



O2 Czech Republic

19th November 2021

Quarterly Results January – September 2021



O2

Cautionary statement

Any forward-looking statements concerning future economic and financial performance of O2 Czech Republic a.s. contained in this Presentation are based on assumptions and expectations of the future development of factors having material influence on the future economic and financial performance of O2 Czech Republic a.s.

These factors include, but are not limited to, public regulation in the telecommunications sector, future macroeconomic situation, development of market competition and related demand for telecommunications and other services.

The actual development of these factors, however, may be different. Consequently, the actual future results of economic and financial performance of O2 Czech Republic a.s. could materially differ from those expressed in the forward-looking statements contained in this Presentation. Although O2 Czech Republic a.s. makes every effort to provide accurate information, we cannot accept liability for any misprints or other errors.



Today's speakers



Jindřich Fremuth

CEO & Chairman of the Board



Tomáš Kouřil

CFO & Vice-Chairman of the Board



Václav Zakouřil

Director of Legal and Regulatory Affairs
& Member of the Board of Directors

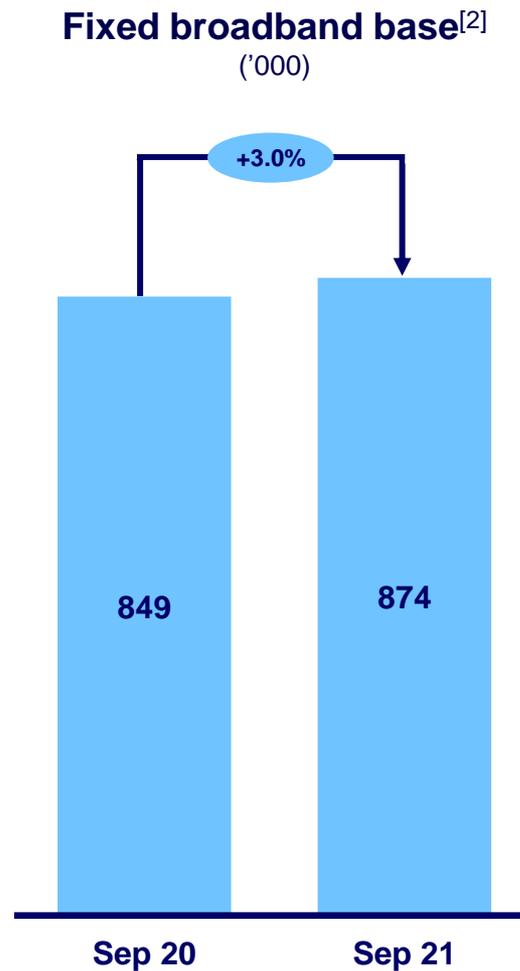
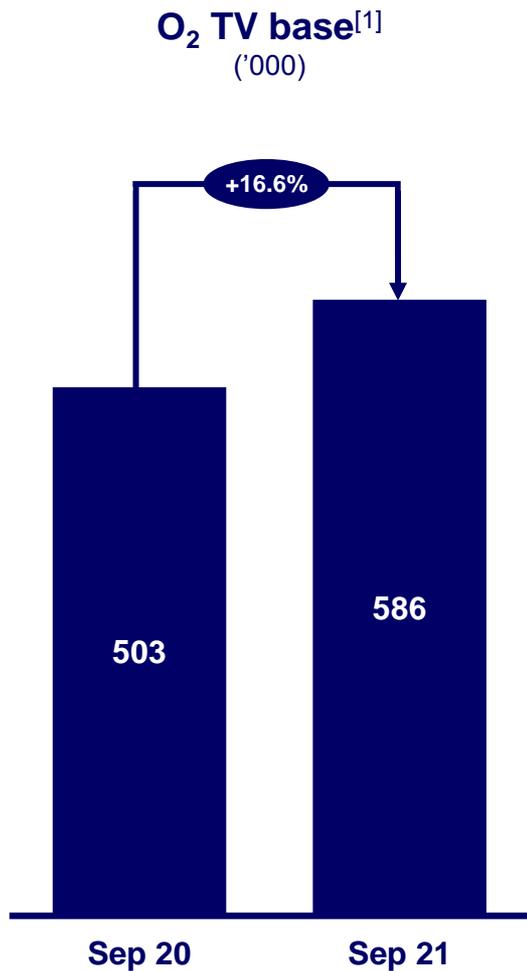


