PPF GROUP N.V.

Annual accounts 2024

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Report of the board of directors

Description of the Company

PPF Group N.V.
Date of incorporation: 29 December 1994
Registered office: Netherlands, Zuidplein 168, 1077 XV Amsterdam
Identification number: 33264887
Basic share capital: EUR 603,605
Principal business: Holding company activities and financing thereof

General information

PPF Group (the "Group") invests in numerous sectors, including telecommunications, media, financial services, e-commerce, real estate, engineering, mobility, leisure and entertainment, and biotech.

PPF Group's reach spans from Central and Eastern Europe, across Asia, to the USA. As of 31 December 2024, PPF Group owned assets of almost EUR 42 billion. PPF Group N.V., with its registered office in Amsterdam, is the key holding company of the Group that makes strategic decisions governing the entire Group's activity.

PPF Group's growth rests on the development of traditional and new industries, the building of modern infrastructure, the digital economy, and linking the best talent and capabilities with global opportunities.

PPF Group's significant investments in innovation and advanced technologies enable its companies to offer highly competitive services that not only deliver value to customers, but often also contribute to the sustainable development of the entire market.

In all countries in which it maintains a presence, PPF Group has long supported education, science, culture, selected social issues, and emergency relief through foundation-led projects and its charity work.

Significant events in 2024 and until April 2025

February 2024

Home Credit Group signed a conditional framework agreement to sell 100% of its Home Credit Vietnam business to The Siam Commercial Bank Public Company Limited. The transaction is subject to regulatory approval and expected to be completed in 2025.

Shareholders of Scandinavian streamer Viaplay Group approved its recapitalisation. Following the EGM resolution, PPF Group became a major shareholder with a stake of just under 30%, with France's Canal+ Group acquiring the same share.

April 2024

The Group became a sole shareholder of Home Credit by acquiring a 8.88% minority stake from Emma Omega Ltd.

PPF Group launched the Unity platform, a joint offering of services and products by Air Bank and O2 Czech Republic – the two largest brands in PPF's portfolio – on the Czech consumer market.

May 2024

Home Credit agreed to sell its business in India to a consortium of local investors led by TVS Holdings. The transaction was subject to regulatory approval.

PPF Group increased its shareholding in InPost, having agreed to acquire additional shares in the pan-European e-commerce distribution company from Advent International. This raised PPF Group's aggregate stake in InPost to 28.75% of its outstanding share capital.

October 2024

PPF Group finally entered into a partnership with global technology group e& following the customary regulatory approvals. The partnership, initially agreed in August 2023, aims to become a strong platform for growth in CEE under the e& PPF Telecom Group brand. Telecommunications assets in the Czech Republic were transferred outside e& PPF Telecom and are still controlled by the Group.

November 2024

The Group became the sole direct shareholder in the Czech telecommunications infrastructure provider CETIN a.s.

The Group completed the sale of PPF Life Insurance LLC, which represented the last significant Russian business, having sold its residual Russian real estate projects earlier in the year.

December 2024

PPF Real Estate reached an agreement to acquire the Hilton Prague, one of the Czech capital's most prominent convention tourism landmarks. The transaction was finalised in February 2025.

On 31 December 2024, after receiving regulatory approvals in China for JD.com (which is one of the largest e-commerce platforms in China) to become the majority shareholder of Home Credit Consumer Finance Company Ltd, the Group has deconsolidated the Chinese Home Credit as of 31 December 2024 retaining a 2% shareholding.

January 2025

Home Credit completed the sale of Home Credit India after receiving the regulatory approvals.

PPF Real Estate Holding diversified its footprint in the US property market with an investment in Gasworx, a mixed-use development in Tampa, Florida. The multi-phase project will connect Tampa's historical Ybor City with downtown districts, transforming a currently underused area through the provision of residential, retail and commercial properties.

February 2025

e& PPF Telecom Group B.V. (a Group associate) signed an agreement with United Group B.V. to acquire 100% of SBB d.o.o., a leading cable television and broadband internet service provider in Serbia.

March 2025

PPF Group signed an agreement to sell its remaining 30% stake in LEAG Holding to EP Group, the current controlling shareholder.

Together with other minority partners, PPF Real Estate Holding agreed to acquire Four Seasons Hotel Prague. Subject to regulatory approval, the transaction will firmly establish PPF Group's real estate division in the hotel sector.

April 2025

PPF Group agreed to acquire additional shares of ITIS Holding from ITIS chief executive Matej Okáli (the current joint venture partner). This move is a logical step following the recent acquisition of VITRONIC and provides ITIS Holding with a strong capital background for its further development in the intelligent traffic solutions market. Following the transaction closing, subject to customary regulatory approvals, the Group will hold 95% of ITIS Holding shares.

Key financial highlights

As at 31 December 2024, the total consolidated balance sheet amounted to EUR 41,722 million (2023: EUR 43,484 million). The Group's key driver behind the asset decrease is attributable to the biggest transaction conducted in the telecommunication segment, i.e. the partnership with e& group. This resulted in a loss of control over non-Czech telco assets that are newly accounted for using the equity method. The impact of this change amounted to approx. EUR 1.9 billion.

The consolidated net profit of the Group for 2024 reached EUR 3,200 million (2023: EUR 1,449 million). The Group's telecommunications and financial segments are the biggest contributor to the Group´s net result, the telecommunications segment bringing additional profit of EUR 3.5 billion arising from the e& transaction. The result of the financial segment (EUR 0.8 billion) benefited mainly from the strong performances of Czech banks PPF banka and Air Bank and was positively affected by the deconsolidation of Chinese Home Credit.

At the end of 2024, the consolidated equity of the Group grew to EUR 12,465 million, a 35% increase in comparison with 2023 (EUR 9,262 million) and fully attributable to the net profit for the year. During 2024, PPF Group N.V. distributed dividends amounting to EUR 118 million.

Consolidated financial highlights, in millions of EUR

	2024	2023
Total operating income*	3,043	3,007
Net profit	3,200	1,449
Total assets	41,722	43,484
Total equity	12,465	9,262

*The figures represent continuing operations

Workforce

The rounded average number of employees during 2024 was 45,000 (2023: 55,000). The decrease is mainly attributable to the disposal of Asian Home Credit operations in 2023.

Composition of the board of directors

The size and composition of the board of directors and the combined experience and expertise of their members should as closely as possibly fit the profile and strategy of the Company. This aim for the best fit, in combination with the availability of qualified candidates, resulted in PPF Group currently having a board of directors in which all three members are male. To promote gender diversity on the board of directors, but also on its other corporate and management bodies, PPF Group intends to pay close attention to gender diversity in the process of recruiting and appointing future members of the board of directors, the supervisory board and other management layers. PPF Group will, in accordance with Article 2:166, Section 2 of the Dutch Civil Code, set ambitious and appropriate targets with a view to having the ratio of men to women in the board of directors, the supervisory board and designated higher management layers balanced. PPF Group will retain an active and open attitude as regards selecting female candidates.

Supervisory board and audit committee

In February 2018, the shareholders of PPF Group N.V. established a supervisory board in compliance with the articles of association of PPF Group N.V. As of 31 December 2024, the members of the supervisory board were Mr Kamil Ziegler (the independent member designated as the chairman,), Mrs Zuzana Prokopcová (the independent member) and Mr Lubomír Král. The supervisory board supervises the board of directors of PPF Group N.V. and provides this body with any (un)solicited advice it deems appropriate within the best interest of PPF Group N.V.

The supervisory board may also establish special committees of its members or other persons or both. Based on the aforementioned authority, an audit committee (comprising of the same three members as the supervisory board) has been instantly established at PPF Group N.V.

Code of conduct

PPF Group N.V. as the parent of the Group implemented a corporate compliance program, which sets out the fundamental principles and rules of conduct for employees in the PPF 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 program is the PPF Group Code of Ethics that deals among other topics with the protection of human rights and the prevention of corrupt conduct in all PPF Group activities. Supplementary rules to the PPF Group corporate compliance program further regulate how staff, managers and bodies of the PPF Group should proceed in case of suspicion, investigation and discovery of conduct which is unethical or improper and/or conduct which is contrary to legal regulations or the PPF Group Code of Ethics.

Capital management

The Group's objective is to maximise shareholder value while maintaining investor, creditor, and market confidence and being able to sustain the businesses' future development. The Group manages its capital structure and makes adjustments in light of any changes in economic conditions.

To achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets the financial covenants attached to interest-bearing loans and borrowings. Any breaches in meeting the financial covenants would permit the lenders to call loans and borrowings, subject to the Group not being able to remedy the breach. None of the financial covenants of any interest-bearing loans and borrowings were breached in the current period.

The financial service segment

PPF Financial Holdings a.s. represents the Group´s finance business comprising PPF banka, Home Credit, Air Bank, Yettel Bank, and ClearBank (the "Subgroup").

PPF Financial Holdings a.s. as an approved financial holding entity (in the sense of par. 28 of Act No. 21/1992 Coll. on banks) is subject to prudential requirements on its consolidated basis pursuant to Regulation (EU) 575/2013 of the European Parliament and of the Council, and the Directive 2013/36/EU of the European Parliament and of the Council (as transposed in the Czech Republic). The Czech National Bank acts as a supervisory authority over PPF Financial Holdings on its consolidated basis. Since November 2022, PPF Financial Holdings is designated as an "other systemically important institution".

General capital requirements applicable to the Subgroup are those specified in the CRR (the Capital Requirements Regulation): CET 1 of at least 4.5%, Tier 1 of at least 6%, and total capital adequacy ratio of at least 8%. On top of that, various capital add-ons are also applicable to the Group. Primarily, PPF Financial Holdings is, as of 31 December 2024, at its consolidated level subject to the Pillar II capital requirements of 1.2%. Therefore, the binding Total SREP Capital Requirement ("TSCR") for PPF Financial Holdings Group is 9.2% (6% Tier 1 + 2% Tier 2 + 1.2% Pillar II requirement) as of 31 December 2024.

Furthermore, PPF Financial Holdings is required to maintain a combined capital buffer consisting of a countercyclical buffer, a capital conservation buffer, and also the O-SII buffer. The countercyclical buffer is variable in time. It changes based on the geographical composition of assets and on the countercyclical buffer rates required by the competent authorities for their respective jurisdictions. The capital conservation buffer amounts to 2.5% of the risk-weighted assets and an institution-specific countercyclical capital buffer was approximately 0.746% of the risk-weighted assets as of 31 December 2024. The O-SII buffer is 0.5%. The sum of the TSCR and the combined buffers is called the overall capital requirement ("OCR") and amounted to 12.95% as of 31 December 2024.

For the sake of completeness, effective 1 January 2025 the following increased capital add-ons apply: Pillar II capital requirement increases to 1.6% and a new systemic buffer was introduced by the national regulator on the level of 0.5%.

The Subgroup monitors and maintains other regulatory requirements, such as large exposures, liquidity, and leverage ratios.

The Group, the Subgroup, and their individually regulated operations complied with all externally imposed capital requirements, liquidity requirements, and leverage requirements throughout the reporting period as outlined above.

Risk management

The Group is exposed to various risks as a result of its activities, mainly: liquidity risk, market risks (interest rate risk, equity price risk, currency risk), credit risk and insurance risk.

Liquidity risk arises in the general funding of the Group's activities and in the management of its positions. The Group has access to a diverse funding base. Funds are raised using a broad range of instruments including deposits as well as other liabilities evidenced by paper, bank loans and shareholders' equity.

All financial instruments and positions are subject to market risk, i.e. the risk that future changes in market conditions may make an instrument more or less valuable. Exposure to market risk is formally managed by buying or selling instruments or entering into offsetting positions in accordance with risk limits or frameworks set by senior management at the level of the individual Group companies.

The Group is subject to credit risk through its trading, lending and investing activities and where it acts as an intermediary on behalf of third parties. The Group's primary exposure to credit risk arises through the purchase of debt securities and through the provision of loans and advances. Credit risk is managed at the level of the individual Group companies.

The Group carries an inventory of capital market instruments to manage those risks. Positions are opened in the money market, foreign exchange markets, debt and credit markets and equity markets based on expectations of future market conditions. As of 31 December 2024, the Group held financial instruments of EUR 17,311 million (excluding assets held for sale, cash and cash equivalents). Of this amount, financial assets at fair value through profit or loss amounted to EUR 3,300 million; financial assets at fair value through other comprehensive income came to EUR 2,523 million, financial assets at amortised cost to EUR 2,622 million, and loans and receivables to EUR 8,866 million. Financial liabilities (excluding held-for-sale liabilities) held by the Group include, in particular, liabilities due to non-banks totalling EUR 16,754 million, liabilities due to banks of EUR 4,768 million, debt securities issued amounting to EUR 1,165 million, subordinated liabilities of EUR 26 million and financial liabilities at fair value through profit or loss of EUR 2,391 million.

The Group holds derivative financial instruments for trading and for risk management purposes: swaps, futures, forwards, options and other similar types of contracts whose value changes in response to changes in interest rates, foreign exchange rates, security prices or price indices.

For detailed information on risk management, see Section C of the notes to the consolidated financial statements.

Approach to risks associated with the financial reporting

Pursuant to the Dutch legislation, the Company keeps its books in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS-AS EU). All subsidiaries, regardless of the accounting standard they use to prepare their individual financial statements, report data for PPF Group consolidation purposes according to IFRS-AS EU.

Unified accounting policies followed by the subsidiaries are defined in the Group accounting manual in full compliance with generally applicable accounting standards. The standards are further supplemented with a set of auxiliary guidelines detailing specific technical and methodical areas of the accounting process.

On the Group level there is a strict division between accounting and reporting functions followed by appropriate segregation of duties within the internal review system.

The effectiveness of the Group's system of internal controls, the process of compiling PPF Group's separate financial statements and consolidated financial statements, and the process of auditing financial statements are also reviewed by the supervisory board, which conducts these activities as the company governance body without prejudice to the responsibilities of board of directors.

The board of directors is responsible for maintaining proper accounting records, for safeguarding assets and for taking reasonable steps to prevent and detect fraud and other irregularities. It is responsible for selecting suitable accounting policies and applying them on a consistent basis, making judgements and estimates that are prudent and reasonable. It is also responsible for establishing and maintaining internal procedures which ensure that all major financial information is known to the board of directors, so that the timeliness, completeness and correctness of the external financial reporting are assured. The board of directors oversees compliance with the relevant laws and regulations. To reduce company's exposure to legal and compliance risks, management implemented, amongst others, the following: compliance programs, whistleblowing procedures, incident register, conducting risk assessments, developing appropriate policies and procedures, implementing internal controls, monitoring and auditing process, responding to non-compliance and training and education.

Description of core business segments and their development in 2024

e& PPF Telecom Group, PPF TMT Holdco 2 – Telecommunications

Combined consolidated financial highlights, in millions of EUR

	2024**	2023*
PPF Group's share in e& PPF Telecom Group	50% less 1 share	100%
PPF Group's share in PPF TMT Holdco 2	100%	n/a
Revenues	3,571	3,776
EBITDA	5,216	1,757
Net profit	3,915	542
Total assets	6,679	8,388
Total equity	3,207	703

*In 2023, the figures represent PPF Telecom Group results and the minority stakes in Hungarian Yettel and CETIN held by the Group entity outside PPF Telecom Group as presented together in the segment analysis.

**In 2024, the figures represent the combined results of two separate parts: e& PPF Telecom Group and PPF TMT Holdco 2 as presented together in the segment analysis. The revenues, EBITDA and net profit comprise the results of non-Czech operations until the loss of control in October 2024. EBITDA and net profit comprise the result from the e& transaction amounting to EUR 3,495 million.

In August 2023, the Group and Emirates Telecommunications Group Company PJSC ("e& Group") signed an agreement whereby e& Group acquired a controlling stake in PPF Telecom Group B.V. The controlling stake represented 50% of all issued ordinary shares plus 1 ordinary share and 50 million preferred shares in Telecom Group out of a total of 70 million issued shares. At the date of signing of the agreement, PPF Telecom Group comprised both Czech and non-Czech commercial and infrastructure assets. As PPF Telecom Group's assets in the Czech Republic, including the Czech infrastructure CETIN a.s. and the Czech operator O2 Czech Republic a.s. ("O2 CR"), were not part of the transaction, PPF Group first had to complete an internal pre-closing restructuring process of PPF Telecom Group. The pre-closing restructuring process involved many steps that were carried out in the first half of October 2024. The transaction between PPF Group and e& Group was successfully closed on 24 October 2024 after obtaining all regulatory approvals and satisfying other customary closing conditions. Subsequently, PPF Telecom Group was renamed to e& PPF Telecom Group.

As a result of the internal restructuring, CETIN a.s. and O2 CR remained indirect subsidiaries of PPF TMT Holdco 2 B.V., previously the direct parent of PPF Telecom Group B.V.

e& PPF Telecom Group (since October 2024, classified as the Group' associate)

e& PPF Telecom Group is a major telecommunications services provider in Slovakia, Hungary, Bulgaria, and Serbia. Formed through a strategic partnership between e& and PPF Group, the group is evolving from a mobile operator into a regional technology leader, leveraging advanced technologies, an innovative operational model, and e& Group's global expertise and scale.

PPF Group entered the telecom industry in 2014 and has been transforming it ever since. In 2015, it pioneered the separation of infrastructure from end-user services, a move that revitalised both branches of the traditional telecom model by enhancing efficiency, agility, and, above all, management focus. This innovation has reignited sustainable growth in every telecom operator acquired by PPF Group. In 2024, PPF Group spurred a new cycle of growth by partnering with e& Group to unlock synergies and drive further innovation.

In the countries where it operates, the group serves consumer, corporate, and public sector customers through the O2 and Yettel brands, offering mobile voice, data and text messaging, fixed broadband, multi-platform internet television, and corporate data networks. Yettel is a brand developed by the group to meet changing customer needs and preferences, helping users to simplify their lives, achieve their goals, and make informed choices. O2 Slovakia positioned itself as a market challenger by focusing on network quality, customer-centric digitalisation, and positive and transparent relationship with its customers.

CETIN-branded branches offer wholesale telecommunications infrastructure services to all operators in their markets on equal terms. In Slovakia and Hungary, CETIN operates radio access networks for mobile services under network sharing agreements. This improves network coverage and capacity, accelerates modernisation, and generates energy savings.

e& PPF Telecom Group's long-term strategy is built on the goal of becoming the ultimate customer champion, earning trust and loyalty through exceptional service and customer-driven innovation, all supported by the highest-quality telecommunications networks. State-of-the-art 5G mobile networks are in operation in three of the group's four markets, and it has accelerated the rapid roll-out of 5G networks by sharing expertise and resources within its infrastructure arm. 5G services will continue driving the wave of innovation and growth in telecommunications for years to come.

The group is investing in the development of a fully digitised customer journey and product suite. This includes integrating complementary services from partner companies, such as financial services, media, and entertainment, to create an ecosystem around telecom services and further enhance the customer experience. As a result, the group's customer base is growing and maturing. At the end of 2024, more than 12 million customers were relying on its mobile services, while over 400,000 clients were using its fixed broadband and pay TV offerings. The group again reported solid revenue and EBITDA growth in 2024.

As part of the group's commitment to the environment, the network in Serbia is certified green, and 80% of the network in Bulgaria is powered by electricity from renewable sources.

O2 Czech Republic (part of PPF TMT Holdco 2 group)

The country's leading integrated telecommunications operator provides voice, internet and data services to residential customers, SMEs, corporations, and government. It's O2 TV once again redefined the competitive landscape through Oneplay, its merger with CME's Voyo video streaming service, while Unity, the recent partnership with Air Bank, further strengthens the company's track record as an industry innovator.

Operating in a highly competitive, saturated telecommunications market, O2 Czech Republic excels by combining the most affordable fixed internet services, a superior mobile network, and exclusive television content. While mobile telecommunications services represent its main revenue stream, O2 CR's fixed internet covers 99% of country's inhabited territory, positioning it as the largest internet provider for both businesses and households. O2 CR is one of the biggest providers of hosting, cloud services, managed services and ICT in the country.

Developing and offering pioneering telecommunications services such as cybersecurity and financial services, including device insurance and mobile travel insurance, is the hallmark of the company. In response to changing trends and market demands, O2 CR has introduced innovative plans for unlimited data on its 5G network. O2 Spolu ("O2 Together") family service packages, combining telecommunications services with O2 TV, are the best in the market and can be tailored to the customer. In 2024, O2 CR in cooperation with Air Bank introduced Unity, a unique integrated offering for customers of both companies, allowing customers to manage both their telecom and financial needs in one place, increasing convenience and customer loyalty, and providing cross-selling opportunities.

Other areas being developed by O2 CR include artificial intelligence and big data technology, both handled by its Dataclair.ai – Artificial Intelligence Centre. O2 CR is also active in smart city infrastructure and autonomous mobility of the future.

As a result, at the end of 2024, the company had more than 6 million mobile clients and more than a million fixed broadband users. O2 TV has given the company a consolidated position as the most popular IPTV service in the Czech Republic. At the end of 2024, there were almost a million active subscribers, including customers with prepaid TV services.

CETIN (part of PPF TMT Holdco 2 group)

CETIN, the largest telecommunications infrastructure operator in the Czech Republic, is one of the Group's key assets. Established in 2015 following the successful spin-off of O2 CR's infrastructure arm, CETIN has since gained the trust of all major telecom operators by providing equitable wholesale infrastructure services across the market.

CETIN's mission is to build, operate, and develop a reliable, secure, and high-speed telecommunications infrastructure. This mission is an essential pillar of digitalisation and a driver of the Czech Republic's economic competitiveness. As the owner and operator of the country's largest electronic communications network, CETIN delivers wholesale services on equal terms to all telecommunications operators and internet access providers that supply end customers through CETIN infrastructure.

In addition to providing mobile and fixed network infrastructure for households and businesses (network access services, xDSL and fibre-optic connectivity, IPTV, and voice services), CETIN delivers data solutions for corporate networks and data centre leasing. It also offers international voice services to domestic providers and more than 200 telecommunications operators worldwide.

CETIN invests billions of Czech crowns annually in the continued development of its infrastructure. In 2024, the company further expanded the reach of its FTTH fibre-optic connections, increasing the average speed available in the network by more than 50%, to 426 Mbps. The rollout of 5G mobile technology across the country was largely completed, reaching almost 100% of the population. CETIN deployed Ericsson technologies to build its fifth-generation network and infrastructure, leveraging the high cybersecurity standards guaranteed by these solutions.

CME Media Enterprises - Media

Consolidated financial highlights, in millions of EUR

	2024	2023
PPF Group's share	100%	100%
Total revenues	963	868
Operating profit	229	220
Net profit	132	108
Total assets	2,368	2,305
Total equity	1,238	1,151

CME is a media and entertainment company operating leading television stations across six countries in Central and Eastern Europe. With a portfolio of 46 television channels, a reach of 49 million viewers, and the dominant streaming service Voyo, CME is firmly positioned at the forefront of the industry. The company invests heavily in in-house production, content, and distribution platforms as it consolidates its market-leading role.

Operating in Croatia, the Czech Republic, Bulgaria, Romania, Moldova, Slovakia, and Slovenia, CME made significant strides in 2024 by adhering to its "anytime, anywhere" strategy. Its growth has been fuelled by high-quality local content, increased streaming consumption, and strong performance in TV advertising. Since its acquisition by PPF Group in 2020, CME has become one of the CEE's largest and most invested-in broadcasters, poised for further expansion. Central to its strategy is its ability to connect with local audiences through resonant stories, supported by a robust long-term content plan and digital agility. In 2024, over 100 projects – both linear and Voyo-exclusive – were in development across CME's operations.

As SVOD (subscription video on demand) services rapidly advance across Europe in response to rising consumer expectations, CME has continued to scale up the Voyo platform, premiering 48 originals by the end of 2024. This content garnered critical acclaim from viewers and industry professionals across the region, including 10 Czech Lion Film Award nominations for Markovič Method: Hojer. At the close of the year, Voyo had 950,000 paying subscribers in the Czech Republic and Slovakia, with a total across all markets approaching 1.4 million. In most regions, Voyo is among the top three SVOD providers and the number-one local provider. In November 2024, CME, in partnership with the telecommunications operator Yettel, launched Voyo in Serbia, marking its first foray into a market where it does not have a dedicated TV station.

From March 2025, Oneplay, new over-the-top video streaming and live television platform of CME's Czech broadcaster Nova and the Group's telecom operator O2 Czech Republic exemplifies the profound digital transformation of CME. Replacing Voyo and O2 TV, it offers the best of what's on television and online in one package with access to an extensive range of Czech and foreign channels, from live sports to blockbuster and niche films, children's programming, documentaries, and more.

News continues to be a cornerstone of CME's programming, maintaining significant market and audience share. In 2024, CME continued operating the CME News Bureau in Brussels, serving as a hub for correspondents from all CME stations to report on EU, NATO, and broader European affairs for domestic audiences.

CME continued its strategy of securing premium sports content for live broadcasts, with key acquisitions including Formula 1 for the Czech and Slovak markets, and UEFA EURO 2024 for Slovakia and Romania.

Recognising its influence on millions of people daily, CME is uniquely positioned to raise awareness, inspire and advocate for positive change. CME's ESG initiative, CME Cares, continues to address the most pressing social and environmental challenges facing the media sector. CME worked towards earning Top Employers Institute certification for all its stations, already achieving this goal in the Czech Republic and Romania for 2025, with other countries in the pipeline. The company has also pioneered employee engagement, consistently achieving high NPS scores across the group. The CME Content Academy, a two-year multidisciplinary programme aimed at nurturing young talent to become future leaders in the entertainment industry, made further progress in 2024.

PPF Financial Holdings – Financial services

Consolidated financial highlights, in millions of EUR

	2024	2023
PPF Group's share	100%	100%
Total operating income*	1,007	901
Net profit	765	580
Total assets	25,319	25,220
Total equity	2,566	2,129

*The figures represent continuing operations

PPF Group's core business includes financial services and banking. Its focus on customer needs, investment in innovation and digital technology, and its ever-evolving range of modern financial services help to drive the growth of PPF Financial Holdings' brands, which include PPF banka, Home Credit, Air Bank, Zonky, Yettel Bank, and ClearBank (an associate).

PPF Financial Holdings a.s. is subject to consolidated prudential requirements under Regulation (EU) No 575/2013 of the European Parliament and of the Council and operates under the consolidated supervision of the Czech National Bank. In the Czech Republic, the Czech National Bank classifies PPF Financial Holdings a.s. as an "other systemically important institution".

The financing and debt structure of PPF Financial Holdings a.s. saw no significant changes in 2024. The company drew on cash flow from its most significant subsidiaries – PPF banka and Home Credit – and distributed a dividend of EUR 120 million.

The shareholding in MONETA Money Bank, a.s., acquired in 2021 and held via Tanemo a.s. (an affiliate), remained unchanged in 2024.

PPF banka

Individual financial highlights, in millions of EUR

	2024	2023
PPF Group's share	92.96%	92.96%
Operating income	280	287
Net profit	167	162
Total assets	13,918	15,573
Total equity	898	840

PPF banka specialises in financial and capital market trading, offering structured financing for business projects, exports, acquisitions, leveraged transactions, real estate, and related services to corporate and public-sector, and private clients.

As the financial hub of PPF Group, the bank facilitates international payments, provides financing, manages financial assets, and trades on capital markets on behalf of Group companies.

PPF banka's services are built on professional expertise and bespoke solutions that prioritise added value. For customers, it is a stable, professional, and reliable partner, financing businesses across key sectors, including trade, industrial production, energy, renewable energy, agriculture, forestry, and IT, e-commerce, and services.

The bank also finances commercial and residential real estate and broader development projects. It has long-standing partnerships with Czech regions and statutory cities, supporting initiatives in energy, the circular economy, education, and beyond. Private clients also benefit from a highly personalised approach tailored to their financial needs.

In 2024, the bank focused on enhancing services for existing customers and supporting their business activities. In line with its strategy, PPF banka invested in digitalisation, cybersecurity, and service efficiency, including upgrades to its mobile app and online banking. Despite the challenging external environment, the bank continued to provide financing across a wide range of industries.

From an earnings perspective, 2024 was the most successful year in the bank's history. It posted a net profit of almost EUR 167 million.

PPF banka has long been a key market maker in Czech government bonds, consistently ranking among the Ministry of Finance's top primary dealers. In 2024, it secured first place in the overall ranking for both the primary and secondary market, reaffirming its position as one of the leading dealers in Czech government securities.

Home Credit Group

Consolidated financial highlights, in millions of EUR

	2024	2023
PPF Group's effective share	100%	91.12%
Operating income*	460	370
Net profit	560	381
Total assets	9,775	8,309
Total equity	1,065	577

*The figures represent continuing operations

Home Credit N.V. ("HC Group" or "Home Credit") is a consumer finance provider focusing on emerging markets. Home Credit's mission is to provide consumer finance responsibly, especially to people with little or no credit history, via a multichannel online and offline distribution model that emphasises digital services and tools. Over more than 25 years of operation, it has developed a diverse range of innovative and affordable financial services and solutions tailored to the cultural, social, and economic nuances of each market it serves.

In an ever-evolving digital landscape, Home Credit's mission is to provide highly competitive services while maintaining exceptional agility and innovation. Advanced technology, alongside its easy-to-use mobile apps, ensures inclusive access to credit services. The HC Group employs an omnichannel approach, offering flexible and responsible financing solutions to underserved and unbanked consumers, often for the first time. Responsible lending decisions, critical to Home Credit's business model, are made swiftly and accurately, leveraging data-centric operations that use predictive tools and data analysis.

Home Credit offers three categories of unsecured consumer finance products: point-of-sale loans, multipurpose (or cash) loans, and revolving credit products. In addition to loans, the group provides complementary products and services, such as insurance and third-party insurance distribution. Its product strategy is designed to maintain high customer loyalty with services that respond well to the ever-changing needs and life situations that people face across all age groups.

2024 was notable for the signing of a conditional framework agreement to sell 100% of the Home Credit Vietnam business to Siam Commercial Bank of Thailand. This deal is pending regulatory approvals with expected closing in 2025. In May 2024, a similar announcement was made regarding the sale of 100% of Home Credit India's operations to a group of investors led by Indian conglomerate TVS Holdings Limited, with final completion in January 2025.

Globally, Home Credit continued to accelerate digitalisation, enhancing the integration of its mobile apps to improve the customer experience, streamline loan repayments, and simplify the consumer goods purchases through online retail partners. More than 90% of the group's business is driven by mobile devices, and its apps have garnered over 100 million registered users worldwide since launch.

Home Credit remains a recognised leader in responsible lending in the Czech Republic and Slovakia. It boasts high customer satisfaction, with its Net Promoter Score (NPS) nearly double the average of traditional banks. In addition, Home Credit Czech Republic ranked first among non-bank consumer loan providers and outperformed several banks in the Responsible Lending Index, overseen by the independent organisation People in Need.

Air Bank (part of Home Credit)

Established 13 years ago to compete with conventional banks by offering straightforward, customer-centric and innovative services, Air Bank is a next-generation retail bank. It is well on the way to achieving its goal of becoming the market's first-choice retail bank, having been the fastest-growing bank in the Czech Republic for the past couple of years. Globally, few other neo-banks can match its size and profitability.

Air Bank regularly introduces pioneering financial services and solutions to the Czech market, leading the way with a strong focus on customers' needs. This customer-first approach attracts new clients while increasing lending volumes and income from regular retail banking services. By the end of 2024, Air Bank was serving over 1.4 million customers, supported by 1,100 employees across 32 branches in the Czech Republic.

In 2024, Air Bank attracted numerous accolades for its services, marketing, and customer-service standards. The My Air mobile app, the Air Bank current account, and the Air Bank loan all scooped awards in the Golden Crown competition. The bank was also named Customer Bank of the Year in the CX ranking Top 100 brands and in doing so reclaimed its status as the Czech Republic's customer-experience leader for the eighth time in a row. For the sixth time, it was recognised as the most attractive employer in the banking and insurance sector by the Randstad Employer Brand Award.

Air Bank is steadily advancing in the digitalisation of its services. By the end of 2024, more than 1.1 million people were using the bank's mobile banking, with almost 500,000 unique customers logging in to the My Air app daily. Furthermore, 90% of all loan applications were submitted online.

In 2024, the bank introduced several services, including for the business community. It expanded its range of mortgage services to include options for foreign real estate and other features. It rolled out a new tablet-based service model featuring the familiar My Air mobile app interface across all branches, which is set to further enhance the already exceptional usage of the app.

Home Credit Bank (Kazakhstan, not part of Home Credit Group)

In 2024, Home Credit Bank continued to deliver very good financial and operating results, driven primarily by strong growth in net interest income and deposits. Full-year net income increased by 32% compared to 2023, while the number of active customers increased by 9% year-on-year to 1.2 million as at 31 December 2024. The year-on-year increase in profit was driven by an expanding portfolio of profitable consumer loans.

Yettel Bank

Based in Belgrade, Yettel Bank's goal is to become a leading provider of digital banking services in Serbia by offering innovative and simple banking through user-friendly platforms which allow customers to take full control over their finances.

In 2024, the bank rebranded from Mobi Banka to Yettel Bank. The rebranding was followed by the launch of the new Yettel Bank mobile application, offering modern user interface, innovative services and state-of-the-art cyber security technology – all combined to provide supreme digital banking experience for its customers.

Under the PPF Group umbrella, Yettel Bank nurtures a strong synergy with the telecommunications services of Yettel, with a mission to make technology and banking services better accessible, safer and simpler. By the end of 2024, Yettel Bank was providing more than 830,000 clients with a wide range of personal retail financial services.

ClearBank

ClearBank is a fast-growing clearing bank that operates entirely in a cloud-based environment. It serves clients in the UK and recently obtained its European banking licence. Launched in 2017, ClearBank provides financial institutions and corporations with banking and payment infrastructure built on a cloud-native, intelligent, and robust technology solution offering real-time clearing and embedded banking.

In 2024, ClearBank processed 309 million in transactions, averaging over 25 million transactions a month – a 44% increase on 2023. It also handled 144,000 multi-currency payments, marking a 75% rise on the previous year.

ClearBank now serves more than 250 clients, holding over 14 million accounts with client deposits exceeding EUR 13 billion, including 1.7 million embedded banking accounts. As of 31 December 2024, PPF Financial Holdings a.s. held an indirect 35.86% stake in the company.

Recognised for its rapid growth and innovation, ClearBank has been named one of the UK’s fastest-growing technology companies in Deloitte’s Fast 50 for four consecutive years. In 2024, it was listed among CNBC’s Top 250 global fintech companies and won Technology Partner of the Year at the British Bank Awards, as well as Banking Tech of the Year at the UK FinTech Awards.

InPost - E-commerce

A leader in the European market of automated delivery lockers, InPost offers efficient, sustainable solutions for the “last mile” of parcel deliveries from online retailers to customers.

Since 2023, PPF Group has built up a significant shareholding in InPost, which runs a pan-European network of automated parcel drop-off and pick-up machines (APMs) for e-commerce businesses and individuals. The company’s APMs are also used as a means for individuals to send parcels to each other.

InPost focuses on optimising its existing operations and services, increasing the population coverage with new APM rollouts, expanding internationally through organic investments and acquisitions, and introducing additional services, e.g., establishing a foothold in the e-grocery market. In addition, InPost aims to ramp up its fulfilment offering to further boost its delivery speed and efficiency.

By the end of 2024, the company had expanded its network to more than 46,000 APMs, up 33% year on year. In 2024, it delivered over a billion parcels, growing shipment volumes by 22% year on year.

PPF Group currently holds an aggregate shareholding of approx. 28.9% in InPost, which, beyond its Polish home market, is active in eight Western European countries, most notably in France and the UK.

Heureka Group - E-commerce/ Retail

Heureka Group is Europe’s largest group of comparison websites and online shopping advisers. It operates in nine CEE markets and is building a unified region-wide e-commerce platform aimed primarily at helping e-shops, brands, and other partners to connect with users across all countries where it has a presence.

Heureka Group's websites attract over 47 million visits per month, giving them access to more than 55,000 e-shops. In addition to Czech and Slovak e-commerce services, the Heureka Group includes Árukereső.hu in Hungary, Compari.ro in Romania, Pazaruvaj.com in Bulgaria, Ceneje.si in Slovenia, Jetfinije.hr in Croatia, Idealno.rs in Serbia, and Idealno.ba in Bosnia. PPF Group holds a 50% stake in Heureka Group.

In 2024, Heureka Group significantly expanded its market presence by bolstering operations in Romania, one of its two primary growth markets (the other being Bulgaria). The company opened a new office there, building a local team that not only surpassed the year-over-year market-share growth reported for Emag, Romania's leading e-commerce platform, but also achieving double-digit growth in the number of merchants.

To strengthen its position and expand its user base in its core markets – the Czech Republic, Slovakia, and Hungary – Heureka launched a year-round brand campaign that yielded a 10% increase in direct traffic. With the introduction of the slogan "Choose Wonderfully" and a refreshed, modern visual identity, Heureka solidified its role as the leading online platform for product comparison and shopping, particularly during the holiday season.

Heureka rolled out One Platform – an initiative standardising technological solutions and graphical interfaces, streamlining operations, and enhancing the user experience – across all key markets, including the Czech Republic, Slovakia, Hungary, Romania, and Bulgaria. To stay competitive in an evolving market, the company focused on developing innovative technological solutions, with a particular emphasis on enhancing its mobile app and adding new features. As a result, app-generated traffic saw a significant increase, doubling during peak seasons and reflecting a clear user preference for personalised and simplified shopping experiences. A key feature introduced for the 2024 season was Real Discounts, allowing users to view, compare and verify merchants' discounts in real time.

FAST Group – E-commerce/ Retail

FAST Group ("FAST") is a wholesale and retail trading and distribution company that specialises in branded consumer electronics, tools, telecommunications, and office equipment. It operates out of the Czech Republic and Slovakia, has subsidiaries in Hungary and Poland, and distributes products to 58 other countries.

FAST Group has vast experience of selling, developing, and testing products distributed to sales channels and retail chains in the Czech Republic and abroad, including its own PLANEO network and distribution channels in Hungary, Poland, and many other countries. PPF Group holds a 50% stake in FAST Group, with the remaining shares held by EC Investments.

FAST Group's long-term priority is to strategically expand its product range in established segments and strengthen the position of its core brands, with a particular focus on SENCOR, Philco, Fieldmann, Lamart, Yenkee, Catler, Buxton, Bayby, Retlux, and Stell. It currently owns 15 DIY and consumer electronics brands. With SENCOR, its most profitable and established brand, FAST concentrates on innovating, developing, and improving its product portfolio and supporting end customers. In addition to overseeing its own brands, FAST handles distribution for over a hundred other brands, which includes exclusive representation of global leaders such as Sage and SodaStream.

FAST is keenly focused on maximising sales and profit backed by a robust business model and its traditionally strong market position. It is in the process of building an extensive retail network, improving its quality, and planning for further sustainable expansion. It is actively seeking viable retail sites in the Czech Republic and Slovakia, while closely monitoring, analysing, and improving the profitability metrics of its individual shops.

In its international business operations, FAST concentrates in particular on distributing its own brands across the EU, especially in the Balkans and the Baltic. These are centres that will create new business opportunities, support new and existing business partners, and pave the way for further product and service development in both B2B and B2C.

In recent years, FAST Group has capitalised on the accelerated growth of e-commerce and focused on vigorously pursuing the development of its own B2C online sales platforms. In 2023 and 2024, it successfully propelled PLANEO's e-commerce business forwards by assembling a team and building a new platform , enabling it to grow even in an otherwise shrinking market. This move handed FAST a dominant market share in high-growth categories such as e-mobility, professional weather stations, and mobile air-conditioning, where its own SENCOR-branded products have proven successful. FAST continues to invest in the digitalisation and automation of its operations in order to enhance customer support, improve the overall customer experience, and increase its technological edge.

PPF Real Estate Holding - Real estate

Consolidated financial highlights, in millions of EUR

	2024	2023
PPF Group's share	100%	100%
Net loss	(148)	(124)
Total assets	1,510	1,751
Total equity	706	710

PPF Real Estate Holding, a globally recognised developer and investor owning properties in Europe and the United States, manages assets with a value of EUR 1.5 billion. It is dedicated to managing and growing a portfolio of properties and projects in prime locations with value-added potential and seeking out new real estate investment opportunities.

PPF Real Estate Holding operates in the Czech Republic, Germany, the Netherlands, Poland, Romania, Ukraine, the UK, and the US, while continuously assessing business potential in all countries where it is present, as well as in new markets overseas and in Europe.

In addition to acquisitions, PPF Real Estate is committed to maintaining long-term assets and a stable portfolio. As a real estate developer, the company seeks to meet the needs of sustainable planning and development, employ energy-saving technologies, and create a healthy, modern environment for its properties and public-space users.

PPF Real Estate and its JV partner completed a 308-unit multi-family development project in Orlando, Florida, and moved forwards with letting the units in the last quarter of 2024. It also continued an office development project in the Romanian capital of Bucharest, where it plans to build 29,000 m^2 of class-A office space in accordance with the latest sustainability standards. Groundbreaking took place in Q3 2024, with the building scheduled for completion in 2026.

Two residential development projects in Prague – part of a joint-venture partnership with a well-established local developer – progressed, with one of the projects receiving a building permit for its first phase at the beginning of 2024 and construction starting during Q3 2024. In the Netherlands, the company signed an agreement in December 2023 to divest its 13,900 m^2 regional shopping centre here and closed the sale in Q1 2024. The remaining Dutch real estate investments include seven office buildings with a total lettable area of over 140,000 m^2 and a Marriott-branded hotel in Rotterdam. In the United Kingdom, PPF Real Estate is working on a major office building refurbishment in the City of London. It also owns and rents three modernised Victorian houses in London.

In October 2023, in accordance with the PPF Group policy from spring 2022 to retreat from the Russian market, PPF Real Estate signed an agreement for the sale of the Metropolis office buildings in Moscow (co-owned with Hines), with the transaction closed in Q2 2024. This effectively marked the end of PPF Real Estate's presence in Russia.

In December 2024, PPF Real Estate signed an agreement to purchase the Hilton Hotel in Prague. With nearly 800 rooms and around 5,000 m^2 of conference space, it is the largest hotel in the Czech Republic and one of Europe's leading conference venues. The transaction was completed in February 2025, PPF Real Estate Holding holds a 95% stake.

In January 2025 PPF Real Estate diversified its footprint in the US property market with an investment into one of the phases of Gasworx project, a mixed-use development in Tampa, Florida. This multi-phase project is a joint venture between Washington D.C.-based real estate company KETTLER Inc. and Tampa-based entrepreneur Darryl Shaw and will connect Tampa's historical Ybor City with downtown districts, transforming a currently underused area through the provision of residential, retail and commercial properties. PPF Real Estate joins the venture via its acquisition of a majority stake in the current phase of the project.

In April 2025, PPF Real Estate signed an agreement to acquire Four Seasons Hotel Prague. The transaction is expected to be completed in Q2 2025 and PPF Real Estate is to own majority stake in the project.

Škoda Group – Mechanical engineering

Consolidated financial highlights of Škoda a.s., in millions of EUR

	2024	2023
PPF Group's share	80%	85.7%
Total revenues	1,118	1,136
EBITDA	24	(17)
Net loss	(53)	(78)
Total assets	1,340	1,386

Škoda Group, a leading international provider of public transport solutions, consolidates its market position through innovation, digitalisation, and the development of its portfolio of vehicles and services. Growth in order volumes has facilitated significant investment in production capacity and job numbers.

Škoda Group's development programme encompasses a full range of mobility solutions, including trains, trams, trolleybuses, electric buses, hydrogen buses, and metro vehicles. It also supports these mobility systems with comprehensive servicing, maintenance, digital systems, signalling, and the in-house production of high-level electrical components. The group is increasingly moving towards sustainable next-generation smart transport solutions for data-connected transport infrastructure in future smart cities, along with 5G connectivity.

Škoda's digital division focuses on innovating control, diagnostic, and autonomous systems for vehicle operation and maintenance. Significant projects in 2024 included the Smart Depot ecosystem's demonstration of automated driverless Škoda tram operations in Tampere. The Didymos project, developed in partnership with universities and based at the Plzeň testing site, continued its work on a fully autonomous tram. Škoda also showcased its Automatic Train Operation system on Latvian commuters trains, reducing energy consumption by up to 15%. Additionally, it achieved TBL1+ safety system certification for Belgian railways, with ETCS upgrade-ready signalling technology.

The year 2024 was a transformative period for the group, marked by a focus on stabilising production and streamlining supply chains. Key strategic markets remain the Czech Republic, Germany, the Baltic countries, Poland, Slovakia, Finland, Bulgaria, and Italy. Škoda also expanded its global presence by forming partnerships with Hyundai Rotem and Hyundai Motor Company and exploring opportunities in Central Asia and India. The acquisition of the Czech company Cegelec further strengthened the group's sustainable electric component business.

Škoda Group secured several major contracts in 2024, including orders for commuter trains for Bulgaria and the private carrier RegioJet, as well as battery trains for the Czech railway company České dráhy. It also fulfilled option orders for trams for Brno and Tampere, with the Tampere contract including the production of additional modules for 19 trams.

Ongoing projects advanced: tram production began for Prague, Bergamo, and Kassel, while the first units were delivered to Frankfurt and Cottbus. The world's longest tram, Škoda 38T, was handed over to Mannheim, with new trams entering service in Bonn and Bratislava. The Bonn tram even received the RedDot Design Award. Production of metro trainsets for Sofia also commenced.

In rail, the first Czech battery trains entered service in the Moravian-Silesian Region, while deliveries of 110 RegioPanters for České dráhy were completed. ComfortJets, developed and produced in collaboration with Siemens Mobility, began operations on the Prague–Berlin route. The group finalised deliveries of commuters trains to Latvia and transported the first units to Estonia.

In the trolleybus sector, the Škoda 24m – the longest trolleybus in the Czech Republic – began operating on the Prague Airport route. New trolleybus contracts were signed for České Budějovice, Pardubice, and Brno. Deliveries of new trolleybuses to Vilnius continued, while contracts for Pardubice and Prešov were completed. Škoda also supplied traction motors for trolleybuses in Landskrona. In the components sector, Škoda secured contracts to supply advanced propulsion systems for trolleybuses in Genova, Tychy, and Tallinn, and electric buses in Košice. Modernisation projects included refurbishments of Gothenburg trams, ÖBB couchette coaches, South Moravian DMUs, and Lithuanian double-deck units.

In 2024, the Škoda Group posted revenues of EUR 1.1 billion. During the year, the order backlog surpassed EUR 3.5 billion, while the group invested EUR 66 million in CAPEX, including research and development expenditure.

TEMSA

TEMSA, jointly controlled by Škoda Group and Sabanci Holding, is a Turkish manufacturer operating in 70 countries, with a broad portfolio of urban and intercity buses and coaches. The company has subsidiaries to support sales and provide after-sales services in France, Germany, and the United States. Its main plant in Adana has an annual production capacity of 10,000 vehicles. TEMSA is a major local employer with a workforce of more than 1,400 employees. In 2024, it generated revenues of EUR 480 million.

ITIS Holding – Transport systems

Established in 2022, ITIS Holding serves as the umbrella for PPF Group's business in smart transport infrastructure solutions. It is dedicated to innovation and advanced services linked to road-user charging, traffic control and regulation in cities and conurbations, and the management of safety, efficiency, and environmental challenges.

The complementarity of all companies under ITIS Holding creates a strong end-to-end ITS and automation provider, offering a comprehensive range of sustainable solutions for urban mobility, tolling, road safety, traffic enforcement, and automation. With delivery capabilities in nearly every corner of the world, the group is well-positioned to lead the future of transport infrastructure.

In 2022, ITIS Holding became the sole owner of CzechToll and SkyToll (electronic toll system operators), the tech company TollNet (one of the world's largest of on-board-unit manufacturers), and the cashless toll payment solutions provider PaySystem. In early 2024, ITIS Holding completed the significant acquisition of VITRONIC Machine Vision, a leading global in traffic technology and automation based in Wiesbaden, Germany.

The acquisition of VITRONIC holds strategic significance. As a global leader in traffic technology, this company operates in more than 80 countries worldwide, providing tolling and enforcement solutions, smart city technologies, and advanced automation solutions for various industrial applications. Together, ITIS Holding and VITRONIC complement each other in terms of solutions and regional reach.

As of 31 December 2024, the Group held a 50% stake in ITIS Holding, which is one of only two providers in the world to operate a satellite toll system in two countries. Additionally, ITIS Holding runs an electronic vignette payment system for passenger vehicles in two markets.

The holding company's highest-profile brand in the Czech Republic is CzechToll, which built and, since 2019, has operated a satellite-based toll collection system for vehicles weighing more than 3.5 tonnes. This project saw the world's first-ever seamless introduction of new-generation, scalable satellite technology, replacing the outdated and costly microwave system. The new system costs the government three times less to operate than its predecessor.

SkyToll, based in Slovakia, is the world's first system to combine satellite GNSS positioning technology, microwave DSRC technology for short-distance communication, and mobile GSM technology for communication in mobile networks. Since 2010, SkyToll has operated the satellite toll system it built in Slovakia. It has also run an electronic vignette system in Slovakia since 2015, and built and successfully launched a similar in Slovenia in 2021. Alongside its sister company TollNet, SkyToll is developing a new toll system based on automatic number-plate recognition (ANPR) technology in Croatia.

PPF Nautical

PPF Nautical operates in the world's key marine leisure and tourism markets. Its diverse portfolio of brands spans recreational boat and yacht manufacturing, chartering, maintenance, marina infrastructure, and digital booking platforms for seafaring holidays. The nautical leisure sector aligns with PPF Group's investment philosophy, which prioritises consumer-facing businesses with global reach.

PPF Nautical's world-class catamaran maker, Robertson & Caine, and the global leader in yacht fleet operations, DreamYacht Charter, cater to the demand for sustainable and environmentally conscious marine tourism.

PPF Group entered the nautical leisure and services sector in 2021 by forming a joint venture with Groupe Beneteau, a traditional French manufacturer of smaller recreational vessels. Their partnership, Blue Sea Holding, currently operates over 1,000 charter boats via the DreamYacht Charter and Navigare Yachting networks. Both platforms command a sizeable presence in the boat sales and fleet management markets, operating from nearly 50 bases at marinas across the Caribbean, the Mediterranean, Asia, and the Pacific. Together, they hold close to a 10% share of the global boat charter industry, which reports annual bookings of more than EUR 1.4 billion. PPF Nautical's market share is further strengthened by SamBoat, its global online boat chartering platform.

With its light carbon footprint and emphasis on slow travel, recreational chartering is well-positioned to benefit from the growing consumer shift towards sustainable, eco-friendly getaways. The fragmented nature of the marine leisure sector is an opportunity to leverage digital transformation towards market consolidation.

Since its 2023 acquisition of Robertson & Caine, the South Africa-based manufacturer of Leopard sail and power catamarans, PPF Nautical has further expanded its products and services in the industry. Leopard catamarans are sold primarily on the US market, with a smaller presence in Europe. In 2025, Robertson & Caine celebrated a manufacturing milestone, having delivered more than 3,000 boats since its inception in the early 1990s. The company is now advancing into the electric-powered boat market, furthering its commitment to environmental sustainability.

In 2024, PPF Nautical expanded its boat manufacturing footprint and entered the shipyard and boat maintenance services sector. It acquired Privilège Marine, the luxury sailing catamaran maker based in Les Sables d'Olonne, France. The company also runs innovative research and development projects, including alternative fossil-free boat propulsion technologies. Its marina doubles as the home base of the Vendée Globe sailing adventure. PPF Nautical also offers shipyard and repair services to Privilège boat owners worldwide, including at PLANACO S.A., a newly added facility near Athens, Greece.

