Results for Q2 2023 and Q1-Q2 2023

A1 Group

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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 Telekom Austria AG nor the A1 Group nor any other person accepts any liability for any such forward-looking statements. A1 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. This presentation was created with care and all data has been checked conscientiously. Nevertheless, the possibility of layout and printing errors cannot be excluded. The use of automated calculation systems may give rise to rounding differences.

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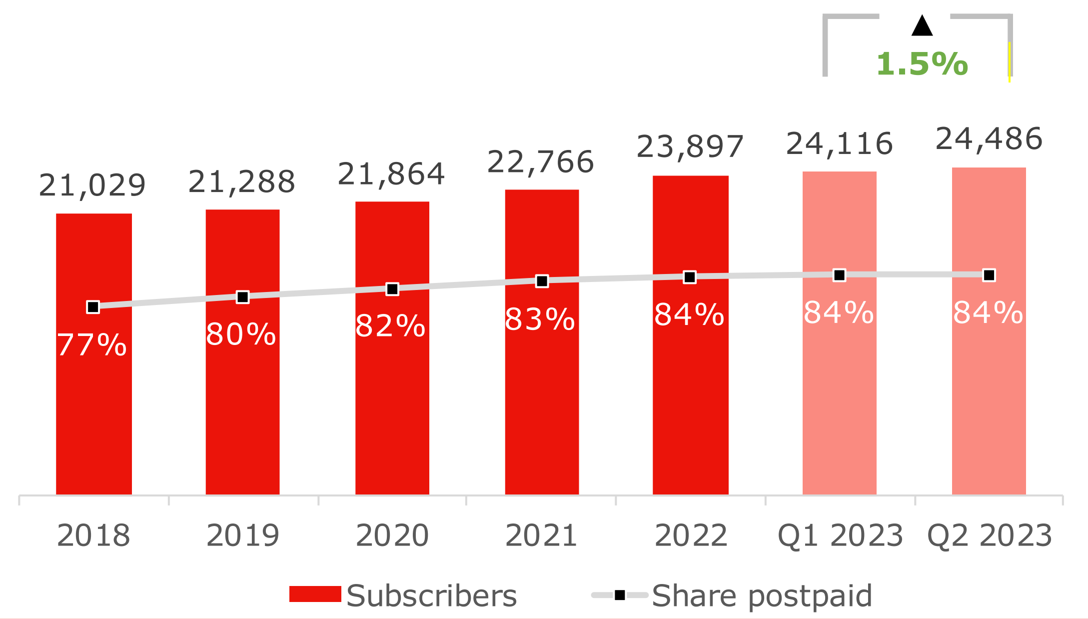
Highlights Q2 2023

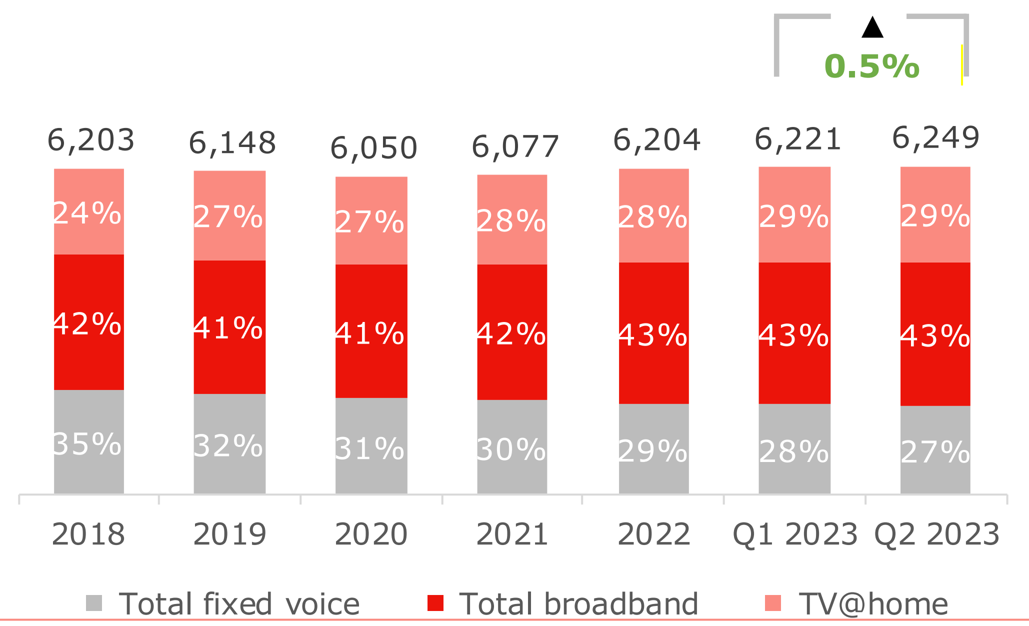
- **Revenues**: +7% yoy to € 1.299 mn, supported by value-protecting pricing measures and upselling.
- **Guidance raised:** Revenues expected to grow by around 5%.
- **EBITDA**: +6% yoy to € 486 mn, due to positive revenue development and despite higher OPEX.
- **Financial result**: significant year-on-year increase in interest rates is reflected in the interest expense. In addition, exchange rate effects had a negative impact on the financial result.
- **CAPEX**: increase of € 148 mn to € 359 mn, thereof approx. €110 mn for spectrum in Croatia.
- **FCF**: below PY, mainly due to higher CAPEX and changes in working capital.
- **Dividend**: € 0.32/share (total € 213 mn) paid.
- **Rating:** first rating for A1 Group from Fitch is A-; best Fitch-rated telco in Europe.
- **TowerCo**: Next steps for spin-off of tower business: Extraordinary General Meeting on August 1, 2023.

