

Results Presentation Q3 2022 and Q1-Q3 2022

October 18, 2022

| **A¹ Telekom Austria Group**



Cautionary statement

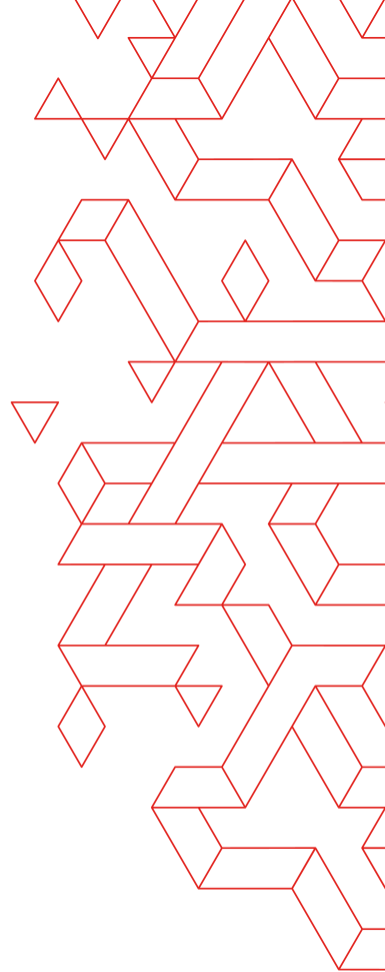
This presentation contains forward-looking statements. These forward-looking statements are usually accompanied by words such as 'believe', 'intend', 'anticipate', 'plan', 'expect' and similar expressions. Actual events may differ materially from those anticipated in these forward-looking statements as a result of a number of factors. Forward-looking statements involve inherent risks and uncertainties. A number of important factors could cause actual results or outcomes to differ materially from those expressed in any forward-looking statement. Neither the A1 Telekom Austria Group nor any other person accepts any liability for any such forward-looking statements. The A1 Telekom Austria Group will not update these forward-looking statements, whether due to changed factual circumstances, changes in assumptions or expectations.

Alternative performance measures are used to describe the operational performance. Please therefore also refer to the financial information presented in the Consolidated Financial Statements, as well as the reconciliation tables provided in the Earnings Release.

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Operational and financial highlights



Highlights for Q3 2022

Group (in EUR million)	Q3 2022	Q3 2021	change
Total revenues	1,292	1,205	7.2%
Service revenues	1,069	1,013	5.5%
EBITDA before restructuring	526	501	4.9%
CAPEX	224	191	17.4%

- Total revenues rose by 7.2%, with service revenue growth in all markets
- Strong equipment sales boosted by one-off deal with large customer in Austria
- Increasing pressure from electricity costs
- Group EBITDA before restructuring up 4.9% as continued service revenues growth more than outweighed increasing expenses
- CAPEX increase mainly driven by intensified fiber and 5G roll-out activities in Austria

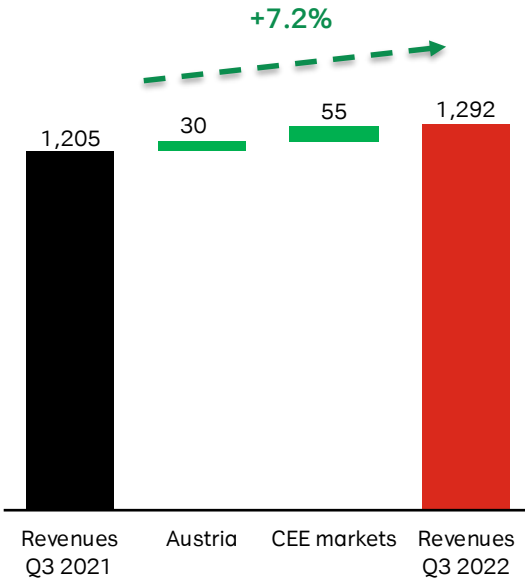
- Continued growth in
 - Mobile postpaid subscriber base +6.0%;
 - RGUs +1.7%;
 - Internet@home +5.0%
- Fiber rollout in Austria: accelerated rollout pace
- Deregulation of Austrian wholesale market
- Outlook 2022:
 - Total revenue growth - close to 3%*
 - Capex increase of approx. 15% y-o-y

