



# Roadshow Presentation

**Results for the full year and  
fourth quarter 2020**

**| A<sup>1</sup> Telekom Austria Group**

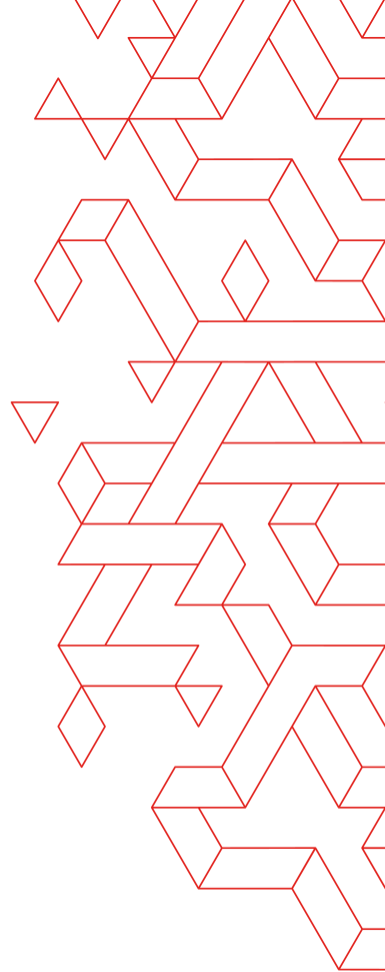


# Cautionary statement

'This presentation contains forward-looking statements. These forward-looking statements are usually accompanied by words such as 'believe', 'intend', 'anticipate', 'plan', 'expect' and similar expressions. Actual events may differ materially from those anticipated in these forward-looking statements as a result of a number of factors. Forward-looking statements involve inherent risks and uncertainties. A number of important factors could cause actual results or outcomes to differ materially from those expressed in any forward-looking statement. Neither 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 2020 are stated according to IFRS 16 if not stated otherwise.

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

**4.55** BN

Revenues as of year-end 2020

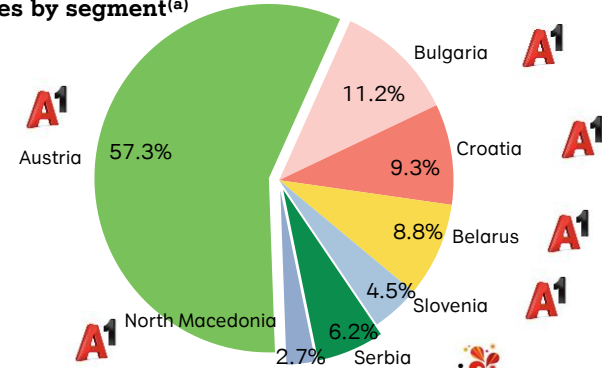
**1.58** BN

EBITDA as of year-end 2020

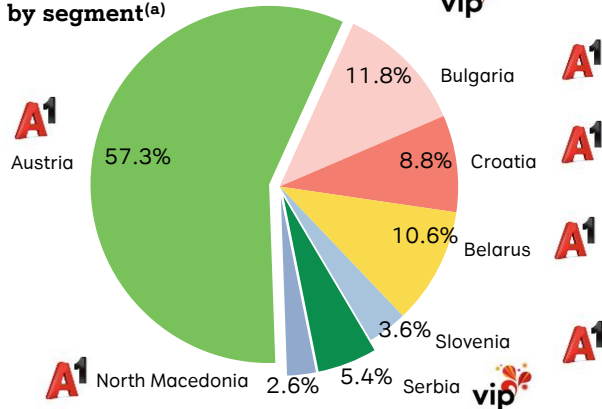
**25** M

Customers in seven countries

Revenues by segment<sup>(a)</sup>



EBITDA by segment<sup>(a)</sup>



# The leading regional communications player providing convergent telecommunication services

as of December 31, 2020 (in '000)



## Austria

### Mobile market position #1

#### Mobile subscribers:

- 5,061 (Q4 2019: 5,115)

#### RGUs:

- 3,117 (Q4 2019: 3,247)



## Bulgaria

### Mobile market position: #1

#### Mobile subscribers:

- 3,753 (Q4 2019: 3,824)

#### RGUs:

- 1,081 (Q4 2019: 1,064)



## Croatia

### Mobile market position #2

#### Mobile subscribers:

- 1,936 (Q4 2019: 1,840)

#### RGUs:

- 672 (Q4 2019: 686)



## Belarus

### Mobile market position #2

#### Mobile subscribers:

- 4,916 (Q4 2019: 4,890)

#### RGUs:

- 627 (Q4 2019: 617)



## Slovenia

### Mobile market position #2

#### Mobile subscribers:

- 707 (Q4 2019: 705)

#### RGUs:

- 215 (Q4 2019: 200)



## Serbia

### Mobile market position #3

#### Mobile subscribers:

- 2,350 (Q4 2019: 2,311)



## North Macedonia

### Mobile market position #1

#### Mobile subscribers:

- 1,075 (Q4 2019: 1,091)

#### RGUs:

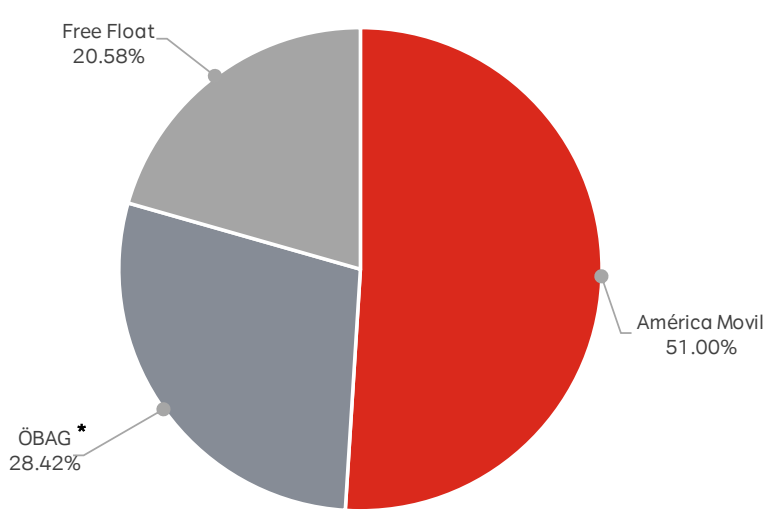
- 338 (Q4 2019: 334)



# Shareholder structure

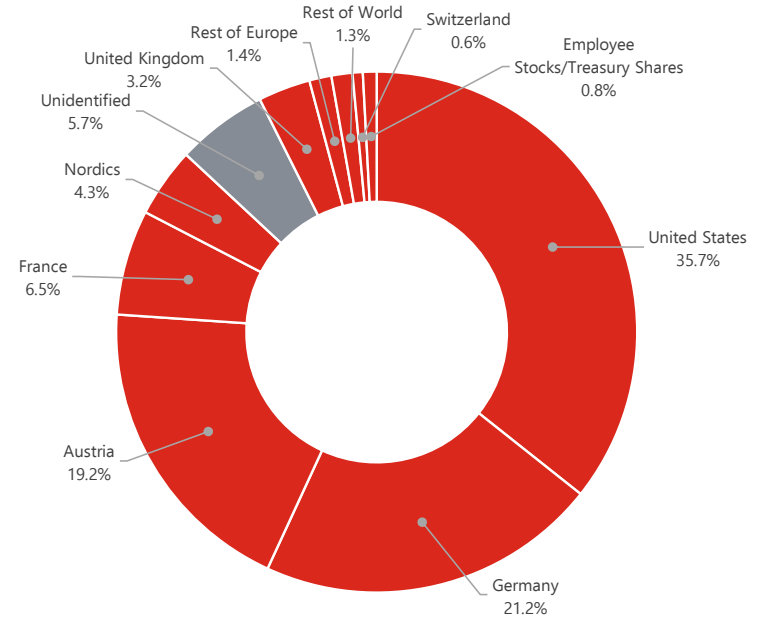
## Two strong core shareholders

as of December 31, 2020



## Freefloat by nationality

as of December 31, 2020



# Reasons to invest



Strong market positions to leverage growth opportunities from digitalization

- Mostly #1 or #2 positions
- Strong and reliable business in Austria, growth markets in CEE
- Successful upselling and data growth monetization
- Strong demand for ICT solutions



Top-quartile operational revenue and EBITDA growth rates within the peer group

- Outstanding track record of operational efficiency
- 1.9% operational revenue and 2.4% EBITDA CAGR in 2016-2020 (operational basis)
- EBITDA margin and FCF expansion



Fostering more sustainable ways of living via digitalization with distinct ESG targets

- Targeting net zero CO<sub>2</sub> emissions by 2030
- Driving digital education
- Promoting diversity

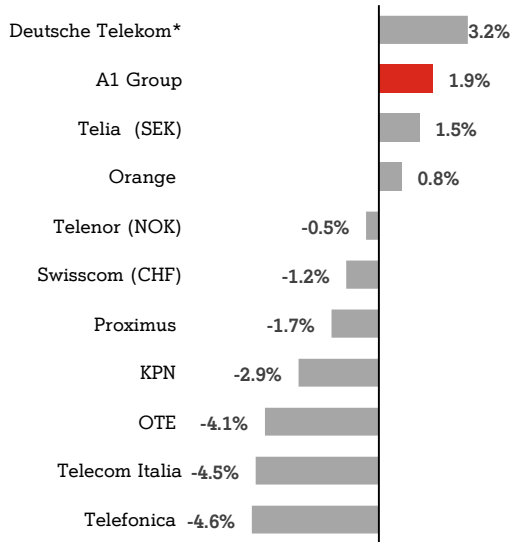


Profound balance between value and growth reflected in sustainable dividend policy

- Reliable minimum dividend of EUR 20 cents since 2016
- Sustainable growth closely related to FCF CAGR (EUR 23 cents for FY 2019, EUR 25 cents for FY 2020)
- Net debt/EBITDA (pre-IFRS 16) ambition level of 1.5x (1.7x as of YE 2020) and solid liquidity position secured