Customer-related information

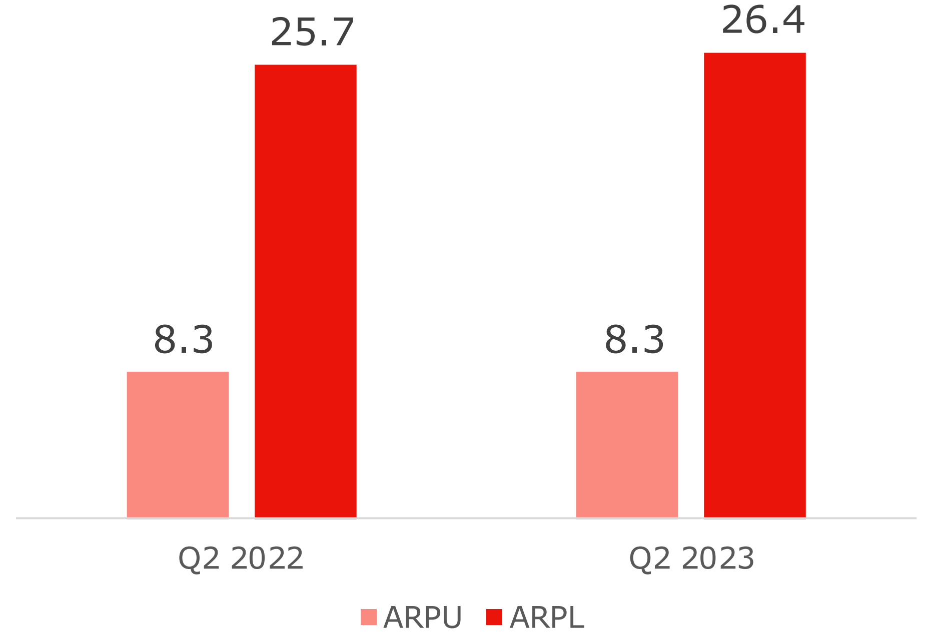
Mobile subscribers (in thousand)



RGUs (in thousand)



Q2 '23 Group ARPU and ARPL (in €)



Number of **mobile subscribers** rose by **+5.2%** yoy (+1.5% in Q2 '23); excl.M2M customers stable development.

RGUs growing at +1.9% yoy (+0.5% in Q2 '23).

