

| A¹ Group

Empowering digital life

A1 at a glance 2023



Key figures

A1 Group

in EUR million	2022	2023	Δ
Total revenues	5,005	5,251	5%
Service revenues	4,164	4,348	4%
Mobile service revenues	2,339	2,429	4%
Fixed-line service revenues	1,825	1,919	5%
Equipment revenues	752	811	8%
Other operating income	89	92	4%
EBITDA ¹⁾	1,838	1,924	5%
EBITDA margin	36.7%	36.6%	-0 pp
EBITDAaL ²⁾	1,657	1,671	1%
EBITDAaL margin	33.1%	31.8%	-1 pp
Depreciation, amortization, impairments	967	1,013	5%
EBIT ³⁾	871	911	5%
EBIT margin	17.4%	17.3%	0 pp
Net result	635	646	2%
Net margin	12.7%	12.3%	-0pp
Capital expenditures	944	1,093	16%
Free cash flow	603	354	-41%

	Dec. 31, 2022	Dec. 31, 2023	Δ
Net debt / EBITDA	1.3	1.3	3%
Net debt (exkl. leases) / EBITDAaL	1.0	0.4	-63%

Customer indicators (thousand)	Dec. 31, 2022	Dec. 31, 2023	Δ
Mobile subscribers	23,897	25,245	6%
Postpaid	20,076	21,512	7%
Prepaid	3,822	3,733	-2%
RGUs ⁴⁾	6,204	6,271	1%

Employee indicators	Dec. 31, 2022	Dec. 31, 2023	Δ
Employees (full-time equivalent)	17,906	17,508	-2%
Share of female employees	40%	40%	0pp
Share of female executives	36%	35%	-1pp

Environmental indications/Sustainability indicators	Dec. 31, 2022	Dec. 31, 2023	Δ
Total energy consumption (in MWh)	950,689	960,564	1%
Direct scope 1 CO ₂ emissions (in tonnes)	23,254	20,964	-10%
Indirect scope 2 CO ₂ emissions market-based (in tonnes)	113,028	97,006	-14%
Energy efficiency indicator (in MWh/terabyte)	0.10	0.08	-19%
Share of renewable energy in electricity (in %)	71%	76%	5pp
Recycling rate (in %)	55%	65%	10pp
Participations on free trainings - Digital education	86,115	142,520	65%

¹⁾ Earnings Before Interest, Tax, Depreciation and Amortization

²⁾ EBITDA after Leases: EBITDA - depreciation of lease assets according to IFRS 16 - interest expenses pursuant to IFRS 16

³⁾ Operating income according to IFRS

⁴⁾ Revenue Generating Unit

The definitions of alternative performance indicators can be found in the glossary of the consolidated report. This and other relevant reports can be found on the Group website www.A1.group in the Investor Relations/Results Center section.

Empowering digital life in a sustainable way

- ✓ Leading telecommunications company in CEE
- ✓ Critical infrastructure: fixed and mobile networks, data centers
- ✓ Exploiting the potential of the digitalization megatrend
- ✓ Excellent network quality, first-class customer service
- ✓ Strong growth, solid balance sheet, "A-" credit ratings
- ✓ Well-balanced performance: reliable business in Austria, growth in CEE
- ✓ Sustainable dividend policy, securely covered by free cash flow
- ✓ Strong, uniform brand presence



5.3

EUR bn
revenues in 2023

1.9

EUR bn
EBITDA in 2023

29

million
customers in
7 core markets

18

thousand
employees

* Sustainalytics, a Morningstar company, is a leading independent ESG research, rating and data company and has recognized Telekom Austria AG as a Sustainalytics ESG Industry Top Rated Company.

A1: Empowering digital life



Our vision is to stay relevant for our customers and create the best customer experience. Reliable technology and doing business in a sustainable way are the foundation of our strong A1 brand.

We consciously care about our employees, customers, business partners and further stakeholders along the value chain. Thereby we aim to shape a sustainable future. Accordingly, we take our ecological and social responsibility seriously. To this end, we promote efficient, resource-conserving and therefore more sustainable ways of working and living, as well as equal and secure access to connectivity and digital services.

As part of América Móvil, A1 can rely on the strength of one of the largest telecommunications providers in the world. América Móvil has more than 310 million mobile customers and around 74 million fixed-line RGUs as well as subsidiaries in 23 countries in North, Central and South America and Europe.

Moreover, thus, A1 benefits from economies of scale and the strength of a globally operating group of companies. Bringing advantages and synergies in areas such as product development, technology and purchasing.

Management Board of the A1 Group



Alejandro Plater
CEO since September 1, 2023

Aug. 1, 2015 – Aug. 31, 2023 COO
Aug. 1, 2015 – Aug. 31, 2018 CEO

Business areas:
Service Network & IT, Access & Transport, Purchasing, Finance, Internal Audit, Human Resources, Legal, Compliance, Marketing, Branding, General Secretary



Thomas Arnoldner
Deputy CEO since September 1, 2023

Sep. 1, 2018 – Aug. 31, 2023 CEO

Business areas:
Mergers & Acquisitions, Regulation & European Affairs, International Business Development/Group Strategy, Communications, Investor Relations, ESG

Sustainable Development Goals (SDGs)

The A1 Group supports the following SDGs through a variety of activities.



See Group Website www.A1.group, section ESG/Sustainability Strategy/Sustainable Development Goals

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Solid performance, growth continued

Despite a challenging environment, A1 successfully continued on its growth path.



Alejandro Plater, CEO

Thomas Arnoldner, Deputy CEO

A1 once again delivered a very solid operational and financial performance in 2023: Total revenues increased by 4.9% to EUR 5.3 bn. EBITDA increased by 4.7% to EUR 1.9 bn. Net result for the period amounted to EUR 646 mn (2022: EUR 635 mn).

At the end of the year, net debt (excl. leasing) to EBITDA after leasing (EBITDAaL) was 0.4x. We intend to use the increased financial flexibility to strengthen our position in the core markets.

The successes achieved in the operating business performance are the result of the consistent implementation of our corporate strategy updated at the beginning of 2023 and a prudent financial policy. "A-" ratings from the leading credit rating agencies as well as top ratings for our sustainability measures confirm our successful path.

The reporting year was also characterized in particular by a number of strategic decisions. In addition to refreshing our corporate strategy, the renewal of the syndicate agreement of our core shareholders, the spin-off of the tower business and changes to the Management Board played a key role.

Group strategy

At the beginning of the year, we presented a refreshed Group strategy relating to the period from 2023 to 2027 and consisting of two core areas:

- ✓ Evolve the core to stay relevant for our customers.
- ✓ Explore the new to discover new growth opportunities.

Further information on the corporate strategy can be found in the Strategy section.

Syndicate agreement

In February, the two majority shareholders (América Móvil and ÖBAG) informed us that they had agreed to renew their syndicate agreement for ten years. They have also agreed to support a spin-off of the towers into a separate company.

Core elements of the syndicate agreement

The syndicate agreement between América Móvil and ÖBAG is a confidential bilateral agreement. The following points have been made public:

- ✓ A1 Group headquarters will remain in Austria.
- ✓ Commitment to listing the share on the Vienna Stock Exchange.
- ✓ Free float of at least 10%.
- ✓ Continuation of the investment program (2022–2031) amounting to an additional EUR 1 bn for broadband expansion (in particular, fiber optics) in Austria.
- ✓ The Group Management Board should consist of a maximum of three people. The CEO is to be nominated by América Móvil and the Deputy CEO by ÖBAG.
- ✓ Of the ten Supervisory Board members elected by the Annual General Meeting, eight will be nominated by América Móvil and two, including the Chairman, by ÖBAG.

Management Board

Siegfried Mayrhofer, CFO, left the company at his own request on August 31, 2023 at the end of his Management Board mandate. We would like to extend our sincere thanks for his valuable work and dedication over the past twenty-plus years and wish him all the best for his future endeavors.

In May, the Supervisory Board appointed Alejandro Plater as Chief Executive Officer (CEO) and Thomas Arnoldner as Deputy CEO, effective September 1, 2023.

Spin-off of the tower business

The spin-off of the tower business took place on September 22, 2023 and maintains the prior proportion of shares. One share in the newly founded "EuroTeleSites" was issued for every four shares in Telekom Austria AG. This company was listed on the Vienna Stock Exchange on the same day.

The spin-off will allow us to focus more on our core business, which does not include the management of towers. The transaction also enables a more efficient budget allocation. Together with the towers, financial liabilities amounting to more than EUR 1 bn were transferred to EuroTeleSites.

We have a contract that secures long-term access to the cell masts. If we need new tower locations, we are free to choose the provider and are not required to use EuroTeleSites.

The relationship between the two companies is that of an important supplier (EuroTeleSites) with its main customer (A1). On the equity side, A1 has no relevant investment in EuroTeleSites. As we hold treasury shares, we received a proportionate number of shares in the tower company as part of the spin-off (103,789 shares, or 0.06%).

Towers

- ✓ Towers are part of the passive mobile network infrastructure and are usually installed on roofs or in open spaces.
- ✓ Passive means that these are the components of a transmitter mast that do not transmit a communication signal.
- ✓ Active components (especially the antennas), in turn, are mounted on the towers by the mobile network operators.

Operating business performance 2023

We also achieved a good operating performance in 2023. The main reasons were the progress in digitalization, our customer-oriented approach, and our steady focus on operational efficiency. We were also able to mitigate cost increases through successful upselling and value-protecting measures that balanced out inflation.

Growth in 2023 continued its long-term positive trend. Since 2018, **total revenues** have risen by an average of 3.4% per year and **EBITDA** by 4.4%. Compared to the previous year, the Bulgaria (+17.2%) and Croatia (+11.7%) segments recorded the strongest revenue growth. Only Belarus posted a decline of 4.0% due to exchange rate effects. In local currency, however, we were able to record high growth of 12.7% there.

In the mobile communications business, the **number of customers** rose by 5.6 % to a total of 25.2 mn in the reporting year. The proportion of contract customers also increased to 85.2 %. In the fixed-line business, the number of revenue-generating units (RGUs) increased by 1.1 % year-on-year to 6.3 million. Growth in the international markets, particularly in Belarus and Bulgaria, more than compensated for the decline in Austria and Slovenia. "RGU" is an industry KPI for services included in a subscription. One fixed line access can be used for up to three RGUs (TV, Internet and telephony).

Net profit for the period rose by 1.8% year-on-year to EUR 646 million, which corresponds to earnings per share of EUR 0.97 (previous year: EUR 0.95).

Capital expenditures (CAPEX) increased in 2023 to EUR 1.093 mn (previous year: EUR 944 mn). The main driver of this development was frequency spectrum expenditures. While we spent EUR 10 mn on this in the previous year, we invested a total of EUR 133 mn in Croatia and Bulgaria in 2023.

The majority of capital expenditure (CAPEX) was also invested in the maintenance and expansion of our fixed and mobile networks in 2023. These must be able to handle the rapidly increasing data traffic reliably and securely. In fact, the amount of data transported from 2017 to 2023 has almost quadrupled.

More than 60% of capital expenditure (CAPEX), excluding expenses for frequencies, was incurred in Austria. Here, we pushed ahead with both 5G and the fiber roll-out. With 73,000 km of fiber laid and 730,000 homes passed, we have the largest fiber network in the country. 5G coverage rose from 79% of the population in the previous year to approximately 85%.

Despite the increase in CAPEX, higher lease payments, higher income taxes and an increase in working capital, we once again generated a solid **free cash flow** of EUR 354 mn. As we also spun off more than EUR 1 bn in **financial**

liabilities with the tower business, net debt (excl. leasing) dropped to EUR 639 million by the end of the year. This corresponds to a ratio of net debt excluding leasing to EBITDA after leasing of 0.4. In terms of net debt including leasing, this key figure remained at the previous year's level of 1.3.

Our sustainably reduced gearing ratio and conservative financial policy were the main reasons for Moody's upgrade of our credit rating to A3. Fitch published its first A- rating for the A1 Group back in June. This means that we had an "A" rating from all three major rating agencies at the end of 2023.

Critical infrastructure

Our high-performance and future-proof fixed and mobile networks and data centers are part of the **critical digital infrastructure**. Together with the products and services portfolio based on this infrastructure, it safeguards digital communication, continuity and interaction for companies and their employees, the public sector and the private sector, even during peak usage periods. This goes hand-in-hand with our own high standards of stability, reliability and trustworthiness.

The dynamic progress of **digitalization** opens up great potential for development, both economically and environmentally. We not only provide the technological basis in this context, but are also actively committed to driving digitalization forward. However, this must be done with great care. We are therefore committed to issues such as data protection, information security, measures against cybercrime, the development of digital skills, and climate protection.

Strong capital market performance

The good operating performance, the spin-off of the tower business that resonated positively on the market, and the addition of the share to the ATX, the leading index of the Vienna Stock Exchange, boosted the share price performance in 2023. The Telekom Austria share jumped by 57.8%, thus clearly outperformed the ATX and the European index STOXX Europe 600 Telecommunications.

Following the timely redemption of a 3.5%, EUR 300 mn bond, one bond was still outstanding as of December 31, 2023. It has a volume of EUR 750 mn and is due on December 7, 2026.

Sustainability

Our strategy and measures in the area of **climate protection** also gained external recognition: The global non-profit organization CDP once again included us in its exclusive "A List." Sustainalytics also once again recognized Telekom Austria AG as "ESG Industry Top Rated".