O2 arena, O2 universum, and STAGES HOTEL Prague - Leisure

O2 arena is one of the most advanced multipurpose venues in Europe. With a capacity of 20,000, it is the largest arena in the Czech Republic. Together with O2 universum and Stages Hotel Prague, it offers unique facilities and high-quality services for organisers of and visitors to popular concerts, sports events, conferences, and corporate gatherings.

O2 arena

In 2024, O2 arena enjoyed its most successful year yet, attracting the highest number of visitors in its history across 144 events. Nearly 1.7 million people attended a variety of musical, sports, and other events, bringing the total number of visitors since the arena's opening in 2004 to almost 15 million. The year's biggest draws included concerts by Depeche Mode, Nick Cave, Judas Priest, and Travis Scott. A significant contribution to this record-breaking attendance came from the 2024 IIHF Ice Hockey World Championship, which attracted over half a million fans in Prague alone.

O2 universum

O2 universum, a multifunctional centre, concluded its fifth season with record-breaking attendance, welcoming nearly 300,000 visitors to both its congress and concert events. Last year, this 38–hall venue hosted upwards of 190,000 people at public and corporate events, including the popular Comic-Con festival. Concerts featured performances by Beth Hart, Bob Dylan, Gregory Porter, Pet Shop Boys, The Smashing Pumpkins, and Take That.

STAGES HOTEL Prague

Following an internal reorganisation at the start of 2024, Stages Hotel Prague exceeded its targets, significantly outperforming the Prague market. By maintaining a continuous focus on quality and exceptional service, the hotel remains at the top of the rankings among Marriott's Tribute Portfolio Hotels in EMEA across multiple categories. During the 2024 IIHF Ice Hockey World Championship, the hotel had the honour of hosting the victorious Czech national ice hockey team, further solidifying its reputation as a top choice for major sports and cultural events.

PPF Biotech - Biotechnology

SOTIO Biotech

SOTIO Biotech Group, operating within the PPF Biotech division, researches and develops innovative cancer treatments and applies its scientific immunotherapy knowledge to clinical trials. Teams of leading experts from all over the world work for SOTIO as part of its extensive international activities.

SOTIO, part of PPF Group since 2012, coordinates the Group's biotechnology activities. It is building a diversified portfolio of immuno-oncology programmes based on its own research and development, partnerships, licensing agreements, investments, mergers and acquisitions. It has operations in Europe and the US, with principal centres in Prague, Basel, and Boston. SOTIO Group, which has its own scientific and laboratory facilities in Prague, is the largest privately funded research endeavour in the Czech Republic.

SOTIO's research and development programmes embrace next-generation antibody-drug conjugate (ADC) oncology products, along with personalised cellular immunotherapy on the CAR-T platform and IL–15 superagonist-based products, including immunocytokines.

SOTIO validates the safety and efficacy of its products in comprehensive clinical trials conducted in Europe and the US since 2012.

In July 2024, SOTIO entered into multi-target antibody agreement with Biocytogen. Option and license agreement includes multiple fully human bispecific antibodies generated with Biocytogen's proprietary platform. The agreement enables SOTIO to significantly broaden its next-generation ADC portfolio, including multi-specific ADCs.

SCTbio (SCT Cell Manufacturing)

As the servicing organisation for SOTIO Group companies and external partners, SCTbio manufactures investigational medicinal products based on cell therapies intended for the treatment of cancer. SCTbio also provides SOTIO Group and external partners with logistics and other services related to the development and manufacture of autologous and allogeneic advanced therapy medicinal products, including viral vectors.

Other PPF biotech holdings

PPF Group's biotech portfolio also includes investments in Swiss company Cellestia Biotech and the UK-based biotechnology company Autolus Therapeutics.

Corporate social responsibility

PPF Group has a long-standing commitment to support education, culture, sports, and local communities, along with the advancement of civil society and scientific research, across the 25 countries where it operates. Beyond financial donations and material support, PPF Group companies contribute to non-profit and civic initiatives by providing services on preferential terms, sharing expertise, and engaging their specialists and teams in professionally focused training projects.

In the Czech Republic, PPF Group primarily supports projects, individuals, and institutions that dedicate their efforts or talents to the development of Czech society and help to create the environment and conditions for an open society, mutual respect, and opportunities for people to follow their own paths, giving them the chance to succeed in the world and inspire others through their activities. Since 2019, many of the Group's CSR programmes and activities have been centralised through the PPF Foundation.

Internationally, PPF Group provides support through its companies' projects and foundations focusing long-term on specific areas that reflect their skill sets, business pursuits, and local presence, often in partnership with the public sector and communities.

CSR at PPF Group

PPF Group companies engage in non-profit projects and CSR initiatives relevant to their industry and location. Support programmes and key activities are coordinated across the Group to amplify the overall benefits of community efforts. This policy helps PPF companies to benefit from shared experience, information, and resources.

Additional CSR efforts are also driven by employees leveraging their skills, knowledge, and enthusiasm to make meaningful contributions to communities and individuals.

For example, financial services companies prioritise financial literacy and the responsible management of personal finances. These initiatives, run internationally in collaboration with local organisations, educational institutions, and other partners, include financial and in-kind support, workshops, and the production and distribution of publications, videos, and digital apps.

The Group's telecommunications companies focus on providing access to, promoting, and developing online education in schools, as well as internet safety for children and guidance on how to navigate the online world safely.

PPF Group's media companies are committed to harnessing their potential for social good in all their markets. Active partnerships help to raise awareness of critical social, health, and other issues, and have proven successful at collecting financial donations in response to natural disasters.

Selected fields of PPF Group companies' CSR activities in 2024

PPF banka and Air Bank

PPF banka actively contributes to Czech society through CSR initiatives. It is a long-term donor to the PPF Foundation, The Kellner Family Foundation, and the Pipan bilingual nursery school for hearing-impaired children. As part of its broader sponsorship and partnership programmes, it also supports Cirk La Putyka (a leading Czech acrobatics school) and other cultural projects, including the popular Summer Shakespeare Festival.

Air Bank takes a long-term approach, embracing CSR initiatives that benefit employees. In 2024, for example, it offered several ways for staff to take paid time off work to support non-profit organisations or assist those in need. All employees are entitled to three paid volunteering days per year, which they can use for organised events or personal initiatives. Following last year's catastrophic floods in the Czech Republic and beyond – an event that affected many people, including colleagues – some staff used this time to help with flood relief efforts.

e& PPF Telecom Group (until October 2024 PPF Telecom Group)

In 2024, e& PPF Telecom Group placed digital literacy and inclusion at the forefront of its CSR initiatives. As part of these efforts, Yettel in Serbia partnered with UNICEF to launch Digital Literacy and Protection from Digital Violence, a project aimed at highlighting the importance of protecting children in the digital world by establishing learning clubs and digital technology libraries in 30 schools across Serbia. The initiative sought to educate 60,000 students, teachers, and parents, with support including financial contributions and SIM cards for the programme.

In Hungary, the Yettel brand continued its successful Digital Inclusion Fund in partnership with the Hungarian Red Cross. Since 2021, this joint programme has supported the digital inclusion of many families and individuals. Under competition rules, laptops, mobile phones and peripheral packages have been distributed to those in need.

At Yettel Bulgaria, the topic of online safety is high on the agenda. The organisation runs a programme geared towards two main objectives: firstly, to arm individuals with the knowledge and skills they need to become competent digital citizens; and secondly, to safeguard the most vulnerable online users, particularly children and teenagers, by educating them about the potential dangers of the digital world.

Through all its activities in 2024, Yettel Bulgaria engaged nearly 60,000 children and young people with messages about internet safety, while nearly 24,000 people improved their digital skills.

These activities were complemented by two social media campaigns. Digital Scouts, using gamification, commissioned popular influencers to create engaging yet educational challenges for their followers, teaching them how to protect themselves from online risks and develop good digital habits. Others were transformed into comic book characters designed to encourage responsible online behaviour.

CME Group

CME Group, with its affiliates BTV Bulgaria, Pop TV, and TV Nova, has made a difference to communities across Central and Eastern Europe through various initiatives.

In Romania, the main focus has been on delivering the Romania, Be Smart campaign, designed to promote sporting excellence nationwide. As part of this initiative, PRO TV celebrities were enlisted as ambassadors, with extensive news and digital media campaigns supporting the programme's objectives. Additionally, a new sustainability-focused podcast was launched, and a scholarship scheme for high-achieving students was introduced in collaboration with a well-known local NGO.

In the Czech Republic, CSR efforts centred on helping children in need. This included a nationwide campaign in partnership with more than 20 NGOs, as well as a significant donation made to an NGO during a high-profile national music awards ceremony.

A similar focus was seen among CME businesses in Slovenia and Slovakia, where initiatives supported socially deprived communities. In Slovenia, employees took part in volunteering activities that included the delivery of food packages, while in Slovakia, staff received training to become mental health “first aiders”.

In Croatia, CME’s CSR initiatives prioritised people and the environment. Key projects included on-air campaigns in support of International Human Rights Day, guided tours of RTL premises, and a charity football match in Vukovar.

In Bulgaria, teams were involved in the Let’s Clean Bulgaria Together initiative and organised a large Christmas campaign to provide gifts for 600 children across the country.

SOTIO and SCTbio

SOTIO is a purpose-driven company with CSR activities deeply embedded in its organisational culture. One long-standing tradition is the annual Christmas charity collection, which began in 2017 as an initiative of two SOTIO employees. In the run-up to Christmas every year, staff from SOTIO and SCTbio in Prague select two non-profit institutions or specific projects to support. Employees contribute to the cause, and SOTIO and SCTbio match those donations, doubling the total amount. In 2024, the beneficiaries were Cesta domů and Zlatá rybka, two non-profit organisations dedicated to supporting those in need.

PPF Foundation

In the fifth year of its existence, the PPF Foundation continued to pursue its core objectives: supporting Czech talent and global success and recognition, introducing foreign inspiration into the Czech Republic, and promoting the openness of Czech society. When selecting projects to support, it placed a great emphasis on their international context and how ambitious they were to extend their reach beyond domestic borders.

The Group was founded in the Czech Republic and, over the course of more than thirty years, has grown into a global business player driven by its expansive international reach. It has charted its own course to success across markets around the world. Yet, despite its dynamic expansion into a global business, PPF Group has remained true to its Czech roots, maintaining a keen awareness of its operations not only in an international context, but also at a local level. This mindset is also reflected in the mission and activities of the PPF Foundation. From the outset, its work has been guided by a strong belief in Czech talent and the conviction that the Czech Republic is home to many remarkable individuals and projects that have the skills, ambition, and quality to make their mark globally. The Foundation frequently revisits the theme of breaking boundaries, which it approaches from two perspectives. On the one hand, it seeks out and supports projects that open doors for Czech talent abroad – showcasing Czech visual arts, theatre, film, literature, music, design, sport, and even technological innovations in healthcare and social issues on the international stage. On the other hand, it collaborates with partners pursuing initiatives that bring global inspiration and expertise to the Czech Republic. This international dialogue is one of the key criteria the Foundation considers when selecting projects and organisations to support. It seeks to back initiatives that embody the vision, courage, and ambition of their creators and leaders to operate on an international scale and, often, to stand should to shoulder with the best in the world. Projects for which this international dimension is an integral part of their work span a range of fields, one of the most prominent being contemporary circus, represented by the Cirk La Putyka ensemble and the Letni Letna festival.

Sustainability

PPF Group has a proven track record of creating and running businesses that deliver genuine value to customers while inspiring and cultivating markets and industries. Embracing sustainability enables the benefits of entrepreneurial efforts to be integrated into business operations, allowing them to be shared with communities and society at large, thereby enhancing their prosperity.

PPF Group companies are committed to developing future-proof, environmentally friendly services and solutions. From shaping transport systems of tomorrow and powering mobile networks with green energy, to deploying energy-efficient designs for buildings, PPF Group’s businesses are fully engaged in advancing the transition to a low-carbon economy.

The success of PPF Group is underpinned by the human capital within its workforce of over 40,000 employees. The Group’s investment in its people, teams, and employees is reflected in the numerous accolades it has received. Several PPF Group’s companies in the Czech Republic rank among the top 5 Most Attractive Employers in their respective fields, while across 25 markets, PPF Group’s businesses have earned certifications such as Great Place to Work and numerous other HR awards. The Group fosters a result-oriented corporate culture that upholds a zero-tolerance policy for discrimination and demands the highest ethical standards.

The Group has been systematically preparing for sustainability disclosures requirements under CSRD. It has enhanced ESG teams both at the holding as well as at sector levels, carried out the first iteration of the double materiality assessment and built a robust ESG data infrastructure. With the Omnibus package, the Group’s sustainability reporting obligation is to be postponed by two years, however, internal ESG processes will be continued and further refined before the Group’s first reporting year.

Environment

PPF Group’s operations as a whole did not have any significant negative impact on the environment.

Recent events, commercial and financial outlook

In 2024, PPF Group continued to strengthen its exposure to developed markets, primarily in Europe, with investments in the telecommunications, media, e-commerce and real estate sectors. Together with financial services, the five sectors represent the main investment pillars of the Group. Following the success in geographic and sector asset diversification, the Group expanded its real estate portfolio into new segments, entering into residential and retail development in the US, and the Prague luxury hotel market. In the Czech Republic, PPF Group seeks to build synergies between its selected consumer-facing companies to provide joint offerings of services and products to existing and new customers. PPF is determined to build on recently launched initiatives such as Unity, the platform that brings together its largest Czech consumer brands, Air Bank and O2 Czech Republic, or Oneplay, an integrated over-the-top video streaming and live television platform.

Capital markets have faced turbulent headwinds driven by geopolitics, the war in Ukraine, and constraints on free trade arising from the current US administration's trade tariff policies. The Group carefully monitors the situation, applying a balanced and cautious approach to its investments in publicly listed companies, mindful of the need for resilience amid volatile global capital markets. The diversity of the Group's portfolio of companies offsets and significantly mitigates the risks that may stem from capital market turbulence.

Cautionary statement with respect to forward-looking statements

Certain statements contained in these annual accounts are statements of future expectations and other forward-looking statements that are based on management's current view, estimates and assumptions about future events.

These forward-looking statements are subject to certain risks, uncertainties and special circumstances or events that may cause results to differ materially from those expressed or implied in such statements.

28 April 2025

Board of directors

PPF GROUP N.V.

Consolidated financial statements for the year ended 31 December 2024

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Glossary

AC	- amortised cost
CGU	- cash generating unit
EAD	- exposure at default
EBITDA	- earnings before interest, tax, depreciation and amortisation
ECL	- expected credit loss
FV	- fair value
FVOCI	- fair value through other comprehensive income
FVTPL	- fair value through profit or loss
FX	- foreign exchange
HFS	- held for sale
IFRS AS	- International Financial Reporting Standards – Accounting Standards
IPRD	- in-progress research and development
JV	- joint venture
LGD	- loss given default
MOSA	- management and operational service agreement
MSA	- master service agreement
NCI	- non-controlling interests
OCI	- other comprehensive income
OTC	- over the counter
PD	- probability of default
PL	- profit or loss
POCI	- purchased or originated credit impaired
PPE	- property, plant and equipment
ROU	- right-of-use assets

Consolidated statement of financial position

In millions of EUR

	Note	31 December 2024	31 December 2023
ASSETS			
Cash and cash equivalents	E.1	8,199	8,535
Investment securities and derivatives	E.2	8,445	8,944
Loans and receivables due from banks and other financial institutions	E.3	159	193
Loans due from customers	E.4	7,875	8,457
Trade and other receivables	E.5	832	1,254
Contract assets	E.5	233	275
Current tax assets		26	28
Inventories	E.6	365	460
Assets held for sale	E.7	2,199	28
Equity-accounted investees	E.8	4,679	3,279
Investment property	E.9	1,001	1,219
Property, plant and equipment	E.10	3,462	4,403
Goodwill	E.11.1	2,182	3,236
Other intangible assets	E.11.2	1,201	2,132
Programming assets	E.6	325	302
Other assets	E.12	406	512
Deferred tax assets	E.37.3	133	227
TOTAL ASSETS		**41,722**	**43,484**
LIABILITIES			
Financial liabilities at FVTPL	E.13	2,391	4,034
Due to non-banks	E.14	16,754	14,661
Due to banks and other financial institutions	E.15	4,768	7,438
Debt securities issued	E.16	1,165	3,165
Subordinated liabilities	E.17	26	26
Liabilities directly associated with assets held for sale	E.7	1,007	13
Current tax liabilities		41	51
Trade and other payables	E.18	2,145	2,714
Contract liabilities	E.5	425	397
Provisions	E.19	145	216
Conditional commitment to acquire NCI´s share	B.3.6	-	1,019
Deferred tax liabilities	E.37.3	390	488
TOTAL LIABILITIES		**29,257**	**34,222**
EQUITY			
Issued capital	E.20	1	1
Share premium	E.20	677	677
Other reserves	E.21	(294)	(1,483)
Retained earnings	E.21.1	11,966	9,574
Total equity attributable to owners of the Parent		12,350	8,769
Non-controlling interests	E.22	115	493
Total equity		**12,465**	**9,262**
TOTAL LIABILITIES AND EQUITY		**41,722**	**43,484**

The notes on pages 38 to 199 are an integral part of these consolidated financial statements.

Consolidated statement of income

For the year ended 31 December

In millions of EUR

	Note	2024	2023 (restated)*
CONTINUING OPERATIONS			
Interest income		1,652	1,603
Interest expense		(1,110)	(1,084)
Net interest income	E.25	**542**	**519**
Fee and commission income		133	137
Fee and commission expense		(117)	(99)
Net fee and commission income	E.26	**16**	**38**
Rental and related revenues	E.29	144	156
Property operating expenses	E.29	(58)	(53)
Net revaluation losses on investment property	E.9	(79)	(122)
Net real estate income		**7**	**(19)**
Telecommunications revenues		1,817	1,795
Telecommunications costs		(450)	(484)
Net telecommunications income	E.30	**1,367**	**1,311**
Media revenues		940	854
Media costs		(513)	(463)
Net media income	E.31	**427**	**391**
Mechanical engineering revenues		1,118	1,136
Mechanical engineering costs		(783)	(844)
Net mechanical engineering income	E.32	**335**	**292**
Leisure and entertainment revenues		424	344
Leisure and entertainment costs		(284)	(227)
Net leisure and entertainment income	E.33	**140**	**117**
Other net gains on financial instruments	E.27	87	255
Other income	E.34	122	103
TOTAL OPERATING INCOME		**3,043**	**3,007**
Net impairment losses on financial assets	E.28	(179)	(152)
Net impairment losses on assets held for sale	B.3.7	(1,089)	-
Personnel expenses	E.35	(1,145)	(928)
Other operating expenses	E.35	(829)	(764)
Depreciation and amortisation	E.36	(610)	(642)
Gains/(losses) on disposals/liquidations of equity-accounted investees and subsidiaries	B.2	3,507	(71)
Share of profit of equity-accounted investees, net of tax	E.8	292	795
PROFIT BEFORE TAX		**2,990**	**1,245**
Income tax expense	E.37.1	(235)	(218)
Net profit from continuing operations		**2,755**	**1,027**
DISCONTINUED OPERATIONS			
Net profit from discontinued operations	B.2	445	422
NET PROFIT FOR THE PERIOD		**3,200**	**1,449**
Net profit attributable to:			
Owners of the Parent		3,188	1,355
Non-controlling interests	E.22	12	94

*For more details on the restatement refer to A.6.

Consolidated statement of comprehensive income

For the year ended 31 December

In millions of EUR

	2024	2023
NET PROFIT FOR THE PERIOD	**3,200**	**1,449**
Other comprehensive income		
Valuation gains/(losses) on FVOCI equity instruments	(77)	43
Valuation gains/(losses) on FVOCI debt securities*	(27)	29
FVOCI revaluation losses reclassified to profit or loss*	5	2
Foreign operations - currency translation differences*	(172)	(184)
Share of OCI of equity-accounted investees*	85	(66)
Disposal of subsidiaries and equity-accounted investees*	333	12
Cash-flow hedge - effective portion of changes in fair value*	(11)	(40)
Cash-flow hedge - net change in fair value reclassified to profit or loss*	(3)	2
Income tax related to components of OCI*	13	2
Other comprehensive income/(expense) for the period, net of tax	**146**	**(200)**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**3,346**	**1,249**
Total comprehensive income attributable to:		
Owners of the Parent	3,307	1,172
Non-controlling interests	39	77

*Items that are or will be reclassified subsequently to profit or loss.

The notes on pages 38 to 199 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
			Revaluation reserve	Translation reserve	Hedging reserve	Other reserves	Reserve for puttable instruments				
Balance as at 1 January 2024	**1**	**677**	**(283)**	**(98)**	**(78)**	**(5)**	**(1,019)**	**9,574**	**8,769**	**493**	**9,262**
Profit for the period	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**3,188**	**3,188**	**12**	**3,200**
Currency translation differences	-	-	-	(164)	-	-	-	-	(164)	(8)	(172)
FVOCI revaluation losses taken to equity	-	-	(104)	-	-	-	-	-	(104)	-	(104)
FVOCI revaluation losses reclassified to profit or loss	-	-	5	-	-	-	-	-	5	-	5
FVOCI revaluation losses reclassified directly to retained earnings	-	-	34	-	-	-	-	(34)	-	-	-
Cash-flow hedge – effective portion of changes in fair value	-	-	-	-	(8)	-	-	-	(8)	(3)	(11)
Cash-flow hedge – net change in fair value reclassified to profit or loss	-	-	-	-	(3)	-	-	-	(3)	-	(3)
Share of OCI of equity-accounted investees	-	-	-	11	80	(6)	-	-	85	-	85
Disposal of subsidiaries and equity-accounted investees (refer to B.2 section)	-	-	50	245	-	-	-	-	295	38	333
Tax on items taken directly to or transferred from equity	-	-	8	-	5	-	-	-	13	-	13
Other comprehensive income/(expense) for the period	**-**	**-**	**(7)**	**92**	**74**	**(6)**	**-**	**(34)**	**119**	**27**	**146**
Total comprehensive income/(expense) for the period	**-**	**-**	**(7)**	**92**	**74**	**(6)**	**-**	**3,154**	**3,307**	**39**	**3,346**

In millions of EUR

	Issued capital	Share premium	Other reserves					Retained earnings	Attributable to owners of the Parent	Attributable to NCI	Total
			Revaluation reserve	Translation reserve	Hedging reserve	Other reserves	Reserve for puttable instruments				
Total comprehensive income/(expense) for the period	**-**	**-**	**(7)**	**92**	**74**	**(6)**	**-**	**3,154**	**3,307**	**39**	**3,346**
Transactions with owners of the Parent											
Dividends to shareholders	-	-	-	-	-	-	-	(118)	(118)	-	(118)
Dividends to NCI	-	-	-	-	-	-	-	-	-	(549)	(549)
Disposal of shares in subsidiaries to NCI	-	-	-	-	-	-	-	110	110	63	173
Acquisition of shares in subsidiaries from NCI (refer to B.2 section)	-	-	-	13	-	-	-	(733)	(720)	(272)	(992)
Conditional commitment to acquire NCI’s share – derecognition (refer to E.21.5)	-	-	-	-	-	-	1,019	-	1,019	-	1,019
Other contributions by NCI	-	-	-	-	-	-	-	-	-	681	681
Other distributions by NCI	-	-	-	-	-	-	-	-	-	(340)	(340)
Other	-	-	-	-	-	4	-	(21)	(17)	-	(17)
Total transactions with owners of the Parent	**-**	**-**	**-**	**13**	**-**	**4**	**1,019**	**(762)**	**274**	**(417)**	**(143)**
Balance as at 31 December 2024	**1**	**677**	**(290)**	**7**	**(4)**	**(7)**	**-**	**11,966**	**12,350**	**115**	**12,465**

The notes on pages 38 to 199 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
			Revaluation reserve	Translation reserve	Hedging reserve	Other reserves	Reserve for puttable instruments				
Balance as at 1 January 2023	**1**	**677**	**(314)**	**93**	**(11)**	**3**	**(850)**	**8,929**	**8,528**	**722**	**9,250**
Profit for the period	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,355**	**1,355**	**94**	**1,449**
Currency translation differences	-	-	-	(186)	-	-	-	-	(186)	2	(184)
FVOCI revaluation gains taken to equity	-	-	72	-	-	-	-	-	72	-	72
FVOCI revaluation losses reclassified to profit or loss	-	-	2	-	-	-	-	-	2	-	2
FVOCI revaluation gains reclassified directly to retained earnings	-	-	(36)	-	-	-	-	36	-	-	-
Cash-flow hedge – effective portion of changes in fair value	-	-	-	-	(35)	-	-	-	(35)	(5)	(40)
Cash-flow hedge – net change in fair value reclassified to profit or loss	-	-	-	-	2	-	-	-	2	-	2
Share of OCI of equity-accounted investees	-	-	-	(21)	(43)	(2)	-	-	(66)	-	(66)
Disposal of subsidiaries and equity-accounted investees (refer to B.2 section)	-	-	-	26	-	-	-	-	26	(14)	12
Tax on items taken directly to or transferred from equity	-	-	(7)	-	9	-	-	-	2	-	2
Other comprehensive income/(expense) for the period	**-**	**-**	**31**	**(181)**	**(67)**	**(2)**	**-**	**36**	**(183)**	**(17)**	**(200)**
Total comprehensive income/(expense) for the period	**-**	**-**	**31**	**(181)**	**(67)**	**(2)**	**-**	**1,391**	**1,172**	**77**	**1,249**

In millions of EUR

	Issued capital	Share premium	Other reserves					Retained earnings	Attributable to owners of the Parent	Attributable to NCI	Total
			Revaluation reserve	Translation reserve	Hedging reserve	Other reserves	Reserve for puttable instruments				
Total comprehensive income/(expense) for the period	**-**	**-**	**31**	**(181)**	**(67)**	**(2)**	**-**	**1,391**	**1,172**	**77**	**1,249**
Transactions with owners of the Parent											
Dividends to shareholders	-	-	-	-	-	-	-	(118)	(118)	-	(118)
Dividends to NCI	-	-	-	-	-	-	-	-	-	(96)	(96)
Acquisition of own treasury shares (refer to E.20)	-	-	-	-	-	-	-	(575)	(575)	-	(575)
Acquisition of shares in subsidiaries from NCI (refer to B.3.5)	-	-	-	(10)	-	-	-	(59)	(69)	(200)	(269)
Conditional commitment to acquire NCI's share - origination	-	-	-	-	-	-	(36)	-	(36)	-	(36)
Conditional commitment to acquire NCI's share – net change in present value (refer to B.3.6)	-	-	-	-	-	-	(133)	-	(133)	-	(133)
Other changes in NCI	-	-	-	-	-	-	-	(2)	(2)	(10)	(12)
Other	-	-	-	-	-	(6)	-	8	2	-	2
Total transactions with owners of the Parent	**-**	**-**	**-**	**(10)**	**-**	**(6)**	**(169)**	**(746)**	**(931)**	**(306)**	**(1,237)**
Balance as at 31 December 2023	**1**	**677**	**(283)**	**(98)**	**(78)**	**(5)**	**(1,019)**	**9,574**	**8,769**	**493**	**9,262**

The notes on pages 38 to 199 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

	Notes	2024	2023
Cash flows from operating activities			
Profit for the period, net of tax (incl. discontinued operations)(1)		3,200	1,449
Adjustments for:			
Depreciation and amortisation		941	1,026
Impairment of financial and non-financial assets		1,576	449
(Gains)/losses on disposal of PPE, intangible assets, and investment property		(17)	9
Other net gains on financial instruments		(194)	(248)
(Gains)/losses on disposals/liquidations of equity-accounted investees and subsidiaries	B.2	(3,507)	71
Interest income		(2,113)	(2,335)
Interest expense		1,311	1,353
Net foreign exchange losses		22	34
Share of profit of equity-accounted investees, net of tax		(292)	(795)
Other expenses not involving movements of cash		(4)	167
Income tax expense		322	305
Interest received		2,036	2,285
Change in loans and receivables due from banks and other financial institutions		23	(46)
Change in loans due from customers		(1,035)	(608)
Change in financial assets at FVTPL held for trading		1,478	(3,318)
Change in trade and other receivables		(84)	(6)
Change in other assets		(109)	(123)
Change in liabilities due to non-banks		2,317	1,796
Change in financial liabilities at FVTPL held for trading		(1,648)	3,224
Change in trade and other payables		611	59
Change in assets held for sale and liabilities directly associated with assets held for sale		(105)	38
Income tax paid		(343)	(377)
Net cash from operating activities		**4,386**	**4,409**
Cash flows from investing activities			
Dividends received		73	64
Purchase of tangible and intangible assets		(961)	(826)
Purchase of financial assets at FVTPL not held for trading		(56)	(121)
Purchase of financial assets at AC		(442)	(663)
Purchase of financial assets at FVOCI		(2,963)	(589)
Purchase of investment property		(23)	(9)
Acquisition of subsidiaries and equity-acc. investees, net of cash acquired (incl. capital increase)(2)	B.2	(819)	(1,475)
Proceeds from disposals of tangible and intangible assets		72	30
Proceeds from sale of financial assets at FVTPL not held for trading		51	66
Proceeds from sale of financial assets at AC		110	492
Proceeds from sale of financial assets at FVOCI		2,129	182
Proceeds from disposal of subsidiaries and equity-acc. investees, net of cash disposed (incl. capital decrease)(2)	B.2	2,089	694
Net cash used in investing activities		**(740)**	**(2,155)**

In millions of EUR

	Notes	2024	2023
Cash flows from financing activities			
Proceeds from the issue of debt securities		1,068	798
Proceeds from liabilities due to banks and other financial institutions(3)		12,362	5,391
Repayment of debt securities		(891)	(1,608)
Repayment of liabilities due to banks and other financial institutions(3)		(14,047)	(4,298)
Interest paid		(987)	(1,277)
Cash payments for principal portion of lease liability		(156)	(159)
Dividends paid to shareholders		(118)	(118)
Dividends paid to NCI	E.22	(549)	(96)
Payments for acquisition of own treasury shares	E.20	-	(575)
Proceeds from sale of shares in subsidiaries to NCI		173	-
Payments for purchase of shares in subsidiaries from NCI	B.3	(1,018)	(269)
Other contributions by NCI		681	-
Other distributions to NCI		(340)	(11)
Net cash used in financing activities	**E.24**	**(3,822)**	**(2,222)**
Net increase/(decrease) in cash and cash equivalents		**(176)**	**32**
Cash and cash equivalents as at 1 January		**8,535**	**8,726**
Effect of movements in exchange rates on cash and cash equivalents		(160)	(223)
Cash and cash equivalents as at 31 December		**8,199**	**8,535**

(1) For more details on the discontinued operations refer to B section.
(2) Cash-flows from capital increase/decrease presented relate only to transactions with equity-accounted investees.
(3) The year-on-year increase is caused primarily by a higher turnover on the client commercial banks' current accounts opened with PPF banka, a.s.

The notes on pages 38 to 199 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 a separate presentation of cash flows from discontinued operations refer to B.2.1 and B.2.4.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

A. General

Description of the Group

PPF Group N.V. (the “Parent Company” or the “Parent”) is a company domiciled in the Netherlands. It invests in multiple market segments such as financial services, telecommunications, media, e-commerce, real estate, mechanical engineering, biotechnology, and others. The Group’s activities are primarily performed in Europe, the USA, and Asia.

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

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

Financial reporting period

These financial statements cover the year 2024 that ended at the balance sheet date of 31 December 2024. The year 2023 ending 31 December 2023 presented in these financial statements represents a comparative period.

Application of Section 402, Book 2 of the Dutch Civil Code

The financial information of the Company is included in the consolidated financial statements. For this reason, in accordance with Section 402, Book 2 of the Dutch Civil Code, the separate profit and loss account of the Company exclusively states the share of the result of participating interests after tax and the other income and expenses after tax.

For an appropriate interpretation of these statutory financial statements, the consolidated financial statements of the Company should be read in conjunction with the company financial statements, as included under pages 200 to 215.

A.1. Statement of compliance

These consolidated financial statements were approved by the board of directors and the supervisory board on 28 April 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 Part 9 of Book 2 of the Dutch Civil Code.

Changes to the material accounting policies are described in Note F.2.

A.2. Basis of measurement

The Group decided to present a consolidated statement of its financial position showing assets and liabilities in their broad order of liquidity because this presentation provides reliable and more relevant information than a presentation of current and non-current classifications.

The consolidated financial statements have been prepared based on 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), financial instruments at FVOCI and investment property. 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.

Disposal groups and assets held for sale are stated at the lower of their carrying amount and fair value less costs to sell.

The Group accounts for business combinations using the acquisition method when control is transferred to the Group (refer to A.4). 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 is immediately recognised in profit or loss (refer to F.1.12.1). Transaction costs are expensed as incurred, unless they relate to an issue of debt or equity securities.

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

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay a contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured, and its 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.3. Use of judgements and estimates

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

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

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

- assessment of control over subsidiaries (refer to B section);
- 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);
- useful life of tangible and intangible fixed assets (refer to F.1.11, F.1.12);
- in-progress research and development recognised as intangible asset (refer to E.11.2);
- the fair value of investment property (refer to E.9);
- the fair value of financial instruments (refer to C.6);
- the fair value less costs to sell of the held for sale assets and group of assets and liabilities (refer to E.7);
- expected credit losses on investment debt securities, loans provided, trade and other receivables, contract assets and other financial assets (refer to E.2 – E.5);
- consumption and impairment of programming assets (refer to F.1.13);
- provisions recognised under liabilities (refer to E.19);
- the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits (refer to E.37.3);
- 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.30 – E.33);
- commissions as costs to obtain contracts with customers and stand-alone selling prices (refer to E.12, E.26 – E.33);
- contingent assets and liabilities (E.39);
- lease-term for the lessee accounting whether the Group is reasonably certain to exercise extension options (refer to E.23);
- assessment of recognition and derecognition of, and the present value of the conditional commitment to acquire NCI's share (refer to B.3.6).

A.4. 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 interest (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 of the non-controlling interest, the Group might lose its power over an investee and cease controlling it. The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of the subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

The Group's interests in equity-accounted investees comprise interests in associates and joint ventures. Associates are those entities in which the Group has significant influence but not control over financial and operating policies. A joint venture is an arrangement in which the Group has joint control based on a contractual agreement, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. The consolidated financial statements include the Group's share of the total recognised gains and losses of associates and jointly controlled entities on an equity accounted basis, from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds the carrying amount of the equity-accounted investee, the carrying amount is reduced to nil and further losses are recognised as expected credit losses to loans provided to the investee. If no loans were provided to the equity-accounted investee, a liability is recognised, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the equity-accounted investee. If the associate or joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

Reorganisations and mergers involving the Group 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 arise 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 are recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when the control is lost.

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

A.5. Presentation of functional currency

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

Due to the continuing situation with the Russian Federation, the European Central Bank (ECB) has not changed its approach not to quote the EUR/RUB currency pair exchange rate, referring to its official statement about its position in the ability to set the reference rate for EUR/RUB currency pair that would be representative of prevailing market conditions. The ECB last published the EUR/RUB reference rate on 1 March 2022. Since then, the Group has been applying the EUR/RUB reference rate published daily by the Central Bank of the Russian Federation as a good point of reference for the EUR/RUB exchange rate quotation.

A.6. *Comparative figures in the consolidated statement of income*

The comparative figures in the consolidated statement of income for the year ended 31 December 2023 have been restated to present only continuing activities. Due to the discontinuance of operations in Southeast Asia and China within the financial services segment (refer to B.2.1 and D section), and Yettel and selected CETIN operations, incl. O2 Slovakia, within the telecommunications segment (refer to B.2.4 and D section), the related results have been summarised into a single line "net profit from discontinued operations, net of tax".

In 2024, the Group decided to present net insurance income due to its decreased significance in "other income" instead of presenting it separately in the consolidated statement of income.

In 2024, the Group also decided to present revenues from contracts with customers within "other income" instead of as previously within "other fee and commission income" as this presentation better reflects its nature.

The table below shows the comparative data as previously reported and after the above-described restatements:

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

	2023 (reported)	Discontinued operations in financial services segment	Discontinued operations in telecommunications segment	Reclassification of net insurance income	Reclassification of revenues from contracts with customers	2023 (restated)
Interest income	2,335	(726)	(6)	-	-	1,603
Interest expense	(1,353)	166	103	-	-	(1,084)
Net interest income	**982**	**(560)**	**97**	**-**	**-**	**519**
Fee and commission income	330	(183)	-	-	(10)	137
Fee and commission expense	(119)	20	-	-	-	(99)
Net fee and commission income	**211**	**(163)**	**-**	**-**	**(10)**	**38**
Insurance income	28	-	-	(28)	-	-
Insurance expense	(27)	-	-	27	-	-
Net insurance income	**1**	**-**	**-**	**(1)**	**-**	**-**
Net real estate income	**(19)**	**-**	**-**	**-**	**-**	**(19)**
Telecommunications revenues	3,768	-	(1,973)	-	-	1,795
Telecommunications costs	(1,091)	-	607	-	-	(484)
Net telecommunications income	**2,677**	**-**	**(1,366)**	**-**	**-**	**1,311**
Net media income	**391**	**-**	**-**	**-**	**-**	**391**

	2023 (reported)	Discontinued operations in financial services segment	Discontinued operations in telecommunications segment	Reclassification of net insurance income	Reclassification of revenues from contracts with customers	2023 (restated)
Net mechanical engineering income	**292**	**-**	**-**	**-**	**-**	**292**
Net leisure and entertainment income	**117**	**-**	**-**	**-**	**-**	**117**
Other net gains on financial instruments	248	7	-	-	-	255
Other income	96	(6)	2	1	10	103
TOTAL OPERATING INCOME	**4,996**	**(722)**	**(1,267)**	**-**	**-**	**3,007**
Net impairment losses on financial assets	(369)	190	27	-	-	(152)
Personnel expenses	(1,303)	197	178	-	-	(928)
Other operating expenses	(1,268)	191	313	-	-	(764)
Depreciation and amortisation	(1,026)	18	366	-	-	(642)
Loss on disposals/liquidations of equity-accounted investees and subsidiaries	(71)	-	-	-	-	(71)
Share of profit of equity-accounted investees, net of tax	795	-	-	-	-	795
PROFIT BEFORE TAX	**1,754**	**(126)**	**(383)**	**-**	**-**	**1,245**
Income tax expense	(305)	29	58	-	-	(218)
Net profit from continuing operations	**1,449**	**(97)**	**(325)**	**-**	**-**	**1,027**
Net profit from discontinued operations, net of tax	-	97	325	-	-	422
NET PROFIT FOR THE PERIOD	**1,449**	**-**	**-**	**-**	**-**	**1,449**

B. Consolidated group and main changes for the period

B.1. Group entities

The following list shows only significant holding and operating entities that are subsidiaries, associates or joint ventures of the Parent Company as of 31 December 2024 and 2023.

Company	Domicile	Effective proportion of ownership interest	
		31 December 2024	31 December 2023
PPF Group N.V.	Netherlands	Parent Company	Parent Company
PPF Financial Holdings subgroup - subsidiaries			
PPF Financial Holdings a.s.	Czech Republic	100.00%	100.00%
AB 4 B.V.	Netherlands	100.00%	91.12%
Air Bank a.s.	Czech Republic	100.00%	91.12%
EmbedIT s.r.o.	Czech Republic	100.00%	91.12%
Favour Ocean Ltd.	Hong Kong	100.00%	91.12%
Home Credit Bank JSC (1)	Kazakhstan	100.00%	100.00%
Home Credit a.s.	Czech Republic	100.00%	91.12%
Home Credit Asia Ltd.	Hong Kong	100.00%	91.12%
Home Credit N.V.	Netherlands	100.00%	91.12%
Home Credit India Finance Private Ltd.	India	100.00%	91.12%
Home Credit International a.s.	Czech Republic	100.00%	91.12%
Home Credit Slovakia, a.s.	Slovakia	100.00%	91.12%
Home Credit Vietnam Finance Company Ltd.	Vietnam	100.00%	91.12%
PPF banka, a.s.	Czech Republic	92.96%	92.96%
PPF Co3 B.V.	Netherlands	92.96%	92.96%
Yettel Bank a.d. Beograd	Serbia	100.00%	100.00%
Home Credit Consumer Finance Co., Ltd. (2)	China	2.00%	91.12%
PPF Financial Holdings subgroup – associates			
CB Growth Holdings Limited	United Kingdom	35.86%	33.32%
ClearBank Ltd.	United Kingdom	35.86%	33.32%
Telecommunications subgroup – subsidiaries			
PPF TMT Holdco 2 B.V.	Netherlands	100.00%	100.00%
CETIN Group N.V. (3)	Netherlands	100.00%	70.00%
CETIN a.s. (3)	Czech Republic	100.00%	70.00%
O2 Czech Republic a.s.	Czech Republic	100.00%	100.00%
O2 IT Services s.r.o.	Czech Republic	100.00%	100.00%
PPF Comco N.V.	Netherlands	100.00%	100.00%
PPF TMT Holdco 4 B.V. (4)	Netherlands	100.00%	-
PPF TMT Topholdco B.V. (4)	Netherlands	100.00%	-
DeCeTel s.r.o. *(formerly Nej.cz s.r.o.)* (5)	Czech Republic	-	70.00%
Telecommunications subgroup – associates			
e& PPF Telecom Group B.V. (6) *(formerly PPF Telecom Group B.V.)*	Netherlands	50.00%	100.00%
CETIN Bulgaria EAD (7)	Bulgaria	20.00%	70.00%
CETIN d.o.o. Beograd-Novi Beograd (7)	Serbia	20.00%	70.00%
CETIN International N.V. (4), (7)	Netherlands	20.00%	-
CETIN Networks, s.r.o. *(formerly O2 Networks, s.r.o.)* (7)	Slovakia	20.00%	100.00%
CETIN Hungary Zrt. (7)	Hungary	20.00%	72.50%
O2 Slovakia, s.r.o.	Slovakia	50.00%	100.00%
PPF TMT Bidco 1 N.V.	Netherlands	50.00%	100.00%
Yettel Bulgaria EAD	Bulgaria	50.00%	100.00%
Yettel d.o.o. Beograd	Serbia	50.00%	100.00%
Yettel Magyarország Zrt.	Hungary	50.00%	100.00%
Yettel Real Estate Hungary Zrt.	Hungary	50.00%	100.00%
TMT Hungary B.V.	Netherlands	50.00%	100.00%

Company	Domicile	Effective proportion of ownership interest 31 December 2024	31 December 2023
TMT Hungary Infra B.V. (7)	Netherlands	20.00%	72.50%
TMT Hungary Holdco B.V. (8)	Netherlands	-	100.00%
Real estate subgroup – subsidiaries			
PPF Real Estate Holding B.V.	Netherlands	100.00%	100.00%
ARC DEVELOPMENT S.R.L.	Romania	100.00%	100.00%
Art Office Gallery a.s.	Czech Republic	100.00%	100.00%
Boryspil Project Management Ltd.	Ukraine	100.00%	100.00%
Capellalaan (Hoofddorp) B.V.	Netherlands	100.00%	100.00%
EusebiusBS (Arnhem) B.V.	Netherlands	100.00%	100.00%
Gen Office Gallery a.s.	Czech Republic	100.00%	100.00%
German Properties B.V.	Netherlands	100.00%	100.00%
Hofplein Offices (Rotterdam) B.V.	Netherlands	100.00%	100.00%
Johan H (Amsterdam) B.V.	Netherlands	100.00%	100.00%
Kateřinská Office Building s.r.o.	Czech Republic	100.00%	100.00%
Millennium Hotel Rotterdam B.V.	Netherlands	100.00%	100.00%
Millennium Tower (Rotterdam) B.V.	Netherlands	100.00%	100.00%
Monheim Property B.V.	Netherlands	100.00%	100.00%
Monchyplein (Den Haag) B.V.	Netherlands	100.00%	100.00%
Murcja sp. Z o.o.	Poland	100.00%	100.00%
One Westferry Circus B.V.	Netherlands	100.00%	100.00%
Plaza Development SRL	Romania	100.00%	100.00%
Pompenburg (Rotterdam) B.V.	Netherlands	100.00%	100.00%
PPF CYPRUS RE MANAGEMENT Ltd.	Cyprus	100.00%	100.00%
PPF Gate, a.s.	Czech Republic	100.00%	100.00%
PPF Hospitality s.r.o. (4)	Czech Republic	100.00%	-
PPF reality a.s.	Czech Republic	100.00%	100.00%
PPF Real Estate s.r.o.	Czech Republic	100.00%	100.00%
PPF Real Estate I, Inc.	USA	100.00%	100.00%
RC PROPERTIES S.R.L.	Romania	100.00%	100.00%
Sun Belt Multi I, LLC	USA	100.00%	100.00%
Sun Belt Multi II, LLC	USA	100.00%	100.00%
Sun Belt Office II Interholdco, LLC	USA	100.00%	100.00%
Sun Belt Office II, LLC	USA	100.00%	100.00%
Tanaina Holdings Ltd.	Cyprus	100.00%	100.00%
De Reling (Dronten) B.V. (9)	Netherlands	-	100.00%
Wagnerford LLC (10)	Russia	-	89.91%
Devediaco Enterprises Limited (10)	Cyprus	-	89.91%
Fosol Enterprises Limited (10)	Cyprus	-	89.91%
Real estate subgroup – associates/joint ventures			
Aventon Alaira II JV, LLC (11)	USA	90.00%	90.00%
Sun Belt Office I Holdings, LLC (11)	USA	75.00%	-
Sun Belt Office I, LLC (Mansell Overlook) (12)	USA	75.00%	100.00%
Gilbey Holdings Ltd.	Cyprus	60.00%	60.00%
Komodor LLC	Ukraine	59.40%	59.40%
Na Košince 2, a.s.	Czech Republic	50.00%	50.00%
Seal House JV a.s.	Czech Republic	50.00%	50.00%
MiddleCap Seal House Ltd.	United Kingdom	50.00%	50.00%
Westminster JV a.s.	Czech Republic	50.00%	50.00%
Carolia Westminster Hotel Ltd.	United Kingdom	45.00%	45.00%
Elekouso Limited (10)	Cyprus	-	49.94%
Flowermills Holding B.V. (10)	Netherlands	-	49.94%
Vitodol Holdings Limited (10)	Cyprus	-	49.94%
Marisana Enterprises Ltd. (10)	Cyprus	-	49.94%
Engineering subgroup – subsidiaries (13)			
Škoda a.s.	Czech Republic	80.00%	85.70%
Bammer trade a.s.	Czech Republic	80.00%	85.70%
ŠKODA ELECTRIC a.s.	Czech Republic	80.00%	85.70%
Škoda Investment a.s.	Czech Republic	80.00%	85.70%
ŠKODA PARS a.s.	Czech Republic	80.00%	85.70%
Škoda Transportation a.s.	Czech Republic	80.00%	85.70%
Škoda Transtech Oy	Finland	80.00%	85.70%
ŠKODA VAGONKA a.s.	Czech Republic	80.00%	85.70%

Company	Domicile	Effective proportion of ownership interest	
		31 December 2024	31 December 2023
Engineering subgroup – joint ventures			
Temsa Skoda Ulaşim Araçlari San.ve Tic. A.Ş. [13], [14]	Turkey	40.00%	42.85%
Media subgroup – subsidiaries			
CME Media Enterprises B.V.	Netherlands	100.00%	100.00%
BTV Media Group EAD	Bulgaria	94.00%	94.00%
CME Services s.r.o.	Czech Republic	100.00%	100.00%
MARKIZA-SLOVAKIA, spol. s r.o.	Slovakia	100.00%	100.00%
PRO PLUS d.o.o.	Slovenia	100.00%	100.00%
Pro TV S.R.L.	Romania	100.00%	100.00%
RTL Hrvatska d.o.o.	Croatia	100.00%	100.00%
TV Nova s.r.o.	Czech Republic	100.00%	100.00%
Leisure and entertainment subgroup - subsidiaries			
Bestsport, a.s.	Czech Republic	100.00%	100.00%
BLUE SEA HOLDING Srl	Belgium	58.91%	58.91%
Dream Yacht Group SA	Belgium	51.17%	51.17%
Hotel Stages Operations s.r.o. *(formerly Bestsport SPV s.r.o.)*	Czech Republic	100.00%	100.00%
Letňany eGate s.r.o.	Czech Republic	100.00%	100.00%
Letňany Park Gate s.r.o.	Czech Republic	100.00%	100.00%
Navigare Yachting Global Holding AB	Sweden	58.91%	33.88%
Prague Entertainment Group B.V.	Netherlands	100.00%	100.00%
Privilège Marine SAS	France	99.72%	99.72%
Robertson and Caine Proprietary Limited	South Africa	100.00%	100.00%
Robertson and Caine Properties Proprietary Limited	South Africa	100.00%	100.00%
Vox Ventures B.V.	Netherlands	100.00%	100.00%
Other significant subsidiaries			
BONAK a.s.	Czech Republic	100.00%	100.00%
Cytune Pharma SAS [15]	France	98.00%	97.00%
GEMCOL Ltd.	Cyprus	100.00%	100.00%
Naneva B.V.	Netherlands	100.00%	100.00%
PPF a.s.	Czech Republic	100.00%	100.00%
PPF Biotech B.V. [15]	Netherlands	98.00%	97.00%
PPF CYPRUS MANAGEMENT Ltd.	Cyprus	100.00%	100.00%
PPF Finco B.V.	Netherlands	100.00%	100.00%
PPF IM LTD	Cyprus	100.00%	100.00%
PPF Management Services B.V *(formerly Fodina B.V.)*	Netherlands	100.00%	100.00%
PPF NIPOS B.V.	Netherlands	100.00%	100.00%
SCT Cell Manufacturing s.r.o. [15]	Czech Republic	98.00%	97.00%
SOTIO Biotech AG [15]	Switzerland	98.00%	97.00%
SOTIO Biotech a.s. [15]	Czech Republic	98.00%	97.00%
Tanemo a.s.	Czech Republic	100.00%	100.00%
PPF Life Insurance LLC [16]	Russia	-	100.00%
Other significant associates/joint ventures			
CE Electronics Holding a.s.	Czech Republic	50.00%	50.00%
FAST ČR, a.s.	Czech Republic	50.00%	50.00%
Heureka Group a.s	Czech Republic	50.00%	50.00%
InPost S.A. [17]	Luxembourg	28.88%	21.75%
ITIS Holding a.s.	Czech Republic	50.00%	50.00%
CzechToll s.r.o.	Czech Republic	50.00%	50.00%
SkyToll, a.s.	Slovakia	50.00%	50.00%
VITRONIC Machine Vision GmbH [18]	Germany	50.00%	-
LEAG Holding a.s. [19]	Czech Republic	30.00%	30.00%
Lausitz Energie Verwaltungs GmbH	Germany	30.00%	30.00%
MONETA Money Bank, a.s.	Czech Republic	29.94%	29.94%
Viaplay Group AB [20]	Sweden	29.29%	-

(1) The effective legal ownership share is 8.88%. However, the Group continues controlling the subsidiary (refer to B.3.4).
(2) On 31 December 2024, the Group lost control over the entity (refer to B.2.1.3).
(3) On 31 October 2024, the Group acquired the remaining 30% stake in CETIN Group N.V. from the non-controlling partner (refer to B.3.6).
(4) established during 2024
(5) On 1 November 2024, as a disappearing company, DeCeTel s.r.o. merged with CETIN a.s.
(6) On 24 October 2024, the Group sold the controlling stake in PPF Telecom Group B.V. and retained significant influence (refer to B.2.4).