Q2 2023 Group **ARPU** flat yoy

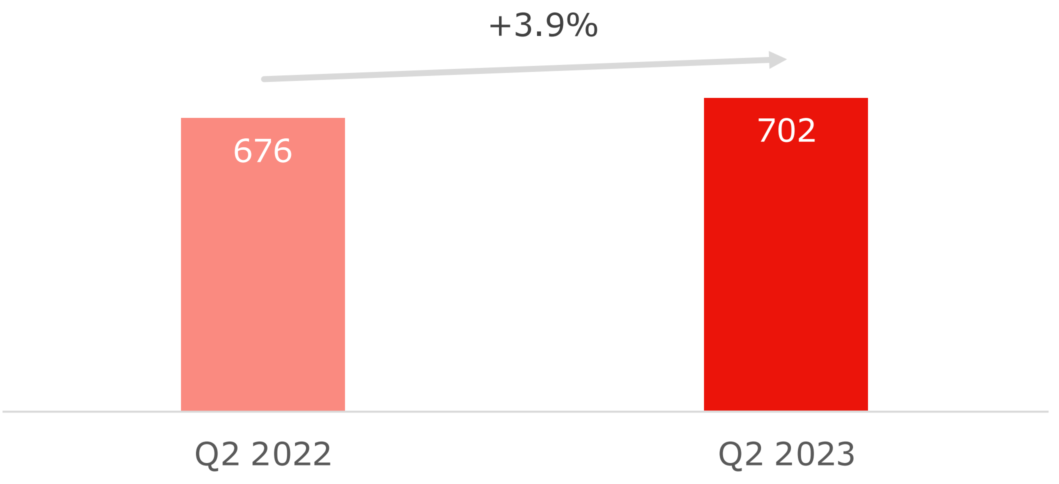
Q2 2023 Group **ARPL** +2.6%

Segment Austria in Q2 2023

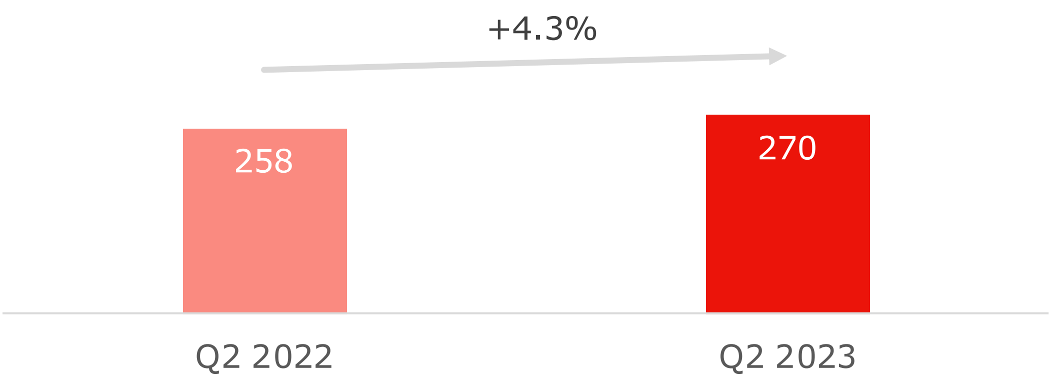
Highlights

- Value-protecting pricing measures started to feed in as of April 2023.
- Mobile:
  - More rational and calmer market dynamics compared to H2 of the previous year.
  - Continued solid performance of high-value tariffs and mobile WiFi routers.
- Fixed:
  - Strategic promotional efforts to push FTTP & FTTH offerings.
  - Soild traction of Solution & Connectivity business.
- Core OPEX mainly driven by higher electricity and product-related costs.

Revenues (€ mn)



EBITDA (€ mn)