In the reporting year, we were able to reduce CO₂ emissions (Scope 1 and Scope 2 market-based) by 13%, following a reduction of 30% in the previous year. We also took a big step toward our goal of improving energy efficiency by 80% by 2030 versus 2019: At the end of 2023, the corresponding target achievement rate was 56%. To maintain our high standards in the value chain as well, we carried out six on-site audits of suppliers.

Outlook for 2024

We are forecasting **revenue growth** of 3-4% for the 2024 financial year, mainly attributable to higher service revenues. As in the financial year 2023, the main growth drivers are upselling in the end customer business, strong performance in the solutions business, and value protecting measures. A further decline in the voice business and in the international wholesale business (Austria) will have a negative impact on growth.

The Belarusian ruble depreciated in 2023 by 15% on average over the year, putting pressure on revenue and EBITDA growth. We expect the currency to continue to depreciate versus the euro in 2024.

On the cost side, we assume that personnel and electricity costs will be the main cost drivers. The costs associated with revenue growth, for example for content and licenses, are also expected to rise. We are countering these developments with efficiency projects.

For **capital expenditures (CAPEX) excluding investments for spectrum**, we anticipate a temporary decline to around **EUR 800 mn**.

Based on the results for 2023, we will propose to the Annual General Meeting the distribution of a **dividend** of EUR 0.36 (previous year: EUR 0.32) per share, subject to the approval of the Supervisory Board.

Ambitions 2024-2026

We published our targets for 2024-2026 at a Capital Markets Day in September 2023:

- ✓ **Revenue growth** of 3-4% annually (based on internal inflation and exchange rate expectations)
- ✓ **EBITDA growth** of 4-5% per year (based on internal inflation and exchange rate expectations)
- ✓ **CAPEX** of approximately EUR 2.8 bn over the period, plus frequencies.
- ✓ Base **dividend** of EUR 0.32. Based on the Group's business and financial performance, the dividend level will be maintained or sustainably increased

Further information on the course of business in 2023 can be found in the consolidated report and the non-financial report (see Group website www.A1.group, Investor Relations/ Results Center section).

Finally, we would like to thank our approximately 17,500 employees for their commitment, and our business partners and customers for their excellent cooperation in the 2023 financial year. Without them, this success would not have been possible. ■

A1: Strong presence in CEE

We serve 29 million customers in seven core markets.

The holding company Telekom Austria AG is the parent company of the A1 Group.

As a leading communications provider in the CEE region, we offer products and services in the areas of voice telephony, broadband internet, mobile and home entertainment as well as smart home, data and IT solutions, wholesale, payment solutions and digital services.

Our core markets are reported as segments:

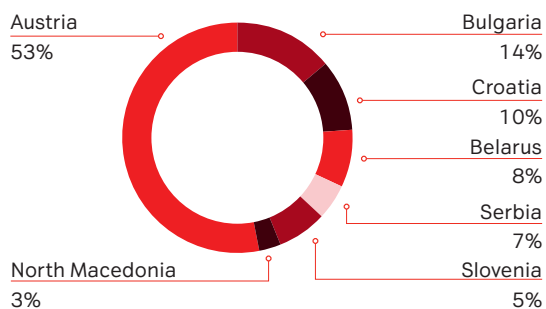
- ✓ Austria
- ✓ Bulgaria
- ✓ Croatia
- ✓ Belarus
- ✓ Serbia
- ✓ Slovenia
- ✓ North Macedonia

As of December 31, 2023 the A1 Group employed 17,508 employees (full-time equivalents; FTE):

	2023
Austria	6,473
Bulgaria	3,646
Croatia	1,854
Belarus	2,182
Serbia	1,551
Slovenia	629
North Macedonia	776
Holding incl. A1 Digital	396
A1 Group	17,508

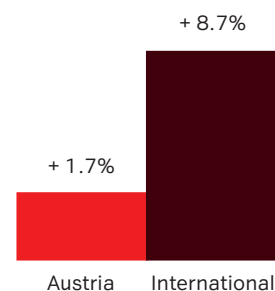
Distribution of revenues by segment

(Excluding holding company & Other, eliminations)

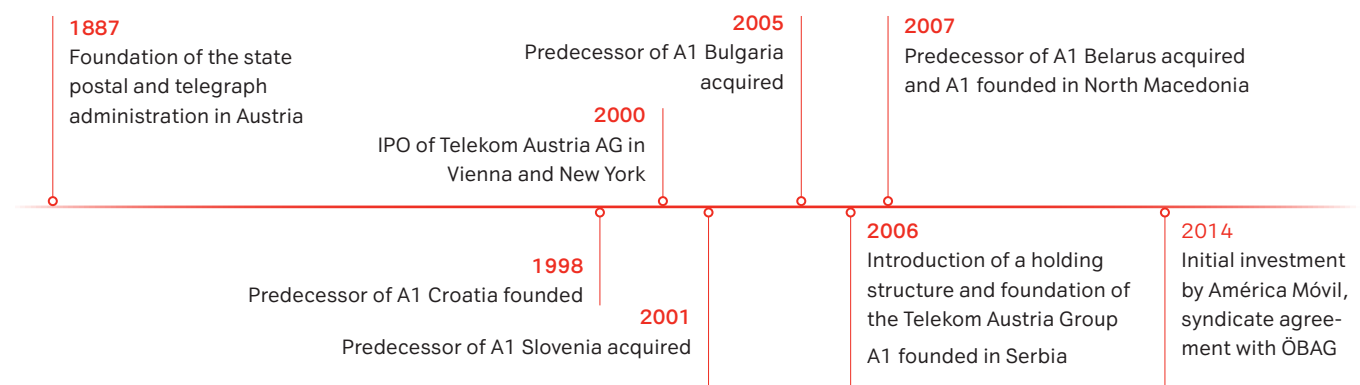


Revenue growth (year-on-year)

(Excluding holding company & Other, eliminations)



Internationalization of the A1 Group





A1 in Austria

About A1 in Austria

A1 is Austria's leading fixed-line and mobile provider with around 5.1 mn mobile customers and 1.7 mn fixed-network lines as of year-end 2023.

In 2023, business in the Austrian segment contributed 53% to revenues and 55% to the A1 Group's EBITDA.

Business development in 2023

Market momentum was essentially the same as in the previous year. In the mobile communications market, the focus was on providing attractive 5G tariffs. The trend toward "SIM-only" offers continued, which was one reason for our decision to reduce our handset subsidies.

In the fixed-line business, demand for products with high bandwidth remained strong. In this context, we were continuing the fiber roll-out and the monetization of existing infrastructure. The Solutions & Connectivity business continued to grow and benefited from positive trends in the IT and security business.

Market position

Mobile

#1

Fixed

#1

RGUs (in 1,000)

2,847

Mobile subscribers
(in 1,000)

5,127

Convergent since

2007

Based on service revenue market share

Key figures 2023

Financial (in EUR mn)	2023	Δ	Share of A1 Group
Revenues	2,798	1.7%	53%
ARPU (EUR)	17.3	3.2%	n.a.
ARPL (EUR)	35.8	5.4%	n.a.
EBITDA	1,064	2.3%	55%
EBIT	493	-0.5%	45%
CAPEX	590	3.1%	1%

Non-financial	2023	Δ	Share of A1 Group
Total energy consumption (in MWh)	441,682	0%	46%
Share of renewable energy in electricity	100%	Opp	n.m.
CO ₂ emissions ¹⁾ (in tonnes CO ₂ equivalent)	13,547	-14%	11%
Number of participants in compliance trainings ²⁾	26,782	2%	55%

¹⁾ Scope 1 and Scope 2 (market-based)²⁾ Including A1 Digital and Holding

Quality certificates

- ✓ ISO 9001
- ✓ ISO 14001
- ✓ ISO 18295
- ✓ ISO 20000-1
- ✓ ISO 27001
- ✓ ISO 45001
- ✓ ISO 50001
- ✓ ISO 50518
- ✓ EMAS
- ✓ EN 50600
- ✓ BGF
- ✓ ECO Data-center 3.0

Employees (FTEs)

27%
female

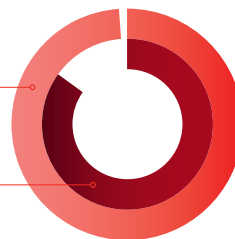
Network coverage

Fiber

730,000
homes passed

4G 98%

5G 85%



Brands

A1

bob

yesss!
Die Mobilfunk-Österreich

XOXO

Red Bull
MOBILE

(distr. license)

Key data: Austria

Population

9.0
million

GDP/capita, PPP

67,900
USD

Member of the EU since

1995

Currency

EUR
Euro



A1 in Bulgaria



About A1 in Bulgaria

In Bulgaria, A1 is the leading mobile network operator and number two in the fixed-line network.

The predecessor company of A1 Bulgaria was founded in 1994 and acquired by the Group in 2005.

In 2023, business in Bulgaria contributed 14% to revenues and 16% to the Group's EBITDA, making it the largest A1 market after Austria

Business development in 2023

In the 2023 financial year, we recorded the highest revenues ever achieved in Bulgaria in the company's history. Double-digit growth was achieved in revenues and EBITDA.

In the mobile communications business, we were able to sell more higher-tariff plans, thanks to the expanded 5G network. In the fixed-line business, we were able to monetize the robust demand for products with high bandwidth and benefit from the expanded TV content offering.

In addition, the Solutions & Connectivity business continued to grow, thanks to the high demand for IT and cybersecurity solutions.

Market position

Mobile

#2

Fixed

#2

RGUs (in 1,000)

1,238

Mobile subscribers
(in 1,000)

3,777

Convergent since

2011

Based on service revenue market share

Key figures 2023

Financial (in EUR mn)	2023	Δ	Share of A1 Group
Revenues	750	17.1%	14%
ARPU (EUR)	7.6	8.7%	n.a.
ARPL (EUR)	16.7	6.5%	n.a.
EBITDA	304	19.4%	16%
EBIT	181	33.8%	17%
CAPEX	137	27.3%	0%

Non-financial	2023	Δ	Share of A1 Group
Total energy consumption (in MWh)	154,707	5%	16%
Share of renewable energy in electricity	68%	33pp	n.m.
CO ₂ emissions ¹⁾ (in tonnes CO ₂ equivalent)	26,654	-10%	23%
Number of participants in compliance trainings	9,836	772%	20%

¹⁾ Scope 1 and Scope 2 (market-based)

Quality certificates

- ✓ ISO 9001
- ✓ ISO 14001
- ✓ ISO 20000-1
- ✓ ISO 27001
- ✓ ISO 27701
- ✓ ISO 30301
- ✓ ISO 37001
- ✓ ISO 39001
- ✓ ISO 45001

Employees (FTEs)

42%
female

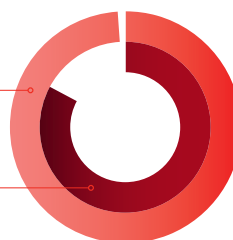
Network coverage

Fiber

1.3 mn
homes passed

4G 99%

5G 83%



Brands

A¹

Key data: Bulgaria

Population

6.5
million

GDP/capita, PPP

33,800
USD

Member of the EU since

2007

Currency

BGN
Bulgarian Lew

A1 in Croatia



MARKET
OVERVIEW



About A1 in Croatia

In Croatia, A1 is the second-largest provider of fixed-line and mobile services.

The predecessor company of "A1 Hrvatska" was founded by the Group in 1998 and began operations in 1999. In 2023, the business in Croatia contributed 10% to the Group's revenues and EBITDA.

Business development in 2023

In the mobile communications business, the focus was on launching a new product portfolio and acquiring new customers with attractive offers for end devices. In the fixed-line business, we took advantage of the increased broadband coverage following the considerable fiber optic investments initiated in the previous year. Attractive TV and broadband bundles played an important role in successful customer acquisition. There was also a significant increase in income from ICT services.

We countered the rise in inflation with intensive cost transformation programs. At the same time, we have invested in the accelerated expansion and modernization of the fixed and mobile network. In this context, we acquired spectrum for a period of 15 years for a total of EUR 111 mn in 2023.

Market position

Mobile

#2

Fixed

#2

RGUs (in 1,000)

721

Mobile subscribers
(in 1,000)

2,072

Convergent

2011

Based on service revenue market share

Key figures 2023

Financial (in EUR mn)	2023	Δ	Share of A1 Group
Revenues	525	11.6%	10%
ARPU (EUR)	11.5	6.0%	n.a.
ARPL (EUR)	31	0.6%	n.a.
EBITDA	189	17.4%	10%
EBIT	89	34.4%	8%
CAPEX	206	144.2%	0%

Non-financial	2023	Δ	Share of A1 Group
Total energy consumption (in MWh)	94,257	-7%	10%
Share of renewable energy in electricity	86%	6pp	n.m.
CO ₂ emissions ¹⁾ (in tonnes CO ₂ equivalent)	8,173	-21%	7%
Number of participants in compliance trainings	3,931	51%	8%

¹⁾ Scope 1 and Scope 2 (market-based)

Quality certificates

- ✓ ISO 9001
- ✓ ISO 27001
- ✓ PCI DSS
- ✓ ISO 14001
- ✓ ISO 27017
- ✓ Tier III Data-center
- ✓ ISO 22301
- ✓ ISO 45001

Employees (FTEs)

43%
female

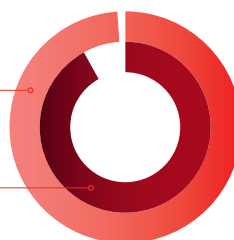
Network coverage

Fiber

340,000
homes passed

4G 98%

5G 92%



Brands

A1



Key data: Croatia

Population

3.9
million

GDP/capita, PPP

40,200
USD

Member of the EU since

2013

Currency

EUR
Euro



A1 in Belarus



About A1 in Belarus

A1 is the second-largest private provider of telecommunications, ICT and content services in Belarus.