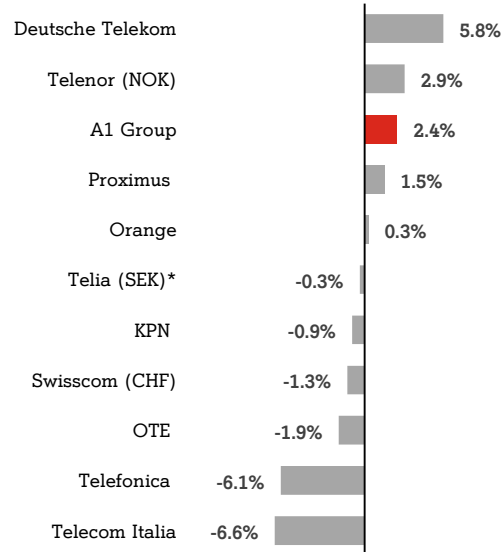
# Strong growth performance within peer group

## Revenue growth CAGR, 2016-2020



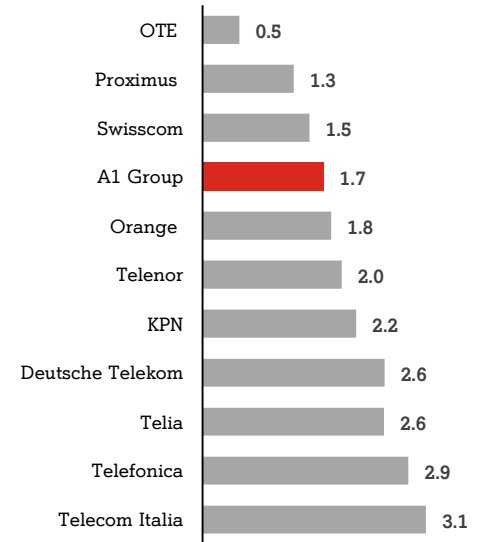
\* excluding Sprint impact

## EBITDA AL adj.\* growth CAGR, 2016-2020



\* excluding one-offs, changes in the composition of the Groups (M&A) and restructuring charges;  
Telenor, Telia & Telefonica: EBITDA al not reported by company for 2020: comparable figures calculated on basis of reported y-o-y growth

## Net debt/EBITDA\* 2020YE

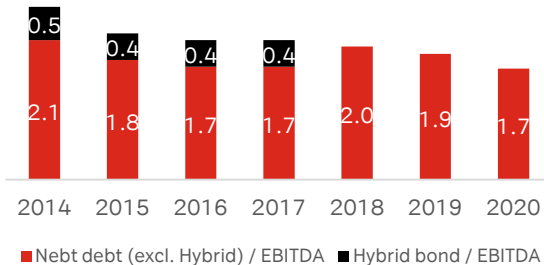


\* without IFRS 16 adoption

# Constant further improvement in balance sheet structure

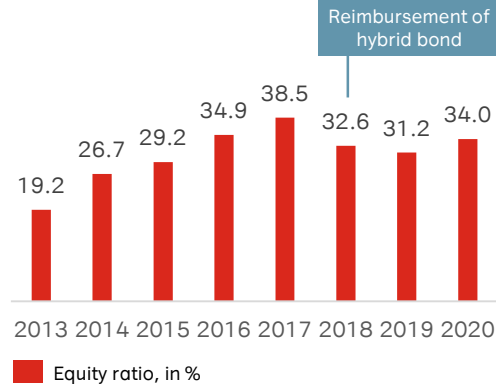
## Debt ratio sharply reduced

Net Debt / EBITDA (pre IFRS 16)



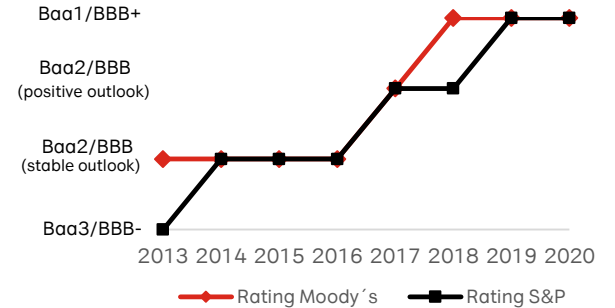
- Strong free cash flow generation supports deleveraging
- Ambition level of 1.5 x net debt / EBITDA (pre IFRS 16)

## 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 reduced equity ratio in 2018

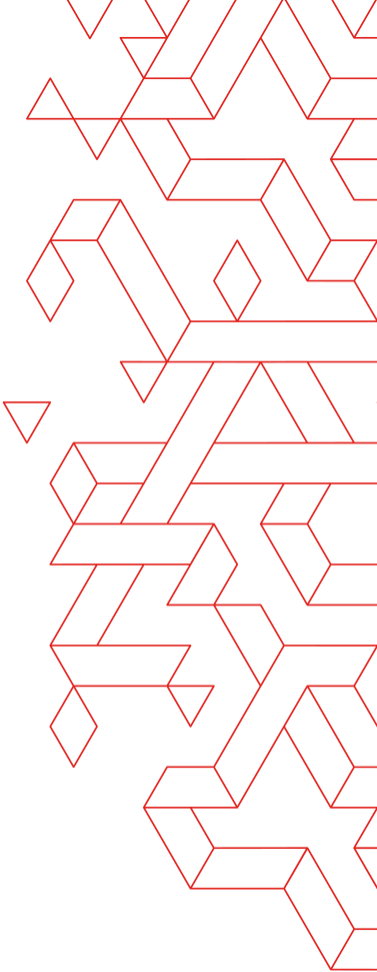
## Rating improved



- Ratings of Baa1 (Moody's) and BBB+ (S&P) confirmed in 2020
- Solid financing ratios and ensured liquidity: EUR 1.1 bn open credit line facilities, next bond repayment in Dec. 2021 (EUR 750 mn)



# Operational and financial highlights for the full year 2020



# Highlights FY 2020

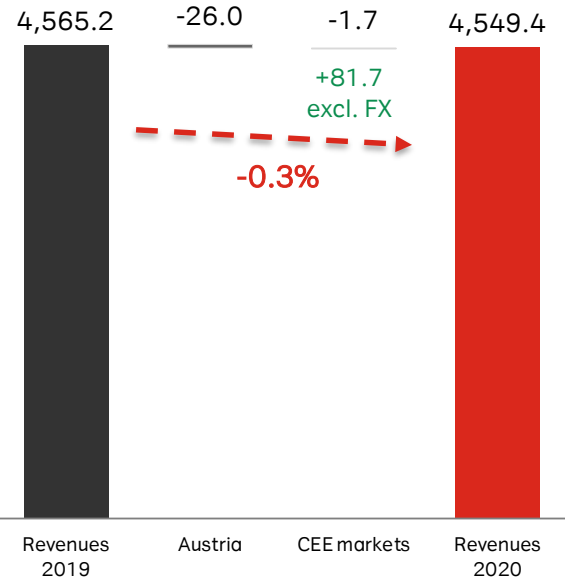


- The operational and financial development was largely impacted by COVID-19 in 2020
- Service revenues remained stable as roaming and FX losses were fully compensated by strong demand for mobile and fixed broadband services
- EBITDA before restructuring grew by +1.0% (excl. FX and one-off effects: +3.5%) despite strong hit from roaming (~ -4% of EBITDA)
- Mobile contract customer base increase of 5.1% y-o-y with growth in almost all markets
- Internet@Home growth of 4.4%, driven by strong demand for mobile WiFi routers and high-bandwidth products
- Strong FCF generation of EUR 503.7 mn (+46.5% yoy), enabled by delivery of announced CAPEX cuts to ensure flexibility and better operational performance

- Strong focus on operational efficiencies during 2020 which will continue in upcoming years
- 5G roll-out in Austria will accelerate in 2021; frequency auctions in CEE postponed to 2021/22
- Reaping more benefits from towers assets through targeted management focus on internal efficiencies and higher tenancy ratios: Processing preparation work to establish a Tower Co.
- Dividend for financial year 2020: Intended proposal of EURc 25 per share to the AGM 2021
- Guidance 2021: ~+1% total revenue growth; EUR ~800 mn CAPEX excl. spectrum

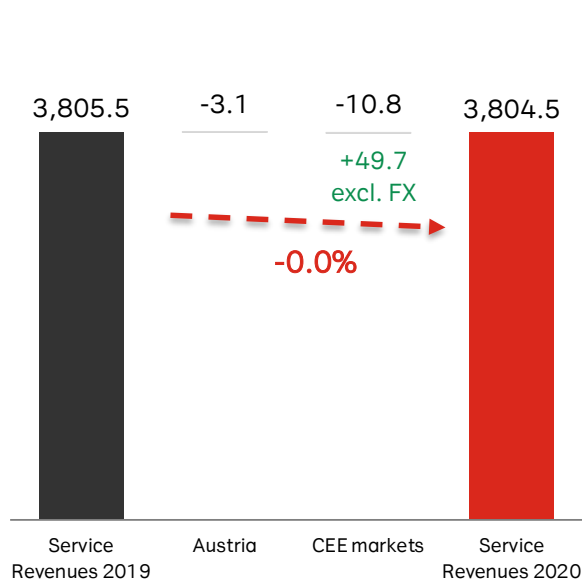
# Austria and CEE markets in FY 2020

## Total revenues (in EUR mn)

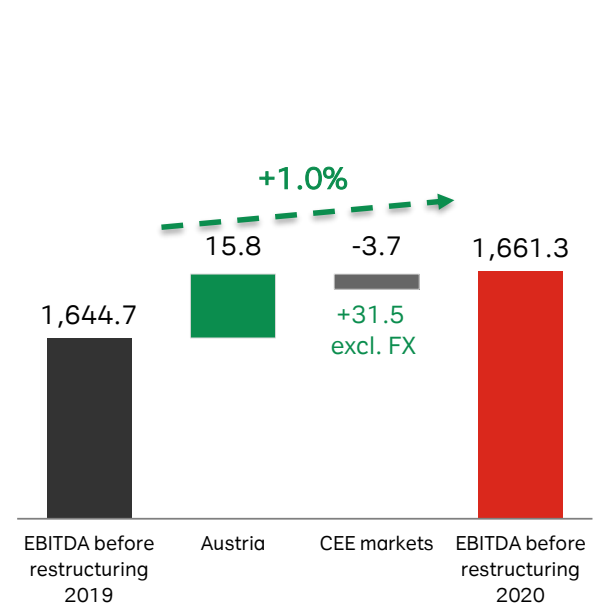


Deviation between A1 Group and the sum of Austria and CEE markets due to Corporate & Eliminations.