(7) Due to existence of preferred shares issued by e& PPF Telecom Group B.V., the Group's effective economic share is 20% (refer to B.2.4).
(8) liquidated during 2024
(9) sold or indirectly sold
(10) The Group sold its entire stake in real estate projects in Russia on 10 June 2024 (refer to B.2.2).
(11) Due to the existing contractual arrangements, the project is classified as a joint venture.
(12) Due to the existing contractual arrangements, the project has been classified as an associate since autumn 2024 (refer to B.2.5).
(13) On 29 May 2024, the Group sold an additional 5.7% share in Skoda a.s. to the minority shareholder.
(14) During 2024, TEMSA ULASIM ARACLARI SANAYI VE TICARET A.S. was renamed to Temsa Skoda Ulaşim Araçlari San.ve Tic. A.Ş.
(15) On 11 July 2024, the Group acquired an additional 1% share in PPF Biotech B.V. from the minority shareholder.
(16) On 19 November 2024, the Group sold its insurance business activities in Russia (refer to B.2.6).
(17) On 7 May 2024, PPF NIPOS B.V. increased its share in InPost S.A. (refer to B.3.1).
(18) On 23 May 2024, ITIS Holding a.s., the Group's joint-venture, acquired the 100% share in VITRONIC Machine Vision GmBH.
(19) Since 15 October 2024, the remaining 30% share held by the Group in LEAG Holding a.s. has been classified as an asset held for sale (refer to B.3.7).
(20) On 16 February 2024, the Group acquired a significant influence on Viaplay Group AB (refer to B.3.2).

The principal place of business corresponds to the domicile of the respective entity with the following exceptions:

Place of business	Entity
Germany	Monheim Property B.V.
United Kingdom	Tanaina Holdings Ltd., One Westferry Circus B.V.

B.2. Changes in the Group structure in 2024/2023

Overview of the disposals, and resulting gains/(losses), of subsidiaries and equity-accounted investees having an impact on profit or loss during the year ended 31 December 2024:

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

Sale of a controlling stake in the non-Czech telecommunications businesses (B.2.4)	3,495
Loss of control over Home Credit business in China (B.2.1.3)	298
Sale of real estate project in Russia (B.2.2)	(112)
Sale of life insurance business in Russia (B.2.6)	(190)
Other sales	16
Total net gain on disposals of subsidiaries and equity-accounted investees	**3,507**

B.2.1. Discontinued operations in Southeast Asia ("SEA") and China within the financial services segment

The Group's operations in the SEA region, both related to the group of assets held for sale and associated liabilities (Vietnam and India, as described in B.2.1.1) and those already sold (the Philippines and Indonesia, as described in B.2.1.2), fulfil the conditions of IFRS 5 for discontinued operations, and the whole SEA region is presented as discontinued operations in these consolidated financial statements. Operations in the SEA region form one of the geographical regions within the consumer lending subsegment under the financial services segment (refer to section D). The comparative financial information for the year ended 31 December 2023 comprises the Group's operations of entities in the Philippines and Indonesia sold during 2023, as they also formed part of the operations in the SEA region. Therefore, the comparative figures in the Group's consolidated statement of income for the year ended 31 December 2023 were restated and the figures of the whole SEA region (i.e., of all four countries) are presented as discontinued operations.

Furthermore, with the loss of control over Home Credit Consumer Finance Company Ltd., the Group's operations in China were discontinued. Therefore, in accordance with IFRS 5, the comparative figures in the consolidated statement of income for the year ended 31 December 2023 have been restated, and the financial figures for the entire China region are presented as discontinued operations (refer to B.2.1.3 for more details).

B.2.1.1. Sale of Home Credit business in Vietnam (pending) and India (closed in January 2025)

On 28 February 2024, the Group signed a conditional framework agreement to sell its 100% share in the Home Credit Vietnam business ("HC Vietnam") to The Siam Commercial Bank Public Company Limited. The consideration for the transaction amounts to approximately EUR 800 million. The deal is subject to regulatory approval and expected to be completed in the second half of 2025.

In May 2024, the Group also concluded an agreement to sell its 100% share in Home Credit India Finance Private Limited ("HC India") to a group of investors led by Indian conglomerate TVS Holdings Limited. The consideration for the transaction amounted approximately to EUR 75 million. The deal was subject to Indian regulatory approvals and was closed in January 2025 (see also G.1).

Referring to the above, as at 31 December 2024, both companies fulfil the conditions for being classified as disposal groups of assets and liabilities held for sale (refer to E.7). In connection with this classification, the Group recognised an impairment loss totalling EUR 21 million for write-downs of the Indian disposal group of assets to their fair value less costs to sell, as the carrying amount of the disposal group of assets exceeded that fair value less costs to sell. In the consolidated statement of income, the impairment loss is presented as part of the net profit from discontinued operations, net of tax.

The results of the SEA region for the year ended 31 December 2024 and for 31 December 2023 are presented below:

In millions of EUR, for the year ended 31 December

	2024*	2023**
Interest income	451	651
Interest expense	(74)	(102)
Net interest income	**377**	**549**
Fee and commission income	102	171
Fee and commission expense	(15)	(17)
Net fee and commission expense	**87**	**154**
Other net losses on financial instruments	-	(3)
Other income	2	1
TOTAL OPERATING INCOME	**466**	**701**
Net impairment losses on financial assets	(145)	(216)
Personnel expenses	(96)	(162)
Depreciation and amortisation	(3)	(7)
Other operating expenses	(52)	(81)
Impairment loss on the disposal group of assets	(21)	-
PROFIT BEFORE TAX	**149**	**235**
Income tax expense	(22)	(29)
NET PROFIT FROM DISCONTINUED OPERATIONS	**127**	**206**

*Represents the results of the Group from activities in India and Vietnam.
**Represents the results of the Group from activities in the whole SEA region, i.e., including results from activities in the Philippines and Indonesia sold during 2023 (refer also to B.2.1.2).

Net cash flow incurred by discontinued SEA region operation:

In millions of EUR, for the year ended 31 December

	2024*	2023**
Cash flows from/(used in) operating activities	(249)	309
Cash flows from/(used in) investing activities	(3)	18
Cash flows from/(used in) financing activities	217	(543)
Net cash flow used in discontinued operations in SEA region	**(35)**	**(216)**

*Represents net cash flows of the Group from activities in India and Vietnam.
**Represents net cash flows of the Group from activities in the whole SEA region, i.e., including cash flows from activities in the Philippines and Indonesia sold during 2023 (refer also to B.2.1.2).

B.2.1.2. Sale of Home Credit businesses in the Philippines and Indonesia (2023)

Through its Home Credit subsidiaries, on 24 November 2022 the Group entered into agreements for the sale of a 100% share in Home Credit Philippines (HC Consumer Finance Philippines, Inc.) and an 85% share in Home Credit Indonesia PT. The transaction was undertaken with the consortium of Mitsubishi UFJ Financial Group ("MUFG") affiliates and led by Krungsri Bank, a leading Thai institution. Both sales were subject to the customary regulatory approvals, where for the Philippines and for the Indonesian transactions, the Group obtained these regulatory approvals on 1 June 2023 and on 2 October 2023, respectively. The transactions were closed on these dates.

The following table summarises the gains on sale from both transactions:

In millions of EUR

Transaction	Philippine entities in total	Indonesian entity
Direct ownership sold	100.00%	77.45%
Sale price [a]	468	188
Net assets value disposed [b]	199	69
out of which: [c]		
Accumulated translation losses until loss of control relating to these foreign operations (reclassified from equity to profit or loss)	*(7)*	*(8)*
Non-controlling interests [d]	-	12
Total gain on sale of subsidiaries [a *minus* b *plus* c *plus* d]	**262**	**123**

The following table summarises the assets and liabilities of both entities:

In millions of EUR, as at the moment when the control was lost

	Philippine entities in total	Indonesian entity
Loss of control date	*1 June 2023*	*2 October 2023*
Loans and receivables due from customers	701	184
Other assets	114	62
Cash and cash equivalents	39	18
Total assets	**854**	**264**
Due to banks and other financial institutions	(525)	(144)
Other liabilities	(130)	(51)
Total liabilities	**(655)**	**(195)**
Net assets value	**199**	**69**

B.2.1.3. Loss of control in Home Credit businesses in China

On 31 December 2024, after receiving regulatory approvals in China, JD.com (which is one of the largest e-commerce platforms in China) became the majority shareholder of Home Credit Consumer Finance Company Ltd. The Group deconsolidated the entity as at the same date and recognised a gain on disposal of EUR 298 million. The gain is a result of the reduction of liabilities which was agreed on as part of the transaction with our key lenders and the change of shareholding. Pursuant to the transaction, the Group retains a 2% shareholding in Home Credit Consumer Finance Company Ltd.

The following table summarises the result of the lost control over Home Credit Consumer Finance Company Ltd.:

In millions of EUR

Consideration received [a]	-
Net assets value disposed [b]	(285)
out of which: [c]	
Accumulated translation losses until loss of control relating to these foreign operations (reclassified from equity to profit or loss)	*13*
Fair value of the retained interest (2%) [d]	-
Gain from loss of control [a *minus* b *plus* c *plus* d]	**298**

The following table summarises the assets and liabilities of the disposed entity:

In millions of EUR, as at the moment when the control was lost

Cash and cash equivalents	592
Other assets	6
Total assets	**598**
Due to banks and other financial institutions	(303)
Other liabilities	(580)
Total liabilities	**(883)**
Net assets value	**(285)**

The results of the China region for the year ended 31 December 2024 and for 31 December 2023 are presented below:

In millions of EUR, for the year ended 31 December

	2024	2023
Interest income	5	75
Interest expense	(25)	(64)
Net interest income	**(20)**	**11**
Fee and commission income	3	12
Fee and commission expense	(1)	(3)
Net fee and commission expense	**2**	**9**
Net gain/(loss) on financial assets/liabilities	77	(4)
Other income	7	5
TOTAL OPERATING INCOME	**66**	**21**
Net impairment losses on financial assets	60	26
Personnel expenses	(30)	(35)
Depreciation and amortisation	(7)	(11)
Other operating expenses	(30)	(110)
PROFIT/(LOSS) BEFORE TAX	**59**	**(109)**
Income tax expense	-	-
NET LOSS FROM DISCONTINUED OPERATIONS	**59**	**(109)**

Net cash flow incurred by the discontinued China region operations:

In millions of EUR, for the year ended 31 December

	2024	2023
Cash flows from operating activities	731	440
Cash flow from/(used in) investing activities	9	(17)
Cash flows used in financing activities	(175)	(434)
Net cash flow from/(used in) discontinued operations in China region	**565**	**(11)**

B.2.2. Sale of real estate project in Russia

In October 2023, the Group signed agreements to sell its 90% stake in its subsidiary Devediaco Enterprises Limited and its 49.94% stakes in its equity-accounted investees Elekouso Limited and Vitodol Holdings Limited (together representing the Metropolis project). The total consideration for these sales was EUR 12 million. These transactions were subject to regulatory approvals by the Russian government which were obtained in March 2024 and the transactions were closed on 10 June 2024 resulting in a total loss of EUR 112 million.

The following table summarises the loss on sale of the subsidiary:

In millions of EUR

Transaction	Devediaco
Direct ownership sold	90.00%
Sale price [a]	9
Net assets value disposed [b]	13
out of which: [c]	
Accumulated translation losses until loss of control relating to these foreign operations (reclassified from equity to profit or loss)	*(12)*
Non-controlling interests disposed [d]	1
Loss on sale of subsidiaries [a *minus* b *plus* c *plus* d]	**(15)**

The following table summarises the assets and liabilities of the subsidiary sold:

In millions of EUR, as at 10 June 2024

	Devediaco
Investment property	104
Cash and cash equivalents	11
Total assets	**115**
Due to banks and other financial institutions	(78)
Deferred tax liability	(20)
Other liabilities	(4)
Total liabilities	**(102)**
Net assets value	**13**

The following table summarises the losses on sales of the equity-accounted investees:

In millions of EUR, as at 10 June 2024

Transaction	Elekouso and Vitodol in total
Direct ownership sold	49.94%
Sale price [a]	3
Group's share of net assets disposed [b]	28
out of which: [c]	
Group's share of accumulated translation losses until loss of significant influence on these foreign operations (reclassified from equity to profit or loss)	*(72)*
Total loss on sale of equity-accounted investees [a *minus* b *plus* c]	**(97)**

B.2.3. Sale of the real estate project in the Netherlands

On 28 March 2024, the Group sold its 100% stake in De Reling (Dronten) B.V. (a retail park project in Netherlands) for EUR 27 million, implying a gain of thousands of EUR.

B.2.4. Sale of a controlling stake in the non-Czech telecommunications businesses

On 1 August 2023, PPF Group N.V. ("PPF Group") and Emirates Telecommunications Group Company PJSC ("e& Group") signed an agreement whereby e& Group acquired a controlling stake in PPF Telecom Group B.V. ("Telecom Group"). The controlling stake represented 50% of all issued ordinary shares plus 1 ordinary share and 50 million, out of a total 70 million issued, preferred shares in Telecom Group. At the date of signing of the agreement, Telecom Group comprised both Czech and non-Czech commercial and infrastructure assets. As Telecom Group'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, PPF Group first had to complete an internal pre-closing restructuring process of Telecom Group. The pre-closing restructuring process involved many steps that were carried out in the first half of October 2024. The transaction between PPF Group and e& Group was successfully closed on 24 October 2024 after obtaining all regulatory approvals and satisfying other customary closing conditions, and e& Group settled EUR 2,361 million as the base price subject to closing accounts adjustments.

Following the final agreement on the closing accounts adjustments in February 2025, e& Group paid the remaining part of the base price in cash bringing the final closing price to EUR 2,378 million. The transaction parties also agreed on additional earn-out payments of up to EUR 350 million within three years after the closing if Telecom Group, at its consolidated level, exceeds certain financial targets, or on a claw back of up to EUR 75 million if such financial targets are not achieved. Further to the above terms, e& Group granted PPF Group a put option on the remaining non-controlling share in Telecom Group with a five-year deferred exercise period and with a floored variable strike price. As at the e& transaction closing date, the fair value of this put option amounted to EUR 55 million.

As PPF Group retained a significant influence over Telecom Group, it determined the fair value of this retained ownership to be EUR 1,862 million. Due to the loss of control while retaining the significant influence, PPF Group ceased to consolidate Telecom Group on 24 October 2024 and has since applied the equity method. From PPF Group's perspective, Telecom Group changed its status from a subsidiary to an associate. In addition to this interest in Telecom Group, PPF Group, through one of its subsidiaries outside the Telecom Group perimeter, held 25% ownership shares in both Telecom Group's Hungarian retail and infrastructure assets. On 24 October 2024, these 25% Hungarian shares with a total fair value of EUR 299 million changed their status from shares in subsidiaries to shares in associates as well.

B.2.4.1. Sale of PPF Telecom Group B.V. (with non-Czech entities) - summary

The financial aspects of the loss of control over Telecom Group from a PPF Group perspective are summarised in the below table:

In millions of EUR, as at 24 October 2024

Effective ownership sold by PPF Group	50.00%
Total consideration received	2,740
Base price received in cash[(1)]	*2,378*
Fair value of contingent consideration (earn-out receivable)	*307*
Fair value of put option granted by e& Group	*55*
Fair value of retained 50% non-controlling interest in Telecom Group[(2)]	1,862
Fair value of retained 25% non-controlling interests in Hungarian businesses[(3)]	299
Net assets value sold (equivalent of 100%)	(1,253)
out of which:	
Accumulated translation losses until loss of control relating to the foreign operations (reclassified from equity to profit or loss)	(114)
Non-controlling interests within Telecom Group disposed	(39)
Gain on sale of subsidiaries	**3,495**

(1) of which EUR 17 million was collected at the beginning of March 2025 (as a closing accounts adjustment)
(2) representing the non-controlling stake as described in the above paragraphs
(3) representing a 25% share in TMT Hungary Infra B.V. and a 25% share in TMT Hungary B.V. (refer to B.3.5)

As at 31 December 2024, the fair value of the earn-out receivable and the put option granted by e& Group amounted to EUR 314 million and EUR 47 million, respectively.

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

In millions of EUR, as at 24 October 2024

	PPF Telecom Group B.V. (consolidated)
Property, plant and equipment (refer to E.10)	1,092
Goodwill (refer to E.11.1)	975
Other intangible assets (refer to E.11.2)	822
Trade and other receivables	397
Cash and cash equivalents	180
Other assets	127
Contract assets	96
Inventories	60
Deferred tax assets	12
Loans due from customers	8
Current income tax receivables	1
TOTAL ASSETS	**3,770**
Debt securities issued (refer to E.16)	(1,667)
Trade and other payables	(700)
Provisions	(60)
Contract liabilities	(31)
Deferred tax liabilities	(29)
Current income tax liability	(30)
TOTAL LIABILITIES	**(2,517)**
NET ASSETS VALUE SOLD	**1,253**

B.2.4.2. PPF Telecom Group B.V. (with non-Czech entities) – discontinued operations

As the whole disposed Telecom Group represented both separate major lines of business and geographical areas of operations (retail and infrastructure operations in Bulgaria, Hungary, Serbia, and Slovakia), it fulfils the conditions of IFRS 5 for discontinued operations (the conditions were met at the end of September 2024). Therefore, its results are presented separately from the continuing operations in the consolidated statement of income. Details on the results of the discontinued telecommunications operations are presented in the following table:

In millions of EUR, for the year ended 31 December

	2024*	2023
Interest income	5	6
Interest expense	(102)	(103)
Net interest income	**(97)**	**(97)**
Telecommunication income	1,744	1,973
Telecommunication expense	(482)	(607)
Net telecommunication income	**1,262**	**1,366**
Other income	(19)	(2)
TOTAL OPERATING INCOME	**1,146**	**1,267**
Net impairment losses on financial assets	(25)	(27)
Personnel expenses	(165)	(178)
Depreciation and amortisation	(321)	(366)
Other operating expenses	(309)	(313)
PROFIT BEFORE TAX	**326**	**383**
Income tax expense	(67)	(58)
NET PROFIT FROM DISCONTINUED OPERATIONS	**259**	**325**

*until the loss of control on 24 October 2024

Net cash flows incurred by discontinued operations is the following:

In millions of EUR, for the year ended 31 December

	2024*	2023
Cash flows from operating activities	156	596
Cash flows from/(used in) investing activities	3,145	(95)
Cash flows used in financing activities	(3,686)	(251)
Net cash flows from/(used in) discontinued operations	**(385)**	**250**

*until the loss of control on 24 October 2024

B.2.4.3. PPF Telecom Group B.V. as an equity-accounted investee

As the Group retained a significant influence on Telecom Group (renamed after the transaction to e& PPF Telecom Group B.V.), it is required by IAS 28 and IFRS 3 to prepare a purchase price allocation exercise (PPA) to determine the Group's share of e& PPF Telecom Group B.V. net assets at fair value (a difference between the fair value of its identifiable assets and the fair value of its liabilities assumed), as this transaction is understood by IFRS as an acquisition of a significant influence. The following table summarises the provisional amounts for assets and liabilities as of 24 October 2024 (the transaction date). We expect to finalise these amounts as soon as possible but no later than one year from the transaction date.

In millions of EUR, as at 24 October 2024

Provisional fair value of assets (excl. goodwill)*	2,795
Provisional fair value of liabilities*	(2,517)
Provisional fair value of identifiable net assets (100.00%)*	278

*refer also to B.2.4.1

Goodwill arising from the acquisition has been recognised and presented within the equity-accounted investee's carrying amount:

In millions of EUR, as at 24 October 2024

Effective ownership at acquisition of the significant influence	50.00%
Consideration transferred (retained interest in e& PPF Telecom Group)(1)	1,862
Provisional fair value of identifiable net assets(2) of e& PPF Telecom Group (100.00%) [a]	278
out of which(3): [b]	*(194)*
attributable to e& PPF Telecom Group's NCI	*(160)*
attributable to e& PPF Telecom Group's preferred shares held by e& Group	*(34)*
Provisional fair value of adjusted identifiable net assets(2) of e& PPF Telecom Group (100.00%) [c] = [a+b]	84
Provisional fair value of adjusted identifiable net assets(2) of e& PPF Telecom Group (attributable to the Group's 50.00% share)	42
Goodwill (included in equity-acc. investee's carrying amount at acquisition)	1,820

(1) refer to B.2.4.1
(2) Excludes goodwill and the conditional commitment to acquire NCI's share of EUR 663 million recognised at e& PPF Telecom Group B.V.'s consolidated level that are irrelevant for the determination of goodwill for the purposes of the Group's consolidated figures (refer also to E.8).
(3) For equity-method measurement purposes, the Group only considers those e& PPF Telecom Group's components of equity to which the Group is exposed.

For disclosures on the equity method as at 31 December 2024 for this associate, refer to E.8.

B.2.5. Loss of control in Mansell project

In autumn 2024, PPF Real Estate I, Inc. covering a project for an office park in Atlanta ("Mansell Overlook") underwent a restructuring and transferred the project under the direct control of a newly established subsidiary. Notwithstanding the retained 75% equity ownership share, the Group ceased to control Mansell Overlook due to other contractual arrangements and retained a significant influence on the project with application of equity method from the moment the control was lost. At the same moment, the Group deconsolidated investment property in the amount of EUR 80 million and liabilities due to banks in the amount of EUR 89 million and recognised a loss from loss of control over the subsidiary of EUR 9 million.

B.2.6. Sale of life insurance business in Russia

On 19 November 2024, the Group sold its 100% share in PPF Life Insurance LLC, an insurance business operating in Russia, for a consideration of EUR 38 million.

The following table summarises the loss on sale of the subsidiary:

In millions of EUR

Transaction	PPF Life Insurance
Direct ownership sold	100.00%
Sale price [a]	38
Net assets value disposed [b]	117
out of which: [c]	
Accumulated translation losses until loss of control (reclassified from equity to profit or loss)	*(61)*
Accumulated revaluation losses from FVOCI debt instruments until loss of control (reclassified from equity to profit or loss)	*(50)*
Loss on sale of the subsidiary [a *minus* b *plus* c]	**(190)**

The following table summarises the assets and liabilities of the subsidiary sold:

In millions of EUR, as at 19 November 2024

Investment securities and derivatives	126
Cash and cash equivalents	30
Loans and receivables due from banks and other financial institutions	17
Other assets	14
Other intangible assets	4
Deferred tax assets	4
Total assets	**195**
Trade and other payables*	(78)
Total liabilities	**(78)**
Net assets value	**117**

*representing primarily insurance contract liabilities

B.2.7. Sale of real estate projects in Russia (2023)

At the beginning of 2023, the Group sold its 100% stake in Trilogy Park Holding B.V. and Investitsioniy Trust CJSC (a logistics park, warehouses near Moscow) for a negligible consideration (in thousands of EUR), resulting in a loss of EUR 11 million. Additionally, the Group sold its 100% stake in Oil Investments LLC with Stockmann StP Centre LLC (a shopping mall in Saint Petersburg) for a consideration of approx. EUR 11 million, resulting in a loss of EUR 19 million. The results of both transactions include the impact of accumulated translation losses until the loss of control relating to these foreign operations, reclassified to profit or loss, of EUR 15 million.

The entities representing the above sold real estate projects in Russia comprised primarily the following items:

In millions of EUR, as at the disposal dates during the year ended 31 December 2023

Investment property	208
Loans due from customers	48
Other assets	17
Cash and cash equivalents	3
Total assets	**276**
Due to banks and other financial institutions	(159)
Due to non-banks	(46)
Other liabilities	(46)
Total liabilities	**(251)**
Net assets value	**25**

B.2.8. Robertson & Caine acquisition (2023)

In January 2023, the Group signed an agreement to acquire Robertson & Caine (R&C), a South African producer of Leopard catamarans, from its founder and shareholder. Leopard is most notably known in the US markets. This acquisition complements the Group's current global activities in the production and rental of recreational vessels and the provision of related services. The transaction was closed on 1 June 2023 after the required approvals from South African regulatory authorities were obtained.

In accordance with IFRS 3, the Group prepared a purchase price allocation exercise (PPA) to identify the fair value of the assets acquired and the liabilities assumed. Assets and liabilities denominated in foreign currencies were translated using the exchange rate valid as at the acquisition date. Consequently, the assets and liabilities were restated to their respective fair values. The difference between the allocated purchase price and the fair values of the identified assets and liabilities resulted in the recognition of goodwill. As the previous shareholders were entitled to a potential earn-out payment contingent on achieving EBITDA for 2023, the contingent consideration payable was determined at its fair value as at the acquisition date. Subsequently, the liability was measured at fair value through profit or loss. The earn-out was agreed at its maximum amount at the beginning of 2024 (refer to the below goodwill table).

Key assumption and valuation approach

As the acquired business is a boat builder manufacturing for export and globally the third largest builder of catamarans, key asset categories acquired were inventories, fixed assets representing land and a building, machinery and equipment, along with the newly identified Leopard brand and a customer-related contract.

Since each asset category has distinct characteristics, different valuation methods were appropriately applied.

The following table summarises the recognised amounts of assets and liabilities assumed at the acquisition and considering the above facts:

In millions of EUR, as at 1 June 2023

Fair value of assets (excluding goodwill)	**95**
Intangible assets	34
Inventories	30
Property, plant and equipment	17
Cash and cash equivalents	9
Other assets	5
Fair value of liabilities	**(44)**
Trade and other payables	(28)
Deferred tax liability	(10)
Financial liabilities at FVTPL	(4)
Due to banks and other financial institutions	(2)
Fair value of identifiable net assets	**51**

Goodwill arising from the acquisition has been recognised as follows:

In millions of EUR

Effective ownership	100.00%
Total consideration [a]	81
Purchase price (paid in cash)	*53*
*Fair value of contingent consideration as at the acquisition date**	*28*
Fair value of identifiable net assets [b]	51
Goodwill [a-b]	**30**

*The maximum amount of the earn-out payment amounted to USD 30 million (approx. EUR 28 million).

Goodwill is primarily attributable to the established position of R&C in the industry and anticipated synergies with the Group’s complementary businesses.

During the seven-month period ended 31 December 2023, the acquired entities contributed the revenue of EUR 98 million and profit of EUR 17 million to the Group´s results. If the acquisition had occurred on 1 January 2023, the consolidated revenue would have been increased by EUR 50 million and profit by EUR 9 million.

B.2.9. Acquisition of Nej.cz (2023)

In April 2023, the Group (specifically CETIN a.s.) entered into an agreement to acquire a 100% stake in Nej.cz s.r.o. (“Nej.cz”), an internet connection, voice, and television services provider in the Czech Republic. With this transaction, the Group acquired into its portfolio a high-speed optical infrastructure in its portfolio 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 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 any 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 an 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. The main fixed assets category was ducts, cables, and related plant.

Since each asset category has distinct 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. Physical depreciation was reflected by the 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 the current non-financial assets, current financial assets, and all assumed liabilities represented their respective fair values as at the acquisition date.

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

In millions of EUR, as at 30 November 2023

Fair value of assets acquired (excl. goodwill)	**203**
Property, plant and equipment (incl. right-of-use assets)	152
Intangible assets	39
Trade and other receivables	6
Other assets	3
Cash and cash equivalents	3
Fair value of liabilities assumed	**(153)**
Due to non-banks	(106)
Deferred tax liability	(20)
Lease liabilities	(13)
Trade and other payables	(7)
Contract liabilities	(6)
Other liabilities	(1)
Fair value of identifiable net assets	**50**

Prior to the closing of the transaction, the Group refinanced Nej.cz's debts, i.e., 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 (presented in the above table together as liabilities due to non-banks). Thus, with the acquisition of control over Nej.cz, the loan became an intragroup relationship and as at 31 December 2023 was fully eliminated from the Group's perspective.

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

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

Goodwill arising from the acquisition was recognised as follows:

In millions of EUR, as at 30 November 2023

Consideration paid [a]	246
Fair value of identifiable net assets [b]	50
Goodwill [a-b]	**196**

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

In the period from the acquisition date to 31 December 2023, Nej.cz contributed revenue of EUR 5 million and profit of EUR 1 million to the Group's results. If the acquisition had occurred on 1 January 2023, consolidated revenues would have increased by approximately EUR 62 million and profit by approximately EUR 9 million.

B.3. Other changes

B.3.1. Acquisition of the significant influence in InPost

In May 2023, the Group through its newly established Dutch holding company PPF NIPOS B.V. entered into an agreement to acquire an additional 15% share in the publicly traded InPost S.A. ("InPost") for a cash consideration of EUR 750 million. After the closing of the transaction in June 2023, the Group held a 16.75% share in InPost and became the second largest shareholder in this e-commerce distribution group currently active on its home market in Poland and in eight Western European countries. InPost operates automated parcel machines (APMs) providing self-service delivery boxes for e-commerce clients, develops fulfilment centres (parcel storage and distribution), and offers its services to e-shops.

Along with the above acquisition, the Group agreed with the seller on a call option to purchase an additional 15% share in InPost. After a thorough analysis of the arrangements the Group arrived at the assessment that in June 2023 it had acquired a significant influence over InPost. The InPost investment has therefore been classified as an associate, and the equity method has been applied since then.

In accordance with IAS 28 and IFRS 3, the Group prepared a purchase price allocation exercise (PPA) to identify the fair value of the Group's share of the net assets acquired together with the significant influence. Since InPost is a publicly traded company, the accessibility of InPost's data is legally restricted to those publicly available. Although the significant influence was acquired on 7 June 2023, to perform the PPA, the Group only had access to the publicly available data as at 30 June 2023. The PPA itself was performed by an independent certified valuation expert company under the legal restrictions on the data availability of publicly traded entities.

The following table summarises InPost's fair values of assets and liabilities determined as at the Group's acquisition of the significant influence. The below assets and liabilities are not recognised in the Group's consolidated figures directly, and only the Group's share of InPost's net assets is presented in the equity-accounted investees balance in the consolidated statement of financial position:

In millions of EUR, as at 30 June 2023

Fair value of assets (excl. goodwill)	3,120
Fair value of liabilities	(2,059)
Fair value of identifiable net assets (100%)	1,061

Goodwill arising from the acquisition has been recognised and presented within the equity-accounted investee's carrying amount due to the excess of the purchase price over the Group's share of the fair value of net assets:

In millions of EUR, as at 30 June 2023

Effective ownership at acquisition of the significant influence	16.75%
Total consideration	837
Fair value of the previously held interest (1.75% share)	*87*
Total cash consideration for the additional acquired 15% share	*750*
Fair value of identifiable net assets, excl. goodwill (100%)	1,061
Fair value of identifiable net assets, excl. goodwill (attributable to the Group's 16.75% share)	178
Goodwill (included in equity-acc. investee's carrying amount at acquisition)	659

In December 2023, the call option described above to acquire the additional 15% share expired unexercised, however, on 7 December 2023, the Group instead acquired an additional 5% share, increasing its ownership interest in InPost to 21.75% as at 31 December 2023. The Group also entered into a new call option agreement to acquire a 10% share and exercised it in April 2024. In parallel, the Group agreed to sell its 3% share in InPost to an unrelated investment fund. The Group thus eventually settled its optimal ownership in InPost at 28.75%. As a result of these transactions, the goodwill recognised within the InPost equity-accounted investment's carrying amount increased to a total of EUR 1,376 million (refer to E.8). Net cash outflow from the transactions performed during 2024 totalled EUR 364 million. The acquisition of the above additional share in 2024 was financed through a combination of equity and external secured bank financing.

B.3.2. Acquisition of significant influence in Viaplay Group AB

On 16 February 2024, the Group increased its ownership in the Stockholm Exchange-traded Swedish streaming group Viaplay Group AB ("Viaplay") from a 9.39% share held by the end of 2023 to a 29.29% share for SEK 1.33 billion (approx. EUR 118 million). As the transaction represents an ordinary share acquisition, the Group thus acquired a significant influence over Viaplay, and the investment has been classified as an associate, with the equity method having been applied since then.

In accordance with IAS 28 and IFRS 3, the Group prepared a purchase price allocation exercise (PPA) to identify the fair value of the Group's share of the net assets acquired together with the significant influence. Since Viaplay is a publicly traded company, the accessibility of Viaplay's data is legally restricted to those publicly available. Although the significant influence was acquired on 16 February 2024, to perform the PPA, the Group only had access to the publicly available data as at 31 March 2024. The PPA itself was performed by an independent certified valuation expert company under the legal restrictions on the data availability of publicly traded entities.

The following table summarises Viaplay's estimated fair values of assets and liabilities determined as at 16 February 2024 (the date of the significant influence acquisition). The below assets and liabilities are not recognised in the Group's consolidated figures directly, and only the Group's share of Viaplay's net assets is presented in the equity-accounted investees balance in the consolidated statement of financial position:

In millions of EUR, as at 16 February 2024

Fair value of assets (excl. goodwill)	1,610
Fair value of liabilities	(1,177)
Fair value of identifiable net assets (100%)	433

The following table summarises the financial aspects of the transaction:

In millions of EUR, as at 16 February 2024

Effective ownership at acquisition of the significant influence	29.29%
Total consideration	119
Fair value of the previously held interest (9.39% share)	*1*
Total cash consideration for the additional acquired 19.9% share	*118*
Fair value of identifiable net assets, excl. goodwill (100%)	433
Fair value of identifiable net assets, excl. goodwill (attributable to the Group's 29.29% share)	127
Bargain purchase (recognised in share of profit of equity-accounted investees, net of tax)	8

B.3.3. Increased share in Clearbank

In April 2024, the Group increased its shareholding in CB Growth Holdings Limited from 33.32% to 38.79% exercising its existing call option for a consideration of GBP 28 million (approx. EUR 32 million). CB Growth Holdings Limited is a holding entity for Clearbank, the UK based licenced clearing bank on which the Group has a significant influence. As a result of this transaction, the Group recognised an additional goodwill amounting to EUR 15 million. In the second half of 2024, the share was reduced to 35.86%, for details refer to E.8.

B.3.4. Arrangement between Home Credit shareholders

With effect from 1 July 2019, PPF Financial Holdings B.V. (subsequently, PPF Financial Holdings a.s.) and Emma Omega Ltd. as the direct shareholders of Home Credit Group B.V. (subsequently, Home Credit N.V.) entered into an agreement concerning certain transactions with Home Credit Group shares. The agreement was subsequently modified in September 2019 (the "Agreement"). As of 31 December 2023, the Agreement ended with the expiration of the period for which it was concluded. In April 2024, the Group became the sole shareholder of Home Credit N.V.

The following table summarises the financial aspects of acquisition of the non-controlling share in Home Credit N.V.:

In millions of EUR

Effective ownership acquired – Home Credit N.V.	8.88%
Total consideration paid	221
Contingent consideration	(26)
Total net asset value attributable to non-controlling interests acquired	54
Effect attributable to the owners of the Parent in equity	(142)
out of which:	
recorded in retained earnings (loss)	*(142)*
recorded in translation reserve (gain)	*2*
recorded in revaluation reserve (loss)	*(2)*

The Group also entered into an agreement to sell its 8.88% share in the Kazakhstani bank Home Credit Bank JSC to Emma Omega Ltd. The closing of the transaction is subject to various conditions precedent (incl. regulatory approvals). With respect to the current state of the transaction, the agreement has had no impact on the Group's consolidated financial statements so far.

B.3.5. Non-controlling shares in Yettel Hungary and CETIN Hungary

On 19 December 2023, through its subsidiary TMT Hungary Holdco B.V., the Group acquired the entire remaining 25% share in TMT Hungary B.V. (the holding company for the telecommunication retail business in Hungary, Yettel) from a non-controlling shareholder and became its sole shareholder. The Group also acquired an additional 20% share in TMT Hungary Infra B.V. (the holding company for telecommunication infrastructure in Hungary, CETIN).

The following table summarises the financial aspects of the above-described share acquisitions in 2023:

In millions of EUR

Effective ownership acquired – TMT Hungary B.V.	25.00%
Effective ownership acquired – TMT Hungary Infra B.V.	20.00%
Total consideration paid	269
Total net asset value attributable to non-controlling interests acquired	200
Effect attributable to the owners of the Parent in equity	(69)
out of which:	
recorded in retained earnings (loss)	*(59)*
recorded in translation reserve (loss)	*(10)*

On 19 December 2023, the Group also entered into a call option with the non-controlling shareholder to purchase the remaining 5% share in TMT Hungary Infra B.V. that was exercised in 2024, and the Group acquired the remaining 5% share in TMT Hungary Infra B.V. for a consideration of EUR 36 million. The Group thus became the sole shareholder in both Hungarian telecommunication businesses.

In the context of the e& transaction (refer to B.2.4), on 24 September 2024, an agreement between e& PPF Telecom Group B.V. and PPF Group was signed for the sale of the remaining 25% shares in both above-mentioned Hungarian businesses. On 4 December 2024, after all conditions were met, the Group sold these shares to companies under the control of e& PPF Telecom Group B.V. for a total cash consideration of EUR 299 million. The result of this sale is zero as the shares were sold for their carrying amounts (equalling their fair values).

B.3.6. Purchase of non-controlling interest in CETIN Group N.V.

On 31 October 2024, i.e. when the Group held an effective 70% ownership in CETIN Group N.V., it purchased the remaining 30% non-controlling share from GIC Private Limited ("GIC") and became CETIN Group N.V.'s sole shareholder.

The following table summarises the financial aspects of the transaction from October 2024:

In millions of EUR

Transaction	31 October 2024
Effective ownership in CETIN Group N.V. acquired	30.00%
Purchase price paid in cash	759
Total net assets value attributable to the non-controlling interest acquired	198
Net effect attributable to the owners of the Parent in equity	(561)
out of which:	
recorded in retained earnings (loss)	(574)
recorded in translation reserve (gain)	13

For more details refer to E.21.5.

B.3.7. Sale of a shares in LEAG

During 2023, the Group concluded a sale agreement with its business partner to sell a 20% share in mutual project LEAG for EUR 1. The transaction was closed in October 2023 after the required regulatory approvals were obtained. Resulting from this transaction, the Group incurred a loss from the sale of equity-accounted investees amounting to EUR 435 million. The Group and the business partner also granted call and put options to each other (the Group to sell, the business partner to buy) for the remaining 30% share in LEAG for its fair market value. The options were exercisable at any time from 1 October 2024 to 30 September 2026.

On 15 October 2024, the Group exercised the above put option. After the last conditions were agreed with the business partner, on 24 March 2025 an agreement to sell the remaining 30% share in LEAG was signed. The parties have agreed on a base price of EUR 400 million (to be collected no later than on 30 September 2025), and on a reimbursable earn-out payment of EUR 66 million (to be collected no later than on 31 December 2038 if certain conditions are met and reimbursed only if the title for the collected earn-out expires as specified in the agreement). Up to the moment at which the put option was exercised, the investment in LEAG was classified as an associate (an equity-accounted investee), measured applying the equity method, and no impairment loss was recognised, as the investment's value from its holding had been estimated to exceed the carrying amount. Once the put option was exercised, the investment in LEAG was reclassified from equity-accounted investees to assets held for sale according to IFRS 5 (refer to E.7). As IFRS 5 requires measuring LEAG at the lower of its carrying amount and its fair value less costs to sell, an impairment loss of EUR 1,089 million was recognised and presented as net impairment losses on assets held for sale in the consolidated statement of income for the year ended 31 December 2024. The transaction has already been closed, and by the end of third quarter of 2025, the base price will have been collected.

B.3.8. Increased share in Heureka Group and CE Electronics Holding, and sale of Vivantis (2023)

On 24 May 2023, the Group, together with its jointly participating partners, entered into a series of agreements through which it aimed to increase its share in Heureka Group and in CE Electronics Holding Group (CEEH) from the previous 40% stake to the new 50% stake in both cases, and fully dispose its 40% stake in Vivantis. The additional acquisitions were closed by 30 June 2023 and changed the classification of Heureka Group and CEEH from associates to joint-ventures following the contractual arrangements with the continuing joint-venture partner while the equity method retains to be applied for the measurement of these two investments. The sale of Vivantis was closed in August 2023 (with a negligible loss on sale in thousands of EUR).

The additional 10% stake in Heureka Group was acquired for a cash consideration of EUR 16 million resulting in an additional goodwill recognised within the carrying amount of Heureka Group investment of EUR 32 million. The increase in goodwill is enhanced by the negative net assets of Heureka Group reported under IFRS-AS (refer to E.8). The additional 10% stake in CEEH was acquired for a cash consideration of EUR 2 million resulting in no additional goodwill recognition.

C. Risk exposures, risk management objectives and procedures

This section provides details on the Group's exposure to risks and describes the methods used by the management to control the risks. The most important types of financial risks to which the Group is exposed are the credit, market, operational and liquidity risks. Market risk includes mainly currency risk and interest rate risk.

As at 31 December 2024, all disclosures with the financial figures in this whole C section show figures solely for the part of the Group, that was not classified as held for sale as at 31 December 2024. The relevant disclosures for the part of the Group classified as held for sale are presented in Note E.7.

The board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. Due to the varying nature of the Group's businesses and associated risks the senior management of each business segment is responsible for setting up and monitoring the risk management policies. The board of directors and the Group's senior management, including shareholders, regularly perform business reviews of individual business segments, including an assessment of the risk management.

For its consumer finance and corporate banking business in PPF Financial Holdings subgroup represented by Home Credit (including Air Bank), PPF banka, Home Credit Bank, and Yettel Bank, the Group established the group risk committee and mandated it to assist the board of directors in the risk management area. The subgroup's risk committee is headed by the chief risk officer of PPF Financial Holdings and includes chief risk officers of Air Bank, PPF banka, and Home Credit subgroup. The subgroup's risk committee designs and implements the risk management framework and regularly monitors the risk development in detail. The subgroup's risk committee prepares the main risk management internal regulations such as the subgroup's risk appetite statement, the subgroup's limit book, the subgroup's risk management strategy, the internal capital adequacy assessment framework, and the internal liquidity assessment framework, which are ultimately approved by the board of directors of PPF Financial Holdings. The subgroup's risk committee also approves the counterparty exposure limits for the largest counterparties. The whole risk management system is subject to the oversight by the supervisory board of PPF Financial Holdings.

As a significant part of the Group's financial operations, the Home Credit subgroup ("Home Credit Group") established the function of chief risk officer (CRO) to head the Home Credit Group's risk management department. The Home Credit Group also established two risk-related committees: the asset liability committee (ALCO) and the group operational risk management committee. Home Credit Group's CRO and the committees are responsible for the development, implementation, and monitoring of risk management in their specified areas.

All subsidiary banks established the function of chief risk officer who heads the independent risk management function in the respective banks. Telecommunication entities have their own separate credit management units.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, set appropriate risk limits and controls, and monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and in the products and services offered. Through its training and management standards and procedures, the Group aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Management of risk arising from participation in foreign subsidiaries and from financial instruments is fundamental to the Group's business and is an essential element of its operations. Major risks related to participation in foreign subsidiaries include the risk of impairment due to adverse economic conditions, movements in foreign exchange rates, and liquidity risk given the strong growth in emerging markets. Those risks are managed by the Group by monitoring developments in foreign markets, using a robust investment decision-making process, and exercising prudence in liquidity management. The Group faces financial instrument risk in conjunction with credit exposures, movements in interest rates and foreign exchange rates.

Risk management policies at associates are determined by the controlling shareholder(s) and/or other major shareholders. The Group regularly monitors and analyses the situation at said associates as a minority shareholder exercising its significant influence through its existing representatives in the respective executive bodies.

C.1. Derivative financial instruments

The Group holds a variety of derivative financial instruments for trading and risk management purposes. This note describes the derivatives used by the Group. Further details of the Group's objectives and strategies in the use of derivatives are set out in the following sections. The nature of the derivative instruments used by the Group is described in the following sections of this note.

Derivative financial instruments used by the Group include swaps, futures, forwards, options, and other similar contracts, value of which changes in response to changes in interest rates, foreign exchange rates, security prices and/or price indices. Derivatives are either standardised contracts transacted through regulated exchanges (referred to as exchange-traded products) or individually negotiated over-the-counter contracts (referred to as OTC products).

C.1.1. Swaps

Swaps are over-the-counter agreements between the Group and other parties to exchange future cash flows based upon agreed notional amounts. The swaps most used by the Group are interest rate and cross-currency interest rate swaps. Under interest rate swaps, the Group agrees with other parties to exchange, at specified intervals, the difference between fixed-rate and floating-rate interest amounts calculated by reference to an agreed notional amount. Cross-currency swaps require an exchange of interest payment flows and capital amounts in different currencies. The Group is subject to credit and liquidity risk arising from default of the respective counterparties. Market risk arises from potentially unfavourable movements in interest rates relative to the rates set in the contract, or from movements in foreign exchange rates.

C.1.2. Forwards and futures

Forwards and futures contracts are commitments to either purchase or sell a designated financial instrument, currency, commodity, or index at a specified future date for a specified price and may be settled in cash or another financial asset. Forwards and futures contracts result in credit exposure to the counterparty and exposure to market risk based on changes in market prices relative to the contracted amounts.

C.1.3. Options

Options are derivative financial instruments that give the buyer, in exchange for a premium payment, the right, but not the obligation, to either purchase from (call option) or sell to (put option) the writer a specified underlying instrument at a specified price on or before a specified date. The Group enters into interest rate options, foreign exchange options, equity and index options and credit failure options (swaps). Interest rate options, including caps and floors, may be used as hedges against a rise or fall in interest rates. They provide protection against changes in interest rates of floating rate instruments above or below a specified level. Foreign currency options may also be used (commensurate with the type of option) to hedge against rising or falling currency rates. As a buyer of over-the-counter options, the Group is subject to market risk and credit risk since the counterparty is obliged to make payments under the terms of the contract if the Group exercises the option. As a writer of over-the-counter options, the Group is subject to market risk, as it is obliged to make payments if the option is exercised by the counterparty.

C.1.4. Other derivatives

In connection with some significant acquisitions, the Group negotiated various over-the-counter contracts. Those existing at the reporting date are recognised at fair value using external or internal valuations.

C.2. Credit risk

Credit risk is the risk of financial loss occurring as a result of default by a borrower or counterparty on their obligation to the Group. The majority of the Group's exposure to credit risk arises in connection with the provision of consumer financing to private individual customers (Home Credit Group). Other significant businesses affected by credit risk are corporate banking (PPF banka) and telecommunications business (O2 CZ, O2 Slovakia, and Yettel entities. O2 Slovakia and Yettel entities have become equity-accounted since 24 October 2024 with the sold controlling stake in PPF Telecom Group B.V. (refer to B.2.4).

C.2.1. Home Credit Group (including Air Bank)

For risk management purposes, the Home Credit Group classifies the loans made to individual customers into several classes, the most significant of which are cash loans, consumer loans, revolving loans, car loans and mortgage loans. This core part of the Home Credit Group's loan portfolio consists of a large number of loans with relatively low outstanding amounts.

For Home Credit Group credit risk management, the board of directors uses the Home Credit Group credit risk department. This department is responsible for overseeing the Group's credit risk, including:

- formulating credit risk policies in consultation with business units covering credit assessment, underwriting policies, collection policies, and risk reporting by business unit and loan classes;

- establishing the authorisation structure for the approval and renewal of credit facilities. Authorisation limits are allocated to the management of the various business units, while large exposures and new types of exposures require Home Credit Group approval. The Home Credit Group uses one central loan administration system to facilitate loan underwriting;
- continuous monitoring of performance of the Home Credit Group's individual credit exposures by country, product class and distribution channel;
- limiting of concentrations of credit exposures by country, product class and distribution channel;
- approving counterparty limits for financial institutions;
- reviewing business units' compliance with agreed exposure limits;
- providing advice, guidance and specialist skills to business units to promote best practice throughout the Home Credit Group in the management of credit risk.

Home Credit Group continuously monitors the performance of individual credit exposures at both individual business unit and Home Credit Group levels using several criteria, including delinquency rates, default rates, and collection efficiency metrics. Home Credit Group has an active fraud prevention and detection programme. Credit risk developments are reported by the Home Credit Group credit risk department to the board of directors on a regular basis.

<u>Credit underwriting process</u>

The credit underwriting process involves the verification of customer data, combined with sophisticated scoring models that consider both risk and profitability to determine whether an applicant is eligible for a product and, if so, at what price.

Information supplied by the applicant may be cross checked with information in the Group's customer database for the relevant country. Consumer loans are provided with minimum documentation from the customer. Applications for other products, in particular cash loans, require more supporting documentation and verification. If the standards set by the Group are not being adhered to, the Group discontinues selling through the relevant retailer's employee or the relevant retailer.

<u>Fraud prevention</u>

The Group has developed a set of tools aimed at fraud prevention, detection and investigation that keep the levels of fraud risk observed low. The focus is on the tight monitoring of the sales process and proper design of the incentive models. Other tools include cross checks and the verification of application data provided by the customer, biometrical ID verification tools and use of third-party data in the underwriting process. The use of specific tools varies, based on their availability in the respective market and on the legal and regulatory framework.

<u>General loan collection</u>

The Group's loan collection system follows standard steps and procedures, which may vary depending on country-specific requirements and the legal and operational tools available for collection.

Pre-collection measures

Various forms of communication are used to remind customers how and when to pay – e.g. welcome letters (or calls) – and SMS reminders are sent to customers a short time prior to payment due dates.

Early collection

The early collection procedures vary depending on which specific collection segment a customer is assigned to, based on exposure, customer account data and previous collection behaviour. These procedures are typically applied to payments which are 5 to 75 days overdue. The Group uses SMS messages, outbound calls, letters and interactive voice response tools to communicate with customers to remind them of, and procure, the overdue amounts.

Administrative and personal collection

The Group sends the customer written correspondence including a warning that the full amount of the loan could be declared immediately due and payable if a loan reaches a higher stage of delinquency, with outstanding payments typically more than 60 to 90 days overdue (the point in time at which a loan moves from early collection to administrative and personal collection may vary). Letters are then followed by a call explaining to the customer the consequences of not repaying the debt.

Late collection

Late collection procedures are usually initiated when a loan becomes 90 days overdue. Usage of external agencies or internal field collector methods is typically considered.

Legal collection, debt sale

Loans with outstanding repayments that have been overdue for more than 360 days are referred to the Group's external legal counsel, who informs the customer through formal correspondence that the loan is closed, and that legal action will commence against the customer. As an alternative, debt selling to collection agencies may also be considered. The approval authority for any debt sale in the Group rests with the ALCO.

The Kazakh bank applies identical principles as those above described for Home Credit Group.

C.2.2. PPF banka (the "Bank")

The board of directors has partially delegated the responsibility for the management of credit risk to the credit committee. A separate credit risk management department, reporting to the credit committee, is responsible for the oversight of the Bank's credit risk similar to the Home Credit Group procedures mentioned above, but with business specifics representing limiting concentrations of exposure to counterparties, geographies and segments (for loans and advances), and by issuer, credit rating band, market liquidity and country (for investment securities).

Since 2014, the Bank has calculated the capital requirement for the credit risk of the investment portfolio using a standardised approach in accordance with the Basel III standard and the Regulation of the European Parliament and of the Council on Prudential Requirements for Credit Institutions and Investment Firms.