A1 Belarus's predecessor company began operations in 1999 and became part of the Group in 2007. In 2023, the Belarus business contributed 8% of the Group's revenues and 10% of its EBITDA.

Business development in 2023

In Belarus, we relied on targeted cross-selling and up-selling. We also used our advantage in the area of convergent offers and revised the mobile communications portfolio according to the "more for more" principle. In the fixed-line segment, demand for high-speed internet products and convergent offerings with TV content remained high.

The geopolitical and economic situation in Belarus presented numerous challenges. Due to sanctions, the procurement of goods and services from abroad continued to be challenging. In response to inflation, there are restrictive price regulations in the country. This continues to restrict us in the adjustment of tariffs. On average over the year, the Belarusian ruble depreciated by 15% against the Euro.

Market position

Mobile

#2

Fixed

#2

RGUs (in 1,000)

891

Mobile subscribers
(in 1,000)

4,897

Convergent since

2016

Based on service revenue market share

Key figures 2023

Financial (in EUR mn)	2023	Δ	Share of A1 Group
Revenues	442	-4.0%	8%
ARPU (EUR)	4.3	-10.3%	n.a.
ARPL (EUR)	7.4	-5.0%	n.a.
EBITDA	192	-12.3%	10%
EBIT	139	-7.8%	13%
CAPEX	25	-34.5%	0%

Non-financial	2023	Δ	Share of A1 Group
Total energy consumption (in MWh)	103,883	2%	11%
Share of renewable energy in electricity	0%	0	n.m.
CO ₂ emissions ¹⁾ (in tonnes CO ₂ equivalent)	32,485	-10%	28%
Number of participants in compliance trainings	3,191	-30%	7%

¹⁾ Scope 1 and Scope 2 (market-based)

Quality certificates

- ✓ ISO 9001
- ✓ ISO 37001
- ✓ PCI DSS
- ✓ ISO 14001
- ✓ ISO 45001
- ✓ Tier III Data-center
- ✓ ISO 27001

Employees (FTEs)

53%
female

Network coverage

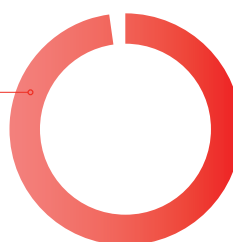
Fiber

1.3 mn
homes passed

4G* 97%

Belarus has not yet awarded
5G spectrum.

*Partner network coverage



Brands

A1



Key data: Belarus

Population

9.2
million

GDP/capita, PPP

22,600
USD

Statehood since

1991

Currency

BYN
Belarusian Ruble



A1 in Serbia



About A1 in Serbia

A1 is the third-largest mobile operator in Serbia, but offers the fastest mobile network in the country.

The predecessor company of A1 Serbia was founded as part of the Group in 2006 and began operations in 2007. In 2023, the business in Serbia contributed 7% to the Group's revenues and EBITDA.

Business development in 2023

In the 2023 financial year, market conditions in Serbia, where we are a purely mobile operator, remained essentially unchanged. The market continued to show signs of maturing, with an increasing proportion of mobile contract offers in the portfolios and stronger demand for higher data volume.

We successfully implemented upselling measures in the reporting year, in particular from voice-only tariffs to tariffs with data allowance and additional services.

Market position

Mobile

#3

Mobile subscribers
(in 1,000)

2,438

Based on service revenue market share

Key figures 2023

Financial (in EUR mn)	2023	Δ	Share of A1 Group
Revenues	382	7.3%	7%
ARPU (EUR)	9.0	7.1%	n.a.
ARPL (EUR)	n.a.	n.a.	n.a.
EBITDA	127	10.2%	7%
EBIT	59	2.3%	5%
CAPEX	57	10.6%	0%

Non-financial	2023	Δ	Share of A1 Group
Total energy consumption (in MWh)	83,824	4%	9%
Share of renewable energy in electricity	66%	24pp	n.m.
CO ₂ emissions ¹⁾ (in tonnes CO ₂ equivalent)	24,941	-7%	21%
Number of participants in compliance trainings	1,993	54%	4%

¹⁾ Scope 1 and Scope 2 (market-based)

Quality certificates

✓ ISO 14001

✓ ISO 27001

✓ ISO 45001

Employees (FTEs)

60%
femaleapprox.
1.550

Network coverage

4G 99%

Serbia has not yet awarded 5G
spectrum.

Brands

A1

Key data: Serbia

Population

6.7
million

GDP/capita, PPP

23,900
USD

EU accession candidate since

2012

Currency

RSD
Serbian dinar



A1 in Slovenia

About A1 in Slovenia

A1 Slovenia is the second largest mobile provider and number four on the fixed-line market.

A1 Slovenia's predecessor company began operations in 1999 and became part of the Group in 2001. In 2023, the business in Slovenia contributed 5% to the Group's revenues and 3% to its EBITDA.

Business development in 2023

The intensity of competition in Slovenia remained high in 2023. Both the mobile and fixed-line markets were characterized by aggressive offers with high discounts.

The number of our mobile customers fell slightly, although the higher demand for mobile WiFi routers cushioned the losses in the mobile core business somewhat. In the fixed network, the number of RGUs fell. Nevertheless, we managed to increase total revenues in Slovenia by 9%.

Market position

Mobile

#2

Fixed

#4

RGUs (in 1,000)

208

Mobile subscribers
(in 1,000)

707

Convergent since

2015

Based on service revenue market share

Key figures 2023

Financial (in EUR mn)	2023	Δ	Share of A1 Group
Revenues	242	8.8%	5%
ARPU (EUR)	15.0	8.4%	n.a.
ARPL (EUR)	32.9	5.8%	n.a.
EBITDA	56	-0.2%	3%
EBIT	-5	-244.7%	-0%
CAPEX	40	-13.5%	0%

Non-financial	2023	Δ	Share of A1 Group
Total energy consumption (in MWh)	44,713	3%	5%
Share of renewable energy in electricity	100%	12pp	n.m.
CO ₂ emissions ¹⁾ (in tonnes CO ₂ equivalent)	462	-85 %	n.m.
Number of participants in compliance trainings	1,108	1%	2%

¹⁾ Scope 1 and Scope 2 (market-based)

Quality certificates

- ✓ ISO 14001
- ✓ ISO 27001
- ✓ EMAS
- ✓ ISO 22301
- ✓ ISO 45001

Employees (FTEs)

45%
female

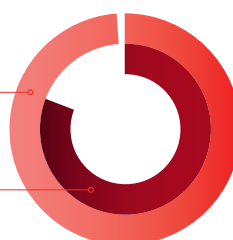
Network coverage

Fiber

38.000
homes passed

4G 99%

5G 81%



Brands

A¹

re:do

Key data: Slovenia

Population

2.1
million

GDP/capita, PPP

48,300
USD

Member of the EU since

2004

Currency

EUR
Euro



A1 in North Macedonia

About A1 in North Macedonia

A1 is the leading mobile operator and number two on the fixed-line market in North Macedonia.

The legal predecessor of "A1 Makedonija" was founded in 2007 as part of the Group. In 2023, the business in North Macedonia contributed 3% to the Group's revenues and 2% to its EBITDA.

Business development in 2023

In 2023, our focus in North Macedonia was on providing attractive 5G tariffs in the high-end segment with an emphasis on quality. We also pushed ICT services and focused on offering attractive hardware.

In the mobile communications business, we increased both service and equipment revenues. The fixed-line business grew thanks to the successful upselling of customers to higher internet speeds, but also due to the improved solutions and connectivity business.

Market position

Mobile

#1

Fixed

#2

RGUs (in 1,000)

365

Mobile subscribers
(in 1,000)

1,119

Convergent since

2014

Based on service revenue market share

Key figures 2023

Financial (in EUR mn)	2023	Δ	Share of A1 Group
Revenues	152	7.2%	3%
ARPU (EUR)	7.2	6.7%	n.a.
ARPL (EUR)	11.4	2.3%	n.a.
EBITDA	48	8.5%	2%
EBIT	15	-14.7%	1%
CAPEX	31	-18.7%	0%

Non-financial	2023	Δ	Share of A1 Group
Total energy consumption (in MWh)	35,282	11%	4%
Share of renewable energy in electricity	39%	64pp	n.m.
CO ₂ emissions ¹⁾ (in tonnes CO ₂ equivalent)	11,645	-20%	10%
Number of participants in compliance trainings	2,029	13%	4%

¹⁾ Scope 1 and Scope 2 (market-based)

Quality certificates

- ✓ ISO 9001
- ✓ ISO 14001
- ✓ ISO 20000-1
- ✓ ISO 22301
- ✓ ISO 27001
- ✓ ISO 27018
- ✓ ISO 45001

Employees (FTEs)

48%
female



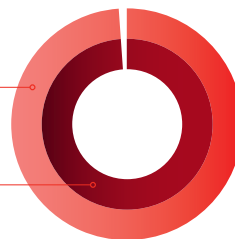
Network coverage

Fiber

66,000
homes passed

4G 99%

5G 99%



Brands

A1

Key data: North Macedonia

Population

2.1
million

GDP/capita, PPP

20,300
USD

EU accession candidate since

2005

Currency

MKD
Maced. denar

We empower people to do what they love, what inspires them, what is of benefit to them. For companies, we create solutions enabling them to be more productive and more innovative.

Strategy



In a changing environment, the needs and expectations of customers and the society as a whole are evolving, too. This is why we have refreshed the corporate strategy. In doing so, A1 followed its current vision.

Empowering digital life

This vision aims to deliver convincing benefits and a positive experience for customers and society. Our digital infrastructure and services form the foundation for this.

It includes, in particular, contributing to shape a sustainable future through technology – for employees, customers, business partners, and all other stakeholders along the value chain, for current and future generations. Thus, we are actively facing up to our ecological and social responsibility, promoting efficient, resource-friendly and thus more sustainable ways of working and living as well as equitable and secure access to connectivity and digital services.

The refreshed corporate strategy addresses current industry trends, including the sharp rise in data traffic and the strong

significance of digitalization. More information about industry trends can be found in the 2023 Group Management Report.

The corporate strategy covers the period from 2023 to 2027 and has two focus areas:

- ✓ Evolve the core to stay relevant for customers.
- ✓ Explore the new to discover growth opportunities.

We are putting Human@Center of our activities as people who engage with and work at A1 bring our strategy to life. The A1 brand, sustainability (ESG) and security-related topics are enablers in this sense, making them an integral part of the corporate strategy.

Evolve the core

In a fast-paced environment, continuous evolution and improvement are essential. To meet increasing customer demands and exceed expectations, A1 must evolve its core. We strive to optimize our infrastructure to deliver best-in-class customer experience and maintain our reputation as a quality leader.

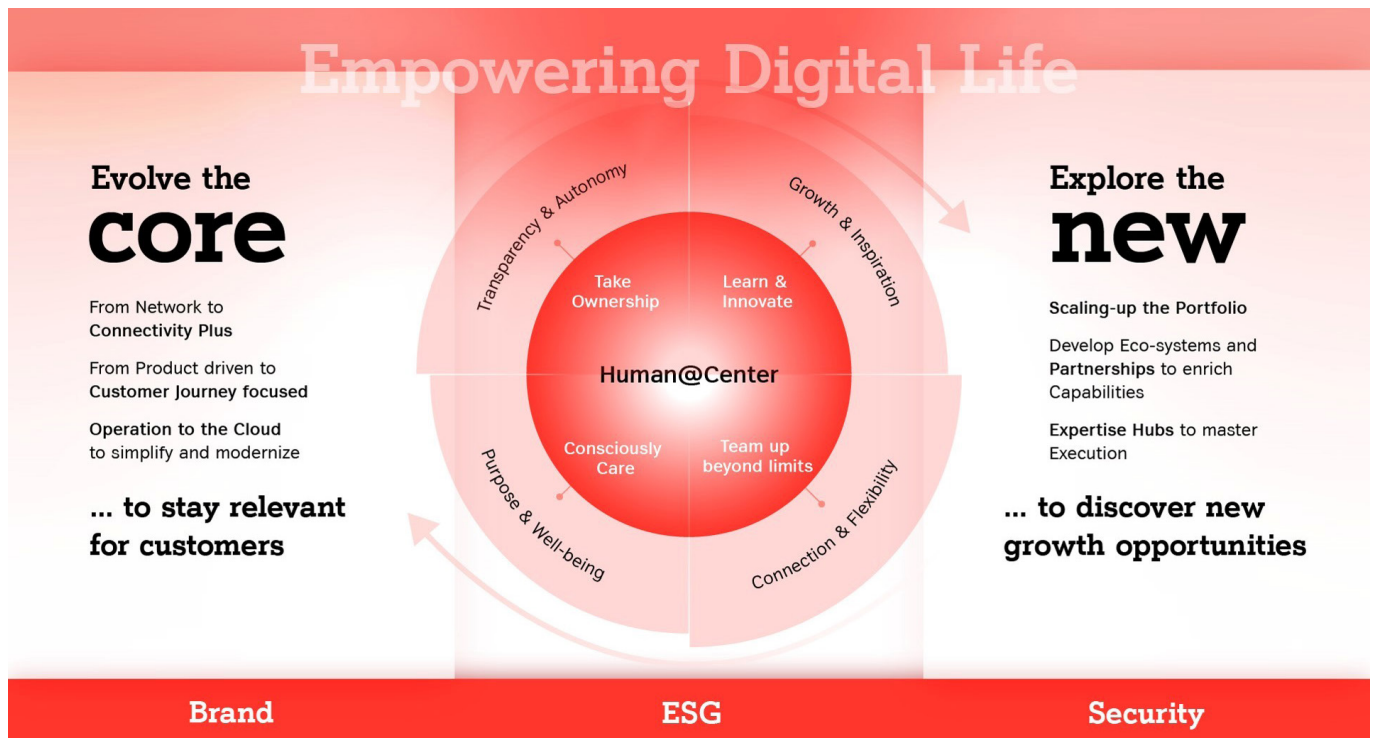
Telecommunication companies have become so much more than connectivity providers. The emphasis is rather on offering customers outstanding experiences. With this in mind,

we are steering the previously product-driven focus toward customer journeys. This means that customer needs are quickly identified and addressed at the various points of contact with A1.