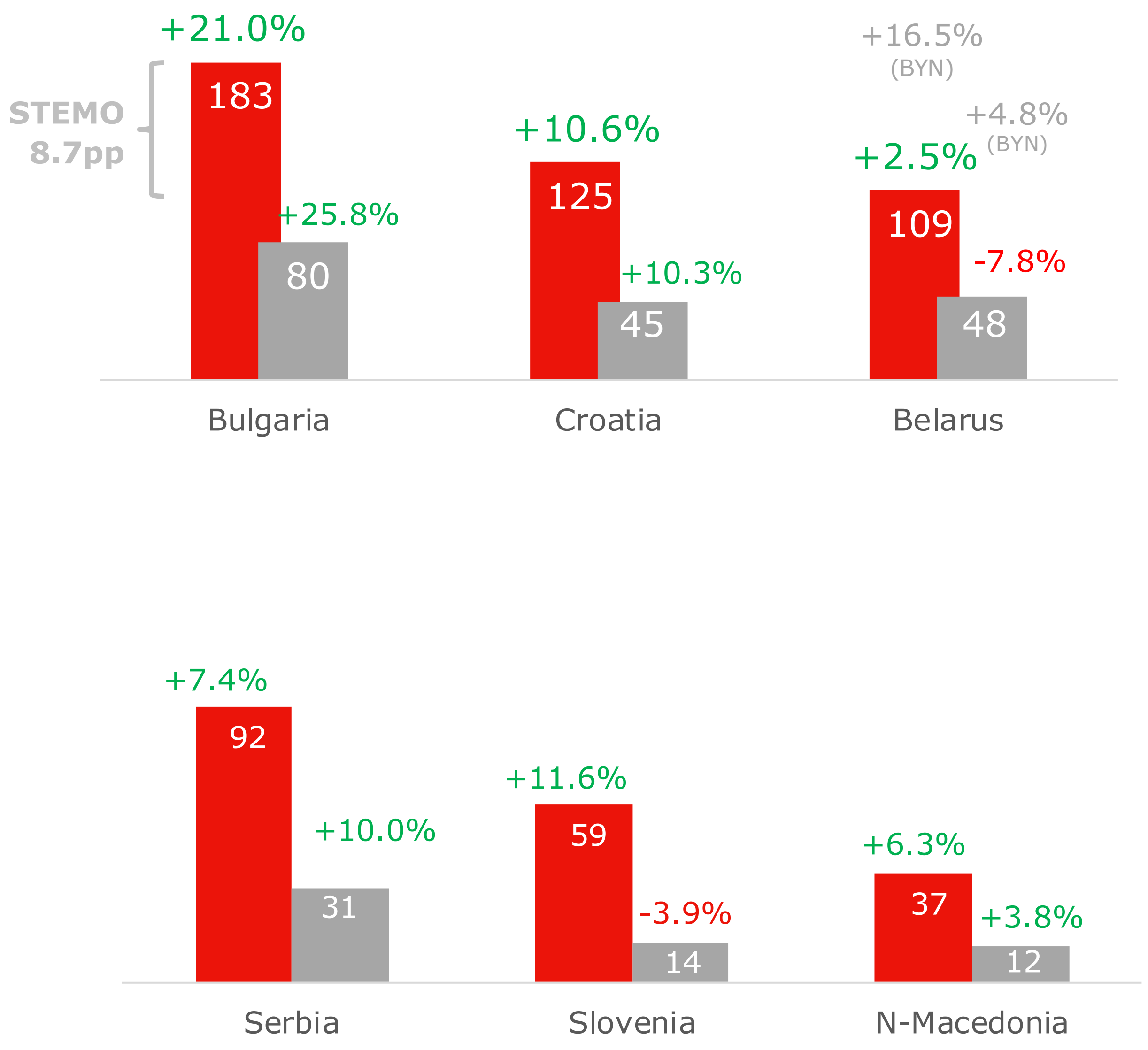
International segments in Q2 2023

Highlights

Continued positive trends and broadly unchanged market dynamics resulted in solid revenue and EBITDA growth in most CEE markets.

- **Bulgaria:** service revenue growth driven by fixed-line and strong Solution & Connectivity business.
- **Belarus:** unfavorable FX development; inflation cannot be passed on through higher tariffs.
- **Croatia:** solid performance of the mobile business and improved equipment sales more than outweighed higher costs.
- **Serbia:** EBITDA growth driven by successful translation of service revenues and improved equipment margin.
- **Slovenia:** successful in customer upselling and acquisition but service revenue growth could not fully offset increased core OPEX.
- **N-Macedonia:** EBITDA growth on the back of solid mobile business.

