

Results for the first nine months and third quarter 2019

October 15, 2019, Vienna



Cautionary statement

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

All figures for 2019 are stated according to IFRS 16 (2018 IFRS 16 based) if not stated otherwise. The implementation of IFRS 16 had not been fully completed at the date of publication. The impact of the adoption of IFRS 16 is unaudited and may be subject to change until the publication of Financial Statements 2019.

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

A1 Telekom Austria Group key facts

4.47 BN

Revenues as of year-end 2018

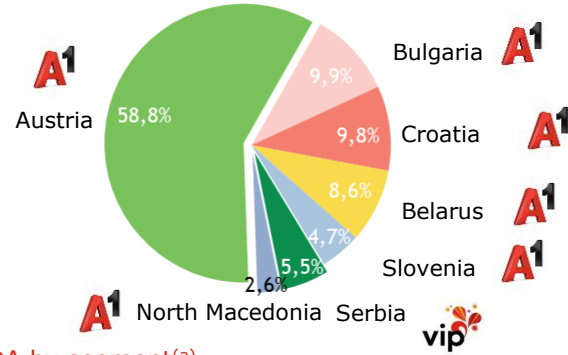
1.38 BN

EBITDA as of year-end 2018

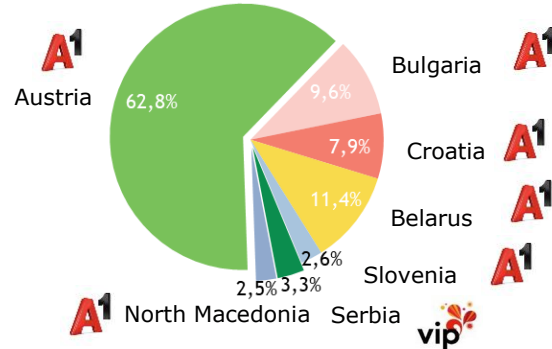
25 M

Customers in seven countries

Revenues by segment^(a)



EBITDA by segment^(a)



Notes: (a) For Full Year 2018. Breakdown does not show corporate, others and eliminations.



The leading regional communications player providing convergent telecommunication services

as of September 30, 2019 (in '000)



Austria

Mobile market position #1

Mobile subscribers:

- 5,201 (Q3 2018: 5,304)

Fixed access lines:

- 1,985 (Q3 2018: 2,063)



Bulgaria

Mobile market position: #1

Mobile subscribers:

- 3,923 (Q3 2018: 4,024)

Fixed access lines:

- 536 (Q3 2018: 531)



Croatia

Mobile market position #2

Mobile subscribers:

- 1,904 (Q3 2018: 1,878)

Fixed access lines:

- 290 (Q3 2018: 295)



Belarus

Mobile market position #2

Mobile subscribers:

- 4,877 (Q3 2018: 4,903)

Fixed access lines:

- 395 (Q3 2018: 417)



Slovenia

Mobile market position #2

Mobile subscribers:

- 704 (Q3 2018: 695)

Fixed access lines:

- 80 (Q3 2018: 72)



Serbia

Mobile market position #3

Mobile subscribers:

- 2,335 (Q3 2018: 2,205)



North Macedonia

Mobile market position #1

Mobile subscribers:

- 1,125 (Q3 2018: 1,114)

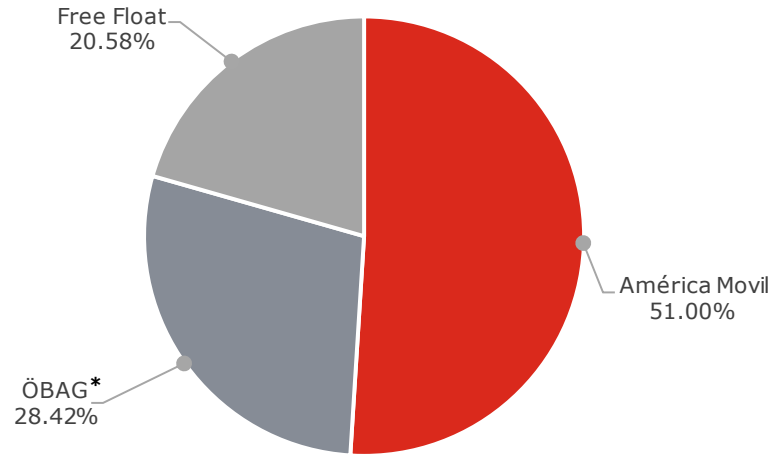
Fixed access lines:

- 153 (Q3 2018: 147)

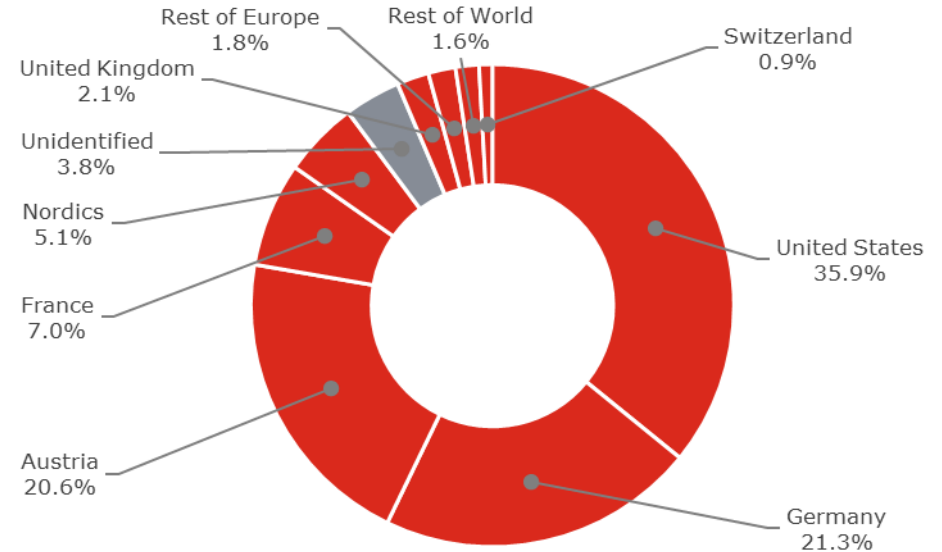


Shareholder structure as of December 31, 2018

Two strong core shareholders

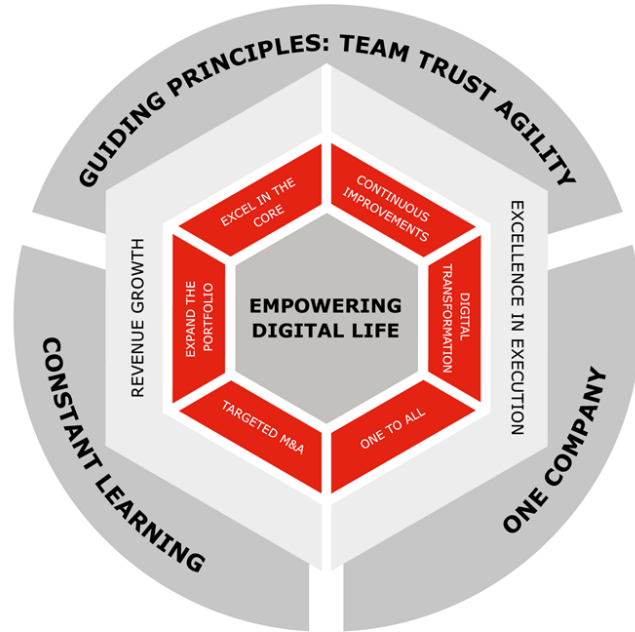


Freefloat by nationality



A1 Telekom Austria Group Strategy and Equity Story

Group Strategy



Equity Story

Market leader in Austria via quality and innovation

Optimal group-wide leverage of assets and proven solutions promote growth in the CEE region

Growth prospects via strong position in the business segment

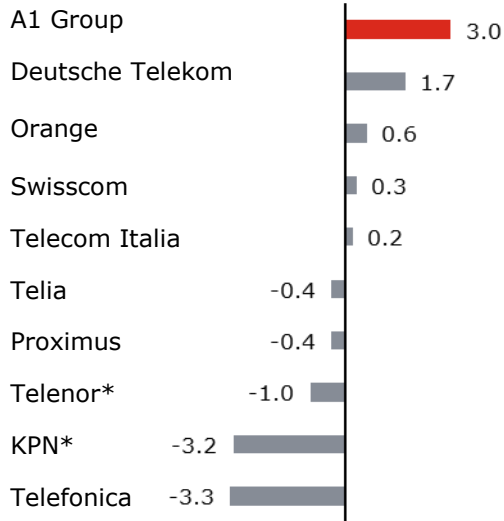
Continuous enhancement of efficiency in all segments amongst others from digital transformation

Conservative finance strategy secures long-term stability and flexibility for growth opportunities

A1 Group peer comparison: Return to growth thanks to systematic implementation of strategy

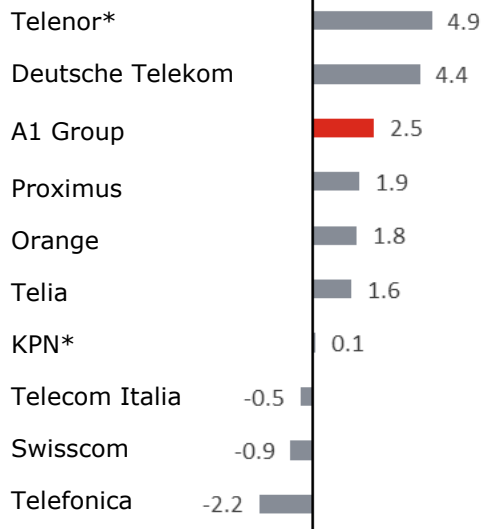
Revenue growth

Annual average, 2016-2018



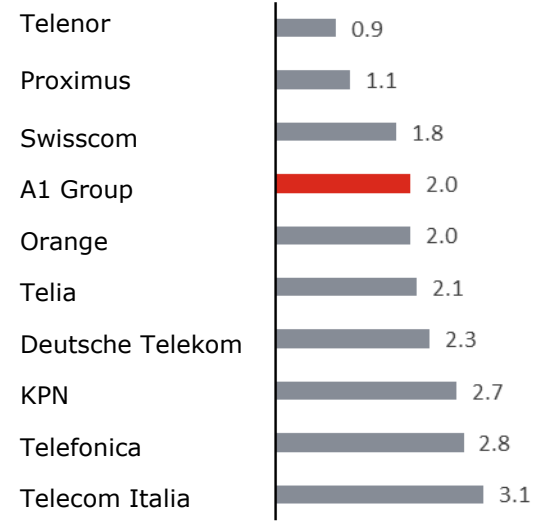
EBITDA growth

Annual average, 2016-2018



Net debt/EBITDA

2018YE



Results for the first nine months and third quarter 2019

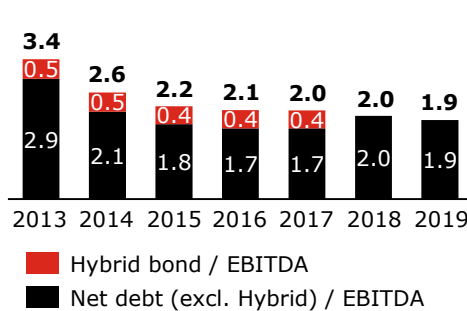
Adjusted EBITDA as reported by each company.