Intensifying the use of the cloud allows to simplify and modernize processes and the IT landscape. This in turn improves time to market, enables faster response to business opportunities, and drives digital transformation.

Explore the new

In order to take advantage of tomorrow's business opportunities, we focus on three pillars. The existing portfolio is being selectively enhanced, and, once selected, growth opportunities are boldly pursued. On top, we are looking to enrich our capabilities through partnerships. This will allow us to act even quicker and give customers access to an extensive range of digital services from a single source. We are therefore positioning ourselves as partner of trust to our customers. Furthermore, pooling specialist knowledge within A1 in competence center allows group-wide topics to be addressed more effectively and to benefit from synergies.



Human@Center

Our aspiration to stay relevant for customers was a primary motivator for refreshing the corporate strategy. Humans (i.e., employees, customers, business partners and other stakeholders) are at the center of the revised corporate strategy. After all, it is the people who work at and with A1 that bring the strategy to life.

Human@Center defines the corresponding requirements for our culture. Human@Center identifies behaviours supporting our strategy as well as the A1 framework conditions to be provided in order to bring our strategy to life. The approach encompasses the following areas of direction:

- ✓ We give employees more responsibility and greater autonomy in their work. Internally, this goes hand in hand with a greater degree of transparency.
- ✓ Only through continuous learning and further training can people grow both personally and professionally. This opens up new perspectives and fosters the ability to innovate.
- ✓ Collaboration increasingly takes place in cross-functional and international teams. For this to work, there needs to be a framework in place that encourages flexibility and supports personal interaction.
- ✓ We perform a number of important functions in society. As an employer, we aim to create an environment in which employees are aware of this responsibility, are able to contribute, have a good sense of well-being and enjoy the work they do in shaping a sustainable future. Essentially, it is how we look after each other, our customers and our environment.

The brand: A1

The strong A1 brand unites all the markets in which we operate. On the one hand, it represents the values and culture we stand for and, on the other, how A1 is perceived. Brand performance and customer satisfaction show whether the strategy is working in the target groups.

The consistent appearance of A1's design enables joint, cross-border initiatives. For employees, the A1 brand acts as a unifying basis that represents the values and attitudes of the Group.

Security

Customers' expectations, but also the legal requirements and consequences for missteps with regard to information security and safeguarding personal data, have increased dramatically in recent years. At the same time, an increasing number of companies all around the world have already experienced data breaches.

Security is essential for A1. It gives business partners assurance that we are handling data with due care and protecting it to an adequate standard. We also offer solutions to provide the best possible protection for customers' data, making us a trustworthy business partner.

Sustainability (ESG)

In step with the vision "Empowering digital life", our work to help shape a sustainable and inclusive future through technology is taking on primary importance. We actively face up to our ecological and social responsibility by promoting more efficient, more resource-friendly and more sustainable ways of working and living.

Sustainability encompasses the dimensions of Environment, Social and Corporate Governance (ESG).

Our sustainability strategy (see chapter "Sustainability") is far-reaching and interdisciplinary. From energy efficiency right through to gender equality – virtually all areas of the company are being called upon to scrutinize and rethink their processes, products and services and doing business in a more sustainable way. Sustainability aspects must be taken into account in every decision that is made. Sustainability represents a transformation of the entire company – an ambitious journey that has long since begun but still has some challenging legs ahead. ■

Only a sustainable orientation of our core business makes us fit for the future in the long term. We therefore integrate economic, environmental, and social factors.

Sustainability



As a telecommunications company, we operate critical infrastructure. Our definition of responsibility is to create the greatest possible benefit for society, our customers, our employees and the environment by shaping our core business. We integrate the three-pillar model of sustainable development (triple bottom line – "People, Planet, Profit") into our activities. We want to act sustainably in our business activities and fulfill our responsibility at all levels.

We have therefore made our self-perception as a responsible company an integral part of our Group strategy. This obliges us not only to integrate sustainable action along our value chain, but also to actively contribute to overcoming environmental, economic and social challenges.

Sustainability management

We established a Group-wide, integrated sustainability management system in 2010, which has been gradually developed further since then. The highest level of management is clearly committed to sustainable action. The "Group ESG" unit is assigned to the Deputy CEO and is responsible for managing, coordinating and implementing the sustainability strategy in close cooperation with the ESG managers in the subsidiaries. For example, Group ESG initiates company-wide guidelines and policies, such as the Clean Energy Policy, the Human Rights Policy, the Media Ethics Policy, the Conflict Mineral Policy, the Diversity, Equity & Inclusion Policy, the Responsible Sourcing Policy and the Fair Pay Principles, which are implemented in the subsidiaries.

Our international approach creates the necessary flexibility so that we can take regional particularities into account, e.g. when purchasing electricity from renewable energy sources or for measures to increase the percentage of women on staff. Steering meetings are held at monthly intervals to discuss the implementation of the sustainability strategy with local ESG managers.

The topic of sustainability is also regularly discussed in depth at management meetings and in the Supervisory Board, giving it an important role in these bodies.

In addition, sustainability targets have been a factor in management remuneration since 2020. Sustainability targets are defined annually for the short-term remuneration (Short Term Incentives, STI) of the Management Board and CEOs in the countries, which are based on the Group-wide targets. For example, the CEOs of the subsidiaries had set the reduction of CO₂ emissions as a target for the year 2023 in their STIs. The energy efficiency indicator and the reduction of the gender pay gap were included in the long-term incentives (LTI) for the members of the Management Board and the CEOs of the subsidiaries. The achievement of sustainability targets has a direct influence on management remuneration.

Sustainability strategy

Focus

Together with Group ESG, the sustainability responsables in the subsidiaries and in an ongoing dialog with the Supervisory Board, the Management Board has developed the sustainability strategy with an ambitious list of goals. This supports the Sustainable Development Goals (SDGs) adopted by the United Nations in 2015. Our sustainability strategy focuses on three strategic areas of action: "E" (Environmental), "S" (Social) and "G" (Governance).

Environmental: counteracting climate change and promoting a circular economy

Our biggest challenge in the environmental sector is to continuously increase energy efficiency and keep electricity consumption as low as possible while expanding ever more powerful infrastructure. This is the only way we can make a contribution to combating climate change. This is also reflected in our goals. Reducing CO₂ emissions and increasing energy efficiency are integral parts of our sustainability strategy.

Sustainability ratings

Every year, our sustainable activities are assessed by rating agencies. The results confirm our leading position as a sustainable company.



The A1 Group has been on the CDP Climate A list since 2022. This is recognition of our corporate transparency and measures to combat climate change.



Sustainalytics, a Morningstar company, is a leading independent ESG research, rating and data company and has recognized Telekom Austria AG as a Sustainalytics ESG Industry Top Rated Company. With 13.5 points, we are classified as low risk.

More information on the ratings:

www.A1.group/ESG

Since 2019, we have already reduced 54% of our CO₂ emissions (Scope 1 and Scope 2 market-based) and increased our energy efficiency by 56%. We have therefore already made significant progress toward our targets (90% reduction in our CO₂ emissions and 80% increase in energy efficiency, i.e. electricity consumption per volume of data transported). Our goal in the Recycling & Refurbishment area was to recover 20% of the devices put into circulation – in 2023 we surpassed that goal, reaching 29% already.

Social: Teaching digital education and increasing the proportion of women on staff

In the social area, we are focusing on two key topics: promoting digital skills in society and equal treatment as well as reducing the gender pay gap.

We have been committed to promoting digital skills since 2011. From 2011 to 2023, we have already trained nearly 496,000 people. We have a goal of 500,000 participations for the period from 2021 to 2030 (see the "Digital Education" box).

As a technology company, we face the challenge of increasing the percentage of women on staff overall and the percentage of female managers. Historically, technical positions have been predominantly held by men in our home market. Initiatives such as STEMfemme and STEMfemme Junior, both programs to promote women in STEM fields (science,



technology, engineering and mathematics), are helping to change this situation in the long term in Croatia. The percentage of women in the A1 Group is currently 40% and the percentage of female managers is 35%. We are also actively committed to fair pay for equal work for women and men (for more details, see the "Employees" section).

Governance: Managing global supply chains

As part of global supply chains, we bear responsibility for how our suppliers and business partners operate. Our Responsible Sourcing Policy forms the basis for the management of our supplier relationships. Its main objectives are:

- ✓ to strengthen our economic performance
- ✓ to ensure the resilience of the supply chain
- ✓ to promote our ESG commitment in the supply chain (extension of our Code of Conduct to suppliers, development and application of ESG criteria for procurement decisions, etc.)

Digital education

Digitalization is having a significant impact on people's everyday lives, influencing the world of work, education, dealing with public authorities, and daily shopping. Digital access to information and education continues to gain importance in order to keep up with current trends and changes. We therefore see it as our responsibility to actively promote digital skills and, at the same time, raise awareness of risks such as cybercrime.

The Digital Education Initiative, launched in 2011, offers free workshops, webinars and learning videos in all of our subsidiaries - for children, educators, parents and senior citizens. The programme focuses on STEM (science, technology, engineering and mathematics), robotics and programming, making and tinkering and digital media skills. We have set ourselves the goal of recording 500,000 participations in this free initiative between 2021 and 2030. Since 2021, more than 266,000 participations have been recorded.

We have been carrying out regular ESG risk assessments of our suppliers since 2022. As a result, we have introduced a due diligence process for all suppliers who are classified as risky in terms of social or environmental criteria.

We have joined the JAC (Joint Alliance for Corporate Social Responsibility) in 2022, an association of 27 global telecommunications companies working together to promote sustainability in the supply chain. JAC conducts annual on-site audits of our suppliers that are based on detailed, standardized procedures and follow the Supply Chain Sustainability Guidelines of JAC. In these audits, recognized auditing companies evaluate, review and improve working standards, health and safety guidelines, environmental standards, ethical standards and the management system of our suppliers. The results of these audits lead to the creation of a mandatory action plan that suppliers must implement.

In 2023, JAC carried out a total of 137 audits at production and work sites, six of which were instructed directly by us. This is another contribution to making our supply chain socially and environmentally responsible and therefore future-proof.

Keeping our finger on the pulse, taking responsibility

Trends and innovations are constantly changing our professional and personal lives. At the same time, we as a company are faced with the challenge of implementing new regulations, such as the Corporate Sustainability Reporting Directive (CSRD), which will take effect for the 2024 financial year. We therefore regularly review, rethink and adjust the focus of our sustainability strategy. This enables us to react flexibly to requirements and make a positive contribution in those areas where we have the most influence or where the social need is greatest. An update of the sustainability strategy is planned in the course of the 2024 financial year. ■

Selected sustainability goals

Environment (E)

CO₂ emissions

Goal for 2030: reduction of CO₂-emissions (Scope 1 + Scope 2 market-based) by 90% (base year 2019)

Status in 2023: reduction of 54%

See the "Environmental and climate protection" section

Energy efficiency

Goal for 2030: Improve energy efficiency (electricity consumption per transported data volume) by 80% (base year 2019)

Status in 2023: Improvement of 56%

See the "environmental and climate protection" section

Circular economy

Goal for 2025: Increase the percentage of recycled and refurbished devices to 20% of the devices we put into circulation each year

Status in 2023: 29% recycled and refurbished devices

See the "environmental and climate protection" section

Social (S)

Digital Education

Goal for 2030: Achieving 500.000 participations in our Digital Education Initiative (base year 2021)

Status in 2023: 266,144 participations

See the "Digital education" box.

Diversity and equality

Goals for 2025: Increase the share of women in management positions and in the company to 40%

Status in 2023: 35% women in management positions and 40% in the company

See the "Employees" section

Gender Pay Gap

Goal for 2030: Equal pay for equal work. Identification and, if necessary, reduction of unjustified pay differences

Status in 2023: Measuring to identify salary differences standardized, first measures initiated

See the "Employees" section

Governance (G)

Compliance Management

Goal for 2030: Maintain the externally certified best practice Compliance Management System

Status in 2023: Successful recertification of the CMS

See the "Compliance" section

Management Board remuneration

Goal for 2030: Anchoring sustainability targets in the Management Board remuneration plan

Status in 2023: Sustainability targets included in the short term and long term incentives (STI and LTI)

See "Sustainability management" section

Suppliers

Goal for 2030: Conduct five on-site audits of suppliers to enforce high supplier standards along our value chain each year

Status in 2023: (Six) on site audits carried out by auditors for the first time

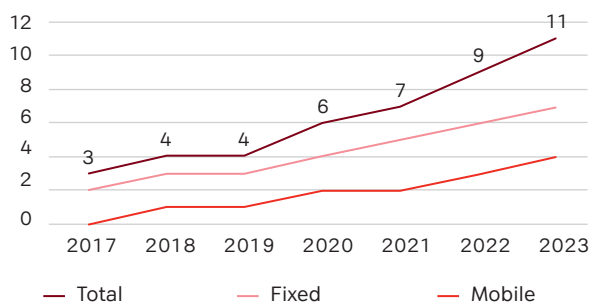
See the "Sustainability management" section

You can find our sustainability strategy at www.A1.group/esg/sustainability-strategy/

Future-proofing, sustainability and innovation are success factors in digitalization.