*based on the initial FX assumption

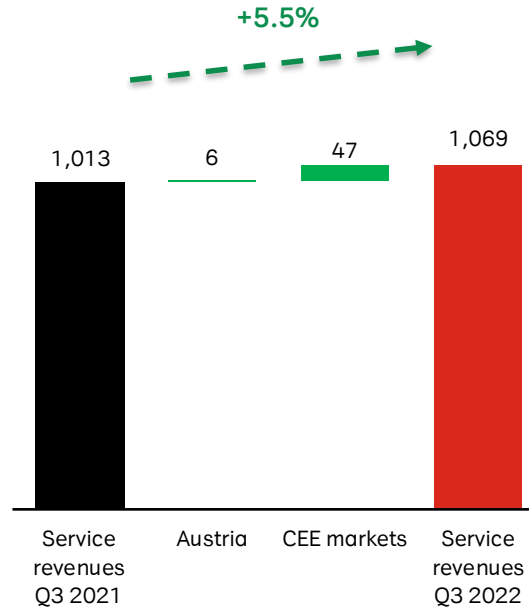


Austria and international markets in Q3 2022

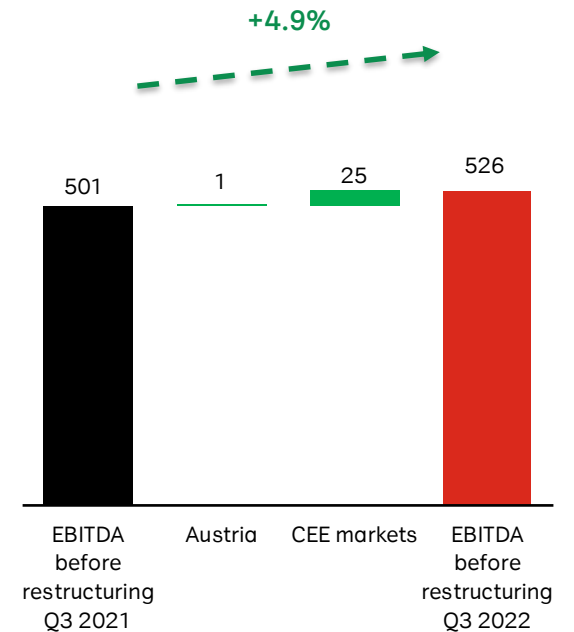
Total revenues
(in EUR mn)



Service revenues
(in EUR mn)



EBITDA before restructuring
(in EUR mn)



Deviation between A1 Group and the sum of Austria and international markets due to Corporate & Eliminations.

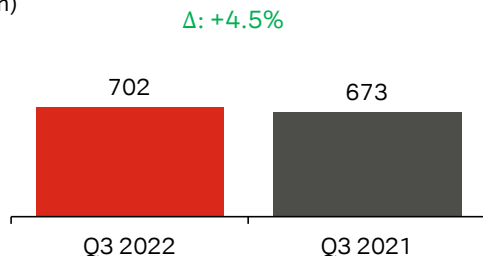
Restructuring charges: EUR 8.6 mn (Q3 2021: EUR 21.1 mn)
Positive FX effects of EUR 14.1 mn in total revenues and EUR 6.8 mn in EBITDA



Austria: Top-line growth compensated cost increases; EBITDA growing

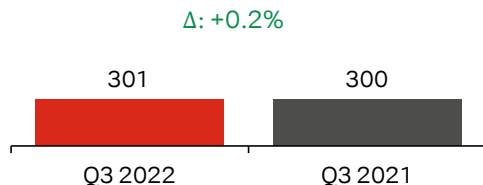
Total revenues

(in EUR mn)



EBITDA before restructuring

(in EUR mn)



Restructuring charges: EUR 8.6 mn in Q3 2022 (Q3 2021: EUR 21.1 mn)

Operational data

- Successful upselling in the mobile core business; improved availability of handsets fostered the uptake of high value tariffs
- 5G tariffs continued to be sold with a premium, competitive environment intensified slightly
- Solution & Connectivity business on track
- *Internet@Home* market driven by mobile WiFi routers; high-bandwidth product's share (> 100Mbit/s) rising in the base
- ARPL dynamics: growth due to price measures and higher upselling

Financial performance

- Mobile service revenues higher, driven by mobile core business, continued demand for mobile WiFi routers and improved roaming result
- Equipment revenues substantially up mainly due to sizeable one-off deal
- Fixed-line service revenues declined, amidst lower retail fixed-line service revenues and lower interconnection revenues
- OPEX increase: energy costs and seasonally higher advertising costs
- Restructuring below PY; impacted by rising interest/discount rates