Loans with renegotiated terms and the Group's forbearance policy

The contractual terms of a loan may be modified for a number of reasons, including changing market conditions, customer retention and other factors not related to the current or potential credit deterioration of the customer. An existing loan whose terms have been modified may be derecognised and the renegotiated loan recognised as a new loan at fair value.

Exposures with forbearance are exposures where the debtor is considered unable to comply with the contract due to financial difficulties and the Group has decided to grant a concession to the debtor. A forbearance measure may be either a modification of terms and conditions or the refinancing of the contract. A modification of terms includes payment schedule changes (deferrals or reductions of regular payments, extended maturities, etc.), interest rate reductions or penalty interest waivers.

The Group renegotiates loans to customers in financial difficulties (referred to as forbearance activities) to maximise collection opportunities and minimise the risk of default. Under the Group's forbearance policy, loan forbearance is granted on a selective basis if the debtor is currently in default on the debt or if there is a high risk of default, there is evidence that the debtor has made all reasonable efforts to pay under the original contractual terms and the debtor is expected to be able to meet the revised terms.

C.2.3. Telecommunications

For telecommunications, business credit risk is managed by the credit management units of relevant entities and is based on three main activities:

- prevention: scoring of new customers – regular monitoring of customers' payment morale, activation of control procedures (integrated black list, external credit registers, and other external information databases), limits and/or deposits applied based on customer segments or the product, credit limits for indirect sales partners (dealers, distributors, franchises) for the purchase of our products, collateral security (deposits, receivables insurance, bills of exchange, pledges of real estate, bank guarantees etc.).
- monitoring of accounts receivables: regular monitoring of the creditworthiness of existing customers and monitoring and analysing of the receivable aging structure (internal and external indicators of any potential bad debts). These activities are processed in an integrated system solution for the scoring, maintenance and collection of receivables.
- collection process: credit management units cooperate with the customer care units in the implementation of a reasonable, effective and continual collection process. Collection process competences are allocated separately. In the CETIN subgroup (relevant for 2023 and part of the year 2024 until the deconsolidation see B.2.4), collection from active customers is in the competence of the accounting unit; subsequent collection is the responsibility of the treasury unit, the legal unit, and the accounting unit. In other segments, collection from active customers is in the competence of the customer care unit; any collection after contracts are cancelled falls within the responsibility of the credit management unit.

C.2.4. Concentration of credit risk

The following tables show the economic and geographic concentration of credit risk. The figures for 2024 and 2023 below and in the whole C section exclude the fair value hedge adjustments of negative EUR 78 million for bonds at amortised cost presented under investment securities (2023: negative EUR 51 million) (refer to C.4.4):

In millions of EUR, as at 31 December

	2024	2024	2023	2023
Economic concentration				
Financial services	9,866	37.54%	12,687	45.16%
Households/individuals	6,718	25.55%	7,661	27.26%
Public sector	6,565	24.97%	5,117	18.21%
Corporate sector	2,272	8.64%	1,773	6.31%
Construction and real estate	700	2.66%	734	2.61%
Mechanical engineering	109	0.41%	108	0.38%
Other	60	0.23%	21	0.07%
Total	**26,290**	**100.00%**	**28,101**	**100.00%**
Geographic concentration				
Czech Republic	20,225	76.93%	20,342	72.39%
Kazakhstan	1,831	6.96%	1,513	5.38%
Slovakia	892	3.39%	762	2.71%
Netherlands	513	1.95%	212	0.75%
Serbia	469	1.78%	488	1.74%
Cyprus	281	1.07%	197	0.70%
India	9	0.03%	662	2.36%
China	8	0.03%	193	0.69%
Vietnam	-	-	1,035	3.68%
Other EU countries	1,193	4.54%	1,501	5.34%
Other	869	3.32%	1,196	4.26%
Total	**26,290**	**100.00%**	**28,101**	**100.00%**
Of which:				
Cash and cash equivalents (excl. cash on hand)	8,063	30.69%	8,405	29.91%
Loans due from customers	7,875	29.95%	8,457	30.10%
Investment securities and trading derivatives*	7,792	29.64%	8,130	28.93%
Loan commitments and guarantees (off-balance sheet)	1,197	4.55%	1,219	4.34%
Trade and other receivables and other financial assets**	886	3.36%	1,337	4.75%
Contract assets	233	0.89%	275	0.98%
Loans and receivables due from banks and other financial institutions	159	0.60%	193	0.69%
Hedging derivatives	85	0.32%	85	0.30%

*excl. equity securities, positive fair values of hedging derivatives (being presented in a separate row in the above table), and FV hedge adjustments (refer to C.4.4)

**Other financial assets represent cash collateral for payment cards, specific deposits and receivables, and receivables from sale of shares in subsidiaries, associates and JVs totalling EUR 54 million (2023: EUR 83 million), refer to E.12. In the consolidated statement of financial position presented as other assets.

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 any collateral or security proved to be of no value. The amounts, therefore, greatly exceed expected losses, if any, that are included in the allowance for un-collectability (ECL allowance). The table comprises off-balance sheet items (refer to E.39.3) and financial assets, except for equity securities.

Credit quality and collateral received

The following table summarises information about the credit quality of the Group's loan exposure:

In millions of EUR, as at 31 December 2024

Loan exposure	Loans due from customers*	Loans and receivables due from banks and other financial institutions
Gross amount	8,342	161
Stage 1	7,022	159
Stage 2	724	-
Stage 3	586	2
POCI	10	-
Loss allowance	(646)	(2)
Carrying amount	**7,696**	**159**

*excluding loans and advances provided under reverse repo operations of EUR 175 million and category other of EUR 4 million (applies hereinafter in this section)

In millions of EUR, as at 31 December 2023

Loan exposure	Loans due from customers*	Loans and receivables due from banks and other financial institutions
Gross amount	8,849	195
Stage 1	7,346	193
Stage 2	890	-
Stage 3	608	2
POCI	5	-
Loss allowance	(673)	(2)
Carrying amount	**8,176**	**193**

*excluding loans and advances provided under reverse repo operations of EUR 269 million and category other of EUR 12 million (applies hereinafter in this section)

The Group holds collateral for loans and advances to non-banks in total gross amount of EUR 2,149 million (2023: EUR 2,029 million), majority of which are provided within corporate finance segment, in the form of mortgage interests over property, debt and/or equity securities, and received guarantees. The Group provided also unsecured loans to non-banks in total gross amount of EUR 6,193 million as at 31 December 2024 (2023: EUR 6,820 million). Collateral for loans and advances to banks is held mainly under reverse repos and as a part of securities borrowing activities. There are no overdue loans to banks.

All these transactions are conducted at arm's length.

In millions of EUR, as at 31 December 2024

Fair value of collateral received for loans and receivables	Loans due from customers		Loans and receivables due from banks and other financial institutions	
	Stage 1-2	Stage 3	Stage 1-2	Stage 3
Secured by:				
Property	2,630	15	-	-
Deposits with banks	24	-	-	-
Equity securities	113	-	-	-
Other	393	37	-	-
Total collateral received	**3,160**	**52**	**-**	**-**

In millions of EUR, as at 31 December 2023

Fair value of collateral received for loans and receivables	Loans due from customers		Loans and receivables due from banks and other financial institutions	
	Stage 1-2	Stage 3	Stage 1-2	Stage 3
Secured by:				
Property	2,146	-	-	-
Deposits with banks	22	4	-	-
Equity securities	224	-	-	-
Other	344	20	-	-
Total collateral received	**2,736**	**24**	**-**	**-**

The total value of assets held as collateral is EUR 12,166 million (2023: EUR 13,387 million) and consists of the collateral stated above, collateral under reverse repurchase agreements (2024: EUR 8,781 million; 2023: EUR 10,442 million), refer to E.38, plus collateral in the form of guarantees accepted (2024: EUR 173 million; 2023: EUR 185 million), refer to E.39.3.

No collateral was held for trade and other receivables either in 2024 or in 2023. For a detailed credit quality overview of financial assets, refer to E.2-E.5.

The net realisable value of the collateral assessed by the Group is usually based on an opinion prepared by a valuation expert. The net realisable value of the collateral is determined considering this value, the exposure collateralised, a coefficient reflecting the Group's ability to realise the collateral when becomes enforceable, and the time factor of such a realisation.

C.3. Liquidity risk

Liquidity risk arises in the general funding of the Group's activities and in the management of its positions. It includes 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 obligations as they become due.

The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. All liquidity policies and procedures, as well as liquidity position projections, are subject to review and approval by senior management.

The Group's treasury department 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, management tools available and preventive actions.

The Group has access to a diverse funding base. Funds are raised using a broad range of instruments including deposits, bank loans, loans from central banks, debt securities and subordinated debt. Management strives to maintain a balance between continuity of funding and flexibility through use of liabilities with a range of maturities.

The following tables show exposure to liquidity risk:

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
Cash and cash equivalents	8,199	-	-	-	-	8,199
Investment securities and derivatives	2,309	922	450	1,397	2,799	7,877
Financial assets at FVTPL*	1,886	200	178	279	475	3,018
Financial assets FVOCI*	311	577	100	543	628	2,159
Financial assets at AC	112	145	172	575	1,696	2,700
Loans and receivables due from banks and other financial institutions	152	7	-	-	-	159
Loans due from customers	1,350	1,266	1,418	2,637	1,204	7,875
Trade and other receivables**	823	101	174	52	23	1,173
Total financial assets	**12,833**	**2,296**	**2,042**	**4,086**	**4,026**	**25,283**

*excl. equity instruments (refer to E.2.1 and E.2.3 for FVTPL and FVOCI, respectively)
**incl. cash collateral for payment cards and other financial assets (presented as other assets in the consolidated statements of financial position), refer to E.12

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
Financial liabilities at FVTPL	1,576	87	28	147	553	2,391
Due to non-banks	14,468	786	1,482	13	5	16,754
Due to banks and other financial institutions	188	734	2,103	1,702	41	4,768
Debt securities issued	78	231	272	584	-	1,165
Subordinated liabilities	-	-	14	12	-	26
Trade and other payables*	770	188	20	38	29	1,045
Lease liabilities**	28	70	74	154	123	449
Total financial liabilities	**17,108**	**2,096**	**3,993**	**2,650**	**751**	**26,598**

*excl. other taxes payable and other non-financial liabilities
**presented under trade and other payables in the consolidated statement of financial position (refer to E.18)

Net liquidity position 2024	**(4,275)**	**200**	**(1,951)**	**1,436**	**3,275**	**(1,315)**

The less-than-three-months interval within due to non-banks contains banking deposits, most of which are repayable on demand.

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
Cash and cash equivalents	8,535	-	-	-	-	8,535
Investment securities and derivatives	3,225	542	440	1,321	2,687	8,215
Financial assets at FVTPL*	3,194	208	92	204	773	4,471
Financial assets FVOCI*	19	197	131	464	523	1,334
Financial assets at AC	12	137	217	653	1,391	2,410
Loans and receivables due from banks and other financial institutions	167	14	2	7	3	193
Loans due from customers	1,533	2,057	1,658	2,547	662	8,457
Trade and other receivables**	1,141	278	106	59	74	1,658
Total financial assets	**14,601**	**2,891**	**2,206**	**3,934**	**3,426**	**27,058**

*excl. equity instruments (refer to E.2.1 and E.2.3 for FVTPL and FVOCI, respectively)
**incl. cash collateral for payment cards and other financial assets (presented as other assets in the consolidated statements of financial position), refer to E.12

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
Financial liabilities at FVTPL	3,167	102	60	287	418	4,034
Due to non-banks	14,043	550	14	53	1	14,661
Due to banks and other financial institutions	1,202	1,021	1,304	3,664	247	7,438
Debt securities issued	136	519	822	1,688	-	3,165
Subordinated liabilities	-	-	-	-	26	26
Trade and other payables*	1,175	175	17	24	38	1,429
Lease liabilities**	41	104	115	224	179	663
Conditional commitment to acquire NCI's share	36	983	-	-	-	1,019
Total financial liabilities	**19,800**	**3,454**	**2,332**	**5,940**	**909**	**32,435**

*excl. other taxes payable, insurance contract liabilities and other non-financial liabilities
**presented under trade and other payables in the consolidated statement of financial position (refer to E.18)

Net liquidity position 2023	**(5,199)**	**(563)**	**(126)**	**(2,006)**	**2,517**	**(5,377)**

The net liability position in 2024 and 2023 reflects the fact that the Group finances the previous acquisitions of its significant investments and investment property using bank financing and debt securities. The Group repays such loans by proceeds from future dividends, rental income, or the sale of assets, or is able to refinance such facilities at their maturities.

The following tables show the residual maturities of balance sheet and off-balance sheet liabilities on an undiscounted cash flow basis. Only those liability items are shown 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 non-banks	14,496	809	1,540	13	6	16,864
Due to banks and other financial institutions	251	909	2,349	1,802	56	5,367
Debt securities issued	81	272	337	626	-	1,316
Subordinated liabilities	-	1	15	14	-	30
Trade and other payables*	772	205	22	40	32	1,071
Lease liabilities**	33	85	90	183	161	552
Loan commitments (off-balance sheet)	686	232	145	35	21	1,119
Payment guarantees provided (off-balance sheet)	9	4	2	2	-	17
Total	**16,328**	**2,517**	**4,500**	**2,715**	**276**	**26,336**

*excl. other taxes payable, insurance contract liabilities and other non-financial liabilities
**presented under trade and other payables in the consolidated statement of financial position

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 non-banks	14,071	577	21	57	3	14,729
Due to banks and other financial institutions	1,307	1,293	1,649	3,975	256	8,480
Debt securities issued	153	575	936	1,804	-	3,468
Subordinated liabilities	-	1	2	5	28	36
Trade and other payables*	1,176	176	17	24	42	1,435
Lease liabilities**	47	123	132	257	221	780
Loan commitments (off-balance sheet)	834	107	89	84	3	1,117
Payment guarantees provided (off-balance sheet)	19	10	10	2	1	42
Total	**17,607**	**2,862**	**2,856**	**6,208**	**554**	**30,087**

*excl. other taxes payable, insurance contract liabilities, and other non-financial liabilities
**presented under trade and other payables in the consolidated statement of financial position

The following tables show the Group's exposure to liquidity risk related to insurance contract liabilities on discounted and undiscounted cash flow basis. Due to the sale of PPF Life Insurance LLC which was finalised in October 2024, there are no insurance contract liabilities balances presented as at 31 December 2024 (for more information about the sale refer to B.2.6):

In millions of EUR

	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
Carrying amounts (discounted)						
31 December 2024	-	-	-	-	-	-
31 December 2023	2	5	8	8	(88)	(65)
Residual maturities (undiscounted)						
31 December 2024	-	-	-	-	-	-
31 December 2023	2	5	10	12	(565)	(536)

The expected cash outflows and inflows related to trading and hedging derivatives are 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	More than 5 years	Total
Outflows						
Interest rate derivatives held for trading	(331)	(2,090)	(961)	(3,457)	(6,019)	(12,858)
Currency derivatives held for trading	(4,851)	(4,676)	(1,295)	(254)	-	(11,076)
Hedging derivatives	(102)	(159)	(199)	(81)	(94)	(635)
Inflows						
Interest rate derivatives held for trading	333	2,091	961	3,452	6,023	12,860
Currency derivatives held for trading	4,851	4,672	1,302	254	-	11,079
Hedging derivatives	103	164	201	87	105	660
Net position 2024	**3**	**2**	**9**	**1**	**15**	**30**

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
Outflows						
Interest rate derivatives held for trading	(255)	(3,493)	(1,913)	(4,448)	(5,475)	(15,584)
Currency derivatives held for trading	(4,755)	(3,154)	(781)	(501)	-	(9,191)
Hedging derivatives	(105)	(128)	(32)	(75)	(36)	(376)
Inflows						
Interest rate derivatives held for trading	255	3,497	1,916	4,439	5,475	15,582
Currency derivatives held for trading	4,757	3,160	782	505	-	9,204
Hedging derivatives	98	129	17	76	41	361
Net position 2023	**(5)**	**11**	**(11)**	**(4)**	**5**	**(4)**

C.4. Market risk

Market risk is the risk that changes in market rates, such as interest rates, foreign exchange rates, and prices of equity securities 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.

The bulk of the Group's exposure to market risk arises in connection with the use of assets and liabilities denominated in foreign currencies to finance the Group's operations, and to the extent the term structure of interest-bearing assets differs from that of liabilities. Exposure to market risk is formally managed by buying or selling instruments or entering into offsetting positions subject to risk limits or frameworks set by senior management.

C.4.1. Interest rate risk

The Group's operations are subject to the risk of interest rate fluctuations to the extent that interest-earning assets (including investments) and interest-bearing liabilities mature or reprice at different times or in differing amounts. In the case of floating-rate assets and liabilities, the Group is also exposed to interest rate cash-flow risk, which varies depending on the different repricing characteristics of the various floating-rate instruments.

Interest rate risk is managed principally by monitoring interest rate gaps and by having pre-approved limits for repricing bands. The Group's senior management monitors compliance with these limits. Interest rate derivatives (refer to E.13) are one of the tools the Group uses to manage this position.

Interest rate derivatives are primarily used to bridge the repricing mismatch between assets and liabilities. In addition, the Group enters into interest rate swaps to fix the interest rates on its floating-rate debts at a certain level.

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 174 million higher/lower (2023: EUR 243 million) and the revaluation reserve in equity would be EUR 20 million higher / 56 million lower (2023: EUR 56 million higher / EUR 108 million lower).

The tables below summarise the interest rate repricing gap of the Group's financial assets and liabilities 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 (excl. derivatives):

In millions of EUR, as at 31 December 2024

	Effective interest rate	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
Cash and cash equivalents	3.87%	8,199	-	-	-	-	8,199
Investment securities	4.02%	2,551	1,309	417	975	2,168	7,420
Financial assets at FVTPL*	5.29%	1,860	138	158	129	276	2,561
Financial assets at FVOCI*	2.70%	561	956	93	310	239	2,159
Financial assets at AC	3.86%	130	215	166	536	1,653	2,700
Loans and receivables due from banks and other financial institutions	7.33%	153	6	-	-	-	159
Loans due from customers	13.14%	2,158	1,293	1,285	2,203	936	7,875
Trade and other receivables**	0.04%	821	102	174	53	23	1,173
Total financial assets		**13,882**	**2,710**	**1,876**	**3,231**	**3,127**	**24,826**

*excl. equity instruments (refer to E.2.1 and E.2.3 for FVTPL and FVOCI, respectively)
**incl. cash collateral for payment cards and other financial assets (presented as other assets in the consolidated statements of financial position), refer to E.12

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
Financial liabilities at FVTPL	3.48%	1,555	109	4	11	406	2,085
Due to non-banks	3.21%	14,468	786	1,482	13	5	16,754
Due to banks and other financial institutions	5.43%	4,105	362	162	100	39	4,768
Debt securities issued	8.69%	78	313	214	560	-	1,165
Subordinated liabilities	4.69%	-	12	14	-	-	26
Trade and other payables*	0.00%	769	188	20	38	30	1,045
Lease liabilities**	6.11%	29	70	74	155	121	449
Total financial liabilities		**21,004**	**1,840**	**1,970**	**877**	**601**	**26,292**

*excl. other taxes payable and other non-financial liabilities
**presented under trade and other payables in the consolidated statement of financial position (refer to E.18)

Effect of interest rate derivatives		**335**	**116**	**(4)**	**(42)**	**(405)**	**-**
Net position 2024		**(6,787)**	**986**	**(98)**	**2,312**	**2,121**	**(1,466)**

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
Cash and cash equivalents	6.16%	8,535	-	-	-	-	8,535
Investment securities	5.46%	3,376	725	350	924	2,132	7,507
Financial assets at FVTPL*	6.51%	3,150	17	9	56	531	3,763
Financial assets at FVOCI*	6.03%	153	561	124	261	235	1,334
Financial assets at AC	3.52%	73	147	217	607	1,366	2,410
Loans and receivables due from banks and other financial institutions	7.04%	167	14	2	7	3	193
Loans due from customers	16.52%	2,418	2,024	1,521	2,306	188	8,457
Trade and other receivables**	0.97%	1,184	278	106	59	31	1,658
Total financial assets		**15,680**	**3,041**	**1,979**	**3,296**	**2,354**	**26,350**

*excl. equity instruments (refer to E.2.1 and E.2.3 for FVTPL and FVOCI, respectively)
**incl. cash collateral for payment cards and other financial assets (presented as other assets in the consolidated statements of financial position), refer to E.12

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
Financial liabilities at FVTPL	4.86%	3,137	139	37	132	172	3,617
Due to non-banks	4.42%	14,098	548	13	1	1	14,661
Due to banks and other financial institutions	7.02%	6,216	644	302	234	42	7,438
Debt securities issued	5.34%	136	578	822	1,629	-	3,165
Subordinated liabilities	6.01%	-	12	-	-	14	26
Trade and other payables*	0.41%	1,163	181	23	24	38	1,429
Lease liabilities**	4.97%	41	104	115	224	179	663
Total financial liabilities		**24,791**	**2,206**	**1,312**	**2,244**	**446**	**30,999**

*excl. other taxes payable, insurance contract liabilities, and other non-financial liabilities
**presented under trade and other payables in the consolidated statement of financial position (refer to E.18)

Effect of interest rate derivatives		**188**	**189**	**(48)**	**(52)**	**(277)**	**-**
Net position 2023		**(8,923)**	**1,024**	**619**	**1,000**	**1,631**	**(4,649)**

The following tables present an analysis of the interest rate gap position of insurance contracts:

In millions of EUR

Interest rate gap (insurance contracts)	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
31 December 2024*	-	-	-	-	-	-	-
31 December 2023	10.57%	2	5	8	7	(88)	(65)

*All insurance business contracts were disposed on 19 November 2024 (refer to B.2.6).

C.4.2. Equity price risk

Equity price risk is the risk that equity prices will fluctuate, affecting the fair value of equity investments and other instruments that derive their value from a particular equity investment or index of equity prices.

The Group manages its use of equity investments in response to changing market conditions and limits the risk by maintaining a diversified portfolio.

C.4.3. Currency risk

The Group is exposed to currency risk through transactions in foreign currencies and through its 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 European, the US, and Asian countries in which the Group operates. Its exposures are measured mainly in the Czech crowns, Polish zloty, Indian rupees, Vietnamese dongs, Kazakhstani tenges, Serbian dinars, and US dollars (in 2023 also in Hungarian forints, Bulgarian leus, and Chinese yuans – these foreign currencies exposures became less significant or nil due to sales and loss of control, refer to B.2 section).

As the currency in which the Group presents its consolidated financial statements is the euro, movements in the exchange rates between these currencies and the euro affect the Group's consolidated financial statements in OCI (translation reserve). 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 countries in other than the local currency is excluded.

In millions of EUR, as at 31 December 2024

	EUR	CZK	PLN	INR	KZT	VND	USD	RSD	CNY	HUF	BGN	Other	Total
Net investment in foreign operations	1,188	6,675	1,825	493	377	270	118	80	1	-	-	521	11,548

In millions of EUR, as at 31 December 2023

	EUR	CZK	PLN	INR	KZT	VND	USD	RSD	CNY	HUF	BGN	Other	Total
Net investment in foreign operations	(4,159)	7,078	1,203	473	330	420	178	1,054	(324)	1,046	657	467	8,423

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 companies 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' largest foreign currency exposures are for financial assets and financial liabilities, i.e., exposures in currencies different from the entities' functional currencies:

In millions of EUR, as at 31 December 2024

	EUR	USD	GBP	CZK	INR	PLN	HUF	Other	Total
Financial assets	2,612	841	60	114	9	7	31	347	4,021
Financial liabilities	(2,483)	(450)	(34)	(37)	-	(1)	(2)	(99)	(3,106)
Effect of FX derivatives	10	(91)	18	-	(282)	(7)	(24)	25	(351)
Net FX position	**139**	**300**	**44**	**77**	**(273)**	**(1)**	**5**	**273**	**564**

In millions of EUR, as at 31 December 2023

	EUR	USD	GBP	CZK	INR	PLN	HUF	Other	Total
Financial assets	2,703	786	116	77	10	55	36	231	4,014
Financial liabilities	(2,303)	(687)	(35)	(55)	-	(2)	(1)	(89)	(3,172)
Effect of FX derivatives	(93)	185	11	-	(276)	(44)	(29)	(31)	(277)
Net FX position	**307**	**284**	**92**	**22**	**(266)**	**9**	**6**	**111**	**565**

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, PLN, USD, KZT, GBP, and INR (in 2023 also HUF while in 2024 the HUF positions did not exist due to sale of Hungarian entities, refer to B.2.4) to EUR exchange rates:

In millions of EUR, as at 31 December 2024

	CZK	PLN	USD	KZT	GBP	INR	HUF
Effect of 5% currency depreciation against EUR	(338)	(91)	(21)	(19)	(11)	(11)	-
Effect of 5% currency appreciation against EUR	338	91	21	19	11	11	-

In millions of EUR, as at 31 December 2023

	CZK	PLN	USD	KZT	GBP	INR	HUF
Effect of 5% currency depreciation against EUR	(355)	(60)	(23)	(16)	(12)	(11)	(52)
Effect of 5% currency appreciation against EUR	355	60	23	16	12	11	52

C.4.4. Hedging

The Group uses derivative financial instruments to manage the potential earnings impact of interest rate and foreign currency movements. Several types of financial derivative instruments are used for this purpose, including interest rate swaps and currency swaps, options, forward contracts and other financial derivatives. The purpose of the Group's economic hedging activities is to protect the Group from the risk that the net cash inflows will be adversely affected by changes in interest or exchange rates, credit ratings or market prices. The Group enters into transactions to ensure that it is economically hedged in accordance with its asset-liability risk management policies.

Interest rate hedging derivatives are designated as economic hedges of benchmark interest rates for specified assets or groups of similar assets, as well as liabilities or groups of similar liabilities, or anticipated transactions. The Group's risk management activities concentrate on economic hedging of the Group's net exposure based on its asset and liability positions. Therefore, the Group monitors its interest rate risk exposures by reviewing the net asset or liability gaps within the relevant repricing bands.

When the Group economically hedges a portfolio of loans or liabilities in respect of the interest rate risk, it classifies the loans in question into homogenous groups, each with specific maturities.

The Group manages its use of hedging derivatives in response to changing market conditions, as well as to changes in the characteristics and mix of the related assets, liabilities and firm commitments.

Pursuant to its above interest rate risk management policy and with the objective to match the interest rate profile of its assets and liabilities, the Group applies hedge accounting to better align the internal risk management for interest rate driven changes in fair value of certain bonds with external reporting (applied for certain corporate loans, see further below). The hedge of the government bonds is either a hedge of a single bond issue, or a hedge of a group bond issues (micro hedge).

The hedged government bonds carry fixed interest rates.

The common objective of the bonds hedging is to offset the changes in the fair value of the CZK hedged items due to the changes in market interest rates by gains or losses on the hedging instruments (CZK interest rate swaps). In this way, the Group also matches its assets with its floating rate liabilities. The Group applies hedge accounting for these hedge relationships.

The hedge effectiveness is measured in each reporting period. The hedge effectiveness is measured for each hedge relationship separately with application of the dollar offset method. The hedge ineffectiveness might result from imperfect matching of the hedging instruments with the hedged items (volumes, timing of cash flows).

For the year ending 31 December 2024 and 31 December 2023, all continuing micro fair value hedges were assessed as effective being in the range of 80-125%. No gain/loss from the hedge ineffectiveness is presented in the consolidated income statement under other net gain/(loss) on financial instruments caption (2023: nil).

C.4.4.1. Micro hedge

The following table shows the details on the hedging derivatives used for the fair value hedge relationships (continuing):

In millions of EUR, as at 31 December 2024

Fair value hedges (interest rate risk)	Notional amount of the hedging instruments	Carrying amount of the hedging instruments		Presentation in statement of financial position	Increase/(decrease) in FV used for calculating hedge ineffectiveness for the period
		Assets (refer to E.2.1)	Liabilities (refer to E.13)		
Interest rate swaps	1,397*	79	(31)	Investment securities and derivatives --- Financial liabilities at FVTPL	(29)

*approx. CZK 35,184 million

In millions of EUR, as at 31 December 2023

Fair value hedges (interest rate risk)	Notional amount of the hedging instruments	Carrying amount of the hedging instruments		Presentation in statement of financial position	Increase/(decrease) in FV used for calculating hedge ineffectiveness for the period
		Assets (refer to E.2.1)	Liabilities (refer to E.13)		
Interest rate swaps	1,117*	68	(40)	Investment securities and derivatives --- Financial liabilities at FVTPL	77

*approx. CZK 27,617 million

The following table shows the details on the hedged items subject to the fair value hedge relationships (continuing):

In millions of EUR, as at 31 December 2024

Fair value hedges (interest rate risk)	Carrying amount of the hedged assets	Accumulated amount of FV hedge adjustments on the hedged assets incl. in their carrying amount	Presentation in statement of financial position	Increase/(decrease) in FV used for calculating hedge ineffectiveness for the period
Bonds (refer to E.2.2)	1,414	(78)	Investment securities and derivatives	(29)
Total				

In millions of EUR, as at 31 December 2023

Fair value hedges (interest rate risk)	Carrying amount of the hedged assets	Accumulated amount of FV hedge adjustments on the hedged assets incl. in their carrying amount	Presentation in statement of financial position	Increase/(decrease) in FV used for calculating hedge ineffectiveness for the period
Bonds (refer to E.2.2)	1,133	(51)	Investment securities and derivatives	(77)
Total	**1,133**	**(51)**		**(77)**

The maturity and interest rate risk profiles of the Group's hedging instruments used in micro fair value hedge relationships is, as follows:

In EUR million, 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
Interest rate swaps						
Notional principal	68	92	4	-	1,233	1,397
Average interest rate	1.73%	2.72%	3.57%	-	5.60%	-

In EUR million, 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
Interest rate swaps						
Notional principal	-	96	163	4	854	1,117
Average interest rate	-	6.26%	8.43%	24.81%	6.56%	-

As at 31 December 2024, the unamortised FV hedge adjustment relating to the discontinued fair value hedge relationships amounted to negative EUR 2 million (2023: negative EUR 2 million).

C.5. Risks specific to real estate business

C.5.1. Concentration risk

The Group's goal is to hold a well-balanced portfolio with respect to the geographical concentration of its assets. Therefore, it broadened its geographical focus during the last years by having properties in the Netherlands, the USA, the United Kingdom, the Czech Republic, Romania, Poland, and Germany. Any potential concentration risk is also managed through diversified investments into different real estate sectors such as office, logistics and retail and through careful selection of real estate projects and internal project management controls.

C.5.2. Valuation risk

Given the nature of the assets and the requirement that they should be measured at fair market value, the Group uses only reputable and internationally well-known independent experts to establish fair market values. In the case the valuation is made based on internal calculations, it is always subject to several rounds of discussions between internal real estate analysts and the Group's senior management, with strict emphasis on taking a justifiable, conservative approach.

C.5.3. Occupancy risk

The Group is exposed to an occupancy risk stemming from the possibility of losing the tenant or the need to provide for significant incentives either to keep the current tenant or to obtain a new one. In the current buyers' market environment, when faced with such requirements the Group's position is not very strong. To partially mitigate such adverse conditions, the Group tries to offset the immediate negative impact in the long term, e.g., to negotiate long rental agreements incorporating the unilateral option to renew the agreement or to impose significant penalties if the contract is broken by the tenant.

C.6. Fair value of financial assets and liabilities

The Group measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

Level 1: Quoted market price (unadjusted) or dealer price quotations in an active market for an identical instrument.

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 2 assets include mainly financial derivatives, corporate bonds, and treasury bills. For OTC derivative exposures, the fair value is estimated using the present value of the cash flows resulting from the transactions considering market inputs like FX spot and forwards rates, benchmark interest rates, swap rates, arbitrage pricing model and others. The fair value of corporate bonds and treasury bills is calculated as the present value of cash flows using the benchmark interest rates.

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. Level 3 assets include equity and debt instruments not traded on the market where the fair value is calculated using the valuation techniques including expert appraisals. The fair valuation methodology for Level 3 equity and debt instruments is based on discounted cash flow valuation techniques. The fair value of equity and debt securities is sensitive to economic development at the businesses in question. The valuation techniques include a comparison with similar instruments for which market observable prices exist, the net present value and discounted cash flow models, Black-Scholes option pricing models and other valuation 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 and equity prices, foreign currency exchange rates, equity and equity index prices and 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 main unobservable inputs used in measuring fair value of Level 3 assets are expected net cash flows and cost of equity. Expected net cash flows are projected cash flows from entity's business plan multiplied by enterprise value-to-sales ratio derived from similar market participants. All these outputs are estimated to some degree and significant changes would result in changes of fair value. Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate is a market-related rate at the reporting date for an instrument with similar terms and conditions. Where pricing models are used, inputs are based on market related measures at the reporting date.

The following table shows the carrying amounts and fair values of financial instruments measured at AC, including their levels in the fair value hierarchy (excl. FV hedge adjustments, refer to C.4.4):

In millions of EUR, as at 31 December 2024

	Carrying amount	Fair value	Level 1	Level 2	Level 3
Financial assets at AC (E.2.2)	2,700	2,582	2,490	64	28
Loans and receivables due from banks and other financial institutions	159	159	-	159	-
Loans due from customers	7,875	7,828	-	4	7,824
Trade and other receivables*	1,173	1,173	-	-	1,173
Due to non-banks	(16,754)	(16,746)	-	(16,392)	(354)
Due to banks and other financial institutions	(4,768)	(4,813)	-	(3,698)	(1,115)
Debt securities issued	(1,165)	(1,160)	-	(1,158)	(2)
Subordinated liabilities	(26)	(26)	-	(11)	(15)
Trade and other payables**	(1,493)	(1,494)	-	-	(1,494)

*incl. cash collateral for payment cards and other financial assets
**excl. other taxes payable and other non-financial liabilities

In millions of EUR, as at 31 December 2023

	Carrying amount	Fair value	Level 1	Level 2	Level 3
Financial assets at AC (E.2.2)	2,410	2,323	2,276	47	-
Loans and receivables due from banks and other financial institutions	193	193	32	158	3
Loans due from customers	8,457	8,236	-	11	8,225
Trade and other receivables*	1,658	1,658	-	-	1,658
Due to non-banks	(14,661)	(14,658)	-	(14,443)	(215)
Due to banks and other financial institutions	(7,438)	(7,444)	-	(6,239)	(1,205)
Debt securities issued	(3,165)	(3,114)	-	(2,697)	(417)
Subordinated liabilities	(26)	(23)	-	(12)	(11)
Trade and other payables**	(2,157)	(2,157)	-	-	(2,157)

*incl. cash collateral for payment cards and other financial assets
**excl. other taxes payable and other non-financial liabilities

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

Where they are available, the fair value of financial instruments measured at amortised costs is based on observable market transactions. Where observable market transactions are not available, fair value is estimated using valuation models, such as discounted cash flow techniques. Input into the valuation techniques includes expected lifetime credit losses, interest rates, prepayment rates and primary origination or secondary market spreads.

To improve accuracy of the value estimate for retail loans, homogeneous loans are grouped into portfolios with similar characteristics such as vintage, life-time value ratios, the quality of collateral, product and borrower type, prepayment and delinquency rates, and default probability.

The fair value of current accounts and deposits from customers is estimated using discounted cash flow techniques, applying the rates that are offered for deposits of similar maturities and terms. The fair value of deposits payable on demand is the amount payable at the reporting date.

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

In millions of EUR, as at 31 December 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL	635	2,258	407	3,300
Financial assets at FVOCI	1,521	914	88	2,523
Financial liabilities at FVTPL	(313)	(1,868)	(210)	(2,391)
Total	**1,843**	**1,304**	**285**	**3,432**

In millions of EUR, as at 31 December 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL	796	3,839	21	4,656
Financial assets at FVOCI	1,722	145	62	1,929
Financial liabilities at FVTPL	(467)	(3,535)	(32)	(4,034)
Total	**2,051**	**499**	**51**	**2,551**

There were no significant transfers between Level 1, 2 and 3 in 2024 and 2023.

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

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

	Financial assets FVTPL	Financial assets FVOCI	Financial liabilities FVTPL	Total
Balance as at 1 January	21	62	(32)	51
Net losses recorded in profit or loss (included in other net gains on financial instruments)	(2)	-	(208)	(210)
Net losses recorded in other comprehensive income	-	(1)	-	(1)
Purchases or originations of financial assets	439	38	-	477
Sales/settlements	(50)	(12)	29	(33)
Disposals resulting from business combinations	(1)	-	-	(1)
Transfer out of / into Level 3	-	2	1	3
Effect of movements in exchange rates	-	(1)	-	(1)
Balance as at 31 December 2024	**407**	**88**	**(210)**	**285**

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

	Financial assets FVTPL	Financial assets FVOCI	Financial liabilities FVTPL	Total
Balance as at 1 January	174	82	(174)	82
Net gains/(losses) recorded in profit or loss (included in other net gains on financial instruments)	(5)	-	18	13
Net losses recorded in other comprehensive income	-	(29)	-	(29)
Purchases or originations of financial assets	49	-	-	49
Sales/settlements	(197)	-	151	(46)
Additions of financial liabilities/Issues	-	-	(2)	(2)
Additions resulting from business combinations	-	-	(27)	(27)
Transfer out of / into Level 3	-	10	-	10
Effect of movements in exchange rates	-	(1)	2	1
Balance as at 31 December 2023	**21**	**62**	**(32)**	**51**

The financial assets at FVOCI in Level 3 represent equity securities of EUR 50 million and debt securities of EUR 38 million (2023: equity securities of EUR 62 million). The fair value of debt securities is sensitive to market interest rates. The fair value of equity securities is sensitive to economic developments at the businesses in question.

C.7. Offsetting financial assets and liabilities

The Group has various netting arrangements in place with the counterparties to manage the associated credit risks. Such arrangements primarily include over-the-counter derivatives, repo and reverse repo transactions, lending arrangements. These netting arrangements and similar arrangements generally enable the counterparties to set-off liabilities against available assets received in the ordinary course of business and/or in the event of the counterparty's default. The offsetting right is a legal right to settle, or otherwise eliminate, all or a portion of an amount due by applying an amount receivable from the same counterparty against it, thus, reducing credit exposure.

The Group's derivative transactions are predominantly entered into under International Swaps and Derivatives Association (ISDA) master netting agreements. In general, under such agreements the amounts owed by each counterparty that are due on a single day in respect of transactions outstanding in the same currency are aggregated into a single net amount payable by one party to the other. In certain circumstances, e.g., when a credit event such as a default occurs, all outstanding transactions under the agreement are terminated, the termination value is assessed, and only a single net amount is due or payable in settlement transactions.

Loans and advances provided and received under repo operations are covered by global master repurchase agreements and similar agreements with terms like those of ISDA master netting agreements.

The following tables summarise the financial assets and liabilities subject to offsetting, enforceable master netting and similar agreements, as well as financial collateral received to mitigate the credit exposures for these financial assets, and whether offset is achieved in the consolidated statement of financial position:

C.7.1. Financial assets subject to offsetting, netting arrangements

In millions of EUR, as at 31 December 2024

	Offsetting recognised in the statement of financial position			Netting potential not recognised in the statement of financial position			Assets not subject to netting arrangements**	Total consolidated assets recognised in the statement of financial position	Maximum exposure to credit risk after consideration of netting potential
	Gross assets before offset	Offset with gross liabilities	Net assets recognised in the statement of financial position	Financial liabilities	Collateral received	Assets after consideration of netting potential*	Assets recognised in the statement of financial position		
Reverse repo operations (E.1, E.2.1, E.4)	7,647	(45)	7,602	-	(8,781)	-	1,168	8,770	1,168
Derivatives (E.2.1)	183	-	183	-	(124)	59	274	457	333
Mortgage loans (E.4.1)	1,067	(86)	981	-	-	981	7	988	988
Trade receivables (E.5)	51	(22)	29	-	-	29	872	901	901
Total	**8,948**	**(153)**	**8,795**	**-**	**(8,905)**	**1,069**	**2,321**	**11,116**	**3,390**

*The amounts have been capped by the relevant netting agreement so as not to exceed the net amount of financial assets presented in the statement of financial position (i.e., over-collateralisation, where it exists, is not reflected in the table, given the fact that such a surplus collateral would not be recognisable in an event of default).
**Represents items not subject to enforceable netting arrangements and other out-of-scope items.

In millions of EUR, as at 31 December 2023

	Offsetting recognised in the statement of financial position			Netting potential not recognised in the statement of financial position			Assets not subject to netting arrangements**	Total consolidated assets recognised in the statement of financial position	Maximum exposure to credit risk after consideration of netting potential
	Gross assets before offset	Offset with gross liabilities	Net assets recognised in the statement of financial position	Financial liabilities	Collateral received	Assets after consideration of netting potential*	Assets recognised in the statement of financial position		
Reverse repo operations (E.1, E.2.1)	9,920	(51)	9,869	-	(10,442)	-	534	10,403	534
Derivatives (E.2.1)	617	(186)	431	-	(184)	247	277	708	524
Mortgage loans (E.4.1)	787	(60)	727	-	-	727	-	727	727
Trade receivables (E.5)	60	(25)	35	-	-	35	1,328	1,363	1,363
Total	**11,384**	**(322)**	**11,062**	**-**	**(10,626)**	**1,009**	**2,139**	**13,201**	**3,148**

*The amounts have been capped by the relevant netting agreement so as not to exceed the net amount of financial assets presented in the statement of financial position (i.e., over-collateralisation, where it exists, is not reflected in the table, given the fact that such a surplus collateral would not be recognisable in an event of default).
**Represents items not subject to enforceable netting arrangements and other out-of-scope items.

C.7.2. Financial liabilities subject to offsetting, netting arrangements

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

	Offsetting recognised in the statement of financial position			Netting potential not recognised in the statement of financial position			Liabilities not subject to netting arrangements**	Total consolidated liabilities recognised in the statement of financial position	Maximum exposure after consideration of netting potential
	Gross liabilities before offset	Offset with gross assets	Net liabilities recognised in the statement of financial position	Financial assets	Collateral pledged	Liabilities after consideration of netting potential*	Liabilities recognised in the statement of financial position		
Repo operations (E.13-E.15)	(4,409)	45	(4,364)	4,372	-	(58)	-	(4,364)	(58)
Derivatives (E.13)	(191)	-	(191)	-	156	(35)	(115)	(306)	(150)
Current accounts and demand deposits (E.14)	(6,589)	86	(6,503)	-	-	(6,503)	(3,686)	(10,189)	(10,189)
Trade and other payables (E.18)	(32)	22	(10)	-	-	(10)	(651)	(661)	(661)
Total	**(11,221)**	**153**	**(11,068)**	**4,372**	**156**	**(6,606)**	**(4,452)**	**(15,520)**	**(11,058)**

*The amounts have been capped by the relevant netting agreement so as not to exceed the amount of financial liabilities presented in the statement of financial position (i.e., over-collateralisation, where it exists, is not reflected in the table, given surplus collateral would not be recognisable in an event of default).
**Represents items not subject to enforceable netting arrangements and other out-of-scope items.

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

	Offsetting recognised in the statement of financial position			Netting potential not recognised in the statement of financial position			Liabilities not subject to netting arrangements**	Total consolidated liabilities recognised in the statement of financial position	Maximum exposure after consideration of netting potential
	Gross liabilities before offset	Offset with gross assets	Net liabilities recognised in the statement of financial position	Financial assets	Collateral pledged	Liabilities after consideration of netting potential*	Liabilities recognised in the statement of financial position		
Repo operations (E.13-E.15)	(8,462)	50	(8,412)	8,406	-	(103)	(1)	(8,413)	(104)
Derivatives (E.13)	(468)	187	(281)	-	144	(137)	(136)	(417)	(273)
Current accounts and demand deposits (E.14)	(5,554)	60	(5,494)	-	-	(5,494)	(2,336)	(7,830)	(7,830)
Trade and other payables (E.18)	(40)	25	(15)	-	-	(15)	(892)	(907)	(907)
Total	**(14,524)**	**322**	**(14,202)**	**8,406**	**144**	**(5,749)**	**(3,365)**	**(17,567)**	**(9,114)**

*The amounts have been capped by the relevant netting agreement so as not to exceed the amount of financial liabilities presented in the statement of financial position (i.e., over-collateralisation, where it exists, is not reflected in the table, given surplus collateral would not be recognisable in an event of default).
**Represents items not subject to enforceable netting arrangements and other out-of-scope items.

C.8. Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology, and infrastructure, and from external factors other than credit, market, and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all Group's operations and are faced by all business entities.

The Group's objective is to manage operational risk to balance the avoidance of financial losses/damage to the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk has been assigned to the senior management of the Group. This responsibility is supported by the development of standards for the management of operational risk in the following areas:

- requirements for the appropriate segregation of duties, including the independent authorisation of transactions;
- requirements for the reconciliation and monitoring of transactions;
- compliance with regulatory and other legal requirements;
- documentation of controls and procedures;
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- requirements for the reporting of operational losses and proposed remedial action;
- development of contingency plans;
- training and professional development;
- ethical and business standards;
- risk mitigation, including insurance where effective.

Compliance with Group standards is supported by a programme of periodic reviews undertaken by internal audit. The individual subsidiaries have their local internal audit teams that also cooperate with the Group internal audit on the PPF Group level. The results of internal audit reviews are discussed with the management of the business unit to which they relate, with summaries submitted to the senior management of the Group.

C.9. Capital management

The Group's objective is to maximise shareholder value while maintaining investor, creditor, and market confidence and the ability to sustain the businesses' future development. The Group manages and adjusts its capital structure with a view to changes in economic conditions.

To achieve this overall objective, the Group's capital management aims, inter alia, to ensure that it meets the financial covenants attached to interest-bearing loans and borrowings. Any breaches in meeting the financial covenants would permit lenders to call loans and borrowings, subject to the Group not being able to remedy the breaches. None of the financial covenants of any interest-bearing loans and borrowings were breached in the current period.

In 2024, PPF Group N.V. distributed EUR 118 million to its shareholders (2023: EUR 118 million). The distribution should be seen in relation to the general principles for capital management as explained above.

C.9.1. Financial services segment

PPF Financial Holdings a.s. as an approved financial holding entity (in the sense of Section 28 of Act No. 21/1992 Coll. on banks) is subject to prudential requirements on its consolidated basis pursuant to Regulation (EU) 575/2013 of the European Parliament and of the Council and Directive 2013/36/EU of the European Parliament and of the Council (as transposed in the Czech Republic). The Czech National Bank acts as a supervisory authority over PPF Financial Holdings on its consolidated basis (the “Subgroup”).

As of 31 December 2024, in addition to an 8% capital adequacy, the Subgroup was required to maintain a capital conservation buffer amounting to 2.5%, an institution specific countercyclical capital buffer amounting to 0.746%, and a capital buffer for other systemically important institutions amounting to 0.5% of its risk weighted assets, and an additional capital requirement according to Pillar Two of 1.2%. Effective 1 January 2025, the Pillar Two requirement will be increased to 1.6%.

Some of the Subgroup’s subsidiaries operating in the banking, consumer finance and insurance sectors maintain capital adequacy in compliance with local regulations, requiring the respective entities to maintain a ratio of total capital to total risk-weighted assets at or above a certain minimum level. The ratios are calculated based on the entities’ financial statements prepared in accordance with local accounting standards. The Subgroup’s policy in this respect is to support the subsidiaries with capital as necessary to maintain the subsidiaries’ full compliance with the relevant requirements.

The Subgroup complied with all externally imposed capital requirements, large exposure requirements, liquidity requirements, and leverage requirements throughout the reporting period.

The following table presents the composition of the Subgroup’s regulatory capital:

In millions of EUR, as at 31 December

	2024	2023
Issued capital	-	-
Share premium	2,324	2,324
Retained earnings and other reserves	(566)	(835)
Full year profit included into capital	73	293
Minority interests on CET 1	18	17
(-) Additional valuation adjustment	(7)	(9)
(-) Intangible assets	(74)	(87)
(-) Deferred tax assets (deductible part)	(24)	(44)
Additional Tier 1 capital (AT1)	3	4
Total Tier 1 capital	**1,747**	**1,663**
Total Tier 2 capital	**92**	**92**
Total capital	**1,839**	**1,755**
Total capital adequacy ratio	**15.92%**	**15.01%**

D. Segment reporting

The Group recognises reportable segments that are defined in both geographical and sector terms. These segments offer different products and services and are managed separately because they operate in completely distinct business sectors. The Group's board of directors and shareholders (the chief operating decision maker) review the internal management reports of individual segments on a regular basis.

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

Reportable segment	Business name/brand	Operations	Geographic focus
Financial services	PPF banka and its subsidiaries	Loans, deposits and other transactions and balances with corporate customers, trading activities	Czech Republic
	Home Credit	Lending to private individual customers, deposit-taking	Czech Republic, Slovakia, Asia (disc.)(1), China (disc.)(1)
	Air Bank(2) and its subsidiaries	Deposits, loans and other transactions and balances with retail customers	Czech Republic, Slovakia
	Bank Home Credit	Deposits, loans and other transactions and balances with retail customers	Kazakhstan
	Yettel Bank	Deposits, loans and other transactions and balances with retail customers	Serbia
	ClearBank *(associate)*	Clearing and settlement services	United Kingdom
Telecommunications	O2 Czech Republic	Fixed and mobile telecommunication and data services	Czech Republic
	CETIN CZ	Administration and operation of data and communication networks	Czech Republic
	O2 Slovakia	Mobile operators providing a range of voice and data services	Slovakia (disc.)(3)
	Yettel	Mobile operators providing a range of voice and data services	Hungary, Bulgaria, Serbia (all disc.)(3)
	CETINs non-Czech	Administration and operation of data and communication networks	Hungary, Bulgaria, Serbia, Slovakia (all disc.)(3)
Media	CME and its subsidiaries	Television broadcasting	Czech Republic, Bulgaria, Romania, Slovakia, Slovenia, Croatia
Real estate	PPF Real Estate Holding	Developing, investing, and professional consulting in the property sector	Central and Western Europe, Romania, USA, Russia
Mechanical engineering	Škoda	Production, development, assembling and repairs of vehicles for public transport	Czech Republic, Eastern Europe, Finland, Belgium
	Temsa *(JV)*	Production of buses	Turkey
Leisure and entertainment	Dream Yacht / Navigare	Sea boat charter services and production	worldwide
	Robertson & Caine(4)	Catamaran producer	South Africa, USA
	O2 Arena/ O2 Universum	Operation of multipurpose hall hosting mainly sports and cultural events	Czech Republic

Reportable segment	Business name/brand	Operations	Geographic focus
Other	Sotio	Development of new medical therapies, focusing on the treatment of cancer	Czech Republic, USA, France, Switzerland
	PPF Insurance(5)	Provision of life insurance products	Russia
	ITIS Holding *(JV)*	Toll operating and collection system	Czech Republic, Slovakia, Germany
	Heureka *(JV)*	E-commerce and comparison-shopping platforms	Central and Eastern Europe
	FAST *(JV)*	Consumer electronic wholesaler and retailer	Czech Republic, Slovakia, Hungary, Poland
	InPost *(associate)*	Operator of automated parcel machines	Poland, Western Europe
	MONETA Money Bank *(associate)*	Provider of banking and financing services to individual customers and clients in the SME segment	Czech Republic
	LEAG *(associate / held for sale)*(6)	Extraction, processing, refining and sale of lignite, generation of electricity and heat	Germany
	Viaplay(7) *(associate)*	Video streaming service	Sweden, Northern Europe

(1) For the year ended 31 December 2024 and 31 December 2023 presented as discontinued operations (refer to B.2.1).
(2) a part of Home Credit Group
(3) For the year ended 31 December 2024 and 31 December 2023, the non-Czech telecommunication activities are presented as discontinued operations (refer to B.2.4).
(4) acquired in June 2023 (refer to B.2.8)
(5) sold on 19 November 2024 (refer to B.2.6)
(6) refer to B.3.7
(7) acquired in February 2024 (refer to B.3.2)

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 the segments. Significant non-cash expenses mainly comprise impairment losses on financial and non-financial assets. Eliminations represent intercompany balances among individual reporting segments.