* Adjusted figures due to changes to reporting.

2013-2018: Balance sheet structure significantly improved

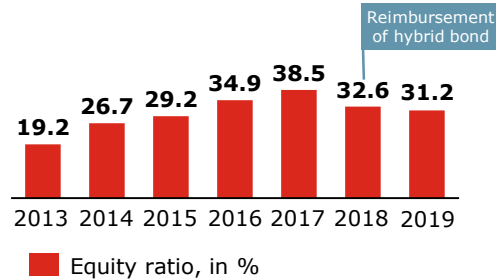
Debt ratio sharply reduced

Net Debt / EBITDA (pre IFRS 16)



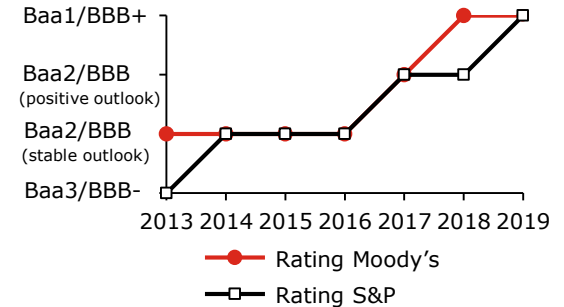
- Stable free cash flow of ~ EUR 380 mn per year supports deleveraging
- Repayment of EUR 600 mn hybrid bond 2018 underscores financial strength and reduces future interest payments

Equity ratio significantly increased



- Continuous improvement of the equity ratio (2019 impacted by the adoption of IFRS 16 accounting)
- Hybrid bond classified as equity under IFRS, therefore repayment reduces equity ratio in 2018

Rating improved



- Standard & Poor's: Rating upgrade from BBB to BBB+ (outlook: stable) on August 12, 2019
- Solid financing ratios and strong cash flow secure investment grade rating

A background image showing a complex network of blue and red nodes connected by lines, set against a dark blue and purple gradient. The nodes are of various sizes and colors, creating a sense of depth and connectivity.

Operational and financial highlights for the first nine months and third quarter 2019

Highlights Q3 2019



- Strong service revenue growth continued in Q3 2019 (+4.1% on Group level), driven by almost all markets (Slovenia and North Macedonia were stable)
- EBITDA growth (5.1% excl. restructuring) was driven by all markets, with a strong contribution from CEE
- Ongoing shift from prepaid to contract together with M2M benefits the mobile contract customer base (+4.3%)
- Total RGUs remained stable as growth in all CEE markets was able to outweigh lower RGUs in Austria



- Austria: Consultation of tender documents for multiband spectrum auction 2020 (700/1,500/2,100 MHz)
- Bulgaria: Launch of A1 Xplore TV on October 1, 2019
- Belarus and North Macedonia: Rebranding to "A1" completed in Q3 2019

Solid trends resulted in operational EBITDA growth in all markets

| Group (in EUR million) | IFRS 16 Q3 2019 | IFRS 16 based Q3 2018 | % change |
|-----------------------------|--------------------|--------------------------|----------|
| Total revenues | 1,152.7 | 1,114.8 | 3.4% |
| Service revenues | 974.7 | 936.4 | 4.1% |
| EBITDA excl. restructuring* | 460.0 | 437.7 | 5.1% |
| CAPEX | 185.5 | 193.8 | -4.3% |

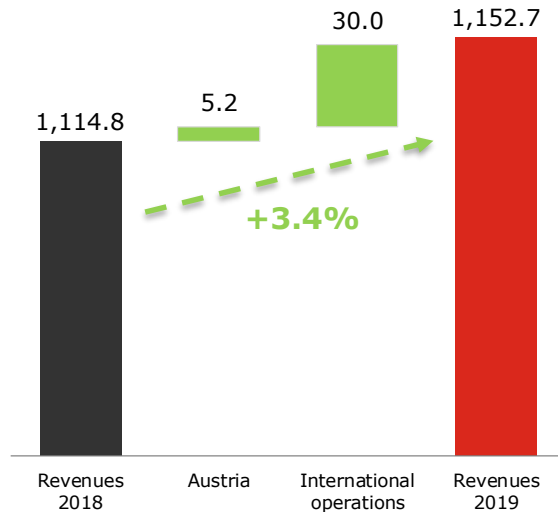


- Strong service revenue in Q3 2019 was driven by the mobile as well as the fixed-line business
 - Ongoing migrations to higher tariffs and strong demand for WiFi routers led to growth in the mobile segment
 - Fixed-line driven by ongoing strong demand for ICT solutions and complementary connectivity
- EBITDA growth in Q3 2019 was especially driven by CEE markets (+10.2% year-on-year); Austria also showed a solid operational development (+2.0% year-on-year; excluding restructuring)
- Q3 2019 showed a strong FCF generation of EUR 182.6 mn (Q3 2018: EUR 120.4 mn), driven by lower working capital needs and the better operational performance

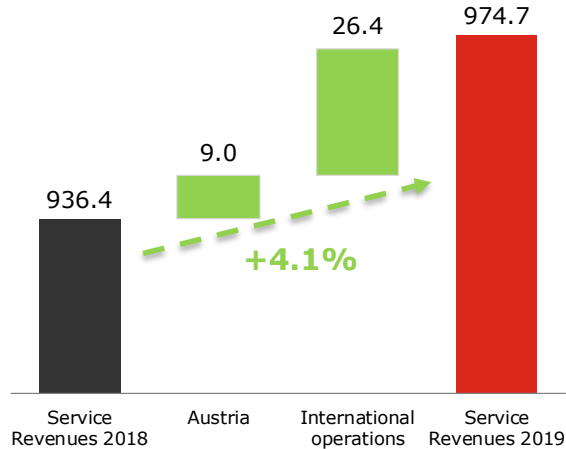
* Restructuring charges: EUR 21.0 mn in Q3 2019 (Q3 2018: EUR 8.1 mn)
 One-off effects: none in revenues (Q3 2018: EUR 1.5 mn) and EUR 6.5 mn in EBITDA (Q3 2018: EUR 5.4 mn)
 Positive FX effects of EUR 4.9 mn in revenues and EUR 2.1 mn in EBITDA

Growth especially driven by CEE markets in Q3 2019

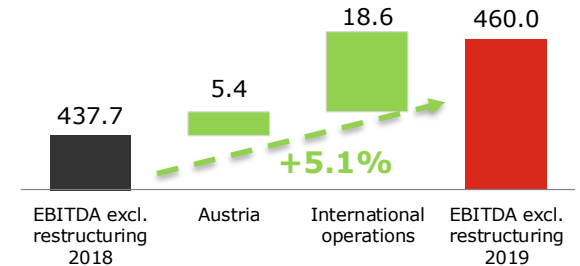
Total revenues
(in EUR mn)



Service Revenues
(in EUR mn)



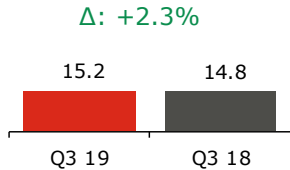
EBITDA excl. restructuring
(in EUR mn)



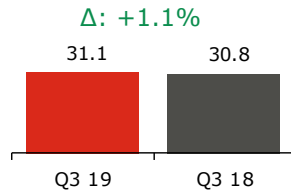
Deviation between A1 Group and the sum of Austria and international operations due to Corporate & Eliminations.

Austria: Positive service revenues trends continued and translated into operational EBITDA growth

ARPU (in EUR)



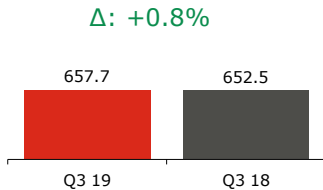
ARPL (in EUR)



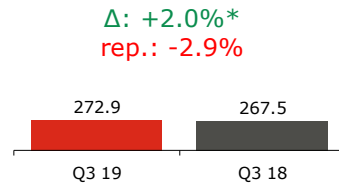
Operational data

- +1.9% contract subscriber number still driven by solid demand for high-value tariffs and mobile WiFi routers
- Higher ARPU as mobile WiFi routers outweighed declines due to international call regulation
- Strong demand for higher bandwidths as well as price indexation drove ARPL higher
- Ongoing RGU decline of 2.2% mainly driven by voice RGUs as well as a loss in low bandwidth broadband internet connections

Total revenues (in EUR mn)



EBITDA excl. restructuring (in EUR mn)



Financial performance

- 2.0% higher fixed-line service revenues were driven by strong growth in solutions and connectivity business which compensated for weaker retail fixed-line service revenues
- Mobile service revenues grew by 1.0%, driven by mobile Wifi routers and high-value customers, despite the international call regulation
- EBITDA excl. restructuring increased by 2.0% as lower workforce costs were able to offset a lower equipment margin as well as higher content and network maintenance costs
- Higher subsidies due to lower marketing support compared to prior year as well as increased subsidies per handset and higher quantities¹³