Strategic commercial initiatives & performance highlights

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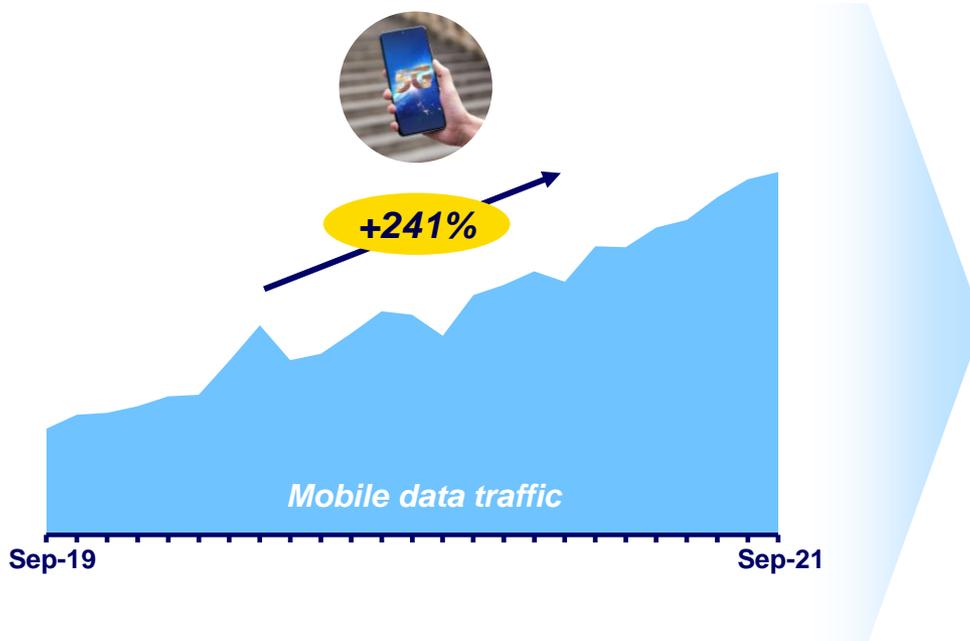
Customers' growth in fixed segment maintained... ...helped by low churn



5 ^[1] IPTV & OTT, Prepaid TV (O₂ TV Sport Pack online and O₂ TV HBO and Sport Pack tariffs);
^[2] Technology agnostic (xDSL, fiber, FWA)



In line with customers' demand and needs... ...we introduced new mobile tariff propositions



1. Adoption of a **new technology** and improved device capabilities
2. Spending **more time online** and consuming more **data-intensive content**
3. Increased importance of **digital communication** during the lockdown

Faster unlimited data tariffs



NEO Modrý	NEO Bronzový	OBLÍBĚNÁ VOĽBA NEO Stříbrný	NEO Zlatý	NEO Platínový
Neomezená data, volání a SMS	Neomezená data, volání a SMS	Neomezená data, volání a SMS	Neomezená data, volání a SMS	Neomezená data, volání a SMS
Rychlost Super 10 Mb/s	Rychlost Ultra 20 Mb/s	Rychlost Max 5G	Rychlost Max 5G	Rychlost Max 5G
899 Kč / měsíc	1 099 Kč / měsíc	1 299 Kč / měsíc	1 599 Kč / měsíc	2 499 Kč / měsíc
Co dalšího máte v tarifu: <ul style="list-style-type: none"> ✓ Připojení na nejlepší datové síti 5G 	Co dalšího máte v tarifu: <ul style="list-style-type: none"> ✓ Připojení na nejlepší datové síti 5G ✓ Neomezené streamování videa ve HD kvalitě 	Co dalšího máte v tarifu: <ul style="list-style-type: none"> ✓ Připojení na nejlepší datové síti 5G ✓ Neomezené streamování videa ve 4K UHD kvalitě ✓ 300 minut volání do zahraničí 	Co dalšího máte v tarifu: <ul style="list-style-type: none"> ✓ Připojení na nejlepší datové síti 5G ✓ Neomezené streamování videa ve 4K UHD kvalitě ✓ 300 minut volání do zahraničí ✓ 1 GB dat mimo EU v zóně Top Svět 	Co dalšího máte v tarifu: <ul style="list-style-type: none"> ✓ Připojení na nejlepší datové síti 5G ✓ Neomezené streamování videa ve 4K UHD kvalitě ✓ 1 000 minut volání do zahraničí ✓ 2 GB dat mimo EU v zóně Top Svět