For the year ended 31 December 2024, total segment revenues contain the following categories of continuing operations that may be reconciled to the consolidated statement of income and discontinued operations within financial services and telecommunication segments (refer to B.2.1 and B.2.4 for details), presented in the following table:

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

	Continuing	Discontinued	Total
Interest income(1)	1,612	456	2,068
Fee and commission income	133	105	238
Insurance income(2)	25	-	25
Telecommunications revenues	1,817	1,744	3,561
Media revenues	940	-	940
Rental and related revenues	144	-	144
Mechanical engineering revenues	1,118	-	1,118
Leisure and entertainment revenues	424	-	424
Total revenues from external customers	**6,213**	**2,305**	**8,518**

(1) interest income related solely to financial services, unallocated segments and insurance business (reported under "other" segment)
(2) included in other income in consolidated statement of income

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

	Continuing	Discontinued	Total
Interest income[(1)]	1,549	726	2,275
Fee and commission income	137	183	320
Insurance income	28	-	28
Telecommunications revenues	1,795	1,973	3,768
Media revenues	854	-	854
Rental and related revenues	156	-	156
Mechanical engineering revenues	1,136	-	1,136
Leisure and entertainment revenues	344	-	344
Total revenues from external customers	**5,999**	**2,882**	**8,881**

(1) interest income related solely to financial services, unallocated segments and insurance business (reported under other segment)

The following table shows the main items from the financial statements broken down according to reportable segments for the year ended 31 December 2024 and comparative figures for 2023.

In millions of EUR

2024	Financial services	Telecommu -nications	Media	Real estate	Mechanical engineering	Leisure and entertainment	Other	Unallocated	Eliminations	**Consolidated**
Revenues from external customers	2,285	3,561	940	130	1,118	438	45	1	-	8,518
Inter-segment revenues	10	10	23	-	-	2	-	46	(91)	-
Total revenues	**2,295**	**3,571**	**963**	**130**	**1,118**	**440**	**45**	**47**	**(91)**	**8,518**
Segment share of profit/(loss) of equity-accounted investees	4	9	-	(1)	9	-	271	-	-	292
Net profit/(loss) for the year	**765**	**3,915**	**132**	**(148)**	**(53)**	**(99)**	**(1,086)**	**(210)**	**(16)**	**3,200**
Capital expenditure	54	713	29	1	55	39	8	1	(9)	891
Depreciation and amortisation	(85)	(744)	(32)	(4)	(45)	(47)	(3)	(1)	21	(940)
Other significant non-cash expenses	(249)	(142)	1	(6)	(10)	(92)	(50)	(1)	(14)	(563)
Segment assets	25,319	6,679	2,368	1,510	1,340	750	5,074	1,655	(2,973)	41,722
of which: equity-accounted investees	*128*	*1,849*	*-*	*49*	*85*	*1*	*2,567*	*-*	*-*	*4,679*
Segment liabilities	22,753	3,472	1,130	804	966	560	1,418	1,135	(2,981)	29,257
Segment equity	**2,566**	**3,207**	**1,238**	**706**	**374**	**190**	**3,656**	**520**	**8**	**12,465**

In millions of EUR

2023	Financial services	Telecommu- nications	Media	Real estate	Mechanical engineering	Leisure and entertainment	Other	Unallocated	Eliminations	**Consolidated**
Revenues from external customers	2,554	3,768	854	147	1,136	353	46	23	-	8,881
Inter-segment revenues	14	8	14	-	-	2	-	25	(63)	-
Total revenues	**2,568**	**3,776**	**868**	**147**	**1,136**	**355**	**46**	**48**	**(63)**	**8,881**
Segment share of profit/(loss) of equity-accounted investees	(11)	-	-	(12)	23	-	795	-	-	795
Net profit/(loss) for the year	**580**	**542**	**108**	**(124)**	**(78)**	**47**	**433**	**(44)**	**(15)**	**1,449**
Capital expenditure	51	622	14	1	69	31	11	1	(10)	790
Depreciation and amortisation	(152)	(760)	(34)	(5)	(41)	(39)	(5)	(2)	12	(1,026)
Other significant non-cash expenses	(354)	(105)	(2)	(4)	(2)	1	(25)	-	(13)	(504)
Segment assets	25,220	8,388	2,305	1,751	1,386	759	5,302	959	(2,586)	43,484
of which: equity-accounted investees	*92*	*1*	*-*	*69*	*59*	*2*	*3,056*	*-*	*-*	*3,279*
Segment liabilities	23,091	7,685	1,154	1,041	957	527	1,162	1,219	(2,614)	34,222
Segment equity	**2,129**	**703**	**1,151**	**710**	**429**	**232**	**4,140**	**(260)**	**28**	**9,262**

D.1.1. Financial services segment

The financial services segment is primarily represented by Home Credit Group (consumer lending), Bank Home Credit (consumer lending), and PPF Banka (corporate banking). The Home Credit Group reports on one global consumer lending segment where all information about similar products, services, and customers is presented. This approach suits the global business strategy of having a similar approach to customers, a unique and unified product portfolio, as well as centralised processes that drive operational excellence. The Home Credit Group also presents additional information for revenue and net interest income based on the division of countries into four geographic clusters: Southeast Asia and China (discontinued, refer to B.2.1), and Central and Eastern Europe. The Home Credit Group operates or operated in the comparative period of these consolidated financial statements in the following principal geographical areas: the Czech Republic and Slovakia, China (until 31 December 2024, refer to B.2.1.3), Vietnam and India (classified as held for sale as at 31 December 2024, refer to B.2.1.1 and G.1), Indonesia (until 2 October 2023, refer to B.2.1.2) and the Philippines (until 1 June 2023, refer to B.2.1.2). Air Bank, and Bank Home Credit (Kazakhstan) operate under banking licences allowing for the collection of deposits.

Retail banking in Serbia comprises Yettel Bank (formerly Mobi Banka), a Serbian bank not related to the Home Credit business.

The following tables show the main items from the financial statements broken down according to the reportable segments for 2024 and 2023:

In millions of EUR

2024	Corporate banking	Consumer lending					Consumer lending	Retail banking	Unallocated	Eliminations	**Consolidated**
			SEA (disc.)***	*CEE**	*China (disc.)***	*Other*	*Kazakhstan*	*Serbia*			
Revenues from customers	617	1,137	553	576	8	-	498	38	5	-	2,295
Inter-segment revenues	57	30	-	21	-	9	-	-	3	(90)	-
Total revenues	**674**	**1,167**	**553**	**597**	**8**	**9**	**498**	**38**	**8**	**(90)**	**2,295**
Net interest income from external customers	203	678	377	321	(20)	-	285	23	2	-	1,191
Inter-segment net interest income	51	(24)	(20)	(5)	-	1	-	(4)	3	(26)	-
Total net interest income	**254**	**654**	**357**	**316**	**(20)**	**1**	**285**	**19**	**5**	**(26)**	**1,191**
Net profit/(loss) for the year	**172**	**560**					**78**	**1**	**(5)**	**(41)**	**765**
Capital expenditure	4	29					31	10	-	(20)	54
Depreciation and amortisation	(4)	(68)					(15)	(3)	-	5	(85)
Other significant non-cash expenses	(14)	(163)					(72)	(1)	28	(27)	(249)
Segment assets	13,954	9,775					1,934	384	266	(994)	25,319
Segment liabilities	13,025	8,710					1,549	339	99	(969)	22,753
Segment equity	**929**	**1,065**					**385**	**45**	**167**	**(25)**	**2,566**

*SEA – South East Asia, CEE – Central and Eastern Europe
**SEA and China regions and their related operations are classified as discontinued as at 31 December 2024, whereas the segment reporting is presented as if there were no discontinued operations. The results from discontinued operations are presented in the separate note B.2.1.

In millions of EUR

2023	Corporate banking	Consumer lending					Consumer lending	Retail banking	Unallocated	Eliminations	**Consolidated**
			SEA (disc.)***	*CEE**	*China (disc.)***	*Other*	*Kazakhstan*	*Serbia*			
Revenues from customers	767	1,402	822	484	86	10	372	30	7	-	2,578
Inter-segment revenues	52	33	-	31	-	2	-	-	21	(106)	-
Total revenues	**819**	**1,435**	**822**	**515**	**86**	**12**	**372**	**30**	**28**	**(106)**	**2,578**
Net interest income from external customers	240	830	549	270	11	-	222	16	(2)	-	1,306
Inter-segment net interest income	42	(32)	(20)	8	(2)	(18)	-	(2)	21	(29)	-
Total net interest income	**282**	**798**	**529**	**278**	**9**	**(18)**	**222**	**14**	**19**	**(29)**	**1,306**
Net profit/(loss) for the year	**167**	**381**					**58**	**1**	**(25)**	**(2)**	**580**
Capital expenditure	1	37					22	7	-	(16)	51
Depreciation and amortisation	(4)	(140)					(10)	(1)	-	33	(152)
Other significant non-cash expenses	(24)	(276)					(52)	(3)	(5)	6	(354)
Segment assets	15,589	8,309					1,609	303	414	(1,004)	25,220
Segment liabilities	14,727	7,732					1,268	267	89	(992)	23,091
Segment equity	**862**	**577**					**341**	**36**	**325**	**(12)**	**2,129**

*SEA – South East Asia, CEE – Central and Eastern Europe
**SEA and China regions and their related operations are classified as discontinued as at 31 December 2024, whereas the comparative segment reporting for the year ended 31 December 2023 is presented as if there were no discontinued operations. The results from discontinued operations are presented in the separate note B.2.1.

D.1.2. Telecommunications segment

In 2024, the telecommunication segment was represented by O2 Czech Republic, O2 Slovakia, CETIN Networks, CETIN, and Yettel entities. In October 2024, the Group sold the controlling stake in O2 Slovakia, CETIN Networks, Yettel entities and non-Czech CETINs, refer to B.2.4.

O2 Networks, s.r.o., renamed to CETIN Networks, s.r.o. on 1 January 2024, was presented under CETIN Slovakia segment in the below table.

In millions of EUR

2024	O2 Czech Republic	O2 Slovakia *(disc)**	Yettel Hungary *(disc)**	Yettel Bulgaria *(disc)**	Yettel Serbia *(disc)**	CETIN CZ	CETIN Slovakia *(disc)**	CETIN Hungary *(disc)**	CETIN Bulgaria *(disc)**	CETIN Serbia *(disc)**	Unallo-cated	Elimi-nations	**Consoli-dated**
Revenues from external customers	1,473	293	540	439	451	352	-	4	7	12	-	-	3,571
Inter-segment revenues	10	3	2	3	10	499	83	153	121	101	-	(985)	-
Total revenues	**1,483**	**296**	**542**	**442**	**461**	**851**	**83**	**157**	**128**	**113**	**-**	**(985)**	**3,571**
Operating profit excl. depr., amort. and impairments	**470**	**73**	**138**	**148**	**153**	**427**	**66**	**114**	**94**	**85**	**3,487**	**(39)**	**5,216**
Net profit for the period	**182**	**16**	**30**	**60**	**69**	**81**	**22**	**59**	**49**	**44**	**3,334**	**(31)**	**3,915**
Capital expenditure	195	15	32	31	27	279	40	32	32	37	11	(18)	713
Depreciation and amortisation	(182)	(36)	(60)	(40)	(48)	(245)	(34)	(40)	(35)	(30)	(1)	7	(744)
Other significant non-cash expenses	(33)	(8)	(23)	(41)	(34)	(3)	-	-	-	-	-	-	(142)
Segment assets	1,652	-	-	-	-	2,804	-	-	-	-	3,643	(1,420)	6,679
Segment liabilities	1,021	-	-	-	-	1,797	-	-	-	-	2,075	(1,421)	3,472
Segment equity	**631**	**-**	**-**	**-**	**-**	**1,007**	**-**	**-**	**-**	**-**	**1,568**	**1**	**3,207**

*Operations of these entities are presented as discontinued as at 31 December 2024, whereas the segment reporting is presented as if there were no discontinued operations. The results from discontinued operations are presented in the separate note B.2.4.

In millions of EUR

2023	O2 Czech Republic	O2 Slovakia *(disc)**	Yettel Hungary *(disc)**	Yettel Bulgaria *(disc)**	Yettel Serbia *(disc)**	CETIN CZ	CETIN Slovakia *(disc)**	CETIN Hungary *(disc)**	CETIN Bulgaria *(disc)**	CETIN Serbia *(disc)**	Unallo-cated	Elimi-nations	**Consoli-dated**
Revenues from external customers	1,453	345	612	499	498	348	-	5	5	11	-	-	3,776
Inter-segment revenues	13	4	3	4	11	468	93	170	136	110	-	(1,012)	-
Total revenues	**1,466**	**349**	**615**	**503**	**509**	**816**	**93**	**175**	**141**	**121**	**-**	**(1,012)**	**3,776**
Operating profit excl. depr., amort. and impairments	**472**	**78**	**126**	**151**	**144**	**418**	**69**	**119**	**101**	**92**	**(4)**	**(9)**	**1,757**
Net profit for the period	**216**	**14**	**6**	**81**	**63**	**67**	**22**	**59**	**55**	**39**	**(81)**	**1**	**542**
Capital expenditure	82	22	27	56	30	221	29	81	39	35	-	-	622
Depreciation and amortisation	(165)	(43)	(72)	(42)	(53)	(234)	(36)	(45)	(39)	(39)	-	8	(760)
Other significant non-cash expenses	(30)	(9)	(12)	(17)	(29)	(2)	-	(1)	-	(5)	-	-	(105)
Segment assets	1,581	320	794	555	653	2,932	271	509	362	372	1,974	(1,935)	8,388
Segment liabilities	892	160	334	131	102	1,959	157	163	103	80	5,539	(1,935)	7,685
Segment equity	**689**	**160**	**460**	**424**	**551**	**973**	**114**	**346**	**259**	**292**	**(3,565)**	**-**	**703**

*Operations of these entities are presented as discontinued as at 31 December 2024, whereas the comparative segment reporting for the year ended 31 December 2023 is presented as if there were no discontinued operations. The results from discontinued operations are presented in the separate note B.2.4.

E. Additional notes to the consolidated financial statements

Due to the discontinuance of operations in Southeast Asia ("SEA"), China, and of Telecom Group's operations of non-Czech entities (refer to A.6 and B.2.4), in all of section E in the disclosures to the consolidated statement of income the comparative figures for the period ended 31 December 2023 have been restated not to reflect expenses, losses, revenues or income from these operations in the Group's comparative figures, as they were presented in the most recent consolidated financial statements for the period ended 31 December 2023.

E.1. Cash and cash equivalents

Cash and cash equivalents comprise the following:

In millions of EUR

	31 December 2024	31 December 2023
Cash on hand	136	130
Current accounts	520	719
Balances with central banks	748	614
Placements with financial institutions due within three months	7	75
Reverse repo operations with central banks	6,788	6,997
Total cash and cash equivalents	**8,199**	**8,535**

As at 31 December 2024, the current accounts comprised EUR 49 million (2023: EUR 82 million) that were to a certain extent restricted to its use. The use of the cash is restricted by the Group's borrowing agreements with its creditors for the received funding.

Balances with central banks include minimum reserve deposits totalling EUR 219 million (2023: EUR 298 million). The minimum reserve deposits are mandatory non-interest-bearing deposits with restricted withdrawals, maintained in accordance with regulations issued by central banks in countries in which the Group's banking entities operate. In the event of non-fulfilment of this requirement by the commercial bank, the central bank burdens the unfulfilled part of the mandatory minimum reserve deposit requirement with interest, representing the interest expense for the commercial bank.

There are no other restrictions on the availability of cash and cash equivalents.

E.2. Investment securities and derivatives

Investment securities and derivatives comprise the following.

In millions of EUR

	31 December 2024	31 December 2023
Financial assets at FVTPL (incl. derivatives)	3,300	4,656
Financial assets at AC	2,622	2,359
Amortised cost	2,700	2,410
FV hedge adjustment*	(78)	(51)
Financial assets at FVOCI	2,523	1,929
Total investment securities and derivatives	**8,445**	**8,944**

*refer to C.4.4

E.2.1. Financial assets at FVTPL

Financial assets at FVTPL comprise the following:

In millions of EUR

	31 December 2024	31 December 2023
Financial assets held for trading	2,591	4,386
Reverse repo operations	1,807	3,130
Debt securities	388	612
Equity securities	22	21
Other	2	-
Positive fair values of trading derivatives	372	623
Interest rate derivatives	243	352
Equity derivatives	80	172
Currency derivatives	49	99
Financial assets not held for trading	709	270
Receivables from sale of shares in subsidiaries, associates, and JVs*	314	-
Shares	260	164
Positive fair values of hedging derivatives	85	85
Loans and receivables	17	17
Debt Securities	4	-
Other	29	4
Total financial assets at FVTPL	**3,300**	**4,656**

*refer to B.2.4

For more details on notional amounts and the positive and negative fair values of derivative instruments (trading and hedging) refer to E.13.

E.2.2. Financial assets at AC

Financial assets at AC (excl. FV hedge adjustment – refer to E.2) comprise the following:

In millions of EUR, as at 31 December 2024

	Gross amount	Amortised cost
Government bonds	2,637	2,637
Corporate bonds	35	35
Other debt securities	28	28
Total financial assets at AC	**2,700**	**2,700**

In millions of EUR, as at 31 December 2023

	Gross amount	Amortised cost
Government bonds	2,393	2,393
Corporate bonds	17	17
Total financial assets at AC	**2,410**	**2,410**

Credit quality analysis

No loss allowances on financial assets at AC was recognised as at 31 December 2024 (2023: nil).

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and year-end stages classification. The amounts presented are gross carrying amounts unless otherwise stated. Details of the Group's internal grading system are set out in note F.1.6 ECL allowances for financial assets at AC as investment securities are calculated on an individual basis.

In millions of EUR, as at 31 December 2024

	Stage 1	Stage 2	Stage 3	POCI	Total
Very low risk	2,665	-	-	-	2,665
Low risk	6	-	-	-	6
Medium risk	29	-	-	-	29
High risk	-	-	-	-	-
Default	-	-	-	-	-
Gross amount	**2,700**	**-**	**-**	**-**	**2,700**
Loss allowance	-	-	-	-	-
Total carrying amount	**2,700**	**-**	**-**	**-**	**2,700**

In millions of EUR, as at 31 December 2023

	Stage 1	Stage 2	Stage 3	POCI	Total
Very low risk	2,394	-	-	-	2,394
Low risk	10	-	-	-	10
Medium risk	6	-	-	-	6
High risk	-	-	-	-	-
Default	-	-	-	-	-
Gross amount	**2,410**	**-**	**-**	**-**	**2,410**
Loss allowance	-	-	-	-	-
Total carrying amount	**2,410**	**-**	**-**	**-**	**2,410**

E.2.3. Financial assets at FVOCI

Financial assets at FVOCI comprise the following:

In millions of EUR

	31 December 2024	31 December 2023
Debt securities	2,159	1,334
Government bonds	1,717	954
Corporate bonds	442	380
Equity securities	364	595
Shares	340	558
Mutual fund investments	24	24
Other equity securities	-	13
Total financial assets at FVOCI	**2,523**	**1,929**

Majority of shares within the equity securities represent investments in publicly traded shares measured at fair value of Level 1. The tables below show details of the Group's most significant share investments at FVOCI:

In millions of EUR

Company name	31 December 2024	31 December 2023
ProSiebenSat.1 Media SE	111	130
Kontron AG	62	72
Autolus Therapeutics PLC	34	85
Polymetal	48	63
Allegro.eu	-	104
Other	85	104
Total equity securities - shares (at FVOCI)	**340**	**558**

Net revaluation gains and losses from these share investments recognised through other comprehensive income for the year ended 31 December 2024 and 2023 were as follows:

In millions of EUR, for the year ended 31 December

	2024	2023
Allegro.eu	15	33
Autolus Therapeutics PLC	(52)	59
Polymetal	(15)	19
Kontron AG	(7)	21
ProSiebenSat.1 Media SE	(1)	(61)
Other	(17)	(5)
Total net revaluation gains/(losses) in OCI*	**(77)**	**66**

*excluding revaluation gains/(losses) related to mutual fund investments and other equity securities

Credit quality analysis

The following table shows the fair value of the Group's debt instruments at FVOCI split by credit risk, based on the Group's internal rating system and year-end stage classification. Details of the Group's internal grading system are set out in note F.1.6 ECL allowances for debt instruments at FVOCI are calculated on an individual basis.

In millions of EUR, as at 31 December 2024

Debt securities and loans at FVOCI	Stage 1	Stage 2	Stage 3	POCI	Total
Very low risk	1,656	-	-	-	1,656
Low risk	124	-	-	-	124
Medium risk	344	29	-	-	373
High risk	5	-	-	-	5
Default	-	-	1	-	1
Total carrying amount (fair value)	**2,129**	**29**	**1**	**-**	**2,159**

In millions of EUR, as at 31 December 2023

Debt securities and loans at FVOCI	Stage 1	Stage 2	Stage 3	POCI	Total
Very low risk	815	-	-	-	815
Low risk	233	-	-	-	233
Medium risk	221	57	-	-	278
High risk	1	7	-	-	8
Default	-	-	-	-	-
Total carrying amount (fair value)	**1,270**	**64**	**-**	**-**	**1,334**

An analysis of the changes in the corresponding ECL allowances in relation to debt instruments at FVOCI as investment securities is as follows:

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

Loss allowance – debt securities at FVOCI*	Stage 1	Stage 2	Stage 3	POCI	Total
Loss allowance as at 1 January	**(3)**	**(6)**	**-**	**-**	**(9)**
Change in loss allowances	(1)	5	(10)	-	(6)
Transfer from Stage 1 to Stage 3	(1)	5	(10)	-	(6)
Net change during the period	**(1)**	**5**	**(10)**	**-**	**(6)**
Loss allowance as at 31 December	**(4)**	**(1)**	**(10)**	**-**	**(15)**

*In the case the debt security was derecognised during the period, i.e., no ECL allowance balance is reported as at the end of the period, all related changes in the loss allowances are shown in the stage as per classification of the debt security as at the beginning of the period.

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

Loss allowance – debt securities at FVOCI*	Stage 1	Stage 2	Stage 3	POCI	Total
Loss allowance as at 1 January	**(3)**	**(37)**	**-**	**-**	**(40)**
Change in loss allowances	-	(6)	-	-	(6)
Transfer from Stage 1 to Stage 2	-	(6)	-	-	(6)
Financial assets fully repaid	-	10	-	-	10
Financial assets derecognised	-	26	-	-	26
Effect of movements in exchange rates	-	1	-	-	1
Net change during the period	**-**	**31**	**-**	**-**	**31**
Loss allowance as at 31 December	**(3)**	**(6)**	**-**	**-**	**(9)**

*In the case the debt security was derecognised during the period, i.e., no ECL allowance balance is reported as at the end of the period, all related changes in the loss allowances are shown in the stage as per classification of the debt security as at the beginning of the period.

E.3. Loans and receivables due from banks and other financial institutions

Loans and receivables due from banks and other financial institutions comprise the following:

In millions of EUR

	31 December 2024	31 December 2023
Cash collateral for derivative instruments	152	134
Term deposits at banks	7	47
Loans and advances provided under reverse repo operations	-	7
Loans due from banks	-	5
Total loans and receivables due from banks and other financial institutions	**159**	**193**

Credit quality analysis

The following table shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and year-end stages classification. The amounts presented are gross carrying amounts unless stated otherwise. Details of the Group's internal grading system are set out in note F.1.6 ECL allowances for loans due from banks and other financial institutions are calculated on an individual basis.

In millions of EUR, as at 31 December

					2024	2023
Loans due from banks and other financial institutions	Stage 1	Stage 2	Stage 3	POCI	Total	Total
Very low risk	24	-	-	-	24	13
Low risk	135	-	-	-	135	160
Medium risk	-	-	-	-	-	20
High risk	-	-	-	-	-	-
Default	-	-	2	-	2	2
Gross amount	**159**	**-**	**2**	**-**	**161**	**195**
Loss allowance	-	-	(2)	-	(2)	(2)
Total carrying amount	**159**	**-**	**-**	**-**	**159**	**193**

E.4. Loans due from customers

Loans due from customers measured at amortised cost comprise the following items:

In millions of EUR

	31 December 2024	31 December 2023
Cash loans	3,565	4,071
Mortgage loans	988	727
Revolving loans	694	731
Car loans	387	316
Consumer loans	309	455
Loans due from customers – retail (carrying amounts)	**5,943**	**6,300**
Loans due from corporations	1,699	1,780
Loans and advances provided under reverse repo operations	175	269
Loans due from equity-accounted investees	54	96
Other	4	12
Loans due from customers – non-retail (carrying amounts)	**1,932**	**2,157**
Total loans due from customers (carrying amounts)	**7,875**	**8,457**

E.4.1.1. Loans due from customers – retail

Loans due from customers – retail comprise the following:

In millions of EUR, as at 31 December 2024

	Cash loans	Mortgage loans	Revolving loans	Car loans	Consumer loans	Total
Gross amount	**3,797**	**989**	**789**	**425**	**330**	**6,330**
Stage 1	3,181	968	598	376	300	5,423
Stage 2	349	20	93	15	8	485
Stage 3	257	1	98	34	22	412
POCI	10	-	-	-	-	10
Loss allowance	**(232)**	**(1)**	**(95)**	**(38)**	**(21)**	**(387)**
Stage 1	(45)	(1)	(13)	(7)	(4)	(70)
Stage 2	(32)	-	(9)	(3)	(1)	(45)
Stage 3	(149)	-	(73)	(28)	(16)	(266)
POCI	(6)	-	-	-	-	(6)
Total carrying amount	**3,565**	**988**	**694**	**387**	**309**	**5,943**

In millions of EUR, as at 31 December 2023

	Cash loans	Mortgage loans	Revolving loans	Car loans	Consumer loans	Total
Gross amount	**4,378**	**728**	**813**	**346**	**486**	**6,751**
Stage 1	3,538	662	642	312	436	5,590
Stage 2	503	65	95	13	18	694
Stage 3	333	1	76	21	32	463
POCI	4	-	-	-	-	4
Loss allowance	**(307)**	**(1)**	**(82)**	**(30)**	**(31)**	**(451)**
Stage 1	(91)	(1)	(21)	(7)	(9)	(129)
Stage 2	(61)	-	(10)	(3)	(3)	(77)
Stage 3	(152)	-	(51)	(20)	(19)	(242)
POCI	(3)	-	-	-	-	(3)
Total carrying amount	**4,071**	**727**	**731**	**316**	**455**	**6,300**

Credit quality analysis:

The Group's maximum exposure to credit risk and the year-end stage classification are shown in the above table. For retail portfolio, provisioning coefficients are usually estimated using statistical models (stochastic Markov chain-based model) based on internally compiled data, while, where available, market data are also used. Details of all these measures are set out in note F.1.6 ECL allowances for retail loans due from customers (consumer lending) are calculated on a collective basis.

An analysis of the changes in the corresponding ECL allowances in relation to loans due from customers – retail results in the following:

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

Loss allowance – Loans due from customers – retail*	Stage 1	Stage 2	Stage 3	POCI	Total
Loss allowance as at 1 January	**(129)**	**(77)**	**(242)**	**(3)**	**(451)**
Changes in the loss allowance	38	14	(59)	-	(7)
Transfer from other stages/(to) Stage 1	(4)	4	-	-	-
Transfer from other stages/(to) Stage 2	18	(18)	-	-	-
Transfer from other stages/(to) Stage 3	24	28	(59)	-	(7)
New originated or purchased	(103)	(26)	(30)	(3)	(162)
Change in PD/EAD/LGD, unwind of discount	(24)	(39)	(207)	-	(270)
Changes in model assumptions and methodologies	6	(2)	(1)	-	3
Financial assets fully repaid**	46	26	20	-	92
Financial assets derecognised	-	1	2	-	3
Write-offs	41	32	221	-	294
Transfer from (-) / to (+) assets HFS	55	26	36	-	117
Effect of movements in exchanges rates	-	-	(6)	-	(6)
Net change during the period	**59**	**32**	**(24)**	**(3)**	**64**
Loss allowance as at 31 December	**(70)**	**(45)**	**(266)**	**(6)**	**(387)**

*In the case the loan was derecognised during the period, i.e., no ECL allowance balance is reported as at the end of the period, all related changes in the loss allowances are shown in the stage as per classification of the loan as at the beginning of the period.
**The impact of partial repayments of financial assets is presented in the line: Change in PD/EAD/LGD, unwind of discount.

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

Loss allowance – Loans due from customers – retail*	Stage 1	Stage 2	Stage 3	POCI	Total
Loss allowance as at 1 January	**(160)**	**(190)**	**(248)**	**-**	**(598)**
Changes in the loss allowance	38	7	(84)	-	(39)
Transfer from other stages/(to) Stage 1	(3)	5	-	-	2
Transfer from other stages/(to) Stage 2	21	(28)	1	-	(6)
Transfer from other stages/(to) Stage 3	20	30	(85)	-	(35)
New originated or purchased	(94)	(26)	(27)	(3)	(150)
Change in PD/EAD/LGD, unwind of discount	(52)	(76)	(187)	-	(315)
Financial assets fully repaid**	49	42	24	-	115
Write-offs	84	159	279	-	522
Effect of movements in exchanges rates	6	7	1	-	14
Net change during the period	**31**	**113**	**6**	**(3)**	**147**
Loss allowance as at 31 December	**(129)**	**(77)**	**(242)**	**(3)**	**(451)**

*In the case the loan was derecognised during the period, i.e., no ECL allowance balance is reported as at the end of the period, all related changes in the loss allowances are shown in the stage as per classification of the loan as at the beginning of the period.
**The impact of partial repayments of financial assets is presented in the line: Change in PD/EAD/LGD, unwind of discount.

E.4.1.2. Loans due from corporations and equity-accounted investees – non-retail

Loans due from corporations and equity-accounted investees comprise the following:

In millions of EUR

	31 December 2024	31 December 2023
Gross amount	**2,012**	**2,098**
Loans due from corporations	1,912	1,966
Loans due from equity-accounted investees	100	132
Loss allowance	**(259)**	**(222)**
Total carrying amount*	**1,753**	**1,876**

*excl. loans and advances provided under reverse repo operations and other

Credit quality analysis:

The following table shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and year-end stages classification. The amounts presented are gross of impairment allowances. Details of the Group's internal grading system are set out in note F.1.6 ECL allowances for non-retail loans due from customers comprising loans due from corporations and equity-accounted investees, are calculated on an individual basis.

In millions of EUR, as at 31 December

					2024	2023
Loans due from customers – non-retail (corporations and equity-accounted investees)	Stage 1	Stage 2	Stage 3	POCI	Total	Total
Very low risk	130	-	-	-	130	120
Low risk	326	-	-	-	326	169
Medium risk	751	193	-	-	944	1,293
High risk	392	46	-	-	438	370
Default	-	-	174	-	174	146
Total gross amount	**1,599**	**239**	**174**	**-**	**2,012**	**2,098**
Loss allowance	(31)	(62)	(166)	-	(259)	(222)
Total carrying amount*	**1,568**	**177**	**8**	**-**	**1,753**	**1,876**

*excl. loans and advances provided under reverse repo operations and other

The changes in the corresponding ECL allowances in relation to loans due from corporations and equity-accounted investees are analysed below:

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

Loss allowance - Loans due from customers – non-retail (corporations and equity-accounted investees)*	Stage 1	Stage 2	Stage 3	POCI	Total
Loss allowance as at 1 January	**(37)**	**(43)**	**(142)**	**-**	**(222)**
Change in loss allowance	7	(8)	(8)	-	(9)
Transfer to Stage 2	3	(10)	-	-	(7)
Transfer to Stage 3	4	2	(8)	-	(2)
New originated or purchased	(18)	-	-	-	(18)
Change in PD/EAD/LGD, unwind of discount	13	(13)	-	-	-
Changes to model assumptions and methodologies	-	-	(17)	-	(17)
Financial assets fully repaid**	4	2	-	-	6
Write-offs	-	-	1	-	1
Net change during the period	**6**	**(19)**	**(24)**	**-**	**(37)**
Loss allowance as at 31 December	**(31)**	**(62)**	**(166)**	**-**	**(259)**

*In the case the loan was derecognised during the period, i.e., no ECL allowance balance is reported as at the end of the period, all related changes in the loss allowances are shown in the stage as per classification of the loan as at the beginning of the period.
**The impact of partial repayments of financial assets is presented in the line: Change in PD/EAD/LGD, unwind of discount.

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

Loss allowance - Loans due from customers – non-retail (corporations and equity-accounted investees)*	Stage 1	Stage 2	Stage 3	POCI	Total
Loss allowance as at 1 January	**(30)**	**(10)**	**(143)**	**-**	**(183)**
Disposals resulting from business combination	-	-	2	-	2
Change in loss allowance	10	(10)	-	-	-
Transfer to Stage 2	10	(10)	-	-	-
New originated or purchased	(29)	-	(2)	-	(31)
Change in PD/EAD/LGD, unwind of discount	10	(24)	-	-	(14)
Financial assets fully repaid**	2	1	-	-	3
Effect of movements in exchange rates	-	-	1	-	1
Net change during the period	**(7)**	**(33)**	**1**	**-**	**(39)**
Loss allowance as at 31 December	**(37)**	**(43)**	**(142)**	**-**	**(222)**

*In the case the loan was derecognised during the period, i.e., no ECL allowance balance is reported as at the end of the period, all related changes in the loss allowances are shown in the stage as per classification of the loan as at the beginning of the period.
**The impact of partial repayments of financial assets is presented in the line: Change in PD/EAD/LGD, unwind of discount.

E.5. Trade and other receivables, contract balances

Trade and other receivables and contract assets comprise the following:

In millions of EUR

	31 December 2024	31 December 2023
Gross amount	907	1,415
Trade receivables	901	1,363
Accrued income	6	52
Individual loss allowance	(75)	(161)
Total trade and other receivables	**832**	**1,254**
Gross amount	233	281
Individual loss allowance	-	(6)
Total contract assets	**233**	**275**

Credit quality analysis

The Group generally uses an allowance matrix to measure the ECLs of trade receivables from individual customers, which comprise a large number of small balances. In the engineering segment, where trade receivables comprise a small number of large balances, a specific loss allowance is used. In contrast, in the telecommunications and real estate segments, where a large number of small balances is typical, the portfolio approach is applied.

Loss rates are calculated using the roll rate method based on the probability of receivables progressing through the successive stages of delinquency to write-off. Roll rates are calculated separately for exposures in different segments based on the following common credit risk characteristics: geographic region, age of customer relationship, and type of product purchased.

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets from individual customers using the provision matrix.

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)	2.9%	987	(29)	958	No
1-90 days	2.1%	97	(2)	95	No
91-180 days	25.0%	8	(2)	6	Yes
more than 180 days past due	87.5%	48	(42)	6	Yes
Total		**1,140**	**(75)**	**1,065**	

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)	2.6%	1,396	(36)	1,360	No
1-90 days	6.4%	156	(10)	146	No
91-180 days	52.2%	23	(12)	11	Yes
more than 180 days past due	90.1%	121	(109)	12	Yes
Total		**1,696**	**(167)**	**1,529**	

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

The movements in the loss allowance in respect of trade and other receivables and contract assets during the year were as follows.

In millions of EUR, for the year ended 31 December

	2024	2023
Balance as at 1 January	(167)	(165)
Additions resulting from business combination	-	(2)
Disposals resulting from business combination	93	-
Impairment losses recognised in profit or loss	(55)	(47)
Financial assets derecognised during the period (excl. write offs)	5	13
Release of impairment losses on written-off items	47	28
Effect of movements in exchange rates	2	6
Balance as at 31 December	**(75)**	**(167)**

Contract assets and contract liabilities

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

In millions of EUR

	31 December 2024	31 December 2023
Receivables, which are included in trade and other receivables	**745**	**1,110**
Contract assets	**233**	**275**
out of which:		
Contract assets (mechanical engineering)	225	183
Contract assets (telecommunications)	8	92
Contract liabilities	**(425)**	**(397)**
out of which:		
Contract liabilities (mechanical engineering)	(237)	(179)
Contract liabilities (telecommunications)	(79)	(109)
Contract liabilities (leisure)	(63)	(66)
Contract liabilities (IT services)	(46)	(43)

Contract assets primarily relate to the Group's rights to consideration for work completed on mechanical engineering contracts but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. For the telecommunications segment, contract assets relate to rights to consideration in exchange for goods or services that the Group has already transferred to customers but not yet invoiced. These contract assets particularly include contracts with customers where the supply of telecommunication services is supplemented by the sale of subsidised telecommunication equipment. A contract asset arises from the reallocation of revenues under a customer contract from telecommunication services provided and recognised during the life of the contract to the revenues from the sale of such subsidised equipment, which is recognised at the time of sale.

Contract liabilities primarily relate to advances received from customers for engineering contracts, for which revenue is recognised when the Group can reliably measure progress in the completion of the contracts. The Group applies the input method.

For telecommunication operators, contract liabilities mostly include telecommunication services prepaid by customers on prepaid cards. These revenues are recognised when the voice or data traffic takes place, when other services are provided, or when the card associated with the prepaid credit expires. Contract liabilities also arise when activation fees are invoiced upon the conclusion of a new contract. This is not a distinct performance obligation and, thus, related contract liabilities are accrued over the term of the contract with the customer. For telecommunication infrastructure entities, contract liabilities relate mostly to received installation fees related to the entitlement to use the spare optical fibre capacity.

Contract liabilities in the leisure business segment arise from forward sales of boats and deferred income.

Contract liabilities from IT services were initially recognised because of the sale of the Philippine and Indonesian subsidiaries (refer to B.2.1.2), i.e. solely within the financial services sector. They relate to advances received pursuant to agreements between EmbedIT s.r.o. and former subsidiaries (that are no longer a part of the Group) for the provision of IT services and support over a three-year period, as well as to a licensing agreement between

Home Credit International a.s. and the former subsidiaries for the use of the Home Credit trademark.

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

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

	Contract assets	Contract liabilities
Balance as at 1 January 2024	275	(397)
Disposals resulting from business combinations (refer to B.2.4)	(96)	31
Revenue recognised that was included in the contract liability balance at the beginning of the period	-	216
Increases due to cash received, excluding amounts recognised as revenue during the period	-	(281)
Transfers from contract assets recognised at the beginning of the period to receivables	(201)	-
Increases as a result of changes in the measure of progress	259	-
Effect of movements in exchange rates	(4)	6
Balance as at 31 December 2024	**233**	**(425)**

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

	Contract assets	Contract liabilities
Balance as at 1 January 2023	371	(420)
Additions resulting from business combination	-	(12)
Revenue recognised that was included in the contract liability balance at the beginning of the period	-	261
Increases due to cash received, excluding amounts recognised as revenue during the period	-	(232)
Transfers from contract assets recognised at the beginning of the period to receivables	(357)	-
Increases as a result of changes in the measure of progress	266	-
Net changes in expected credit losses	(2)	-
Effect of movements in exchange rates	(3)	6
Balance as at 31 December 2023	**275**	**(397)**

The transaction price allocated to the remaining performance obligations related to contracts with customers (unsatisfied or partially unsatisfied) is as follows:

In millions of EUR

	31 December 2024	31 December 2023
Within 1 year	1,295	1,306
Between 1 and 2 years	854	882
Between 2 and 5 years	1,243	723
More than 5 years	315	1,017
Transaction price on performance obligations yet to be satisfied	**3,707**	**3,928**

E.6. Inventories and programming assets

Inventories comprise the following:

In millions of EUR

	31 December 2024	31 December 2023
Mechanical engineering inventories	262	301
Boats manufacturing inventories	52	54
Goods/merchandise for resale	37	91
Agricultural inventories	11	11
Other inventories	3	3
Total inventories	**365**	**460**

The carrying amount of inventories comprises impairment allowance of EUR 35 million (2023: EUR 37 million) which represents notably an allowance for mechanical engineering categories for slow-moving and damaged items.

Programming assets comprise the following:

In millions of EUR

	31 December 2024	31 December 2023
Acquired programming rights	110	97
Produced programming rights	162	135
Released	101	83
Completed but not transmitted	9	2
In the course of production	52	50
Prepayments on acquired programming rights, other programming assets	53	70
Total programming assets	**325**	**302**

Programming assets relate solely to Group's media business, represented by the CME group. The balance contains acquired licenses from third parties, own production and related prepayments.

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

As at 31 December 2024, assets held for sale and liabilities directly associated with assets held for sale represent the assets and liabilities of two Home Credit subgroup entities – HC Vietnam and HC India. As at the date of these consolidated financial statements, the closing of HC Vietnam sale is still pending, while the sale of HC India was closed in January 2025 (refer to B.2.1.1 and G.1). Assets held for sale also include the remaining 30% share in LEAG (refer to B.3.7).

As at 31 December 2023, assets held for sale (EUR 28 million) and liabilities directly associated with assets held for sale (EUR 13 million) represented one Dutch project under De Reling (Dronten) B.V. This transaction was closed on 28 March 2024.

Assets held for sale

In millions of EUR

	31 December 2024	31 December 2023
Asian Home Credit business	1,769	-
Loans due from customers	1,513	-
Cash and cash equivalents	106	-
Deferred tax assets	82	-
Loans due from banks and other financial institutions	8	-
Investment securities	6	-
Current tax assets	3	-
Other assets	51	-
LEAG	430	-
De Reling (investment property)	-	28
Total assets held for sale	**2,199**	**28**

Liabilities directly associated with assets held for sale

In millions of EUR

	31 December 2024	31 December 2023
Asian Home Credit business	1,007	-
Debt securities issued	501	-
Due to banks and other financial institutions	360	-
Provisions	6	-
Current tax liabilities	4	-
Other liabilities	136	-
De Reling (due to banks and other financial institutions)	-	13
Total liabilities directly associated with assets held for sale	**1,007**	**13**

Loans due from customers - retail

The following tables summarise the credit quality of the Asian Home Credit business loans exposure. All loans presented below are unsecured:

In millions of EUR, as at 31 December 2024

Loan exposure	Cash loans	Consumer loans	Revolving loans	Total
Gross amount	**1,001**	**318**	**310**	**1,629**
Stage 1	898	307	279	1,484
Stage 2	51	5	17	73
Stage 3	52	6	14	72
POCI	-	-	-	-
Loss allowance	**(84)**	**(11)**	**(21)**	**(116)**
Stage 1	(40)	(5)	(10)	(55)
Stage 2	(19)	(2)	(4)	(25)
Stage 3	(25)	(4)	(7)	(36)
POCI	-	-	-	-
Total carrying amount	**917**	**307**	**289**	**1,513**

E.8. Equity-accounted investees

The following table shows the breakdown of individual equity-accounted investees (comprising associates and joint-ventures):

In millions of EUR

	31 December 2024	31 December 2023
e& PPF Telecom Group (refer to B.2.4.3)	1,849	-
InPost S.A. (refer to B.3.1)	1,746	1,115
Moneta	460	483
ClearBank (refer to B.3.3)	128	88
ITIS Holding*	124	51
Viaplay (refer to B.3.2)	109	-
Heureka Group*	91	40
Temsa*	85	58
CE Electronics Holding Group*	37	29
LEAG (refer to B.3.7)	-	1,338
Metropolis (refer to B.2.2)	-	26
Other	50	51
Total equity-accounted investees	**4,679**	**3,279**

*a joint-venture

The following table shows the breakdown of the share of profits and losses of equity-accounted investees:

In millions of EUR

	31 December 2024	31 December 2023
LEAG	107	731
Moneta	60	53
ITIS Holding	53	5
InPost S.A.	51	5
Temsa	9	23
e& PPF Telecom Group	9	-
ClearBank	6	(1)
Heureka Group	3	(2)
CE Electronics Holding Group	3	3
Metropolis	(4)	20
Viaplay	(5)	-
Other	-	(42)
Total share of profit of equity-accounted investees	**292**	**795**

e& PPF Telecom Group

On 24 October 2024, the Group sold its controlling stake in e& PPF Telecom Group B.V., nonetheless retaining significant influence (refer to B.2.4). Thus, from the Group's perspective, e& PPF Telecom Group B.V. ceased to be a subsidiary and became associate. The following table presents the performance and net assets of e& PPF Telecom Group B.V.:

In millions of EUR

	31 December 2024
Percentage ownership interest (direct)	**50.00%**
Non-current assets (excl. goodwill)(1)	2,094
Current assets(1)	787
Non-current liabilities(1)	(1,634)
Current liabilities(1)	(1,759)
Net assets (excl. goodwill)(1) (100.00%) [a]	(512)
Net assets adjustments(2): [b]	570
Net assets attributable to e& PPF Telecom Group's NCI	*4*
Net assets attributable to e& PPF Telecom Group's preferred shares held by e& Group	*2*
Reserve for puttable instruments (conditional commitment to acquire NCI's share recognised by e& PPF Telecom Group)	*564*
Adjusted net assets of e& PPF Telecom Group (100.00%) [c] = [a+b]	58
Adjusted net assets of e& PPF Telecom Group (attributable to the Group's 50.00% share)	29
Goodwill (included in the carrying amount of the equity-acc. investee)(1)	1,820
Carrying amount of investment in associate (50.00%)	**1,849**
	2024(3)
Total revenue	375
Total net profit for the period (100.00%) [a]	33
Total net profit adjustments(2): [b]	(15)
Net profit attributable to e& PPF Telecom Group's NCI	*(8)*
Net profit attributable to e& PPF Telecom Group's preferred shares held by e& Group	*(7)*
Total adjusted net profit of e& PPF Telecom Group (100.00%) [c] = [a+b]	18
Group's share of net profit (50.00%)(3)	**9**
Total other comprehensive expense for the period (100.00%)	(19)
Group's share of other comprehensive expense (50.00%)(3)	**(7)**

(1) Provisional amounts are presented as the PPA exercise had not been finalised by the date of these consolidated financial statements. Goodwill presented in the table is therefore subject to change accordingly.
(2) For equity-method measurement purposes, the Group only considers those e& PPF Telecom Group's components of equity that fall into the Group's exposure.
(3) from the acquisition of significant influence on 24 October 2024 to 31 December 2024

InPost S.A.

During 2023, the Group acquired a significant influence on InPost, an e-commerce distribution group currently active on its home market in Poland and in seven Western European countries, operating automated parcel machines and developing fulfilment centres for e-shops (refer to B.3.1). As at 31 December 2024, the Group held a 28.88% share in InPost.

The following table presents InPost's financial position and performance:

In millions of EUR

	31 December 2024	31 December 2023
Percentage ownership interest (direct)	**28.88%**	**21.75%**
Non-current assets	3,148	2,781
Current assets	734	489
Non-current liabilities	(1,820)	(1,665)
Current liabilities	(781)	(462)
Net assets (100.00%)	1,281	1,143
Group's share of net assets (28.88%, 2023: 21.75%)	370	249
Goodwill included in carrying amount	1,376	866
Carrying amount of investment in associate (28.88%, 2023: 21.75%)	**1,746**	**1,115**
	2024	2023**
Total revenue	2,529	1,040
Total net profit for the period (100.00%)	189	26
Group's share of profit (28.88%, 2023: 19.00%*)	**51**	**5**
Total other comprehensive income/(expense) for the period (100.00%)	(49)	22
Group's share of other comprehensive income/(expense) (28.88%, 2023: 19.00%*)	**(14)**	**4**

*weighted average for the period
**From the acquisition of significant influence in June 2023 to 31 December 2023.

MONETA

As at 31 December 2024, the Group holds a 29.94% share in MONETA Money Bank. The following table shows the financial position and performance of MONETA:

In millions of EUR

	31 December 2024	31 December 2023
Percentage ownership interest (direct)	**29.94%**	**29.94%**
Total assets*	19,659	18,579
Total liabilities*	(18,389)	(17,239)
Net assets (100.00%)	1,270	1,340
Group's share of net assets (29.94%)	380	401
Goodwill included in carrying amount of the investment	80	82
Carrying amount of investment in associate (29.94%)	**460**	**483**
	2024	2023
Total revenue	1,072	1,084
Total net profit for the period (100.00%)	199	176
Group's share of profit (29.94%)	**60**	**53**
Dividends received by the Group	73	51

*Being a bank, in its reporting it does not distinguish between current and non-current assets and liabilities.

ClearBank

ClearBank Ltd. is a licensed clearing bank operating in the UK.

In the first half of 2024, the Group's stake increased by 5.47% through a purchase of shares (see B.3.3 for more details), resulting in additional goodwill of EUR 15 million. In the second half of 2024, the stake decreased to 35.86%.

The following table shows the bank's financial position and performance:

In millions of EUR

	31 December 2024	31 December 2023
Percentage ownership interest (direct)	**35.86%**	**33.32%**
Total assets*	13,348	7,323
Total liabilities*	(13,078)	(7,109)
Net assets (100.00%)	270	214
Group's share of net assets (35.86%; 2023: 33.32%)	97	70
Goodwill included in carrying amount	31	18
Carrying amount of investment in associate	**128**	**88**
	2024	2023
Total revenue	132	85
Total net profit for the period (100.00%)	2	8
Group's share of the net profit (35.86%; 2023: 33.32%)	1	3
Dilution gain/(loss)	5	(4)
Total share of profit/(loss) for the period (35.86%; 2023 33.32%)	**6**	**(1)**

*Being a bank, in its reporting it does not distinguish between current and non-current assets and liabilities.

ITIS Holding a.s.

ITIS Holding is a joint project combining Czech and Slovak toll operating and supporting activities for toll operations in the Czech Republic and Slovakia. Since 2024, it also has roofed the German group VITRONIC, a global leader in the supply of system for operational safety and automation based on cutting-edge machine vision technology.

The following table presents the financial position and performance of ITIS Holding a.s.:

In millions of EUR

	31 December 2024	31 December 2023
Percentage ownership interest (direct)	**50.00%**	**50.00%**
Non-current assets	148	70
Current assets	460	194
Non-current liabilities	(144)	(39)
Current liabilities	(216)	(123)
Net assets (100.00%)	248	102
Carrying amount of investment in JV (50.00%)	**124**	**51**
	2024	2023
Total revenue	289	112
Total net profit for the period (100.00%)	105	10
Group's share of profit (50.00%)	**53**	**5**
Dividends received by the Group	-	7

Viaplay

On 16 February 2024, the Group increased its share in Viaplay Group AB (Swedish video streaming service group operating in the countries of the Northern Europe and in the Netherlands) from 9.39% owned by the end of 2023 to a currently held 29.29% share. With this acquisition, Viaplay became an associate for the Group (refer to B.3.2).