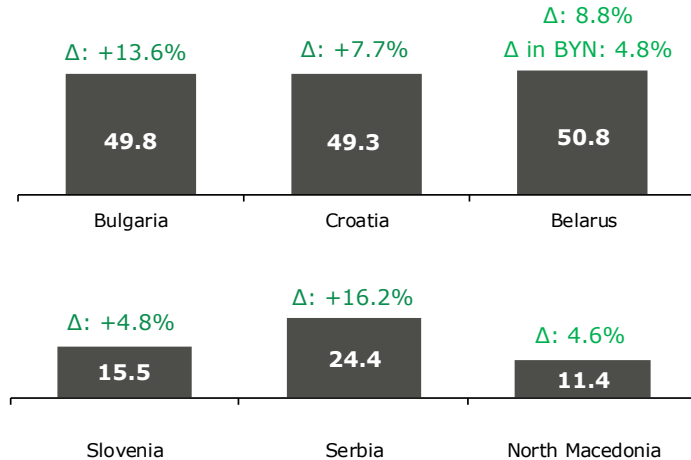
* excl. restructuring charges of EUR 21.0 mn in Q3 2019 (Q3 2018: EUR 8.1 mn)



CEE: Ongoing strong mobile and fixed-line service revenue growth led to EBITDA growth in all CEE markets

EBITDA

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



Highlights CEE

Bulgaria:

- Strong service revenue growth continued (+11.5%)
 - Fixed-line driven by ongoing strong performance in the business segment as well as successful up- and cross-selling in residential
 - Positive mobile trends in both business and residential continued

Croatia:

- Higher mobile service revenues supported by visitor roaming; higher fixed-line service revenues driven by ICT solutions as well as BB and TV RGUs
- OPEX benefited from lower frequency fees (partly one-off driven)

Belarus:

- Mobile service revenues rose due to inflation-linked price increases, successful migration of grandfathered service plans and data monetization
- OPEX increased, driven by higher cost of services and rebranding as well as workforce costs

Other segments:

- Slovenia: Better equipment margin due to lower subsidies per device and the wholesale agreement drove EBITDA higher, fierce competition remained
- Serbia still benefited from attractive tariff propositions and strong demand for WiFi routers
- North Macedonia: EBITDA increased despite stable service revenues as the higher equipment margin outweighed rebranding costs in Q3 2019

1-9 M 2019: Lower free cash flow driven by higher CAPEX paid due to frequencies

(in EUR million)

| | Q3 2019 | Q3 2018 | % change | 1-9 M 2019 | 1-9 M 2018 | % change |
|---|--------------|--------------|--------------|--------------|--------------|---------------|
| Net cash flow from operating activities | 427.9 | 352.7 | 21.3% | 1,096.7 | 1,041.3 | 5.3% |
| Capital expenditures paid | -198.7 | -192.2 | 3.4% | -671.9 | -558.6 | 20.3% |
| Lease principal paid | -31.7 | -30.5 | 4.0% | -116.6 | -112.7 | 3.5% |
| Proceeds from sale of plant, property and equipment | 0.7 | 5.7 | n.m. | 12.4 | 10.0 | 23.6% |
| Interest paid | -15.6 | -15.3 | 2.3% | -69.3 | -53.9 | 28.7% |
| Free Cash Flow incl. lease payments | 182.6 | 120.4 | 51.6% | 251.2 | 326.1 | -23.0% |

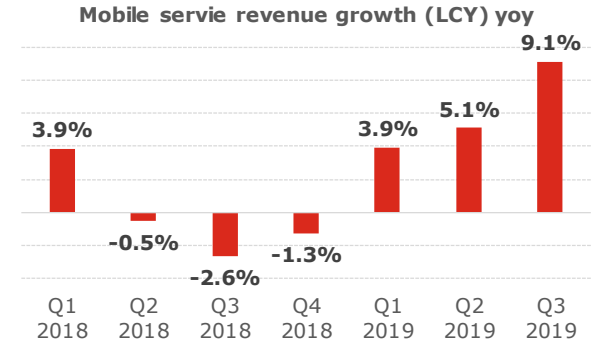
- Free cash flow declined by EUR 74.9 mn year-on-year in 1-9 M 2019, ...
 - ... above all driven by EUR 76.1 mn payments for acquired frequencies in Austria and Belarus,
 - ... additionally, payments of EUR 23.0 mn in connection with a tax case in Bulgaria in Q2 2019 (included in interest paid and income taxes paid),
 - ... partly compensated by a higher operating cashflow
- Working capital needs of EUR -46.1 mn (EUR -73.9 mn in 1-9 M 2018), mainly driven by
 - EUR -82.6 mn decrease in accounts payable
 - EUR +29.9 mn inventory reduction
- Other financial positions of EUR -121.3 mn (EUR -111.3 mn in 1-9 M 2018), stemming mainly from
 - EUR -74.5 mn payments for restructuring and
 - EUR -50.8 mn income taxes paid

Focus Points

A dense cluster of hanging light bulbs, some glowing and some dark, against a dark background. The bulbs are of various sizes and are arranged in a way that creates a sense of depth and focus. The glowing bulbs are scattered throughout the scene, with some in the foreground and some in the background. The dark bulbs are also scattered, creating a contrast with the glowing ones. The overall effect is a warm, ambient glow.

Belarus: Mobile service revenues back on solid growth path

- Successful voluntary migration of grandfathered service plans, data monetization and portfolio overhaul have driven mobile service revenues
- Additional support from inflation-linked price increases of 4.3% in July 2019 and 2.4% in September 2018
- Favorable FX development: +4.0% in Q3 2019, +1.9% YTD

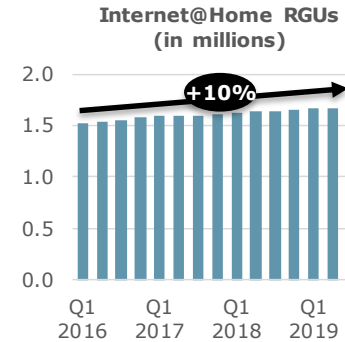


Further support from operational activities:

- LTE cooperation with beCloud has strengthened competitiveness (exclusive frequency usage rights)
- Additional attention from rebranding (finished in August 2019), which was e.g. used for special promotions

Austria: Internet@Home market shows ongoing growth potential; launch of attractive fixed-line broadband promotions

- Growth in Internet@Home market still largely driven by mobile WiFi routers
- Successful upselling and price indexation led to ARPL increase (Q1 2016: EUR 28.1 → Q3 2019: EUR 31.4)
- Launch of fixed-line broadband and bundle promotions in Q4 2019 with the aim to drive fixed-line BB net adds



Intensified fixed-line broadband activities:

- „Tablet for free“ promo
- No installation fee
- Regional promotions
- Attractive bundle offers
- Student offer (no binding)
- Customer retention measures



Multiband spectrum auction in Austria expected for spring 2020; consultation of the tender documents

Band 28: 700 MHz

- 2 x 30 MHz FDD band (6 blocks à 5 MHz); available as of July 1, 2020
- Coverage obligations for currently undersupplied municipalities, roads and railway tracks

Band 32: 1,500 MHz

- 40 MHz supplementary downlink frequency band
- 9 blocks à 10 MHz

Band 1: 2,100 Mhz

- Renewal (expiring by year-end 2020)
- 2 x 60 MHz FDD band (12 blocks à 5 MHz)

- Hybrid SMRA* auction with announcement of aggregated demand
- Bonus system: additional coverage of undersupplied areas (up to 2,100 in total) could lead to a rebate
- Spectrum duration: 22.5 to 24 years
- Minimum bids: totaling EUR 295 mn for the whole auction
- Consultation of tender documents ongoing; final tender documents planned to be released in December 2019

* Simultaneous Multiple-Round Auction



Outlook for the full year 2019

A1 Telekom Austria Group outlook for the full year 2019 unchanged

| | October 15, 2019 | Consensus 2019 |
|-------------------|------------------|----------------|
| Total revenues | ~+2% | +1.8% |
| CAPEX | ~ EUR 770 mn | EUR 771 mn* |
| Proposed dividend | EUR 0.21 / share | - |

*CAPEX consensus excl. spectrum

- Outlook based on reported figures; assumed stable avg. BYN vs. EUR FX rate
- CAPEX (before leases): does not include investments in spectrum or acquisitions
- Dividend: intended proposal to the Annual General Meeting 2020 for the financial year 2019

Appendix 1

All figures are stated according to IFRS 16 on a reported basis

The leading regional communications player providing convergent telecommunication services

as of September 30, 2019 (in '000)



Austria

Mobile market position #1

Mobile subscribers:

- 5,201 (Q3 2018: 5,304)

Fixed access lines:

- 1,985 (Q3 2018: 2,063)



Bulgaria

Mobile market position: #1

Mobile subscribers:

- 3,923 (Q3 2018: 4,024)

Fixed access lines:

- 536 (Q3 2018: 531)



Croatia

Mobile market position #2

Mobile subscribers:

- 1,904 (Q3 2018: 1,878)

Fixed access lines:

- 290 (Q3 2018: 295)



Belarus

Mobile market position #2

Mobile subscribers:

- 4,877 (Q3 2018: 4,903)

Fixed access lines:

- 395 (Q3 2018: 417)



Slovenia

Mobile market position #2

Mobile subscribers:

- 704 (Q3 2018: 695)

Fixed access lines:

- 80 (Q3 2018: 72)



Serbia

Mobile market position #3

Mobile subscribers:

- 2,335 (Q3 2018: 2,205)



North Macedonia

Mobile market position #1

Mobile subscribers:

- 1,125 (Q3 2018: 1,114)

Fixed access lines:

- 153 (Q3 2018: 147)



A1 Telekom Austria Group – Profit and Loss

| (in EUR million) | Q3 2019 | Q3 2018 | % change |
|--|----------------|----------------|--------------|
| Service Revenues | 974.7 | 936.4 | 4.1% |
| Equipment Revenues | 157.6 | 155.1 | 1.6% |
| Other operating income | 20.4 | 23.3 | -12.4% |
| Total Revenues | 1,152.7 | 1,114.8 | 3.4% |
| Cost of Service | -324.8 | -318.0 | -2.1% |
| Cost of Equipment | -154.1 | -144.9 | -6.3% |
| Selling, General & Administrative Expenses | -232.7 | -219.4 | -6.1% |
| Others | -2.1 | -2.9 | 26.4% |
| Total Costs and Expenses | -713.7 | -685.2 | -4.2% |
| EBITDA | 439.0 | 429.6 | 2.2% |
| <i>% of Total Revenues</i> | <i>38.1%</i> | <i>38.5%</i> | |
| Depreciation and Amortisation | -196.7 | -204.6 | 3.9% |
| Depreciation RoU assets | -40.3 | -36.6 | -10.0% |
| Impairment and Reversal of Impairment | 0.0 | 0.0 | n.a. |
| EBIT | 202.0 | 188.4 | 7.2% |
| <i>% of Total Revenues</i> | <i>17.5%</i> | <i>16.9%</i> | |
| EBT (Earnings Before Income Taxes) | 172.2 | 157.8 | 9.1% |
| Net Result | 136.3 | 114.7 | 18.8% |



