Investor Presentation

February 2024

A1 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 or by ›outlook‹. 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.

This presentation does not constitute a recommendation or invitation to purchase or sell securities of A1 Group. Telekom Austria AG is the mother company of the A1 Group.

Promoting a more sustainable way of life through digitalization

- Leading telco across CEE
- System-critical infrastructure: fixed-line and mobile networks, data centers
- Leverage the potential provided by megatrend digitalization
- Strong growth performance, solid balance sheet structure
- Well-balanced performance: stability in Austria, growth in CEE
- Sustainable dividend policy, well covered by FCF
- A rated by all three major credit rating agencies

CDP DISCLOSURE INSIGHT ACTION A LIST 2023 CLIMATE

SUSTAINALYTICS ESG INDUSTRY TOP RATED 2023

Source Sustainalytics. Sustainalytics, a Morningstar company, is a leading independent ESG research, ratings and data firm, has recognized Telekom Austria as a Sustainalytics ESG Top Rated Company.

5.3 billion
Revenues FY 2023

1.9 billion
EBITDA FY 2023

29 million
Customers

18 thousand
Employees (FTEs)

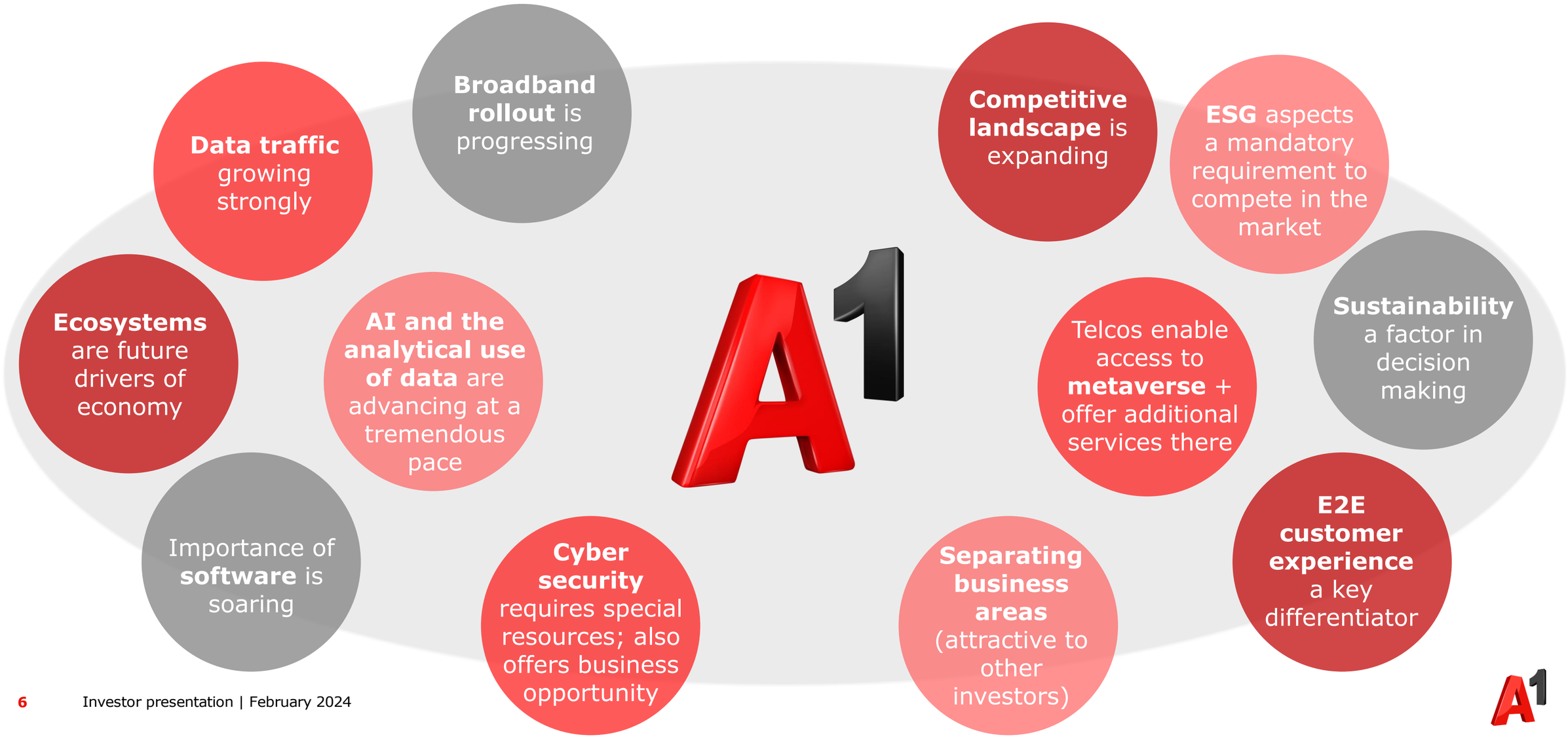
Regional coverage

	Inhabitants (million)	GDP/capita (in $)	Mobile subscribers (million; market position)		RGUs (million; market position)	
Austria	9.0	67,900	5.2	#1	2.9	#1
Bulgaria	6.5	33,800	3.8	#1	1.2	#2
Croatia	3.9	40,200	2.0	#2	0.7	#2
Belarus	9.2	22,600	4.9	#2	0.8	#2
Serbia	6.7	23,900	2.4	#3	-	
Slovenia	2.1	48,300	0.7	#2	0.2	#4
N-Macedonia	2.1	20,300	1.1	#1	0.4	#2

RGU = Revenue Generating Unit;
Source for inhabitants as well as GDP/capita (PPP, current international $): https://data.worldbank.org (November 21, 2023); data for most recent year: 2022

Stra
tegy

Trends that influence telcos and A1's strategy



Key performance drivers

Unified Brand

B2B Digital

Commercial excellence

One company

IT services
e.g., applications, data centers, analytics

Security
data/mobile/object security

Communication
e.g., private branch exchange, healthcare

Integrated sector solutions
e.g., smart metering, IoT

Upselling the base

Best mobile network

Internet@Home (fiber + cubes)