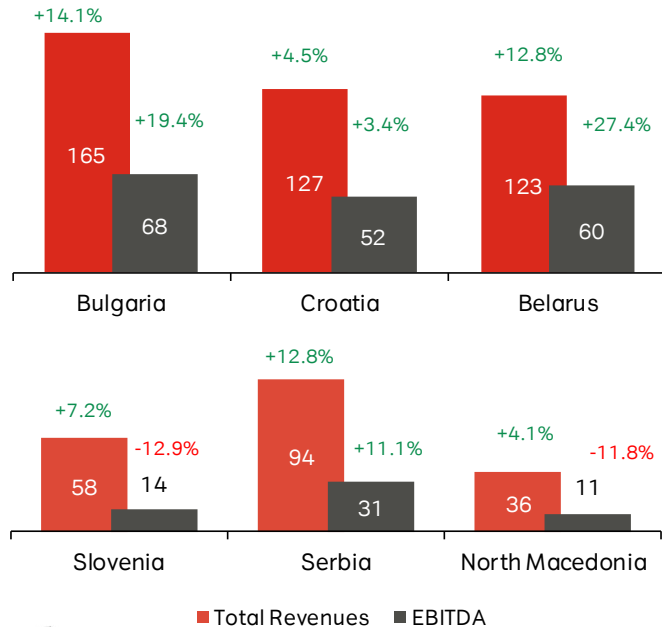


CEE: Service revenue growth successfully converted into EBITDA

Highlights CEE

Total revenues and EBITDA

(in EUR mn; Q3 22%-change vs. PY)



Bulgaria:

- Continued upselling to higher broadband speeds in the fixed-line
- Strong performance of mobile core business and upselling to 5G tariffs
- First-time consolidation of STEM0 (Rev.: EUR 5.3 mn, EBITDA: EUR 0.5 mn)
- OPEX pressure: electricity and workforce costs
- EBITDA up 19.4% driven by successful translation of service revenues

Croatia:

- Service rev. growth driven by the mobile business; fixed-line on par with PY
- OPEX increase driven by one-off element stemming from a litigation case
- EBITDA grew despite higher costs and expenses

Belarus:

- Improved service revenues and EBITDA - growth in BYN: 10.6% and 12.9% respectively
- Lower equipment sales due to unavailability of high value handsets
- BYN appreciated vs EUR by 14.4% (period-average)

Other segments:

- Slovenia: service revenue growth could not fully compensate for higher core OPEX
- Serbia: EBITDA grew due to successful translation of service revenues
- North Macedonia: almost tripled electricity costs weighed on EBITDA

Q1-Q3 2022: Free cash flow increased by 7.9% yoy

(in EUR million)

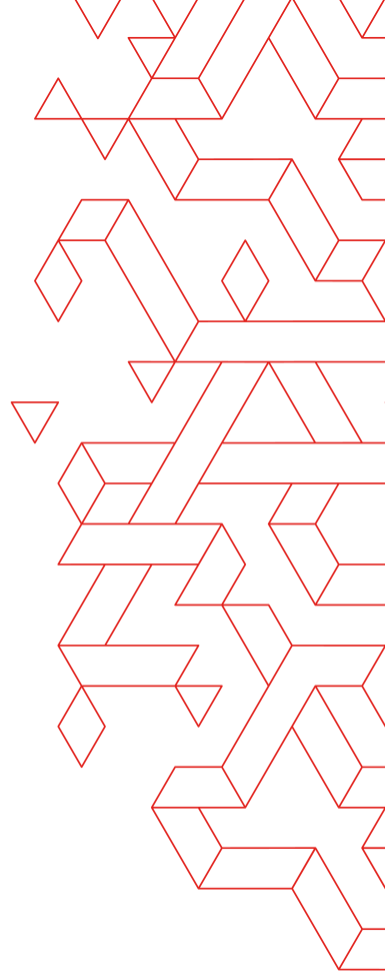
	Q3 2022	Q3 2021	change	Q1-Q3 2022	Q1-Q3 2021	change
EBITDA	517	480	7.8%	1,406	1,306	7.6%
Restructuring charges and cost of labor obligations	8	24	-65.8%	46	68	-31.7%
Lease paid (principal, interest and prepayments)	-38	-37	-3.7%	-143	-134	-6.8%
Income taxes paid	-48	-42	-14.8%	-87	-68	-28.7%
Net interest paid	-14	-11	-34.9%	-40	-42	3.7%
Change working capital and other changes	-56	-38	-48.4%	2	33	-93.4%
Capital expenditures	-224	-191	-17.4%	-614	-633	2.9%
Free Cash Flow (FCF) before social plans	145	186	-22.1%	570	531	7.4%
Social plans new funded*	-11	-18	41.2%	-68	-65	-4.0%
Free Cash Flow	134	168	-20.0%	502	465	7.9%