The following table represents the financial position and performance of Viaplay:

In millions of EUR

	31 December 2024
Percentage ownership interest (direct)	**29.29%**
Non-current assets	440
Current assets	1,095
Non-current liabilities	(405)
Current liabilities	(759)
Net assets (100.00%)	371
Carrying amount of investment in associate (29.29%)	**109**
	2024*
Total revenue	1,204
Total net loss for the period (100.00%)	(45)
Group's share of net loss (29.29%)	(13)
Group's share of bargain purchase	8
Total share of loss for the period	**(5)**
Total other comprehensive expense for the period (100.00%)	(7)
Group's share of other comprehensive expense (29.29%)	**(2)**

*from the acquisition of significant influence on 16 February 2024 to 31 December 2024; financial performance data available quarterly only (refer to B.3.2)

Heureka Group

The following table presents the financial position and performance of Heureka Group:

In millions of EUR

	31 December 2024	31 December 2023
Percentage ownership interest (direct)	**50.00%**	**50.00%**
Non-current assets	56	52
Current assets	30	22
Non-current liabilities	(11)	(207)
Current liabilities	(131)	(30)
Net assets (100.00%)	(56)	(163)
Group's share of net assets (50.00%)	(28)	(81)
Goodwill included in carrying amount	119	121
Carrying amount of investment in JV (50.00%)	**91**	**40**
	2024	2023
Total revenue	90	87
Total net profit/(loss) for the period (100.00%)	5	(5)
Group's share of profit/(loss) (50.00%)	**3**	**(2)**
Total other comprehensive income for the period (100.00%)	-	1
Group's share of other comprehensive income/(expense) (50.00%)	**-**	**-**

Temsa

Temsa Skoda Ulaşim Araçlari San.ve Tic. A.Ş. (Temsa) is a Turkish bus manufacturer with subsidiaries responsible for sales and marketing activities in Germany, France, and the USA. In 2022, Turkey as a country met the conditions to be classified as a hyperinflationary economy under IAS 29 'Financial Reporting in Hyperinflationary Economies'. The Group has therefore applied hyperinflationary accounting as specified in IAS 29 since 1 January 2022. Temsa's functional currency is the Turkish lira.

The following table presents the financial position and performance of TEMSA:

In millions of EUR

	31 December 2024	31 December 2023
Percentage ownership interest (direct)	**50.00%**	**50.00%**
Non-current assets	118	88
Current assets	231	207
Non-current liabilities	(46)	(56)
Current liabilities	(134)	(123)
Net assets (100.00%)	169	116
Carrying amount of investment in JV (50.00%)	**85**	**58**
	2024	**2023**
Total revenue	480	440
Total net profit for the period (100.00%)	18	45
Group's share of profit (50.00%)	**9**	**23**
Total other comprehensive income/(expense) for the period (100.00%)	16	(6)
Group's share of other comprehensive income/(expense) (50.00%)	**8**	**(3)**

CE Electronics Holding Group

The following table presents the financial position and performance of CE Electronics Holding Group:

In millions of EUR

	31 December 2024	31 December 2023
Percentage ownership interest (direct)	**50.00%**	**50.00%**
Non-current assets	80	73
Current assets	251	222
Non-current liabilities	(112)	(122)
Current liabilities	(157)	(125)
Net assets (100%)	62	48
Group's share of net assets (50.00%)	32	24
Goodwill included in carrying amount	5	5
Carrying amount of investment in JV (50.00%)	**37**	**29**
	2024	2023
Total revenue	657	601
Total net profit for the period (100%)	6	6
Group's share of profit (50.00%)	**3**	**3**
Total other comprehensive income for the period (100%)	-	1
Group's share of other comprehensive income (50.00%)	**-**	**1**

LEAG

Since in October 2024 the Group decided to sell its remaining 30% share in LEAG, a German electricity producer, the investment was measured applying the equity method up to its reclassification to assets held for sale (refer to B.3.7 and E.7 for more details). The following table shows LEAG's performance for all of 2023 and 10 months in 2024 up to its reclassification, and LEAG's financial position as at 31 December 2023:

In millions of EUR

	31 December 2024	31 December 2023
Non-current assets	-	6,186
Current assets	-	7,249
Non-current liabilities	-	(3,344)
Current liabilities	-	(5,631)
Net assets (100.00%)	-	4,460
Carrying amount of investment in associate (-%, 2023: 30.00%)	**-**	**1,338**
	2024*	2023
Total revenue	5,248	11,355
Total net profit for the period (100.00%)	683	2,436
Group's share of profit (30.00%*, 2023: 30.00%)**	**107**	**731**
Total other comprehensive expense for the period (100.00%)	(76)	(152)
Group's share of other comprehensive expense (30.00%*, 2023: 30.00%)	**(23)**	**(46)**

*from 1 January 2024 up to the reclassification from associates to assets held for sale in October 2024
**With cessation of equity-method application, accumulated losses from hedging instruments and foreign currency translation gains totalling EUR 98 million were reclassified from equity to profit and loss for the ended 31 December 2024.

Metropolis (Russia)

The Metropolis project represented two operating office buildings in the Russian capital, Moscow. The Group held a 49.99% share in the project. It was sold on 10 June 2024 (refer to B.2.2). The following table shows the project's performance until the date of sale:

In millions of EUR

	31 December 2024	31 December 2023
Percentage ownership interest (direct)	**-%**	**49.99%**
Non-current assets	-	299
Current assets	-	20
Non-current liabilities	-	(258)
Current liabilities	-	(9)
Net assets (100.00%)	-	52
Carrying amount of investment in associate (-%, 2023: 49.99%)	**-**	**26**
	31 December 2024	31 December 2023
Total revenue	12	30
Total net profit/(loss) for the period (100.00%)	(8)	40
Group's share on profit/(loss) (49.99%)	**(4)**	**20**
Total other comprehensive income/(expense) for the period (100.00%)	11	(78)
Group's share on other comprehensive income/(expense) (49.99%)	**5**	**(39)**

E.9. Investment property

Investment property comprises projects located in the Netherlands, the USA, the UK, the Czech Republic, Romania, Poland, and Germany (in 2023 also in Russia – refer to B.2.2 for detail), and consists mainly of completed and rented office premises, buildings, warehouses, and shopping malls.

The following table shows the breakdown of investment property by category and country:

In millions of EUR, as at 31 December 2024

	Netherlands	USA	UK	Czech Republic	Romania	Poland	Germany	Other	Total
Office	282	226	96	94	91	76	23	-	888
Residential	-	-	31	20	-	-	-	3	54
Land plot	-	35	-	7	11	6	-	-	59
Total investment property	**282**	**261**	**127**	**121**	**102**	**82**	**23**	**3**	**1,001**

In millions of EUR, as at 31 December 2023

	Netherlands	USA	UK	Czech Republic	Romania	Poland	Germany	Russia	Total
Office	279	335	97	93	100	90	25	104	1,123
Residential	-	-	30	21	-	-	-	-	51
Land plot	-	22	-	7	10	5		1	45
Total investment property	**279**	**357**	**127**	**121**	**110**	**95**	**25**	**105**	**1,219**

The following table shows the roll-forward of investment property:

In millions of EUR, for the year ended 31 December

	2024	2023
Balance as at 1 January	1,219	1,632
Disposals resulting from business combinations*	(183)	(208)
Additions - capitalised costs	22	8
Transfer to assets held for sale (refer to E.7)	-	(28)
Other changes	2	17
Unrealised revaluation gains from investment property	30	15
Unrealised revaluation losses from investment property	(109)	(137)
Effect of movements in exchange rates	20	(80)
Balance as at 31 December	**1,001**	**1,219**

*for 2024 refer to B.2.2 and B.2.5; for 2023 refer to B.2.7

E.9.1. Techniques used for valuing investment property

<u>Income approach – discounted cash flow (DCF) calculation</u>

The income approach is used to value commercial and investment properties. Because it is intended to directly reflect or model the expectations and behaviours of typical market participants, this approach is generally considered the most applicable valuation technique for income-producing properties, where sufficient market data exists.

In a commercial income-producing property, this approach capitalises an income stream into the present value. This can be done using revenues multipliers or capitalisation rates applied to net operating income.

The DCF methodology reflects the market's perception of a relationship between a property's potential income and its market value, a relationship expressed as a capitalisation rate or yield. This approach converts the anticipated benefits in terms of income (cash flow) or amenity to be derived from the ownership of the property into a value indication through capitalisation. This approach is widely used when appraising either income-producing properties or properties capable of producing an income. The property is valued by capitalising the future cash flow produced by the building at the end of the assumed holding period. These future cash flows (both rental and capital receipts from an assumed sale, and assumed expenditure required to realise same) are then discounted back at a discount rate that reflects a typical investor's overall target rate of return.

Income approach is used by the Group for valuation of all investment properties, with the exception of land plots.

Sales comparable approach

This method relies on direct evidence from the market of sales and/or offers on properties with similar characteristics. As it is difficult to find evidence of comparables which are identical to any given property which is to be valued, the evidence must be adjusted to align it with the property in question. This allows the comparable evidence to be utilised in a calculation. The adjustments made will vary depending on the drivers of value in any given market and the specific differences between the property being valued and the comparables. The amount of adjustment depends on the judgement and knowledge of the valuer and relies on their skill and understanding of the market.

Sales comparable approach is used by the Group for valuation of land plots.

The following table summarises the significant inputs used in measuring the fair value of investment property used in the valuation of income-generating properties:

For the year ended 31 December 2024

	Current income per sqm	Market rent per sqm	Initial yield	Reversionary yield
Czech Republic	EUR 12.67-17.15	EUR 15.16-16.79	5.50%-8.54%	6.79%-9.15%
Germany	EUR 12.2	EUR 12.81	6.56%	6.92%
Netherlands	EUR 13.58-20.29	EUR 12.08-20.62	5.50%-8.75%	6.99%-12.18%
Poland	EUR 15.26	EUR 17.34	7.00%	7.00%
Romania	EUR 20.22-20.79	EUR 19.83-20.01	8.69%-8.90%	7.25%
United Kingdom	EUR 15.23	EUR 35.56	2.07%	8.90%
USA	EUR 15.09-18.74	EUR 20.85-25.74	7.25%-7.76%	11.07%-11.70%

For the year ended 31 December 2023

	Current income per sqm	Market rent per sqm	Initial yield	Reversionary yield
Czech Republic	EUR 11.27-15.04	EUR 14.69-16.37	4.29%-7.91%	6.73%-8.59%
Germany	EUR 12.2	EUR 12.31	6.25%	6.39%
Netherlands	EUR 13.48-19.72	EUR 11.93-20.62	5.65%-8.75%	7.63%-11.8%
Poland	EUR 14.86	EUR 16.93	9.40%	9.30%
Romania	EUR 17.68-18.89	EUR 18.99-19.02	8.58%-8.76%	7.00%
Russia	EUR 29.49	EUR 32.02	7.87%	8.55%
United Kingdom	EUR 11.36	EUR 34.56	1.01%	8.51%
USA	EUR 15.15-18.94	EUR 19.88-21.88	6.96%-7.08%	8.36%-10.20%

The Group categorised investment property within Level 3 of the fair value hierarchy, as certain inputs for the assessment of the fair value are unobservable.

E.10. Property, plant and equipment

The following table shows the roll-forward of property, plant and equipment (excl. right-of-use assets):

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	1,138	2,183	1,826	851	277	6,275
Accumulated depreciation and impairment losses	(315)	(782)	(964)	(476)	(8)	(2,545)
Carrying amount as at 1 January 2024	**823**	**1,401**	**862**	**375**	**269**	**3,730**
Additions resulting from business combinations	13	1	4	38	1	57
Disposals resulting from business combinations	(60)	(49)	(505)	(102)	(109)	(825)
Additions	32	65	133	88	208	526
Disposals	(1)	-	(1)	(26)	(3)	(31)
Other transfers	8	18	86	35	(137)	10
Depreciation charge (incl. discontinued operations)	(38)	(88)	(186)	(83)	-	(395)
Impairment reversal/(charge)	3	-	-	2	(2)	3
Transfers to assets held for sale	-	-	-	(7)	(1)	(8)
Effect of movements in exchange rates	(13)	(25)	(15)	(3)	(4)	(60)
Carrying amount as at 31 December 2024	**767**	**1,323**	**378**	**317**	**222**	**3,007**
Cost	1,067	2,163	923	688	228	5,069
Accumulated depreciation and impairment losses	(300)	(840)	(545)	(371)	(6)	(2,062)

The roll-forward of right-of-use assets amounting to EUR 455 million as at 31 December 2024 (2023: EUR 673 million) is disclosed in E.23.1.

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	1,126	2,039	1,587	772	309	5,833
Accumulated depreciation and impairment losses	(284)	(714)	(857)	(427)	(7)	(2,289)
Carrying amount as at 1 January 2023	**842**	**1,325**	**730**	**345**	**302**	**3,544**
Additions resulting from business combinations	27	105	15	18	3	168
Additions	17	46	212	87	161	523
Disposals	(5)	-	(2)	(16)	(2)	(25)
Other transfers	(2)	46	123	26	(189)	4
Depreciation charge	(39)	(86)	(203)	(84)	-	(412)
Impairment reversal/(charge)	(1)	-	(7)	1	(2)	(9)
Effect of movements in exchange rates	(16)	(35)	(6)	(2)	(4)	(63)
Carrying amount as at 31 December 2023	**823**	**1,401**	**862**	**375**	**269**	**3,730**
Cost	1,138	2,183	1,826	851	277	6,275
Accumulated depreciation and impairment losses	(315)	(782)	(964)	(476)	(8)	(2,545)

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 modernization and roll-out of 5G and continuous investments into a fixed network), Hungary (radio network modernization and roll-out of 5G), Slovakia (radio network modernization and roll-out of 5G) and Bulgaria (roll-out of 5G).

E.11. Goodwill and other intangible assets

E.11.1. 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	3,236	2,987
Additions resulting from business combinations	54	269
Disposals resulting from business combinations (refer to B section)	(975)	-
Impairment losses recognised	(91)	-
Effect of movements in exchange rates	(42)	(20)
Balance as at 31 December	**2,182**	**3,236**

Goodwill is allocated to individual CGUs as follows:

In millions of EUR

	31 December 2024	31 December 2023
O2 CZ	566	543
CETIN CZ	173	173
CME - Bulgaria	58	58
CME - Czech Republic	657	670
CME - Romania	363	363
CME - Slovakia	201	201
CME - Slovenia	90	90
CME – Croatia	24	24
CETIN Hungary*	-	177
CETIN Bulgaria*	-	104
CETIN Serbia*	-	189
CETIN Networks*	-	16
Yettel Hungary*	-	182
Yettel Bulgaria*	-	118
Yettel Serbia*	-	184
O2 Slovakia*	-	24
Other	50	120
Total goodwill	**2,182**	**3,236**

*On 24 October 2024, the Group sold its controlling stake in PPF Telecom Group B.V. that after the pre-closing restructuring held solely the Group's non-Czech telecommunication businesses (refer to B.2.4).

Goodwill is tested semi-annually for impairment. A reasonably possible change in the key assumptions on which the management has based its determination of the recoverable amounts would not result in carrying amounts being higher than their recoverable amounts.

<u>O2 CZ and CETIN CZ</u>

O2 CZ and CETIN CZ were identified as individual CGUs for the purposes of the impairment test.

The impairment test involves determining the recoverable amount for each CGU, which corresponds to their value in use. The value in use of a CGU is the present value of the future cash flows expected to be derived from CGU.

The value in use for O2 CZ is determined in an enterprise valuation model and assessed from the group-internal perspective. The value in use is derived from the medium-term forecast for a period of five years (from 2025 to 2029), prepared by the management at the time of the impairment test. The forecast is also based on future market trends, general macroeconomic data derived from macroeconomic and financial studies. The key assumptions on which management bases its business plan and growth rates include trends in the gross domestic product, interest rates, nominal wages, capital expenditures, market share, growth rates, and discount rates.

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

The calculation of value in use for both CGUs is the most sensitive to the following assumptions:

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

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

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

In 2023, the Nej.cz acquisition-related goodwill (refer to B.2.9) totalling EUR 196 million was allocated to O2 CZ CGU (EUR 136 million) and CETIN CZ CGU (EUR 60 million) in accordance with the internal optimisation of the business structure that occurred during the first half of 2024 in the form of a formal reallocation of the acquired Nej.cz retail part from CETIN CZ to O2 CZ (by way of an intragroup sale without any impact on the consolidated financial statements of the Group). The amount of the goodwill assigned to O2 CZ was determined as a difference between the intragroup sale price and the fair value of Nej.cz retail business net assets.

<u>CME</u>

CME subgroup is managed on a geographical basis, with six operating segments: Bulgaria, the Czech Republic, Croatia, Romania & Moldova, Slovakia, and Slovenia where these segments were also identified as the respective CGUs for the purposes of the goodwill impairment testing.

The impairment test involves determining each CGU's recoverable amount, corresponding to its value in use, and comparing this to its carrying value as at the valuation date. Value in use is the present value of the future cash flows expected to be derived from each CGU.

The value in use is determined in an enterprise valuation model and assessed from the group-internal perspective. Value in use is derived from the CME subgroup's 2025 budget and most recent long-term plan prepared by the management at the time of the impairment testing. CME subgroup's 2025 budget and long-term plan (from 2026 to 2028) are based on past experience, expected macroeconomic and television advertising market trends and other information known to the business.

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

The estimated growth rate in terminal value – forecasts of the market and regulatory environment in which the company conducts its principal business, as well as the investment life cycle, are the basis for determining the value assigned to the estimated growth rate. The Group has conservatively applied a terminal growth rate of 2% for each CGU.

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 at 31 December 2024 is subject to regular reassessments and potential adequate adjustments.

E.11.2. Other intangible assets

Other intangible assets comprise the following:

In millions of EUR

	31 December 2024	31 December 2023
Software	335	407
Licences	188	609
Customer relationships	105	491
In-process research and development	62	64
Trademark	257	301
Other	104	70
Work in progress	150	190
Total other intangible assets	**1,201**	**2,132**

Licences (including spectrum licences) facilitate the roll-out of mobile services. Customer relationships are an asset ensuring a long-term revenues stream from customers who have made commitments to purchase specific amounts of products or services. In the case of O2 CZ, O2 Slovakia and Yettel (O2 Slovakia and Yettel are relevant only for 2023 and part of the year 2024 until the deconsolidation, refer to B.2.4), they comprise individuals, small/home offices, and corporations.

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

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

	Software	Licences	Customer relation-ships	IPRD	Trade-marks*	Other intangible assets	Work in progress	Total
Cost	1,484	1,107	1,355	138	487	240	193	5,004
Accumulated amortisation and impairment losses	(1,077)	(498)	(864)	(74)	(186)	(170)	(3)	(2,872)
Carrying amount as at 1 January 2024	**407**	**609**	**491**	**64**	**301**	**70**	**190**	**2,132**
Additions resulting from business combinations	1	-	6	-	-	-	-	7
Additions	109	60	-	14	22	85	87	377
Additions from internal development	36	-	-	-	-	-	7	43
Disposals resulting from business combinations	(77)	(385)	(286)	-	(22)	(22)	(35)	(827)
Disposal	(1)	-	-	-	(13)	-	(3)	(17)
Transfers to assets held for sale	(13)	-	-	-	-	-	(3)	(16)
Other transfers	41	-	-	2	-	2	(45)	-
Amortisation charge (incl. discontinued operations)	(160)	(80)	(99)	(10)	(7)	(28)	-	(384)
Impairment charge	(1)	-	(1)	(8)	(22)	-	(46)	(78)
Effect of movements in exchange rates	(7)	(16)	(6)	-	(2)	(3)	(2)	(36)
Carrying amount as at 31 December 2024	**335**	**188**	**105**	**62**	**257**	**104**	**150**	**1,201**
Cost	1,050	318	559	155	414	157	150	2,803
Accumulated amortisation and impairment losses	(715)	(130)	(454)	(93)	(157)	(53)	-	(1,602)

*Trademarks with total carrying amount of EUR 211 million are evaluated as having an indefinite useful life, not amortised but subject to regular impairment reviews.

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

	Software	Licences	Customer relation-ships	IPRD	Trade-marks*	Other intangible assets	Work in progress	Total
Cost	1,565	1,070	1,300	135	478	223	144	4,915
Accumulated amortisation and impairment losses	(1,104)	(411)	(762)	(50)	(185)	(147)	(3)	(2,662)
Carrying amount as at 1 January 2023	**461**	**659**	**538**	**85**	**293**	**76**	**141**	**2,253**
Additions resulting from business combinations	1	-	60	-	15	-	16	92
Additions	117	23	-	6	3	34	88	271
Additions from internal development	27	-	-	-	-	-	8	35
Disposal	-	-	-	-	-	(2)	(10)	(12)
Other transfers	34	5	-	6	-	4	(49)	-
Amortisation charge	(226)	(88)	(110)	(8)	(7)	(24)	-	(463)
Impairment charge	(2)	-	-	(25)	-	(16)	(1)	(44)
Effect of movements in exchange rates	(5)	10	3	-	(3)	(2)	(3)	-
Carrying amount as at 31 December 2023	**407**	**609**	**491**	**64**	**301**	**70**	**190**	**2,132**
Cost	1,484	1,107	1,355	138	487	240	193	5,004
Accumulated amortisation and impairment losses	(1,077)	(498)	(864)	(74)	(186)	(170)	(3)	(2,872)

*Trademarks with total carrying amount of EUR 233 million are evaluated as having an indefinite useful life, not amortised but subject to regular impairment reviews.

E.12. Other assets

Other assets comprise the following:

In millions of EUR

	31 December 2024	31 December 2023
Prepaid expenses and advances	171	209
Other settlements accounts*	54	46
Cost to obtain or fulfil the contract	50	104
Receivables from sale of shares in subsidiaries, associates, and JVs*	27	17
Cash collateral for payment cards*	21	60
Other tax receivables	21	22
Specific deposits and other specific receivables*	16	8
Other	58	50
Total other assets (gross)	**418**	**516**
Individual loss allowance	(12)	(4)
Specific deposits and other specific receivables	(10)	(2)
Deferred expenses and advances	-	(1)
Other	(2)	(1)
Total other assets (net)	**406**	**512**

*represents other financial assets

Capitalised incremental costs to obtain contracts, presented in line with IFRS 15, include commissions for external and internal business channels that are directly attributable to obtaining customer contracts and incremental. The amortisation of these costs is recognised in a separate line (amortisation of cost to obtain contracts) in profit or loss; the amortisation period is determined by the expected average duration of contracts separately for business customers and for consumers and separately for certain product types (ranging from 16 to 48 months).

E.13. Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss (FVTPL) comprise the following:

In millions of EUR

	31 December 2024	31 December 2023
Financial liabilities held for trading	2,125	3,940
Liabilities from repo operations	1,544	3,099
Liabilities from short sales of securities	312	468
Negative fair values of trading derivatives	269	373
Interest rate derivatives	206	323
Currency derivatives	62	49
Equity derivatives	1	1
Financial liabilities not held for trading	266	94
Financial liabilities designated at FVTPL	227	18
Negative fair values of hedging derivatives	37	44
Other	2	32
Total financial liabilities at FVTPL	**2,391**	**4,034**

On 19 November 2024, the Group and the CEO of InPost S.A., the Group's publicly traded equity-accounted investee on the Amsterdam stock exchange (refer to E.8), entered into an earn-out agreement that set out incentive rules for InPost's CEO. An earn-out is triggered only under certain conditions. The earn-out agreement expires in 2030. As at 31 December 2024, the fair value of this earn-out liability designated at FVTPL was EUR 208 million.

Details of trading derivatives are provided in the following table:

In millions of EUR, as at 31 December 2024

	Notional amount	Positive fair values*	Negative fair values
Interest rate derivatives			
OTC products:			
Forward rate agreements	1,142	-	-
Interest rate swaps	8,682	241	(206)
Interest rate options (purchase)	396	2	-
Exchange-traded products:			
Interest rate futures	28	-	-
Total interest rate derivatives	**10,248**	**243**	**(206)**
Currency derivatives			
OTC products:			
Forward exchange contracts	967	3	(22)
Currency swap contracts	8,570	46	(40)
Total currency derivatives	**9,537**	**49**	**(62)**
Equity derivatives			
OTC products:			
Equity/Index options (sale)	(12)	-	(1)
Other equity/index contracts	53	33	-
Exchange-traded products:			
Equity/Index options (sale)	1,100	47	-
Total equity derivatives	**1,141**	**80**	**(1)**

*refer to E.2.1.

In millions of EUR, as at 31 December 2023

	Notional amount	Positive fair values*	Negative fair values
Interest rate derivatives			
OTC products:			
Forward rate agreements	2,843	2	(1)
Interest rate swaps	9,966	346	(322)
Interest rate options (purchase)	347	4	-
Exchange-traded products:			
Interest rate futures	18	-	-
Total interest rate derivatives	**13,174**	**352**	**(323)**
Currency derivatives			
OTC products:			
Forward exchange contracts	702	17	(7)
Currency swap contracts	6,597	82	(42)
Foreign exchange options (purchase)	5	-	-
Foreign exchange options (sale)	5	-	-
Total currency derivatives	**7,309**	**99**	**(49)**
Equity/index derivatives			
OTC products:			
Equity/index options (purchase)	525	119	-
Equity/index options (sale)	11	-	(1)
Other equity/index contracts	107	53	-
Total equity/index derivatives	**643**	**172**	**(1)**

*refer to E.2.1.

The following tables shows details of the hedging derivatives:

In millions of EUR, as at 31 December 2024

	Notional amount	Positive fair values*	Negative fair values
OTC products:			
Forward exchange contracts	373	-	(6)
Currency swap contracts	88	1	-
Interest rate swap contracts	1,596	84	(31)
Total hedging derivatives	**2,057**	**85**	**(37)**

*refer to E.2.1.

In millions of EUR, as at 31 December 2023

	Notional amount	Positive fair values*	Negative fair values
OTC products:			
Forward exchange contracts	109	4	(3)
Currency swap contracts	156	3	-
Interest rate swap contracts	1,331	78	(41)
Total hedging derivatives	**1,596**	**85**	**(44)**

*refer to E.2.1.

E.14. Liabilities due to non-banks

Liabilities due to non-banks comprise the following:

In millions of EUR

	31 December 2024	31 December 2023
Current accounts and demand deposits	10,189	7,830
Loans received under repo operations	2,820	4,819
Term deposits	3,630	1,846
Loans	39	150
Other	76	16
Total liabilities due to non-banks	**16,754**	**14,661**

The table shows the liabilities owed to corporate and individual clients of the Group, the bulk of which relates to the banking business of PPF banka and Air Bank.

E.15. Liabilities due to banks and other financial institutions

Liabilities due to banks and other financial institutions comprise the following:

In millions of EUR

	31 December 2024	31 December 2023
Secured loans (other than repo operations)	2,847	3,982
Unsecured loans	1,805	2,792
Collateral deposits for derivatives	114	166
Repayable on demand	2	2
Loans received under repo operations	-	495
Other	-	1
Total liabilities due to banks	**4,768**	**7,438**

Secured loans include the following significant loan facilities related to the acquisition of CME group:

Consolidating its media segment, in October 2019, CME Media Enterprises B.V. entered into a senior facilities agreement (SFA) with a syndicate of banks and in October 2020 utilised a secured term loan facility amounting to EUR 1,100 million to fund the merger with CME and refinance CME's existing indebtedness. On 14 November 2023, CME entered into an Amendment and Restatement Agreement to extend the maturity date of the senior facilities agreement from 25 April 2025 to 25 April 2028 (the “Amendment SFA”). The Amendment SFA became effective on 5 December 2023 and resulted in a substantial modification and derecognition of the prior loan (including transaction costs) and a recognition of a new loan. As at 31 December 2024, the outstanding amount of these facilities was EUR 814 million (31 December 2023: EUR 872 million). The actual outstanding secured loan liabilities stated in the above table are lowered by unamortised facility and legal fees 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.

As at 31 December 2024 and 31 December 2023, the remaining balances of secured loans represent a higher number of various loans mostly from financial services and real estate segments.

Unsecured loans include the following significant loans facilities related to telecommunication business:

In August 2021, CETIN Group N.V., the Parents Company's subsidiary, became a party to a term and revolving facilities agreement with a syndicate of banks. CETIN Group N.V. then utilised bridge, term, and incremental term loan facilities amounting to EUR 1,450 million in aggregate. In April 2022, CETIN Group N.V. issued senior notes with a total nominal amount of EUR 500 million and used the proceeds to prepay the entire bridge and a portion of the term loan. In December 2023, CETIN Group N.V. utilised EUR 197 million of a EUR 200 million committed revolving facility. The Group used the proceeds to repay a bond with a nominal value of CZK 4,866 million (EUR 203 million) (refer to E.16).

In October 2024, as part of the telecommunication business internal pre-closing restructuring (refer to B.2.4), the loan facilities were repaid in total amount of EUR 445 million. As at 31 December 2024, the outstanding principal amounts of these loans were EUR 290 million for the term loan (31 December 2023: EUR 511 million), EUR 417 million for the incremental term loan (31 December 2023: EUR 444 million), and nil for the revolving facility (31 December 2023: EUR 197 million). The actual amount of the outstanding secured loan liabilities stated in the above table is lower by unamortised facility and legal fees 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.

In April 2023, PPF Telecom Group B.V., the Parent Company's subsidiary at that time, became a party to a term loan facility amounting to EUR 250 million and a backstop loan facility amounting to EUR 600 million. In June 2023, PPF Telecom Group B.V. became a party to an additional term loan facility agreement of up to EUR 600 million, which was used to repay a bond with a nominal value of EUR 600 million (refer to E.16).

In October 2024, as part of the above-mentioned internal pre-closing restructuring, PPF TMT Holdco 2 B.V., the Parent Company's subsidiary, assumed both term loan facilities from PPF Telecom Group B.V. to become the principal borrower of these loans. The outstanding principal amount of the term loan facilities as at 31 December 2024 was EUR 850 million in aggregate (31 December 2023: EUR 850 million). The backstop loan facility ceased to exist with the closing of the sale of PPF Telecom Group B.V. to e& Group (refer to B.2.4).

As at 31 December 2024 and 31 December 2023, the Group complied with the financial covenants imposed by its loan facilities. These covenants typically comprise net leverage ratios and either fixed charge or interest coverage ratios, and loan-to-value and debt service coverage ratio requirements. For facilities secured by publicly listed shares, margin maintenance requirements are typically included.

E.16. Debt securities issued

Debt securities issued relate to bonds issued, certificates of deposit, asset-backed security issues and promissory notes except for subordinated items.

The maturities of the debt securities are as follows:

In millions of EUR

	31 December 2024	31 December 2023
Fixed rate debt securities	**1,008**	**3,024**
Within 1 year	134	478
1-2 years	266	883
2-3 years	552	646
3-4 years	19	1,006
4-5 years	37	11
Variable rate debt securities	**157**	**141**
Within 1 year	74	81
1-2 years	59	-
2-3 years	24	60
Total debt securities issued	**1,165**	**3,165**

In March 2019, the Group established a EUR 3,000 million medium term note programme. At the same time, via its former subsidiary PPF Telecom Group B.V, the Group obtained corporate credit ratings Ba1 by Moody's, BB+ by Standard & Poor's and BBB- by Fitch Ratings. During 2019 and 2020, under this programme, the Group issued senior secured Eurobonds in the aggregate nominal amount of EUR 2,250 million. Most of the bond proceeds were used to repay the Group's secured loans. In July 2023, the Group fully repaid the bond with a nominal value of EUR 600 million, maturing in May 2024, using the proceeds from a new term loan facility (refer to E.15). In October 2024, the Group derecognised the bonds with nominal values of EUR 600 million, EUR 550 million and EUR 500 million with the loss of control over PPF Telecom Group B.V. due to the sale of the controlling stake (refer to B.2.4).

In April 2022, the Group's subsidiary CETIN Group N.V. established EUR 2,000 million Euro medium term note programme under which it issued senior notes with the total nominal amount of EUR 500 million. CETIN Group N.V. used the bond proceeds to repay its outstanding bank loans (refer to E.15).

In July 2023, the Group fully repaid the bond with a nominal value of EUR 600 million, maturing in May 2024, using the proceeds from a new term loan facility (refer to E.15).

In December 2023, the Group fully repaid the bond with a nominal value of CZK 4,866 million (approx. EUR 203 million), maturing in December 2023, using the proceeds from a new revolving loan facility (refer to E.15).

As at 31 December 2024, no debt securities issued were secured. As at 31 December 2023, debt securities issued of EUR 37 million were secured by cash loan receivables.

E.17. Subordinated liabilities

Subordinated liabilities comprise the following:

In millions of EUR

	Interest rate	Maturity	31 December 2024	31 December 2023
Bond issue of EUR 80 million	Fixed	2031	14	14
Bond issue of CZK 290 million	Variable	2029	12	12
Total subordinated liabilities			**26**	**26**

The bond issue of EUR 80 million was issued in July 2021. The bonds bear a fixed coupon rate of 3.6% p.a., and their final maturity is in July 2031. The Group has an early redemption option exercisable in July 2026. As at 31 December 2024 and 2023, the significant part of the issue is held by the Parent.

The bond issue of CZK 290 million was issued in October 2019. The bonds bear a variable coupon rate of 12M PRIBOR + 2.3% p.a., and their final maturity is in October 2029. The Group has an early redemption option exercisable in February 2025.

E.18. Trade and other payables

Trade and other payables comprise the following:

In millions of EUR

	31 December 2024	31 December 2023
Settlements with suppliers*	661	908
Lease liabilities*	449	663
Wages and salaries	343	228
Accrued expenses*	188	249
Advances received	102	84
Deferred income	87	101
Programming related liabilities – media*	78	73
Other taxes payable	64	93
Social and health insurance payable	54	44
Customer loan overpayments*	34	83
Financial settlement and other similar accounts*	29	27
Liabilities from acquisitions of subsidiaries or equity-accounted investees*	3	8
Insurance contract liabilities (refer to B.2.6)	-	65
Payables arising out of insurance operations*	-	3
Other*	53	85
Total trade and other payables	**2,145**	**2,714**

*represents other financial liabilities

E.18.1. Insurance contract liabilities

Insurance contract liabilities related solely to PPF Life Insurance LLC which was sold in November 2024 (refer to B.2.6).

Insurance contract liabilities comprised the following:

In millions of EUR

	31 December 2024	31 December 2023
Estimates of the present value of future cash flows	-	25
Contractual service margin	-	31
Risk adjustment	-	9
Total insurance contract liabilities	**-**	**65**

The table below represents movements in insurance contract liabilities balances:

In millions of EUR, for the year ended 31 December

	2024	2023
Balance as at 1 January	65	80
Disposals resulting from business combinations	(72)	-
Changes in profit or loss and OCI	-	(27)
Net insurance income	-	(1)
Insurance finance income/(expense)	(5)	2
Effect of movements in exchange rates	5	(28)
Net cash inflows	8	10
Premiums received	49	55
Claims and other expenses paid (including investment components and premium refunds)	(28)	(30)
Insurance acquisition cash flows	(13)	(15)
Other movements	(1)	2
Balance as at 31 December	**-**	**65**

E.19. Provisions

Provisions comprise the following:

In millions of EUR

	31 December 2024	31 December 2023
Warranty provisions	56	50
Provisions for onerous contracts	30	18
Provisions for litigation except for tax-related litigations	17	14
Provisions for asset retirement obligations	9	63
Other provisions	33	71
Provisions for restructuring	3	13
Provisions for expected credit losses from loan commitments and financial guarantees	7	9
Other	23	49
Total provisions	**145**	**216**

Movements in provisions can be analysed as follows:

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

	Warranty provisions	Provisions for onerous contracts	Provisions for litigation except for tax-related litigations	Provisions for asset retirement obligations	Other provisions	Total
Balance as at 1 January	**50**	**18**	**14**	**63**	**71**	**216**
Additions resulting from business combinations	-	3	6	-	-	9
Provisions created during the year	23	17	2	2	41	85
Disposals resulting from business combinations	-	-	(1)	(40)	(22)	(63)
Provisions used during the year	(14)	(5)	(3)	-	(32)	(54)
Provisions released during the year	(2)	(3)	(1)	(15)	(16)	(37)
Transfer to liabilities directly associated with assets held for sale	-	-	-	-	(8)	(8)
Effect of movements in exchange rates	(1)	-	-	(1)	(1)	(3)
Balance as at 31 December	**56**	**30**	**17**	**9**	**33**	**145**
Non-current (> 1 year)	1	6	6	9	15	37
Current (< 1 year)	55	24	11	-	18	108
Total provisions	**56**	**30**	**17**	**9**	**33**	**145**

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

	Warranty provisions	Provisions for onerous contracts	Provisions for litigation except for tax-related litigations	Provisions for asset retirement obligations	Other provisions	Total
Balance as at 1 January	**36**	**7**	**15**	**49**	**67**	**174**
Additions resulting from business combinations	1	8	-	-	-	9
Provisions created during the year	29	6	6	17	51	109
Provisions used during the year	(13)	(1)	(1)	-	(28)	(43)
Provisions released during the year	(1)	(2)	(6)	(3)	(19)	(31)
Effect of movements in exchange rates	(2)	-	-	-	-	(2)
Balance as at 31 December	**50**	**18**	**14**	**63**	**71**	**216**
Non-current (> 1 year)	11	-	3	63	13	90
Current (< 1 year)	39	18	11	-	58	126
Total provisions	**50**	**18**	**14**	**63**	**71**	**216**

The Group recognised a provision for the estimated cost of dismantling and removing assets and restoring sites of EUR 9 million (2023: EUR 63 million). The amount of the provision is affected by the estimate of the present value of the future costs of dismantling, removing of assets and restoring sites in connection with network construction. Scenarios of future costs based on management estimations, market prices, and historical costs were discounted to present value. Discount rates are paired to the expected dates of any future dismantling and removing of assets.

E.20. Issued capital, share premium, and dividends

The issued capital represents 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 shareholder resolution.

The following table provides details of authorised and issued shares:

	2024	2023
Number of shares authorised	2,500,000	2,500,000
Number of shares issued and fully paid	603,605	603,605
Par value per share	EUR 1	EUR 1

In July 2023, the Parent Company bought back its own 3.27% share for EUR 575 million, which was recorded directly in retained earnings in the consolidated statement of changes in equity. These treasury shares were cancelled in December 2023.

Holders of the ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the Parent Company. During 2024, the Parent Company paid dividends amounting EUR 118 million, i.e., EUR 189 per share (2023: EUR 118 million, i.e., EUR 189 per share).

As of 31 December 2024, share premium representing the excess received by the Parent Company over the par value of its share amounted to EUR 677 million (31 December 2023: EUR 677 million).

E.21. Other reserves and retained earnings

E.21.1. Retained earnings

The retained earnings include legal and statutory reserves representing reserves, the accumulation and use of which is limited by legislation and the articles of association of each company within the Group and that are not available for distribution to shareholders. As at 31 December 2024, these reserves non-distributable to shareholders totalled EUR 122 million (2023: EUR 119 million).

E.21.2. Revaluation reserve

The revaluation reserve represents the changes, net of deferred tax, in the fair value of financial assets at FVOCI. The revaluation reserve is not available for distribution to shareholders.

E.21.3. Currency translation reserves

The currency translation reserve comprises foreign exchange differences arising from the translation of the financial statements of companies within the Group with a functional currency other than the Group presentation currency, which is the euro. The translation reserve is not available for distribution to shareholders.

E.21.4. Hedging reserve

Until October 2024, the hedging reserve represented mainly a cash flow hedge effect related to forward contracts for CO_2 emission rights recognised in other comprehensive income by the Group's former associate LEAG. The hedging instruments are commodity derivatives designed to hedge the purchase price for future purchases of emission rights. For the year ending 31 December 2024, the Group recognised its share of a gain in other comprehensive income amounting to EUR 23 million (31 December 2023: a loss of EUR 43 million). A hedging reserve of EUR 103 million was reclassified from equity to profit and loss upon reclassification of the investment in LEAG from equity-accounted investees to assets held for sale (refer to B.3.7 and E.8).

E.21.5. Reserve for puttable instruments

The reserve for puttable instruments represented the equity impact of a conditional commitment to acquire NCI's 30% share in CETIN Group N.V. based on a put option granted by the Group to GIC Private Limited ("GIC") exercisable solely under certain circumstances. Although the Group was fully capable of avoiding these circumstances (except for an unapproved change of control over CETIN Group N.V., which was fully in the power of the Parent Company's ultimate controlling party), it had to recognise a hypothetical financial liability following the guidance in IFRS-AS (IAS 32). As the accounting treatment, the Group applied the present-access method (refer to F.1.15.3), measuring the financial liability at present value and recognising the remeasurement directly through equity to the owners of the parent. For several days during October 2024 until disposal of CETIN International N.V. with PPF Telecom Group B.V. (refer to B.2.4), the same GIC put option arrangements applied to CETIN International N.V. In December 2023, the Group also recognised a conditional commitment to acquire NCI's 5% share in TMT Hungary Infra B.V. as the Group granted a put option to the non-controlling partner. The TMT Hungary Infra B.V. related conditional commitment was derecognised in the first half of 2024, as the Group acquired the remaining underlying 5% share in the subsidiary from the non-controlling partner.

Following the transactions of October 2024 (refer to B.3.5, B.3.6), the conditional commitment was fully derecognised as the put options expired unexercised. As at 31 December 2024, there was no conditional commitment to acquire NCI's share (2023: EUR 1,019 million).

E.22. Non-controlling interests

The following subsidiaries of the Group have material non-controlling interests:

Name of subsidiary	Abbr.	Applicable	Country of incorporation
PPF banka, a.s. (subgroup)	PPFB	2024/2023	Czech Republic
Home Credit N.V. (subgroup)	HC	2024/2023	Netherlands
CETIN Group N.V. (subgroup)	CETIN	2024/2023	Netherlands
TMT Hungary Infra B.V. (subgroup)	TMT Infra	2024/2023	Netherlands
Škoda a.s. (subgroup)	MECH	2024/2023	Czech Republic
TMT Hungary B.V. (subgroup)	TMT	2023 (refer to B.3.5)	Netherlands

The following table summarises the information relating to these subsidiaries:

In millions of EUR

As at 31 December 2024	PPFB	HC[(1)]	CETIN[(2)]	TMT Infra[(3)]	MECH[(4)]	Other	Total
NCI percentage (effective ownership)	**7.04%**	**-%**	**-%**	**-%**	**20.00%**		
Total assets	13,954	9,775	2,834	-	1,340		
Total liabilities	(13,025)	(8,710)	(2,016)	-	(966)		
Net assets	**929**	**1,065**	**818**	**-**	**374**		
Net assets attributable to owners of the subgroup	929	1,065	818	-	374		
Carrying amount of NCI	**66**	**-**	**-**	**-**	**75**	**(26)**	**115**
NCI percentage during the period (effective ownership)	**7.04%**	**2.93%**	**25.00%**	**19.18%**	**17.63%**		
Revenues	697	636	848	146	1,118		
Profit/(loss)	174	560	190	55	(53)		
Other comprehensive income/(expense)	(12)	(16)	(30)	(18)	(7)		
Total comprehensive income/(expense)	162	544	160	37	(60)		
Profit/(loss) allocated to NCI	**13**	**3**	**48**	**1**	**(9)**	**(44)**	**12**
OCI allocated to NCI	**-**	**(1)**	**(7)**	**1**	**(1)**	**(3)**	**(11)**
Dividends paid to NCI	**7**	**-**	**542**	**-**	**-**	**-**	**549**

(1) In April 2024, the Group became a sole shareholder of Home Credit N.V. (refer to B.3.4).
(2) On 31 October 2024, the Group acquired the remaining share in CETIN Group N.V. from the non-controlling partner (refer to B.3.6).
(3) On 5 March 2024, the Group acquired the remaining 5% share in TMT Hungary Infra B.V. and became the sole shareholder (refer to B.3.5). On 24 October 2024, TMT Hungary Infra B.V. was sold as part of the transaction with e& Group (refer to B.2.4).
(4) On 29 May, the Group sold an additional 5.7% share in Skoda a.s. to the minority shareholder, while retaining a 80% share in the company.

In millions of EUR

As at 31 December 2023	PPFB	HC	CETIN	TMT Infra(1,2)	MECH	TMT(2)	VELT(3)	Other	Total
NCI percentage (effective ownership)	**7.04%**	**8.88%**	**30.00%**	**27.50%**	**14.30%**	**-%**	**-%**		
Total assets	15,588	8,310	4,181	512	1,386	815	-		
Total liabilities	(14,727)	(7,732)	(3,136)	(163)	(955)	(335)	-		
Net assets	**861**	**578**	**1,045**	**349**	**431**	**480**	**-**		
Net assets attributable to NCI of the subgroup	-	-	(87)	-	-	-	-		
Net assets attributable to owners of the subgroup	861	578	958	349	431	480	**-**		
Carrying amount of NCI	**61**	**51**	**288**	**17**	**61**	**-**	**-**	**15**	**493**
NCI percentage during the period (effective ownership)	**7.04%**	**8.88%**	**30.00%**	**44.17%**	**14.30%**	**23.25%**	**-%**		
Revenues	823	1,456	1,241	176	1,136	615	-		
Profit/(loss)	167	381	185	59	(78)	7	-		
Other comprehensive income/(expense)	14	(7)	(11)	13	(51)	23	-		
Total comprehensive income/(expense)	181	374	174	72	(129)	30	-		
Profit/(loss) allocated to NCI	**12**	**34**	**51**	**13**	**(11)**	**2**	**-**	**(7)**	**94**
OCI allocated to NCI	**1**	**(1)**	**(3)**	**3**	**(7)**	**5**	**-**	**(1)**	**(3)**
Dividends paid to NCI	4	32	43	3	-	-	14	-	96

(1) TMT Hungary Infra was part of Cetin Group subgroup.
(2) For details on decrease in NCI's percentage ownership (refer to B.3.5).
(3) During 2023, the subgroup became subsequently a group of empty holding companies after the sale of the related operating entities in 2022.

E.23. Leases

The Group acts as a lessee under lease contracts for stores, office and technical buildings, telecommunications technology, vehicles, and office equipment.

E.23.1. Right-of-use assets

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

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

	Land and buildings	Telecom. technology and related equipment	Boats	Other tangible assets and equipment	Total
Carrying amount					
Balance as at 1 January 2024	516	30	99	28	673
Additions resulting from business combinations	5	-	9	-	14
Additions	199	6	23	17	245
Disposals resulting from business combinations	(268)	(9)	-	(4)	(281)
Disposal	(8)	-	(2)	(1)	(11)
Transfer to assets held for sale	(10)	-	-	-	(10)
Transfer to other categories	-	-	(10)	-	(10)
Depreciation charge (incl. discontinued operations)	(113)	(6)	(20)	(13)	(152)
Effects of movements in exchange rates	(12)	(1)	-	-	(13)
Balance as at 31 December 2024	**309**	**20**	**99**	**27**	**455**

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

	Land and buildings	Telecom. technology and related equipment	Boats	Other tangible assets and equipment	Total
Carrying amount					
Balance as at 1 January 2023	523	25	114	6	668
Additions resulting from business combinations	14	2	-	2	18
Additions	127	6	9	35	177
Disposal	(24)	-	(3)	-	(27)
Transfer to other categories	-	-	(4)	-	(4)
Depreciation charge	(119)	(5)	(17)	(14)	(155)
Effects of movements in exchange rates	(5)	2	-	(1)	(4)
Balance as at 31 December 2023	**516**	**30**	**99**	**28**	**673**

For the maturity analysis of lease liabilities, please refer to C.3.

Amounts recognised in profit and loss:

In millions of EUR, for the year ended 31 December

Leases under IFRS 16	2024	2023
Interest on lease liabilities	21	18
Expenses relating to short-term leases	15	17
Income from sub-leasing ROU assets presented in other revenue	1	-

E.23.2. Extension options

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

The Group has estimated that should it exercise the extension option, potential future lease payments would result in an increase of EUR 9 million (2023: EUR 9 million) in the lease liability.

Total cash outflow for leases amounted to EUR 187 million for the year ended 31 December 2024 (2023: EUR 187 million).

E.23.3. Operating leases where the Group acts as a lessor

The Group also leases out its investment properties. The table below shows the future minimum lease payments under non-cancellable operating leases. None of the leases included contingent rentals.

In millions of EUR

	31 December 2024	31 December 2023
Less than 3 months	21	25
Between 3 months and 1 year	60	74
Between 1 and 2 years	74	94
Between 2 and 5 years	119	178
More than 5 years	43	93
Total receivables under non-cancellable operating leases	**317**	**464**

E.24. 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 and subordinated liabilities	Liabilities due to banks and other financial institution	Lease liabilities	Total
Balance as at 1 January	**3,191**	**7,438**	**663**	**11,292**
Changes from financing cash flows:				
Proceeds from the issue of debt securities	1,068	-	-	1,068
Proceeds from liabilities due to banks and other financial institutions	-	12,362	-	12,362
Repayment of debt securities issued	(891)	-	-	(891)
Repayment of liabilities due to banks and other financial institutions	-	(14,047)	-	(14,047)
Repayment of principal portion of lease liabilities	-	-	(156)	(156)
Interest paid	(174)	(462)	(31)	(667)
Total changes from financing cash flows	**3**	**(2,147)**	**(187)**	**(2,331)**
Additions resulting from business combinations	-	13	16	29
Disposals resulting from business combinations	(1,667)	(499)	(280)	(2,446)
Transfer to liabilities directly associated with assets held for sale (refer to E.7)	(501)	(360)	(8)	(869)
New leases	-	-	222	222
Interest expense	179	464	33	676
Effects of movements in exchange rates	(14)	15	(10)	(9)
Other non-cash changes	-	(156)	-	(156)
Balance as at 31 December	**1,191**	**4,768**	**449**	**6,408**

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

	Debt securities and subordinated liabilities	Liabilities due to banks and other financial institution	Lease liabilities	Total
Balance as at 1 January	**4,036**	**6,552**	**660**	**11,248**
Changes from financing cash flows:				
Proceeds from the issue of debt securities	798	-	-	798
Proceeds from liabilities due to banks and other financial institutions	-	5,391	-	5,391
Repayment of debt securities issued	(1,608)	-	-	(1,608)
Repayment of liabilities due to banks and other financial institutions	-	(4,298)	-	(4,298)
Repayment of principal portion of lease liabilities	-	-	(159)	(159)
Interest paid	(186)	(402)	(28)	(616)
Total changes from financing cash flows	**(996)**	**691**	**(187)**	**(492)**
Additions resulting from business combinations	-	11	19	30
Disposals resulting from business combinations	-	(146)	-	(146)
Transfer to liabilities directly associated with assets held for sale (refer to E.7)	-	(13)	-	(13)
New leases	-	-	146	146
Interest expense	186	455	29	670
Effects of movements in exchange rates	(35)	(121)	(4)	(160)
Other non-cash changes	-	9	-	9
Balance as at 31 December	**3,191**	**7,438**	**663**	**11,292**

E.25. Net interest income

Interest income comprises the following:

In millions of EUR, for the year ended 31 December

	2024	2023
Cash loan receivables	580	455
Due from banks and other financial institutions	337	448
Loans due from corporations	176	197
Revolving loan receivables	137	111
Financial assets at FVOCI (E.2.3)	110	100
Financial assets at FVTPL (E.2.1)*	105	126
Financial assets at AC (E.2.2)	83	75
Consumer loan receivables	42	33
Car loan receivables	38	29
Mortgage loan receivables	32	21
Other	12	8
Total interest income*	**1,652**	**1,603**

*Total interest income represents interest income calculated using the effective interest method except for financial assets at FVTPL.