Boosted data packages with 5G



FREE+ Modrý	FREE+ Bronzový	OBLÍBĚNÁ VOĽBA FREE+ Stříbrný	FREE+ Zlatý
3 GB 5G	10 GB 5G	20 GB 5G	60 GB 5G
Neomezené volání a SMS	Neomezené volání a SMS	Neomezené volání a SMS	Neomezené volání a SMS
Rychlost Max 5G	Rychlost Max 5G	Rychlost Max 5G	Rychlost Max 5G
549 Kč / měsíc	699 Kč / měsíc	899 Kč / měsíc	1 299 Kč / měsíc
Co dalšího máte v tarifu: <ul style="list-style-type: none"> ✓ Připojení na nejlepší datové síti 	Co dalšího máte v tarifu: <ul style="list-style-type: none"> ✓ Připojení na nejlepší datové síti ✓ Bezpečnost díky O2 Security 	Co dalšího máte v tarifu: <ul style="list-style-type: none"> ✓ Připojení na nejlepší datové síti ✓ Bezpečnost díky O2 Security 	Co dalšího máte v tarifu: <ul style="list-style-type: none"> ✓ Připojení na nejlepší datové síti ✓ Bezpečnost díky O2 Security ✓ 300 minut volání do zahraničí ✓ 300 MB dat mimo EU v zóně Top Svět



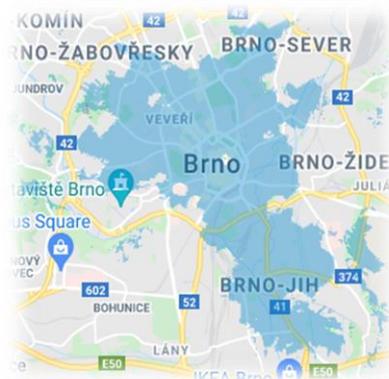


We have extended 5G coverage... ...already available in almost 60 cities



Initially launched in the largest cities

Gradual replacement of entire RAN





ESG agenda is a part of O2 company DNA

O2 to adapt ESG - GRI standards for its 2021 Sustainability report

Environment

- We care about nature



Social

- We care about people



Innovations

- We care about fresh ideas





Financial performance January – September 2021

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Slowdown in top line growth in Q3...

...with economic challenges ahead of us

CZK millions	Jan – Sep 2021	Change Q3 21/Q3 20
Operating Revenue	30,081	+0.8%
CZ Mobile	15,101	
CZ Fixed	9,277	
Slovakia	5,793	
EBITDA	10,608	
<i>EBITDA margin</i>	35.3%	
Net Income	4,892	
CAPEX	1,989	+143.1%^[1]
CZ CAPEX	1,155	
SK CAPEX	834	
Free Cash Flow^[2]	4,298	-9.6%

Operating Revenue



Facing challenges

- Inflation pressures
- Supply chain disruption
- Payment morale
- Covid-19 pandemic