- Free cash flow increased by **7.9%** in Q1-Q3 2022 and amounted to EUR 502 mn
- Improved operational performance and lower capital expenditures more than compensated for:
 - higher tax payments and
 - higher working capital needs mainly driven by increase in accounts receivables and inventories

* reconciliation of free cash flow to previous view is provided on the slide 22.

Focus Points

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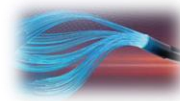


Fiber rollout in Austria: A1 plays a key role in enabling secure and sustainable digital infrastructure

Accelerated smart fiber rollout

Plan FY 2022: close to 200k (FTTB+FTTH) units, i.e., doubled the speed of rollout; good progress so far

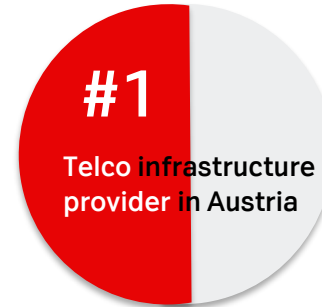
Biggest fiber network
68.000km *



Municipalities covered
at least one FTTH access point **95%**

Combined with additional LTE and 5G coverage

Facilitate the coverage of rural areas
Enable the best technology mix



5G network leader
pop.coverage: **78%***



Strong
A1 brand

Following diligent CAPEX spend policy

Without compromising sustainable dividend policy
Using public subsidies to enable fiber rollout in new areas
Expecting results of the first call of BBA 2030 Program



De-regulation in Austria: **Faster, more efficient fiber rollout**



Green light for the full, nationwide de-regulation of broadband access markets without obligations

Which brings:

- More pricing flexibility (and price indexation) not only for wholesale broadband access services but also for consumer and business broadband access products
- More flexibility when it comes to mutual agreements with wholesale partners
- Quicker time to market
- Improved utilization of Very High Capacity Network (VHCN) - commitment of the partners to fill-up the network

A1's position

- A1 has 19 wholesale agreements in place, which accounts for c. 80% of the wholesale market
 - That includes agreements with the two biggest competitors in the retail market
- De-regulation further supports the fiber rollout case and enables cooperation with partners and service providers for an optimal joint use of the A1 fiber network
- The regulator will continue to monitor A1's market behavior closely

Workforce and electricity costs: First signs of a dynamic increase

- After a long period with hardly any inflation, prices have begun to surge
- Driven by higher energy prices (Ukraine conflict) and supply chain constraints
- Most relevant impact for A1 Group: workforce costs and electricity costs



Workforce costs, excl. restructuring (FY 2021: EUR 906 mn)

- FY 2022e: up by 2-3%
- Higher salary levels expected for FY 2023
- Austria accounts for 70% of total workforce costs



Electricity

(FY 2021: EUR 96 mn)

- FY 2022e: costs up + 45% (~ EUR +45 mn); consumption +6%
- Further cost increases expected
- Austria's share of electricity costs (49% in 2021); Bulgaria's (19% in 2021)

Counter the cost increases

- ▶ Price indexation: Contractual opportunities to increase prices in line with the CPI are being seized
- ▶ Efficiency measures to mitigate the increase in costs

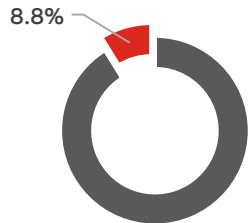
Belarus: Performance and exposure

- ▶ No significant changes in business environment in Q3
- ▶ A1 is the biggest alternative telecommunications company
- ▶ A1 makes a significant contribution to the civil society in Belarus: real-time exchange of information, connection to Western Europe
- ▶ A1 Group, best in class in compliance standards, is committed to continue serving its about 5.6 million customers

Cornerstones of the Belarus operations

Revenues

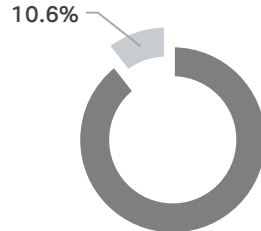
EUR 420 mn (FY 2021)
Q1-Q3 2022: EUR 328 mn.



as % of Group

EBITDA

EUR 180 mn (FY 2021)
Q1-Q3 2022: EUR 160 mn.