Interest expense comprises the following:

In millions of EUR, for the year ended 31 December

	2024	2023
Due to customers	(542)	(582)
Due to banks and other financial institutions	(356)	(323)
Debt securities issued	(97)	(70)
Lease liabilities	(21)	(18)
Significant financing component (IFRS 15)	(7)	(6)
Subordinated liabilities	(2)	(2)
Other	(85)	(83)
Total interest expenses	**(1,110)**	**(1,084)**
Net interest income	**542**	**519**

E.26. Net fee and commission income

Fee and commission income comprises the following:

In millions of EUR, for the year ended 31 December

	2024	2023
Customer payment processing and account maintenance	54	48
Insurance commissions	30	24
Penalty fees	12	11
Cash transactions	11	12
Retailers' commissions	1	1
Other	25	41
Total fee and commission income	**133**	**137**

Fee and commission expense comprises the following:

In millions of EUR, for the year ended 31 December

	2024	2023
Commissions to retailers	(19)	(15)
Payment processing and account maintenance	(18)	(15)
Cash transactions	(18)	(19)
Credit and other register expense	(5)	(6)
Other	(57)	(44)
Total fee and commission expense	**(117)**	**(99)**
Net fee and commission income	**16**	**38**

E.27. Other net gains on financial instruments

In millions of EUR, for the year ended 31 December

	2024	2023
Net trading income	180	169
Derivatives	116	145
FX trading	58	17
Debt securities trading	6	7
Changes in fair value hedge adjustments	(29)	77
Net realised gains	1	7
Loans and receivables measured at amortised cost	6	10
Financial assets at FVOCI	(5)	(3)
Dividend income	6	6
Other net losses on financial assets	(2)	(1)
Net losses on financial assets/liabilities at FVTPL not held for trading	(69)	(3)
Total other net gains on financial instruments	**87**	**255**

E.28. Net impairment losses on financial assets

In millions of EUR, for the year ended 31 December

	2024	2023
Cash loan receivables	(98)	(88)
Loans due from corporations	(37)	(15)
Revolving loan receivables	(23)	(23)
Trade and other receivables	(6)	(9)
Car loan receivables	(6)	(8)
Financial assets at FVOCI	(6)	4
Consumer loan receivables	(3)	2
Loans and receivables due from banks and other financial institutions	2	(12)
Other financial assets*	(2)	(3)
Total net impairment losses on financial assets	**(179)**	**(152)**

*incl. impairment losses on undrawn credit limit

E.29. Net rental and related income

Rental and related revenues comprise the following:

In millions of EUR, for the year ended 31 December

	2024	2023
Gross rental revenues	94	108
Hotel revenues	30	25
Service charge revenues	11	11
Service revenues	9	12
Total rental and related revenues	**144**	**156**

Property operating expenses comprise the following:

In millions of EUR, for the year ended 31 December

	2024	2023
Repairs and maintenance	(11)	(11)
Hotel operating expenses	(10)	(11)
Material and energy consumed	(8)	(8)
Service charge expenses	(5)	(6)
Other taxes	(7)	(6)
Employee compensation (including payroll related taxes)	(8)	(5)
Other expenses	(9)	(6)
Total property operating expenses	**(58)**	**(53)**

E.30. Net telecommunications income

E.30.1. Revenues from telecommunications business – major lines of business

Net telecommunications income comprises the following:

In millions of EUR, for the year ended 31 December

	2024	2023
Mobile originated revenues	880	882
Fixed originated revenues	593	553
International transit revenues	175	191
Other wholesale revenues	169	169
Revenues from telecommunications business	**1,817**	**1,795**
out of which:		
Services/products transferred over time	1,709	1,690
Services/products transferred at a point in time	108	105
Supplies	(360)	(390)
Cost of goods sold	(90)	(94)
Costs related to telecommunications business	**(450)**	**(484)**
Net telecommunications income	**1,367**	**1,311**

E.30.2. Revenues from telecommunications business – geographical markets

The revenues from the telecommunications business are geographically disaggregated per the customers' sites, as follows:

In millions of EUR, for the year ended 31 December

	2024	2023
Services/products transferred over time	1,709	1,690
Czech Republic	1,506	1,485
Germany	22	29
Other	181	176
Services/products transferred at a point in time	108	105
Czech Republic	108	105
Total revenues from telecommunication business	**1,817**	**1,795**

For relevant information on contract assets and contract liabilities, refer to E.5.

E.31. Net media income

E.31.1. Revenues from media business – major lines of business

Net media income comprises the following:

In millions of EUR, for the year ended 31 December

	2024	2023
TV advertising revenues	641	605
Carriage fees	169	150
Subscription fees	72	50
Other revenue	58	49
Revenues from media business	**940**	**854**
Programming assets amortisation	(437)	(388)
Salaries and staff related expenses	(28)	(27)
Royalties	(20)	(20)
External services and other operating costs	(28)	(28)
Costs related to media business	**(513)**	**(463)**
Net media income	**427**	**391**

E.31.2. Revenues from media business – geographical markets

The revenues from the media business are geographically disaggregated per the customers' sites, as follows:

In millions of EUR, for the year ended 31 December

	2024	2023
Services/products transferred over time	940	854
Czech Republic	329	307
Romania	231	206
Slovakia	149	127
Bulgaria	91	86
Slovenia	80	76
Croatia	60	52

Neither in 2024 nor in 2023, the Group realised any revenues from the media business from services or products transferred at a point in time.

E.32. Net mechanical engineering income

E.32.1. Revenues from mechanical engineering business – major lines of business

Net mechanical engineering income comprises the following:

In millions of EUR, for the year ended 31 December

	2024	2023
Sales of finished goods, services and goods for resale	1,118	1,136
Electric locomotives and suburb units	455	467
Tramcars	290	196
Full service and repairs	145	145
Trolleybuses	102	94
Modernisation of rail vehicles	42	17
Spare parts	31	10
Other products and services	21	46
Traction motors	13	19
Metro	11	126
Electric equipment	8	16
Revenues from mechanical engineering business	**1,118**	**1,136**
out of which:		
Services/products transferred over time	1,030	1,039
Services/products transferred at a point in time	88	97
Raw material	(609)	(640)
Purchased services related to projects	(77)	(112)
External workforce	(41)	(34)
Other	(56)	(58)
Costs related to mechanical engineering business	**(783)**	**(844)**
Net mechanical engineering income	**335**	**292**

E.32.2. Revenues from mechanical engineering business – geographical markets

The revenues from the mechanical engineering business are geographically disaggregated per the customers' sites, as follows:

In millions of EUR, for the year ended 31 December

	2024	2023
Services/products transferred over time	1,030	1,039
Czech Republic	511	446
Germany	181	76
Finland	95	75
Slovakia	43	154
Lithuania	41	1
Latvia	32	113
Poland	19	128
Other	108	46
Services/products transferred at a point in time	88	97
Czech Republic	57	75
Slovakia	9	6
Other	22	16

For relevant information on contract assets and contract liabilities, refer to E.5.

E.33. Net leisure and entertainment income

Net leisure and entertainment income comprises net income from boat manufacturing, net income from non-manufacturing business (boat charter, resale of boats and other) and net entertainment income:

In millions of EUR, for the year ended 31 December

	2024	2023
Revenues from leisure business (non-manufacturing)	173	186
Charter revenues (transferred overtime)	109	96
USA and Caribbean	42	46
Europe & Mediterranean Sea	44	28
Asia & Indian Ocean	10	20
Pacific Ocean	13	2
Revenues from resale of boats (transferred at a point in time)	64	90
New boats	37	76
Used boats	27	14
Revenues from boats manufacturing (transferred at a point in time)	171	99
Entertainment revenues (transferred at a point in time)	63	41
Other revenues	17	18
Revenues from leisure and entertainment business	**424**	**344**
Costs related to leisure business (non-manufacturing)	(133)	(141)
Direct costs relating to charter services	(67)	(56)
Costs attributable to boat sales	(53)	(75)
Commissions to brokers	(11)	(9)
Other direct costs	(2)	(1)
Costs related to boat manufacturing	(124)	(67)
Raw materials consumed	(82)	(47)
Employee costs	(26)	(14)
Manufacturing expenses (incl. depreciation)	(7)	(5)
Other	(9)	(1)
Entertainment costs	(27)	(19)
Costs related to leisure and entertainment business	**(284)**	**(227)**
Net leisure and entertainment income	**140**	**117**

E.34. Other income

In millions of EUR, for the year ended 31 December

	2024	2023
Income from other services provided	41	21
Rental income (other than from investment property rental activities)	23	18
Net gains on disposal of PPE and other intangible assets	11	5
Other	47	59
Total other income	**122**	**103**

E.35. Personnel expenses and other operating expenses

In millions of EUR, for the year ended 31 December

	2024	2023
Employee compensation	(923)	(727)
Payroll related taxes (including pension contribution)	(222)	(201)
Total personnel expenses	**(1,145)**	**(928)**
Advertising and marketing	(126)	(98)
Professional services	(121)	(137)
Information technologies	(95)	(97)
Net impairment losses on goodwill	(91)	-
Rental, maintenance and repair expense	(61)	(93)
Net impairment losses on other intangible assets	(32)	(23)
Amortisation of cost to obtain or fulfil a contract	(27)	(23)
Taxes other than income tax	(17)	(29)
Travel expenses	(16)	(18)
Payments to deposit insurance agencies	(16)	(22)
Telecommunications and postage	(15)	(14)
Net impairment losses on other assets (including contract assets)	(8)	(28)
Collection agency fee	(4)	(4)
Restructuring charge	(3)	-
Net foreign currency losses	(1)	(37)
Net loss on disposal of intangible assets	-	(3)
Other*	(196)	(138)
Total other operating expenses	**(829)**	**(764)**

*represent primarily utilities, commissions, regulatory and licencing fees and other general operating expenses

The average rounded number of employees for continuing operations during 2024 was 29,000 (2023: 27,000 employees); 122 employees were employed in the Netherlands (2023: 121 employees).

E.36. Depreciation and amortisation

In millions of EUR, for the year ended 31 December

	2024	2023
Depreciation of property, plant and equipment	(270)	(262)
Depreciation of property, plant and equipment – ROU (IFRS 16)	(102)	(96)
Amortisation of intangible assets	(238)	(284)
Total depreciation and amortisation	**(610)**	**(642)**

E.37. Income taxes

E.37.1. Income tax expense

Income tax expense comprises the following:

In millions of EUR, for the year ended 31 December

	2024	2023
Current tax expense	(272)	(262)
Deferred tax benefit	37	44
Total income tax expense	**(235)**	**(218)**

The following table reconciles the tax expense:

In millions of EUR, for the year ended 31 December

	2024	2023
Tax rate	25.8%	25.8%
Profit from continuing operations (before taxation)	2,990	1,245
Computed taxation using applicable tax rate	(772)	(321)
Tax non-deductible expenses	(151)	(169)
Non-deductible impairment (losses)/reversal of losses on investments	(281)	6
Effect of non-taxable gains/(losses) on sale of investments in subsidiaries and equity-accounted investees	905	(41)
Non-taxable income	110	156
Non-taxable share of profit of equity-accounted investees	75	205
Tax rate differences on foreign results	32	28
Non-deductible interest expense due to ATAD (earning stripping) rules	(36)	(20)
Utilised tax loss for which no deferred tax was previously recognised	4	1
Current-year losses for which no deferred tax asset is recognised	(79)	(51)
Items taxed at different tax rates, i.e., withholding tax	2	4
Other	(44)	(16)
Total income tax expense	**(235)**	**(218)**

The Company is subject to corporate income tax in the Netherlands at an income tax rate of 25.8%. The Company's subsidiaries as well as associates and joint ventures 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 approx. 27% in South Africa.

Pursuant to the local tax legislation and relevant double tax treaties, a withholding tax in a range of 0% to 35% is levied on dividends, interest, royalties, and other relevant payments to foreign recipients.

The principle the Group follows in the recognition of deferred tax assets prescribes that if it is unlikely that taxable profits will be available against which unused tax losses can be utilised, the deferred tax assets are not recognised.

E.37.2. Global minimum tax (Pillar Two)

The Group has become 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 under development in other jurisdictions. Any potential liability from Pillar Two rules will be further influenced by the dynamic nature of Group's portfolio (especially with reference to the active transactions described in section B 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 its Bulgarian subsidiaries, which is presented as discontinued operations in the consolidated statement of 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.37.3. Deferred tax

Deferred tax assets and liabilities comprise the following:

In millions of EUR, as at 31 December

	2024 Deferred tax liabilities	2024 Deferred tax assets	2023 Deferred tax liabilities	2023 Deferred tax assets
Investment securities and derivatives	(1)	-	(2)	6
Loans	(13)	12	(8)	36
Trade and other receivables, contract assets	(17)	13	(45)	18
Inventories	-	24	-	48
Investment property	(61)	1	(76)	-
Property, plant and equipment	(338)	40	(400)	51
Programming assets	(3)	9	(3)	9
Intangible assets	(86)	8	(134)	13
Other assets	(1)	3	(1)	6
Debt securities issued	-	-	-	26
Lease liabilities	(9)	65	(11)	90
Trade and other payables	(2)	18	(10)	26
Provisions	-	32	-	36
Other temporary differences	(5)	36	(11)	24
Value of loss carry-forwards recognised	-	18	-	51
Deferred tax assets/(liabilities)	**(536)**	**279**	**(701)**	**440**
Net deferred tax assets/(liabilities)	**(390)**	**133**	**(488)**	**227**

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 assets/(liabilities) as at 1 January	(261)	(310)
Deferred tax benefit for the period (incl. discontinued operations)	44	47
Deferred tax recognised directly in equity	13	2
Additions resulting from business combinations	3	(32)
Disposals resulting from business combinations	22	24
Deferred tax assets transferred to assets held for sale	(83)	-
Effect of movements in exchange rates	5	8
Net deferred tax liabilities as at 31 December	**(257)**	**(261)**

E.37.4. Tax losses and unrecognised deferred tax asset

As at 31 December 2024, the Group incurred tax losses from recent years of EUR 2,212 million (2023: EUR 4,387 million) available to be carried forward and off-set against future taxable income. The significant decrease was caused by the loss of control in the China region (refer to B.2.1.3). The Group also carried forward EUR 369 million of interests disallowed for tax purposes due to ATAD regulations (2023: EUR 221 million). As a rule, if it is considered likely that no taxable profits will be available against which the unused tax losses can be utilised, deferred tax assets are not recognised. Unrecognised deferred tax assets amount to EUR 631 million (2023: EUR 944 million). Unutilised tax losses can be claimed in the period from 2025 to 2029 mainly in the Czech Republic, and for an indefinite time in the Netherlands. The expiration of the unutilised tax losses is as follows:

In millions of EUR

	31 December 2024	31 December 2023
2024	-	33
2025	56	331
2026	122	1,116
2027	79	640
2028	126	741
2029	183	138
2030	48	55
2031	43	46
2032	36	15
2033	18	17
2034	16	-
Tax losses that can be carried forward indefinitely	1,485	1,255
Total	**2,212**	**4,387**

E.38. Repurchase and reverse repurchase agreements

The Group raises funds by selling financial instruments under agreements to repurchase them at future dates at the same price plus interest at a predetermined rate (repos). As at 31 December, assets sold under repos were as follows:

In millions of EUR, as at 31 December

	2024 Fair value of underlying assets	2024 Carrying amount of corresponding liabilities	2023 Fair value of underlying assets	2023 Carrying amount of corresponding liabilities
Financial assets at FVTPL	83	54	-	-
Financial assets at FVOCI	517	503	-	-
Financial assets at AC	100	99	51	-
Financial assets as off-balance sheet item	-	-	206	205
Financial assets received in reverse repos	3,672	3,708	8,149	8,207
Total assets	**4,372**	**4,364**	**8,406**	**8,412**

The Group also purchases financial instruments under agreements to resell them at future dates (reverse repos). The seller commits to repurchase the same or similar instruments at an agreed future date. Reverse repos are entered into as a facility to provide funds to customers. As at 31 December, assets purchased subject to agreements to resell them were as follows:

In millions of EUR, as at 31 December

	2024 Fair value of assets received as collateral (total)	2024 of which: Fair value of assets repledged or sold	2024 Carrying amount of receivables	2023 Fair value of assets received as collateral (total)	2023 of which: Fair value of assets repledged or sold	2023 Carrying amount of receivables
Cash and cash equivalents (with central banks)	6,676	2,166	6,788	6,879	5,158	6,997
Loans and advances	310	-	175	489	-	276
Financial assets at FVTPL	1,795	1,505	1,807	3,074	2,991	3,130
Total loans and advances	**8,781**	**3,671**	**8,770**	**10,442**	**8,149**	**10,403**

E.39. Off-balance sheet items

E.39.1. Commitments and contingent liabilities

The contractual amounts of commitments and contingent liabilities are set out in the following table by category. The amounts reflected in the table for commitments assume that these amounts have been fully advanced. The amounts set forth in the table for guarantees and letters of credit represent the maximum accounting loss that would be recognised at the reporting date if the counterparties failed completely to meet their contractual obligations.

The Group companies included in the banking segment engage in the provision of open credit facilities to allow customers quick access to funds to meet their short-term obligations as well as their long-term financing needs. Such credit facilities can take the form of guarantees whereby the Group might guarantee repayment of a loan taken out by a client with a third party; stand-by letters of credit which are credit enhancement facilities enabling customers to engage in trade finance at lower cost; documentary letters of credit for obtaining lower cost financing for foreign trade on behalf of a customer; documentary letters of credit reimbursable to a Group company later and debt facilities and revolving underwriting facilities that allow customers to issue short or medium-term debt instruments without engaging in the normal underwriting process on each occasion. Revenue from the guarantees provided is recognised under fee and commission income and is determined by applying the agreed rates to the nominal amount of the guarantees.

In millions of EUR

	31 December 2024	31 December 2023
Loan commitments	1,119	1,117
Revolving loan commitments	545	734
Consumer loan commitments	43	43
Cash loan commitments	16	23
Undrawn overdraft facilities	136	123
Term loan facilities	379	194
Capital expenditure commitments	112	469
Guarantees provided	78	102
Non-payment guarantees	40	44
Payment guarantees	17	42
Provided undrawn commitments to provide	21	16
Digital transmission obligations	36	30
Programming liabilities	238	236
Other	51	186
Total commitments and contingent liabilities	**1,634**	**2,140**

These commitments and contingent liabilities have an off-balance sheet credit risk because only organisation fees and accruals for probable losses are recognised in the statement of financial position until the commitments are fulfilled or expire. Many of the contingent liabilities and commitments will expire without being advanced in whole or in part. Therefore, the amounts do not represent expected future cash flows.

The following table shows secured liabilities:

In millions of EUR

	31 December 2024	31 December 2023
Loans received under repos (refer to E.38)	4,363	8,412
Secured bank loans (refer to E.15)	2,847	3,982
Secured liabilities due to non-banks	35	-
Debt securities issued (refer to E.16)	-	37
Total secured liabilities	**7,245**	**12,431**

The assets pledged as security were as follows:

In millions of EUR

	31 December 2024	31 December 2023
Financial assets in off-balance sheet (repo operations)	3,672	8,355
Investments in equity-accounted investees	2,212	1,598
Investment property (incl. assets held for sale)	935	1,194
Financial assets FVOCI (repos)	517	-
Property, plant and equipment	363	320
Financial assets FVTPL (repos)	126	35
Investment securities at amortised cost	100	51
Cash and cash equivalents	69	91
Trade and other receivables	42	44
Financial assets FVOCI (other)	10	71
Loans and receivables due from customers	-	434
Other assets	29	65
Total assets pledged as security	**8,075**	**12,258**

As at 31 December 2024 and 31 December 2023, the Group has pledged certain assets as collateral for funding facilities related to CME acquisition. The pledged assets include, in particular, receivables from bank accounts, intercompany loans and all shares of CME Media Enterprises B.V., Pro TV S.R.L., Markiza-Slovakia, spol. s r.o., CME Slovak Holdings B.V, Pro Plus d.o.o., Pop TV d.o.o. and RTL Hrvatska d.o.o. and the 94% of shares of CME Bulgaria B.V. held by CME Media Enterprises B.V.

As at 31 December 2024 and 31 December 2023, shares of PPF TMT Holdco 1 B.V., PPF Finco B.V. and Tanemo a.s. and some of their receivables were pledged as security for their financial indebtedness.

E.39.2. Other contingencies

E.39.2.1. Litigations

The Group (as a former sole shareholder of Česká pojišťovna a.s.) was involved in litigation (formally consisting of five disputes merged procedurally into one) in which the adequacy of the consideration paid to minority shareholders arising from the decision of the general meeting of Česká pojišťovna a.s. adopted in July 2005 approving a squeeze-out of minority shareholders, is being challenged in court. On 13 June 2016, the Municipal Court in Prague fully dismissed the action of the ex-minority shareholders, however, some of them have appealed against the dismissal to the High Court in Prague. On 31 March 2022 the High Court decided to repeal first instance judgment and returned the case back to the Municipal Court in Prague for further proceedings. On 6 June 2023 the Municipal Court in Prague approved procedural succession on side of ex-minority shareholders whereby all of them were replaced by one successor. On 31 July 2023 the court held hearing without any decision. On 13 December 2023 the Municipal Court in Prague fully dismissed the claims of the plaintiff (successor of the ex-minority shareholders) and confirmed that the consideration paid to the minority shareholders was adequate. In March 2024 the plaintiff filed its appeal against this decision to the High Court in Prague. The High Court in Prague dismissed the appeal and confirmed the decision of the Municipal Court in Prague on 12 November 2024. Given that the plaintiff did not file an extraordinary appeal against the decision of the High Court in Prague, the entire dispute was finally concluded in favour of the defendant (the Group).

The Group (through its subsidiary PPF A4 B.V.) is involved in litigations connected to a squeeze-out of minority shareholders in CETIN a.s., approved by general meeting of this company on 3 December 2015. Several former minority shareholders filed their actions with the relevant court and asked the court to decide on adequate consideration (i.e., higher than that originally paid by PPF A4 B.V.) for their shares in CETIN. The first hearings took place in March and May 2018. On 3 April 2019, the court appointed its own expert to assess whether the consideration paid by PPF A4 B.V. was adequate or not with no conclusion by the date of the issue of these consolidated financial statements. On 19 April 2021 the court decided to appoint another expert to review and revise previous expert reports. The expert has been appointed on 21 July 2021 and delivered its expert opinion dated 20 July 2023; its conclusions fully support position of the Group. In March 2024, some plaintiffs filed an appeal against the Municipal Court's decision on the amount of the expert's fee; the High Court in Prague has not yet ruled on this appeal and the proceedings on the merits are therefore suspended.

The Group (through its subsidiary PPF Telco B.V.) is involved in litigations connected to a squeeze-out of minority shareholders in O2 Czech Republic a.s., approved by general meeting of this company on 26 January 2022. In the first half of 2023, the Group was informed that several former minority shareholders filed their actions with the relevant court and asked the court to decide on adequate consideration (i.e., higher than that originally paid by PPF Telco B.V.) for their shares in O2 Czech Republic a.s. The Group rejected these claims as ungrounded and proposed to the court to dismiss the actions. On 10 October 2024, the first hearing took place, where experts who were preparing expert opinions for the parties to the dispute were questioned.

Based on the analyses carried out by external advisors, management believes that it is unlikely that any of the cases above will be concluded in favour of the plaintiffs.

The following legal cases related to O2 CZ are significant from the Group's perspective:

On 28 March 2011, VOLNÝ, a.s. ("VOLNÝ") filed a legal action with the Municipal Court in Prague against O2 CZ for an amount exceeding EUR 154 million for an alleged abuse of a dominant position on the market of Internet broadband connection provided to households via ADSL. VOLNÝ filed the legal action to coincide directly with the opening of ÚOHS proceedings, which were closed by a decision in favour of O2 on 23 January 2019. The amount is meant to represent the lost profit for the years 2004 to 2010. VOLNÝ claims to have had 30% share in the dial-up Internet market in 2003 and, in its legal action, it implies that it should have automatically had the same result on the broadband market, which it did not. Allegedly, it was due to the margin squeeze applied by O2 CZ on the fix broadband market. O2 CZ replied to the petition in July 2011, noting that both the claim and the calculations submitted by the plaintiff were unsubstantiated and pointing out discrepancies in the petition claims. The court started the proceedings in the matter and hearings took place during the year 2013, including the hearings of witnesses and experts.

At the hearing held on 30 March 2016, the court considered the possibility of a revision expert opinion that would review the opinions filed by VOLNÝ and O2 CZ. VOLNÝ proposed an expert who turned out to be biased, and thus O2 CZ filed a protest. Subsequently, the court appointed another expert and defined a set of questions. The revision expert opinion confirmed O2 CZ's statement. The expert opinion stated that no anti-competition practice had been proved against O2 CZ. It also pointed out that O2 CZ was not in a dominant position on the market of internet broadband connections. After hearing the appointed independent expert, the Municipal Court in Prague dismissed the legal action by VOLNÝ in full. The court concluded that O2 CZ had not breached any competition rules and thus could not have caused any damage to VOLNÝ. The decision was delivered in June 2018. The plaintiff filed an appeal and applied for court fee relief. The Municipal Court in Prague and the High Court in Prague granted the plaintiff a 50% court fee relief. The ÚOHS's decision of 23 January 2019 was submitted to the court and confirmed O2 CZ's consistent position in the civil dispute and the correctness of the first instance dismissal of the legal action.

In September 2020, the High Court in Prague delivered a confirmatory judgment, which came into legal force on 26 November 2020. The High Court awarded O2 CZ the full reimbursement of the costs of the proceedings. VOLNÝ filed an extraordinary appeal to the Supreme Court. In July 2022, the Supreme Court annulled the previous decisions for procedural reasons and returned the case for further proceedings. Following reiteration of certain evidence and update to the original expert opinion the Municipal Court in Prague issued a judgment in November 2023 in which it again completely rejected the lawsuit as unjustified and awarded O2 CZ compensation for the costs of the proceedings. The plaintiff filed an appeal against the decision while no significant actions took place either by the end of 2023 or 2024.

Dispute with Mr Kocner and Mr Rusko related to CME Group represents a significant legal case from the Group's perspective:

In the fourth quarter of 2016, the Slovak subsidiary MARKIZA-SLOVAKIA, spol. s.r.o. ("Markiza") was notified of claims that were filed in June 2016 in a court of first instance in Bratislava, the Slovak Republic to collect amounts allegedly owing under four promissory notes that have a collective face value of approximately EUR 69.0 million. These four promissory notes were purportedly issued in June 2000 by Pavol Rusko in his personal capacity and were purportedly guaranteed by Markiza under the signature of Mr. Rusko, who was an executive director of Markiza at that time as well as one of its shareholders. Two of the notes purport to be issued in favour of Marian Kocner, a controversial Slovak businessman, and the other two to a long-time associate of Mr. Kocner. Markiza has never believed the notes were signed in June 2000 or that any of the notes were authentic and has vigorously defended the claims in civil proceedings and filed a criminal compliant with special prosecutor in Slovakia in May 2018. Special prosecutor has charged both Mr. Kocner and Mr. Rusko in June 2018 with counterfeiting, falsification and illegal production of securities and obstruction of justice. As a result of the criminal proceedings, in February 2020, both Mr. Kocner and Mr. Rusko were convicted and sentenced to 19 years in prison each. The civil proceedings (which were previously suspended until a final decision in the criminal proceedings was issued) regarding two of the promissory notes were already dismissed and Markiza expects to receive the confirmation of dismissal of the remaining two cases of the other two promissory notes as well.

No provision has been created with respect to the legal disputes discussed above. The Group believes that all litigation risks have been faithfully reflected in the consolidated financial statements.

E.39.2.2. Taxation

The taxation systems in India, Kazakhstan, Vietnam, China (until 31 December 2024), and some other countries of operations are relatively new and are characterized by frequent changes in legislation which are subject to varying interpretation by different tax authorities. Taxes are subject to review and investigation by a number of authorities, which have the authority to impose severe fines, penalties and interest charges. A tax year remains open for review by the tax authorities during several subsequent calendar years. Recent events within the India, Kazakhstan and Vietnam and some other countries of operations suggest that the tax authorities are taking a more assertive position in their interpretation and enforcement of tax legislation.

In the respective countries, the facts mentioned above may create tax risks that are substantially more significant than in other countries. Management believes that it has provided adequately for tax liabilities based on its interpretations of applicable Indian, Kazakh, Vietnamese and other countries' tax legislation, official pronouncements, and court decisions.

E.39.3. Off-balance sheet assets

Off-balance sheet assets were as follows:

In millions of EUR

	31 December 2024	31 December 2023
Value of assets received as collateral (including repos)	8,321	5,026
Loan commitments received	1,342	768
Programming assets	295	291
Guarantees accepted	173	185
Other	850	946
Total off-balance sheet assets	**10,981**	**7,216**

Other off-balance sheet assets represent primarily bank guarantees issued by various banks for Škoda Group's projects.

E.40. Related parties

E.40.1. Identity of related parties

The Group has a related party relationship with its associates, joint ventures (together as "equity-accounted investees") and non-consolidated subsidiaries.

Furthermore, the key management personnel of the Group and their close family members; other parties which are controlled, jointly controlled, or significantly influenced by such individuals, and the entities in which such individuals hold significant voting power are also considered related parties.

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

E.40.2. Transactions with governing bodies and executive officers

For the year ended 31 December 2024 and 2023, key management personnel were provided with benefits as follows:

In millions of EUR, for the year ended 31 December

	2024	2023
Board of directors of the Parent Company	0.4	0.4
Supervisory board of the Parent Company	0.1	0.1
Key executive officers*	210	87

*For the year ended 2024, incl. the CEO bonus (see the below paragraphs in this note).

These benefits consist mainly of short-term fixed and variable salaries, incentive bonuses, contributions to pension and insurance plans granted by PPF Group. As at 31 December 2024, key management remuneration deferred as long-term was EUR 24 million (2023: EUR 21 million).

The Group's CEO was granted an extraordinary bonus of EUR 131 million for his decisive contribution to the significant transactions completed during the year ended 31 December 2024 (refer to B section). The bonus was recognised as personnel expenses in the consolidated statement of income for the year ended 31 December 2024.

E.40.3. Transactions with equity-accounted investees

During the year, the Group had the following significant arm's length transactions with the equity-accounted investees:

In millions of EUR, for the year ended 31 December

	2024	2023
Telecommunications revenues	23	8
Fee and commission income	15	15
Interest income	8	9
Media income	6	-
Other income	4	2
Net impairment gains on loans to customers	2	6
Mechanical engineering income	1	-
Net gain on financial assets	-	9
Total revenues	**59**	**49**
Net loss on financial assets	(8)	-
Telecommunications costs	(3)	(1)
Interest expense	(2)	(2)
Fee and commission expense	(1)	-
Mechanical engineering costs	(1)	(2)
Other operating expenses	(5)	(1)
Total expenses	**(20)**	**(6)**

At the reporting date, the Group had the following balances with equity-accounted investees:

In millions of EUR

	31 December 2024	31 December 2023
Loans due from customers (gross amounts)	100	132
Loans due from customers (loss allowances)	*(46)*	*(36)*
Investment securities and derivatives	30	43
Trade and other receivables	22	3
Cash and cash equivalents	2	2
Other assets	6	-
Loans and receivables due from banks and other financial institutions	-	2
Total assets	**114**	**146**
Liabilities due to non-banks	(166)	(49)
Contract liabilities	(16)	-
Financial liabilities at FVTPL	(13)	(14)
Trade and other payables	(12)	(2)
Liabilities due to banks and other financial institutions	(5)	(5)
Total liabilities	**(212)**	**(70)**

E.40.4. Other related parties including key management personnel

During the year, the Group had the following significant transactions at arm's length with other related parties:

In millions of EUR, for the year ended 31 December

	2024	2023
Interest income	8	18
Net impairment gains on financial assets	3	4
Net gain on financial assets	1	5
Other income	2	2
Total revenues	**14**	**29**
Other operating expenses	(24)	(7)
Interest expense	(4)	(3)
Fee and commission expense	(1)	-
Media expense	(1)	-
Total expenses	**(30)**	**(10)**

During 2024, the Group further provided donations amounting to EUR 17 million (2023: EUR 24 million) to foundations classified as related parties.

At the reporting date, the Group had the following balances with other related parties:

In millions of EUR

	31 December 2024	31 December 2023
Loans due from customers (gross amounts)	30	216
Loans due from customers (loss allowances)	*-*	*(4)*
Investment securities and derivatives	27	-
Other assets	1	-
Total assets	**58**	**212**
Liabilities due to non-banks	(161)	(206)
Trade and other payables (incl. lease liabilities)	(16)	-
Debt securities issued	(1)	-
Total liabilities	**(178)**	**(206)**

The immediate holding company and the ultimate parent of PPF Group N.V. is AMALAR HOLDING s.r.o. which owns directly and indirectly together 90% of its ordinary shares and is based in the Czech Republic. The ultimate controlling party is Mrs Kellnerová.

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 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.

F.1.2. Financial assets and liabilities

Regarding the Group's diverse activities, the Group, in general, recognises all IFRS 9 financial assets classes: financial assets at FVTPL, financial assets at FVOCI, and financial assets at AC based on the business model in which a financial asset is managed (for more details on the business models the Group applies refer to F.1.2.1).

For regular purchases and sales of financial assets, the Group's policy is to recognise the transactions applying the 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 the settlement date accounting.

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 the 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 the 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, maximising 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.

All Group's retail loans and certain fixed-rate corporate loans contain prepayment features. A prepayment feature is consistent with the SPPI criterion if the prepayment amount substantially represents any unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. In addition, a prepayment feature is treated as consistent with this criterion if a financial asset is acquired or originated at a premium or discount to its contractual par amount, the prepayment amount substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination), and the fair value of the prepayment feature is insignificant on initial recognition.

F.1.2.3. Financial assets at FVTPL

Financial assets held for trading include investments and certain purchased loans and derivative contracts that are not designated as effective hedging instruments. All trading derivatives in a net receivable position (positive fair value), as well as options purchased, are reported as trading financial assets. All trading derivatives in a net payable position (negative fair value), as well as options written, are reported as financial liabilities at FVTPL.

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

F.1.2.4. Financial assets at AC

Financial assets at AC comprise cash and cash equivalents, loans and receivables due from banks and other financial institutions, loans due from customers, trade receivables and accrued income, and certain investment debt securities.

F.1.2.5. Financial assets at FVOCI

Financial assets at FVOCI comprise equity and debt securities. Both equity and debt securities, are initially measured at fair value plus eligible transaction costs.

For equity securities that are not held for trading the Group on initial recognition may irrevocably elect to present subsequent any changes in fair value in OCI. This election is made on an investment-by-investment basis.

For debt securities that are not held for trading, the Group on initial recognition may irrevocably elect to present a subsequent change in fair value in FVTPL if, and only if, such designation eliminates or significantly reduces a measurement or recognition inconsistency. This election is made on an investment-by-investment basis.

F.1.2.6. Trade receivables

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

F.1.3. Derecognition of financial assets and liabilities

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

F.1.4. Derivatives and hedge accounting

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

The Group has elected, as an accounting policy choice under IFRS 9, to continue to apply the hedge accounting requirements of IAS 39. Hedging derivatives are derivatives that the Group uses to hedge against interest rate and foreign exchange rate risks to which it is exposed as a result of its financial market transactions. The Group designates a derivative as hedging only if the criteria set out under IFRS AS are met at the designation date, i.e., if, and only if, all of the following conditions are met:

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

Hedging derivatives are accounted for according to the type of hedging relationship, which can be one of the following:

- a hedge of an exposure to changes in fair value of a recognised asset or liability or an unrecognised firm commitment, or an identified portion of such an asset, liability, or firm commitment, that is attributable to a particular risk and that could affect profit or loss (fair value hedge); or
- a hedge of an exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction and that could affect profit or loss (cash flow hedge).

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

On this basis, the Group hedges the interest rate risk and foreign currency risk associated with selected portfolios of assets or liabilities or individually significant assets or liabilities. The effectiveness of the hedge is regularly tested through prospective and retrospective tests on a quarterly basis. If the hedge no longer meets the criteria for hedge accounting, the hedging instrument expires or is sold, terminated, or exercised, the entity revokes the designation, and the hedge accounting is discontinued prospectively.

Financial derivatives representing economic hedges under the Group's risk management positions but not qualifying for hedge accounting under the specific rules of IAS 39 are treated as derivatives held for trading.

F.1.5. Repurchase agreements

The Group enters into purchases (sales) of investments under agreements to resell (repurchase) substantially identical investments at a certain date in the future at a fixed price (repos). Investments purchased subject to commitments to resell them at future dates are not recognised. The amounts paid are recognised in loans to either banks or non-banks. The receivables are shown as collateralised by the underlying security. Investments sold under repos continue to be recognised in the statement of financial position and are measured in accordance with the accounting policy relevant for the appropriate business model. The proceeds from the sale of the investments are reported as liabilities to either banks or non-banks.

The difference between the sale and repurchase considerations is recognised on an accrual basis over the period of the transaction and is treated as interest.

F.1.6. Impairment

F.1.6.1. 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:

- loans and receivables due from banks and other financial institutions;
- loans due from customers;
- trade receivables and accrued income;
- cash and cash equivalents;
- debt instruments at FVOCI;
- lease receivables; and
- loan commitments and financial guarantee contracts issued (previously, impairment was measured under IAS 37 Provisions, Contingent Liabilities and Contingent Assets).

No impairment loss is recognised on equity investments.

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

Credit impaired financial assets

At each reporting date, the Group assesses whether financial assets are credit-impaired (referred to as Stage 3 financial assets). The Group classifies financial asset as credit-impaired when it exceeds 90 days past due.

The Group also considers other events that can have a detrimental effect on the estimated future cash flows of the financial asset resulting in credit-impaired classification. Examples of these events are:

- significant financial difficulty of the borrower or issuer;
- breach of contract such as a default; or
- probability that the borrower will enter bankruptcy or other financial reorganisation.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses and is measured as follows:

- financial assets that are not credit-impaired at the reporting date: the present value of all cash shortfalls - i.e. 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;
- financial assets that are credit-impaired at the reporting date: the difference between the gross carrying amount and the present value of estimated future cash flows;
- undrawn loan commitments: the present value of the difference between the contractual cash flows that are due to the Group if the commitment is drawn and the cash flows that the Group expects to receive from this commitment; and
- financial guarantee contracts: the present value of the expected payments to reimburse the holder less any amounts that the Group expects to recover.

Inputs into measurement of ECLs

In general, the key inputs into the measurement of ECLs are probability of default (PD), loss given default (LGD) and exposure at default (EAD). Alone or together, these parameters are derived from internally developed statistical models based on own historical data or derived from available market data.

Retail

For the retail portfolio, PD and EAD are usually estimated together using statistical models (a stochastic Markov chain-based model) based on internally compiled data. Where available, market data is also used to determine the PD for large corporate counterparties where there is not enough internally available data for statistical modelling.

LGD is estimated based on the history of recovery rates of claims against defaulted counterparties. It is calculated on a discounted cash flow basis using the effective interest rate as the discounting factor. For loans secured by retail property, loan-to-value (LTV) ratios are likely to be a key parameter in determining LGD and models will consider the structure, collateral, seniority of the claim, and recovery costs of any collateral that is integral to the financial asset.

For retail overdraft and credit card facilities and certain corporate revolving facilities that include both a loan and an undrawn commitment component, the Group measures ECLs over a period when the Group's ability to demand repayment and cancel the undrawn commitment does not limit the Group's exposure to credit losses to the contractual notice period. These facilities do not have a fixed term or repayment structure and are managed on a collective basis. The Group can cancel them with immediate effect, but this contractual right is not enforced in the normal day-to-day management but only when the Group becomes aware of an increase in credit risk at the facility level. This period is estimated considering the credit risk management actions that the Group expects to take and that serve to mitigate ECLs. These include a reduction in limits and the cancellation of the facility.

Where modelling of a parameter is carried out on a collective basis, the financial instruments are grouped based on shared risk characteristics, such as:

- instrument type;
- credit risk grade;
- collateral type;
- date of initial recognition;
- remaining term to maturity.

The grouping is subject to regular review to ensure that exposures within a particular group remain appropriately homogeneous.

For portfolios in respect of which the Group has limited historical data, external benchmark information is used to supplement the internally available data.

Non-retail – individual level

For individually significant financial assets, the parameters (PD, LGD and EAD) are – separately from those used for the collective basis – derived from statistical models created on the basis of available market data. Failure probability estimates are estimates at a certain date that are calculated on the basis of statistical rating models and assessed using the rating tools established for different categories of counterparties and exposures. Models created on the basis of available market data are periodically back-tested on internal historical data.

The migration of a counterparty or exposure between credit ratings results in a change in the estimate of the associated PD.

LGD is the amount of probable loss in the event of a default. For stage 1 and 2 exposures, the Group uses external comparative information to assess LGDs as it has insufficient observations and data to derive its own statistically significant LGDs based on an analysis of the Group's portfolio. For this reason, the Group bases its determination of LGD on the regulatory loss given default.

For stage 3 exposures, the Group uses the difference between the gross carrying amount of an asset and the present value of estimated future cash flow applying scenario probability weights to measure expected credit losses.

Forward-looking information

The Group incorporates forward-looking information (FLI) based on both external and internal sources into its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and – where possible – as part of the measurement of ECLs. External information used includes economic data and forecasts published by governmental bodies and monetary authorities in the countries where the Group operates, supranational organisations such as the Organisation for Economic Co-operation and Development (OECD) and the International Monetary Fund (IMF), commercial sources (such as Bloomberg or Thomas Reuters), and selected private sector and academic forecasters. Internal information then consists of both portfolio and vintage risk parameters and calibrated client scoring models and functions.

Retail

Depending on the availability of data and the credibility of its sources, the Group analyses historical data over the past 4 to 14 years to estimate the relationships between macro-economic variables and credit risk and credit losses. Key external drivers may include variables such as interest rates, unemployment rates, inflation rates, GDP growth rates, FX rates and other macroeconomic variables and their forecasts.

Each estimation of impact of macroeconomic forecast on provisioning (based on the latest data available from external sources) is also subject to an internal materiality threshold evaluation to avoid short-term fluctuation in provisioning volumes in cases where the impact of expected macroeconomic situation is considered not material. The materiality threshold is set up to be 2% of total provision for each respective Group Company and respective Reporting date.

Results are reviewed by the management and models are adjusted if, based on the management's opinion, the results do not fully capture the extent of recent credit or economic events.

The results are based on the latest macroeconomic forecast per country they operate in. The Group uses three scenarios with set weights for evaluation of the impact:

- base scenario – the development according to available macroeconomics forecasts.
- downside scenario – either based on worsening of the Base scenario, or based on percentile from historical development (depending on reliability of model results).
- upside scenario – either based on improving of the Base scenario, or based on percentile from historical development (depending on reliability of model results).

Scenario weights are set for each country in which the Group operates, and are set according to the latest expectations (the weight assigned to the base scenario is mostly 70%, the rest is being distributed among downside and upside scenarios) for each country based on the applicable facts and circumstances.

Non-retail – individual level

For the non-retail loans the Group defines also three economic scenarios:

- the baseline economic scenario, which is the Group's main scenario and is assigned the highest weight. This scenario is defined internally according to publicly available estimates of trends in key macroeconomic variables by relevant institutions, such as Oxford Economics, the Czech National Group, the IMF, the OECD, and consensus analyst estimates published by Bloomberg and Reuters;
- optimistic economic scenario;
- pessimistic economic scenario.

The last two scenarios are less likely. The Group monitors the up-to-datedness of macroeconomic scenarios at least on a quarterly basis. The scenarios and their weights applicable as at 31 December 2024 are shown in the table below:

	Weight as at 31 December 2024	Weight as at 31 December 2023	2025	2026	2027
Czech Republic – GDP growth					
Baseline scenario	50%	50%	2.5%	2.4%	2.5%
Optimistic scenario	1%	1%	3.7%	4.3%	3.8%
Pessimistic scenario	49%	49%	(4.4%)	1.8%	1.9%
World – GDP growth					
Baseline scenario	50%	50%	3.2%	3.0%	3.0%
Optimistic scenario	1%	1%	4.3%	4.7%	4.5%
Pessimistic scenario	49%	49%	(1.3%)	2.8%	2.0%

The resulting estimated credit losses then reflect expected development of gross domestic product in the three scenarios above.

On the strength of data availability and resource credibility, the Group uses historical data analysis to estimate the relationships between macroeconomic variables and probabilities of default that are used to measure expected credit losses.

The Group considers the change in the GDP of the Czech Republic and the change in world GDP as key variables explaining the changes in the historical probability of default. For exposures of clients who account in accordance with Czech accounting standards and whose business risk lies in the Czech Republic, the Group uses change in GDP of the Czech

Republic for PD estimates. For other client's exposures, the Group uses the change in the world GDP as an explanatory variable.

For risks that were not factored into the macroeconomic model, the Group recognised additional allowances ("management overlay"). The Group resorted to management overlay to individually significant loans at the end of third quarter of the year 2022 for the first time. In making management overlays, the Group relies on the regular quarterly stress testing of its loan portfolio, the management overlay amount being based on the expected additional loss on the loan portfolio under a slight stress scenario. Management overlays are remeasured on a quarterly basis.

Credit risk grades

The Group allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of default and applying experienced credit judgement. The Group uses these grades to identify significant increases in credit risk. Credit risk grades are defined using qualitative and quantitative factors that are indicative of the risk of default. These factors may vary depending on the nature of the exposure and the type of borrower.

Each exposure is allocated to a credit risk grade upon initial recognition based on available information about the borrower. Exposures are subject to ongoing monitoring, which may result in an exposure being moved to a different credit risk grade.

Credit risk grades and client's score are primary inputs into the determination of the probability of default (PD) development for exposures. The Group collects performance and default information about its credit risk exposures analysed by jurisdiction, by type of product and borrower and by credit risk grading. For some portfolios, information purchased from external credit reference agencies may also be used.

The Group employs statistical models to analyse the collected data and generate estimates of the remaining lifetime PD of exposures and how these are expected to change over time.

Group's internal credit risk grades

The Group uses internal credit risk grades for provided debt instruments and loans. The table below indicates how the Group's internal credit risk grades relate to the external long-term ratings used by Moody's rating agency:

Internal rating	External rating
Very low risk	Aaa-Aa
Low risk	A-Baa
Medium risk	Ba-B
High risk	Caa-Ca
Default	C and lower

Determining whether credit risk has significantly increased

The Group considers historical experience, expert credit assessment, forward-looking information, and other relevant reasonable and supportable information.

Retail

The criteria may vary by portfolio and include a backstop based on delinquency. As a backstop, the Group presumptively considers that a significant increase in credit risk occurs no later than when an asset is more than 30 days past due. The Group determines days past due by counting the number of days since the earliest elapsed due date in respect of which full payment – subject to materiality threshold – has not been received.

The Group deems the credit risk of a particular exposure to have increased significantly since initial recognition if since initial recognition the remaining lifetime PD is determined to have increased more than is defined for the respective exposure class.

The qualitative criteria utilized for assessment of EV may include, e.g., external data on clients' ability to repay (insolvency/bankruptcy registers and similar locally available data sources), distressed restructuring/forbearance measures evidence, etc.

Assessing whether credit risk has increased significantly since initial recognition of a financial instrument requires identifying the date of the initial recognition of the instrument. For certain revolving facilities (e.g., credit cards and overdrafts), the date of their first use could have been a long time ago. Modifying the contractual terms of a financial instrument may also affect this assessment.

In certain instances, using its expert credit judgement and, where possible, relevant historical experience, the Group may determine that an exposure has undergone a significant increase in credit risk if particular qualitative factors indicate this and if those indicators may not be fully captured by its quantitative analysis on a timely basis.

The Group monitors the suitability of the criteria used to identify significant increases in credit risk by regular reviews to confirm that results of assessment are compliant with IFRS 9 and internal guidelines and settings.

Non-retail – individual level

For individually significant financial assets, the Group primarily identifies whether a significant increase in credit risk has occurred for an exposure by comparing:

- the credit risk as at the reporting date; with
- the credit risk that was estimated on initial recognition of the exposure.

As for the corporate loan portfolio, the Group considers there to have been a significant increase in credit risk since initial recognition if:

- the credit internal rating has deteriorated by two or more notches since initial recognition and the current credit rating is outside the range A1 to A4 (for the internal credit ratings see above)
- the receivable or part thereof is more than 30 days past due;
- the current credit rating has deteriorated by at least one notch since initial recognition and the client has been assigned a credit rating of C1;
- the exposure has been designated as a exposure with forbearance;
- the exposure in the regime of increased monitoring (so called „pre-workout“);

- and individual assessment has been performed by the Head of the Credit Risk Management Department, who, on the basis of available information, has determined that the receivable exhibits signs of an increased credit risk.

As for the debt securities and other assets, the Group considers there to have been a significant increase in credit risk since initial recognition if:

- the credit internal rating has deteriorated by two or more notches since initial recognition and the current credit rating is outside the range A1 to A4 (for the internal credit ratings see above)
- the receivable or part thereof is more than 30 days past due;
- the current credit rating has deteriorated by at least one notch since initial recognition and the client has been assigned a credit rating of C1;
- an individual assessment has been performed by the Head of the Credit Risk Management Department, who, on the basis of available information, has determined that the receivable exhibits signs of an increased credit risk.

Definition of default

The Group considers a financial asset to be in default when there is available information that:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the borrower is more than 90 days past due on the respective significant credit obligation to the Group. Overdrafts are considered past due once the customer has breached an advised limit or been advised of a limit that is smaller than the current amount outstanding.

In assessing whether a borrower is in default, the Group considers indicators that are:

- qualitative: e.g. breaches of covenant;
- quantitative: e.g. overdue status; and
- based on data developed internally and obtained from external sources (e.g. insolvency or bankruptcy loan registers).

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

Modified financial assets

The contractual terms of a loan may be modified for a number of reasons, including changing market conditions, customer retention and other factors not related to the current or potential credit deterioration of the customer.

The Group renegotiates loans to customers in financial difficulties (referred to as ‘forbearance activities’) to maximise collection opportunities and minimise the risk of default. Under the Group’s forbearance policy, loan forbearance is granted on a selective basis if the debtor is currently in default on its debt or if there is a high risk of default, there is evidence that the debtor made all reasonable efforts to pay under the original contractual terms and the debtor is expected to be able to meet the revised terms.

The revised terms usually include extending the maturity, changing the timing of interest payments and amending the terms of loan covenants.

When the contractual terms of a financial asset are modified and the modification does not result in derecognition, the Group determines if the financial asset's credit risk has increased significantly since initial recognition by comparing:

- the remaining lifetime PD estimated based on data at initial recognition and the original contractual terms; with
- the remaining lifetime PD at the reporting date based on the modified terms.

When a financial asset is modified, the Group assess whether this modification results in derecognition. In accordance with the Group's policy, a modification results in derecognition when it gives rise to substantially different terms. To determine if the modified terms are substantially different from the original contractual terms the Group considers both qualitative (such as SPPI criterion, change in currency, change in counterparty, maturity, covenants) and quantitative (such as comparison of present values of the remaining contractual cash flows under the original terms with the contractual cash flows under the modified terms) factors.

Forbearance

Generally, forbearance is a qualitative indicator of default and credit impairment. Expectations of forbearance are relevant in assessing whether there is a significant increase in credit risk.

Following forbearance, a customer needs to demonstrate consistently good payment behaviour over a period of time before the exposure is no longer considered to be in default/credit-impaired or the PD is considered to have decreased for the loss allowance to revert to being measured at an amount equal to 12-month ECLs.