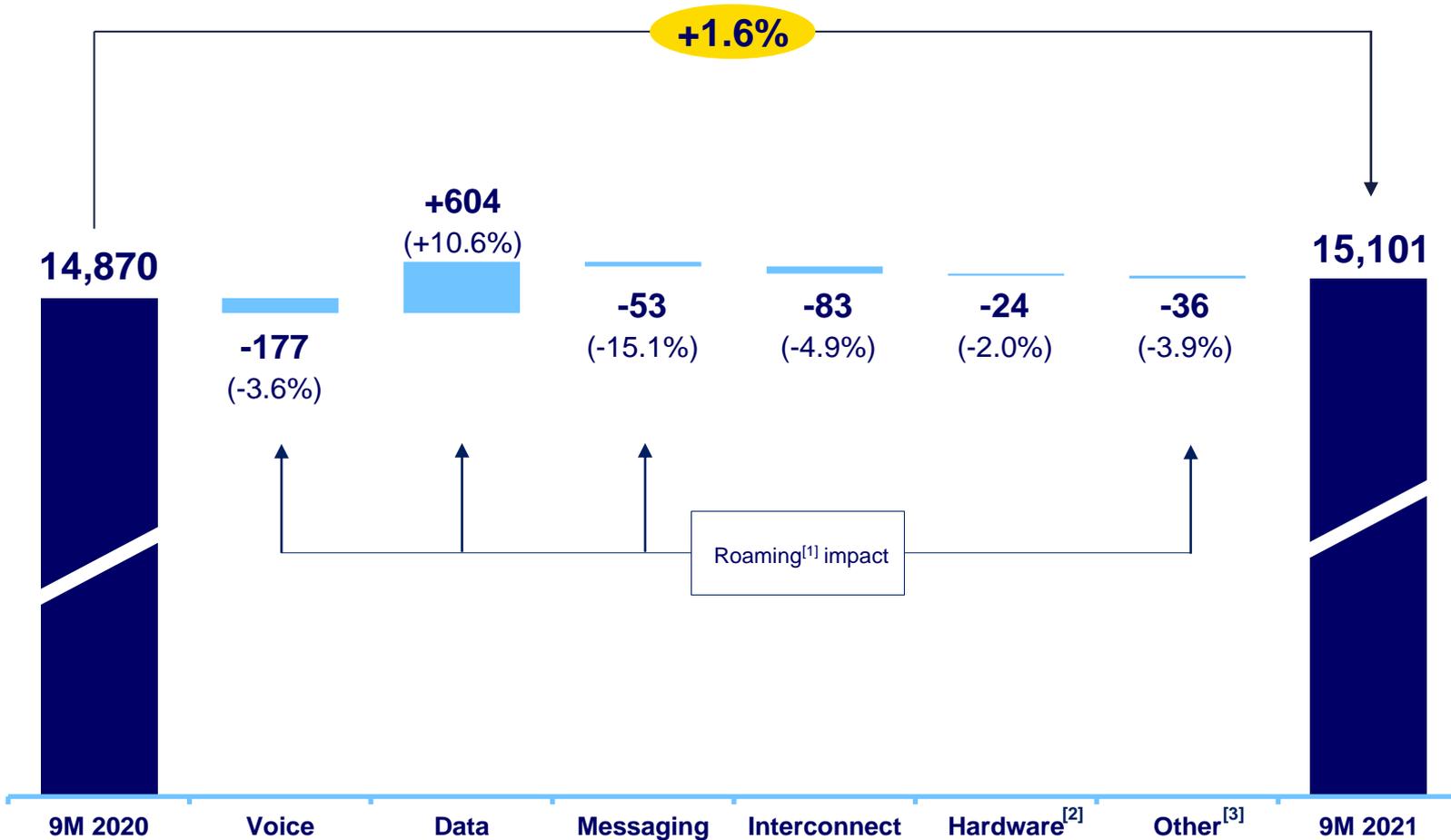


^[1] Czech CAPEX increase in Q3 due to sport content. ^[2] excl. IFRS 16 impact of CZK 626m.



Continuous COVID-19 impact on roaming revenue... ...regulation effecting interconnect category

CZK millions
(% change y-o-y)



11 ^[1] Both roaming abroad and roaming visitors, ^[2] Including other non-service revenue, ^[3] Y-o-y decrease is mainly driven by incoming roaming.