Book value

As of Sep. 30, 2022

285
EUR mn

Customers

As of Sep. 30, 2022

5.6
million

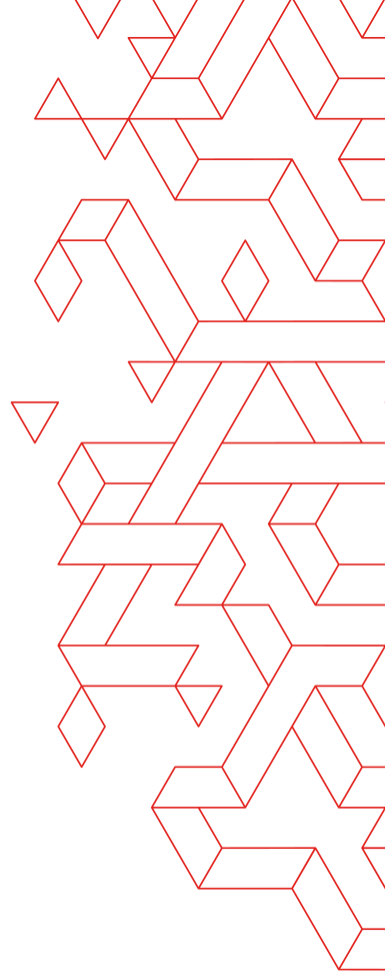
Employees

As of Sep. 30, 2022

2.345
FTEs

Outlook for the full year 2022

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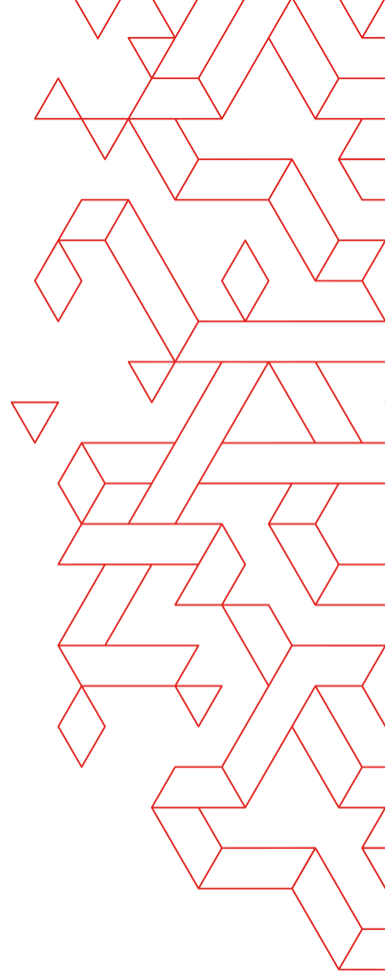
Outlook for the full year 2022

	October 18, 2022	Consensus for FY 2022
Total revenues	Close to 3%	EUR 4,890 mn (+2.9% vs FY '21)
CAPEX	Approx. +15% y-o-y	EUR 950 mn (+15.0% vs FY '21)

- Total revenue growth expected to be driven by ongoing solid service revenues in basically all markets, strong performance in the mobile as well as solutions & connectivity business
- Impact of BYN/EUR exchange rate on total revenues
 - Initial outlook assumed a depreciation of 5-10% avg. BYN/EUR rate (disclosed information)
 - Assuming that the BYN/EUR FX rate would remain at the level of September 30, 2022 until the end of the year and reflecting the FX rate development in Q1-Q3, this would have an **additional positive revenue effect of about 1-1.5%**
 - CAPEX does not include investments in spectrum or acquisitions

