

**CETIN a.s.**

**SHORTENED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2020**

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## CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME

| In CZK million  | For the period ended |                   |
|---|----------------------|-------------------|
|   | 30 September 2020    | 30 September 2019 |
| Revenues  | 14,245               | 13,657            |
| Other income from non-telecommunication services  | 167                  | 118               |
| Expenses  | <u>(7,797)</u>       | <u>(7,353)</u>    |
| <b>Earnings before impairment loss, interest, tax, depreciation and amortization (EBITDA)</b> | <b>6,615</b>         | <b>6,422</b>      |
| Depreciation and amortisation   | (3,584)              | (3,407)           |
| Impairment loss   | <u>(77)</u>          | <u>(28)</u>       |
| <b>Operating profit (EBIT)</b>  | <b>2,954</b>         | <b>2,987</b>      |
| Finance income  | 13                   | 10                |
| Finance costs   | <u>(682)</u>         | <u>(377)</u>      |
| <b>Profit before tax</b>  | <b>2,285</b>         | <b>2,620</b>      |
| Corporate income tax  | <u>(465)</u>         | <u>(472)</u>      |
| <b>Profit for the period</b>  | <b>1,820</b>         | <b>2,148</b>      |
| <b>Other comprehensive income</b>   |                      |                   |
| <b>Items that may be reclassified subsequently to profit or loss</b>                          |                      |                   |
| Translation differences   | 1                    | -                 |
| Gains / (losses) on valuation differences from cash flow hedges                               | (510)                | 26                |
| Related deferred tax  | 97                   | (5)               |
| <b>Other comprehensive income, net of tax</b>   | <b><u>(412)</u></b>  | <b><u>21</u></b>  |
| <b>Total comprehensive income, net of tax</b>   | <b>1,408</b>         | <b>2,169</b>      |
| Profit attributable to:   |                      |                   |
| Equity holders of the Company   | 1,820                | 2,148             |
| Total comprehensive income attributable to:   |                      |                   |
| Equity holders of the Company   | 1,408                | 2,169             |

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| In CZK million                                      | As at             |                  |
|---|-------------------|------------------|
|   | 30 September 2020 | 31 December 2019 |
| <b>ASSETS</b>                                       |                   |                  |
| Property, plant and equipment                       | 47,997            | 48,629           |
| Intangible assets                                   | 1,743             | 1,757            |
| Goodwill  | 16                | 11               |
| Right of use assets                                 | 5,011             | 5,120            |
| Other assets  | 760               | 731              |
| <b>Non-current assets</b>                           | <b>55,527</b>     | <b>56,248</b>    |
| Inventories   | 64                | 61               |
| Receivables, including derivative                   | 3,288             | 4,011            |
| Income tax receivable                               | 1                 | 1                |
| Cash and cash equivalents                           | 1,010             | 1,726            |
| <b>Current assets</b>                               | <b>4,363</b>      | <b>5,799</b>     |
| <b>Non-current assets held for sale</b>             | <b>1</b>          | <b>15</b>        |
| <b>Total assets</b>                                 | <b>59,891</b>     | <b>62,062</b>    |
| <b>EQUITY AND LIABILITIES</b>                       |                   |                  |
| Share capital                                       | 3,102             | 3,102            |
| Reserves  | 92                | 505              |
| Other funds   | 14,620            | 14,620           |
| Retained earnings                                   | 1,841             | 2,816            |
| <b>Total equity</b>                                 | <b>19,655</b>     | <b>21,043</b>    |
| Long-term financial debts                           | 21,786            | 20,694           |
| Deferred tax liability                              | 6,085             | 6,202            |
| Non-current provisions for liabilities and charges  | 357               | 355              |
| Lease liability                                     | 4,294             | 4,364            |
| Non-current other liabilities, including derivative | 1,552             | 1,923            |
| <b>Non-current liabilities</b>                      | <b>34,074</b>     | <b>33,538</b>    |
| Short-term financial debts                          | 259               | 23               |
| Trade and other payables                            | 4,869             | 6,537            |
| Lease liability                                     | 847               | 834              |
| Income tax liability                                | 149               | 10               |
| Provisions for liabilities and charges              | 38                | 77               |
| <b>Current liabilities</b>                          | <b>6,162</b>      | <b>7,481</b>     |
| <b>Total liabilities</b>                            | <b>40,236</b>     | <b>41,019</b>    |
| <b>Total equity and liabilities</b>                 | <b>59,891</b>     | <b>62,062</b>    |

