (62) | 31 | (68) |
| Other finance costs | - | - | - | - | (1) | - | (1) |
| Net foreign currency losses | (25) | - | - | - | (2) | - | (27) |
| **Profit for the period before tax** | **114** | **68** | **61** | **46** | **(34)** | **-** | **255** |
| Income tax expense | (47) | (9) | (6) | (7) | (1) | - | (70) |
| **Profit for the period** | **67** | **59** | **55** | **39** | **(35)** | **-** | **185** |
| Capital expenditure | 221 | 81 | 39 | 35 | - | - | 376 |
| Segment assets | 2,932 | 509 | 362 | 372 | 1,009 | (1,003) | 4,181 |
| Segment liabilities | 1,959 | 163 | 103 | 80 | 1,834 | (1,003) | 3,136 |
| **Segment equity** | **973** | **346** | **259** | **292** | **(825)** | **-** | **1,045** |

# E. Additional notes to the consolidated financial statements

Due to the discontinuance of operations in Hungary, Bulgaria, and Serbia (refer to A.7 and B.2.1), in this whole section E in the disclosures to the consolidated statement of income and other comprehensive income, the comparative figures for the year ended 31 December 2023 have been restated not to reflect the discontinued operations' 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 |
|---|---|---|
| Domestic revenue | 655 | 600 |
| International transit revenue | 193 | 210 |
| **Total revenue** | **848** | **810** |

Increase in domestic revenue in 2024 is driven mainly by MSA inflation adjustments, revenues from incremental projects and revenues from Nej.cz acquired in November 2023 (refer to B.2.2).

Detail split of domestic revenues:

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

| | 2024 | 2023 |
|---|---|---|
| Mobile service revenues | 270 | 262 |
| Committed MSA/MOSA revenues from anchor tenants | 253 | 235 |
| Committed from third-party tenants | 12 | 22 |
| Other non-committed mobile revenue | 5 | 5 |
| Fixed broadband service revenues | 218 | 200 |
| Other fixed and domestic service revenues | 167 | 138 |
| **Total domestic revenues** | **655** | **600** |

The Group does not recognise revenues from services at a point in time, all revenues are recognised over time.

A significant part of the Group's revenues is generated from standard operations with the Group's related parties (refer to E.21.2).

The following table includes revenues which are expected by the Group to be recognised in the future. These are revenues related to performance obligations that are unsatisfied (or partially unsatisfied):

*In millions of EUR*

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Within 1 year | 8 | 9 |
| Between 1 and 2 years | 7 | 8 |
| Between 2 and 5 years | 17 | 18 |
| More than 5 years | 17 | 18 |
| **Transaction price on performance obligations yet to be satisfied** | **49** | **53** |

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.

The contracts for data services are concluded individually based on the customer`s needs. The contracts are split into categories based on the contract duration. Following the frequency of concluded contracts in each category, we have allocated the expected revenues from data services.

### 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 | 848 | 810 |
| Czech Republic | 640 | 593 |
| Hungary | 5 | 5 |
| Bulgaria | 6 | 8 |
| Serbia | 19 | 12 |
| Germany | 20 | 27 |
| Slovakia | 8 | 13 |
| Switzerland | 17 | 9 |
| Other EU countries | 54 | 69 |
| Other Non-EU countries | 79 | 74 |

## *E.2. Personnel expenses and operating expenses*

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

| | 2024 | 2023 |
|---|---|---|
| Employee compensation | 60 | 42 |
| Payroll related taxes | 35 | 27 |
| **Total personnel expenses** | **95** | **69** |
| Transit cost of sales | 184 | 200 |
| Utilities | 45 | 41 |
| Network&IT maintenance | 31 | 29 |
| Other cost of sales | 20 | 22 |
| Rentals, buildings and vehicles | 16 | 14 |
| Contents | 7 | - |
| Professional services | 6 | 6 |
| Advertising and marketing | 1 | 2 |
| Telecommunication and postage | 1 | 1 |
| Taxes other than income tax | - | 2 |
| Other | 20 | 13 |
| **Total other operating expenses** | **331** | **330** |

The average number of employees for continuing operations during 2024 was 2,957 (2023: 2,357). In 2024 and 2023, the Group had no employees in the Netherlands.

## *E.3. Income taxes*

### E.3.1. Income tax expense

Income tax expense comprises the following:

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

| | 2024 | 2023 |
|---|---|---|
| Current tax expense | (35) | (34) |
| Deferred tax (expense)/benefit | 12 | (14) |
| **Total income tax expense** | **(23)** | **(48)** |

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) | 1,853 | 80 |
| Computed taxation using applicable tax rate | (478) | (21) |
| Effect of non-taxable gain on sale of investments in subsidiaries | 461 | - |
| Tax rate differences on foreign results | 5 | 9 |
| Non-deductible interest expense due to ATAD (earning stripping) rules | (8) | (8) |
| Other tax non-deductible expenses | (2) | (1) |
| Tax loss carry forward not recognised | (1) | (1) |
| Items taxed at different tax rate (e.g., withholding tax) | (1) | (2) |
| Other | 1 | (24) |
| **Total income tax expense** | **(23)** | **(48)** |

The Company is subject to corporate income tax in the Netherlands at an income tax rate of 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 the Czech Republic.

In 2023, the increase of category other is caused by reflecting the increase of corporate income tax in the Czech Republic to 21% (with legal effectiveness from 1 January 2024) in the balance of deferred taxes.

### E.3.2. 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 3 million of income tax expense related to top-up tax for the Bulgarian subsidiary, which is presented as discontinued operations in the consolidated statement of income and other comprehensive income 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.3.3. 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 | (254) | (235) |
| Additions resulting from business combinations (refer to B.2.2) | - | (13) |
| Disposals resulting from business combinations (refer to B.2.1) | 3 | - |
| Deferred tax (expense)/income for the period (incl. discontinued operations) | 12 | (12) |
| Effects of movements in exchange rates | 2 | 6 |
| **Net deferred tax liability as at 31 December** | **(237)** | **(254)** |

The 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 |
|---|---|---|---|---|
| Property, plant and equipment | (290) | - | (319) | 3 |
| Intangible assets | (3) | - | (5) | - |
| Lease liabilities | - | 48 | - | 57 |
| Provisions | - | 3 | - | 6 |
| Contract liabilities | - | 1 | - | 1 |
| Other temporary differences | - | 4 | - | 3 |
| **Deferred tax assets/(liabilities)** | **(293)** | **56** | **(324)** | **70** |
| **Net deferred tax assets/(liabilities)** | **(237)** | **-** | **(259)** | **5** |

### E.3.4. Tax losses and unrecognised deferred tax assets

As at 31 December 2024, the Group incurred tax losses from recent years of EUR 30 million (2023: EUR 28 million), available to be carried forward and off-set against future taxable income. The Group also carried forward EUR 78 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 interest can be utilised, the related deferred tax assets are not recognised. The unrecognised deferred tax assets amount to EUR 28 million (2023: EUR 7 million). All unutilised tax losses relate to the Netherlands and can be claimed for an unlimited period without expiring.

## *E.4. 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 | 310 | 2,133 | 1,434 | 142 | 210 | 4,229 |
| Accumulated depreciation and impairment | (108) | (769) | (767) | (51) | (7) | (1,702) |
| **Carrying amount as at 1 January 2024** | **202** | **1,364** | **667** | **91** | **203** | **2,527** |
| Disposals resulting from business combinations (refer to B.2.1) | (2) | - | (337) | (79) | (72) | (490) |
| Additions | 15 | 51 | 101 | 17 | 144 | 328 |
| Disposal | - | - | - | (1) | (1) | (2) |
| Transfers | 5 | 19 | 63 | 4 | (91) | - |
| Depreciation charge (incl. discontinued operations) | (9) | (86) | (130) | (10) | - | (235) |
| Effects of movements in exchange rates | (4) | (25) | (15) | (2) | (4) | (50) |
| **Carrying amount as at 31 December 2024** | **207** | **1,323** | **349** | **20** | **179** | **2,078** |
| Cost | 321 | 2,164 | 821 | 42 | 184 | 3,532 |
| Accumulated depreciation and impairment | (114) | (841) | (472) | (22) | (5) | (1,454) |

*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 | 306 | 2,007 | 1,282 | 123 | 195 | 3,913 |
| Accumulated depreciation and impairment | (113) | (707) | (680) | (41) | (6) | (1,547) |
| **Carrying amount as at 1 January 2023** | **193** | **1,300** | **602** | **82** | **189** | **2,366** |
| Additions resulting from business combinations (refer to B.2.2) | 13 | 106 | 11 | 1 | 4 | 135 |
| Additions | 7 | 44 | 152 | 16 | 113 | 332 |
| Disposal | - | - | (2) | - | (1) | (3) |
| Transfers | 3 | 27 | 64 | 2 | (96) | - |
| Depreciation charge (incl. discontinued operations) | (9) | (82) | (150) | (10) | - | (251) |
| Impairment charge | - | - | (6) | - | (2) | (8) |
| Effects of movements in exchange rates | (5) | (31) | (4) | - | (4) | (44) |
| **Carrying amount as at 31 December 2023** | **202** | **1,364** | **667** | **91** | **203** | **2,527** |
| Cost | 310 | 2,133 | 1,434 | 142 | 210 | 4,229 |
| Accumulated depreciation and impairment | (108) | (769) | (767) | (51) | (7) | (1,702) |

In both periods, the most significant additions of PPE relate to the construction and modernisation 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), in Hungary (radio network modernisation and roll-out of 5G), and in Bulgaria (roll-out of 5G).