Appendix 1

**Additional information on KPIs and
financials
of A1 Telekom Austria Group**



Profit and Loss

(in EUR million)	Q3 2022	Q3 2021	change
Service Revenues	1,069	1,013	5.5%
Equipment Revenues	200	173	15.9%
Other operating income	23	19	19.8%
Total Revenues	1,292	1,205	7.2%
Cost of Service	-357	-335	-6.6%
Cost of Equipment	-193	-168	-14.9%
Selling, General & Administrative Expenses	-223	-220	-1.3%
Others	-2	-2	6.3%
Total Costs and Expenses	-775	-725	-6.9%
EBITDA	517	480	7.8%
<i>% of Total Revenues</i>	<i>40.0%</i>	<i>39.8%</i>	
Depreciation and Amortisation	-202	-196	-3.4%
Depreciation RoU assets	-42	-41	-3.7%
EBIT	273	244	11.9%
<i>% of Total Revenues</i>	<i>21.1%</i>	<i>20.2%</i>	
EBT (Earnings Before Income Taxes)	264	221	19.5%
Net Result	205	181	13.4%

Total revenues & costs and expenses per segment

Total Revenues (in EUR million)	Q3 2022	Q3 2021	change
Austria	702	673	4.5%
Bulgaria	165	145	14.1%
Croatia	127	122	4.5%
Belarus	123	109	12.8%
Slovenia	58	54	7.2%
Serbia	94	83	12.8%
North Macedonia	36	35	4.1%
Corporate & other, eliminations	-14	-15	8.5%
Total Revenues	1,292	1,205	7.2%

Costs and Expenses (in EUR million)	Q3 2022	Q3 2021	change
Austria	410	393	4.3%
Bulgaria	97	88	10.7%
Croatia	75	71	5.3%
Belarus	63	62	1.6%
Slovenia	44	38	15.8%
Serbia	63	55	13.7%
North Macedonia	25	22	13.3%
Corporate & other, eliminations	-2	-4	56.7%
Total Operating Expenses	775	725	6.9%

Workforce development

FTE (Average Period)	Q3 2022	Q3 2021	change
Austria	6,961	7,231	-3.7%
International	10,451	10,266	1.8%
Corporate	395	374	5.7%
A1 Telekom Austria Group	17,807	17,872	-0.4%

FTE (End of Period)	Q3 2022	Q3 2021	change
Austria	6,946	7,232	-4.0%
International	10,647	10,243	3.9%
Corporate	402	376	6.9%
A1 Telekom Austria Group	17,996	17,851	0.8%

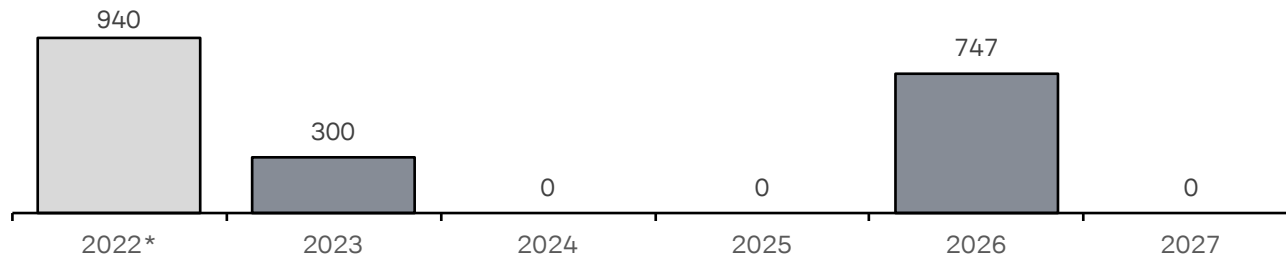
Net debt

Net Debt (excl. Leases) (in EUR million)	September 30 2022	December 31 2021	change
Long-term Debt	747	1,046	-28.6%
Short-term Borrowings	1,240	1,553	-20.2%
Cash and Cash Equivalents	-172	-534	67.8%
Net Debt (excl. Leases) of A1 Telekom Austria Group	1,815	2,065	-12.1%
Leverage Ratio	1.1	1.3	

Net Debt incl. Leases (in EUR million)	September 30 2022	December 31 2021	change
Long-term Debt incl. Leases	1,293	1,652	-21.8%
Short-term Borrowings incl. Leases	1,405	1,714	-18.0%
Cash and Cash Equivalents	-172	-534	67.8%
Net Debt incl. Leases of A1 Telekom Austria Group	2,526	2,832	-10.8%
Leverage Ratio	1.4	1.7	