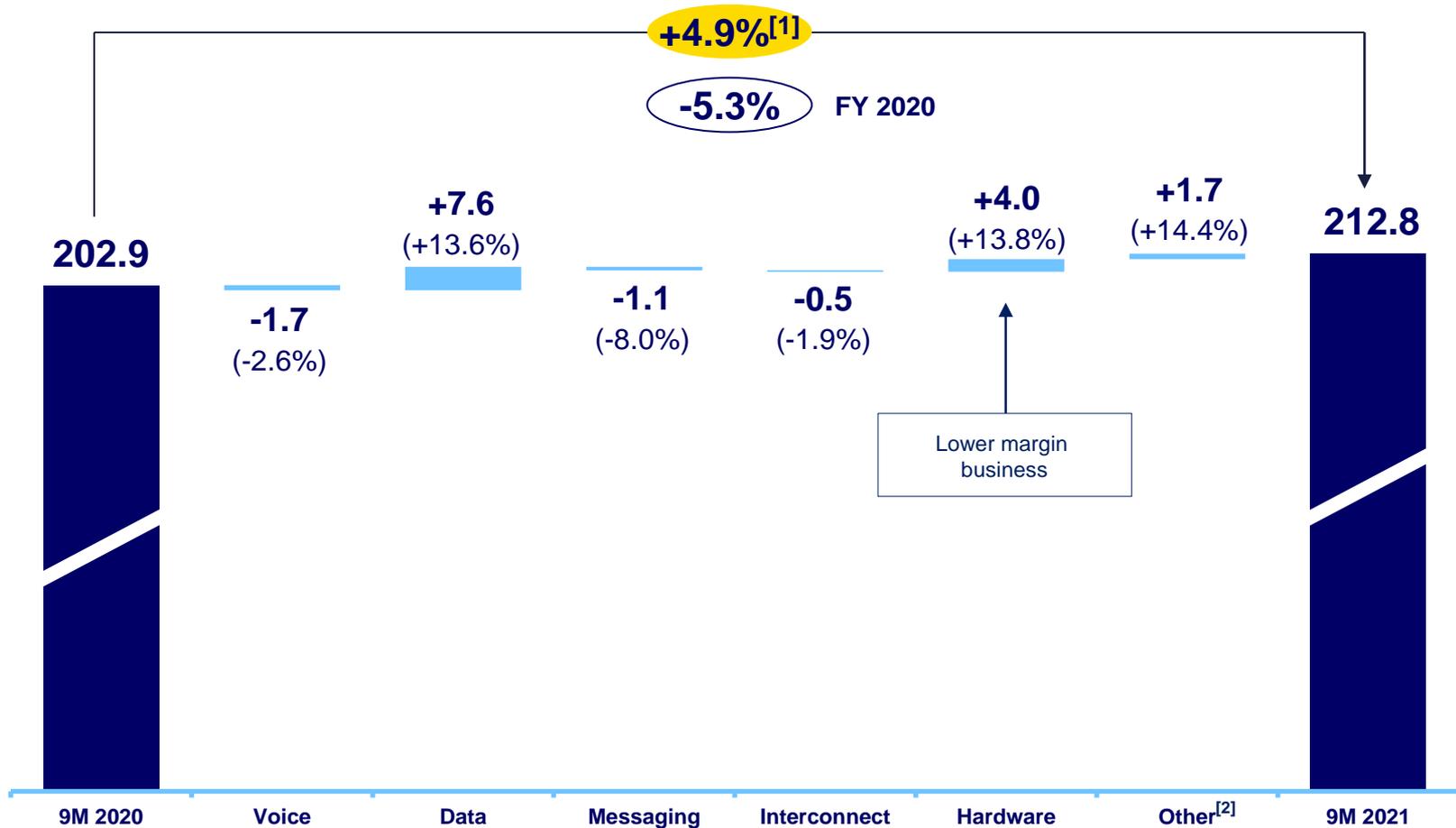




After decline in 2020...

...Slovak mobile revenue started to recover

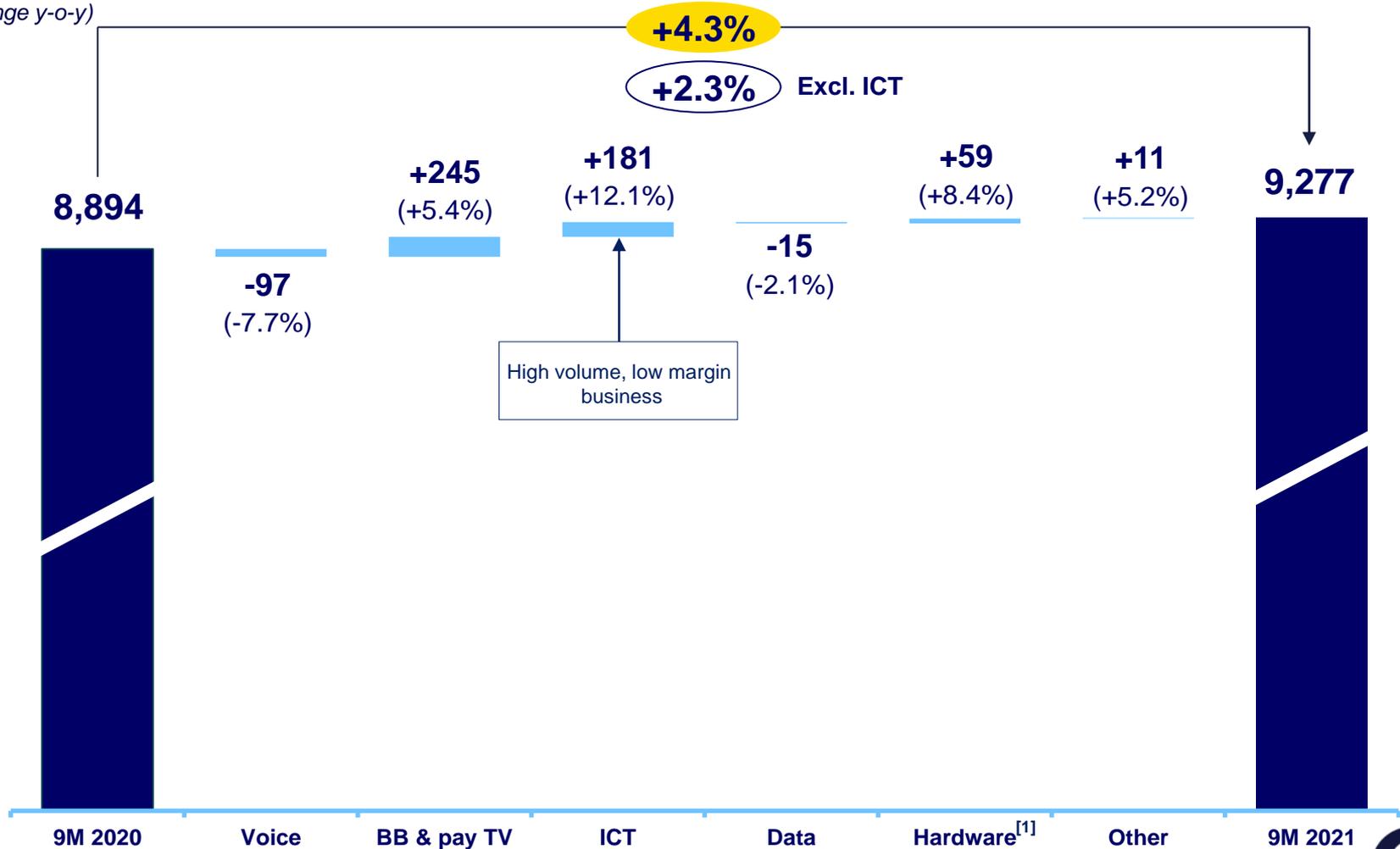
EUR millions
(% change y-o-y)