Targeted M&A to complement offering

One to all approach
e.g., TV platform, IoT portfolio, data2impact

From silos into expertise hubs
e.g., One Security, cloud

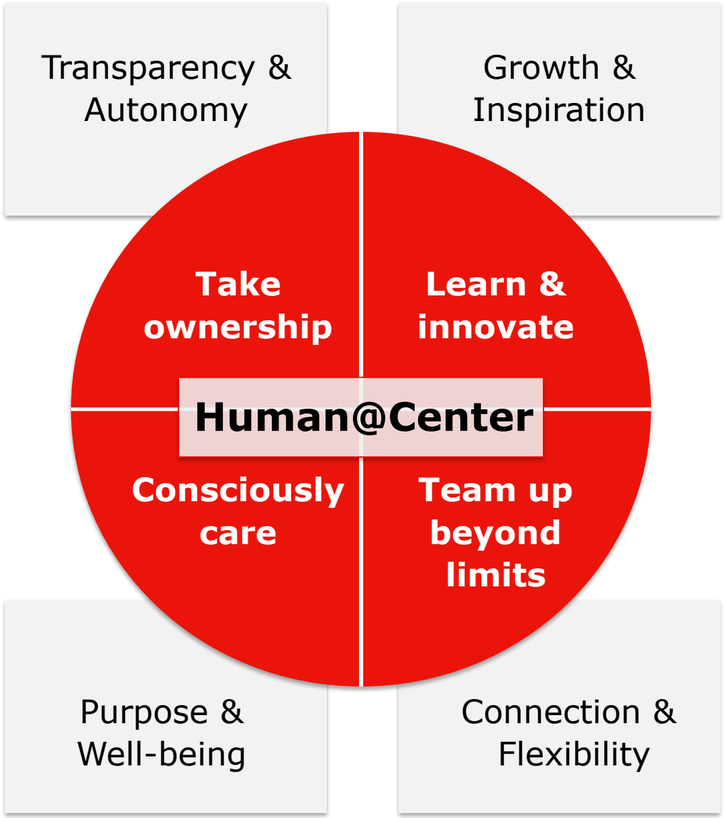
Standardized back-end for supporting systems e.g., OneSAP, Workday

Strategy follows the vision: Empowering digital life

Evolve the core

- From network to connectivity plus
- From product driven to customer journey focused
- Operation to the cloud to simplify and modernize

… to stay relevant for customers



Explore the new

- Scaling-up the portfolio
- Develop eco-systems and partnerships to enrich capabilities
- Expertise hubs to master execution

… to discover new growth opportunities

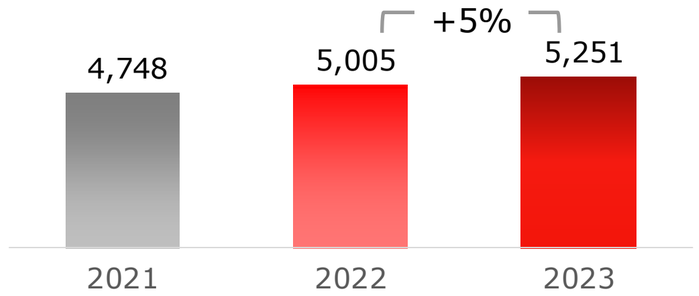
Brand **ESG** **Security**

Finan
cials

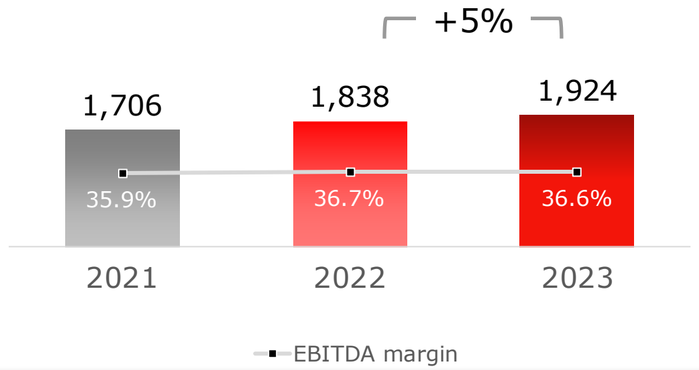
Recent financial performance

(Unless otherwise stated, in € mn)

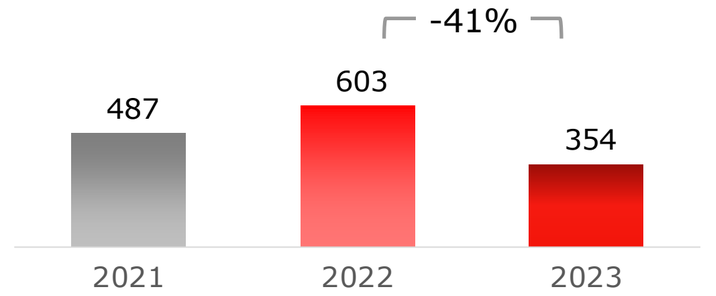
Revenues



EBITDA

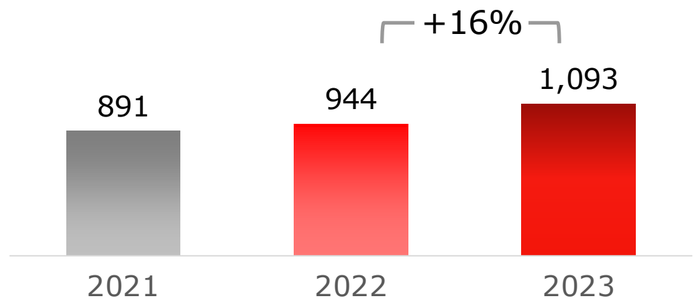


Free cash flow*

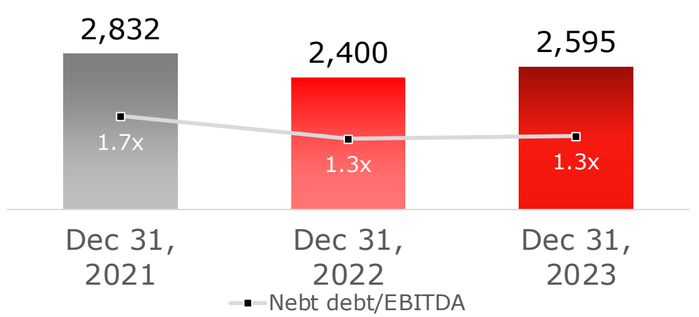


* 2023 incl. € 133 mn investments in spectrum (2022: € 10 mn)

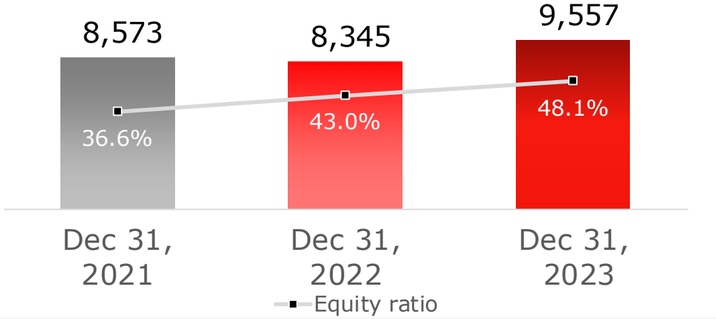
CAPEX (incl frequencies)