Technology

Development of data volume in the A1 network (in mn. terabyte)



Increasing data volumes require high bandwidth

In particular, it was the increasing demand for streaming services that caused the volume of data transported to skyrocket in recent years. Working from home, learning at home and more agile forms of remote collaboration are reinforcing this trend. In addition, the number of customers in the Internet of Things (IoT) sector is growing by more than 20% annually.

The A1 Group's high-performance and future-proof infrastructure is a reliable foundation for the increasingly digitalized working and living environments. We currently provide around 29 million customers with access to critical infrastructure. This includes the fixed network, mobile communications and data centers. We support rapidly advancing digitalization and the growing demand for stable and secure connectivity.

With the "A1 Xplore TV" platform, we offer our customers a wide selection of video content. In addition to the most popular local and international linear TV channels, YouTube, YouTube Kids, Prime Video and other services can be accessed via the A1 Xplore TV Box. Depending on the respective market conditions and requirements, we cooperate selectively with Netflix, CANAL+, HBO Max, Sky, etc. A1 Xplore TV is also available via an app for cell phones or tablets, on laptops or

PCs directly in the browser and on smart TV sets from leading manufacturers.

We are also active in the field of eSports. Over the past few years, we have established five local leagues with a total target group of more than 141 million people in 15 countries. This allows us to reach eSports fans from the entire CEE region.

Streaming services are now responsible for around 80% of the total data volume. The annual double-digit data growth rates pose major challenges for traditional networks. We therefore invest several hundred million euros a year in the maintenance and expansion of our broadband infrastructure.

Key elements of broadband expansion

Fiber

Fiber networks can currently achieve bandwidths of several Gbit/s for both uploading and downloading data. In terms of the available bandwidth, fiber access has a major advantage over mobile solutions: Customers have the full bandwidth at their disposal, whereas with a mobile connection it depends on the number of users in a mobile cell and their data usage.

Fiber optic and coaxial cable in comparison

- ✓ Fiber enables a higher data throughput, which today generally ranges from several 100 Mbps to 1 Gbps.
- ✓ Fiber offers symmetrical bandwidth (equal for upload and download) and services.
- ✓ With fiber, data throughput can be increased to well over 1 Gbps in the future (multi-color implementations).
- ✓ Fiber networks have fewer electrical components. This means less maintenance and lower energy requirements.
- ✓ Fiber is less sensitive to moisture.
- ✓ The biggest disadvantage of fiber is the cost of the initial installation.

5G

5G offers short response times (latency) and high data transfer rates. These qualities are not only an absolute must for mobility concepts of the future through real-time communication – they are also a key component of the Internet of Things (IoT), which enables the networking of an almost unlimited number of devices, sensors, etc.

5G fact check

- ✓ 5G is a new transmission protocol, not a new technology.
- ✓ Response times (latencies) in the millisecond range, 4 times faster than 4G
- ✓ Data transfer rates in the gigabit range, 4 times faster than 4G.
- ✓ The form and medium of transmission (radio) have been in use for a long time and are well researched.
- ✓ Previous research results on mobile communications can therefore be applied to 5G.
- ✓ International measurement results show that exposure levels will hardly change as a result of 5G.

Broadband expansion in Austria

In 2023, we continued to drive forward the expansion of fiber with now in total more than 73,000 km of fiber-cables laid across Austria. The fiber network is based on the fiber optic back-haul network of the mobile base stations, of which 84% are already connected via fiber. In this way, mobile communications and the fixed network go hand-in-hand.

At the end of 2023, around 85% of the Austrian population had access to our 5G coverage, maintaining our leading position in the 5G network sector. This has been confirmed by numerous network benchmark tests (futurezone, Smartphone Magazine, SpeedChecker, CHIP).

Broadband expansion of our international companies

In **Bulgaria**, we pushed ahead with the expansion of 5G in 2023. All residential areas with a population of more than 3,000 are now covered. At the same time, the active MIMO (Multiple Input Multiple Output) antennas are being reallocated to locations with higher traffic volumes.

Software upgrades to the latest versions were carried out in the Radio Access Network (RAN). We also continued the migration of voice traffic to 4G by increasing the proportion of VoLTE (Voice over LTE) to 50%. Our mobile network was honored with the coveted Speedtest Award from Ookla as the fastest network in 2023. We continued the expansion of the fiber network in several other cities.

Following the acquisition of spectrum in 2021, we continued the commercial roll-out of the 5G network in **Croatia**. Through an auction, we were able to secure existing LTE spectrum for another 15 years. At the same time, we continued to modernize the fixed network infrastructure and pressed ahead with the expansion of fiber optics.

In **Belarus**, we focused on expanding the fixed network in 2023. We now reach around 1.3 million households. Due to restrictions on starting our own 4G network, we are leasing capacities from another infrastructure operator. This enables us to provide customers with the most modern mobile technology available locally.

In **Serbia**, we are active in the market as a mobile network operator. In 2023, we expanded our own fiber optic network by around 500 km, thereby connecting around 40% of our mobile base stations. We secured first place in the NetCheck benchmark for both the best data network and the best results for voice and data in cities.

In 2023, we continued to expand the mobile network in **Slovenia**. In July 2023, the company again ranked first in the NetCheck benchmark and was named the best 4G/5G mobile network. The 3G network was deactivated in August.

Fact check on electromagnetic fields

Research results on the possible health effects of mobile communications are regularly evaluated by national and international institutions. These include the WHO and the ICNIRP (International Commission on Non-Ionizing Radiation Protection). Their threshold recommendations are implemented within the framework of national directives. Based on 20 years of research, the ICNIRP has concluded that continuous exposure to radio frequencies below the ICNIRP limits every day of the year has no harmful effects on the health of humans, including infants. This applies to the entire frequency range from 100 kHz to 300 GHz and therefore also to all 5G frequencies.

In **North Macedonia**, we focused on switching to a European manufacturer of mobile technology in 2023. This step enabled us to create the most modern mobile communications network in North Macedonia.

Ecological network concept

We are pursuing the goal of improving energy efficiency as part of various initiatives in order to decouple the growing volume of data from the associated energy consumption.

Electricity consumption of the networks

90% of total energy consumption, of which
60% for the mobile network.

Fixed line

The increasing use of fiber is helping to reduce electricity consumption compared to coaxial cable networks and copper cable networks.

Data centers

In our data centers, innovative cooling methods such as hot-spot extraction, cold aisle containment and heat recovery systems reduce electricity consumption by up to 75% versus conventional cooling systems. The increasing use of cloud solutions is also helping to improve energy efficiency. The optimization of hardware, greater energy efficiency of newer hardware generations, and the reduction of space requirements in the data center play a key role in this regard. The roof areas are used for the installation of photovoltaic systems to produce their own electricity.

Mobile

The use of the latest generation of base stations (esp. antennas) offers not only high service quality, but also greater energy efficiency.

The new mobile communications standard, 5G, is characterized by improved energy efficiency thanks to its higher bandwidth efficiency. In addition to driving forward the 5G expansion, we are gradually shutting down older generations of mobile networks. For example, 3G has already been completely replaced in Slovenia and the shutdown project is underway in Austria.

We also use software-based intelligent network optimization to increase energy efficiency. With "dynamic cell sleep", for example, frequency ranges that are required as additional capacity for high data volumes are switched to standby mode when utilization is low.

Innovative technologies

Paving the way for technological progress

Our networks and services enable customers to develop and deploy innovative solutions. For example, the properties of 5G are not only an important prerequisite for mobility concepts of the future (autonomous driving, etc.) through real-time communication – they are also a key component of the Internet of Things (IoT), which enables the networking of an almost unlimited number of devices, sensors, etc

5G with 2 Gigabit/s transmission rate

As part of a trial, we were the first provider in Europe to achieve data transmission of 2 Gigabit/s in a 5G network. Through carrier aggregation three frequency blocks were bundled together (carrier aggregation) with technology partner Nokia. This enabled the frequency spectrum to be used optimally and the potential of 5G technology to be fully exploited.



Network slicing

By dividing a mobile network into individually customizable segments, institutional customers, for example, can be guaranteed local, regional or even supra-regional mobile resources with certain properties. This gives customers their own virtual wireless networks that are tailored to their specific needs and can be customized as required. The major advantage of network slices is their network-wide availability, adaptability and automation. Slices are also used to create so-called campus networks, for example at airports. The required resources are allocated dynamically to operating crews, passengers and emergency teams.

Private mobile networks

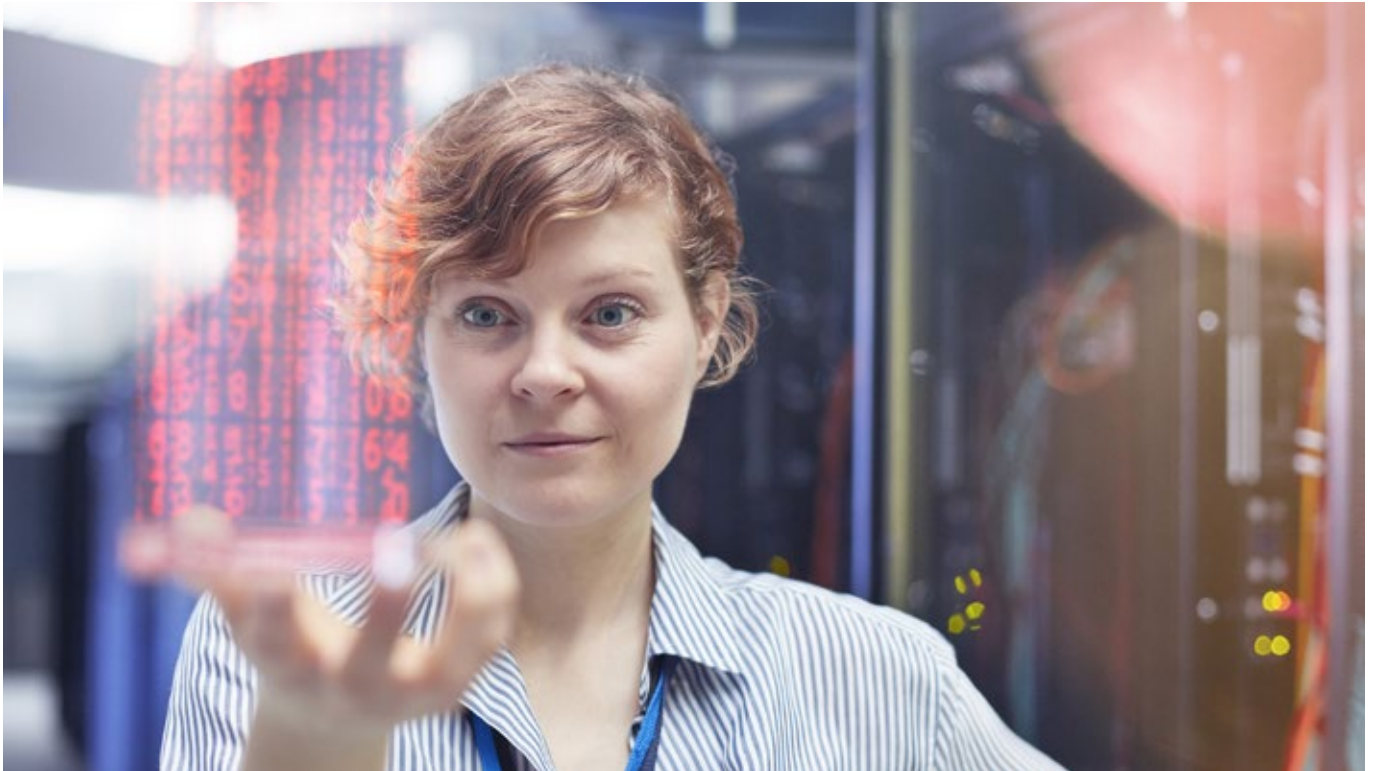
Similar to network slices, private mobile networks can also be set up locally. The resources are exclusively available to customers and the core network can also be installed on servers directly at the customer's premises. This enables a completely autonomous network that can be operated independently of the public network. This makes it possible to achieve any level of availability, extra low latency times and unaffected data transmission. Current fields of application can be found in factories and ports, for example.

Artificial intelligence (AI)

At A1, we started using machine learning to analyze data more than 20 years ago. Initially, this concerned churn prediction and shopping basket analyses, for example.

Over the years, we have further developed the applications and expanded the fields of application. Today, thanks to the technological possibilities for processing large amounts of data (Big Data), we can work with real-time and unstructured data and use a wide range of AI models.





Selected areas of application

Marketing and Sales uses artificial intelligence to act in a more strategic manner in the business customer sector. In the private customer business, AI helps us to address customers in a personalized way. The aim is to offer our customers the products that are relevant to them in a form of communication that is suitable for them at the right time. This also applies to our TV offering. By analyzing anonymized usage data, we can optimize our content offering and thus increase our customers' viewing enjoyment.