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 had already been running in the other countries where the Group operated (refer to the above paragraph).

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

CETIN CZ has concluded contracts with T-Mobile Czech Republic a.s. related to sharing of mobile networks. The companies provide services to each other that relate to sharing of active and passive 2G and 3G network elements, and to sharing of LTE technologies for mobile networks based on geographical distribution of the Czech Republic territory. The contracts are based on the principle of balance. Revenue and costs relating to the network sharing are reported in net value as the services provided within the project are of the same nature.

## *E.5. Goodwill and other intangible assets*

Intangible assets comprise the following:

*In millions of EUR*

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Goodwill | 173 | 643 |
| Software | 96 | 94 |
| Customer relationships | 5 | 5 |
| Other intangible assets | 16 | 27 |
| Work in progress | 7 | 10 |
| **Total intangible assets (incl. goodwill)** | **297** | **779** |

Work in progress represents acquired intangible fixed assets not yet put in use during the same reporting period, notably software.

### E.5.1. Goodwill

The following table shows the roll-forward of goodwill:

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

| | 2024 | 2023 |
|---|---|---|
| Balance as at 1 January | 643 | 579 |
| Additions resulting from business combinations (refer to B.2.2) | - | 60 |
| Disposals resulting from business combinations (refer to B.2.1) | (462) | - |
| Effect of movements in exchange rates | (8) | 4 |
| **Balance as at 31 December** | **173** | **643** |

Goodwill is allocated to individual CGUs as follows:

*In millions of EUR*

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| CETIN CZ | 173 | 173 |
| CETIN Hungary | - | 177 |
| CETIN Bulgaria | - | 104 |
| CETIN Serbia | - | 189 |
| **Total goodwill** | **173** | **643** |

The decrease of goodwill for CETIN Hungary, CETIN Bulgaria, and CETIN Serbia relates to the sale of these entities by the Parent Company in October 2024 (refer to B.2.1).

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 CETIN CZ carrying amounts being higher than their recoverable amounts.

The impairment test involves determining 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 CGU. CETIN CZ business represents an operating company in the Czech Republic and was identified as individual CGU for the purposes of the impairment testing.

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 the management as the most recent one at the time of the impairment test. Management believes that use of longer than usual 5 years forecast of future cashflows is sufficiently reliable as the Group has long-term contracts with Group's main customers (e.g., MSA and MOSA contracts). The medium-term forecast is based on the past experience as well as on future market trends. Further, the medium-term forecast is based on 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 value in use for CGU is 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 growth rate of 2.0% is used.

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 will be subject to regular reassessments and potential adjustments. The pre-tax discount rate of 8.0% is applied (2023: 7.9%).

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 the EBITDA of publicly traded peer companies for 2024. Additionally, the EV/Sales multiple is considered as well.

### E.5.2. 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 | Customer relation-ships | Other intangible assets | Work in progress | Total |
|---|---|---|---|---|---|
| Cost | 257 | 5 | 38 | 10 | 310 |
| Accumulated amortisation and impairment | (163) | - | (11) | - | (174) |
| **Carrying amount as at 1 January 2024** | **94** | **5** | **27** | **10** | **136** |
| Disposals resulting from business combination (refer to B.2.1) | (5) | - | (14) | - | (19) |
| Additions | 43 | - | 6 | 4 | 53 |
| Transfers | 5 | - | 2 | (7) | - |
| Amortisation charge (incl. discontinued operations) | (41) | - | (4) | - | (45) |
| Effects of movements in exchange rates | - | - | (1) | - | (1) |
| **Carrying amount as at 31 December 2024** | **96** | **5** | **16** | **7** | **124** |
| Cost | 280 | 5 | 20 | 7 | 312 |
| Accumulated amortisation and impairment losses | (184) | - | (4) | - | (188) |

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

| | Software | Customer relation-ships | Other intangible assets | Work in progress | Total |
|---|---|---|---|---|---|
| Cost | 227 | - | 33 | 9 | 269 |
| Accumulated amortisation and impairment | (134) | - | (7) | - | (141) |
| **Carrying amount as at 1 January 2023** | **93** | **-** | **26** | **9** | **128** |
| Additions resulting from business combination (refer to B.2.2) | 1 | 5 | - | - | 6 |
| Additions | 34 | - | 4 | 6 | 44 |
| Transfers | 5 | - | - | (5) | - |
| Amortisation charge (incl. discontinued operations) | (37) | - | (3) | - | (40) |
| Effects of movements in exchange rates | (2) | - | - | - | (2) |
| **Carrying amount as at 31 December 2023** | **94** | **5** | **27** | **10** | **136** |
| Cost | 257 | 5 | 38 | 10 | 310 |
| Accumulated amortisation and impairment losses | (163) | - | (11) | - | (174) |

## *E.6. Financial assets (excluding cash and cash equivalents)*

Financial assets, representing current trade and other receivables, comprise the following:

*In millions of EUR*

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Trade receivables | 140 | 142 |
| Accrued income | - | 52 |
| **Subtotal (gross) - current** | **140** | **194** |
| Individual allowances for impairment on trade and other receivables | (1) | (3) |
| **Subtotal (net) - current** | **139** | **191** |
| **Carrying amount trade and other receivables - total** | **139** | **191** |

## *E.7. Assets held for sale and liabilities directly associated with assets held for sale*

As at 31 December 2023, assets held for sale and liabilities directly associated with assets held for sale represented a retail part of the Nej.cz's assets and liabilities constituting together a business intended to be sold to O2 Czech Republic a.s. (for further details refer to B.2.2). The transaction was closed on 1 June 2024 and all these assets and associated liabilities were sold.

The following table shows the breakdown of assets held for sale and liabilities directly associated with the assets held for sale per captions of consolidated statement of financial position as at 31 December 2023:

*In millions of EUR*

| | 31 December 2023 |
|---|---|
| **Assets held for sale** | **175** |
| Goodwill* | 134 |
| Other intangible assets | 32 |
| Trade and other receivables | 4 |
| Property, plant and equipment | 3 |
| Cash and cash equivalents | 2 |
| **Liabilities directly associated with assets held for sale** | **11** |
| Deferred tax liabilities | 7 |
| Trade and other payables | 4 |

*The change in value of goodwill is affected by changes in the CZK/EUR translation FX rate between the acquisition date of 30 November 2023 and 31 December 2023 (refer to B.2.2).

As at 31 December 2023, the goodwill classified as held for sale was determined as a difference between the sale price for Nej.cz's retail part to be sold by CETIN CZ to O2 Czech Republic, a.s. amounting to EUR 166 million and the acquisition fair value of the related assets (excl. goodwill) and liabilities presented in the above table (refer also to B.2.2).

## *E.8. Other assets*

Other assets comprise the following:

*In millions of EUR*

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Deferred expenses and advances | 17 | 18 |
| Specific deposits and other specific receivables | - | 1 |
| **Non-current** | **17** | **19** |
| Deferred expenses and advances | 26 | 26 |
| Other tax receivables | 9 | 6 |
| **Current** | **35** | **32** |
| **Total other assets** | **52** | **51** |

## *E.9. Cash and cash equivalents*

As at 31 December 2024, cash and cash equivalents comprised current accounts at banks of EUR 49 million (2023: EUR 75 million).

No cash and cash equivalents were pledged either as at 31 December 2024 or 2023.