Net debt



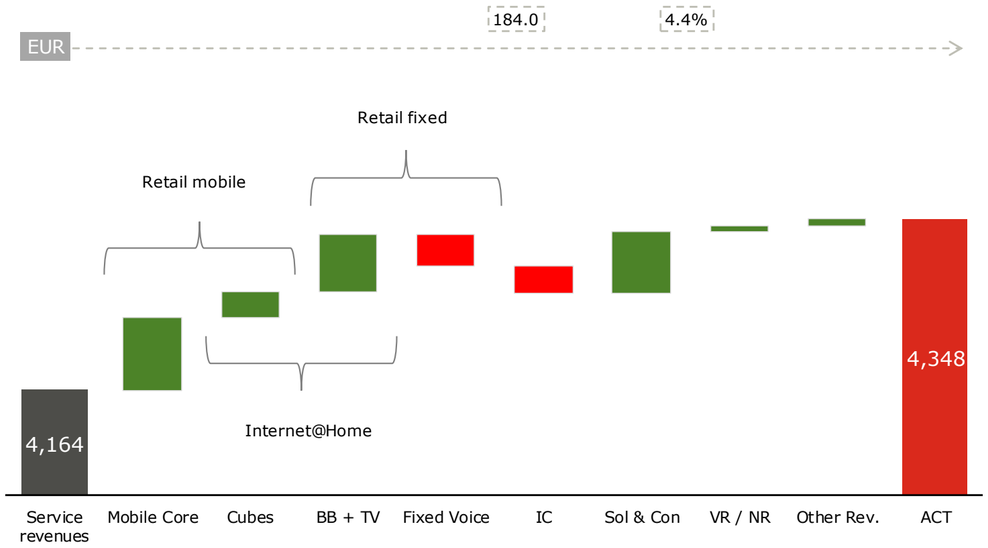
Balance sheet & equity ratio



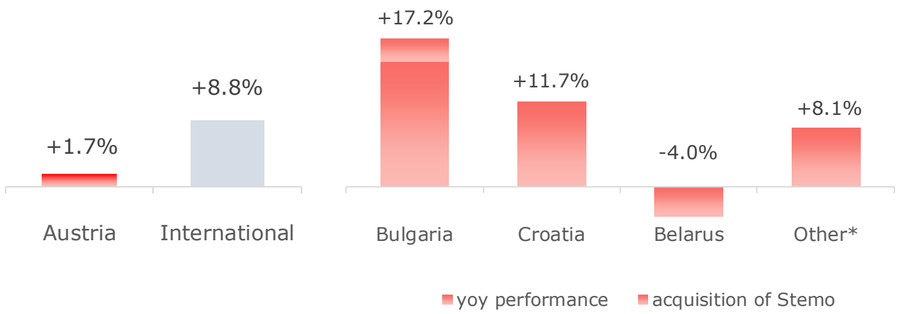
Group revenues

Unless otherwise stated, all amounts in € mn	Q4 2023	Q4 2022		FY 2023	FY 2022	
Service revenues	1,111	1,081	+2.8%	4,348	4,164	+4.4%
Equipment revenues	234	235	-0.6%	811	752	+7.9%
Other operating income	24	22	+12.7%	92	89	+3.6%
Total revenues	**1,369**	**1,338**	+2.3%	**5,251**	**5,005**	+4.9%

Service revenue growth drivers, FY 2023



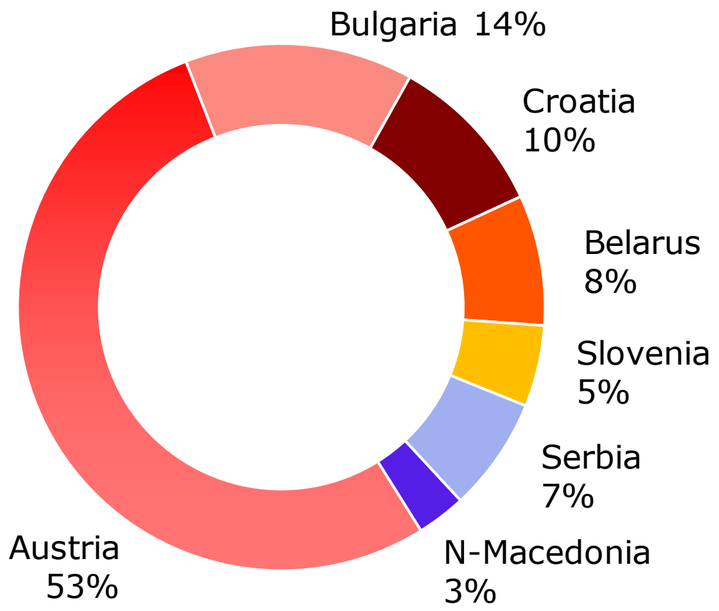
Total revenues – Group and International, FY 2023



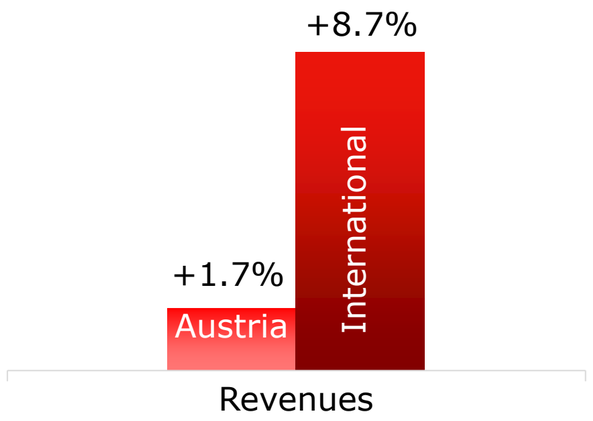
* Incl. corporate and eliminations

Well-balanced performance across geographic footprint

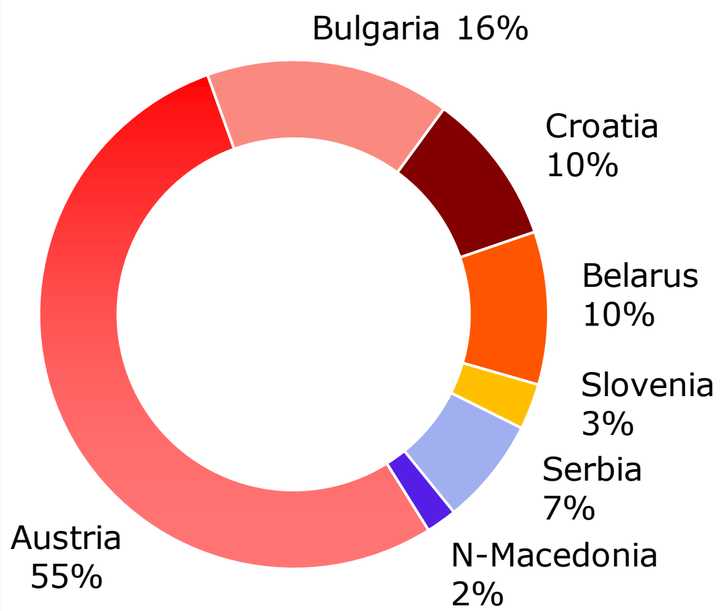
Revenue split (FY 2023)