A1 Telekom Austria Group – Total revenues & costs and expenses per segment

A1 Telekom Austria Group - Total Revenue Split

| Total Revenues (in EUR million) | Q3 2019 | Q3 2018 | % change |
|---------------------------------|----------------|----------------|-------------|
| Austria | 657.7 | 652.5 | 0.8% |
| Bulgaria | 122.0 | 109.2 | 11.8% |
| Croatia | 114.9 | 114.5 | 0.4% |
| Belarus | 113.2 | 104.3 | 8.6% |
| Slovenia | 52.5 | 52.3 | 0.5% |
| Serbia | 73.9 | 68.4 | 8.1% |
| North Macedonia | 31.8 | 30.2 | 5.3% |
| Corporate & other, eliminations | -13.4 | -16.5 | 19.0% |
| Total Revenues | 1,152.7 | 1,114.8 | 3.4% |

A1 Telekom Austria Group - Costs and Expenses Split

| Costs and Expenses (in EUR million) | Q3 2019 | Q3 2018 | % change |
|-------------------------------------|--------------|--------------|-------------|
| Austria | 405.8 | 393.0 | 3.2% |
| Bulgaria | 72.2 | 65.4 | 10.5% |
| Croatia | 65.6 | 68.7 | -4.5% |
| Belarus | 62.5 | 57.7 | 8.3% |
| Slovenia | 37.0 | 37.5 | -1.3% |
| Serbia | 49.5 | 47.4 | 4.5% |
| North Macedonia | 20.4 | 19.3 | 5.7% |
| Corporate & other, eliminations | 0.6 | -3.8 | n.m. |
| Total Operating Expenses | 713.7 | 685.2 | 4.2% |

A1 Telekom Austria Group – workforce development

| FTE (Average Period) | Q3 2019 | Q3 2018 | % change |
|---------------------------------|---------------|---------------|--------------|
| Austria | 7,793 | 8,141 | -4.3% |
| International | 10,263 | 10,374 | -1.1% |
| Corporate | 384 | 357 | 7.4% |
| A1 Telekom Austria Group | 18,439 | 18,872 | -2.3% |

| FTE (End of Period) | Q3 2019 | Q3 2018 | % change |
|---------------------------------|---------------|---------------|--------------|
| Austria | 7,787 | 8,128 | -4.2% |
| International | 10,282 | 10,338 | -0.5% |
| Corporate | 386 | 366 | 5.4% |
| A1 Telekom Austria Group | 18,455 | 18,832 | -2.0% |

A1 Telekom Austria Group – Capital expenditure split

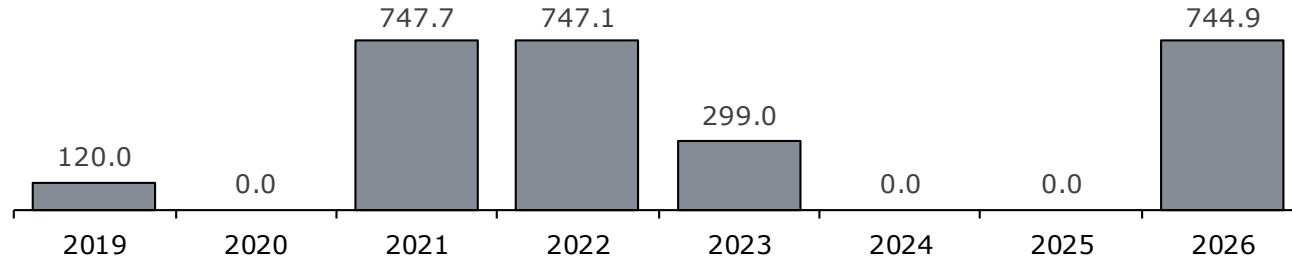
| Capital Expenditures (in EUR million) | Q3 2019 | Q3 2018 | % change |
|---------------------------------------|--------------|--------------|--------------|
| Austria | 119.5 | 119.4 | 0.0% |
| Bulgaria | 20.7 | 26.3 | -21.3% |
| Croatia | 15.0 | 19.8 | -24.0% |
| Belarus | 8.4 | 15.0 | -43.9% |
| Slovenia | 5.7 | 3.7 | 51.8% |
| Serbia | 9.5 | 6.8 | 39.6% |
| North Macedonia | 6.1 | 2.5 | 145.1% |
| Corporate & other, eliminations | 0.6 | 0.3 | 87.0% |
| Total Capital Expenditures | 185.5 | 193.8 | -4.3% |
| thereof Tangible | 151.7 | 153.7 | -1.3% |
| thereof Intangible | 33.7 | 40.1 | -16.0% |

A1 Telekom Austria Group – Net debt as of September 30, 2019

| Net Debt pre IFRS 16 (in EUR million) | 30 September 2019 | 31 December 2018 | % change |
|---|-------------------|------------------|--------------|
| Long-term Debt | 2,538.8 | 2,536.8 | 0.1% |
| Short-term Borrowings | 120.0 | 245.3 | -51.1% |
| Cash and Cash Equivalents and Short-term Investments | -51.1 | -63.6 | 19.6% |
| Net Debt pre IFRS 16 of A1 Telekom Austria Group | 2,607.6 | 2,718.4 | -4.1% |
| Leverage Ratio | 1.9 | 1.9 | |

| Net Debt incl. Leases (in EUR million) | 30 September 2019 | 1 January 2019 | % change |
|--|-------------------|----------------|--------------|
| Long-term Debt incl. Leases | 3,331.5 | 3,395.8 | -1.9% |
| Short-term Borrowings incl. Leases | 270.4 | 388.6 | -30.4% |
| Cash and Cash Equivalents and Short-term Investments | -51.1 | -63.6 | 19.6% |
| Net Debt incl. Leases of A1 Telekom Austria Group | 3,550.8 | 3,720.8 | -4.6% |
| Leverage Ratio | 2.3 | 2.4 | |

A1 Telekom Austria Group – Financial debt maturity profile as of September 30, 2019

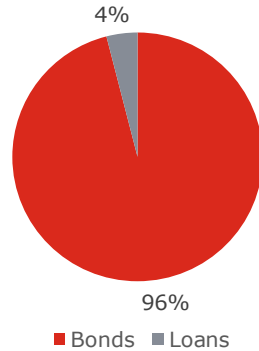


- EUR 2,658.8 mn short-and long-term borrowings as of September 30, 2019
- Average cost of debt of 2.81%
- Cash and cash equivalents and short-term investments of EUR 51.1 mn
- Average term to maturity of 3.76 years

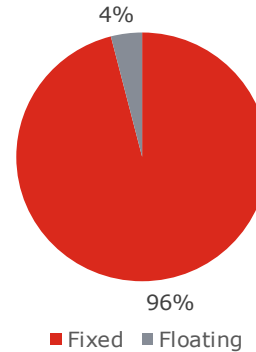
A1 Telekom Austria Group – Debt profile

as of September 30, 2019

Overview debt instruments



Fixed/floating mix



Lines of credit

- Undrawn committed credit lines amounting to EUR 1,215 mn
- Average term to maturity of 4.08 years*

*Increase due to entering into a EUR 1,000 mn credit facility with a term of 5 years in July 2019

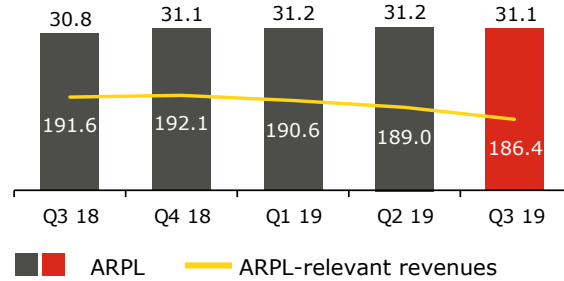
Ratings

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

Segment Austria – Fixed-line key performance indicators

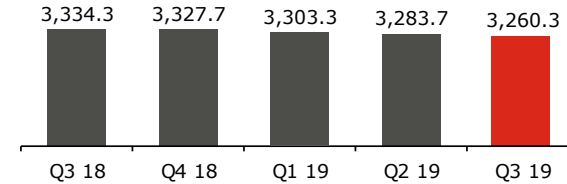
ARPL & ARPL-relevant revenues

(in EUR, in EUR million)



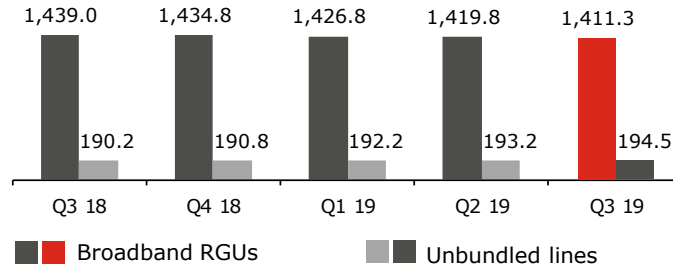
Total RGUs

(in '000)



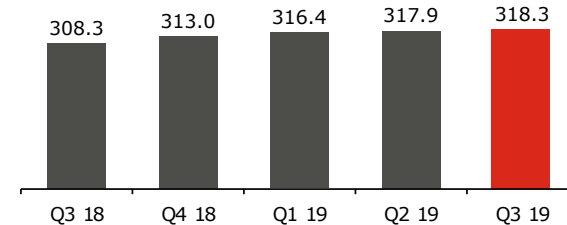
Broadband RGUs/unbundled lines

(in '000)



TV RGUs

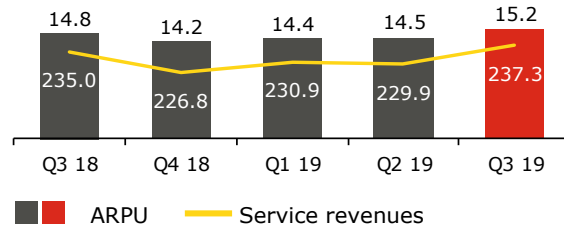
(in '000)