## *E.10. Liabilities due to non-banks*

In November 2023, the Group obtained a new loan from its direct parent company PPF Telecom Group B.V. amounting to EUR 123 million and a new loan from its minority shareholder GIC Private Limited ("GIC") amounting to EUR 52 million. The Group used the loan proceeds to fund the acquisition of Nej.cz (refer to B.2.2).

In October 2024, as a part of PPF Group N.V.'s internal pre-closing restructuring (refer to B.2.1) and the consolidation of 100% ownership of the Parent Company under PPF TMT Holdco 2 B.V., both above loans in full were re-assigned to this Parent Company's new immediate holding company, PPF TMT Holdco 2 B.V., and fully repaid. Thus, as at 31 December 2024, the total outstanding amount of these loans is nil (2023: EUR 175 million).

## *E.11. Liabilities due to banks*

In August 2021, the Parent Company became a party to a term and revolving facilities agreement with a syndicate of banks. The Parent Company 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 (in full) and term loans (partially). In December 2023, the Parent Company utilised EUR 197 million out of the 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).

In October 2024, as part of the sale of selected subsidiaries (refer to B.2.1), the loan facilities were repaid in total amount of EUR 445 million. The outstanding principal amounts of the loans as at 31 December 2024 were EUR 290 million (2023: EUR 511 million) for the term loan, EUR 417 million (2023: EUR 444 million) for the incremental loan and nil for the revolving loan (2023: EUR 197 million). The actual amount of outstanding loan liabilities stated in the consolidated 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. These loan facilities are unsecured.

As at 31 December 2024 and 31 December 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 loan facility | Incremental term loan facility |
|---|---|---|
| Repayable by | 2026 | 2026 |
| Margin rate over EURIBOR | 1.25% | 1.00% |
| Actual respective margin levels applicable | 1.25% | 1.00% |

## *E.12. Debt securities issued*

The debt securities issued balance represents an unsecured bond with the following parameters:

*In millions of EUR*

| | Date of issue | Maturity | Fixed rate | 31 December 2024 | 31 December 2023 |
|---|---|---|---|---|---|
| Bond (EUR 500 million) | 2022 | 2027 | 3.13% | 509 | 508 |

In April 2022, the Parent Company 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.

## *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 | 1 | 1 |
| Advances received | 2 | 1 |
| Contract liabilities | 54 | 59 |
| Other liabilities | 2 | 6 |
| **Non-current** | **59** | **67** |
| Settlements with suppliers | 221 | 279 |
| Wages and salaries | 19 | 16 |
| Contract liabilities | 10 | 15 |
| Social and health insurance | 7 | 6 |
| Accrued expense | 2 | 41 |
| Other tax payables | 1 | 3 |
| Other liabilities | 3 | - |
| Advances received | - | 166 |
| **Current** | **263** | **526** |
| **Total trade and other payables** | **322** | **593** |

In June 2024, the sale of retail's part of Nej.cz assets was closed with O2 Czech Republic a.s. and the advance received of EUR 166 million was settled against the transaction price (refer to B.2.2).

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

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

| | 2024 | 2023 |
|---|---|---|
| Balance as at 1 January | 74 | 71 |
| Additions resulting from business combinations (refer to B.2.2) | - | 6 |
| Disposals resulting from business combinations (refer to B.2.1) | (2) | - |
| Revenue recognised that was included in the contract liability balance at the beginning of the period | (14) | (14) |
| Increase due to cash received, excluding amounts recognised as revenue during the period | 8 | 12 |
| Effects of movements in exchange rates | (2) | (1) |
| **Balance as at 31 December** | **64** | **74** |

## *E.14. Provisions*

Provisions comprise the following:

*In millions of EUR*

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Fixed asset retirement obligation | 9 | 46 |
| Other provisions | 1 | - |
| **Non-current** | **10** | **46** |
| Other provisions | 2 | 6 |
| Provision for restructuring | - | 2 |
| **Current** | **2** | **8** |
| **Total provisions** | **12** | **54** |

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

| | Fixed asset retirement obligation | Provision for restructuring | Other | Total |
|---|---|---|---|---|
| Balance as at 1 January 2024 | **46** | **2** | **6** | **54** |
| Disposals resulting from business combinations (refer to B.2.1) | (32) | - | (10) | (42) |
| Provisions created during the year | 2 | 1 | 9 | 12 |
| Provisions used during the year | - | (1) | - | (1) |
| Provisions released during the year | (6) | - | (4) | (10) |
| Effect of movements in exchange rates | (1) | - | - | (1) |
| **Balance as at 31 December 2024** | **9** | **2** | **1** | **12** |
| Non-current | 9 | 1 | - | 10 |
| Current | - | 1 | 1 | 2 |

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

| | Fixed asset retirement obligation | Provision for restructuring | Other | Total |
|---|---|---|---|---|
| Balance as at 1 January 2023 | **31** | **2** | **4** | **37** |
| Provisions created during the year | 15 | 1 | 5 | 21 |
| Provisions used during the year | - | (1) | (3) | (4) |
| **Balance as at 31 December 2023** | **46** | **2** | **6** | **54** |
| Non-current | 46 | - | - | 46 |
| Current | - | 2 | 6 | 8 |

As at 31 December 2024, the Group recognised a provision for the estimated cost of dismantling and removing assets and restoring sites of EUR 9 million (2023: EUR 46 million). The amount of the provision is affected by the change in 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. The decrease in balance during the year ending 31 December 2024 relates to the discontinued operations in several countries (refer to B.2.1).

## *E.15. Issued capital, share premium*

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.

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Number of shares authorised | 375,000 | 375,000 |
| Number of shares issued, out of which fully paid | 375,000 | 375,000 |
| Par value per share | EUR 0.12 | EUR 0.12 |

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 amounted to EUR 368 million (2023: EUR 693 million). The share premium is freely distributable.

During 2024, the Parent Company paid dividends totalling EUR 1,838 million, i.e., EUR 4,901 per share (2023: EUR 143 million, i.e., EUR 381 per share).

## *E.16. Reserves*

### E.16.1. Other reserves

The other reserves represent other capital funds resulting from historical demergers and mergers involving the Parent Company or the subsidiaries. The other reserves are not available for distribution to shareholders.

### 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's 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.17. Non-controlling interests*

The following table summarises the information relating to TMT Hungary Infra that was a consolidated subgroup with a significant NCI, until it was sold by the Parent Company in October 2024 (refer to B.2.1):

*In millions of EUR*

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| **NCI percentage (effective ownership)** | **-%** | **25.00%** |
| Country of incorporation | Netherlands | Netherlands |
| Total assets | - | 512 |
| Total liabilities | - | (163) |
| Net assets | - | 349 |
| **Carrying amount of NCI** | **-** | **87** |
| **NCI percentage during the period (effective ownership)** | **25.00%*** | **25.00%** |
| Revenue | 146 | 176 |
| Profit | 55 | 59 |
| Other comprehensive income/(expense) | (18) | 13 |
| Total comprehensive income | 37 | 72 |
| Profit allocated to NCI | 14 | 15 |
| OCI allocated to NCI | (5) | 2 |
| **Dividends paid to NCI** | **9** | **3** |

*for the period from 1 January 2024 to 11 October 2024

## *E.18. Leases*

The Group recognises depreciation and interest expenses from lease relationship within the scope of IFRS 16 in which it acts as a lessee.

Total cash outflows for leases amounted to EUR 78 million for the year ended 31 December 2024 (2023: EUR 76 million).