Growth driver CEE



EBITDA split (FY 2023)



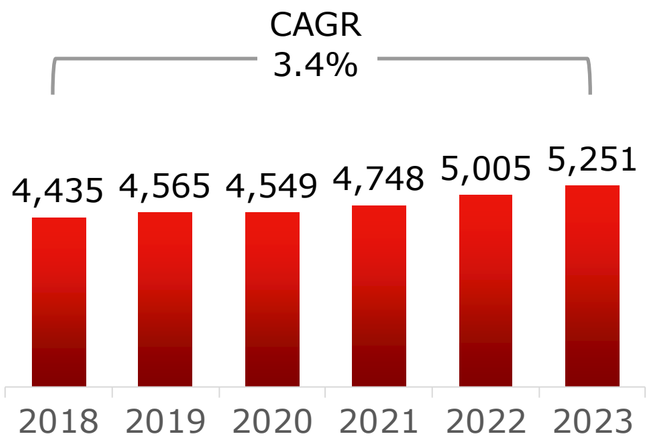
Corporate & other, elimination adds up to -3%

Business in Austria brings stability to the A1 Group, international business growth.

Sustainable growth and strong free cash flow development

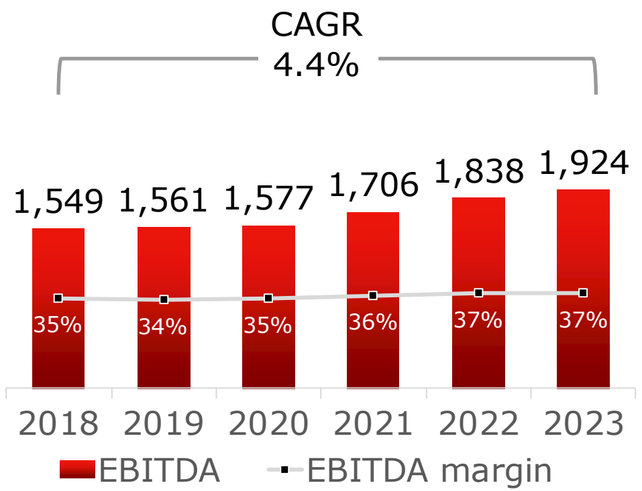
(Unless otherwise stated, in € mn)

Revenues consistently growing



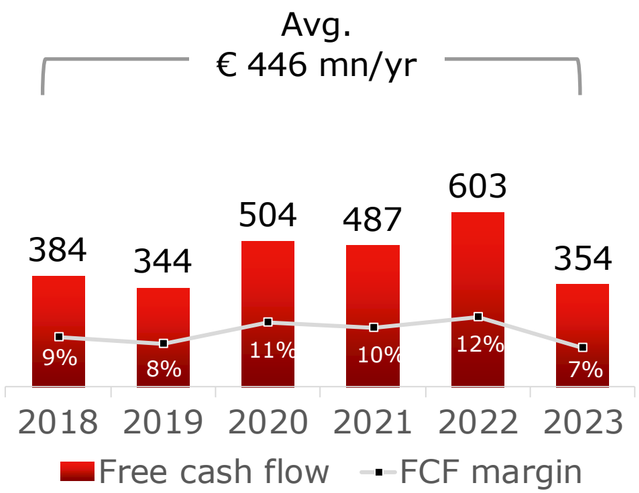
Steady top-line growth
4.9% Y-o-Y growth in 2023

EBITDA increased significantly



Revenue growth and careful cost management have driven consistent improvement in profitability…

Robust free cash flow

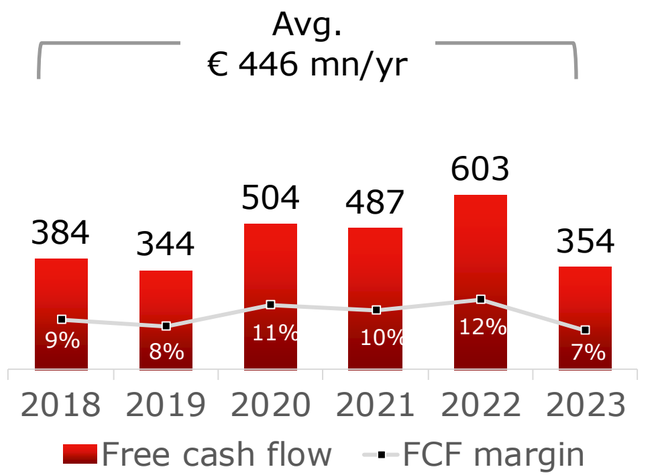


… leading to robust free cash flows

A1 has decreased net debt significantly

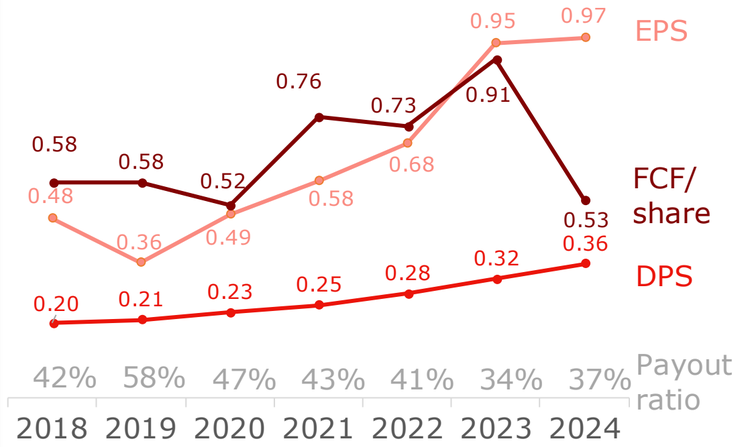
(Unless otherwise stated, in € mn)