Revenues and EBITDA (€ mn)

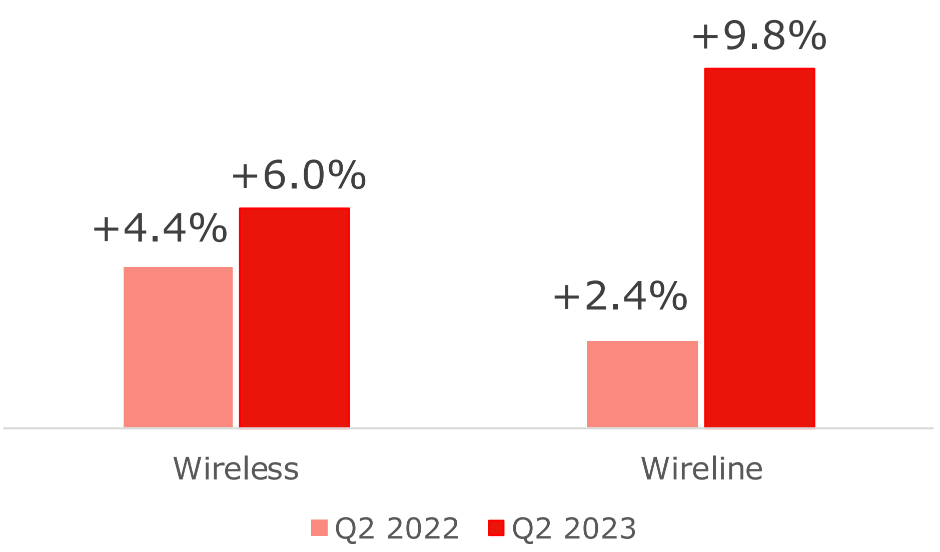


Group revenues

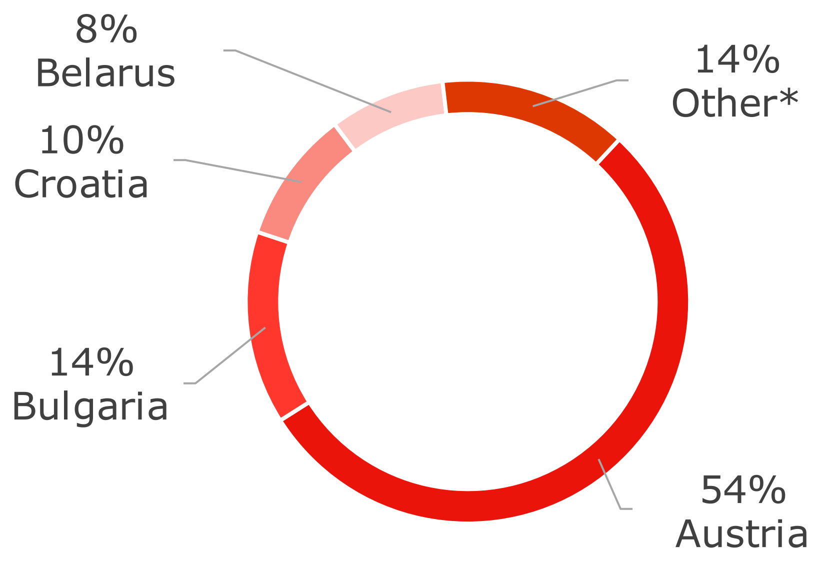
Unless otherwise stated, all amounts in € mn

	Q2 2023	Q2 2022		Q1-Q2 2023	Q1-Q2 2022	
Service revenues	1,082	1,026	+5.5%	2,120	2,014	+5.3%
Equipment revenues	194	162	+20.2%	389	317	+22.8%
Other operating income	23	21	+7.9%	47	44	+6.9%
Total revenues	**1,299**	**1,208**	+7.5%	**2,557**	**2,375**	+7.6%