## Service revenues (in EUR mn)



## EBITDA before restructuring (in EUR mn)



Restructuring charges: EUR 84.5 mn (FY 2019: EUR 84.1 mn)  
 Negative roaming impact: ~2% on total revenues and ~4% on EBITDA  
 Negative FX effects of EUR 83.4 mn in total revenues, EUR 60.5 mn in service revenues and EUR 35.2 mn in EBITDA



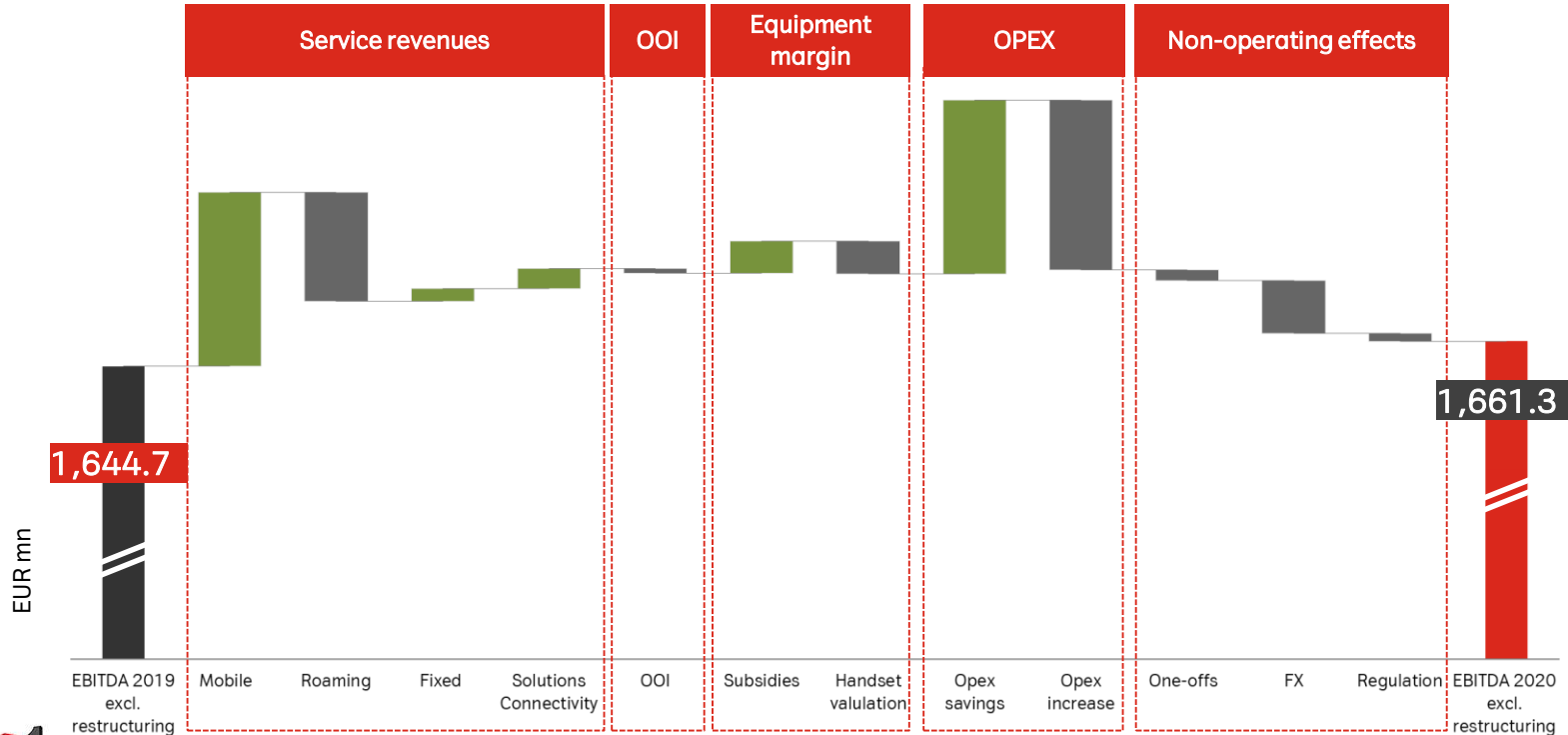
# FY 2020: Resilience of service revenues throughout the year and strong focus on operational efficiencies enabled EBITDA growth

Group (in EUR million)	2020	2019	% change
Total revenues	4,549.4	4,565.2	-0.3%
Service revenues	3,804.5	3,805.5	0.0%
EBITDA before restructuring*	1,661.3	1,644.7	1.0%
Net Result	388.8	327.4	18.7%
CAPEX	651.4	879.8	-26.0%



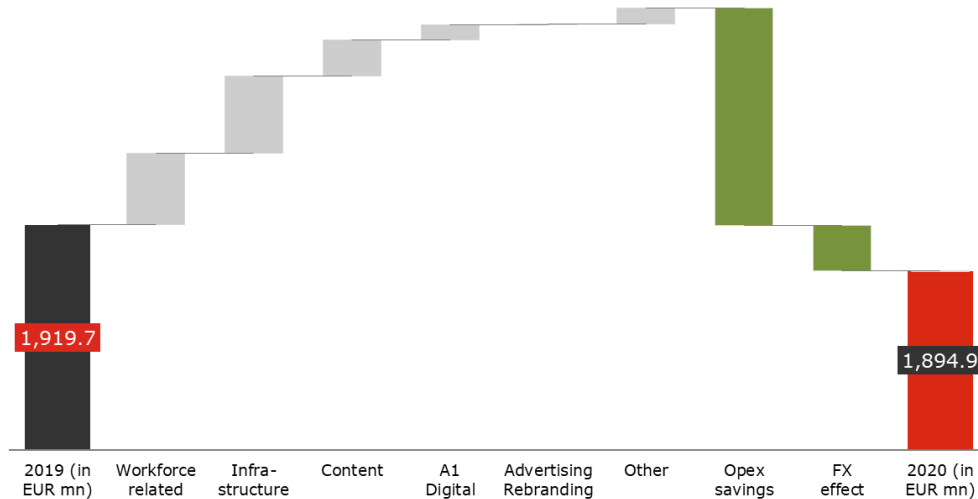
- Service revenues showed a strong resilience despite heavy hits from COVID-related roaming losses as well as negative FX effects, with a stable development in both mobile and fixed-line businesses; excl. FX effects and one-offs increase of 1.6%
  - Mobile backed by strong demand for mobile WiFi routers together with successful upselling activities in high-value segment
  - Fixed-line service revenues were supported by high demand for bandwidth upgrades
- EBITDA grew by 1.0% as stable service revenues were supported by operational efficiencies (i.e. workforce, advertising, maintenance); excluding FX, one-offs and restructuring EBITDA increased by 3.5%; roaming losses of ~4% of EBITDA were more than compensated
  - In Austria EBITDA before restructuring charges increased by 1.6% (+2.4% excl. one-off)
    - Service revenues remained flat, driven by mobile WiFi routers while strong demand for high bandwidth products helped on fixed-line side; strong focus on efficiencies translated into OPEX savings (i.e. workforce, advertising)
  - CEE operations showed overall solid operational performances on the back of fixed-line growth and strong demand for mobile WiFi routers; outstanding growth in Bulgaria (EBITDA +7.3%), Croatia suffered on roaming while Belarus from strong negative FX impact

# FY 2020: EBITDA benefitting from strong underlying trends in service revenues and operational efficiency measures



# Successful reductions in 2020, further efficiency improvements and digital transformation will enable additional cost savings

## OPEX\* development 2020



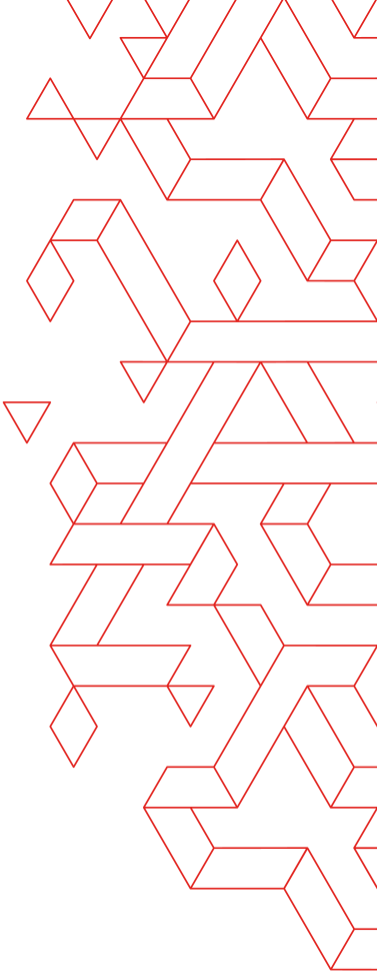
## Current and future savings initiatives

- Strong focus on operational efficiency to offset regular and demand-driven OPEX increases (i.e. collective bargaining, content, licenses)
  - Savings program “sourcing for success” targeting OPEX/CAPEX efficiency
    - Focus on demand reduction
    - Automation & robotics
- “Digital First”: drive internal digital transformation forward to further generate FCF growth potential
  - Details see slide 17

\* excl. interconnection, roaming, equipment and restructuring costs

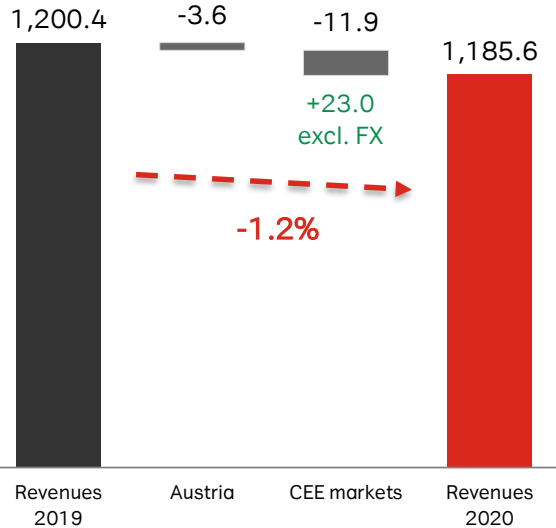


# Operational and financial highlights for the fourth quarter 2020

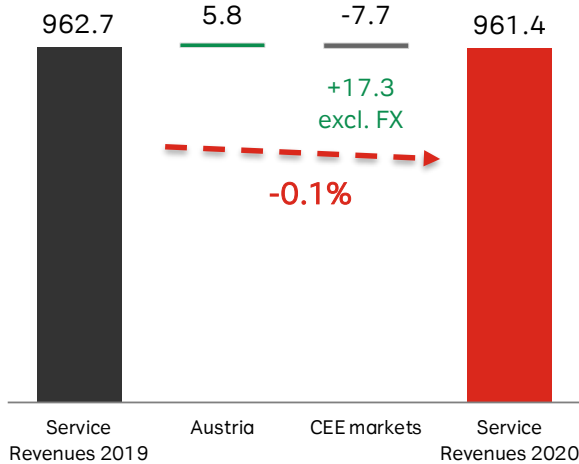


# Austria and CEE markets in Q4 2020

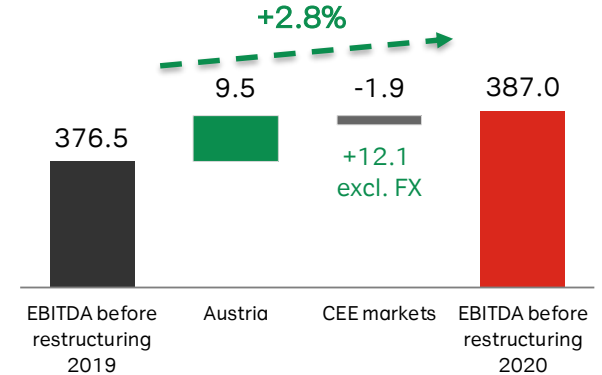
## Total revenues (in EUR mn)