Robust free cash flow



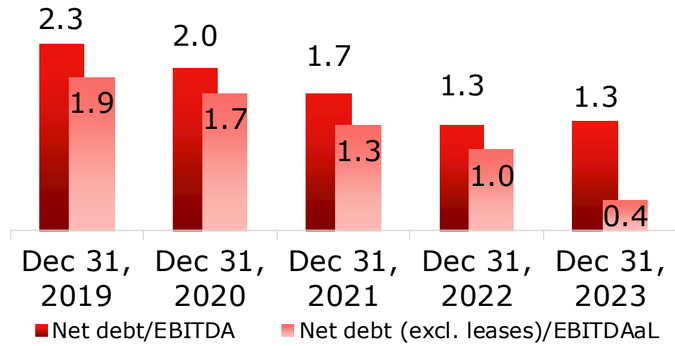
Focus on free cash flow…

Sustainable dividend policy



… in combination with a prudent but sustainable dividend policy …

Net debt reduction

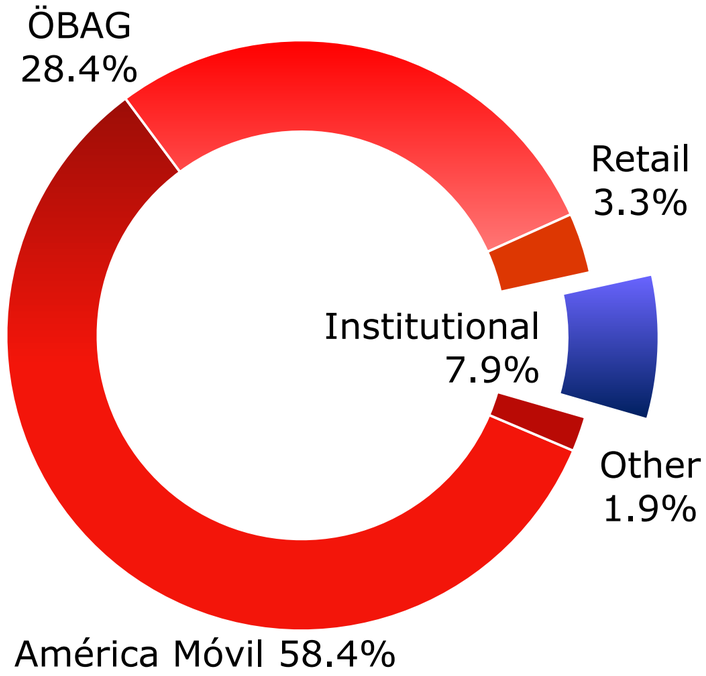


… enabled A1 to strongly deleverage. This provides financial flexibility for future growth opportunities.

The
share

Shareholder structure

Two strong shareholders



ÖBAG (Österreichische Beteiligungs AG)

- ÖBAG: independent holding company of state assets. Mission is to preserve and grow its investments for generations.
- Investment portfolio includes also: OMV, Verbund, Post, Casinos Austria, etc.

América Móvil

- Leading telco in Latin America
- Total revenues € 50 bn
- 310 million mobile customers
- 74 million RGUs
- Listed at the Mexican Stock Exchange and NYSE

Syndicate agreement between América Móvil and ÖBAG

On February 6, 2023, both parties agreed on a new syndicate agreement with a term of 10 years. The publicly known cornerstones of this agreement are the following:

General

- Headquarters to remain in Austria
- Commitment to the listing at the Vienna Stock Exchange
- Free float of at least 10%
- Continued investment program (2022-2031) of € 1 bn for the broadband roll-out in Austria, in particular fiber

Management Board

- Currently 2 members (maximum 3 members)
- CEO nominated by América Móvil
- Deputy CEO nominated by ÖBAG
- Potential third member nominated by América Móvil

Supervisory Board (members elected by shareholders)

- ÖBAG:
  - 2 members
  - Right to nominate the Chairperson
- América Móvil: 8 members

Share price

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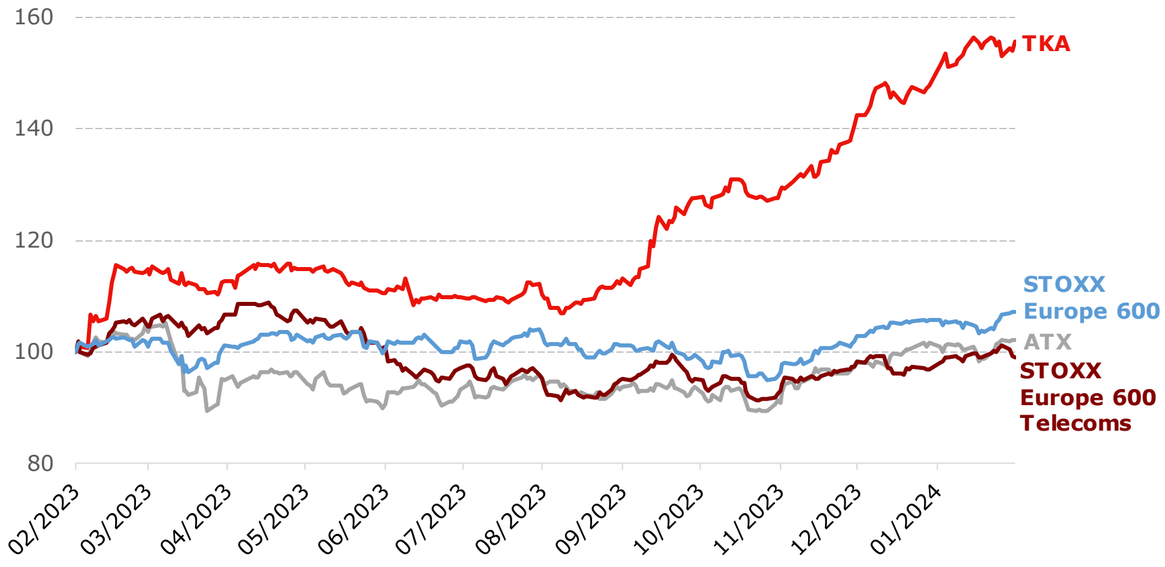
- Shares outstanding: 664,084,841
- Listing: Vienna Stock Exchange



Institution	Rating	Price (€)
AlphaValue/Baader Europe	Buy	8.55
Bank Pekao	Buy	8.60
Barclays	Neutral	8.00
Citigroup	Neutral	7.00
Erste Group Bank	Neutral	8.70
HSBC	Buy	8.00
JP Morgan	suspended	suspended
Kepler Cheuvreux	Buy	8.50
LBBW	Buy	9.00
RBI	Buy	9.40
Consensus price target		**8.42**

As of February 21, 2024

Sustain ability

SUSTAINALYTICS
ESG INDUSTRY TOP RATED
2023

Source Sustainalytics. Sustainalytics, a Morningstar company, is a leading independent ESG research, ratings and data firm, has recognized Telekom Austria as a Sustainalytics ESG Top Rated Company.

CDP
DISCLOSURE INSIGHT ACTION
A LIST 2022
CLIMATE

MSCI
ESG RATINGS
A

CCC	B	BB	BBB	A	AA	AAA

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EUROPEAN GREEN DIGITAL COALITION

UN GLOBAL COMPACT
United Nations Global Compact

JA
COOPERA
BEYOND COMP

New ESG Strategy: raised ambition & extended scope of topics

E

CO2 emissions

Net-Zero goal by 2030
Scope 1&2: -90%
Scope 3: -60% reduction (BY 2019)

KPI:
% of t CO2e reduced

Energy efficiency

80% goal
Increase energy efficiency to 80% by 2030 (BY 2019)

KPI:
% change of MWh per transported TB data

Recycle / Refurbish

20% goal
Increase percentage of recycled and refurbished devices to 20% of the total amount of devices & equipment distributed by 2025

KPI:
(Nr. of Recycled + refurbished devices and equipment 2025) / (Nr. of sold dev. & equip. 2025)

Waste reduction

Zero-waste to landfill goal
Obtain carbon trust "Zero waste to landfill" certificate by 2030

No waste to landfill by 2030 except:
- Unavoidable waste
- Remains of waste treatment such as ash

Product reuse

Foster reuse projects
Continue the implementation of reuse lighthouse projects in each OpCo and participate in half-yearly best-practice sharing to foster cross-OpCo implementation of projects.