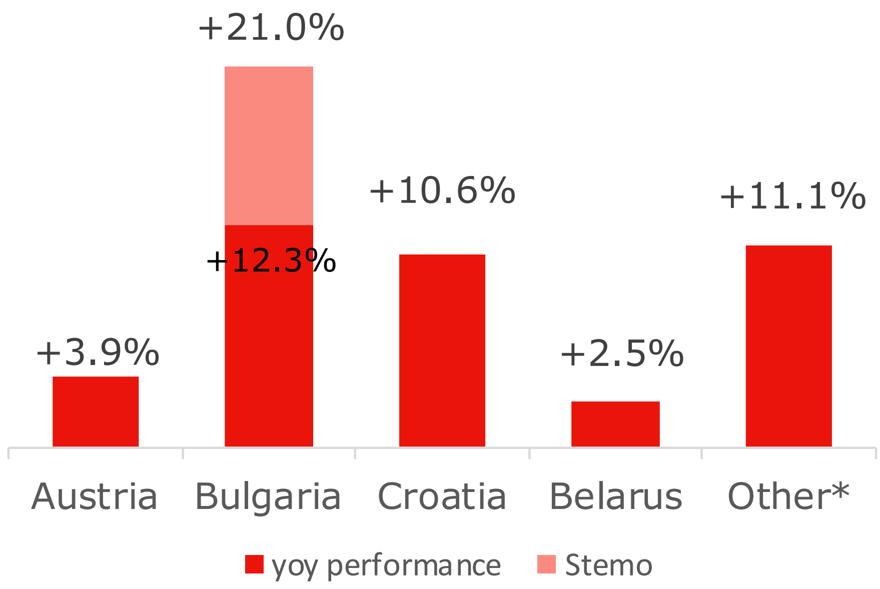
Revenues: growth rates



Revenues: Regional split



Revenues: Growth by segment



* Incl. corporate and eliminations

P&L

Unless otherwise stated, all amounts in € mn	Q2 2023	Q2 2022		Q1-Q2 2023	Q1-Q2 2022	
Revenues	**1,299**	**1,208**	**+7.5%**	**2,557**	**2,375**	**+7.6%**
OPEX	(813)	(752)	+8.2%	(1,635)	(1,486)	+10.0%
Restructuring	(17)	(20)	−15.8%	(38)	(41)	-7.5%
EBITDA	**486**	**457**	**+6.3%**	**922**	**889**	**+3.7%**
EBITDA margin	*37.4%*	*37.8%*	*−0.4pp*	*36.1%*	*37.4%*	*−1.4pp*
before restructuring	503	477	+5.4%	960	930	+3.2%
Margin	*38.7%*	*39.5%*	*−0.8pp*	*37.5%*	*39.1%*	*−1.6pp*
after leases	436	412	+5.8%	825	799	+3.2%
Margin	*33.6%*	*34.1%*	*−0.5pp*	*32.3%*	*33.7%*	*−1.4pp*
EBIT	**241**	**219**	**9.9%**	**436**	**413**	**5.4%**
EBIT margin	*18.5%*	*18.1%*	*+0.4pp*	*17.0%*	*17.4%*	*−0.4pp*
Financial result	**(27)**	**(4)**	**n.m**	**(48)**	**(30)**	**60.2%**
Income taxes	(48)	(48)	-0.6%	(86)	(86)	0.9%
Net result	**166**	**167**	**-0.4%**	**301**	**298**	**1.1%**
Net margin	*12.8%*	*13.8%*	*−1.0pp*	*11.8%*	*12.5%*	*−0.8pp*

Total **Costs and Expenses** higher, driven by:

- Electricity costs
- Workforce costs
- Product-related costs

Operating result improved by 10%, driven by solid operational performance.

Financial result lower vs PY, reflecting significant increase in interest rates and negative FX development.

Net result marginally lower compared to the same period last year, as increase in operating profit could not fully offset negative financial result.

Free cash flow

Unless otherwise stated, all amounts in € mn	Q2 2023	Q2 2022		Q1-Q2 2023	Q1-Q2 2022	
EBITDA	486	457	+6.3%	922	889	3.7%
Restructuring charges, cost of labor obligations	18	16	+15.9%	41	38	+6.7%
Lease paid (principal, interest, prepayments)	(42)	(39)	+9.0%	(108)	(104)	+3.4%
Income taxes paid	(31)	(22)	+39.5%	(48)	(39)	+24.0%
Net interest paid	(7)	(26)	n.m	(9)	(26)	-67.3%
Change working capital and other changes	(15)	29	-151.5%	(26)	58	-144.3%
CAPEX	(359)	(211)	+70.0%	(606)	(391)	+55.1%
FCF before soc. plans	**50**	**203**	**-75.2%**	**166**	**425**	**-60.9%**
Social plans new funded	(20)	(32)	-36.3%	(43)	(57)	-24.2%
Free cash flow	**30**	**171**	**-82.4%**	**123**	**368**	**-66.6%**
FCF/revenues	*2.3%*	*14.1%*	*-11.8%*	*4.8%*	*15.5%*	*-0.1pp*
Free cash flow (excl. spectrum)	***140***	***171***	***-18.2%***	***233***	***368***	***-36.8%***

Free Cash Flow declined in the reporting period mainly due to higher CAPEX and changes in working capital.