## Service revenues (in EUR mn)



## EBITDA before restructuring (in EUR mn)



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

Restructuring charges: EUR 22.6 mn (Q4 2019: EUR 21.0 mn)  
 Negative roaming impact: ~2% on total revenues and ~5% on EBITDA  
 Negative FX effects of EUR 34.9 mn in total revenues, EUR 25.0 mn in service revenues and EUR 14.0 mn in EBITDA



# Q4 2020: Solid EBITDA growth enabled by resilient service revenue trends and operational efficiencies

Group (in EUR million)	Q4 2020	Q4 2019	% change
Total revenues	1,185.6	1,200.4	-1.2%
Service revenues	961.4	962.7	-0.1%
EBITDA before restructuring*	387.0	376.5	2.8%
CAPEX	202.9	279.7	-27.5%



- Group total revenue decrease driven by substantially lower equipment revenues due to lower volumes
- Service revenues showed again a strong resilience in Q4 despite roaming losses and negative FX impact (+2.5% growth excl. FX)
- EBITDA before restructuring grew in Q4 2020 as operational efficiencies (e.g. in advertising, workforce, content) more than offset roaming losses (~5% of EBITDA) and negative FX effects. Excluding FX, one-off effects and restructuring EBITDA increased by 5.0%.
  - In Austria EBITDA before restructuring charges increased by 4.2%, enabled by service revenue growth (+1.0%) and reduced OPEX (advertising, product-related costs)
  - CEE results were to a large extent negatively impacted by FX devaluation but showed an overall solid operational performance, with strong EBITDA growth in Bulgaria and Serbia

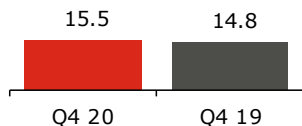
\* Restructuring charges: EUR 22.6 mn (Q4 2019: EUR 21.0 mn)  
 Negative FX effects of EUR 34.9 mn in total revenues,  
 EUR 25.0 mn in service revenues and EUR 14.0 mn in EBITDA  
 EUR 6.9 mn positive one-off effects in total revenues (2019: none)  
 EUR 5.9 mn positive one-off effects in EBITDA (2019: none)

# Austria: Increasing service revenues and cost savings translated into solid EBITDA growth in Q4 2020

## ARPU

(in EUR)

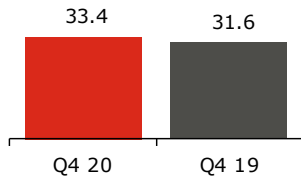
Δ: +5.0%



## ARPL

(in EUR)

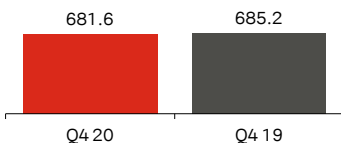
Δ: +5.8%



## Total revenues

(in EUR mn)

Δ: -0.5%



## EBITDA before restructuring

(in EUR mn)

Δ: +4.2%\*



\* excl. restructuring charges of EUR 22.6 mn in Q4 2020 (Q4 2019: EUR 21.0 mn)

## Operational data

- +1.7% contract subscribers which were driven by strong demand for mobile WiFi routers and high-value tariffs
- ARPU: growth due to continued strong demand for mobile WiFi routers and higher share of contract customers
- Strong demand from business customers for home office solutions and bandwidth upgrades, fixed-line promotions continued in Q4 2020
- Higher ARPL due to increased demand for higher bandwidths as well as voice-only price increase
- Decline in RGUs driven primarily by voice and low-bandwidth RGUs; fixed-line promotions continued in Q4 2020

## Financial performance

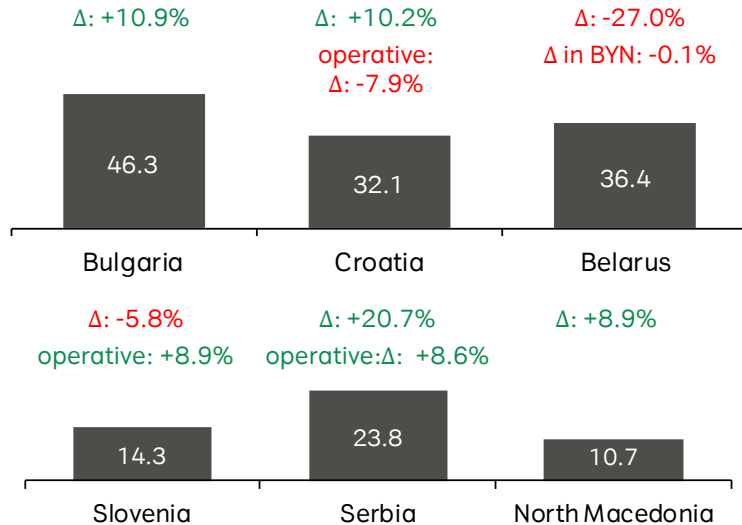
- Mobile service revenues posted a solid growth of 2.7%; mobile WiFi routers and the upselling in the high-value segment outweighed roaming losses
- Fixed-line services remained stable; growth in retail fixed-line (+1.7%) compensated for lower solutions and connectivity revenues
- Subsidies decreased due to acquisition and retention, both driven by lower volumes and subsidies per handset
- Reduced OPEX due to lower workforce costs, less advertising and lower costs for ICT customer projects



# CEE: Negative FX effects and roaming losses mitigated by fixed-line service revenue growth and operational efficiencies

## EBITDA

(in EUR mn; Q4 %-change vs. PY)



## Highlights CEE

### Bulgaria:

- Strong service revenue growth continued (+6.2%), driven by both the mobile and the fixed-line business
- Fixed-line driven by customized corporate solutions, upselling to high-bandwidth products and higher number of TV RGUs
- Mobile service revenues increased due to successful upselling activities

### Croatia:

- Ongoing service revenue decline (-2.5%) as high demand for mobile WiFi router was not able to compensate for roaming losses and lower fixed-line service revenues
- Q4 results benefitted from the release of an accrual connected to wholesale services; EBITDA excl. one-off effects and FX: -7.9%

### Belarus:

- Growth in local currency both in the mobile and the fixed-line segment
- Inflation-linked price increases of 4.0% in November 2020
- Higher OPEX in local currency due to higher workforce costs and hard-currency denominated costs

### Other segments:

- Slovenia: EBITDA excl. one-off: +8.9%; ongoing positive trends in fixed-line business as well as reduced OPEX
- Serbia: Solid service revenue growth (+5.5%); EBITDA excl. one-offs: +8.9%
- N. Macedonia: EBITDA growth driven by higher service revenues



# FY 2020: Strong free cash flow generation

(in EUR million)

	Q4 2020	Q4 2019	% change	FY 2020	FY 2019	% change
EBITDA	364.5	355.5	2.5%	1,576.8	1,560.6	1.0%
Restructuring charges and cost of labor obligations	24.1	20.3	18.3%	92.4	91.9	0.5%
Lease paid (principal, interest and prepayments)	-41.4	-37.8	-9.6%	-177.7	-170.9	-4.0%
Income taxes paid	-19.3	-19.4	0.4%	-65.2	-70.1	7.0%
Net interest paid	-35.7	-33.5	-6.7%	-81.6	-86.3	5.4%
Change working capital and other changes	4.6	110.6	-95.9%	-92.9	-5.0	n.m.
CAPEX	-202.9	-279.7	27.5%	-651.4	-879.8	26.0%
Free Cash Flow (FCF) before social plans	93.8	116.0	-19.2%	600.4	440.4	36.3%
Social plans new funded*	-19.3	-28.8	33.0%	-96.7	-96.7	0.0%
<b>Free Cash Flow</b>	<b>74.5</b>	<b>87.2</b>	<b>-14.6%</b>	<b>503.7</b>	<b>343.7</b>	<b>46.5%</b>

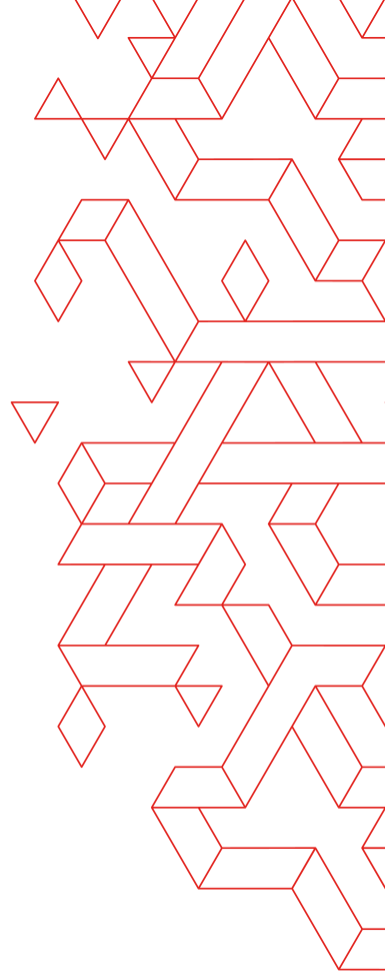
\*Cost for social plans granted after 1.1.2019 in FCF. Previously payments for old and new social plans were included in FCF. Comparative figures have been adjusted.