## CONSOLIDATED STATEMENT OF CASH FLOWS

In CZK million

For the period ended  
30 September 2020 30 September 2019

|  |                |                |
|--|----------------|----------------|
| Profit for the year  | 1,820          | 2,148          |
| Non-cash adjustments for:  |                |                |
| Depreciation and amortisation  | 3,584          | 3,407          |
| Impairment loss  | 77             | 28             |
| Profit on sale of property, plant and equipment                            | (52)           | (24)           |
| Net finance expenses   | 357            | 337            |
| Foreign exchange losses (net)  | 312            | 30             |
| Other non-cash adjustments   | 4              | 22             |
| Tax expense  | 465            | 472            |
| <b>Operating cash flow before working capital changes</b>                  | <b>6,567</b>   | <b>6,420</b>   |
| <b>Working capital adjustments:</b>  |                |                |
| Change in trade and other receivables                                      | 797            | 117            |
| Change in inventories  | (3)            | -              |
| Change in trade and other payables   | (1,146)        | (548)          |
| Change in provisions   | (57)           | (76)           |
| <b>Cash flows from operating activities</b>                                | <b>6,158</b>   | <b>5,913</b>   |
| Interest received  | 13             | -              |
| Income tax paid  | (346)          | (557)          |
| <b>Net cash flow from operating activities</b>                             | <b>5,825</b>   | <b>5,356</b>   |
| <b>Cash flows from investing activities</b>                                |                |                |
| Purchase of property, plant and equipment and intangibles                  | (3,290)        | (2,712)        |
| Proceeds from sales of property, plant and equipment and intangible assets | 54             | 25             |
| Investment in subsidiaries   | (5)            | (15)           |
| <b>Net cash used in investing activities</b>                               | <b>(3,241)</b> | <b>(2,702)</b> |
| <b>Cash flows from financing activities</b>                                |                |                |
| Interest paid  | (3)            | -              |
| Interest paid from lease liability   | (117)          | (111)          |
| Upfront fees   | (50)           | -              |
| Cash collateral placed due to derivatives transactions                     | 169            | (19)           |
| Dividends paid   | (2,794)        | (2,542)        |
| Lease payments   | (507)          | (501)          |
| <b>Net cash used in financing activities</b>                               | <b>(3,302)</b> | <b>(3,173)</b> |
| <b>Net increase in cash and cash equivalents</b>                           | <b>(718)</b>   | <b>(519)</b>   |
| Cash and cash equivalents at beginning of year                             | 1,726          | 1,650          |
| Effect of foreign exchange rate movements on cash and cash equivalents     | 2              | 19             |
| <b>Cash and cash equivalents at the period end</b>                         | <b>1,010</b>   | <b>1,150</b>   |

## **NOTES TO SHORTENED CONSOLIDATED FINANCIAL STATEMENTS**

### **GENERAL INFORMATION**

CETIN a.s. Group (Group) consists of CETIN a.s. (Company) and its subsidiaries: CZECH TELECOM Germany GmbH i. L., CETIN Finance B.V., CETIN služby s.r.o. and STEL-INVEST s.r.o.

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

The Company has the form of a joint stock company and is incorporated and domiciled in the Czech Republic. The address of its registered office is Českomoravská 2510/19, Praha 9, 190 00, Czech Republic.

The majority shareholder of the Company as at 30 September 2020 is CETIN Group B.V. (part of the PPF Group).

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

The shortened consolidated financial statements are not audited.

The Group's consolidated financial statements for the period ended 30 September 2020 fairly represent Group's financial condition and operations as at 30 September 2020.

The shortened consolidated financial statements were approved by the Board of Directors on 11 November 2020 and signed on behalf of the Company:



**Martin Škop**

Member of the Board



**Michal Frankl**

Member of the Board