### 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*

| | 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** | **334** | **4** | **26** | **6** | **370** |
| Disposals resulting from business combinations (refer to B.2.1) | (197) | (3) | (7) | - | (207) |
| Additions | 115 | - | 7 | 3 | 125 |
| Depreciation charge (incl. discontinued operations) | (56) | - | (5) | (3) | (64) |
| Effects of movements in exchange rates | (9) | - | (1) | - | (10) |
| **Balance as at 31 December 2024** | **187** | **1** | **20** | **6** | **214** |

*In millions of EUR*

| | 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** | **315** | **2** | **25** | **4** | **346** |
| Additions resulting from business combinations (refer to B.2.2) | 10 | 2 | - | 1 | 13 |
| Additions | 70 | - | 6 | 5 | 81 |
| Disposals | (2) | - | - | - | (2) |
| Depreciation charge (incl. discontinued operations) | (57) | - | (5) | (4) | (66) |
| Effects of movements in exchange rates | (2) | - | - | - | (2) |
| **Balance as at 31 December 2023** | **334** | **4** | **26** | **6** | **370** |

## *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 | Lease liabilities | Liabilities due to non-banks | Total |
|---|---|---|---|---|---|
| **Balance as at 1 January 2024** | **508** | **1,151** | **380** | **175** | **2,214** |
| Changes from financing cash flows: | | | | | |
| Repayment of liabilities due to banks | - | (445) | - | - | (445) |
| Repayment of liabilities due to non-banks | - | - | - | (175) | (175) |
| Repayment of principal portion of lease liability | - | - | (60) | - | (60) |
| Interest paid | (16) | (54) | (18) | (8) | (96) |
| **Total changes from financing cash flows** | **(16)** | **(449)** | **(78)** | **(183)** | **(776)** |
| Disposals resulting from business combinations (refer to B.2.1) | - | - | (204) | - | (204) |
| Effect of changes in foreign exchange rates and other non-cash movements | - | 1 | (9) | - | (8) |
| New leases | - | - | 122 | - | 122 |
| Interest expense (incl. discontinued operations) | 17 | 54 | 18 | 8 | 97 |
| **Balance as at 31 December 2024** | **509** | **707** | **229** | **-** | **1,445** |

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

| | Debt securities issued | Liabilities due to banks | Lease liabilities | Liabilities due to non-banks | Total |
|---|---|---|---|---|---|
| **Balance as at 1 January 2023** | **709** | **950** | **354** | **-** | **2,013** |
| Changes from financing cash flows: | | | | | |
| Proceeds from liabilities due to banks | - | 197 | - | - | 197 |
| Proceeds from liabilities due to non-banks | - | - | - | 175 | 175 |
| Repayments of debt securities | (203) | - | - | | (203) |
| Repayment of principal portion of lease liability | - | - | (60) | - | (60) |
| Interest paid | (18) | (40) | (15) | (1) | (74) |
| **Total changes from financing cash flows** | **(221)** | **157** | **(75)** | **174** | **35** |
| Additions resulting from business combinations (refer to B.2.2) | - | - | 13 | - | 13 |
| Effect of changes in foreign exchange rates | 1 | - | (2) | - | (1) |
| New leases | - | - | 75 | - | 75 |
| Interest expense (incl. discontinued operations) | 19 | 44 | 15 | 1 | 79 |
| **Balance as at 31 December 2023** | **508** | **1,151** | **380** | **175** | **2,214** |

## *E.20. Off-balance sheet items*

### E.20.1. Commitments

*In millions of EUR*

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Capital expenditure commitments – PPE | 72 | 177 |
| Capital expenditure commitments – intangible assets | 3 | 9 |
| Provided guarantees | 2 | 4 |
| **Total commitments and contingent liabilities** | **77** | **190** |

In 2024, the decrease in capital expenditure commitments for PPE mostly relates to the already realised development of networks with more advanced technologies by CETIN CZ.

### E.20.2. Off-balance sheet assets

As at 31 December 2024, the Group does not hold any off-balance sheet assets (31 December 2023: EUR 6 million).

### E.20.3. Guarantees

One of the legal consequences of the voluntary spin-off of infrastructure assets of O2 Czech Republic a.s. (“O2 CZ”) into CETIN CZ in 2015 was the creation of a statutory cross guarantee (the “Cross Guarantee”), whereby CETIN CZ guarantee the monetary and non-monetary debts of O2 CZ. The Cross Guarantee was initially up to the amount of CZK 46.9 billion. The Cross Guarantee is not limited in time and may be exercised at any time until all guaranteed debts have ceased to exist. Should O2 CZ fail to pay their monetary debts or perform its non-monetary debts, creditors may claim under the Cross Guarantee.

### E.20.4. Regulatory inspection

In June 2024, a local competition authority carried out an unannounced on-site inspection at one of the Group's subsidiaries. A preliminary investigation, the purpose of which is to assess whether there are grounds to open formal proceedings, is still ongoing. Formal proceedings have not yet been initiated. The relevant subsidiary is of the opinion that there are no grounds for opening of any formal proceedings and that such a form of inspection was inappropriate. Therefore, a formal objection has been filed.

## *E.21. Related parties*

The Group has related party relationships with PPF Group N.V., PPF TMT Holdco 1 B.V., PPF TMT Holdco 2 B.V. (as the indirect or direct parent companies), until October 2024 also with PPF Telecom Group B.V. (as a direct parent company) and GIC Private Limited ("GIC") (as a minority shareholder), and fellow subsidiaries. The ultimate parent of CETIN Group N.V. is AMALAR HOLDING s.r.o. Beside the transactions listed in section B, other significant ones are disclosed below.

### E.21.1. Transactions with shareholders

In 2023, the Group was provided shareholder loans from both its shareholders totalling EUR 175 million as at 31 December 2023 for financing of Nej.cz acquisition (refer to B.2.2). As at 31 December 2024, the loans were fully repaid, refer to E.10. Related interest expense for the year ended 31 December 2024 was EUR 8 million (2023: EUR 1 million).

### 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 PPF Group N.V.):

*In millions of EUR*

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Trade and other receivables | 122 | 107 |
| Cash and cash equivalents | 44 | 38 |
| Right-of-use assets (IFRS 16) | 1 | 1 |
| Contract liabilities | (9) | (12) |
| Trade and other payables | (6) | (5) |
| Debt securities issued | (3) | (4) |
| Lease liabilities (IFRS 16) | (1) | (1) |
| Advances received for the sale of part of the business* | - | (166) |

*The balance as at 31 December 2023 represents an advance received from O2 Czech Republic a.s. relating to Nej.cz acquisition (refer to B.2.2).

During the year, the Group realised 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 | 950 | 871 |
| Interest income | 1 | 2 |
| Other operating expenses | (33) | (36) |

The most significant contracts are mobile network services agreements (MSA) and management and operational services agreements (MOSA), concluded with the Group's fellow commercial retail telecommunication entities from PPF Group. The main substance of the MSA agreements is that the Group owns and operates the mobile network and, using this network, it provides wholesale telecommunication services to the fellow commercial retail telecommunication entities. This enables the respective commercial retail telecommunication entity to provide telecommunication services to end customers (and generate revenue). The MSA agreements include various types of specialised services, including radio access network (RAN) design services (includes planning, operating, maintenance and optimisation), transport services, core network service and value-added technology services. Under MOSA agreements, the Group provides these commercial retail telecommunication entities with networking, security, and IT services.

Revenue generated from these agreements is disclosed in detail in section D and note E.1.1. Total fee consists of base fee and additional fee annually increased by expected and incrementally ordered projects and network capacity. In 2021, the Group concluded with its customers the amendments to the MSA agreements prolonging the contracts till 31 December 2051. Under the new conditions, the annual base fee for the period until 2031 totals EUR 204 million a year, which will be further adjusted for the inflation.

### 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 Company and its subsidiaries.

For the year ended 31 December 2024, the key management personnel were provided with benefits totalling EUR 5.0 million (2023: EUR 4.1 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 2.5 million (2023: EUR 1.3 million).

No loans were provided to the 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 | 25.19 | 24.72 |
| CZK/EUR yearly average rate | 25.12 | 24.00 |
| HUF/EUR spot rate | - | 382.80 |
| HUF/EUR yearly average rate* | 392.06 | 381.85 |
| BGN/EUR spot rate | - | 1.96 |
| BGN/EUR yearly average rate* | 1.96 | 1.96 |
| RSD/EUR spot rate | - | 117.17 |
| RSD/EUR yearly average rate* | 117.11 | 117.25 |

*In 2024, for the period from 1 January 2024 until 11 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.

Foreign currency differences are recognised in other comprehensive income and presented in the foreign currency translation reserve (translation reserve) in equity. However, if the foreign operation is a non-wholly owned subsidiary, the relevant proportion of the translation difference is allocated to the non-controlling interests.

### 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 individually in 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 AC*

Financial assets at AC comprise cash and cash equivalents, receivables due from banks, trade receivables 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.1.2.4. Trade receivables*

The transit (telecommunications) amounts receivable from and payable to other domestic and foreign operators 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. Impairment

*F.1.4.1. 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;
- loan commitments and financial guarantee contracts issued.

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 2$^{nd}$ 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 Moody's, the external credit rating of the counterparty decreases to risk grade (Caa1-C rating) or below.

*F.1.4.2. Non-financial assets*

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (tangible assets, intangible assets including goodwill) to determine any indication of impairment. If such an indication exists, then the asset's recoverable amount is estimated. Goodwill is tested for impairment semi-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, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### F.1.5. 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.1.6. Assets held for sale

Non-current assets (or disposal groups comprising assets and liabilities) expected to be primarily recovered 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.1.7. 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 56 years |
| Ducts and cables | up to 45 years |
| Telecommunication technology and equipment | up to 35 years |
| Other tangible assets and equipment | up to 11 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.1.8. Intangible assets

*F.1.8.1. 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.1.8.2. Other intangible assets*

Intangible assets of the Group include computer software, 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 3 to 9 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 15 years.