- Free cash flow increased by 159.9 mn vs. prior year, mainly driven by
  - ... 131.3 EUR mn lower CAPEX paid year-on-year
    - Due to delivery on the announced CAPEX cuts in 2020
      - main areas: network infrastructure, ICT customer related projects, optimization of internal IT project portfolio
  - ... better operational performance
- Change in working capital and other changes in FY 2020 mainly driven by
  - reduction in accounts payable, partially offset by
  - decrease in accounts receivable

# Focus Points



and fourth quarter 2020



# Q4/FY 2020: Update of Covid-19 impact on key financials and KPIs



- Strong traffic decline following the lockdown measures starting in November 2020
- Negative EBITDA impact: **Q4: ~5%; FY: ~4%** (Q3: ~5%; Q2: ~5%)
- Austria: strong negative impact due to the lack of winter tourism



- Delivered on CAPEX guidance
- Significant OPEX reduction
  - **Q4: ~ -2% ; FY: ~-1%** (Q3: ~-4%; Q2: ~-3%)
    - Employee costs
    - Advertising
    - Maintenance
  - Ongoing strong focus on operational efficiency

\* excl. equipment costs



- Internet@home products gross adds above prior year levels; driven by mobile Wifi routers
- Demand for fixed-line bandwidth upgrades remains strong
- Mobile gross adds as well as churn remain below pre-lockdown levels

Impact in Q4 2020:

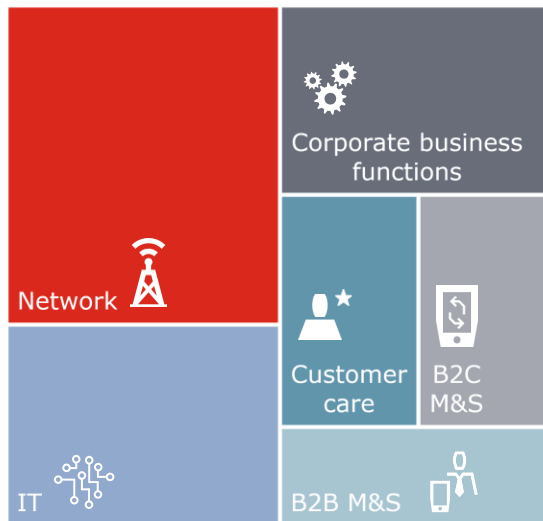


- No observed deterioration in collection
- Close monitoring of customers' payment behavior
- Future development will depend on further macroeconomic trends and fiscal policies

Covid-19 pandemic will continue to shape markets in 2021 but we are well prepared to utilize growth opportunities arising from digitalization while strong focus on operational efficiency continues.

# Digital First: mid-term transformation program with a focus on operational efficiency to strengthen free cash flow

More than 300 initiatives



M&S = marketing and sales

## Selected fields of initiatives



### Network automation

Automation of network operations via robotic process automation (RPA), planning and forecasts



### Customer care automation

Decrease of manual steps via interactive voice response optimization, RPA, video tech support and voice bot



### IT simplification

From complex, legacy IT stack to “One data” culture via programs for automation of development, test data generation and virtual test systems



### B2C sales online shift

Boost digital shift and improvement of online shop customer experience



### Lean corporate functions

Improvement of end-to-end processes; setting up new digital and automated processes in finance and HR

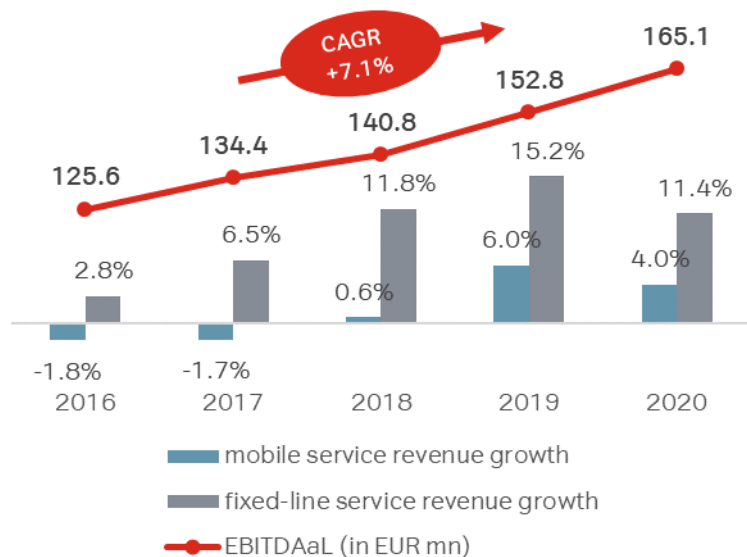


### B2B sales organization

Optimization of sales organization and processes via self-care portal, digital signature and software cloud solution

Office space optimization

# Bulgaria: Strong service revenue growth continued in 2020 despite a challenging environment



## Strong fixed-line growth driven by TV and broadband

- Strong TV proposition (sports content)
- Solid growth in broadband services driven by upselling and constant growth of broadband RGUs (CAGR 16-20: +2.7%); further expansion of fixed-line footprint
- ICT business is scaling up with double-digit growth rates; strong proposition especially in cyber security and data processing
- ARPL increase: EUR 11.6 in 2017 → EUR 13.7 in 2020

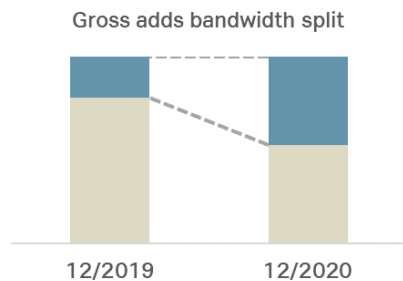
## Solid growth path in mobile

- Successful customer value enhancement over the past years through upselling and “more for more” approach
- Strong uptake of mobile WiFi routers
- ARPU increase: EUR 5.0 in 2017 → EUR 6.0 in 2020
- Introduction of 5G coverage in Q4 2020 (via test licence)

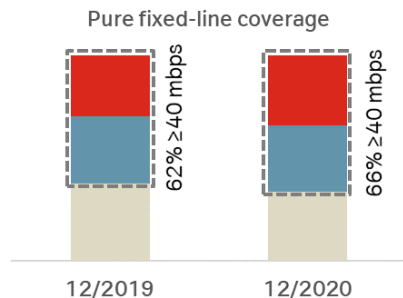


# Austria: A1 5Giganet with a unique combination of largest fiber network and fastest 5G technology

## I Development in the fixed-line business:



■ ≤40 mbps ■ ≥80 mbps



■ <40 mbps ■ 40 - 100 mbps ■ >100 mbps

Target YE 2021: 70%

### Increasing demand for higher bandwidths and speed upgrades

- Home office and home schooling during the lockdown periods led to an increased demand for higher bandwidths
- Bandwidth upgrades were significantly above prior year levels (+35% yoy) and reached a record high in Q4 2020
- BBI gross adds showed a strong development after the first lockdown in spring and were above prior year levels in HY2 2020; churn higher in low bandwidth products

### Further expansion of the fiber network in 2020 and going forward

- Fiber roll-out continued in 2020 with some distortions due to the Covid-19 pandemic
- > 80k new FTTH/FTTB homes passed in 2020
- Ongoing focus on fiber city push and subsidized roll-out in rural areas in 2021
- Bundling forces to provide the best technology-mix in line with customer demand
  - ~95% of households are reached with hybrid solution and > 40mbps
  - Use of 5G for providing high-speed broadband in rural areas

# Austria: A1 5Giganet with a unique combination of largest fiber network and fastest 5G technology

## II Development in the mobile business:

### Growth potential from 5G services

- Launch of 5G network in January 2020
- Introduction of 5G unlimited postpaid tariffs and 5G mobile WiFi routers
- 5G consumer products are still a niche but uptakes are increasing and show the potential going forward
  - Current 5G share: ~10-20% of gross adds in high-value tariffs
- 5G as a platform for new services in industry 4.0

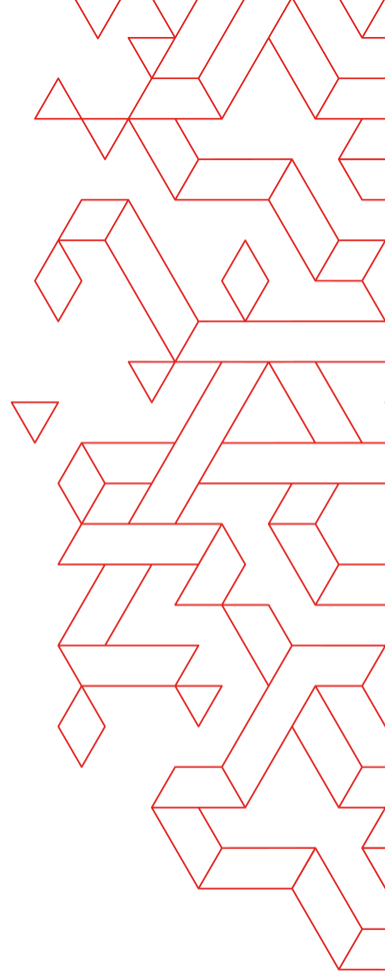
### 5G roll-out well on track

- Multiband auction in September 2020: Frequency allocation provides an excellent basis for future 5G roll-out
- Planned 5G population coverage of > 50% by YE 2021
- Nation-wide 5G population coverage by YE 2023



# Outlook for the full year 2021

**A1**



# Outlook for the full year 2021

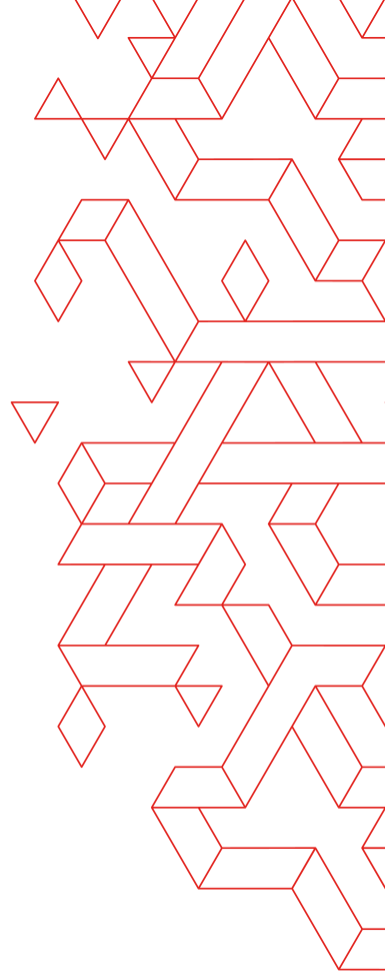
	February 9, 2021	Consensus 2021
Total revenues	~ +1%	EUR 4,583 mn
CAPEX	~ 800 mn EUR	EUR 786 mn*