HIGHER AMBITION — NEW

S

Dig. Education

500k people goal
500k people participated overall by 2030 (BY 2021) in digital education initiatives

KPI:
Nr. of people reached

Div., Equity, Incl.

40% female share goal
40% female leaders as well as an overall female employee share by 2025

KPI:
% of female employees amongst overall workforce

Volunteering

Expansion of options
In the course of 2024, there is at least one quarterly volunteering opportunity for our employees available.

Gender pay gap

Closure of gender pay gap goal
We are committed to equal pay for equal work. We focus on identifying and – if needed - mitigating pay inconsistencies/inequalities.

KPI:
% of pay gap

Employee learning

40h learning goal
Increase employee learning hours to reach an average of 40h per employee by 2030

KPI:
Nr. of hours spent in training / upskilling

HIGHER AMBITION — NEW

G

Compliance mgmt. system

Audit goal
Maintain a best-practice and externally certified compliance management system

Board incentives

Incentivization goal
Keep incentivized ESG goals within board remuneration plan in all years till 2030

Supplier policy

Advanced supplier-engagem.
Mandatory submission of data on ESG performance indicators for vendors & enforce high supplier standards along the value-chain

KPI:
Nr. of validated audits

HIGHER AMBITION — NEW

Out
look

Guidance 2024

Total revenues	+3-4%
CAPEX (excl. spectrum)	Around € 800 million

- **Revenues**: 3-4 % growth expected to be mainly driven by service revenues, both in CEE and Austria: Value-securing measures, upselling in the retail business, and a strong development of the solutions business, overcompensating voice and IC decline; BYN expected to depreciate versus EUR in FY 2024.

- **CAPEX:** excl. spectrum at **around EUR 800 million**
  - A1 Group remains committed to fiber-rollout program in Austria at an unchanged pace
  - Revaluation of non-business-critical projects both in Austria and CEE

- **Dividend:** Management intends to propose **EUR 0.36 dividend per share for FY 2023** (2022: EUR 0.32) subject to the approval of the Supervisory Board at the Annual General Meeting

A1 ambitions 2024-2026

Revenues

3-4% increase p.a.

Based on current inflation and exchange rate expectations

EBITDA

4-5% increase p.a.

Based on current inflation and exchange rate expectations

CAPEX

€ 2.8 bn plus frequencies

Dividend baseline

€ 0.32 per share

Based on the Group's operational and financial development, the dividend level will be maintained or increased.

Investment Case Telekom Austria

Leading telco across CEE

- Among top 2 mobile operators in 6 out of 7 core markets
- 29 million customers in Europe
- >80% of Group EBITDA in investment-grade rated countries

Top performing incumbent telco in Europe

- Strong growth rates, high profitability, robust FCF
- Low financial leverage
- Sustainable dividend development with constant increase
- A rated by all three major credit rating agencies

Modern and lean corporate structure

- Well-balanced performance: stability in Austria, growth in CEE
- Core shareholders: AMX (one of the largest telcos) + ÖBAG (Austrian state)
- Top ESG Ratings: Sustainalytics' 2024 ESG Top-Rated Industry list and CDP's A list in 2024

Appendix

Management Board

Alejandro Plater (*1967, Argentina)

- Board member since August 2015
  - 2015-2018 as CEO, 2018-2023 as COO
- Before A1, senior roles at Ericsson
- Studied Economics at University of Buenos Aires, post-graduate studies at Columbia and Wharton as well as London Business School

Thomas Arnoldner (*1977, Austria)

- Board member since September 2018
  - 2018-2023 as CEO
- Before A1, board functions at Alcatel-Lucent Austria, T-Systems Austria
- Studied Business Management at Vienna University of Economics & Business and at the Stockholm School of Economics

Conservative financial policy, investment-grade ratings

(data excluding EuroTeleSites)

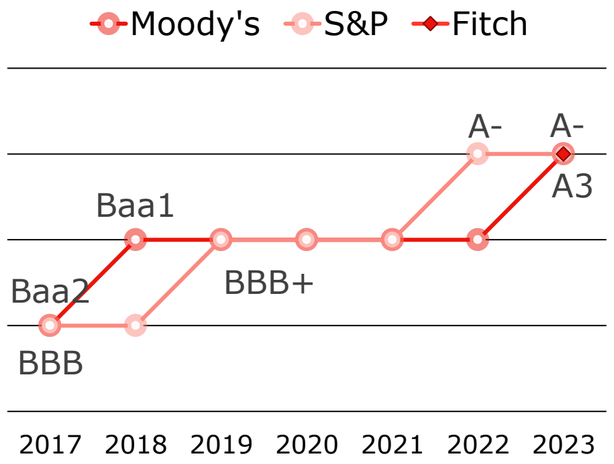
Overview (Sept 30, 2023)

- Total financial debt:€ 808 mn
- Average cost of debt: 1.71%
- Cash & cash equivalents: € 169 mn
- Avg. term to maturity: 2.73 years

Lines of credit (Sept 30, 2023)

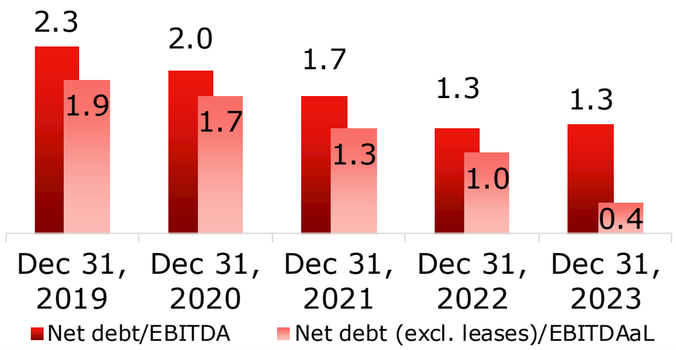
- Total committed lines: € 1,415 mn
  Avg. term to maturity: 2.2 years
- Undrawn committed credit lines:
  € 1,355 mn

Credit ratings

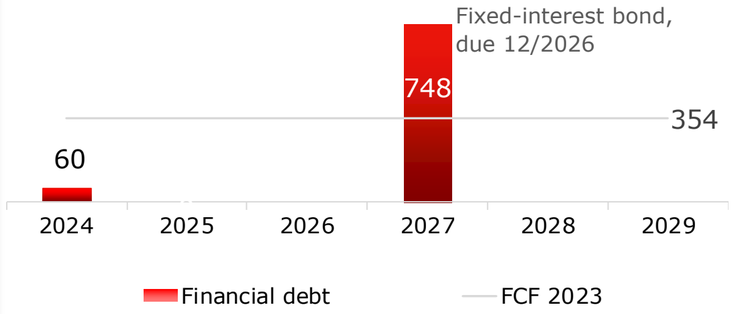


- Fitch assigned A- in June 2023 (initial rating, best European telco)
- S&P upgrade to A- in 10/2022
- Moody’s upgrade to A3 in 12/2023