In the field of technology, for example, we use AI for the proactive maintenance of systems. This means that failures are detected and rectified at an early stage. Ideally, the impact on customers can be avoided altogether.

In addition, the efficiency of internal processes has been noticeably increased with the help of artificial intelligence

Fair artificial intelligence

In addition to the topics of personal data protection and information security, which have always been important cornerstones for us in the use of AI, we placed a special focus on the topic of "fair AI" in 2023. Every AI model used must be analyzed to ensure that it excludes undesirable prejudices or unfair treatment.

A1 Start Up Campus

As part of the "A1 Start Up Campus" initiative, we support young companies in Austria in realizing innovations by providing knowledge and infrastructure. In addition to free office space with state-of-the-art technology, the A1 Start Up Campus offers selected start-ups data center services and cloud storage space. Moreover, our specialists support the young entrepreneurs in all relevant business management topics such as marketing, sales and controlling, as well as media relations.

One successful example of an innovative start-up at the A1 Start Up Campus is "warrify." The company provides a platform for invoices, warranties and other documents to reduce the flood of paperwork for bricks and mortar retail. With the implementation of this solution in all Austrian A1 stores in 2022, all invoices and purchase receipts are now available in digital form as a fully-fledged replacement for paper receipts. We are the first telecommunications provider in Europe to take the entire in-store payment process digital on request, making printed invoices superfluous. ■

Data protection and information security are of strategic importance.

Data Protection and Information Security



As digitalization progresses and data volumes increase, data protection and information security are essential parts of our corporate strategy.

Our primary goals are to protect the data of our customers and business partners in our systems. What's more, we offer sophisticated product solutions and services to ensure data security for our customers.

Information security

Actively practised responsibility

As an operator of system-critical infrastructure, we actively take responsibility above and beyond the legal requirements. We use the latest technologies to protect our systems from unauthorized access and damage and are constantly improving our information security management system. Our security concepts and measures have all been audited.

It has been confirmed that all A1 companies comply with the ISO 27001 standard. Under the NISG (Network and Information System Security Act), we are subject to special security requirements, which have been checked and confirmed by the NIS authority in 2023. In connection with the NISG, which also provides for a risk assessment of suppliers, we have committed ourselves to complying with the quality criteria of Cyber Trust Austria and have received the "Cyber Trust Austria Gold Label."



We increase the resilience of our systems through a continuous exchange of knowledge and

experience with authorities and partners. Networking takes place at national level with local authorities, between Group companies and at specialist conferences with international experts. We also take part in national and international exercises to defend against cybercrime and have been a member of the global umbrella organization FIRST since 2023. This has confirmed the professional quality and high level of maturity of the A1 CERT (Computer Emergency Response Team). For several years, A1 CERT has been working with Scitum-CERT, the Security Operation Center of América Móvil, which is also a FIRST member. Together, we monitor A1's cyber security around the clock according to the "follow-the-sun" principle and defend against the ever-increasing number of cyber attacks.

Cyber crime (examples)

- ✓ **DDoS-attacks** = Distributed Denial of Service; the aim is to overload a server with harmful network traffic. Around 200 DDoS attacks are registered daily in A1's backbone.
- ✓ **Phishing** = emails, messages or phone calls pretending to be a trustworthy entity with the aim of capturing personal data from unsuspecting users.
- ✓ **Malware** = malicious software that infects IT systems.
- ✓ **Ransomware** = malware that encrypts data on infected systems. It can be assumed that around two thirds of companies were victims of ransomware/extortion.

Proactively combating increasing cybercrime

We offer our customers solutions to protect their data and systems against cybercrime:

- ✓ A1's automatic DDoS defense intercepts almost all such attacks. The local companies offer their customers automatic DDoS protection in all the markets in which we are present.
- ✓ Products such as A1 online protection, virus protection, identity protection, secure surfing package, etc
- ✓ Ransomware: A1 offers business customers ICT services that effectively mitigate the impact of ransomware attacks on their business. Secure configurations and procedures within the ICT infrastructure can reduce the likelihood of such attacks succeeding. A consistently implemented backup service and emergency plan ensures that our customers can recover from a ransomware attack as quickly as possible.

Vulnerable groups of people

From a risk perspective, increasing digitalization poses a challenge for two groups of people in particular:

- ✓ Young people with a lower level of experience and risk awareness, and
- ✓ elderly people, who are not digital natives.

For those groups, education and training are required. In Austria, parents, teachers and pupils are educated, for example, on the topic of internet safety on the A1 digital-campus. The "A1 Seniorenakademie" (Senior Citizens Academy) is aimed at the 60+ generation and holds training courses on the safe use of the Internet. These two A1 Austria initiatives contribute to the Austrian Strategy for Cyber Security and are part of the Federal Chancellery's catalog of measures.

Protection of personal data

The protection of personal data is of particular importance for a telecommunications company. A1 therefore has a governance model for data protection management that is aligned with the strategy and adopted by our Management Board. It is based on the far-reaching regulations of the European General Data Protection Regulation (GDPR). Local laws and regulations are of course also observed.

Code of Conduct

In our Group-wide Code of Conduct, data protection and information security are key principles for the actions of our employees. The protection of privacy and the corresponding respect for the human rights of customers, employees, shareholders, suppliers and sales partners are guiding principles anchored in the A1 Group Code of Conduct.

The Group's contract partners are obliged to comply with the principles set out in the Code of Conduct and thus also to respect human rights and comply with data protection. The Code of Conduct is an integral part of the relationship with contract partners and is supplemented by the respective agreements governing data protection aspects.

Group Data Governance Policy

The Group Data Governance Policy is the result of a combination of requirements and interpretations in relation to the GDPR and various other data protection regulations. This policy serves as a means of self-governance.

Data protection guidelines of the Group companies

Each Group company has data protection guidelines that regulate the processing of personal data in accordance with applicable laws and the technical and organizational measures for the protection of personal data. Furthermore, taking into account locally applicable regulatory provisions, the Group companies are also obliged to impose such technical and organizational measures on third parties (contractors)

who process personal data (in their capacity as processors) by concluding data processing agreements. This is to ensure that third parties who process personal data on our behalf in accordance with the instructions given follow strict technical, organizational and contractual measures to protect personal data.

Awareness-raising and training for employees

All employees are obliged to protect company and business secrets. Such confidential information must be stored securely and may be passed on internally only to those employees who need it for their professional activities (need-to-know principle).

The first mandatory training courses on information security, data protection and compliance are held as soon as employees join the company. The Group companies also hold regular training courses and offer internal e-learning courses and workshops.

Further information on data protection and information security can be found in the Consolidated Non-Financial Report 2023. Data privacy notices are available on the websites of the A1 companies. ■



The focus is on people:
Human@Center

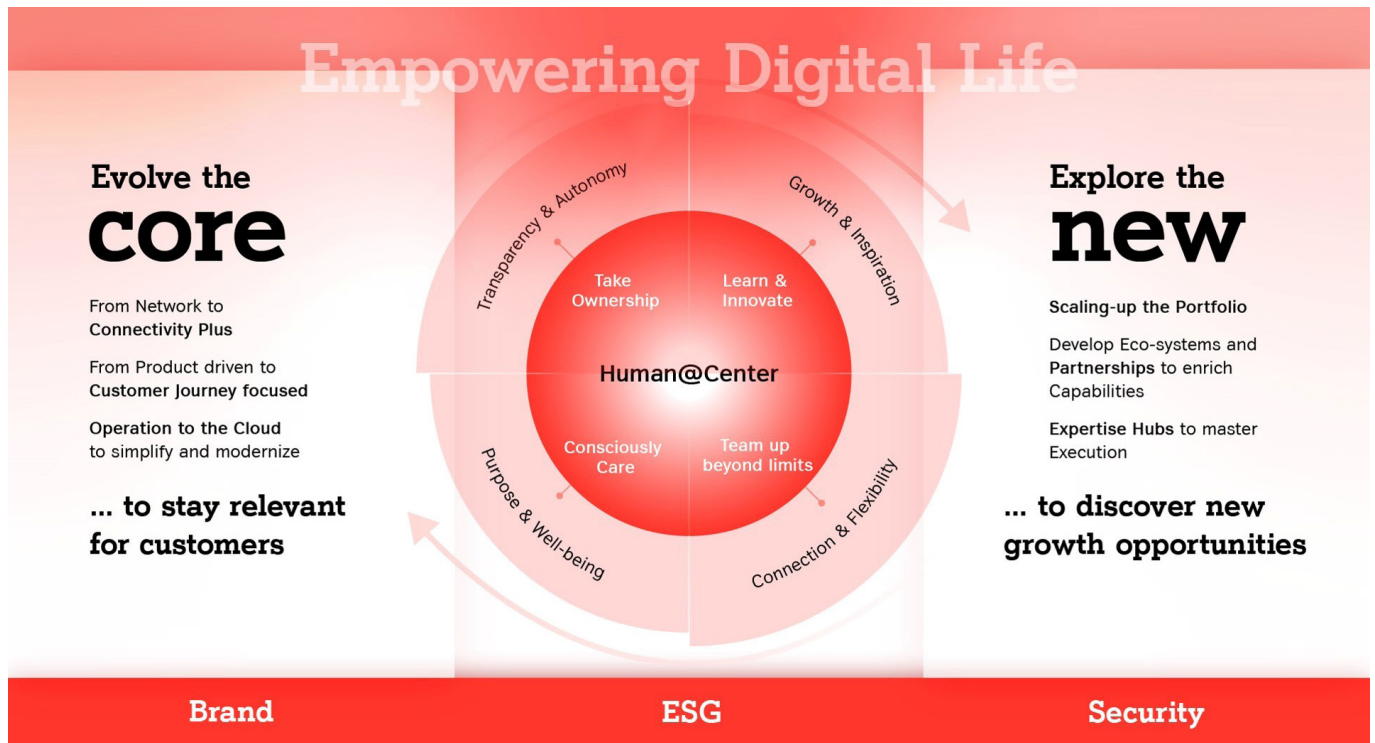
Employees



The A1 Group is a leading telecommunications company and an attractive employer in Central and Eastern Europe. We combine economic success with sustainable and responsible action toward the environment, society and people, especially our customers and employees.

Our market environment is constantly changing on many levels. Technologies are developing at an enormous pace. The needs and wishes of customers are changing dynamically.

We are therefore focusing on how we can meet expectations with regard to an optimal customer experience ("customer journey": customer orientation instead of product orientation), how we can further expand our core business, become more efficient, and cultivate new business areas. We want to continue to develop as a company in line with these objectives.



Human@Center

Because every development begins not with technology, but with people, we place people at the center of our strategy.

With "Human@Center", we have defined corresponding requirements for our corporate culture. Existing strengths must be promoted. Behaviors that need to be further developed to support our strategy will be identified. It is up to each and every one of us to realize these ambitions and put them into practice. At the same time, as an employer, we provide the right framework conditions.

Human@Center defines the objective for the desired behaviors with the four areas of direction described below. Essentially, it is about how we consciously look after each other, our customers, and our environment. It is also important to take on individual responsibility and work together regardless of national and team boundaries. All of this also requires new skills. That is why continuous learning and further training are essential.

Take Ownership

Taking responsibility for one's own actions, with all their positive and negative effects, is one of the aims of Human@Center. Responsibility for accomplishments, milestones achieved, big and small victories, but also for failures and lessons learned. This requires courage, but also fills us with satisfaction and pride when we experience the positive effects of our own actions.

Attractive employer

At the end of 2023, the A1 Group employed around 17,500 employees (percentage of women: 40%). This makes us an important and multi-award-winning employer in this region, with the ambition to remain attractive as such.

	2022	2023	Δ
Austria	6,826	6,473	-353
Bulgaria	3,602	3,646	44
Croatia	1,800	1,854	54
Belarus	2,351	2,182	-169
Serbia	1,544	1,551	7
Slovenia	631	629	-2
North Macedonia	756	776	20
Holding incl. A1 Digital	397	396	-1
A1 Group	17,906	17,508	-398

In Austria, the number of employees declined in 2023, particularly due to retirement, natural turnover, and the spin-off of the tower business. In the Belarus market, which is particularly challenging due to the Ukraine crisis, the number of employees was also adapted.

Regular management team events with updates on company development and strategic and operational topics provide insight and an overview for orientation. The foundation for implementation in day-to-day business is laid in the Group-wide performance dialogues between managers and team members: transparency about goals and expectations, the necessary development steps and the flexibility available for this are evaluated in these meetings and regularly fine-tuned.

Learn & Innovate

When it comes to learning and further training, we also look at beneficial behaviors and attitudes: being and remaining curious, leaving the comfort zone, openly addressing problems, tackling new topics. It should also be possible to experiment, as traditional solutions often do not help with new approaches. We are open to new ideas and question "what has always been done this way." If something doesn't work, it is not a failure; it is a sign that we need to do something different.

The company provides extensive learning opportunities for our experts and managers, from coaching to international and local leadership programs to specialist programs (e.g. Data4Business). Access for the entire team to various learning platforms such as LinkedIn Learning or Udemy is a given. The A1 Skillpassport, which is linked to the A1 job platform, helps to find the right learning opportunities. Local retraining programs help career changers to switch jobs (for example in Bulgaria from sales to IT or in Austria from network technology to ICT expert).



Team up beyond Limits

Although we can do a lot on our own, in the world of work life, one plus one is very often more than two. Teamwork stands for the bundling of knowledge, creativity and energy among departments and countries. This is exactly what is needed to successfully master current and future challenges.