Segment Austria – Mobile key performance indicators

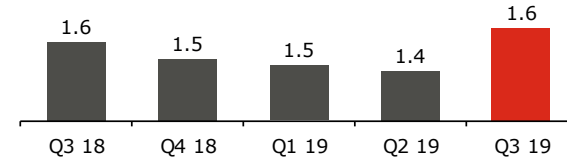
ARPU & Service revenues

(in EUR, in EUR million)



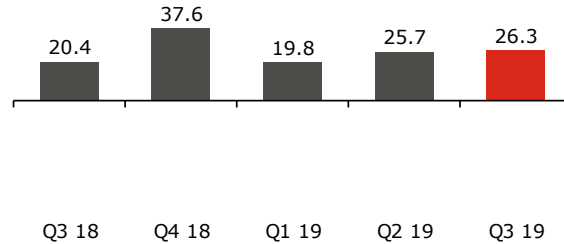
Churn rate

(in %)



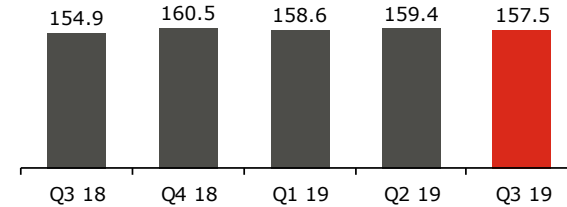
Subsidies (incl. promotional deals)

(in EUR million)



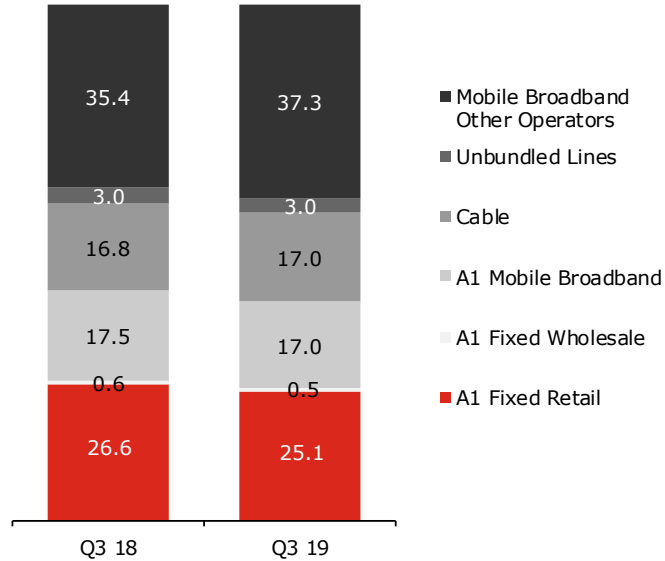
Mobile penetration

(in %)

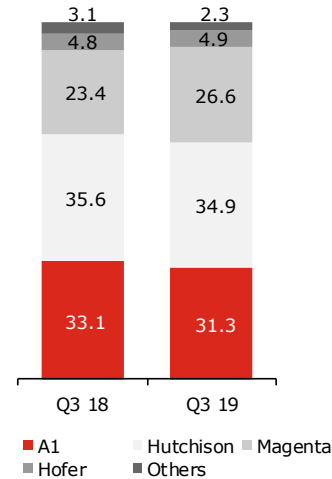


Segment Austria – Broadband market split*

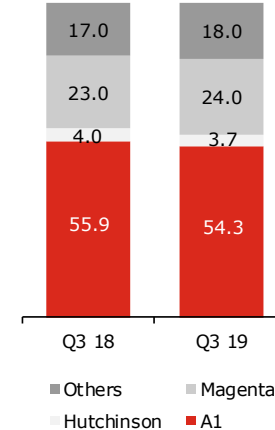
Market share total broadband
(in %)



Market share mobile broadband
(in %)



Market share fixed-line broadband
(in %)



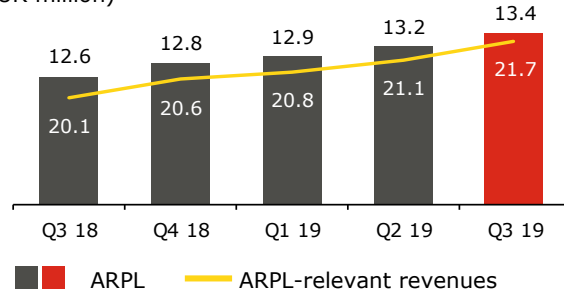
* Market data are based on estimates due to lack of availability for subscriber figures of the total market at A1 Group's reporting date.



Segment Bulgaria – Fixed-line key performance indicators

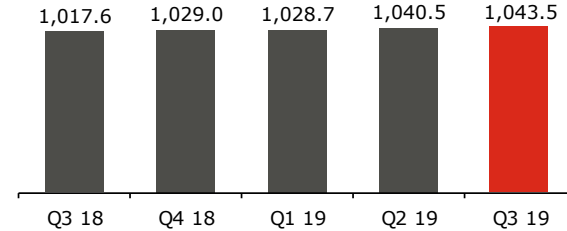
ARPL & ARPL-relevant revenues

(in EUR, in EUR million)



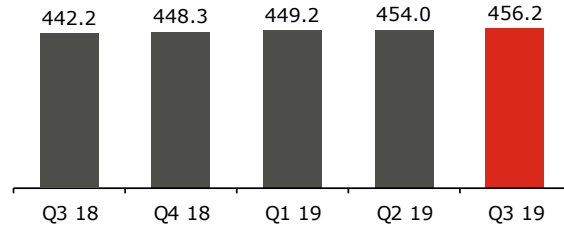
Total RGUs

(in '000)



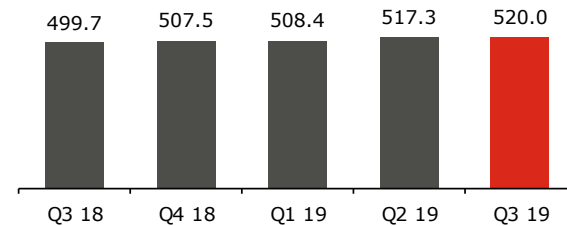
Fixed Broadband RGUs

(in '000)



TV RGUs

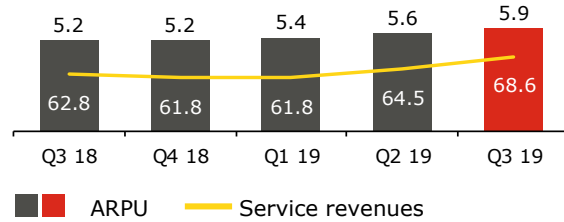
(in '000)



Segment Bulgaria – Mobile key performance indicators

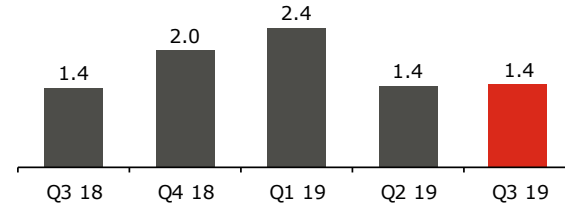
ARPU & Service revenues

(in EUR, in EUR million)



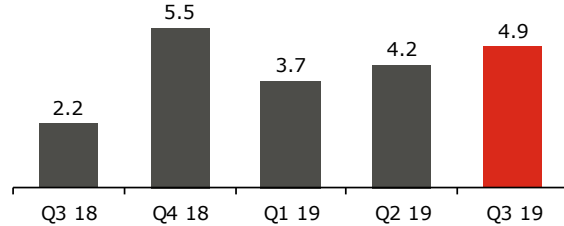
Churn rate

(in %)



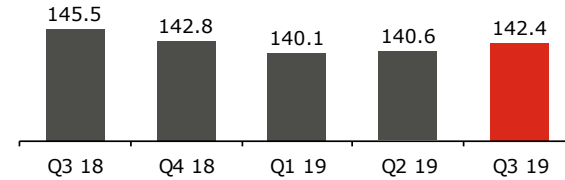
Subsidies (incl. promotional deals)

(in EUR million)



Mobile penetration

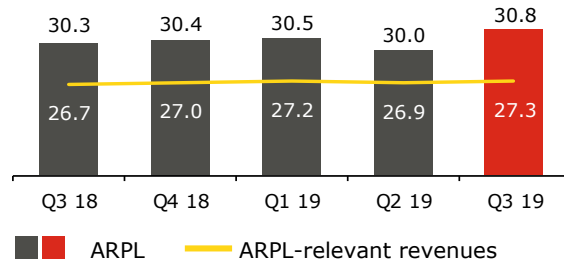
(in %)



Segment Croatia – Fixed-line key performance indicators

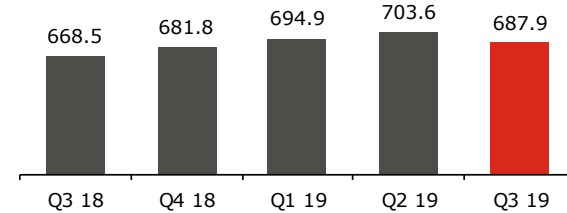
ARPL & ARPL-relevant revenues*

(in EUR, in EUR million)



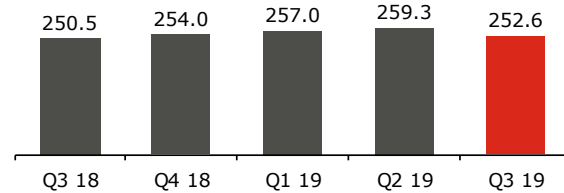
Total RGUs

(in '000)



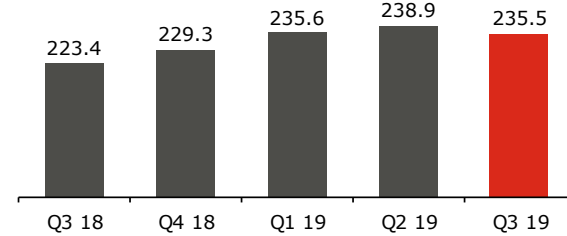
Fixed Broadband RGUs

(in '000)



TV RGUs

(in '000)



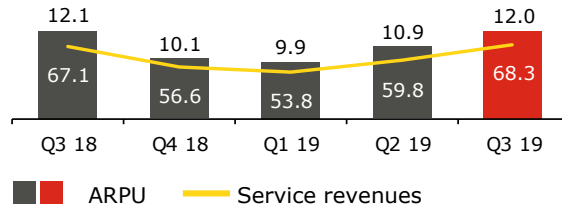
*Minor shifts between quarters in 2018 values due to a slightly modified accrual method. Full year values were unaffected.