\*CAPEX consensus excl. spectrum

- Outlook based on reported figures; assumed depreciation of ~ 15% avg. BYN vs. EUR FX rate
- CAPEX: does not include investments in spectrum or acquisitions
- Dividend proposal to the AGM 2021 for the financial year 2020: EUR 0.25 per share

# Appendix 1

Additional information on KPIs  
and financials



# A1 Telekom Austria Group: The leading regional communications player providing convergent telecommunication services

as of December 31, 2020 (in '000)



## Austria

Mobile market position #1

Mobile subscribers:

- 5,061 (Q4 2019: 5,115)

RGUs:

- 3,117 (Q4 2019: 3,247)



## Bulgaria

Mobile market position: #1

Mobile subscribers:

- 3,753 (Q4 2019: 3,824)

RGUs:

- 1,081 (Q4 2019: 1,064)



## Croatia

Mobile market position #2

Mobile subscribers:

- 1,936 (Q4 2019: 1,840)

RGUs:

- 672 (Q4 2019: 686)



## Belarus

Mobile market position #2

Mobile subscribers:

- 4,916 (Q4 2019: 4,890)

RGUs:

- 627 (Q4 2019: 617)



## Slovenia

Mobile market position #2

Mobile subscribers:

- 707 (Q4 2019: 705)

RGUs:

- 215 (Q4 2019: 200)



## Serbia

Mobile market position #3

Mobile subscribers:

- 2,350 (Q4 2019: 2,311)



## North Macedonia

Mobile market position #1

Mobile subscribers:

- 1,075 (Q4 2019: 1,091)

RGUs:

- 338 (Q4 2019: 334)



# A1 Telekom Austria Group: Profit and Loss

(in EUR million)	Q4 2020	Q4 2019	% change
Service Revenues	961.4	962.7	-0.1%
Equipment Revenues	195.7	212.9	-8.1%
Other operating income	28.5	24.8	15.1%
<b>Total Revenues</b>	<b>1,185.6</b>	<b>1,200.4</b>	<b>-1.2%</b>
Cost of Service	-346.5	-336.3	-3.0%
Cost of Equipment	-198.0	-213.1	7.1%
Selling, General & Administrative Expenses	-272.7	-284.0	4.0%
Others	-4.0	-11.5	65.4%
<b>Total Costs and Expenses</b>	<b>-821.1</b>	<b>-844.9</b>	<b>2.8%</b>
<b>EBITDA</b>	<b>364.5</b>	<b>355.5</b>	<b>2.5%</b>
<i>% of Total Revenues</i>	<i>30.7%</i>	<i>29.6%</i>	
Depreciation and Amortisation	-194.1	-196.5	1.2%
Depreciation RoU assets	-41.1	-41.0	-0.3%
<b>EBIT</b>	<b>129.3</b>	<b>118.0</b>	<b>9.6%</b>
<i>% of Total Revenues</i>	<i>10.9%</i>	<i>9.8%</i>	
<b>EBT (Earnings Before Income Taxes)</b>	<b>103.0</b>	<b>88.2</b>	<b>16.8%</b>
<b>Net Result</b>	<b>43.2</b>	<b>35.3</b>	<b>22.4%</b>

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

Total Revenues (in EUR million)	Q4 2020	Q4 2019	% change
Austria	681.6	685.2	-0.5%
Bulgaria	136.9	137.7	-0.6%
Croatia	115.8	109.3	6.0%
Belarus	95.7	114.0	-16.0%
Slovenia	52.9	54.2	-2.4%
Serbia	75.7	75.9	-0.2%
North Macedonia	33.0	31.3	5.3%
Corporate & other, eliminations	-6.1	-7.2	15.4%
<b>Total Revenues</b>	<b>1,185.6</b>	<b>1,200.4</b>	<b>-1.2%</b>
Costs and Expenses (in EUR million)	Q4 2020	Q4 2019	% change
Austria	466.5	478.0	-2.4%
Bulgaria	90.6	96.0	-5.6%
Croatia	83.7	80.1	4.4%
Belarus	59.4	64.2	-7.5%
Slovenia	38.6	39.1	-1.1%
Serbia	52.0	56.2	-7.5%
North Macedonia	22.3	21.5	3.7%
Corporate & other, eliminations	8.0	9.8	-18.2%
<b>Total Operating Expenses</b>	<b>821.1</b>	<b>844.9</b>	<b>-2.8%</b>



# A1 Telekom Austria Group: Workforce development

FTE (Average Period)	Q4 2020	Q4 2019	% change
Austria	7,319	7,695	-4.9%
International	10,261	10,345	-0.8%
Corporate	371	374	-0.8%
<b>A1 Telekom Austria Group</b>	<b>17,951</b>	<b>18,414</b>	<b>-2.5%</b>

FTE (End of Period)	Q4 2020	Q4 2019	% change
Austria	7,320	7,625	-4.0%
International	10,263	10,347	-0.8%
Corporate	366	372	-1.6%
<b>A1 Telekom Austria Group</b>	<b>17,949</b>	<b>18,344</b>	<b>-2.2%</b>

# A1 Telekom Austria Group: Capital expenditure split

Capital Expenditures (in EUR million)	Q4 2020	Q4 2019	% change
Austria	145.0	117.0	23.9%
Bulgaria	17.6	31.4	-44.0%
Croatia	14.3	25.2	-43.5%
Belarus	5.9	69.5	-91.4%
Slovenia	6.6	12.7	-48.4%
Serbia	8.1	15.8	-48.7%
North Macedonia	3.9	7.7	-49.0%
Corporate & other, eliminations	1.5	0.3	n.m.
<b>Total Capital Expenditures</b>	<b>202.9</b>	<b>279.7</b>	<b>-27.5%</b>
thereof Tangible	108.2	175.7	-38.4%
thereof Intangible	94.7	104.0	-9.0%

# A1 Telekom Austria Group: Net debt

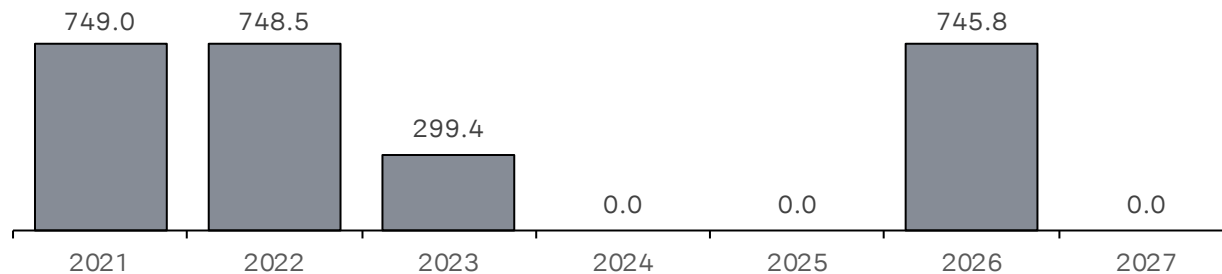
## as of December 31, 2020

Net Debt (excl. Leases) (in EUR million)	31 December 2020	31 December 2019	% change
Long-term Debt	1,793.7	2,539.6	-29.4%
Short-term Borrowings	749.1	123.0	n.m.
Cash and Cash Equivalents	-210.9	-50.2	n.m.
<b>Net Debt (excl. Leases) of A1 Telekom Austria Group</b>	<b>2,331.9</b>	<b>2,612.4</b>	<b>-10.7%</b>
<b>Leverage Ratio</b>	<b>1.7</b>	<b>1.9</b>	
Net Debt incl. Leases (in EUR million)	31 December 2020	31 December 2019	% change
Long-term Debt incl. Leases	2,494.3	3,327.8	-25.0%
Short-term Borrowings incl. Leases	903.4	275.6	227.8%
Cash and Cash Equivalents	-210.9	-50.2	n.m.
<b>Net Debt incl. Leases of A1 Telekom Austria Group</b>	<b>3,186.8</b>	<b>3,553.2</b>	<b>-10.3%</b>
<b>Leverage Ratio</b>	<b>2.0</b>	<b>2.3</b>	

Since the financial year 2020, the amount of the provision for social plans granted after Jan. 1, 2019, has been invested in fixed-term deposits which are reported in short-term investments. To enable a comparison with the previous year on a like-for-like basis, cash and cash equivalents have been adjusted for the corresponding provision amount as of Dec. 31,

# A1 Telekom Austria Group: **Financial debt maturity profile**

as of December 31, 2020 (in EUR mn)



- EUR 2,542.8 mn short- and long-term debt as of December 31, 2020
- Average cost of debt of 2.95%
- Cash and cash equivalents of EUR 210.9 mn
- Average term to maturity of 2.7 years

## Lines of credit

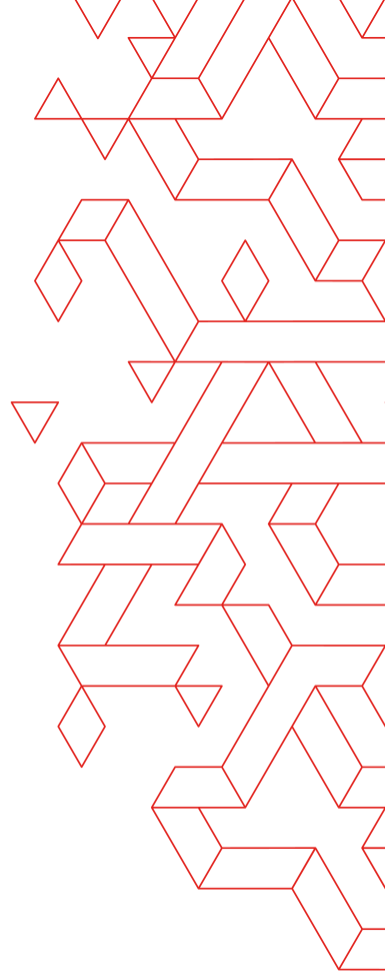
- Undrawn committed credit lines amounting to EUR 1,115 mn
- Average term to maturity of 5.1 years