Write-offs

Loans and debt securities are written off when the Group has no reasonable expectations of recovering the financial asset (in neither its entirety nor a portion of it). This is the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Group may also apply enforcement activities to financial assets being written off. Recoveries resulting from the Group's enforcement activities will result in impairment gains.

Presentation of allowances for ECL in the financial statements

Loss allowances for ECL are presented in the statement of financial position as follows:

- for financial assets measured at AC: as a deduction from the gross carrying amount of the assets;
- for debt instruments measured at FVOCI: no loss allowance is recognized in the statement of financial position as the carrying amount is at fair value. However, the loss allowance is included as part of the revaluation amount in the investment revaluation reserve;
- for loan commitments and financial guarantee contracts: as a provision; and
- where a financial instrument includes both a drawn and an undrawn component, and the Group cannot identify the ECL on the loan commitment component separately from those on the drawn component: the Group presents a combined loss allowance for both components. The combined amount is presented as deduction from the gross carrying

amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision.

F.1.6.2. Non-financial assets

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

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

F.1.7. 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 in “property, plant and equipment”, i.e., on the same line item on which it presents underlying owned assets of the same nature.

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 increased by the interest cost on the lease liability and decreased by lease payments made. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or, as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The Group has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease terms and significantly affects the amount of lease liabilities and the recognised right-of-use assets.

The Group presents lease liabilities in “Trade and other payables” in the consolidated statement of financial position. For details refer to E.18.

The Group applies the exemption relating to the short-term leases for all its businesses (except for telecommunications, for which application of this exemption was assessed as not appropriate), and does not capitalise leases with lease term of 12 month or shorter (for telecommunications these short-term leases are capitalised). Regarding the leases with a low-value underlying asset the Group applies this practical expedient as well. Low-value tangible assets like copy machines (below EUR 5 thousand) are not required to capitalise. The Group has also outscoped the leased intangible assets from capitalisation, as allowed by IFRS 16. For all its businesses, the Group does not separate non-lease components and capitalises them as lease payments (except for the finance business for which the non-lease components (like cleaning and maintenance) are separated and not capitalised as lease payments).

F.1.8. Inventories

Costs of inventories include the purchase price and related costs of acquisition (transport, customs duties and insurance). The cost of inventory is determined using weighted average cost.

Trading property is a special kind of inventory comprising land and buildings constructed or acquired by the Group for future sale. Trading property is measured at the lower of cost and net realisable value.

F.1.9. Assets held for sale

Assets (or disposal groups comprising assets and liabilities) expected to be recovered primarily through sale rather than through continuing 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 allocated to assets and liabilities on a pro rata basis, except that no loss is allocated to inventory, financial assets, deferred tax assets, employee benefit assets, investment property and biological assets; these continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and any 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.1.10. Investment property

Investment properties are properties that are held either to earn rental income or for capital appreciation or for both. A property owned by the Group is treated as an investment property if it is not occupied by a Group company or if only an insignificant portion of the property is occupied by a Group company.

Subsequent to initial recognition all investment properties are measured at fair value. The fair value is determined annually based on appraisals by an independent external expert or based on internal valuations in the case of projects with immaterial value.

The external valuations are always obtained from leading market experts such as Colliers International, Cushman & Wakefield or CBRE. All the valuation reports are based on a generally worldwide accepted RICS (Royal Institute of Chartered Surveyors) valuation methodology, which is one of the best methods used to obtain the fair market valuation of the given property, especially in the absence of any actual transactions. All the valuation reports produced by external experts are then subject to several rounds of discussions and challenges before the final figures are obtained and agreed.

When the Group applies internal valuations the fair value of investment property is determined using the discounted cash flow or comparable method. Such valuations require the use of judgment and assumptions about future market conditions.

Property that is being built or developed for future use as investment property is classified as investment property and recognised at fair value. In case the fair value is not reliably determinable, the investment property under construction is measured at cost until either its fair value becomes reliably determinable, or construction is complete.

Any gain or loss arising from a change in fair value is recognised in the income statement. Rental income from investment property is accounted for over the lease term.

When an item of property, plant and equipment becomes an investment property following a change in its use, any gain arising at the date of transfer between the carrying amount of the item and its fair value, and the related deferred tax thereon, is recognised directly in equity. Upon disposal of the item, the gain is transferred to retained earnings. Any loss is recognised in the income statement immediately.

Subsequent expenditures relating to investment properties are capitalised if they extend the useful life of the assets; otherwise, they are recognised as an expense.

F.1.11. Property, plant and equipment

Property, plant and equipment is stated at the 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 an asset to the working condition for its intended use. With respect to the construction of a 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 gain or loss on the 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 20 years

Component parts of an asset that have different useful lives or provide 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.1.12. Intangible assets and goodwill

F.1.12.1. Goodwill and gain on bargain purchase

The Group accounts for all business combinations, except those determined to be reorganisations involving group companies under common control (refer to A.4) as acquisitions.

F.1.12.2. Trademarks

Trademarks that were acquired separately are initially measured at cost, while trademarks acquired through a business combination are measured at fair value. Trademarks with finite useful life are amortised on a straight-line basis over their useful life. Trademarks with infinite useful life are not amortised but they are tested for impairment annually or whenever there is an indication that the trademark may be impaired.

F.1.12.3. Other intangible assets

Other intangible assets, including software, licences and customer relationships, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses. Such categories of assets with finite useful lives are amortised on a straight-line basis. The estimated useful lives are as follows:

Software	up to 23 years
Trademark	indefinite/22 years
Licences	up to 20 years
Customer relationships	10-15 years
Other	up to 36 years

The amortisation 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.1.13. Programming assets

Programming assets consist of programming (film and television licences) rights acquired from third parties and own-produced programming rights, which together form the majority of the Group's broadcast schedules. Programming rights related to contracted rights that are not yet available for immediate broadcast are presented as off-balance sheet programming assets.

F.1.13.1. Acquired programming rights

Acquired programming rights are recognised at their acquisition cost when the Group obtains control over the right, including when it reasonably expects that the right will generate future economic benefits, which is usually when the license period begins, and the programmes are available for broadcast.

The cost incurred to acquire programming rights is allocated to individual programmes on the basis of their relative value, which is often specified in the license agreement. Acquired programming rights are recognised as current assets, while the related liability is classified as current or non-current according to the payment terms of the license agreement.

F.1.13.2. Own produced programming rights

Own-produced programming rights consist of deferred film and television costs including direct costs, production overhead and development costs. The costs are stated at the lower of cost or net realisable value. Own-produced programming rights are recognised as current assets. The own-produced programming rights are intended primarily for exploitation on the Group's own channels and platforms.

F.1.13.3. Consumption of programming rights

The Group determines the expected number of runs and allocates the total cost of a programming right to each run based on the proportion of revenues expected to be earned for the specific run to the total expected revenues to be earned for the whole programme. The process for evaluating these revenues is tailored to the potential the Group believes a title has for generating multiple revenues. The programmes are expensed in a manner that reflects the pattern in which the benefits of the consumption of programming rights are received.

Accordingly, the estimates of future advertising and other revenues, and the future broadcasting schedules have a significant impact on the value of consumption of programming rights.

When the initial airing of a programme is expected to provide more value than any subsequent airings, the Group applies an accelerated method of amortisation. These accelerated methods of amortisation are based on historical data for similar programming. For content that is expected to be aired only once, the entire cost is expensed once the content is broadcast. For programming rights which are not advertising-supported, the programme's cost is expensed on a straight-line basis over the license period.

F.1.13.4. Impairment of programming rights

Programming rights are evaluated to determine if expected revenues to be earned broadcasting a programme, less additional costs to be incurred (including exploitation costs), are not lower than the book value of the programme. If the expected revenues are lower than the carrying value of the programme, the programming rights are written down to their net realisable value by recording an impairment charge. The net realisable value is assessed on a segment portfolio basis unless specific indicators of impairment are identified for individual titles. The impairment charges are presented as a component of consumption of programming rights in net media income (refer to F.1.21).

F.1.14. Income tax

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

F.1.14.1. 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.1.14.2. Deferred tax

A deferred tax position is recognised in cases 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.1.14.3. Tax exposure

The Group is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. 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 initially recorded, such differences will affect the income tax and deferred tax provisions in the period in which such determination is made.

F.1.15. Equity

F.1.15.1. Repurchase of share capital

When share capital recognised as equity is repurchased, the amount of the paid consideration, including directly attributable costs, is recognised as a change in equity. Repurchased shares are classified as treasury shares and are presented as a deduction from total equity.

F.1.15.2. 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 the part of the net results of the Group attributable to interests 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.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners, i.e., outside profit or loss.

F.1.15.3. *Purchase commitment for NCI's share*

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

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

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

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

- purchase commitment liability is recognised and subsequently measured at present value with the present value changes recognised directly in equity, presented in the reserve for puttable instruments;
- with the recognition of the above purchase commitment liability, any losses or gains are recognised directly in equity in the reserve for puttable instruments at initial recognition value of the purchase commitment liability;
- non-controlling interest continues to be recognised when the put option is granted;
- subsequently, non-controlling interest's share of profit or loss and other comprehensive income is recognised in a standard way as if no put option was granted;
- when the put option expires unexercised, the purchase commitment liability is derecognised at its present value as well as the accumulated reserve for puttable instruments. No difference between the derecognition value of the liability and the accumulated reserve for puttable instruments shall arise.

F.1.16. Interest income and interest expense

Interest income and interest expense are recognised in the income statement 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.1.17. Net fee and commission income

Fees and commission income and expenses that are integral to the effective interest rate on a financial asset or a financial liability are included in the measurement of the effective interest rate.

A contract with a customer that results in a recognised financial instrument in the Group's consolidated financial statements may be partially in the scope of IFRS 9 and partially in the scope of IFRS 15. If this is the case, the Group first applies IFRS 9 to separate the relevant part and measure that part of the contract that is in the scope of IFRS 9 in line with IFRS 9, and then applies IFRS 15 to the residual.

Other fees and commission income and expense relate mainly to transaction and service fees, which are recognised as the services are rendered or received.

The Group acts as an agent for insurance providers offering their insurance products to consumer loan borrowers (protection service). Commission income from this insurance represents commissions for such agency services received by the Group from such partners. It is not considered to be integral to the overall profitability of consumer loans because it is determined and recognised based on the Group's contractual arrangements with the insurance provider rather than with the borrower. The borrowers have an option to purchase the insurance service, but not obligation, while the interest rates for the borrowers are the same, no matter whether they used the option or not. The Group is not exposed to the insurance risk, which is entirely borne by the partner.

Commission income from insurance is recognised in profit or loss when the Group provides the agency service to the insurance company.

Commission income from insurance is recognised in profit of loss when the performance obligation is satisfied.

The Group recognises income over the time by measuring the progress towards the complete satisfaction of performance obligation, if one of the following criteria is met:

- the Group simultaneously receive and consumes the benefits provided by group performance as the Group performs;
- the customer controls the service provided by the Group in the course of performance or;
- the Group does not provide service with an alternative use to the Group, and the Group has an enforceable right to payment for performance obligation completed to date;
- in other cases, the Group recognises revenue at a point in time at which a customer obtains control on the provided services.

Penalty fee income is recognised on an accrual basis or on a cash basis. It depends on the collectability of the penalty. In the case the collectability of the penalty fee is approximately same as for other loan components (e.g., its principal), the Group books penalty on an accrual basis and recognises impairment loss allowance in the same way as for other components of the loan receivable. In the case the collectability of the penalty fee is worse than for other loan components (e.g., principal), the Group books the penalty fee income on a cash basis, i.e., when it is received on the Group's accounts eventually.

F.1.18. Net gain/loss on financial assets

Net gain/loss on financial assets comprises net trading income, net gains on financial assets at FVTPL that are not held for trading, net realised gains, and dividends.

Net trading income arises from the subsequent measurement of trading assets and trading liabilities at fair value or from their disposal. The amount of trading income to be recorded represents the difference between the latest carrying value and the sale price or between the latest carrying value and the fair value as of the date of the consolidated financial statements.

Net gains on financial assets at FVTPL that are not held for trading arise from their subsequent measurement at fair value or from their disposal.

A realised gain/loss arises on the de-recognition of financial assets other than financial assets at FVTPL. The amount of the realised gain/loss represents the difference between the carrying value of the financial asset and the sale price adjusted for any cumulative gain or loss directly recognised in equity.

Dividends from financial assets are recorded in the income statement once declared and approved by the shareholders’ general meeting of the respective company.

F.1.19. Net real estate income

Rental income is recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income. Rent increases calculated with reference to an underlying index are recognised in income as they are determined. Rental income from investment properties is included in the net rental income, while rental income from other operating leases is included in other income.

Property operating expenses include expenses directly attributable to rental income and other expenses related to investment property.

F.1.20. Net telecommunications income

Revenues and expenses are recognised on an accrual basis, i.e., when the flow of goods or services takes place, regardless of when the payment or collection is being made.

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

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

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

F.1.20.1. Mobile origination - internet and data, voice services, MMS and SMS

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

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

Revenues from prepaid cards are recognised when voice or data traffic is made, other services are provided, or the card expires, and the associated prepaid credit expires. Prepaid cards are paid by customers purchasing a coupon or recharging an already purchased SIM card.

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

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

F.1.20.2. Fixed services – voice, internet, data and television

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

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

F.1.20.3. Equipment sales and sale of other goods

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

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

F.1.20.4. Gross and net revenues recognition

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

F.1.20.5. International transit

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

F.1.20.6. Other wholesale revenues

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

F.1.21. Net media income

Media revenues include television advertising revenues, carriage fees and subscription and other revenues.

F.1.21.1. Television advertising revenues

Television advertising revenues primarily result from the sale of advertising time. Television advertising revenues are earned as the commercials are aired. In some of the Group's operating territories, the Group has committed to provide advertisers with certain rating levels in connection with their advertising. Revenues is recorded based on a charge per gross rating point (GRP) ordered during the month, net of estimated shortfalls. Discounts and agency commissions on television advertising revenues are recognised on a monthly basis and are reflected as a reduction of gross revenues.

F.1.21.2. Carriage fees

Carriage fees include revenues from cable operators and direct-to-home broadcasters. Revenues from cable operators and direct-to-home broadcasters are recognised as revenues over the period for which the channels are provided and to which the fees relate. This fee revenues is generally based on the number of subscribers to offerings from these operators and broadcasters that include the Group's channels. The impacts of future changes in subscriber levels are recognised when they occur, as estimates of future subscribers are constrained.

F.1.21.3. Subscription revenues

Subscription revenues include fees from subscribers for access to Voyo, the Group's platform. Revenues from subscriptions to the streaming services are recognised over the period of the subscription.

Other media revenues primarily include revenues from internet display advertising, as well as revenues from the licensing of the Group's media content.

Media revenues streams involve significant judgment with respect to the discounts and agency commissions provided to certain customers based on the amount of advertising purchased. Such discounts are based on estimates of the total amount expected to be earned and reduce revenues based on the systematic and rational allocation of the cost of honouring the discounts earned and claimed on each of the underlying revenues transactions that result in a customer's progress towards earning a discount.

Costs related to the media business include programming costs (consumption of programming rights, refer to F.1.13), salaries and staff related expenses, royalties, external services, and other operating costs.

F.1.22. Net mechanical engineering income

Revenues from mechanical engineering business, shown net of value added tax, comprise revenues from goods for resale, services rendered and revenues from mechanical engineering construction contracts (finished goods).

Revenues from goods for resale representing notably new rail vehicles and spare parts are recognised at a point in time, when the customer obtains control of the goods and to the extent that it is highly probable that a significant reversal in the amount of cumulative revenues recognised will not occur. The customer obtains control when the goods are delivered and accepted by the customer. Any relevant costs are recognised at the same time as the revenues.

For sales with multiple components in one contract, the Group determines whether the contract contains more than one transaction's performance obligation. Once certain criteria are met, for example the good brings benefit to the customer on its own, the Group applies recognition criteria for the distinct identifiable components in order to reflect the substance of the transaction. For the revenue recognition, two or more transactions can be analysed together, if it is not possible to understand their commercial substance without consideration of series of transactions as a whole, i.e. the unique transaction is not distinct within the context of the contract.

Revenues from services rendered and related costs are recognised at the moment the services are provided. For the long-term service contracts, the revenues and the associated costs are recognised over time based on the percentage of completion method.

F.1.22.1. Revenues from mechanical engineering construction contracts

Finished goods in mechanical engineering business represent specialised assets built to a customer's specifications. If a contract for these goods is terminated by the customer, the Group is, under usual contract terms, entitled to reimbursement of the costs incurred to date, including reasonable margin. Therefore, revenues from these contracts and the associated costs are recognised over time, i.e. before the goods are delivered to the customer's premises.

For the consolidation purposes (intercompany sales and purchases eliminations), the contract revenues and the associated costs are aggregated to the project level by the Group. The percentage of completion and related revenues and losses recognition is re-evaluated at the Group level.

F.1.23. Net leisure and entertainment business income

Net leisure and entertainment income consists mainly of the following categories of revenues:

- non-manufacturing revenues and costs, i.e. from sale of yacht chartering services and sale of boats, entertainment revenues and costs (from sale of tickets and catering for cultural and other entertainment or sports events);
- revenues and costs from boat manufacturing.

Revenues from yacht chartering services includes charter income and agency fees. Revenues from charters is recognised at return date, whereas agency fees are recognised at departure date when the services are realised. These revenues are recognised on an over time basis, in the accounting year in which the services are rendered (by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided).

Most of the revenues is derived from fixed price contracts and therefore the amount of revenues to be earned from each contract is determined by reference to those fixed price.

Sale of boats revenues is recognised at a point in time when control of the goods has been transferred to the customer. This is generally when the goods are delivered to the customer.

Costs related to leisure business comprise direct costs relating to charter services, rental of boats, commissions to brokers and costs attributable to yacht sales.

Entertainment revenues include revenues from sale of entrance tickets on own entertainment events, revenues from catering on the entertainment events, revenues from services provided on entertainment events. Entertainment costs include costs attributable to providing the entertainment events (i.e. catering, technical support of events, royalties related to the entertainment events, other services as security, cleaning etc.).

Revenues from boat manufacturing represent mainly revenues from sale of manufactured boats (which are transferred at a point in time) and costs related to boat manufacturing, i.e., raw materials consumed, employee costs, manufacturing expenses and other direct costs.

F.1.24. Personnel and other operating expenses

Personnel and other operating expenses generally include expenses relating to the running of the Group. These include personnel expenses, office rental expenses and other operating expenses. Staff costs include employees' salaries and wages, management remuneration and bonuses, and social insurance.

Within banking operations, other operating expenses include the costs of processing payments, maintaining customer accounts and records, and dealing with customers.

F.1.25. 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 employees' salaries is made by the Group to the governments to fund the national pension plans. Payments under these pension schemes are charged as expenses as they fall due.

The Group also has obligations from defined benefit plans representing post-employment benefit plans that are other than defined contribution plans. The Group's net obligation in respect of the defined benefit plans is calculated separately for each plan by estimating the amount of the future benefit that employees earned in the current and prior periods. The resulting amount is discounted to determine its present value. The Group recognises all actuarial gains and losses under the defined benefit plans in other comprehensive income.

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

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

F.1.26. Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographic area of the operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations;
- or is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held for sale.

When an operation is classified as a discontinued operation, the comparative statement of profit or loss and OCI is restated as if the operation had been discontinued from the start of the comparative period.

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

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

These amendments to IAS 1 affect only the presentation of liabilities in the statement of financial position — not the amount or timing of 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 settlement of a liability; and make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

These amendments had no 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 (effective from 1 January 2024)

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

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

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

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

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

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

A number of new standards, amendments to standards, and interpretations were not yet effective as of 31 December 2024 and have not been applied in the preparation of these consolidated financial statements. Of these pronouncements, the following might have a potential 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 (effective 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.

These amendments have been adopted by the EU and the Group is assessing the potential impact on its consolidated financial statements resulting from the application of these amendments.

Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) (effective 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.

Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7 (effective from 1 January 2026)

The International Accounting Standards Board (IASB) has issued targeted amendments to IFRS 9 and IFRS 7 to help companies better report the financial effects of nature-dependent electricity contracts, such as those for wind and solar power.

These contracts, often structured as power purchase agreements (PPAs), can vary based on uncontrollable factors like weather conditions. The amendments aim to:

- Clarify the 'own-use' requirements: This helps companies determine when these contracts should be accounted for as financial instruments,
- Permit hedge accounting: Companies can use these contracts as hedging instruments, which can help manage the risks associated with variable electricity generation,
- Add new disclosure requirements: These requirements enable investors to understand the impact of these contracts on a company's financial performance and cash flows.

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 Disclosures in Financial Statements (effective 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 standardising 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 (effective 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. Sale of Home Credit business in India

On 31 January 2025, the sale of the 100% share in Home Credit India Finance Private Ltd. was closed and the ownership title was transferred to a group of investors led by Indian conglomerate TVS Holdings Limited, in accordance with the Sale and Purchase Agreement relating to Home Credit India Finance Private Ltd. entered into on 10 May 2024 and amended on 28 January 2025. The share transfer was registered in the National Securities Depository of India on 31 January 2025.

G.2. Acquisition of Hilton Prague (the Czech Republic)

On 20 December 2024, the Group signed an agreement to acquire the 100% share in Atrium Hotel Praha, a.s. (formerly Quinn Hotels Praha, a.s.), a company that owns and operates Hilton Prague, a landmark hotel in the Czech capital with nearly 800 rooms and large conference venue premises. Hilton Prague was acquired from Quinn Group Luxembourg Hotels on 14 February 2025 after the customary regulatory approvals were obtained. Total cash consideration of EUR 270 million, comprising both debt refinancing and the share acquisition, is currently subject to completion accounts adjustments. After the closing of the transaction, the Group sold, through one of its subsidiaries, its 5% effective share in Hilton Prague to a related non-controlling partner for units of millions of EUR.

G.3. Acquisition of majority stake in US Gasworx project

On 31 January 2025, the Group diversified its footprint in the US property market with an investment into one of the phases of the Gasworx project, a mixed-use development in Tampa, Florida. This multi-phase project is a joint venture between Washington D.C.-based real estate company KETTLER Inc. and Tampa-based entrepreneur Darryl Shaw and will connect Tampa's historical Ybor City with Tampa's downtown districts, transforming a currently underused area through the provision of residential, retail and commercial properties. The Group joins the venture via its acquisition of a 90% stake in the current phase of the project for a cash consideration of USD 33 million (approx. EUR 32 million).

G.4. Swap agreement with MEF Holdings Limited

On 19 February 2025, the Group and MEF Holdings Limited (an investment group ultimately controlled by Mr. Šmejc, the CEO of PPF Group) entered into a swap agreement under which the Group exchanges the risks and rewards associated with its 2.7% share (out of a total of 50% less 1 share) in e& PPF Telecom Group B.V. and its 2.7% share (out of a total of 100%) in Yettel Bank a.d. Beograd for a fixed initial cash consideration of EUR 50 million. The contract expires in 2030, or if certain actions are taken and certain conditions are met.

G.5. Refinancing of term loan facilities

On 21 March 2025, the Group, through its subsidiary PPF TMT Holdco 2 B.V., signed a new term loan facility agreement of up to EUR 1,000 million. The facility was fully drawn, and the proceeds were primarily used to refinance term loan facilities of EUR 850 million assumed by PPF TMT Holdco 2 B.V. during the internal pre-closing restructuring (refer to E.15).

G.6. Acquisition of Four Seasons Hotel Prague (the Czech Republic)

On 31 March 2025, the Group agreed with Northwood Investors, a global real estate investment company, to acquire a 100% share in Four Seasons Hotel Prague, one of the most luxurious hotels in the Czech capital, through its subsidiary PPF Hospitality 2, s.r.o. in which the Group holds a 95% ownership. In April 2025, the Group agreed that a business partner shall effectively acquire a 30% share in the project immediately after the closing of the transaction. The acquisition transaction is subject to regulatory approval, and its closing is expected during the first half of 2025. The parties to the transaction have agreed not to disclose any further details.

G.7. Acquisition of additional share in ITIS Holding a.s.

In April 2025, together with the exercising of a call option entered in March 2025, the Group agreed to acquire an additional 45% share in ITIS Holding a.s. group, a leading provider of intelligent transport infrastructure and toll system solutions that as at 31 December 2024 represented one of the Group's equity-accounted joint venture projects (refer to E.8). The Group will increase its ownership from 50% to 95%, while its influence will increase from the significant to controlling. ITIS Holdings a.s. group will therefore become a subsidiary once the transaction, subject to customary regulatory approvals, is closed. The closing is expected during the forthcoming months. Total consideration for the acquisition will be approximately EUR 80 million (subject to closing accounts adjustments).

Other than the events listed above and in section B of these consolidated financial statements, the Group is not aware of any events occurring after the balance sheet date that would require an adjustment to these consolidated financial statements.

PPF GROUP N.V.

Company financial statements for the year ended
31 December 2024

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Company statement of financial position

Presented before appropriation of result:

In millions of EUR

	Note	31 December 2024	31 December 2023
FIXED ASSETS			
Financial fixed assets	A1	11,937	8,773
Total fixed assets		**11,937**	**8,773**
CURRENT ASSETS			
Trade receivables and other assets	A2	17	23
Cash and cash equivalents	A3	1,505	768
Total current assets		**1,522**	**791**
TOTAL ASSETS		**13,459**	**9,564**
SHAREHOLDERS' EQUITY			
Issued share capital		1	1
Share premium		677	677
Legal and statutory reserves		(229)	(334)
Revaluation reserve		154	163
Other reserves		8,559	6,907
Unappropriated result		3,188	1,355
Total equity	A4	**12,350**	**8,769**
NON-CURRENT LIABILITIES	A5	**812**	**509**
CURRENT LIABILITIES	A5	**297**	**286**
TOTAL EQUITY AND LIABILITIES		**13,459**	**9,564**

The notes on pages 206 to 215 are an integral part of these company financial statements.

Company statement of income

Presented in condensed version applying art. 2:402 BW of the Dutch Civil Code, before appropriation of profit:

For the year ended 31 December

In millions of EUR

	2024	2023
Result of group companies after taxation	3,412	1,375
Other results after taxation	(224)	(20)
NET RESULT FOR THE PERIOD	**3,188**	**1,355**

The notes on pages 206 to 215 are an integral part of these company financial statements.

GENERAL INFORMATION

These company financial statements of PPF Group N.V. (the "Company") should be read in conjunction with the consolidated financial statements.

Identification

PPF Group N.V. was incorporated on 29 December 1994. The objectives of the Company are to manage, finance and participate in other companies.

Basis for preparation

These company financial statements have been prepared in accordance with Title 9, Book 2 of the Dutch Civil Code. For setting the principles for the recognition and measurement of assets and liabilities and determination of results for its company financial statements, the Company makes use of the option provided in section 2:362(8) of the Dutch Civil Code (DCC). This means that the principles for the recognition and measurement of assets and liabilities and determination of the result (hereinafter referred to as principles for recognition and measurement) of the company financial statements of the Company are the same as those applied for the consolidated IFRS-EU financial statements. These principles also include the classification and presentation of financial instruments, being equity instruments or financial liabilities. In the case no other principles are mentioned, refer to the accounting principles as described in the consolidated financial statements. For an appropriate interpretation of these statutory financial statements, these company financial statements should be read in conjunction with the consolidated financial statements.

Participating interests in group companies

Group companies are all entities in which the Company has directly or indirectly control. The Company controls an entity when it is exposed, or has rights, to variable returns from its involvement with the group company and has the ability to affect those returns through its power over the group company. Group companies are recognised from the date on which control is obtained by the Company and derecognised from the date that control by the Company over the group company ceases. Participating interests in group companies are accounted for in the separate financial statements according to the equity method, with the principles for the recognition and measurement of assets and liabilities and determination of results as set out in the notes to the consolidated financial statements.

Participating interests with a negative net asset value are valued at nil. This measurement also covers any receivables provided to the participating interests that are, in substance, an extension of the net investment. This relates to loans for which settlement is neither planned nor likely to occur in the foreseeable future. A share in the profits of the participating interest in subsequent years will only be recognised if and to the extent that the cumulative unrecognised share of loss has been absorbed. If the Company fully or partially guarantees the debts of the relevant participating interest, or if has the constructive obligation to enable the participating interest to pay its debts (for its share therein), then a provision is recognised accordingly to the amount of the estimated payments by the Company on behalf of the participating interest.

Share of result from participating interests

The share in the result of participating interest consists of the share of the Company on the result of the participating interests. Unrealised results from transactions with transfer of assets and liabilities between the Company and its participating interests and among participating interests are not recorded.

The Company’s board of directors authorised these company financial statements for issue on 28 April 2025.

Currency

All amounts are stated in euros (EUR) and rounded to the nearest million, unless stated otherwise.

Going concern

These company financial statements have been prepared on the basis of the going concern assumption as described in section A.2 of the notes to the consolidated financial statements for the year ended 31 December 2024.

Corporate income tax

The Company is the head of the fiscal unity. The Company recognises the portion of corporate income tax that it would owe as an independent tax payer, taking into account the allocation of the advantages of the fiscal unity. The standard conditions stipulate that each of the companies is liable for the tax payable by all companies belonging to the fiscal unity.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

A.1 Financial fixed assets

Financial fixed assets comprise the following:

In millions of EUR

	31 December 2024	31 December 2023
Participating interests in group companies	11,875	8,719
Other securities	62	54
Total financial fixed assets	**11,937**	**8,773**

Movements in financial fixed assets were as follows:

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

2024	Participating interests in group companies	Other securities	**Total**
Balance as at 1 January 2024:			
Cost of acquisition	8,204	67	8,271
Accumulated revaluations	515	(13)	502
Carrying amount	**8,719**	**54**	**8,773**
Changes during the financial year:			
Investments into participating interests	6,888	-	6,888
Divestments of participating interests	(2,836)	-	(2,836)
Share in result of participating interests	3,412	-	3,412
Dividends received from participating interests	(4,811)	-	(4,811)
Interest income	-	2	2
Interest received	-	(2)	(2)
Other movements in shareholder's equity	503	8	511
Total changes	**3,156**	**8**	**3,164**
Balance as at 31 December 2024			
Cost of acquisition	12,256	67	12,323
Accumulated revaluations	(381)	(5)	(386)
Carrying amount	**11,875**	**62**	**11,937**

For the year ended 31 December 2024, the increase in investments and divestments of participating interests relate mainly to capital contributions provided to subsidiaries and capital distributions received from subsidiaries in connection with an internal restructuring related to a sale of the controlling stake in PPF Telecom Group B.V. Similarly, dividends received from participating interests increased mainly due the dividend of EUR 4,675 million from PPF TMT Holdco 1 B.V., a holding company for telecommunication businesses.

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

2023	Participating interests in group companies	Other securities	**Total**
Balance as at 1 January 2023:			
Cost of acquisition	7,384	143	7,527
Accumulated revaluations	134	(7)	127
Carrying amount	**7,518**	**136**	**7,654**
Changes during the financial year:			
Investments into participating interests	1,448	-	1,448
Divestments of participating interests	(628)	-	(628)
Share in result of participating interests	1,375	-	1,375
Dividends received from participating interests	(580)	-	(580)
Early redemption of bonds	-	(75)	(75)
Interest income	-	5	5
Interest received	-	(6)	(6)
Other movements in shareholder's equity	(414)	(6)	(420)
Total changes	**1,201**	**(82)**	**1,119**
Balance as at 31 December 2023			
Cost of acquisition	8,204	67	8,271
Accumulated revaluations	515	(13)	502
Carrying amount	**8,719**	**54**	**8,773**

A.2 Trade receivables and other assets

The trade receivables and other assets comprise the following:

In millions of EUR

	31 December 2024	31 December 2023
Loans due from group companies	12	10
Trade receivables	1	8
Other assets	4	5
Total trade receivables and other assets	**17**	**23**

As at 31 December 2024, the Company held a loan provided to a third party with its gross amount (incl. accrued interest) of EUR 128 million (2023: EUR 128 million) in Stage 3, as the counterparty has been in default with this loan. The Company has thoroughly assessed the recoverability of the loan considering all currently known information, the quality of the personal guarantee collateralising the loan, steps the Company has already made in the effort to collect the loan, and has considered various scenarios, their probabilities and related financial outcomes weighted by the probabilities. The Company keeps monitoring the situation while it was assessed that the previously recognised expected credit loss allowance of EUR 128 million was adequate as at 31 December 2024 (2023: EUR 128 million).

As at 31 December 2024, loans provided of EUR 12 million (2023: EUR 10 million) do not include any non-current part.

A.3 Cash and cash equivalents

As at 31 December 2024, cash and cash equivalents represented by balances on bank accounts and short-term deposits totalled EUR 1,505 million (2023: EUR 768 million). The balance of cash and cash equivalents is available and is not limited by any restrictions.

A.4 Shareholders' equity (Capital and reserves)

Reconciliation of movements in capital and reserves

The following tables show the roll-forward of shareholders' equity:

In millions of EUR

	Issued share capital	Share premium	Legal and statutory reserves	Revaluation reserve	Other reserves	Unappropriated result	Total
Balance as at 1 January 2024	**1**	**677**	**(334)**	**163**	**6,907**	**1,355**	**8,769**
Changes in financial year 2024:							
Net result	-	-	-	-	-	3,188	3,188
Currency translation differences	-	-	(164)	-	-	-	(164)
FVOCI revaluation gains taken to equity	-	-	(104)	-	-	-	(104)
FVOCI revaluation losses transferred to statement of income	-	-	5	-	-	-	5
FVOCI revaluation gains transferred directly to retained earnings	-	-	(34)	-	34	-	-
Cash-flow hedge – effective portion of changes in fair value	-	-	(8)	-	-	-	(8)
Cash-flow hedge – net change in fair value reclassified to profit or loss	-	-	(3)	-	-	-	(3)
Effect of movements in equity of equity-accounted investees*	-	-	85	-	-	-	85
Disposal and deconsolidation of subsidiaries**	-	-	295	-	-	-	295
Tax on items taken directly to or transferred from equity			13	-	-	-	13
Remeasurement and derecognition of conditional commitment to acquire NCI's share from puttable instruments	-	-	-	-	1,019	-	1,019
Transfer from Unappropriated result	-	-	-	-	1,355	(1,355)	-
Net allocation to legal and statutory reserves	-	-	3	-	(3)	-	-
Allocation of revaluation of Investment property	-	-	-	(7)	7	-	-
Investment property sold	-	-	-	(2)	2	-	-
Acquisition and sale of share (from)/to non-controlling interests	-	-	13	-	(623)	-	(610)
Dividends paid	-	-	-	-	(118)	-	(118)
Other	-	-	4	-	(21)	-	(17)
Balance as at 31 December 2024	**1**	**677**	**(229)**	**154**	**8,559**	**3,188**	**12,350**

*mainly relates to changes in translation reserve and hedge reserve, for more information refer to consolidated statement of changes in equity
**relates to the accumulated translation reserve

In millions of EUR

	Issued share capital	Share premium	Legal and statutory reserves	Revaluation reserve	Other reserves	Unappropriated result	Total
Balance as at 1 January 2023	**1**	**677**	**(111)**	**230**	**7,489**	**242**	**8,528**
Changes in financial year 2023:							
Net result	-	-	-	-	-	1,355	1,355
Currency translation differences	-	-	(186)	-	-	-	(186)
FVOCI revaluation losses taken to equity	-	-	72	-	-	-	72
FVOCI revaluation losses transferred to statement of income	-	-	2	-	-	-	2
FVOCI revaluation losses transferred directly to retained earnings	-	-	(36)	-	36	-	-
Cash-flow hedge – effective portion of changes in fair value	-	-	(35)	-	-	-	(35)
Cash-flow hedge – net change in fair value reclassified to profit or loss	-	-	2	-	-	-	2
Effect of movement in equity of equity-accounted investees*	-	-	(66)	-	-	-	(66)
Disposal and deconsolidation of subsidiaries**	-	-	26	-	-	-	26
Tax on items taken directly to or transferred from equity			2	-	-	-	2
Origination and subsequent remeasurement of conditional commitment to acquire NCI's share from puttable instruments	-	-	-	-	(169)	-	(169)
Transfer from Unappropriated result	-	-	-	-	242	(242)	-
Net allocation to/(from) legal and statutory reserves	-	-	2	-	(2)	-	-
Allocation of revaluation of Investment property	-	-	-	(54)	54	-	-
Investment property sold	-	-	-	(13)	13	-	-
Acquisition and sale of share (from)/to non-controlling interests	-	-	-	-	(71)	-	(71)
Dividends paid	-	-	-	-	(118)	-	(118)
Purchase of own treasury shares	-	-	-	-	(575)	-	(575)
Other	-	-	(6)	-	8	-	2
Balance as at 31 December 2023	**1**	**677**	**(334)**	**163**	**6,907**	**1,355**	**8,769**

*mainly relates to changes in translation reserve and hedge reserve, for more information refer to consolidated statement of changes in equity
**relates to the accumulated translation reserve

Dividends

In 2024, PPF Group N.V. distributed EUR 118 million as dividend to its shareholders (2023: EUR 118 million).

Issued capital and share premium

The issued capital represents 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 shareholder resolution. The following table provides details of authorised and issued shares:

	31 December 2024	31 December 2023
Number of shares authorised	2,500,000	2,500,000
Number of shares issued and fully paid	603,605	603,605
Par value per share	EUR 1	EUR 1

Share premium representing the excess received by the Company over the par value of its shares. As at 31 December 2024, share premium amounted to EUR 677 million (2023: EUR 677 million).

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

Company equity and related reserves

The total amount of equity in the company financial statements equals equity "attributable to the owners of the Parent" in the consolidated financial statements. Certain components within equity are different, as a result of the following presentation differences between the Company accounts and consolidated accounts:

<u>Legal and statutory reserves</u>

Legal and statutory reserves comprise non-distributable retained earnings reserves of group companies, foreign currency translation on consolidated group companies presented as translation reserve in the consolidated accounts, revaluation of debt and equity securities measured at fair value through other comprehensive income presented as revaluation reserve in the consolidated accounts, and hedging reserve from consolidated group companies presented as hedging reserve in the consolidated accounts.

<u>Revaluation reserve</u>

Revaluations on investment property recognised in income and consequently presented in retained earnings in the consolidated accounts are presented in the revaluation reserve in the Company accounts.

<u>Other reserves</u>

Other reserves represent retained earnings, including a part related to PPF Financial Holdings a.s., which is subject to consolidated prudential requirements based on Regulation

No 575/2013 of the European Parliament and of the Council. Hence, this part is distributable only to the extent that this regulated subgroup fulfils the regulatory minimum capital requirements.

There was appropriation of profit of 2023. Appropriation of profit of 2024 is still a subject to proposal by shareholders by the day of issue of these company financial statements.

Reconciliation of the Company's equity to its consolidated equity

Reconciliation of shareholders' equity and net result per the consolidated financial statements with shareholders' equity and net result per the company financial statements:

In millions of EUR

	31 December 2024	31 December 2023
Company's equity	12,350	8,769
Non-controlling interests:		
PPF banka a.s.	66	61
Škoda a.s.	75	61
Cetin Group N.V.*	-	288
Home Credit N.V.*	-	51
TMT Hungary Infra B.V.*	-	17
Other	(26)	15
Total consolidated equity	**12,465**	**9,262**

*for more information refer to B.3 section of the notes to the consolidated financial statements

In millions of EUR, for the period ended 31 December

	2024	2023
Group's net result attributable to owners of the Parent	3,188	1,355
Net profit/(loss) attributable to non-controlling interests:		
PPF banka, a.s.	13	12
Škoda a.s.	(9)	(11)
Cetin Group N.V.*	48	51
Home Credit N.V.*	3	34
TMT Hungary Infra B.V.*	1	13
Other	(44)	(5)
Total consolidated net profit for the period	**3,200**	**1,449**

*for more information refer to B.3 section of the notes to the consolidated financial statements

A.5 Liabilities

Liabilities comprise the following:

In millions of EUR

	31 December 2024	31 December 2023
Loans from group companies	971	784
Other	138	11
Balance as at 31 December	**1,109**	**795**
Non-current (> 1 year)	812	509
Current (< 1 year)	297	286
Total liabilities	**1,109**	**795**

In 2024, the increase in other liabilities relates to the unpaid part Group's CEO bonus, for more details refer to Note E.40.2 of the consolidated financial statements.

A.6 Audit and related services

PPF Group N.V. and its subsidiaries incurred expenses for the following services provided by KPMG Accountants N.V. and its affiliates 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 KPMG Netherlands	2023 KPMG Netherlands	2024 Other KPMG	2023 Other KPMG
Audit of financial statements	3,441	3,297	4,723	5,241
Other audit engagements	904	1,080	1,259	977
Tax advisory	6	-	383	289
Other non-audit services	38	13	174	24
Total expenses	**4,389**	**4,390**	**6,539**	**6,531**

The fees for audit and the related services are recognised in the period in which the services are performed.

A.7 Off-balance sheet items

As at 31 December 2024, off-balance sheet liabilities totalled EUR 272 million (2023: EUR 277 million).

The Company pledged certain assets as collateral for funding liabilities of its subsidiaries. As at 31 December 2024, pledged assets included primarily shares in Tanemo a.s. As at 31 December 2023, pledged assets included particularly shares in PPF TMT Holdco 1 B.V., PPF Finco B.V. and Tanemo a.s.

A.8 Financial instruments

The Group is exposed to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk
- insurance risk

Information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital, is included in notes to the consolidated financial statements.

These risks, objectives, policies and processes for measuring and managing risk, and the management of capital also apply to the company financial statements of the Company.

Fair value

Fair values of the financial instruments stated on the balance sheet, including accounts receivable, securities, cash and cash equivalents, and current and non-current liabilities, are close to their carrying amounts. For details on fair value principles, refer to Note C.6 of the consolidated financial statements.

A.9 Share in results from participating interests

For the year ended 31 December 2024, a profit of EUR 3,170 million represents the profit of group companies, excluding the profit of EUR 292 million generated by associates and joint-ventures within PPF Group N.V. group. For the year ended 31 December 2023, a profit of EUR 580 million represents a profit of group companies excluding a profit of EUR 795 million incurred by associates and joint-ventures within PPF Group N.V. group.

A.10 Related parties

For details of the related party transactions of the Company, refer to Note E.40 of the consolidated financial statements.

A.11 Number of employees

The average number of employees employed directly by the Company during 2024 was 11 (2023: 10 employees).

A.12 Transactions with key management personnel

For details of transactions with key management personnel, refer to Note E.40.4 of the consolidated financial statements.

A.13 Subsequent events

For subsequent events, refer to Section G of the consolidated financial statements of PPF Group N.V. for the year ended 31 December 2024.

28 April 2025

Board of directors:	Supervisory board:
Aleš Minx *Chairman of the board of directors*	Kamil Ziegler *Chairman of the supervisory board*
Rudolf Bosveld *Member of the board of directors*	Zuzana Prokopcová *Member of the supervisory board*
Jan Cornelis Jansen *Member of the board of directors*	Lubomír Král *Member of the supervisory board*

OTHER INFORMATION

Contents:

Provisions in the Articles of Association governing the profit appropriation

Profits and distribution are specified in Article 21 of the Company's articles of associations.

The allocation of profits accrued in a financial year shall be determined by the general meeting. The distribution of profits shall be made after the 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 distributions and/or to make distributions at the expense of any reserve of the Company. Distributions may be made only up to an amount not exceeding distributable equity. If concerning an interim distribution, compliance with the requirement must be evidenced by an interim statement of assets and liabilities as referred to in Section 2:105 Subsection 4, of the Dutch Civil Code.

Offices

The main statutory offices of the Company are in the Netherlands, the Czech Republic, Cyprus, and in other Eastern European countries. For details in this respect, please refer to Section B.1 of the consolidated statements.

Independent auditor's report

To: the General Meeting and the Supervisory Board of PPF Group N.V.

Report on the audit of the accompanying financial statements included in the annual report

Our opinion

We have audited the financial statements 2024 of PPF Group N.V., based in Amsterdam. The financial statements comprise the consolidated financial statements and the company financial statements.

In our opinion:

- the accompanying consolidated financial statements give a true and fair view of the financial position of PPF Group N.V. as at 31 December 2024 and of its result and its cash flows for the year 2024 in accordance with IFRS Accounting Standards as endorsed by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code; and
- the accompanying company financial statements give true and fair view of the financial position of PPF Group N.V. as at 31 December 2024 and of its result for the year 2024 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The consolidated financial statements comprise:

1 the consolidated statement of financial position as at 31 December 2024;

2 the following statements for the year 2024: the consolidated income statement, the statements of comprehensive income, changes in equity and cash flows; and

3 the notes comprising material accounting policy information and other explanatory information.

The company financial statements comprise:

1 the company statement of financial position as at 31 December 2024;

2 the following statements for the year 2024: company statement of income; and

3 the notes comprising 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 PPF Group N.V. in accordance with the ‘Wet toezicht accountantsorganisaties’ (Wta, Audit firms supervision act), 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 fraud and non-compliance with laws and regulations and going concern 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

Audit response to the risk of fraud and non-compliance with laws and regulations

In chapter ‘Approach to risks associated with the financial reporting’ of the report of the Board of Directors, 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 the Group’s risk management in relation to fraud and non-compliance. Our procedures included, among other things, assessing the Group’s code of conduct, whistleblowing procedures, the process of reporting any illegal or unethical behaviour and its procedures to investigate indications of possible fraud and non-compliance. Furthermore, we performed relevant inquiries with management, those charged with governance and other relevant functions, such as Internal Audit, Legal Counsel and Compliance and included correspondence with relevant supervisory authorities and regulators. We involved forensic specialists in our audit and we have also incorporated elements of unpredictability in our audit.

As a result from our risk assessment, we identified the following laws and regulations as those most likely to have a material effect on the financial statements in case of non-compliance:

- sanctions law;
- anti-money laundering and terrorist financing law;
- data protection law; and
- consumer financing law.

Our procedures did not result in the identification of a reportable risk of material misstatement in respect of non-compliance with laws and regulations.

Based on the above and on the auditing standards, we identified the following fraud risks that are relevant to our audit, including the relevant presumed risks laid down in the auditing standards, and responded as follows:

Management override of controls (a presumed risk)

Risk:

Management is in a unique position to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

Responses:

- We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness of internal controls that mitigate fraud risks, such as processes related to journal entries, estimates linked to identified significant risks and significant unusual transactions.
- As part of the fraud risk assessment, we performed a data analysis of journal entries population to determine if specific journal entries met the high-risk criteria for testing and evaluated key estimates and judgments for bias by the Company's management, including retrospective review of prior year`s estimates. 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 testing of transactions back to source information.
- We identified and selected journal entries and other adjustments made at the end of the reporting period for testing.

Revenue recognition (a presumed risk)

Risk:

We identified a fraud risk related to the recognition of interest income and fee income in certain Asian countries where Home Credit operates that have a low score on the Corruption Perceptions Index (CPI), indicating a higher risk of corruption. Additionally, Home Credit entities in these regions experience high staff turnover, and their revenues are generated in decentralized, local points of sale.

We also identified a fraud risk in revenue recognition for Škoda Transportation a.s. as revenues are generated via long-term projects and the percentage of completion method applied by management is subject to judgement. Manipulation in sales and/or expected cost to complete projects may result in fraudulently recognized revenues.

A fraud risk in revenue recognition for e&PPF Telecom Group B.V. and CME Media Enterprises B.V. was identified as a result of budget, key performance indicator and rating agency requirements and/or covenant compliance requirements. There may be an increased pressure to achieve certain results and pressure on management or operating personnel to meet financial targets. The specific risk per component has been determined based on identified opportunities to manipulate revenues.

Responses:

- We evaluated the design and implementation of anti-fraud controls over revenue to determine their appropriateness and effectiveness.
- We performed substantive test of details procedures over revenue transactions, through a combination of audit sampling and specific item testing.
- We performed substantive test of details procedures over manual journal entries to revenue, including assessing the appropriateness of the applied revenue recognition method.

Management override of collective expected credit loss ('ECL') provision

Risk:

The ECL provision for the following loan types are calculated using a centralized model (Markov model): cash loans, POS (Point Of Sales consumer) loans, car loans and revolving loans.

We identified a fraud risk as management is in a unique position to override the model outcomes by applying a management overlay/ top-side adjustment as a response to greater uncertainties to estimate ECLs.

Responses:

- We evaluated the design and implementation of internal controls related to the ECL process for loans and advances to customers (cash loans, POS loans, car loans and revolving loans). This included controls related to the assumptions (including probability of default, loss given default, exposure at default and macroeconomic forecasts), review of model outputs, the application of the definition of default and management overlays to the modelled ECL.
- We inspected the calculations of locally determined management overlays to the modelled ECL. These management overlays included economic segment based adjustments in the respective countries.
- We performed back testing of certain models to evaluate current model performance. We considered the impact these overlays have on model calculations and results when reaching conclusions.

Risk of fraud relating to the purchase of 5G licenses by Yettel Serbia

Risk:

As result of the combination of the upcoming 5G license auction in the fourth quarter of 2025 in which Yettel Serbia will participate and the known vulnerability of the telecommunication sector to bribery and corruption, we have identified a risk of fraud for e&PPF Telecom Group B.V. in Yettel Serbia in relation to the purchases of 5G licenses from the relevant Regulatory Authority.

Responses:

- We inquired with management regarding the laws and regulations in place with respect to anti-bribery and corruption.

- We inquired with management regarding the processes in place to ensure compliance with relevant, anti-bribery, anti-competition and corruption laws and regulations.
- We discussed with the inquired management about the existence (or intention) of any unusual arrangements/agreements (to be) entered with governments during the year.
- We reviewed the procurement process with respect to the acquisition of 5G licenses.
- We evaluated the design and implementation of relevant anti-fraud controls.
- We assessed other positions held by management board members and/or other employees and paid special attention to the procedures and governance/compliance in view of possible conflicts of interest.
- We inspected certain general ledger accounts and payment listing for payments/purchases towards the relevant Regulatory Authority, and performed specific item testing on these transactions, in order to ensure the transaction has sufficient business rationale, reconciles to the appropriate external supporting documentation and is therefore not indicative of potential non-compliance with laws and regulations.

We communicated our risk assessment, audit responses and results to management and the Audit Committee of the Supervisory Board.

Other than already disclosed in the annual report, our audit procedures did not reveal indications and/or reasonable suspicion of fraud and non-compliance that are considered material for our audit.

Audit response to going concern

The Board of Directors has performed its going concern assessment and has not identified any going concern risks. To assess the Board of Directors' assessment, we have performed, inter alia, the following procedures:

- we considered whether the Board of Directors' assessment of the going concern risks includes all relevant information of which we are aware as a result of our audit;
- we considered whether the developments in macroeconomics (such as increase in energy prices, inflation and interest rates) indicate a going concern risk; and
- 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 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.

Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains 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 all the information regarding the management report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

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 management report, in accordance with Part 9 of Book 2 of the Dutch Civil Code, and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Description of responsibilities regarding the financial statements

Responsibilities of the Board of Directors and the Supervisory Board 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 the Board of Directors determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the Board of Directors is responsible for assessing the company’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 the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors should disclose events and circumstances that may cast significant doubt on the company’s ability to continue as a going concern in the financial statements.

The Supervisory Board is responsible for overseeing the company’s financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all material errors and fraud during our audit.

Misstatements can arise from fraud or errors 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 the 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.

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 errors or fraud, 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 for one resulting from errors, 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 Company'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 management'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 the Company'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 the company ceasing 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 those charged with governance 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.

Amstelveen, 28 April 2025

KPMG Accountants N.V.

M.L.M. Kesselaer RA