Financial debt maturity profile

as of September 30, 2022 (in EUR mn)



* Short-term fundings

Overview

- Total debt of EUR 1,987 mn
- Average cost of debt of 1.03%
- Cash and cash equivalents: EUR 172 mn
- Average term to maturity of 1.77 years

Lines of credit

- Undrawn committed credit lines: EUR 1,275 mn
- Average term to maturity: 3.39 years

Ratings

- S&P: BBB+ (stable outlook)
- Moody's: Baa1 (stable outlook)

Reconciliation free cash flow

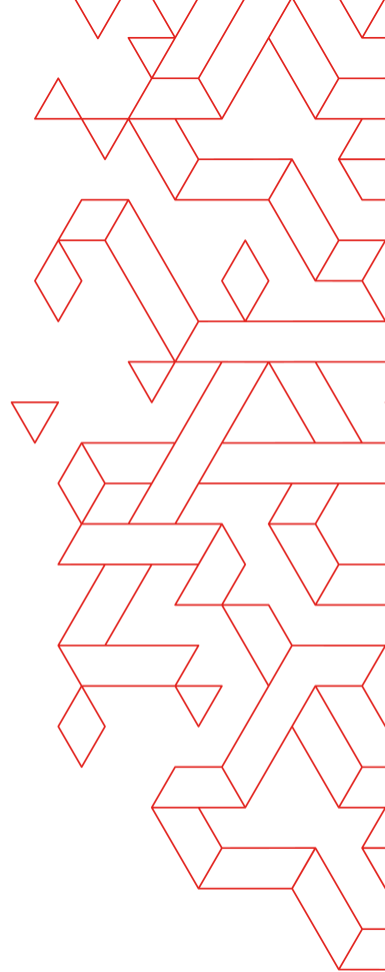
	Q1-Q3 2022	Q1-Q3 2021	change
FCF after social plans new	502	465	7.9%
Social plans new funded	68	65	4.0%
Total social plans paid*	-72	-74	-2.4%
FCF - previously reported	498	457	9.0%

* In the previous view, all payments for all social plans (old = granted before January 1, 2019 + new = granted after January 1, 2019) have been deducted in the calculation of free cash flow.

	FCF – previous view	FCF after social plans new
All payments for social plans	Deducted	Not deducted
Funding of new social plans	Not included	Included

Appendix 2

Regulatory Topics



Mobile Termination Rates

	Jan 2018	Mar 2019	Jan 2020	April 2020	Aug 2020	Jul 2021	Jan 2022
Austria (EUR)	0.008049					0.007	0.0055
Bulgaria (BGN)	0.014					0.007	0.0055
Croatia (HRK)*	0.047	0.045			0.006		0.0055
Belarus (BYN)**	MTS 0.025/0.0125 BeST 0.018/0.009						
Slovenia (EUR)	0.0114				0.00882	0.007	0.0055
Serbia (RSD)	1.43						
North Macedonia (MKD)***	0.63						

* National and International EU/EEA MTRs stated as regulated. International MTRs differ between EU/EEA and non-EU/EEA originating country.

Non-EU/EEA MTR for Croatia: HRK 1.73/min -> HRK 2.00/min in Apr 2016

** Belarus values: prime time/downtime. MTS: Mobile TeleSystems; BeST: Belarus Telecommunications Network

*** NRA Regulated symmetric MTR for FULL MVNO (Lycamobile) from 01.07.2020 and asymmetric MTR for new MVNO entrant (Telekabel) from 01.04.2020 on level of 1.5 MKD

Upcoming spectrum tenders/prolongations/assignments*

	Expected	Comments
Austria	Q4 2023/Q1 2024 26 GHz and rest of 3,5 GHz	At NRA level there's preparatory work ongoing for the allocation of 26 GHz and the remaining regional licenses of 3,5 GHz in Q4 2023/Q1 2024. A public consultation takes place in autumn 2022.
Bulgaria	2022 700 MHz, 800 MHz	No further info yet
Croatia	2023 800 MHz, 900 MHz, 1800 MHz, 2100 MHz and 2600 MHz	Renewal of the existing spectrum; bidding scheduled for January 2023
Belarus		No announcements on any dates.
Slovenia	2022 20 MHz in 3500 MHz and 30 MHz in 2300 MHz band for local coverage, +28 GHz band + 3800-4200 MHz	Tender procedure is currently under the preparation
Serbia	Q1/Q2 2023 3600 MHz/700 MHz	As the new government has not been elected yet, it is expected that the auction will be held in the first half of 2023.
North Macedonia		Renewal of existing spectrum expected without tender procedure