Segment Croatia – Mobile key performance indicators

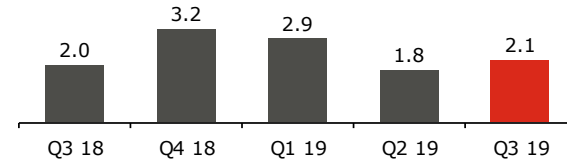
ARPU & Service revenues

(in EUR, in EUR million)



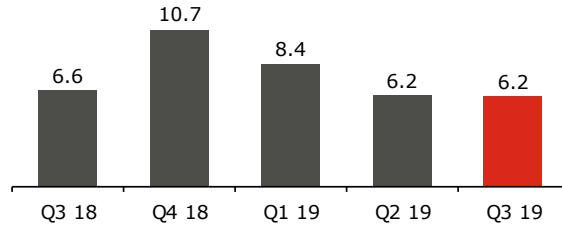
Churn rate

(in %)



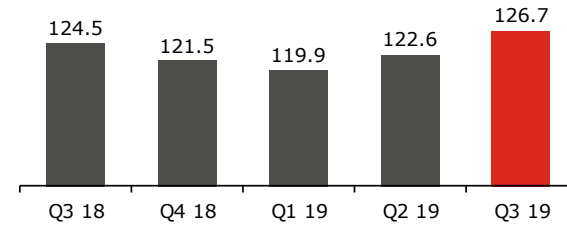
Subsidies (incl. promotional deals)

(in EUR million)



Mobile penetration

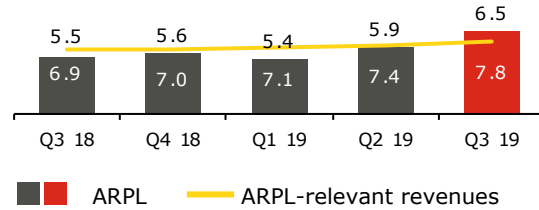
(in %)



Segment Belarus – Fixed-line key performance indicators

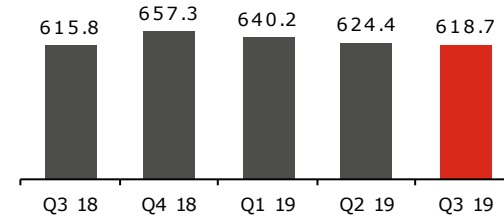
ARPL & ARPL-relevant revenues

(in EUR, in EUR million)



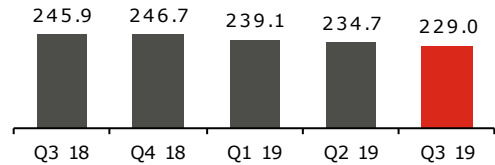
Total RGUs

(in '000)



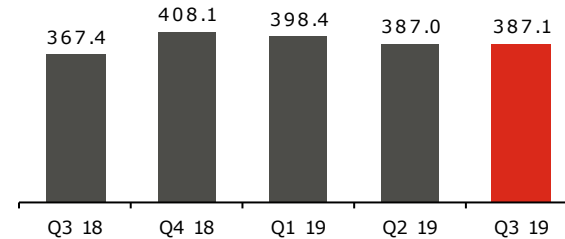
Fixed Broadband RGUs

(in '000)



TV RGUs

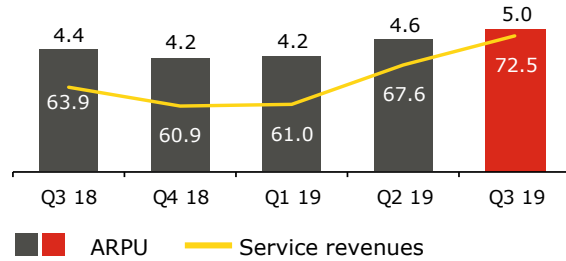
(in '000)



Segment Belarus – Mobile key performance indicators

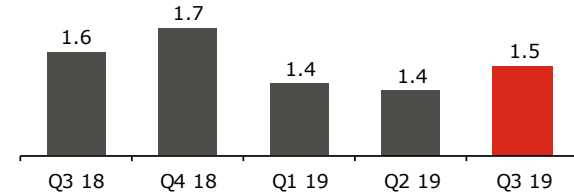
ARPU & Service revenues

(in EUR, in EUR million)



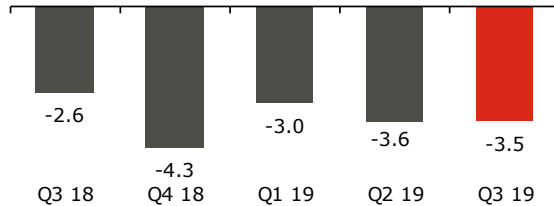
Churn rate

(in %)



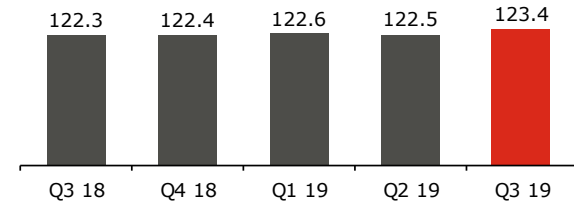
Subsidies (incl. promotional deals)

(in EUR million)



Mobile penetration

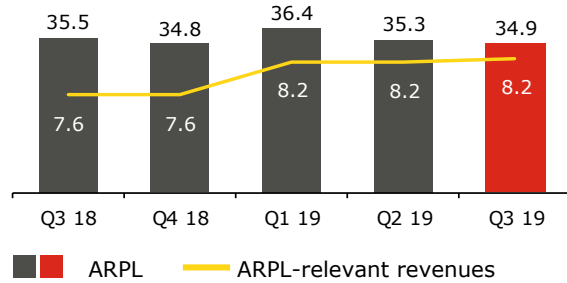
(in %)



Segment Slovenia – Fixed-line key performance indicators

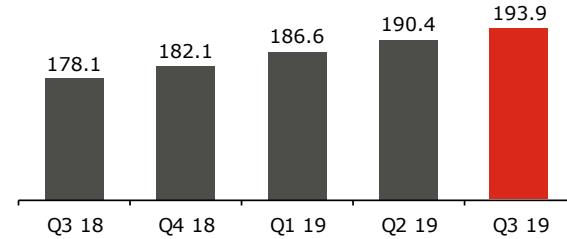
ARPL & ARPL-relevant revenues

(in EUR, in EUR million)



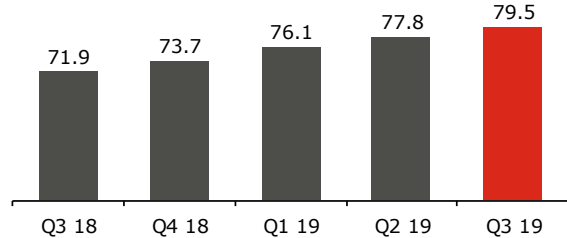
Total RGUs

(in '000)



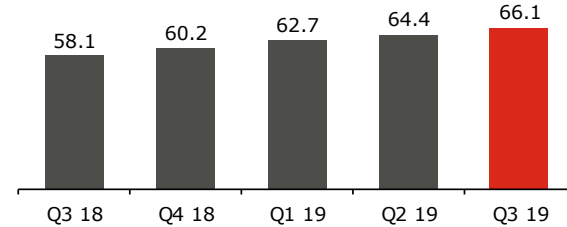
Fixed Broadband RGUs

(in '000)



TV RGUs

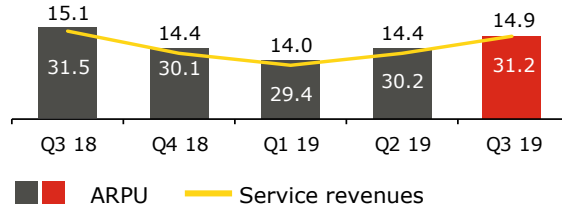
(in '000)



Segment Slovenia – Mobile key performance indicators

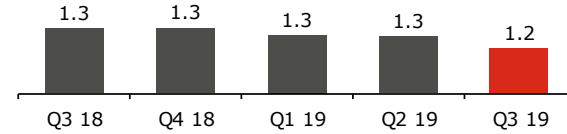
ARPU & Service revenues

(in EUR, in EUR million)



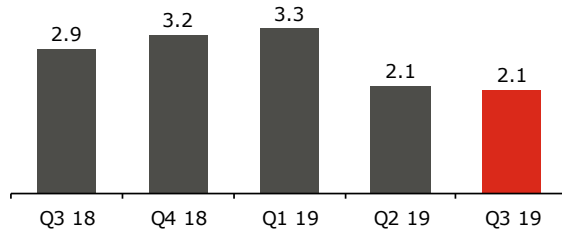
Churn rate

(in %)



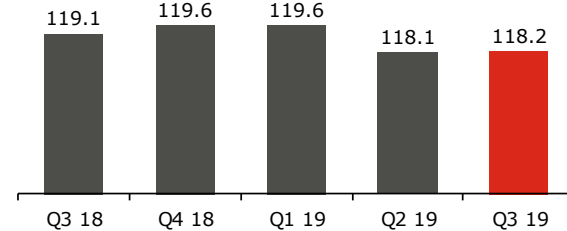
Subsidies

(in EUR million)



Mobile penetration

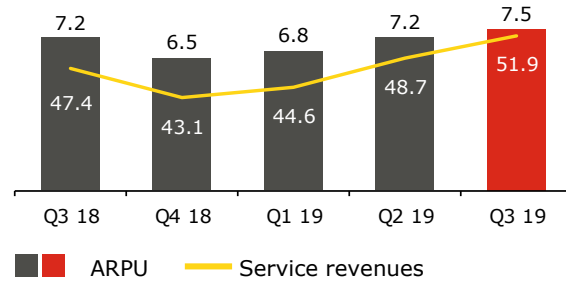
(in %)