In addition to various tools for digital cooperation, flexible working models in terms of time and location are also offered to support international collaboration. We also have a transparent internal job market: All open jobs in the A1 countries are visible to all team members. Many divisions work using agile structures. They separate technical and personnel management and always put teams together in new "squads" according to the respective requirements.

In order to evaluate these measures and activities, we provide forums for regular feedback. In addition to the aforementioned performance dialogues, company-wide surveys are also conducted, for example. In the course of the corresponding surveys, four countries were certified as "Great Place to Work" (representing around 68% of the workforce).



Consciously Care

Performing, learning, taking responsibility, and working together are possible only if we are physically, mentally, and emotionally well. That's why we pay close attention to ourselves and our surroundings. Our Group-wide A1 Health, Safety, and Well-Being Policy published in 2023 and ISO-45001 certifications in all countries are important components. Like our A1 Human Rights Policy, they document our focus on fundamental rights and responsible, fair, and equal treatment of one another. For difficult life situations we offer anonymous and free of charge support for all our employees like the Employee Assistance Program. Qualified advisers are available in all national languages to help solve individual problems of various kinds.

The wide variety of corporate volunteering programs in all countries provide opportunities to do good personally as part of sustainability initiatives. One of these offers, Spletne brihte in Slovenia, even made it into the Guinness Book of Records on February 2023 as the world's largest online quiz, in which over 20,000 children took part.

As part of our ESG goals, we are committed to reducing the gender pay gap and focusing on diversity, equity, and inclusion. The initiatives and measures in this regard express our commitment to equal income and equal opportunities. The aim is to create strategic structural conditions to fully recognize and promote the diversity of employees and their potential and, in the spirit of Human@Center, to focus on people.

Fairness at all levels

Fairness and integrity are indispensable guidelines for daily actions and thinking at A1. This is reflected in our Code of Conduct, in our Fair Pay Principles published in 2023, and, since 2020, in our Unconscious Bias training courses. More than 9,500 employees (around 55%) have already taken part in these training courses.

Recruitment

At A1 in Austria, a new evaluation system was developed in 2023 to counteract prejudices in recruitment. We use a uniform group-wide job architecture with clearly defined salary bands for each job level. These are regularly compared with market data and adjusted if necessary.

Diversity and fairness

- ✓ **Diversity:** Diversity makes us stronger. Aspects such as gender, sexual orientation, religion, origin, ethnicity, skin color, age, special needs, etc. are insignificant to us. Talent is not subject to regulatory standards, and we want to work with the top talent and enable them to develop their full potential.
- ✓ **Equality** means for us using the available resources in a way that all employees can make the best possible contribution within the scope of their work.
- ✓ **Inclusion** creates a working environment where everyone feels welcome, respected, supported, and valued, regardless of their individual differences.

We do not tolerate discrimination or any other offensive or degrading behavior such as intimidation, bullying, sexual harassment, or false accusations.

Gender Pay Gap

We analyze the gender pay gap group-wide and have recognized that existing differences in income are strongly driven by structural factors. These include the comparatively low number of women in STEM (science, technology, engineering, and mathematics) professions and management positions. This is why the Austrian MINT (MINT = STEM) Sisters support female applicants for A1 STEM positions as experienced allies. The "MINT Busters" dispel myths that may prevent women and girls from applying for a STEM job. The Croatian STEMfemme program assists young college students with training and mentoring, while STEMfemme Junior is designed for girls of primary school age. These are all examples of initiatives that not only bring more women into STEM positions, but are also intended to reduce the gender pay gap.

The Group-wide goal to have 40% of women in management positions, the Austrian Female Empowerment Program (a candidate pool that focuses on the further development of women in management positions), and workshops on "Women in management positions" in Slovenia also increase diversity in the company and are intended to balance out income differences.

Diversity, equity and inclusion

Diversity and internationalization offer us many valuable advantages, such as a broader range of perspectives and ideas that translate into creativity and innovation. With our Code of Conduct and our Diversity, Equity & Inclusion Policy, we have clearly defined goals, expectations, and responsibilities and are committed to promoting diversity, ensuring equality, and creating an inclusive working environment. Telekom Austria AG has been a member of the Diversity Charter since 2014.

We have established a number of initiatives to take account of the diversity of our team. The flex office models, for example, enable flexible working regardless of time and place. Other examples include pre-schools such as the Funky Monkey in Bulgaria, Bajka in Serbia, and Cigra in Croatia, Flying Nannies in North Macedonia and Croatia as well as vacation camps focusing on technical and scientific challenges at the A1 digital.campus in Austria.



For six consecutive years, A1 Serbia and A1 Slovenia have been awarded the coveted certificate for family friendliness.



This confirms our successful commitment as an employer to a harmonious work-life balance and our exemplary diversity management. Every year, the two A1 companies undergo an audit to ensure that they continue to meet the high standards.

To feel comfortable in the working environment, the focus is also on emotional well-being. In Austria, we offer workshops, webinars, and consultations on topics such as resilience, cross-generational teams, sleep and nutrition information, mindfulness training for men, and special talks for women. Occupational psychology consultations and occupational medicine complete the range of services.

The Women@A1 Festival in Austria was held on International Women's Day in March 2023. The content of the various workshops on offer was created mostly by A1 colleagues for A1 colleagues. Colleagues on maternity leave benefit from seminars, the networking events Business@Breakfast, their own maternity leave mentors, and the internal platform Karenz@A1. In general, the topic of exchange and networking is becoming increasingly relevant. For example, there are various internal networks for women, the LGBT+ community, the ESG community, and part-time employees.

At the same time, we also recruit external talent in order to increase diversity within the company. Austria places a special focus on apprentices. The "A1 START" initiative in Croatia focuses on technical job fields and "A1 WayUp Gen'23" in North Macedonia on students. In Belarus, vacant positions that are suitable for people with disabilities are specially highlighted. In Slovenia we are conducting the TECH Hackathon, in Bulgaria there is the A1 Internship Program and the A1 Summer Academy, where in 2023 60% of the participants have become a permanent part of the A1 team.

Social exchange

Communications with employee representatives are valuable for us because it allows us to learn even more about the interests and concerns of our workforce from them. This knowledge helps us to work toward a balanced and harmonious working environment.

The Supervisory Board of Telekom Austria AG consists of 15 people, five of whom are employee representatives.

The European Works Council brings together employee representatives from various EU countries and facilitates Group-wide agreements on labor rights and conditions. ■



Major steps in climate protection and significant reduction in direct CO₂ emissions.

Environmental and Climate Protection



A healthy environment is one of the keys to a high quality of life. At the A1 Group, we are mindful of the relationship between the environment and our business activities. We therefore take responsibility and define environmental standards for ourselves, for example through our self-imposed Clean Energy Policy, which sets out clear framework conditions for the purchase of electricity.

Energy efficiency and green electricity as important levers for climate protection

The main drivers of climate change and global warming are human-made emissions of greenhouse gases, in particular CO₂. However, digitalization opens up opportunities to reduce emissions by increasing efficiency, among other things. At the same time, the challenge is that the expansion of an increasingly powerful infrastructure and the use of digital

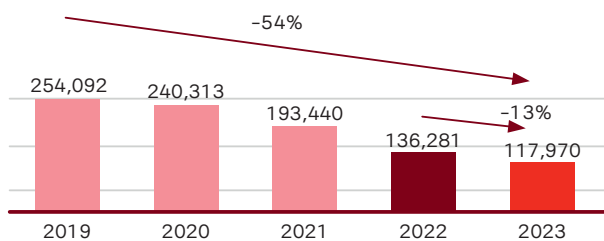
technologies can increase the demand for energy, especially electricity.

Our climate strategy, as part of the company-wide sustainability strategy, is therefore based on two cornerstones: firstly, our aim is to continuously improve energy efficiency. And secondly, we want to gradually increase the proportion of electricity generated from renewable energy.

The following results show that we are on the right track with our climate strategy: In 2023, we were able to reduce our CO₂ emissions for the third year in a row: Compared with 2019, we reduced CO₂ emissions by 54%. This continuous progress brings us much closer to our goal.

Reduction of CO₂ emissions

(Scope 1 und Scope 2 market-based, in t CO₂-equivalent)



This was achieved through a variety of measures: For example, we were able to increase our own production of electricity from renewable energy by 190% compared to the previous year, and by around 1,200% compared to 2019. However, we have not only made progress in our own production of sustainable electricity, but also in the purchase of electricity from renewable energy sources: In 2019, only 42% of the electricity we consumed came from renewable energy sources. This means that at the time, more than half of our electricity came from non-sustainable sources. Thanks to the consistent implementation of our Clean Energy Policy, we were able to reverse the trend: By 2023, we had already increased the proportion of electricity generated from renewable energy sources by 76%.

However, the most sustainable electricity is undoubtedly electricity we do not consume, but instead save through targeted energy efficiency measures. An increase in data traffic should not necessarily lead to higher electricity requirements and more CO₂ emissions. From 2019 to 2023 alone, the data volume transmitted by our infrastructure increased by 160%. Meanwhile, however, we improved our energy efficiency by 56%. We measure energy efficiency using the "energy efficiency indicator" (electricity consumption per transported data volume): this was at 0.2 MWh/terabyte in 2019 and 0.08 MWh/terabyte in 2023 (see chart). This has enabled us to decouple power consumption from the increasing volume of data.

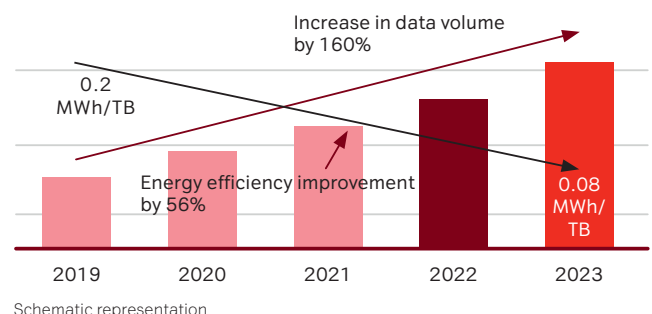
A long-term program launched several years ago has been instrumental here. Its aim is to implement group-wide measures to increase energy efficiency. In 2023, we either already successfully implemented 56 measures or initiated the start of implementation. In this way, we ensure that an increase in data traffic is not automatically accompanied by an equally large increase in electricity consumption or CO₂ emissions. To stress the importance of our climate strategy in all of our subsidiaries and at the same time ensure its long-term pursuit, the energy efficiency indicator was integrated into the long-term remuneration of our Management Board members and the CEOs of our subsidiaries.

Circular economy at the heart of resource conservation

When expanding our infrastructure, we not only focus on energy efficiency and avoiding CO₂ emissions, but also on conserving resources. Consistent life cycle management ensures that technical equipment remains in operation for as long as its service life allows, provided that it meets our high energy efficiency requirements.

However, life cycle management aspects must also account for end devices such as cell phones, set-top boxes, and routers. We have set the goal of recovering 20% of the devices put into circulation. In 2023, we already recovered 29% of the devices placed on the market. Appliances that are still functional and technically up-to-date are professionally refurbished for further use. If reuse is not possible, whether for appliances or infrastructure equipment, they are carefully dismantled, systematically separated into components such as circuit boards, copper, and iron, and then professionally recycled. ■

Improvement of energy efficiency



Integrity as a guarantee of trustworthiness – especially in challenging times.

Compliance



Compliance: key to putting good corporate governance into practice

For us, it is only natural that the company's goals are pursued and achieved with impeccable conduct. Compliance is therefore firmly anchored in the A1 Group. Clearly communicated values, guidelines and rules determine how managers and employees conduct themselves.

Managers, especially top management, lead by example. Targeted measures to promote good conduct support practical implementation.

Ongoing development of the externally certified compliance management system (CMS) in line with best practice considerations is a key aspect of the ESG strategy. Ultimately, ethical and legal behavior is critical to ensuring trust in the A1 Group.

Compliance Management System

Strategy

Culture

Compliance goals

Communication

Governance

Prevention

Risk assessment
/ planningBehavior-orient-
ed prevention,
incl. guidelines,
trainingProcess-oriented pre-
vention incl. Internal
Control System

Detection

Whistle-
blower
system

Audit

Reaction

Investiga-
tions & Case
management

Measures

Evaluation

Effectiveness

Constant improvement

Reporting

Support

Compliance organization

Knowledge

Compliance-IT

By regularly checking the appropriateness and effectiveness of the CMS, we aim to determine whether the current compliance requirements are fair and where there may be potential for improvement.

Our CMS was audited for the first time in 2012/2013 by PwC and again in 2018/2019 by KPMG and in 2023 by BDO. We received an unqualified audit opinion each time.

Fair business performance that is successful in the long term

The A1 Group's Code of Conduct contains important ESG aspects, such as

- ✓ responsibility for people, society and the environment,
- ✓ the commitment to diversity and inclusion as well as human rights, environmental initiatives, and the commitment to digital education.

To promote ethically and legally impeccable behavior in the many decisions that have to be made on a daily basis, we have a rigorous set of regulations. It includes regulations on integrity, fair dealings with stakeholders, the protection of personal and confidential data, reporting and avoiding conflicts of interest, handling gifts, invitations and personal benefits, protecting company assets, communicating the content of the Code of Conduct and the Group's whistleblower principles. The Code of Conduct addresses all employees and managers Group-wide and also represents a contractually agreed guideline for A1's business partners.