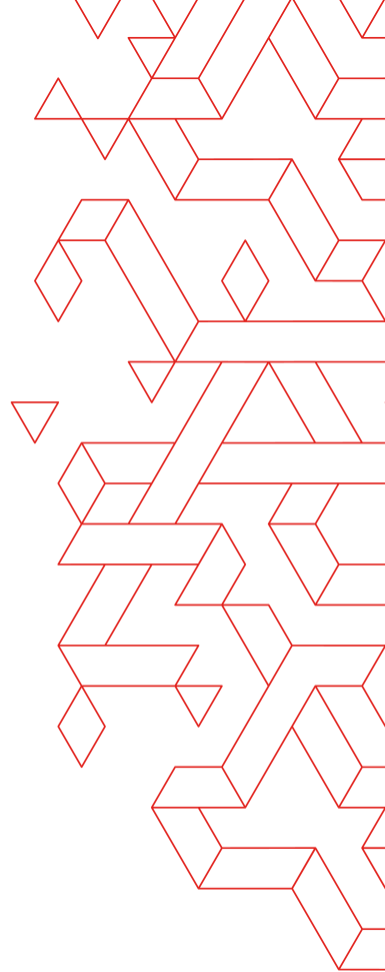
* Please note that this is a list of expected spectrum awards procedures. Whether A1 Telekom Austria Group is planning and sees a need to participate and acquire spectrum in the above-mentioned procedures the Group is not permitted to comment on.

EU Roaming Regulation (Wholesale Tariffs)

	July- Dec 22	2023	2024	2025	2026	2027	2028
Data (€/per GB)	2.00	1.80	1.55	1.30	1.10	1	1
Voice (€Cents/per minute)	2.20	2.20	2.20	1.90	1.90	1.90	1.90
SMS (€Cents/per SMS)	0.40	0.40	0.40	0.30	0.30	0.30	0.30

Appendix 3

Personnel restructuring in Austria



Restructuring charges and provision vs. FTE

Overview restructuring charges

(in EUR million)

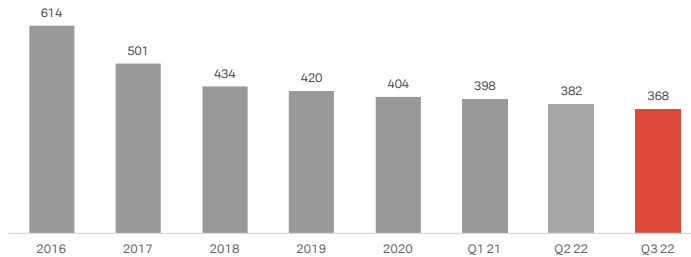
	2016	2017	2018	2019	2020	2021	Q1 22	Q2 22	Q3 22
FTE reduction	95	9	70	100	91	95	26	38	19
Servicekom contribution	-97	-27	-47	-19	-10	-11	-5	-14	0
Staff released from work	0	0	0	0	0	0	0	6	0
Interest rate adjustments	9	0	-1	3	3	0	0	-10	0
Total	7	-18	22	84	85	84	21	20	19

FTEs addressed

	2016	2017	2018	2019	2020	2021	Q1 22	Q2 22	Q3 22
Transfer to government	6	3	0	0	0	0	0	0	0
Social plans	269	31	241	387	375	354	93	125	62
Staff released from work	0	0	0	0	0	0	0	0	0
Total	275	34	241	387	375	354	93	125	62

Overview restructuring provision*

(in EUR million)



Provisioned FTEs

	2016	2017	2018	2019	2020	2021	Q1 22	Q2 22	Q3 22
Transfer to government	193	176	159	128	113	107	107	106	105
Social plans	1,821	1,707	1,748	1,805	1,827	1,812	1,813	1,847	1,845
Staff released from work	200	172	116	81	62	44	40	8	8
Total	2,214	2,055	2,023	2,014	2,002	1,963	1,960	1,961	1,958

* Including liabilities for transfer of civil servants to government bodies since 2010. For further details please refer to note (23) of the consolidated financial statements.

End of Presentation