Fixed revenue excluding ICT increased by 2.3%... ...driven by hardware sales in Q3

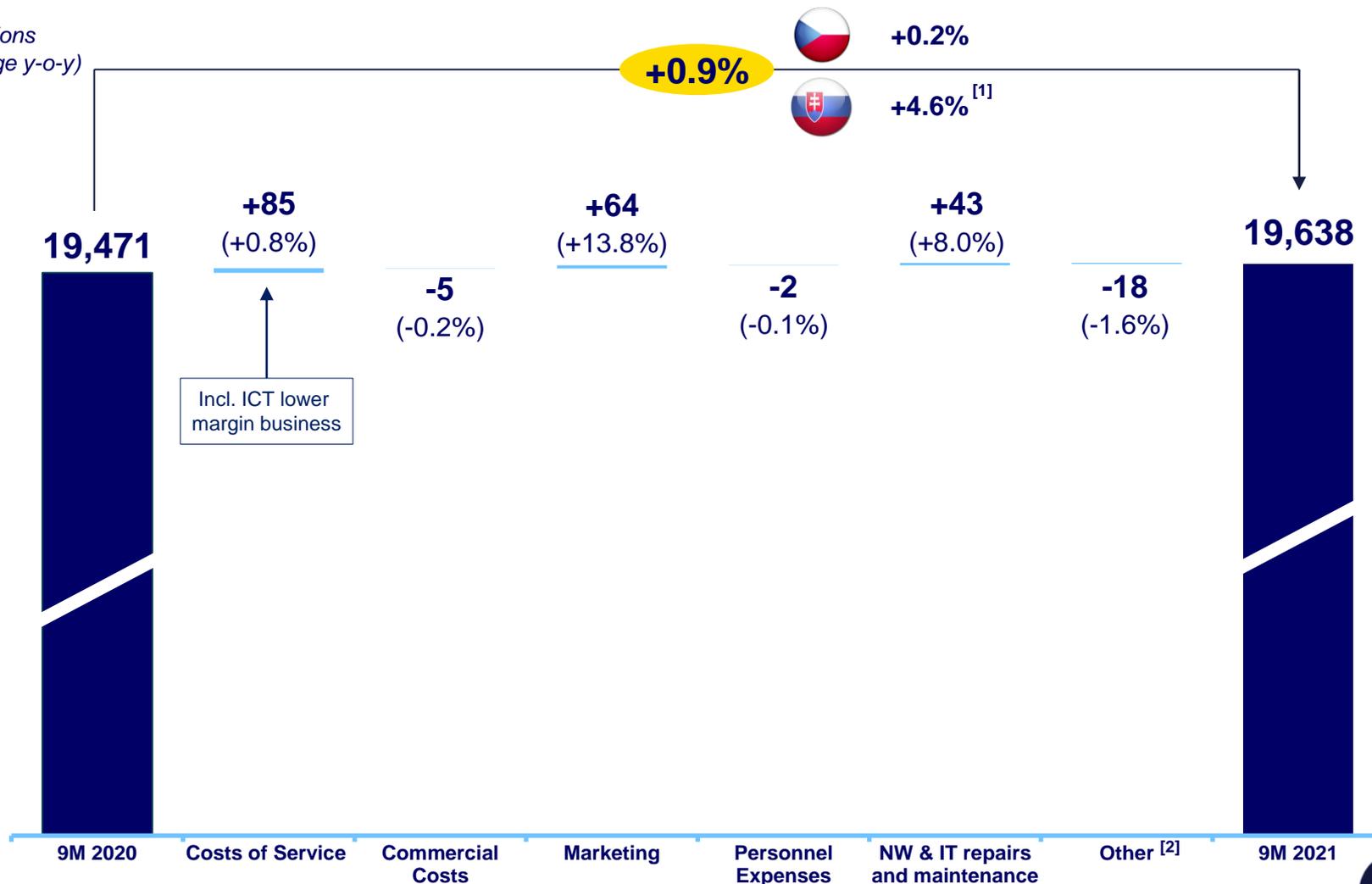
CZK millions
(% change y-o-y)