Other intangible assets are amortized up to 36 years.

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

## F.1.9. 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 income except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

*F.1.9.1. 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.1.9.2. 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 for unused tax losses, unused tax credits and deductible temporary differences 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.1.9.3. 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.1.10. Equity

#### *F.1.10.1. 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.1.11. 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.1.12. Revenue and expenses

Revenue, shown net of Value Added Tax and any discounts, and after eliminating sales within the Group, comprises goods sold and services provided. Revenues are measured at their fair value of the consideration received or receivable. If necessary, revenue is split into separately identifiable components.

Revenue from mobile services includes, in particular, revenue from provision of a service of coverage of mobile signal for business operating entities owned by PPF Telecom Group B.V. These are long-term contracts. The service is provided on continuous basis and is regularly invoiced in the form of a service fee. The revenue is recognised over the time and is included in domestic revenue (refer to E.1).

Revenue from fixed broadband services represents revenue from provided access to the public fixed communications network (Internet, television lines and fixed phone lines). The service is provided and invoiced on continuous basis. The revenue is calculated as a price for the network line and the number of lines provided. The revenue is recognised over the time and is included in domestic revenue (refer to E.1).

Other fixed and domestic service revenues include but are not limited to revenues from data services, which represents a fee for access to end points of the existing telecommunication network (the revenue is calculated as a price for the network line and the number of lines provided), revenues from the granting of the entitlement to use the spare capacity of the optical fibre (dark fibre); the revenues are accrued 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. These revenues are included in domestic revenue (refer to E.1).

Revenue from transit represents the service of routing and termination of mostly international voice traffic of international operators utilising the points of presence outside of the Czech Republic and Bulgaria. The revenue is calculated by valuation of the incoming and outcoming minutes based on the measurement of the monthly traffic. The revenue is recognised over the time and is included in international transit revenues (refer to E.1).

The Group accounts for the financing component – interest if the payment and delivery of the goods/services do not occur at the same time or, more precisely with a difference of up to 1 year. This way the Group reflects the time value of money. The Group will receive the payment ahead of the performance of the service. The Group recognises the financing component (interest expense) on monthly basis. It is an accounting adjustment which increases the straight-line revenues from the service provided while accounting for the interest expense for the financing of the Group by the recipient of the service.

### F.1.13. 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 provision 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*

*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 2023 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. Nordic Telecom*

In January 2025, the Group, through its subsidiary CETIN CZ, entered into an agreement with O2 Czech Republic a.s. for an acquisition of a part of assets, specifically physical telecommunications infrastructure, of Nordic Telecom Regional s.r.o. (a subsidiary of O2 Czech Republic a.s.). The transaction is expected to be closed in the first half of 2025. The purchase price will be settled in cash. It amounts approximately to EUR 33 million (subject to closing adjustments) and will be financed by a capital injection from the Parent’s immediate holding company PPF TMT Holdco 2 B.V.

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

# CETIN Group N.V.

*Separate financial statements for the year ended 31 December 2024*

# Contents

## Statement of financial position

(before appropriation)

*In millions of EUR*

| | Note | 31 December 2024 | 31 December 2023 |
|---|---|---|---|
| **ASSETS** | | | |
| Investment in subsidiaries | 5 | 672 | 1,687 |
| Loan receivable | 6 | 821 | 996 |
| **Non-current assets** | | **1,493** | **2,683** |
| Cash and cash equivalents | 7 | 30 | 5 |
| Loan receivable | 6 | 177 | 3 |
| **Current assets** | | **207** | **8** |
| **TOTAL ASSETS** | | **1,700** | **2,691** |
| **LIABILITIES** | | | |
| Due to banks | 8 | 705 | 1,147 |
| Debt securities issued | 9 | 498 | 496 |
| Due to non-banks | 10 | - | 175 |
| **Non-current liabilities** | | **1,203** | **1,818** |
| Due to banks | 8 | 2 | 4 |
| Debt securities issued | 9 | 11 | 11 |
| Other liabilities | | 2 | - |
| **Current liabilities** | | **15** | **15** |
| **TOTAL LIABILITIES** | | **1,218** | **1,833** |
| Issued capital* | 12.1 | - | - |
| Share premium | 12.2 | 413 | 738 |
| Unappropriated result | | (11) | 108 |
| Retained earnings | | 80 | 12 |
| **Total equity** | | **482** | **858** |
| **TOTAL LIABILITIES AND EQUITY** | | **1,700** | **2,691** |

**Issued capital is EUR 45,000*

## Statement of profit or loss and other comprehensive income

*In millions of EUR*

| | Note | 2024 | 2023 |
|---|---|---|---|
| Gain on sale of investments | 5 | 1,697 | - |
| Dividend income | 13 | 125 | 143 |
| Interest income | | 52 | 32 |
| **Total operating income** | | **1,874** | **175** |
| Operating expenses | 14 | 8 | 4 |
| Finance costs | 15 | 79 | 62 |
| Foreign exchange loss | | - | 1 |
| **Total operating expenses** | | **87** | **67** |
| **PROFIT BEFORE TAX** | | **1,787** | **108** |
| Income tax expense | 17 | - | - |
| **NET PROFIT FOR THE PERIOD** | | **1,787** | **108** |
| Other comprehensive income for the period | | - | - |
| **TOTAL COMPREHENSIVE INCOME FOR THE PERIOD** | | **1,787** | **108** |

# Statement of changes in equity

*In millions of EUR*

| | Issued capital* | Share premium | Unappropri-ated result | Retained earnings | Total |
|---|---|---|---|---|---|
| **Balance at 1 January 2024** | **-** | **738** | **108** | **12** | **858** |
| Contributions for the year | - | 175 | | - | 175 |
| Distributions for the year | - | (500) | | - | (500) |
| Dividends paid | - | - | (1,798) | (40) | (1,838) |
| ***Total comprehensive income*** | | | | | |
| Profit appropriation | - | - | (108) | 108 | - |
| Net profit for the year | - | - | 1,787 | - | 1,787 |
| **Balance at 31 December 2024** | **-** | **413** | **(11)** | **80** | **482** |

**Issued capital is EUR 45 thousand*

*In millions of EUR*

| | Issued capital* | Share premium | Unappropri-ated result | Retained earnings | Total |
|---|---|---|---|---|---|
| **Balance at 1 January 2023** | **-** | **738** | **111** | **44** | **893** |
| Dividends paid | - | - | - | (143) | (143) |
| ***Total comprehensive income*** | | | | | |
| Profit appropriation | - | - | (111) | 111 | - |
| Net profit for the year | - | - | 108 | - | 108 |
| **Balance at 31 December 2023** | **-** | **738** | **108** | **12** | **858** |

**Issued capital is EUR 45 thousand*

## Statement of cash flows

*In millions of EUR*

| | Note | 2024 | 2023 |
|---|---|---|---|
| Profit before tax | | 1,787 | 108 |
| Adjustments for: | | | |
| Dividend income | 13 | (125) | (143) |
| Withholding tax on dividend income | | 1 | 2 |
| Gain on sale of investment | | (1,697) | - |
| Interest expense (net) | | 27 | 29 |
| Losses on derivatives revaluation and currency translations (net) | | - | 1 |
| **Net operating cash flows before changes in working capital** | | **(7)** | **(3)** |
| Change in other receivables and payables | | 3 | - |
| **Cash flows used in the operations** | | **(4)** | **(3)** |
| Proceeds from sale of investments | 5 | 2,712 | - |
| Dividend received | | 124 | 141 |
| Loans provided to a subsidiary | 6 | - | (372) |
| Interest received | | 54 | 30 |
| **Cash flows from/(used in) investing activities** | | **2,890** | **(201)** |
| Utilisation of loans from banks (net of fees) | 8 | - | 197 |
| Repayment of loans from banks (net of fees) | 8 | (445) | - |
| Proceeds from due to non-banks | 10 | - | 175 |
| Repayment of loans from non-banks | 10 | (175) | - |
| Interest paid | 11 | (78) | (56) |
| Proceeds from share premium contribution | | 175 | - |
| Distribution of share premium | | (500) | - |
| Dividends paid | | (1,838) | (143) |
| **Cash flows from/(used in) financing activities** | | **(2,861)** | **173** |
| **Change in cash and cash equivalents** | | **25** | **(31)** |
| Cash and cash equivalents at beginning of year | 7 | 5 | 37 |
| Effect of exchange rate changes on cash and cash equivalents | | - | (1) |
| **Cash and cash equivalents at end of year** | 7 | **30** | **5** |

# NOTES TO THE FINANCIAL STATEMENTS

## 1 General information

CETIN Group N.V. (herinafter the "Company"), incorporated as a limited liability company (initially named CETIN Group B.V.) and converted to public limited liability company and renamed on 3 September 2021 is domiciled in the Netherlands since its incorporation of 23 January 2016. The Company is a 100% owned subsidiary of PPF TMT Holdco 2 B.V. Until October 2024, the direct parent of the Company was PPF Telecom Group B.V. The ultimate controlling party of the Company is Mrs Renáta Kellnerová.