## Ratings

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

# Appendix 2

## Reconciliation of Free Cash Flow



# FY 2020: Reconciliation free cash flow - operating view

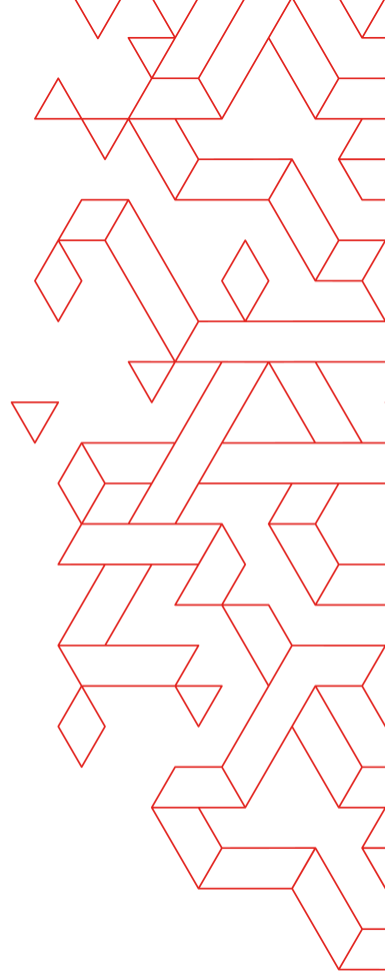
	FY 2020	FY 2019	% change
<b>FCF after social plans new</b>	503.7	343.7	46.5%
Social plans new funded	96.7	96.7	0.0%
Total social plans paid*	-98.5	-99.8	-1.3%
FCF - previously reported	501.9	340.6	47.3%

\*In the previous view all payments for all social plans (old = granted before 1.1.2019 + new = granted after 1.1.2019 ) have been deducted in the calculation of free cash flow. Adjusted in Q3 2020 retrospectively for 2019.

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

# Appendix 3

## Regulatory Topics



# Mobile Termination Rates

	Jan 2016	Jul 2016	Jan 2017	Jul 2017	Jan 2018	Mar 2019	Jan 2020	April 2020	Aug 2020	
Austria (EUR)	0.008049	0.008049	0.008049	0.008049	0.008049	0.008049	0.008049	0.008049	0.008049	
Bulgaria (BGN)	0.019	0.019	0.014	0.014	0.014	0.014	0.014	0.014	0.014	
Croatia (HRK)*	0.063	0.063	0.063	0.047	0.047	0.047	0.045	0.045	0.045	
Belarus (BYN)**	MTS 0.025/0.01 25 BeST 0.018/0.00 9	MTS 0.025/0.01 25 BeST 0.018/0.00 9	MTS 0.025/0.01 25 BeST 0.018/0.00 9	MTS 0.025/0.01 25 BeST 0.018/0.00 9	MTS 0.025/0.01 25 BeST 0.018/0.00 9	MTS 0.025/0.01 25 BeST 0.018/0.00 9	MTS 0.025/0.01 25 BeST 0.018/0.00 9	MTS 0.025/0.01 25 BeST 0.018/0.00 9	MTS 0.025/0.01 25 BeST 0.018/0.00 9	MTS 0.025/0.01 25 BeST 0.018/0.00 9
Slovenia (EUR)	0.0114	0.0114	0.0114	0.0114	0.0114	0.0114	0.0114	0.0114	0.00882	
Serbia (RSD)	3.43	2.75	2.07	2.07	1.43	1.43	1.43	1.43	1.43	
North Macedonia (MKD)***	0.90	0.90	0.63	0.63	0.63	0.63	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 symmetric MTR for FULL MVNO (Lycamobile) from 01.07.2020 and asymmetric MTR for new MVNO entrant (Telekabel) from 01.04.2020 on level of 1.5 MKD



# Upcoming spectrum tenders/prolongations/assignments\*

	Expected	Comments
Austria	2021 (No auction)	The NRA has announced a consultation on a new "Spectrum Release Plan for Austria" to start in March/April 2021.
Bulgaria	2021 (700, 800, 2600, 3400-3800 MHz)	The procedure for spectrum allocation in 3.6 GHz, which will lead to the award of 5G spectrum, has begun. Auction format tbd.
Croatia	2021 (700/3600 MHz, 26GHz) 2022 (800, 900, 1800, 2100, 2600 MHz)	NRA postponed auction for 5G spectrum to the first half of 2021.
Belarus		No announcements on any dates.
Slovenia	Q2 2021 (700 MHz, 1400 MHz, 2100 MHz, 2300 MHz, 3400-3800 MHz, 26 GHz)	Auction of frequencies for mobile services postponed to April 2021.
Serbia	Q4 2021/Q1 2022 (3600 MHz)	Due to the Covid-19 Crisis, the auction is postponed to Q4 21/ Q1 22. Exact date tbd.
North Macedonia	2021 (700 MHz, 3500 MHz)	Public consultation regarding auction conditions supposed to start in Q1 2021. Auction is planned for Q2 2021.

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

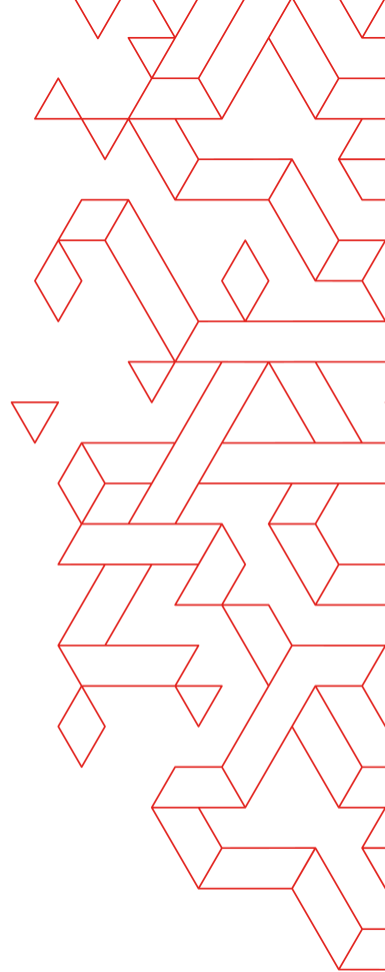
# EU roaming price regulation

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	Jan 1, 2018	Jan 1, 2019	Jan 1, 2020	Jan 1, 2021	Jan 1, 2022
Data (per MB)	5	5	0.77	0.6	0.45	0.35	0.30	0.25
Voice (per minute)	5	5	3.2	3.2	3.2	3.2	3.2	3.2
SMS (per SMS)	2	2	1	1	1	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.

# Appendix 4

## Personnel restructuring in Austria



# Quarterly Overview: Restructuring charges and provision vs. FTE

## Overview restructuring charges

(in EUR million)

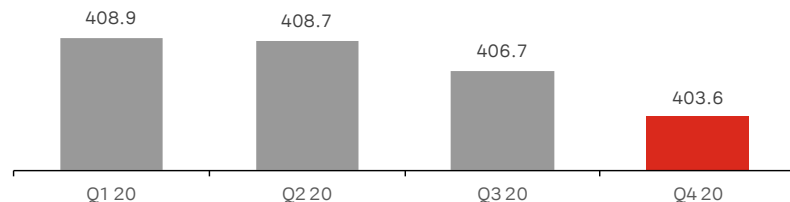
	Q1 20	Q2 20	Q3 20	Q4 20
FTE reduction	17.7	36.6	19.5	17.5
Servicekom contribution	-2.2	-6.5	-3.6	2.4
Interest rate adjustments	0.5	-5.1	5.0	2.6
<b>Total</b>	<b>16.0</b>	<b>25.0</b>	<b>20.9</b>	<b>22.6</b>

## FTEs addressed

	Q1 20	Q2 20	Q3 20	Q4 20
Transfer to government	0	0	0	0
Social plans	58	141	71	105
Staff released from work	0	0	0	0
<b>Total</b>	<b>58</b>	<b>141</b>	<b>71</b>	<b>105</b>

## Overview restructuring provision\*

(in EUR million)



## Provisioned FTEs

	Q1 20	Q2 20	Q3 20	Q4 20
Transfer to government	124	118	116	113
Social plans	1,779	1,834	1,832	1,827
Staff released from work	78	69	63	62
<b>Total</b>	<b>1,981</b>	<b>2,021</b>	<b>2,011</b>	<b>2,002</b>

\* 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.

# Full Year Overview: Restructuring charges and provision vs. FTE

## Overview restructuring charges

(in EUR million)

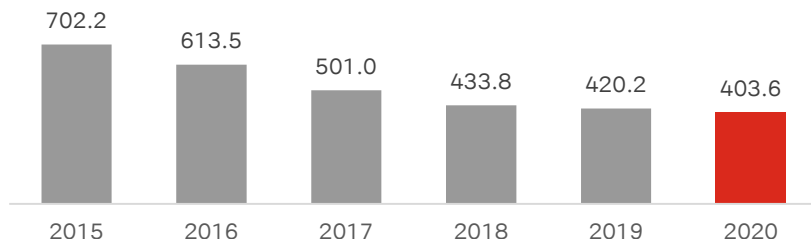
	2015	2016	2017	2018	2019	2020
FTE reduction	69.5	95.0	9.1	70.1	100.2	91.3
Servicekom contribution	-72.0	-96.9	-27.3	-47.1	-19.4	-9.8
Interest rate adjustments	2.9	9.2	0.0	-0.9	3.2	3.1
<b>Total</b>	<b>0.4</b>	<b>7.2</b>	<b>-18.2</b>	<b>22.1</b>	<b>84.1</b>	<b>84.5</b>

## FTEs addressed

	2015	2016	2017	2018	2019	2020
Transfer to government	49	6	3	0	0	0
Social plans	270	269	31	241	387	375
Staff released from work	0	0	0	0	0	0
<b>Total</b>	<b>319</b>	<b>275</b>	<b>34</b>	<b>241</b>	<b>387</b>	<b>375</b>

## Overview restructuring provision\*

(in EUR million)