Q2 CAPEX up by € 148 million q-o-q.

- € 110 million for frequencies in Croatia.
- Higher investments in particular in broadband in Austria.

Q2 working capital changes had a negative impact of FCF.

- Increase in installment sales.
- Higher inventory.

Spin-off and listing of tower business

Cornerstones of the A1 tower business

- A1 tower business to be spun-off named “EuroTeleSites”.
- EuroTeleSites is planned to be listed at Vienna Stock Exchange.

Financial KPIs (pro forma 2022)

- Revenues from leases: about € 230mn
- EBITDAaL: about € 127mn

Operative KPIs (as of June 30, 2023)

- Tenancy ratio: 1.2x
- Number of macro sites: 13,225

Designated Management

- CEO: Ivo Ivanovski, for 3 years leading project of tower separation at A1, since 2016 with A1 Group.
- CFO: Lars Mosdorf, 16 years of experience in infrastructure, most recently CFO of Düsseldorf Airport.

Further steps planned

- EGM on August 1, 2023.
- September: capital markets day followed by roadshow.
- Sept./Oct.: spin-off executed, EuroTeleSites in company register and subsequently listed.
- Process expected to be completed by September/October.


Out
look

	Guidance ‘23	Consensus
Total revenues	Around ~~+4%~~ ➡ +5%	EUR 5.224 mn (+4.4%)
CAPEX (excl. spectrum)	Around € 950 million	EUR 966 mn

Guidance 2023: Revenues expected to grow by around 5%
CAPEX guidance unchanged.

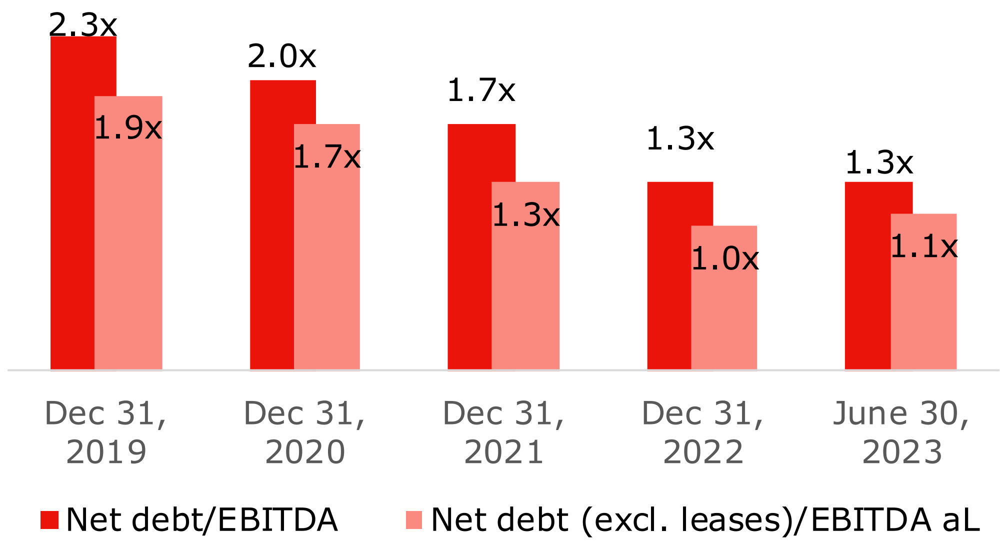
Appendix

Conservative financial policy, investment-grade rating

Overview (June 30, 2023)

- Total financial debt:€ 1,967 mn
- Average cost of debt: 2.97%
- Cash & cash equivalents: € 143 mn
- Avg. term to maturity: 1.55 years