As at 31 December 2024 the Company's board of directors had the following composition:

| | |
|---|---|
| Jan Cornelis Jansen | Director |
| Lubomír Král | Director |
| Ion Diaconu | 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 CETIN Group N.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. 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 and loans receivable from the subsidiaries. Refer to Notes 4.6, 5 and 6 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 might 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 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 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 is the risk of impairment due to adverse economic conditions, movements in foreign exchange rates and liquidity risks given the development 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 with the provision of loans to related parties. The remaining part of the Company's exposures to credit risk is related to 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 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*

| | 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 % | 30 | - | - | - | 30 |
| Loan receivable | 4.4 % | 998 | - | - | - | 998 |
| **Total interest-bearing financial assets** | | **1,028** | **-** | **-** | **-** | **1,028** |
| Due to banks | 4.0 % | 707 | - | - | - | 707 |
| Debt securities issued | 3.1 % | - | 11 | - | 498 | 509 |
| **Total interest-bearing financial liabilities** | | **707** | **11** | **-** | **498** | **1,216** |
| | | | | | | |
| **Net position 2024** | | **321** | **(11)** | **-** | **(498)** | **(188)** |

*In millions of EUR, as at 31 December*

| | 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 | 2.5 % | 5 | - | - | - | 5 |
| Loan receivable | 5.4 % | 999 | - | - | - | 999 |
| **Total interest-bearing financial assets** | | **1,004** | **-** | **-** | **-** | **1,004** |
| Due to banks | 5.0 % | 1,151 | - | - | - | 1,151 |
| Debt securities issued | 3.1 % | - | 11 | - | 496 | 507 |
| Due to non-banks | 5.4 % | 175 | - | - | - | 175 |
| **Total interest-bearing financial liabilities** | | **1,326** | **11** | **-** | **496** | **1,833** |
| | | | | | | |
| **Net position 2023** | | **(322)** | **(11)** | **-** | **(496)** | **(829)** |

## 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 |
|---|---|---|---|---|---|
| Cash and cash equivalents | 30 | - | - | - | 30 |
| Loan receivable | 2 | 175 | 821 | - | 998 |
| **Total financial assets** | **32** | **175** | **821** | **-** | **1,028** |
| Due to banks | 2 | - | 705 | - | 707 |
| Debt securities issued | - | 11 | - | 498 | 509 |
| **Total financial liabilities** | **2** | **11** | **705** | **498** | **1,216** |
| | | | | | |
| **Net position 2024** | **30** | **164** | **116** | **(498)** | **(188)** |

*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 |
|---|---|---|---|---|---|
| Cash and cash equivalents | 5 | - | - | - | 5 |
| Loan receivable | 3 | - | 175 | 821 | 999 |
| **Total financial assets** | **8** | **-** | **175** | **821** | **1,004** |
| Due to banks | 4 | - | - | 1,147 | 1,151 |
| Debt securities issued | - | 11 | - | 496 | 507 |
| Due to non-banks | - | - | 123 | 52 | 175 |
| **Total financial liabilities** | **4** | **11** | **123** | **1,695** | **1,833** |
| | | | | | |
| **Net position 2023** | **4** | **(11)** | **52** | **(874)** | **(829)** |

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 | 7 | 21 | 731 | - | 759 |
| Debt securities issued | - | 15 | 16 | 516 | 547 |
| **Total financial liabilities** | **7** | **36** | **747** | **516** | **1,306** |

*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 | 15 | 44 | 58 | 1,199 | 1,316 |
| Debt securities issued | - | 16 | 15 | 531 | 562 |
| Due to non-banks | 3 | 7 | 127 | 56 | 193 |
| **Total financial liabilities** | **18** | **67** | **200** | **1,786** | **2,071** |

## 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.

The Company has only a small CZK cash balance of approx. EUR 50 thousand (in both periods).

*In millions of EUR, as at 31 December 2024*

| | EUR | CZK | Total |
|---|---|---|---|
| Cash and cash equivalents | 30 | - | 30 |
| Loans receivable | 998 | - | 998 |
| **Total financial assets** | **1,028** | **-** | **1,028** |
| Due to banks | 707 | - | 707 |
| Debt securities issued | 509 | - | 509 |
| Trade and other payables | 2 | - | 2 |
| **Total financial liabilities** | **1,218** | **-** | **1,218** |
| | | | |
| **Net position 2024** | **(190)** | **-** | **(190)** |

*In millions of EUR, as at 31 December 2023*

| | EUR | CZK | Total |
|---|---|---|---|
| Cash and cash equivalents | 5 | - | 5 |
| Loans receivable | 999 | - | 999 |
| **Total financial assets** | **1,004** | **-** | **1,004** |
| Due to banks | 1,151 | - | 1,151 |
| Debt securities issued | 507 | - | 507 |
| Due to non-banks | 175 | - | 175 |
| **Total financial liabilities** | **1,833** | **-** | **1,833** |
| | | | |
| **Net position 2023** | **(829)** | **-** | **(829)** |

## 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 applicable financial covenants attached to the interest-bearing loans and borrowings.

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 Company's fair-value estimates for its financial assets and liabilities are not materially different from their carrying values except for debt securities issued. The fair value of issued bonds is EUR 0.1 million lower (2023: EUR 15 million lower) than its carrying amount (2024: EUR 508 million, 2023: EUR 507 million).

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 Investment in subsidiaries

*In millions of EUR*

| | Domicile | Share | 31 December 2024 | Share | 31 December 2023 |
|---|---|---|---|---|---|
| CETIN a.s. | Czech Republic | 100% | 672 | 100% | 672 |
| TMT Hungary Infra B.V. | Netherlands | - | - | 75% | 367 |
| CETIN Bulgaria EAD | Bulgaria | - | - | 100% | 304 |
| CETIN d.o.o. Beograd-Novi Beograd | Serbia | - | - | 100% | 344 |
| CETIN Finco B.V. | Netherlands | 100% | - | 100% | - |
| **Total** | | | **672** | | **1,687** |

In 2023, there were no movements of investment in subsidiaries. In October 2024, the Company sold its investments in TMT Hungary Infra B.V. (an entity holding Hungarian CETIN), CETIN Bulgaria EAD and CETIN d.o.o. Beograd-Novi Beograd to CETIN International B.V., an affiliated entity. The individual sale prices amounted to EUR 748 million, EUR 1,239 million and EUR 725 million. The gain on sale of all investment is part of operating income.

There were no triggers for impairment during 2024 and 2023.

## 6 Loan receivable

In December 2021, the Company (as lender) and its subsidiary CETIN a.s. (as borrower) entered into an intra-group loan framework agreement under which CETIN a.s. utilised unsecured term loan amounting to EUR 625 million in aggregate. This loan is denominated in EUR, bears floating interest rate and is repayable in 2026.

In November 2023, the Company and its subsidiary CETIN a.s. entered into an intra-group loan agreement under which CETIN a.s. utilised an unsecured term loan amounting to EUR 175 million. This loan is denominated in EUR, bears floating interest rate and is repayable in 2025.

In December 2023, the Company and its subsidiary CETIN a.s. entered into an intra-group loan agreement under which CETIN a.s. utilised an unsecured term loan amounting to EUR 197 million. This loan is denominated in EUR, bears floating interest rate and is repayable in 2026.

As of 31 December 2024 and 2023, the gross principal balance of the intra-group loan amounted to EUR 997 million. In 2024, the Company recognised an expected probability-weighted estimate of credit losses relating to the intra-group loan receivable amounting to EUR 1 million (2023: 1 million). In 2024, almost all interest income presented in the income statement related to these intra-group loan, EUR 1 million was attributable to bank accounts (2023: EUR 1 million).

## 7 Cash and cash equivalents

All current accounts balances are EUR denominated, payable on demand and held by affiliated bank (a related party). Cash and cash equivalents are freely distributable.