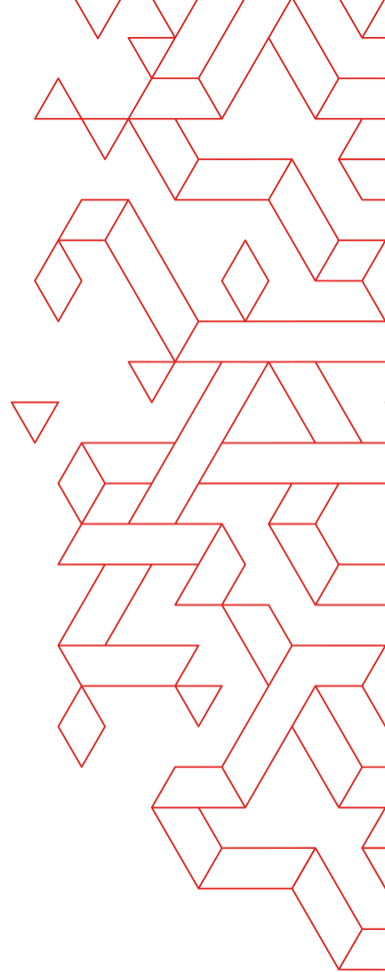
## Provisioned FTEs

	2015	2016	2017	2018	2019	2020
Transfer to government	205	193	176	159	128	113
Social plans	1,661	1,821	1,707	1,748	1,805	1,827
Staff released from work	253	200	172	116	81	62
<b>Total</b>	<b>2,119</b>	<b>2,214</b>	<b>2,055</b>	<b>2,023</b>	<b>2,014</b>	<b>2,002</b>

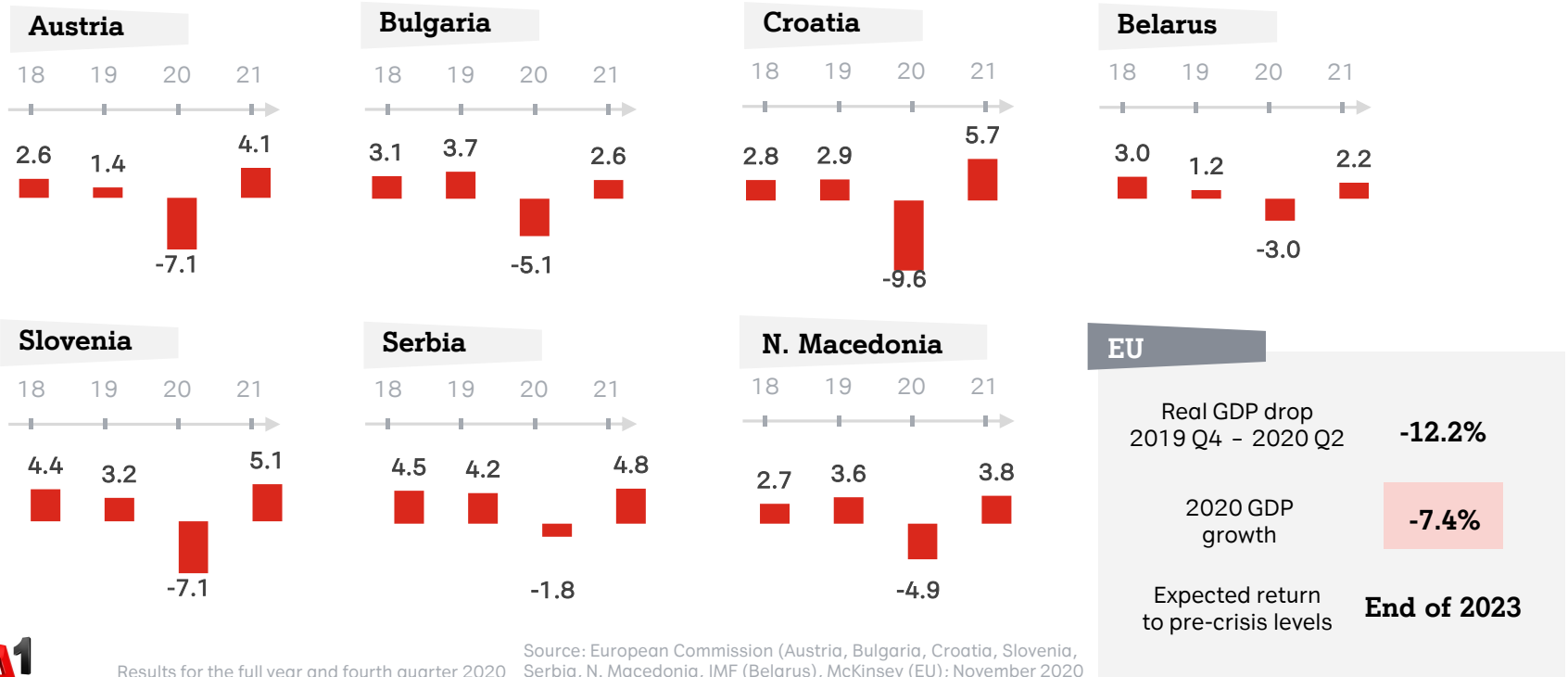
\* Including liabilities for transfer of civil servants to government bodies since 2010. For further details please refer to note (23) of the consolidated financial statements.

# Appendix 5

## Macro Outlook



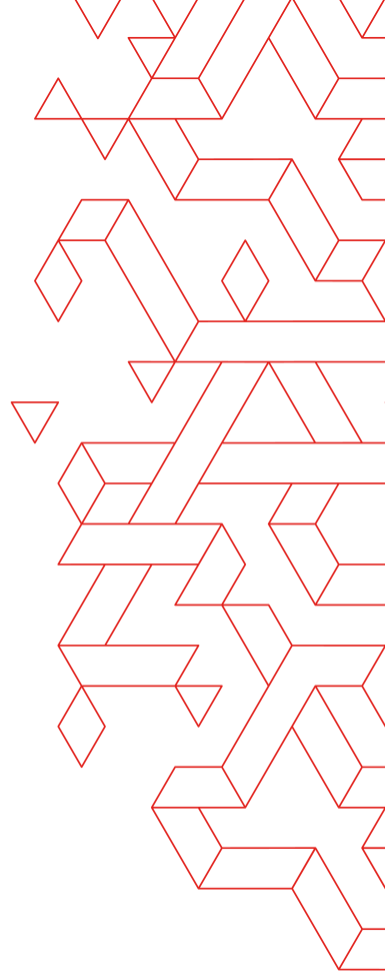
# Macro Outlook: GDP growth is expected to bounce back in 2021 but it will take some time to recover to pre-crisis levels



# Appendix 6

ESG

**A1**





# One.Strategy

“Environmental, Social & Corporate Governance (ESG)” was introduced as **Strategy Enabler**

The A1 Telekom Austria Group aims to foster more efficient, resource-preserving and thus more sustainable ways of working and living.



# ESG Strategy – Enabling the potential of digitalization for climate, people and society

## Targets – our ambition



### Climate & Environment - Ambition 2030

- Reach net carbon neutrality by decreasing the own carbon footprint & switching to energy from renewables<sup>1</sup> (CO<sub>2</sub>-emissions: +3% yoy)
- Increase energy efficiency by 80%<sup>2</sup> (Improvement of +22% from 2019 to 2020)
- Recycling around 50,000 old devices a year (84,880 collected devices in 2020)



### People & Society - Ambition 2023

- Address 100,000 people – especially children and young people – as part of the focus on digital education. To give people the confidence and skills to actively shape digital worlds. (9,239 participations in 2020)



### Corporate Governance – Ambition 2023

- Increase the proportion of women in management to 40% (2020: 36%) and raise and maintain the proportion of women at the company at 40% (2020: 40%)
- Maintain a best-practice and (externally) certified compliance management system<sup>3</sup> to ensure an integer and trustworthy A1 Group

**A1**




Results for the full year and fourth quarter 2020

<sup>1</sup> Scope 1 and Scope 2

<sup>2</sup> Improvement 2030 vs. 2019 (base year), where „energy efficiency“ is defined as electricity consumed/transported data volumes fixed and mobile (data carried).

<sup>3</sup> Certifications will be done every three to five years

# ESG KPIs

	2019	2020	Change	
 <b>Environment</b> <b>E</b>	CO <sub>2</sub> -emissions (in t)*	240,909	247,705	3%
	Energy efficiency (in Mwh/Terabyte)	0.18	0.14	-22%
	Mobile phones collected (No.)	64,504	84,880	32%
 <b>Digital Education**</b> <b>S</b>	Participations in media literacy trainings (no.)	35,326	9,239	-74%
	Number of Workshops	2,217	527	-76%
 <b>Diversity</b> <b>G</b>	Share of female employees (%)	39	40	-
	Share of female managers (%)	35	36	-
	Share of female representative in Supervisory Board (%)	30	30	-

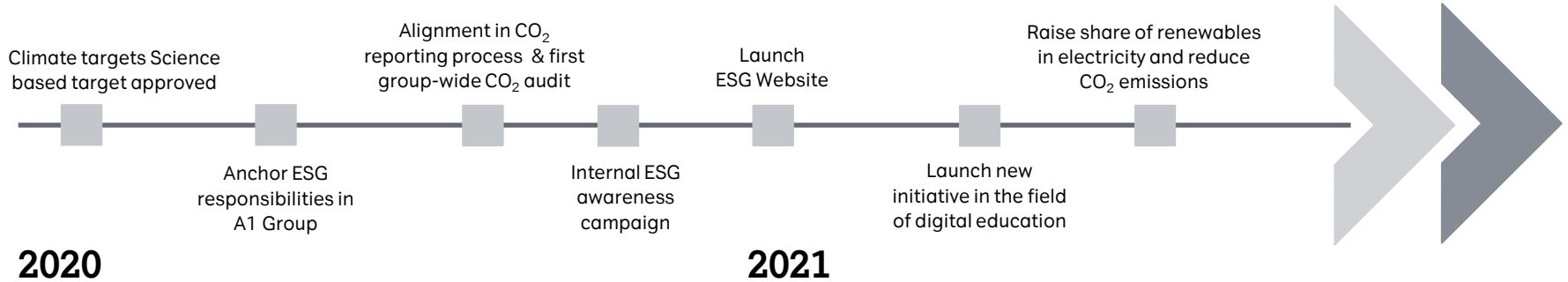
\* Scope 1 und Scope 2 market based CO<sub>2</sub>-emissions

\*\* Due to COVID-19, not all workshops took place to the planned extent

# ESG Milestones & Goals

## Relevant milestones reached ...

## ... and ambitious goals to achieve



## Rankings in 2020