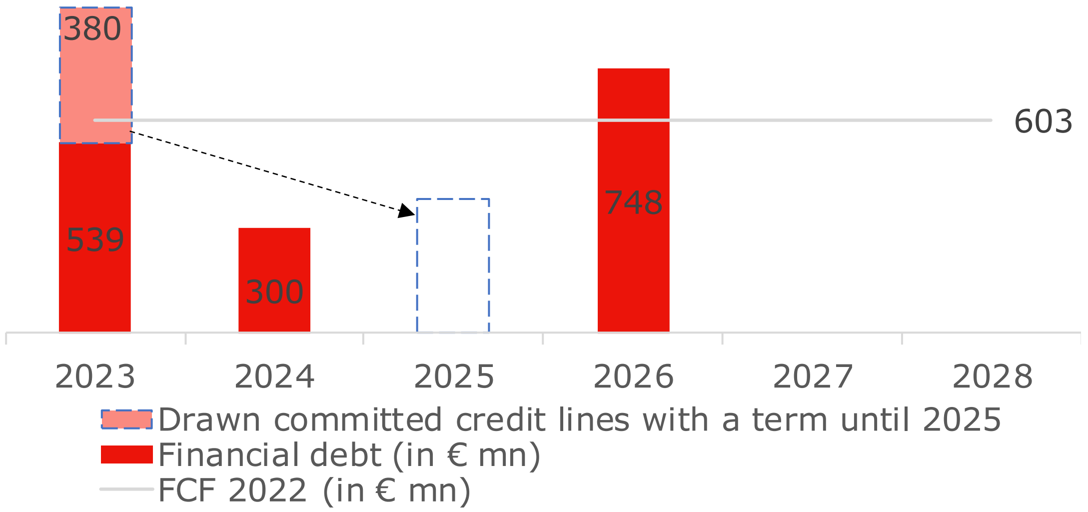
Net debt/EBITDA



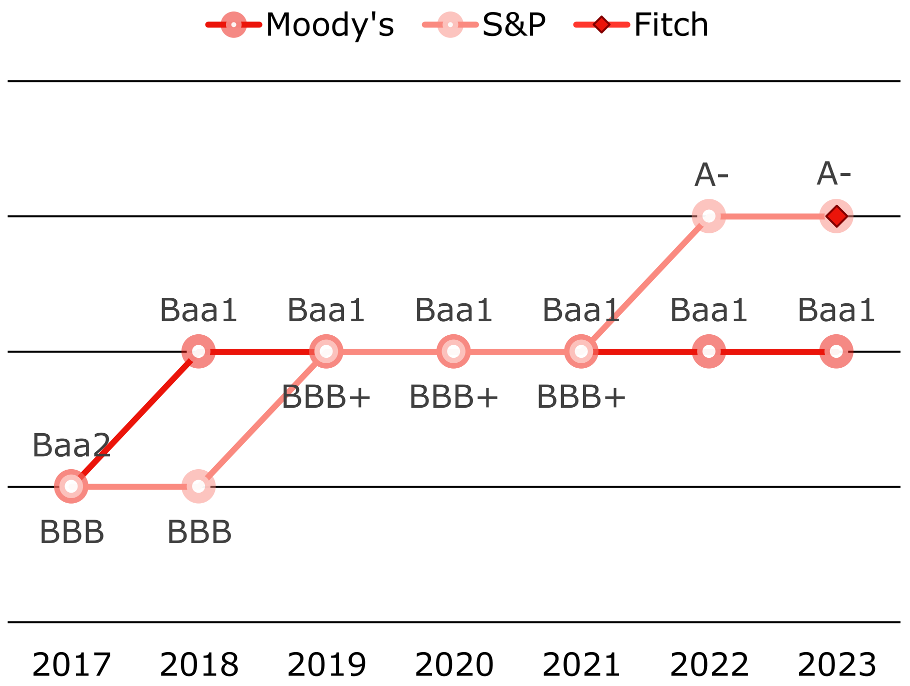
Lines of credit (June 30, 2023)

- Total committed lines: € 1,890 mn
  - Average term to maturity: 2.36 years
- Undrawn committed credit lines: € 1,370 mn

Debt maturity profile (June 30, 2023)



Credit ratings



- Fitch assigned A- in June 2023 (initial rating, best European telco)
- S&P upgrade to A- in 10/2022
- Moody's confirmed Baa1 in 12/2022

Thank you

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