## 8 Due to banks

Liabilities due to banks comprise the following:

*In millions of EUR*

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Unsecured loans – non-current | 705 | 1,147 |
| Unsecured loans – current | 2 | 4 |
| **Total loans due to banks** | **707** | **1,151** |

In August 2021, the Company became a party to a term and revolving facilities agreement with a syndicate of banks. The Company then utilised bridge, term, and incremental term loan facilities amounting to EUR 1,450 million in aggregate. In April 2022, the Company issued senior notes with the total nominal amount of EUR 500 million and used the proceeds to prepay the bridge (in full) and term loans (partially). In December 2023, the Company utilised EUR 197 million of EUR 200 million committed revolving facility that was on-lent to CETIN a.s. to substitute its external debt. In October 2024, in connection to the sale of CETIN subsidiaries certain part of external facilities were repaid.

The outstanding principal amounts of the loans as at 31 December 2024 were EUR 290 million (2023: EUR 511 million) for the term loan and EUR 417 million (2023: EUR 444 million) for the incremental term loan. The revolving facility (2023: EUR 197 million) was fully repaid. 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. These loan facilities are unsecured.

As at 31 December 2024, the Company complied with the financial covenants imposed by its loan facilities. These loan facilities are unsecured.

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

*In millions of EUR*

| | Term loan facility | Incremental term loan facility |
|---|---|---|
| Repayable by | 2026 | 2026 |
| Margin rate over EURIBOR | 1.25% | 1.00% |
| Actual respective margin levels applicable | 1.25% | 1.00% |

## 9 Debt securities issued

Debt securities issued comprise the following:

*In millions of EUR*

| | Date of issue | Maturity | Fixed rate | 31 December 2024 | 31 December 2023 |
|---|---|---|---|---|---|
| Unsecured bond (EUR 500 million) | April 2022 | 2027 | 3.13% | 509 | 507 |
| **Total debt securities issued** | | | | **509** | **507** |

## 10 Due to non-banks

In November 2023, the Company obtained a new loan from its former direct parent totalling EUR 123 million and a former minority shareholder totalling EUR 52 million. The proceeds from the loans were on-lent to CETIN a.s. to fund its recent acquisition. Both loans were denominated in EUR. The former parent loan bearing floating interest with initial maturity in 2025 was assumed by PPF TMT Holdco 2 B.V. (the new direct parent) in October 2024 and subsequently repaid in November 2024. The other loan bearing floating interest with initial maturity in 2027 was repaid in November 2024.

# 11 Reconciliation of movements of liabilities to cash flows arising from financing activities

| *In million of EUR* | Due to banks | Debt securities issued | Due to non-banks | Share capital | Share premium | Total |
|---|---|---|---|---|---|---|
| **Balance as at 1 January 2024** | **1,151** | **507** | **175** | **-** | **738** | **2,571** |
| Share premium increase | - | - | - | - | 175 | 175 |
| Share premium decrease | - | - | | - | (500) | (500) |
| Interest paid | (54) | (16) | (8) | - | - | (78) |
| Loan repayment | (445) | - | (175) | - | - | (620) |
| **Changes from financing cash flows** | **(499)** | **(16)** | **(183)** | **-** | **(325)** | **(1,023)** |
| Other changes | | | | | | |
| Interest expense | 54 | 17 | 8 | - | - | 79 |
| **Total other changes** | **54** | **17** | **8** | **-** | **-** | **79** |
| **Balance as at 31 December 2024** | **706** | **508** | **-** | **-** | **413** | **1,627** |

| *In million of EUR* | Due to banks | Debt securities issued | Due to non-banks | Share capital | Share premium | Total |
|---|---|---|---|---|---|---|
| **Balance as at 1 January 2023** | **950** | **507** | **-** | **-** | **738** | **2,195** |
| Loan drawdown | 197 | - | 175 | - | - | 372 |
| Interest paid | (40) | (16) | (1) | - | - | (57) |
| **Changes from financing cash flows** | **157** | **(16)** | **174** | **-** | **-** | **315** |
| Other changes | | | | | | |
| Interest expense | 44 | 16 | 1 | - | - | 61 |
| **Total other changes** | **44** | **16** | **1** | **-** | **-** | **61** |
| **Balance as at 31 December 2023** | **1,151** | **507** | **175** | **-** | **738** | **2,571** |

# 12 Equity

## 12.1 Share capital

*In EUR*

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Authorised capital | 45,000 | 45,000 |
| Issued and fully paid up | 45,000 | 45,000 |
| Nominal value per share | 0.12 | 0.12 |

The Company's share capital is registered and issued in Euro. All shares rank equally with regards to the Company's residual assets. The holder of ordinary shares is entitled to receive dividends as declared from time to time and is entitled to one vote per share at meetings of the Company.

Number of shares authorised, issued and fully paid is 375 thousand in both periods. All shares rank equally with regard to the Company's residual assets. The holder of ordinary shares is entitled to receive dividends as declared from time to time and is entitled to one vote per share at meetings of the Company.

## 12.2 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.

## 12.3 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 lower than the consolidated result by EUR 174 million as disclosed below (2023: lower by EUR 62 million), calculated as a difference between the Company's 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* | | | | | | | *out of which:* | |
|---|---|---|---|---|---|---|---|---|
| | Share capital | Share premium | Translation reserve | Other reserves | Retained earnings incl. unappropriated profit | **Total equity** | Net profit for the period | Total comprehensive income |
| Individual balance as at 31 December 2024 | **-** | **413** | **-** | **-** | **69** | **482** | **1,787** | **1,787** |
| Adjustment for: | | | | | | | | |
| Historical to year-end FX rate | - | (45) | - | - | - | (45) | - | - |
| Dividend income | - | - | - | - | (125) | (125) | (125) | (125) |
| Difference between individual and consolidated gain on sale of subsidiaries | - | - | - | - | 88 | 88 | 88 | 88 |
| Net result of subsidiaries in 2024 | - | - | - | - | 211 | 211 | 211 | 211 |
| Reserves related to subsidiaries | - | - | 40 | 115 | 52 | 207 | - | 62 |
| **Consolidated balance as at 31 December 2024*** | **-** | **368** | **40** | **115** | **295** | **818** | **1,961** | **2,023** |

*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 capital | Share premium | Translation reserve | Other reserves | Retained earnings incl. unappropriated profit | **Total equity** | *out of which:* Net profit for the period | Total comprehensive income |
|---|---|---|---|---|---|---|---|---|
| Individual balance as at 31 December 2023 | **-** | **738** | **-** | **-** | **120** | **858** | **108** | **108** |
| Adjustment for: | | | | | | | | |
| Historical to year-end FX rate | - | (45) | - | - | - | (45) | - | - |
| Dividend income | - | - | - | - | (143) | (143) | (143) | (143) |
| Net result of subsidiaries in 2023 | - | - | - | - | 205 | 205 | 205 | 205 |
| Reserves related to subsidiaries | - | - | (22) | 115 | (10) | 83 | - | (13) |
| **Consolidated balance as at 31 December 2023*** | **-** | **693** | **(22)** | **115** | **172** | **958** | **170** | **157** |

*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.

## 13 Dividend income

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

| | 2024 | 2023 |
|---|---|---|
| CETIN a.s. | 28 | 46 |
| TMT Hungary Infra B.V. | 27 | 10 |
| CETIN Bulgaria EAD | 52 | 51 |
| CETIN d.o.o. Beograd-Novi Beograd | 18 | 36 |
| **Total dividend income** | **125** | **143** |

## 14 Operating expenses

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

| | 2024 | 2023 |
|---|---|---|
| Professional expenses | 2 | 3 |
| Financial expenses | 6 | 1 |
| **Total operating expenses** | **8** | **4** |

Professional expenses represent namely professional, legal and accounting services. A part of the expenses was charged by PPF Group N.V. (consulting: EUR 65 thousand, in 2023 EUR 116 thousand, rental: EUR nil, in 2023 EUR 15 thousand).