Net debt/EBITDA



Debt maturity profile (Sept 30, 2023)



Overview: Restructuring charges and provision vs. FTE

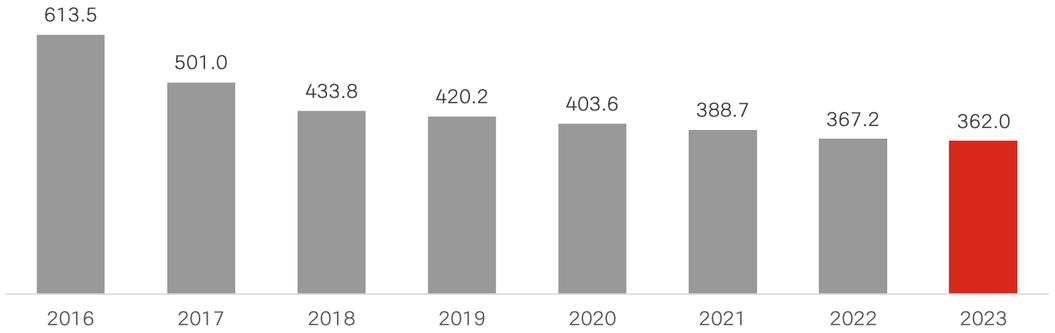
Overview restructuring charges (in EUR mn)

	2016	2017	2018	2019	2020	2021	2022	2023
FTE reduction	95.0	9.1	70.1	100.2	91.3	95.1	100.7	72.4
Servicekom contribution	-96.9	-27.3	-47.1	-19.4	-9.8	-10.9	-16.0	7.2
Staff released from work	0.0	0.0	0.0	0.0	0.0	0.0	6.9	0.2
Interest rate adjustments	9.2	0.0	-0.9	3.2	3.1	0.0	-18.4	5.7
Total	**7.2**	**-18.2**	**22.1**	**84.1**	**84.5**	**84.2**	**73.2**	**85.5**

FTE addressed

	2016	2017	2018	2019	2020	2021	2022	2023
Transfer to government	6	3	0	0	0	0	0	0
Social plans	269	31	241	387	375	354	366	235
Staff released from work	0	0	0	0	0	0	0	1
Total	**275**	**34**	**241**	**387**	**375**	**354**	**366**	**236**

Overview restructuring provision* (in EUR mn)



Provisioned FTEs

	2016	2017	2018	2019	2020	2021	2022	2023
Transfer to government	193	176	159	128	113	107	105	97
Social plans	1,821	1,707	1,748	1,805	1,827	1812	1,826	1,698
Staff released from work	200	172	116	81	62	44	7	5
Total	**2,214**	**2,055**	**2,023**	**2,014**	**2,002**	**1,963**	**1,938**	**1,800**

* Including liabilities for transfer of civil servants to government bodies since 2010.

P&L

Unless otherwise stated, all amounts in € mn	Q4 2023	Q4 2022		FY 2023	FY 2022	
Revenues	**1,369**	**1,338**	**+2.3%**	**5,251**	**5,005**	**+4.9%**
OPEX	(888)	(906)	–2.0%	(3,327)	(3,167)	+5.1%
Restructuring	(32)	(23)	+38.3%	(85)	(73)	16.8%
EBITDA	**481**	**432**	**+11.4%**	**1,924**	**1,838**	**+4.7%**
EBITDA margin	*35.2%*	*32.3%*	*+2.9pp*	*36.6%*	*36.7%*	*–0.1pp*
before restructuring	514	455	+12.8%	2,009	1,911	+5.1%
Margin	*37.5%*	*34.0%*	*+3.5pp*	*38.3%*	*38.2%*	*+0.1pp*
FX effects	15	n.m.	n.m.	33	n.m.	n.m.
one-off effects	41	-	n.m.	34	-	n.m.
EBITDA underlying	488	455	7.3%	2,008	1,911	5.1%
Margin	*35.7%*	*34.0%*	*+1.6pp*	*38.2%*	*38.2%*	*+0.1pp*
after leases	380	385	–1.3%	1,671	1,657	+0.8%
Margin	*27.8%*	*28.8%*	*–1.0pp*	*31.8%*	*33.1%*	*–1.3pp*
EBIT	**201**	**185**	**8.7%**	**911**	**871**	**4.5%**
EBIT margin	*14.7%*	*13.8%*	*+0.9pp*	*17.3%*	*17.4%*	*–0.1pp*
Financial result	**(24)**	**(16)**	**47.3%**	**(90)**	**(55)**	**62.3%**
Income taxes	(32)	(37)	-14.3%	(175)	(181)	-3.4%
Net result	**145**	**132**	**10.3%**	**646**	**635**	**1.8%**
Net margin	*10.6%*	*9.8%*	*+0.8pp*	*12.3%*	*12.7%*	*–0.4pp*

FY 2023

Revenue increase driven by growth in service revenues.

Total **Costs and Expenses** – operationally higher; driven by the increased electricity, workforce costs as well as product-related costs.

Positive one-offs of EUR 34 mn (thereof pos. EUR 39 mn in workforce costs) and negative FX effects offset each other in FY 2023.

Operating result improved, driven by operational performance despite higher D&A coming from RoA associated with lease agreements with ETS.

Financial result in yoy comparison primarily impacted by higher interest expense on leases and financial liabilities.

Net result operationally slightly above PY level.

Free cash flow

Unless otherwise stated, all amounts in € mn	Q4 2023	Q4 2022		FY 2023	FY 2022	
EBITDA	481	432	+11.4%	1.924	1.838	4,7%
Restructuring charges, cost of labor obligations	39	28	+40.0%	92	74	+24.7%
Lease paid (principal, interest, prepayments)	(100)	(39)	+152.9%	(256)	(182)	+40.5%
Income taxes paid	(39)	(50)	–21.5%	(180)	(137)	+31.1%
Net interest paid	(11)	(7)	n.m	(32)	(47)	–31.4%
Change working capital and other changes	12	89	-86,8%	(14)	91	n.m
CAPEX	(270)	(330)	–18.2%	(1.093)	(944)	+15.7%
FCF before soc. plans	**111**	**122**	**–8.9%**	**441**	**692**	**–36.2%**
Social plans new funded	(28)	(21)	+33.9%	(88)	(88)	–0.7%
Free cash flow	**83**	**101**	**–17.6%**	**354**	**603**	**–41.4%**
FCF/revenues	*6,1%*	*7,6%*	*–1,5pp*	*6,7%*	*12,1%*	*–5,3pp*
Free cash flow (excl. spectrum)	***106***	***101***	***4,3%***	***487***	***613***	***-20,6%***

Free Cash Flow was lower vs FY 2022, due to payments for spectrum fee, higher lease payments as well as higher income taxes paid.