Underlying cost base is under control... ...higher cost mainly due to SK and ICT projects

CZK millions
(% change y-o-y)



Incl. ICT lower margin business

+0.9%

+0.2%
+4.6%^[1]

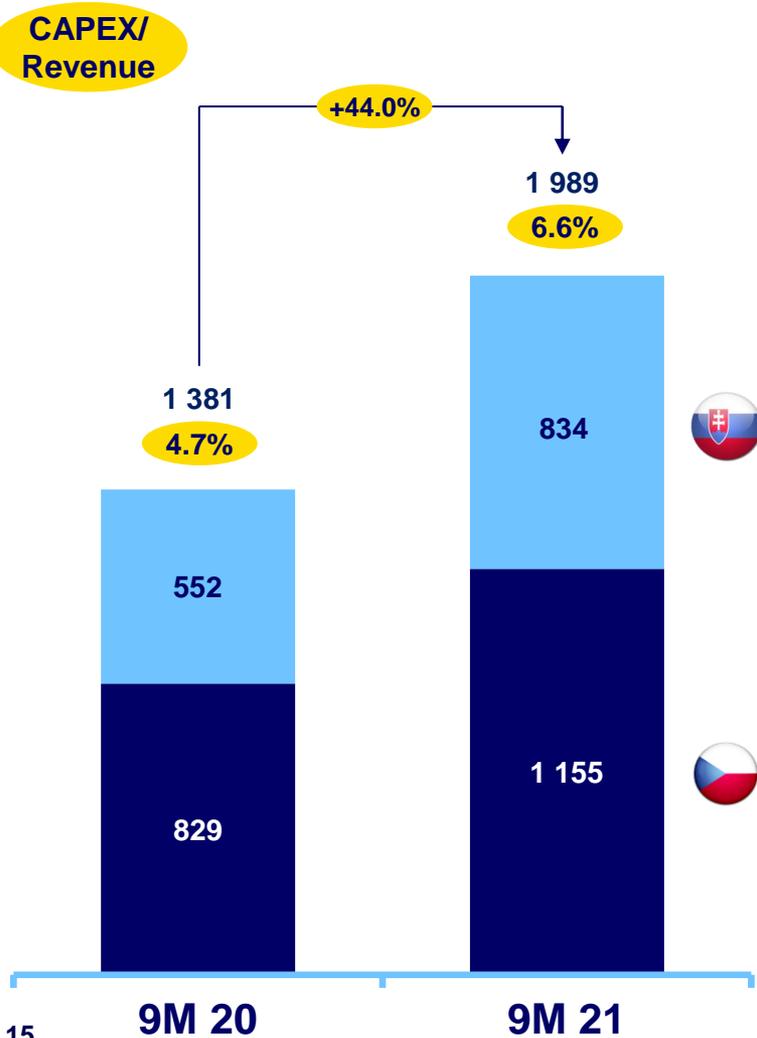


^[1] Growth rate in EUR. ^[2] Taxes other than income taxes, bad debt provisions, rentals, buildings, vehicles, consumables, consultancy, billing, collection, call centers, management fees and other; including internal expenses capitalized in fixed assets.