## 15 Finance costs

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

| | 2024 | 2023 |
|---|---|---|
| Interest expense | 75 | 59 |
| Amortised origination fees | 4 | 3 |
| **Total finance costs** | **79** | **62** |

## 16 Audit fee

The Company incurred expenses for the following fees for services provided by KPMG Accountants N.V., 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 | 315 | 292 |
| Other audit engagements | 157 | 203 |
| **Total audit fee** | **472** | **495** |

## 17 Income tax

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

| | 2024 | 2023 |
|---|---|---|
| Profit before tax | 1,787 | 108 |
| Non-taxable dividend | (125) | (143) |
| Non-deductible interest due to ATAD rules | 32 | - |
| Non deductible costs | 1 | 32 |
| Non-taxable income | (1,697) | - |
| **Profit / (Loss) taxable** | **(2)** | **(3)** |
| 19% up to TEUR 200 – (2023) | - | - |
| 19% up to TEUR 200 – (2024) | - | - |
| 25.8% over amounts above TEUR 200 – (2023) | - | - |
| 25.8% over amounts above TEUR 200 – (2024) | - | - |
| **Income tax expense** | **-** | **-** |

Unutilised tax losses for a total amount of EUR 30 million (2023: EUR 28 million) are not recognised as its future utilisation is uncertain.

## 18 Employees and directors

During the reporting period the Company did not employ any personnel. As of 31 December 2024 and 2023 the Company had seven directors. In 2024, the directors of the Company received remuneration of EUR 100 thousand (2023: EUR 100 thousand).

## 19 Related parties

The Company has a related party relationship with its direct shareholders, subsidiaries and affiliates (PPF banka a.s.). 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.

## 20 Events after the reporting period

There are no events after the reporting period.

## 21 Profit appropriation for 2024

In 2024, the Company distributed dividend to its shareholder in total amount of EUR 1,838 million, i.e. EUR 4.9 per share (2023: EUR 143 million, i.e. EUR 0.38 per share), whereof an amount of EUR 1,798 million was distributed from the current year result and EUR 40 million was withdrawn from undistributed retained earnings.

## 22 Confirmation

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

10 March 2025

The board of directors:

Jan Cornelis Jansen
*Member of the board of directors*

Ion Diaconu
*Member of the board of directors*

Lubomír Král
*Member of the board of directors*

# Other information

## Profit appropriation

The allocation of profits accrued in a financial year shall be determined by the General Meeting of the Company. 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 may resolve to make interim dividends and/or to make (interim) distributions at the expense of any distributable 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 an operating office in the Netherlands. 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 Board of Directors of CETIN Group N.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 CETIN Group N.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 CETIN Group N.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 CETIN Group N.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).

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 27 million
- Based on Total assets (0,92% of 2.931 million)

***Company financial statements***

- Materiality of EUR 15 million
- Based on Total assets (0,9% of 1.700 million)

**Group audit**

- Performed substantive procedures for 97% of total assets
- Performed substantive procedures for 97% of revenue

**Risk of material misstatements related to Fraud, NOCLAR and Going concern**

- Fraud risks: presumed risk of management override of controls and presumed risk of revenue recognition, identified and further described in the section ‘Audit response to the risk of fraud and non-compliance with laws and regulations’.
- Non-compliance with laws and regulations (NOCLAR) risks: no reportable risk of material misstatements related to NOCLAR risks identified.
- 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 to Emirates Telecommunications Group Company PJSC (“e&”)
- Inaccurate valuation of goodwill relating to CETIN a.s.

## *Materiality*

Based on our professional judgement, we determined the materiality for the consolidated financial statements as a whole at EUR 27 million (2023: EUR 33 million) and for the company financial statements as a whole at EUR 15 million (2023: EUR 24 million). Materiality for the consolidated and company financial statements significantly changed compared to last year due to the internal restructuring as a result of the disposal of a majority stake of non-Czech Republic assets to e&.

The materiality for the consolidated financial statements is determined with reference to Total assets (0,92%). We consider Total assets 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 Total assets for the purpose of evaluating the Group's financial performance in the telecommunication infrastructure sector.

The materiality for the company financial statements is determined with reference to Total assets (0,9%). We consider Total assets as the most appropriate benchmark based on the nature of the business of the Company as a holding company without operational activities.

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 Board of Directors that misstatements identified during our audit in excess of EUR 1.215 million and EUR 675k of the consolidated and company financial statements respectively, 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*

CETIN Group N.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 CETIN Group N.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 5 components associated with a risk of material misstatement. For 4 out of these 5 components we involved component auditors. We as group auditor audited the remaining component. We set component performance materiality levels considering the component's size and risk profile.

We have performed substantive procedures for 97% of Group revenue and 97% 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 4 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. As a result from our risk assessment, we did not identify laws and regulations that likely have a material effect on the financial statements in case of non-compliance.

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 presumed fraud risks that are relevant to our audit, 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 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.

***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 revenue (for continued and discontinued operations) 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.
- We performed inter-company confirmation of revenue balances.
- We reconciled related party revenues to the underlying Mobile Services Agreements.

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.

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 Board of Directors. 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 the accounting over this transaction was completed in 2023.

## Restructuring as a result of disposal of non-Czech Republic assets to e&

### Description

As disclosed in Note B.2.1, on 24 October 2024 e& acquired a stake of 50% plus one share in PPF Telecom Group B.V.'s (later renamed to e& PPF Telecom Group B.V.) (previously the direct parent of the Company) assets in Bulgaria, Hungary, Serbia, and Slovakia from PPF Group N.V.. PPF Telecom Group B.V.'s existing assets in the Czech Republic, including CETIN a.s., were not part of the transaction. One of the conditions of the agreement was that the Czech assets will have been sold by 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 part of this pre-closing restructuring, CETIN Group N.V. on 11 October 2024 sold and lost control over all its shares in CETIN Hungary, CETIN Serbia, and CETIN Bulgaria, to CETIN International N.V., a newly established subsidiary of PPF Telecom Group B.V.

The subsidiaries were sold for a cash consideration of EUR 2,712 million. CETIN Group N.V. retained control over CETIN a.s. which operates in the Czech Republic. The difference between the cash consideration of EUR 2,712 million, the net assets sold of EUR 921 million, the accumulated translation losses of EUR 94 million and the non-controlling interest disposed of EUR 88 million, was recognised as a gain on sale of investments in subsidiaries of EUR 1,785 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.

### 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&, inspection of the sale agreement between CETIN Group N.V. and CETIN International N.V. and inspection of relevant bank statements.
- 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 circumstances, 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) meet the requirements of EU-IFRS.

## Inaccurate valuation of goodwill relating to the CGU of CETIN a.s.

### Description

As of 31 December 2024, the goodwill in the Group amounts to EUR 173 million (2023: EUR 643 million). In the prior year, goodwill was allocated to a number of Cash Generating Unit's (CGU's), but given the disposal of non-Czech Republic assets to e& in 2024, there is only one Cash Generating Unit (CGU) in 2024 which relates to CETIN a.s.. Management is required to test the carrying value of goodwill for impairment annually or more frequently if there is a triggering event for testing. Based on our risk assessment procedures, we include a key audit matter over the valuation of goodwill of the CGU of CETIN a.s., due to the estimation uncertainty and consideration of the sensitivities in the recoverable amount. No impairment of goodwill was recognised during 2024.

### Our response

With involvement of our valuation specialist, our procedures to assess the valuation of goodwill relating the CGU of CETIN a.s. included, amongst others:

- Obtain an understanding of the management's annual impairment test, including evaluation of relevant internal controls designed by management.
- Obtain management's cash flow forecasts and document and assess the key assumptions used by management.
- Inquire of key senior management to corroborate the assumptions applied in the forecasts.
- Perform a retrospective review of the current year actual results as compared to the prior year forecasts in accordance with Dutch Standards on Auditing 540 guidance.
- Perform a re-estimation review of the current year forecasts compared to the prior year forecasts for the same period.
- Assess the appropriateness of the methodology and mathematical accuracy of the calculations in the model.
- Perform independent assessment of WACC and terminal growth rate and compare with management's WACC and terminal growth rate to determine the reasonability thereof.
- Assess management's goodwill impairment analysis with a focus on the assumptions to which the outcome of the impairment test is most sensitive, such as the WACC and terminal growth rate used based on analysis of sensitivities.
- Assess the adequacy of the related disclosure in relation to the requirements of IAS 36.

### Our observation

Based on our procedures relating to the valuation of goodwill, we consider management's key assumptions and estimates to be within a reasonable range. We determined that the related disclosures (note E.5.1) 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 CETIN Group N.V. as of the audit for the year 2018 and have operated as statutory auditor ever since that financial year.

## Description of responsibilities regarding the financial statements

### *Responsibilities of the Board of Directors 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, 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 CETIN Group N.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 CETIN Group N.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.

### *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, 10 March 2025

KPMG Accountants N.V.

F.A.M. Croiset van Uchelen RA

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 CETIN Group N.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 CETIN Group N.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 Board of Directors 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 Board of Directors 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 Board of Directors, 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.