Spectrum payments amounted to EUR -132.9 mn in 2023 (2022: EUR -9.5 mn)

Working capital changes had a negative impact of EUR 14 mn in 2023 (2022: positive EUR 91 mn) as reduced accounts payable, increased installment sales and an accrual release could only be partly mitigated by positive timing effects from accounts receivable.

Focus topic Q4 2023: Continued investments in fiber and 5G network expansion in Austria

Current status

Fiber

Fiber roll-out on track

- 73,000 km fiber network in Austria
- EUR 234 mn subsidies granted from BBA 2030

FTTH utilization

FTTH utilization and deregulation

- VULA & VHCN partnerships
- Contracts w/ > 50 partners

5G

Leading 5G position in Austria

- ~85% 5G pop coverage

Way forward

FTTH:

- Scale up in the build-out phase, perform optimization in the last mile

5G:

- Network equipment upgrade and low-band modernization to enhance readiness

Towers spin-off

A1 successfully spun-off tower business in Q3 2023

On September 22, 2023, the former tower business of Telekom Austria AG (Towers business) was listed on the Vienna Stock Exchange under the newly established EuroTeleSites AG.

Rationale:

Focus on core telecoms business | Efficient budget allocation | Reduction of financial debt | Higher multiples

Financial Impacts:

- Balance Sheet: +7%, mainly due to higher lease liabilities and right-of-use-assets
- P&L*: revenues (-0.1%), EBITDA (~+1%), EBIT (-7% due to higher D&A), net result (-14% due to lower interest expense on financing but higher interest related to rights of use and lower income tax)
- CAPEX lower by mid double digit € mn
- Free cash flow: lower by ~ € 60 mn per year (on average)
- Financial debt: Reduced by € 1 bn

A1 Group secured long-term access

Indefinite contract duration with termination possible | Inflation protection in place | A1 is free to choose tower providers

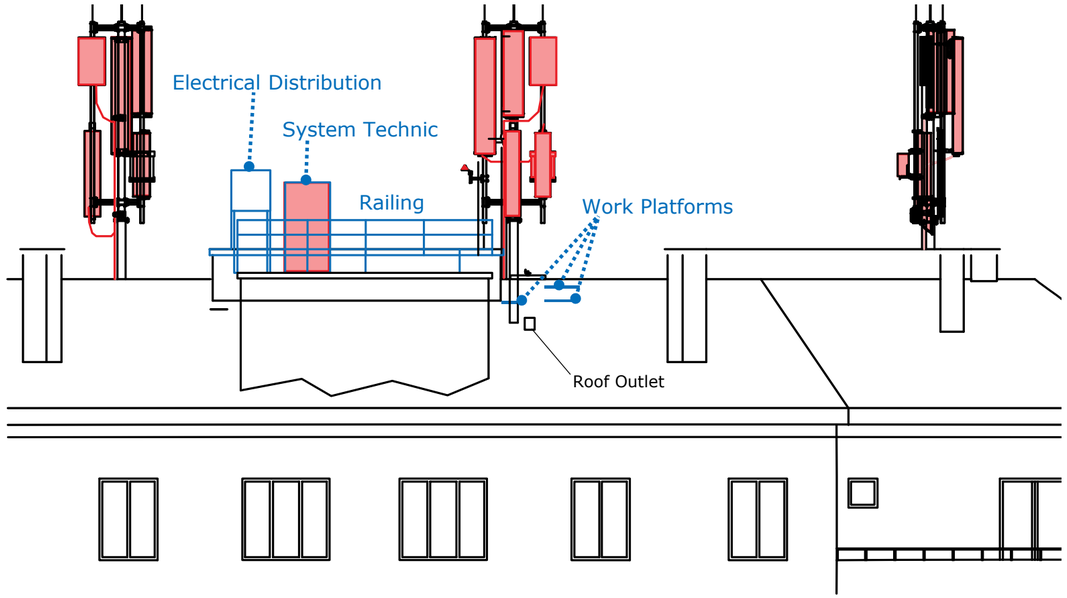
Low operational impact | No impact on A1 Group's dividend policy | € 1 bn debt reduction for A1

* FY 2023 reported versus proforma; proforma = the tower business would have already been spun off in the respective comparison period

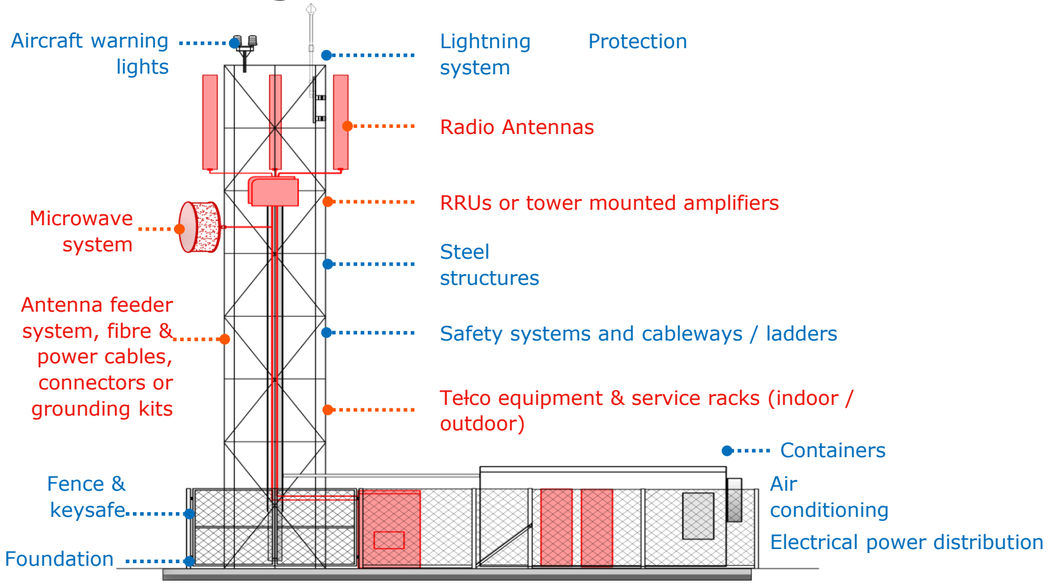
What was included in the Transaction

- Passive Infrastructure > Transferred to EuroTeleSites
- Active Infrastructure > Retained by A1

Site on rooftop



Site on the ground



- Simple constructions without technological advantage for telcos.
- Tower business comprises passive elements vs. active components that remain with A1.
- Added value is only created by installing the transmission and technology equipment.

Thank you

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