Group-wide guidelines also provide detailed guidance on specific compliance issues such as anti-corruption and conflicts of interest, data protection, antitrust law and capital market compliance. The guidelines on anti-corruption and conflicts of interest contain a strict ban on all forms of bribery and corruption. The prohibition of donations and placing ads in the media of political parties and organizations with close ties to political parties, and a commitment to responsible advertising are clearly regulated.

To ensure compliance with all relevant sanctions regulations, sanctions management was adapted to the increased requirements, particularly in relation to the Ukraine conflict.

In order to integrate the concept of integrity for the long term, compliance training courses are held annually for specific target groups.

To report observed or suspected misconduct, employees and external persons can use the whistleblower platform "tell.me" and remain anonymous if desired.

Further information on compliance at the A1 Group can be found in the Consolidated Non-Financial Report 2023 and on the Group website www.A1.group, under ESG/Governance. ■

Active and transparent
communication creates trust.

Investor Relations



For us, good capital market communication means providing timely, accurate, transparent and comprehensible information. The range of tasks includes reporting, publications required by law, and direct dialogue with investors. The latter takes place at conferences, roadshows and other capital market events as well as via communication platforms (such as MS Teams), by telephone, and by e-mail.

Share and shareholder structure

Telekom Austria AG has been listed on the Vienna Stock Exchange since November 2000. On September 18, 2023, the Vienna Stock Exchange reinstated the share in the leading index ATX. The U.S. American Depositary Receipt (ADR) program issued in the course of the IPO has become significantly less relevant over the years and was ended in 2023.

ISIN
AT0000720008

Ticker symbol
TKA

Reuters
TELA.VI

Bloomberg
TKA AV

Listing
Vienna Stock Exchange, prime market

At the end of 2023, 58.5% (i.e., 388,542,516 shares) were held by América Móvil. The Republic of Austria held 28. % of the shares (i.e., 188,876,602) via Österreichische Beteiligungs AG ("ÖBAG"). In addition, Telekom Austria AG held 415,159 treasury shares and 519,444 employee shares in a collective securities account.

Share price performance

The Telekom Austria share price opened at EUR 4.86 (price adjusted for tower spin-off) on January 2, 2023. On February 6, we announced the renewal of the syndicate agreement of our two core shareholders and their support for the spin-off of the tower business. This news had a positive effect on the share price.

After several months of sideways movement, the inclusion of the share in the ATX, the leading index of the Vienna Stock Exchange, gave the share price a positive boost. The announcement on September 22 regarding the pending spin-off and listing of the EuroTeleSites telecommunications company further boosted the Telekom Austria share. By the end of the year, the share price had climbed to EUR 7.65.

With growth of 57.8%, the share clearly outperformed both the ATX and the European index STOXX Europe 600 Telecommunications.

Shareholder structure

Retail investors
3.3%

ÖBAG
28.4%

América Móvil
58.5%

Other¹⁾
1.9%

Institutional investors
7.9%

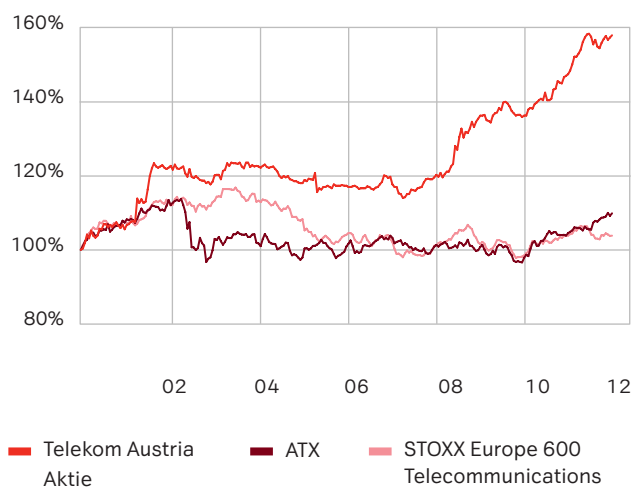
Institutional investors by regions

0.6% Other countries
40.1% North America
10.9% UK & Ireland
19.0% Austria
29.4% Continental Europe

¹⁾ Not identified, employee shares, treasury shares

Performance of the Telekom Austria share

indexed as of January 1, 2023



Key share figures

	2022*	2023*
Share price high (intraday)	€ 6.88	€ 7.77
Share price low (intraday)	€ 4.67	€ 4.86
Closing price on December 31	€ 4.85	€ 7.65
Market capitalization at year-end (in EUR mn)	3,223	5,083
Share development	-24.1%	57.8%
Average trading volume (number of shares)	120,575	141,494
Number shares issued	664,500,000	664,500,000
Number shares outstanding	664,084,841	664,084,841

* Share prices before September 22, 2023 adjusted for the spin-off of the tower business (adjustment factor: 0.8387).

Analysts and recommendations

At the end of 2023, analysts from ten financial institutions reported on the Telekom Austria share in research publications:

- ✓ AlphaValue/Baader Europe
- ✓ Bank Pekao
- ✓ Barclays
- ✓ Citigroup
- ✓ Erste Group Bank
- ✓ HSBC
- ✓ JP Morgan (no rating)
- ✓ Kepler Cheuvreux
- ✓ Landesbank Baden-Württemberg
- ✓ Raiffeisen Bank International

As of December 31, 2023, seven analysts recommended buying Telekom Austria shares and two recommended holding them. There were no sell recommendations. Coverage by JP Morgan was temporarily suspended due to its role in the spin-off of the tower business.

Dividend

The dividend policy from 2016 was updated in 2023. It now assumes a dividend of EUR 0.32 per share. This should grow on a sustainable basis in line with the operational and economic development of the A1 Group. For the 2023 financial year, the Management Board plans to propose a dividend of EUR 0.36 per share to the 2024 Annual General Meeting.

Dividend development

Year	Dividend per share (paid)	Earnings per share (in reference year)	Free cash flow per share (in reference year)	Payout ratio
2023	EUR 0.32	EUR 0.95	EUR 0.91	33.5%
2022	EUR 0.28	EUR 0.68	EUR 0.73	40.9%
2021	EUR 0.25	EUR 0.58	EUR 0.76	42.7%
2020	EUR 0.23	EUR 0.49	EUR 0.52	46.7%
2019	EUR 0.21	EUR 0.36	EUR 0.58	57.8%
2018	EUR 0.20	EUR 0.48	EUR 0.58	41.6%

Debt and Ratings

We make active use of the international and local debt capital markets in order to diversify our financing both regionally and in terms of our investor base.

Bonds

Since our first bond in 2003, we have issued a total of eight benchmark bonds, including the first hybrid bond in the European telecommunications sector.

On July 4, 2023, a bond in the amount of EUR 300 million with a coupon of 3.5% was redeemed on time.

As of December 31, 2023, one bond was still outstanding. It has a volume of EUR 750 million and is due on December 7, 2026.

Ratings

Telekom Austria AG has an "A-" rating from all three major rating agencies: Fitch, Moody's Investors Service ("Moody's") and Standard & Poor's Global Ratings ("S&P").

In December 2023, Moody's upgraded our credit rating to A3. Fitch issued its first rating in June 2023. With an A-, we were the best-rated European telecommunications company. S&P has rated us A- since October 2022.

Summary of the resolutions of the Shareholders' Meetings 2023

Annual General Meeting on June 7, 2023	Approved	Presence
Distribution of a dividend of EUR 0.32 per share	99.9%	84.0%
Discharge of the members of the Management Board	100.0%	84.0%
Discharge of the members of the Supervisory Board	100.0%	84.0%
Compensation for the members of the Supervisory Board for financial year 2022	100.0%	84.0%
Election of the auditor and Group auditor 2023	99.9%	84.0%
Remuneration Report	99.5%	84.0%
Elections to the Supervisory Board		
Karin Exner-Wöhrer	95.6%	83.9%
Stefan Fürnsinn	95.5%	83.9%
Carlos García Moreno Elizondo	94.9%	83.9%
Oscar Von Hauske Solís	94.8%	83.9%
Alejandro Cantu Jimenez	95.4%	83.9%
Edith Hlawati	95.4%	83.9%
Extraordinary general meeting on August 3, 2023		
Proportionate spin-off of the tower business to newly established EuroTeleSites AG (incl. certain preceding steps)	100.0%	83.8%

ESG ratings

We have our sustainability activities evaluated annually by international rating agencies. Telekom Austria shares are also listed in sustainability indices, such as the FTSE4Good index

series since 2001 and the Austrian Sustainability Index (VÖNIX) since 2005. The VÖNIX is a capitalization-weighted price index consisting of those listed Austrian companies that are leaders in terms of social and ecological performance. ■

	Rating 2023	Percentile	Category
CDP	A	Top 2%	Leadership
Sustainalytics	13.5	Top 3%	Low Risk
ISS ESG	B-	Top 20%	Prime
EcoVadis	68	Top 9%	Silver

Condensed Consolidated Statement of Comprehensive Income

in EUR million, except per share information	2022	2023	Δ
Service revenues	4,164	4,348	4.4%
Equipment revenues	752	811	7.9%
Other operating income	89	92	3.6%
Total revenues (incl. other operating income)	5,005	5,251	4.9%
Cost of service	-1,414	-1,474	4.2%
Cost of equipment	-731	-790	8.1%
Selling, general & administrative expenses	-1,011	-1,046	3.5%
Other expenses	-12	-18	51.7%
Total cost and expenses	-3,167	-3,327	5.1%
Earnings before interest, tax, depreciation and amortization (EBITDA)	1,838	1,924	4.7%
Depreciation and amortization	-795	-796	0.1%
Depreciation of right-of-use assets	-168	-215	27.6%
Impairment	-4	-3	-29.0%
Operating income (EBIT)	871	911	4.5%
Interest income	11	20	83.6%
Interest expense	-60	-99	64.2%
Interest on employee benefits and restructuring and other financial items, net	-5	-9	70.9%
Foreign currency exchange differences, net	1	-3	n.m.
Equity interest in net income of associated companies	-2	1	-145.4%
Financial result	-55	-90	62.3%
Earnings before income tax (EBT)	816	821	0.6%
Income tax	-181	-175	-3.4%
Net result	635	646	1.8%
thereof, attributable to the equity holders of the parent	634	645	1.8%
thereof, non-controlling interests	1	1	-6.1%
Earnings per share attributable to equity holders of the parent in euro*	0.95	0.97	1.8%
Weighted-average number of ordinary shares outstanding	664.084.841	664.084.841	
Other comprehensive income items			
Effect of translation of foreign entities	-4	-41	n.m.
Realized result on hedging activities, net of tax	4	2	-50%
Unrealized result on debt instruments at fair value, net of tax	-2	1	-163%
Items that may be reclassified to the net result	-2	-37	n.m.
Remeasurement of defined benefit obligations, net of tax	31	-13	-140%
Items that will not be reclassified to the net result	31	-13	-140%
Total other comprehensive income (loss)	29	-50	-269%
Total comprehensive income (loss)	664	596	-10%
thereof, attributable to the equity holders of the parent	663	596	-10%
thereof, non-controlling interests	1	1	-6%

* Basic and diluted

Further Key Figures

Main elements of the consolidated Statement of financial Position (in EUR million)

	Dec. 31, 2022	Dec. 31, 2023	Δ
Current assets	1,439	1,545	7.3%
Non-current assets	6,906	8,012	16.0%
Total assets	8,345	9,557	14.5%
Current liabilities	2,411	1,845	-23.5%
Non-current liabilities	2,342	3,111	32.8%
Total liabilities	4,753	4,956	4.3%
Total stockholders' equity	3,593	4,601	28.1%

Main elements of the consolidated Statement of Cash Flows (in EUR million)

	2022	2023	Δ
Net cash flow from operating activities	1,718	1,716	-0.1%
Net cash flow from investing activities	-953	-64	-93.3%
Net cash flow from financing activities	-1,149	-600	-47.8%

Key non-financial indicators

	2022	2023	Δ
Environment			
Total energy consumption (in MWh)	950,689	960,564	1%
Total on-site stationary combustion	25,635	19,754	-23%
Energy consumption through owned vehicles	66,591	65,785	-1%
Consumption of purchased electricity	821,711	838,722	2%
Consumption of purchased heat energy	34,630	30,156	-13%
Energy efficiency indicator (in MWh/terabyte)	0.10	0.08	-19%
Share of renewable energy in total electricity consumption	71 %	76%	5pp
Total CO ₂ emissions (in t CO ₂ -equivalent)	873,986	801,764	-8%
thereof Scope 1 CO ₂ emissions	23,254	20,964	-10%
thereof Scope 2 CO ₂ emissions (market-based)	113,028	97,006	-14%
thereof Scope 3 CO ₂ emissions	737,705	683,794	-7%
CO ₂ -intensity (tons of CO ₂ equivalents/revenues in EUR million)	27	22	-18%
Recycling quota	55 %	65%	10 pp
Employees			
Total (full-time equivalents)	17,906	17,508	-2%
Share of women	40 %	40%	0pp
Share of women in management positions	36 %	35%	-1pp
Age structure			
below 30 years	2,849	2,803	-2%
30-50 years	11,036	10,731	-3%
above 50 years	4,021	3,975	-1%
Training hours (per full-time equivalent)	39	44	15%
Compliance trainings			
Number of participants in compliance trainings	38,654	48,870	26%

Financial Calendar 2024

June 17, 2024	Record date: Annual General Meeting
June 27, 2024	Annual General Meeting
July 1, 2024	Dividend ex-date
July 2, 2024	Dividend record date
July 4, 2024	Dividend payment date
July 16, 2024	Results Q2 and H1 2024
October 15, 2024	Results Q3 and Q1-Q3 2024

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