Segment Serbia – Mobile key performance indicators

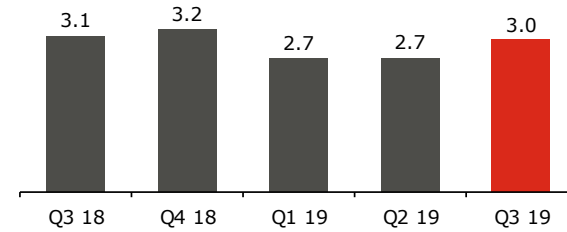
ARPU & Service revenues

(in EUR, in EUR million)



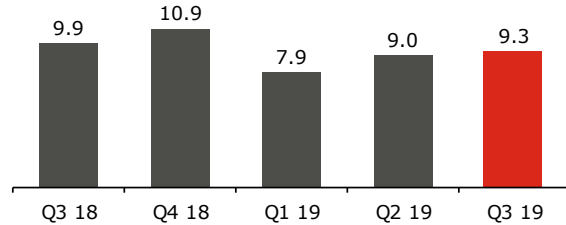
Churn rate

(in %)



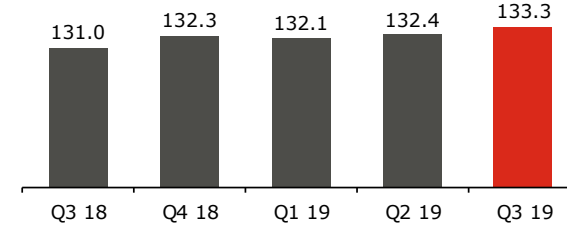
Subsidies (incl. promotional deals)

(in EUR million)



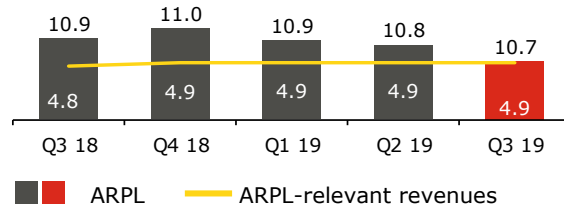
Mobile penetration

(in %)

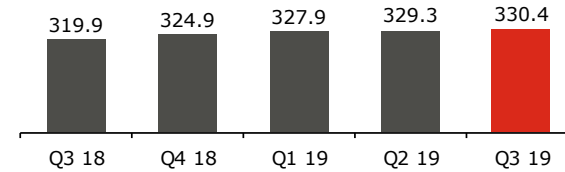


Segment North Macedonia – Fixed-line key performance indicators

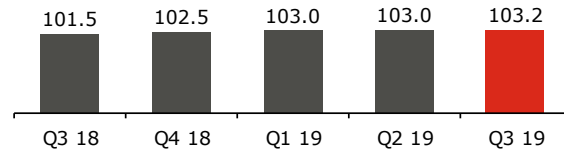
ARPL & ARPL-relevant revenues*
(in EUR, in EUR million)



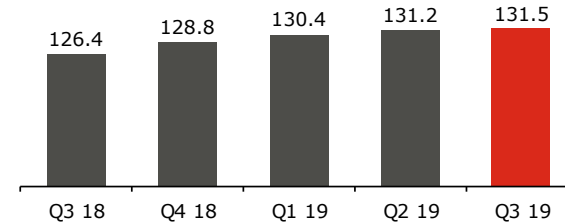
Total RGUs*
(in '000)



Fixed Broadband RGUs*
(in '000)



TV RGUs
(in '000)



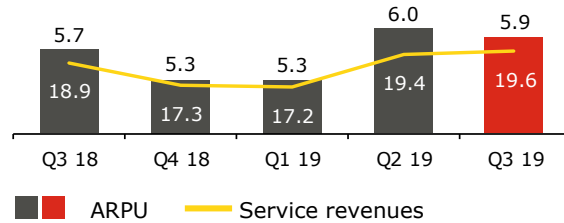
*In North Macedonia, WiFi routers, which were formerly reported in fixed-line RGUs, are reported in mobile postpaid since Q2 2019. The numbers of the comparison period have been adapted.



Segment North Macedonia – Mobile key performance indicators

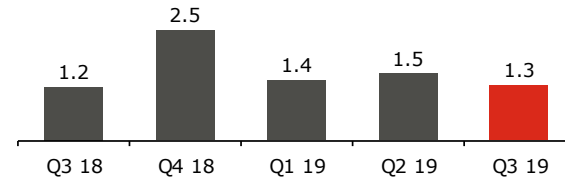
ARPU & Service revenues*

(in EUR, in EUR million)



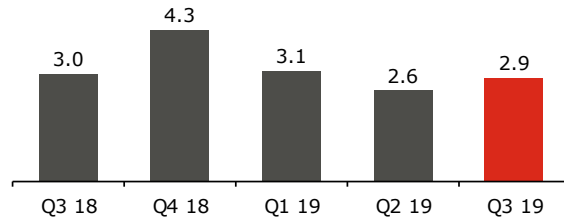
Churn rate*

(in %)



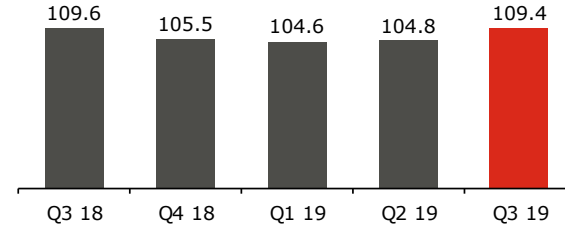
Subsidies (incl. promotional deals)*

(in EUR million)




Mobile penetration*

(in %)

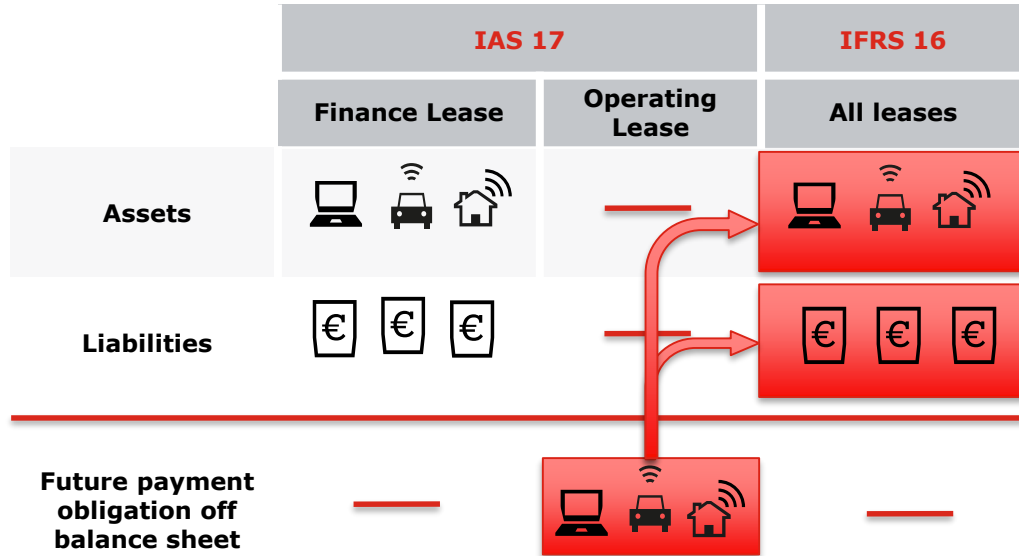


*In North Macedonia, WiFi routers, which were formerly reported in fixed-line RGUs, are reported in mobile postpaid since Q2 2019. The numbers of the comparison period have been adapted.

The background of the slide is a dark blue field filled with a complex network of glowing nodes and connecting lines. The nodes are primarily white and light blue, with some red nodes scattered throughout. The lines connecting them are thin and light blue, creating a sense of a dynamic, interconnected system.

Appendix 2 – Adoption of IFRS 16

Adoption of IFRS 16 – impact on the balance sheet



- Discounted future payments of all lease contracts are capitalized resulting in RoU assets of EUR 1,011 mn and lease liabilities of EUR 1,003 mn
- Optional exceptions for low value, short term leases

Adoption of IFRS 16 – impact on the income statement

| | IAS 17 | | IFRS 16 |
|----------|-------------------------------|-----------------|------------------|
| | Finance Lease | Operating Lease | All Leases |
| Revenues | — | — | — |
| OPEX | — | Lease Expenses | ↓ ↓ |
| EBITDA | | | ↑ ↑ |
| D&A | Depreciation/ Amortization | — | Depreciation |
| EBIT | | | ↑ |
| Interest | Accrued Interest | | Accrued Interest |
| EBT | | | ↔ |


- Elimination of operating lease expense (OPEX) and booking as depreciation and interest expenses under IFRS 16
- IFRS 16 impact on earnings ratios FY 2018:
 - EBITDA increases by EUR 158 mn
 - EBIT increases by EUR 12 mn
 - EBT kept unchanged over the fiscal year

Adoption of IFRS 16 – impact on net debt

| in EUR mn | Dec 31, 2018 pre IFRS 16 | Sept 30, 2019 pre IFRS 16 | Dec 31, 2018 IFRS 16 based | Sept 30, 2019 IFRS 16 |
|--------------------------------|--------------------------------|---------------------------------|-------------------------------------|-----------------------------|
| Gross debt | 2,782.0 | 2,658.8 | 3,784.4 | 3,601.9 |
| - Cash & cash equivalents | -63.6 | -51.1 | -63.6 | -51.1 |
| Net debt | 2,718.4 | 2,607.6 | 3,720.8 | 3,550.8 |
| EBITDA (LTM) | 1,390.9 | 1,366.2 | 1,548.9 | 1,539.2 |
| Net debt / EBITDA ratio | 2.0 x | 1.9 x | 2.4 x | 2.3 x |

- Significant increase in financial liabilities due to the recognition of leases leads to higher net debt
- IFRS 16 adoption leads to increase of net debt / EBITDA ratio of ~0.4 x

Appendix 3 – Regulatory topics

An abstract graphic of a network or molecular structure. It features a complex web of interconnected nodes and lines. The nodes are represented by small spheres in various colors, including red, blue, white, and orange. The lines connecting them are thin and semi-transparent, creating a sense of depth and connectivity. The background is a dark, gradient blue, which makes the glowing nodes and lines stand out prominently.