Czech CAPEX increase in Q3 due to sport content... ...and gradual CAPEX increase in Slovakia

CZK millions



Accounting treatment of strategic assets

	BS (Assets)	P&L (D&A)	CF
O2 Brand	✓	✓	1/2: ✓ 1/2: 2029 -2035
CZ spectrum	✓	Not yet	✓
SK spectrum	✓	✓	3/4: ✓ 1/4: Q1 2022

- CZ: IT development and sport content
- SK: Radio Access Network swap & 5G deployment





Balance sheet

Group balance sheet

<i>CZK millions</i>	31 Dec 2020	30 Sep 2021	30 Sep 21 /31 Dec 20
Non-current assets	29,285	28,149	-3.9%
- of which intangible assets	17,520	16,196	-7.6%
- of which property, plant & equipment	6,176	5,972	-3.3%
- of which right-of-use assets ^[1]	3,368	3,252	-3.4%
Current assets	11,116	10,836	-2.5%
- of which cash & cash equivalents	3,922	2,951	-24.8%
Total assets	40,401	38,985	-3.5%
Equity	13,786	12,442	-9.7%
Non-current liabilities	17,651	17,414	-1.3%
- of which financial debt	13,084	13,087	+0.0%
- of which lease liability ^[1]	2,885	2,744	-4.9%
Current liabilities	8,964	9,129	+1.8%
- of which financial debt	75	1,076	+1,334.7%
- of which lease liability ^[1]	659	692	+5.0%

9M FCF
-9.6% y-o-y

Shareholder
remuneration^[2]



Squeeze-out of minority shareholders

- **The intention to initiate the squeeze-out procedure was announced by PPF Telco B.V. in June**
- **The process is driven by the major shareholder PPF Telco B.V.**
- **Involvement of O2 is strictly limited to actions required by the Czech law (Act No. 90/2012 Coll., on Business Corporations)**
- **Notably, O2 Board of Directors has to convene a General Meeting within a given time period after receiving a request from PPF Telco B.V. We have not received such a request yet.**





BACK-UP

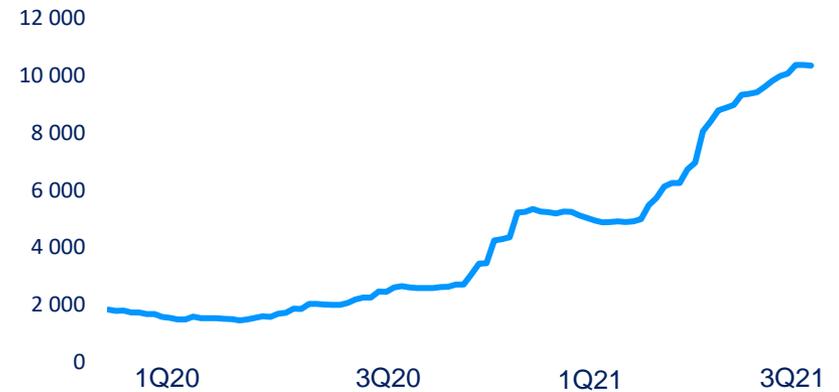
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We are facing significant challenges... ...with worsening trend in supply chain and inflation areas

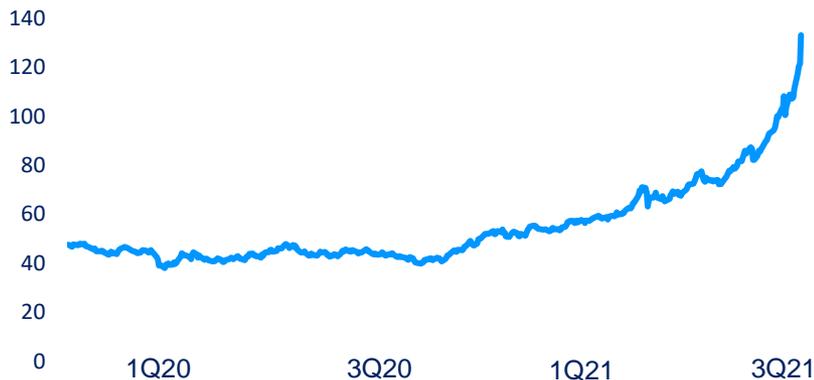
Inflation^[1] (%)

Date of forecast	2021		2022	
	MoF	CNB	MoF	CNB
November 2021	3.5		6.1	
October 2021		3.7		5.6
August 2021	3.2		3.5	
July 2021		3.0	2.8	
April 2021	2.5	2.7	2.3	2.4

World Container Index^[2] (USD/40ft container)



Electricity price^[3] (EUR/MWh)



Interest rates (%) – 2W repo rate



^[1] Source: Macroeconomic Forecasts (January, April, August, November 2021) prepared by the Economic Policy Department of the Czech Ministry of Finance and Monetary Policy Reports (Spring, Summer and Autumn 2021) prepared by the Czech National Bank's Monetary Department.

^[2] Source: Drewry Supply Chain Advisors, World Container Index – Assessed by Drewry \$ per 40 ft container. Includes eight major East-West trades.

^[3] Source: www.kurzy.cz, the PXE prices shown in the chart are the prices of long-term contracts.