Glide Path of Mobile Termination Rates

No further reductions expected in 2019

| | Jul 2015 | Jan 2016 | Jul 2016 | Jan 2017 | Jul 2017 | Jan 2018 |
|--------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Austria (EUR) | 0.008049 | 0.008049 | 0.008049 | 0.008049 | 0.008049 | 0.008049 |
| Bulgaria (BGN) | 0.019 | 0.019 | 0.019 | 0.014 | 0.014 | 0.014 |
| Croatia (HRK)* | 0.063 | 0.063 | 0.063 | 0.063 | 0.047 | 0.047 |
| Belarus (BYN)** | MTS 0.025/0.0125 BeST 0.018/0.009 | MTS 0.025/0.0125 BeST 0.018/0.009 | MTS 0.025/0.0125 BeST 0.018/0.009 | MTS 0.025/0.0125 BeST 0.018/0.009 | MTS 0.025/0.0125 BeST 0.018/0.009 | MTS 0.025/0.0125 BeST 0.018/0.009 |
| Slovenia (EUR) | 0.0114 | 0.0114 | 0.0114 | 0.0114 | 0.0114 | 0.0114 |
| Serbia (RSD) | 3.43 | 3.43 | 2.75 | 2.07 | 2.07 | 1.43 |
| North Macedonia (MKD)*** | 0.90 | 0.90 | 0.90 | 0.63 | 0.63 | 0.63 |

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

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

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

*** NRA Regulated asymmetric MTR for FULL MVNO (Lycamobile) from 01.05.2018 to 30.04.2019 at level of 1.5 MKD



Upcoming spectrum tenders/prolongations/ assignments*

| | Expected | Comments |
|-----------------|--|---|
| Austria | 2020 (700, 1500, 2100 MHz) 2020 (2300 MHz) | 700/1500/2100 MHz auction planned for spring 2020 |
| Bulgaria | 2020 (2100, 2600, 3400-3800 MHz) 2021 (800 MHz) | |
| Croatia | 2020 (700, 3500 MHz) | |
| Belarus | 2020 (3500 MHz) 2021/22 (700 MHz) | |
| Slovenia | 2020 (700, 1400, 2100, 2300, 3400-3800 MHz) | |
| Serbia | 2020 (700, 2600, 3500 MHz) | |
| North Macedonia | Late 2019/early 2020 (3500 MHz) 2020 (700 MHz) | |

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

EU roaming price regulation

| RETAIL (in EURc) | July 2014 | April 30, 2016 | June 15, 2017 | | |
|-----------------------------------|-----------|----------------------|-----------------|-----------------|-----------------|
| Data (per MB) | 20 | domestic tariff + 5* | domestic tariff | | |
| Voice-calls made (per minute) | 19 | domestic tariff + 5* | domestic tariff | | |
| Voice-calls received (per minute) | 5 | weighted average MTR | 0 | | |
| SMS (per SMS) | 6 | domestic tariff + 2* | domestic tariff | | |
| WHOLESALE (in EURc) | July 2014 | April 30, 2016 | June 15, 2017 | January 1, 2018 | January 1, 2019 |
| Data (per MB) | 5 | 5 | 0.77 | 0.6 | 0.45 |
| Voice (per minute) | 5 | 5 | 3.2 | 3.2 | 3.2 |
| SMS (per SMS) | 2 | 2 | 1 | 1 | 1 |

* Sum of the domestic retail price and any surcharge applied for regulated roaming calls made, regulated roaming SMS messages sent or regulated data roaming services shall not exceed EUR 0.19 per minute, EUR 0.06 per SMS message and EUR 0.20 per megabyte used. Any surcharge applied for calls received shall not exceed the weighted average of maximum mobile termination rates across the Union.

Results for the first nine months and third quarter 2019

A background graphic consisting of a network of white nodes connected by thin lines, set against a dark blue and red bokeh background. The nodes and lines are primarily white and light blue, with some red and orange accents. The overall effect is a complex, interconnected network structure.

Appendix 4 – Personnel restructuring in Austria

Full Year Overview – Restructuring charges and provision vs. FTE

Overview restructuring charges

(in EUR million)

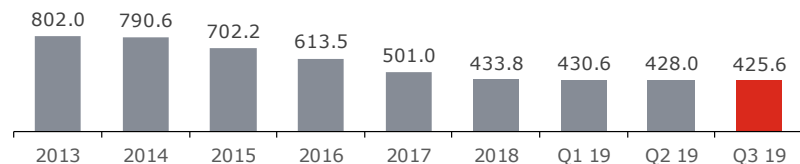
| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | Q1 19 | Q2 19 | Q3 19 |
|---------------------------|-------------|-------------|------------|------------|--------------|-------------|-------------|-------------|-------------|
| FTE reduction | 149.0 | 86.4 | 69.5 | 95.0 | 9.1 | 70.1 | 19.6 | 21.0 | 29.2 |
| Servicekom contribution | -103.8 | -39.4 | -72.0 | -96.9 | -27.3 | -47.1 | 0.5 | -3.0 | -10.8 |
| Interest rate adjustments | 0.0 | 42.6 | 2.9 | 9.2 | 0.0 | -0.9 | 0.9 | 2.9 | 2.6 |
| Total | 45.2 | 89.6 | 0.4 | 7.2 | -18.2 | 22.1 | 20.9 | 21.1 | 21.0 |

FTEs addressed

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | Q1 19 | Q2 19 | Q3 19 |
|--------------------------|------------|------------|------------|------------|-----------|------------|-----------|-----------|-----------|
| Transfer to government | 22 | 52 | 49 | 6 | 3 | 0 | 0 | 0 | 0 |
| Social plans | 409 | 199 | 270 | 269 | 31 | 241 | 66 | 76 | 98 |
| Staff released from work | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 431 | 251 | 319 | 275 | 34 | 241 | 66 | 76 | 98 |

Overview restructuring provision*

(in EUR million)



Provisioned FTEs

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | Q1 19 | Q2 19 | Q3 19 |
|--------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Transfer to government | 330 | 242 | 205 | 193 | 176 | 159 | 152 | 141 | 135 |
| Social plans | 1,315 | 1,460 | 1,661 | 1,821 | 1,707 | 1,748 | 1,745 | 1,740 | 1,776 |
| Staff released from work | 410 | 350 | 253 | 200 | 172 | 116 | 112 | 109 | 89 |
| Total | 2,055 | 2,052 | 2,119 | 2,214 | 2,055 | 2,023 | 2,009 | 1,990 | 2,000 |

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

Overview – Cash flow impact of restructuring

Restructuring cash flow impact

Cash flow impact

(in EUR million)

| | |
|---------|-------|
| 2012 | 104.0 |
| 2013 | 108.0 |
| 2014 | 107.1 |
| 2015 | 101.9 |
| 2016 | 105.5 |
| 2017 | 102.4 |
| 2018 | 95.6 |
| Q1 2019 | 25.0 |
| Q2 2019 | 24.6 |
| Q3 2019 | 25.8 |

- Total CF impact comprises old and new programs
- Expected CF impact for 2019 of ~ EUR 95 mn

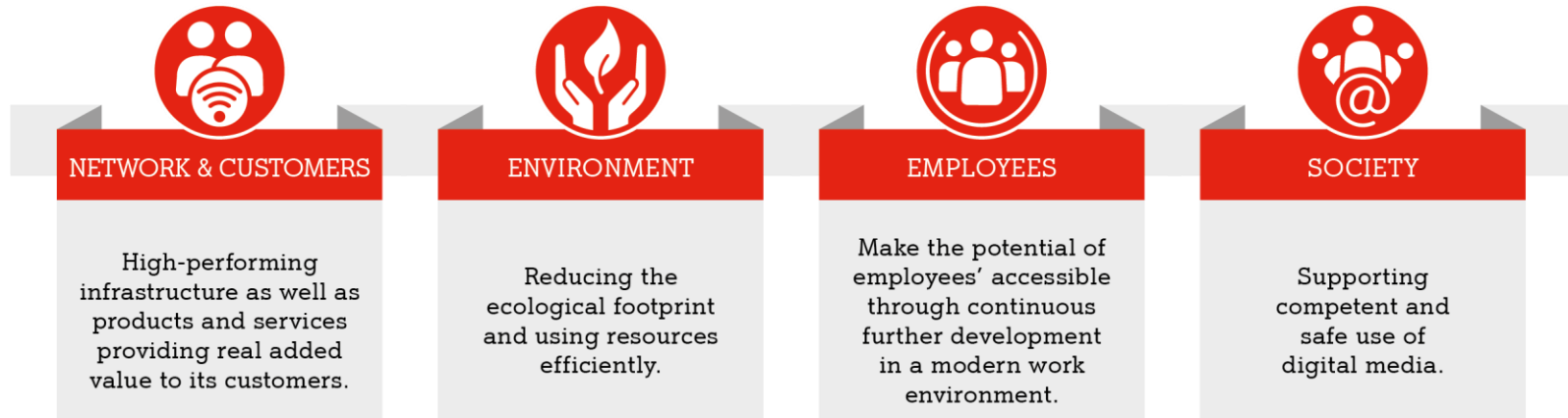
Restructuring outlook 2019f

- Restructuring charges of ~EUR 80 mn p.a. expected for the next few years addressing civil servants
- Target: decrease workforce costs by ~2% net in Austria

The background of the slide is a dark blue field filled with a complex network of glowing nodes and connecting lines. The nodes are primarily white and light blue, with some red nodes scattered throughout. The lines connecting them are thin and light blue, creating a sense of a dynamic, interconnected system.

Appendix 5 – Corporate sustainability

Alignment with core business and materiality analysis define sustainability strategy



Key figures – Corporate Sustainability

Selected group-wide KPIs

| Environment | 2018 |
|--|-------------|
| Total CO ₂ emissions (Scope 1+2 market-based in tonnes) | 244,313 |
| Energy efficiency index (in Mwh/terabyte) | 0.18 |
| Paper consumption (in kg) | 1,301,796 |
| Collected old mobile phones (in pcs) | 80,386 |

| Employees | 2018 |
|-----------------------------------|-------------|
| Share of female employees (in %) | 40 |
| Share of female executives (in %) | 35 |

| Society | 2018 |
|---|-------------|
| Participations in trainings on media literacy | 30,084 |

Ratings



Classification: B



Classification: B-



Indices



FTSE4Good

Memberships

