

Trading Statement Third Quarter and First Nine Months 2021

Vienna, October 19, 2021 - Today, A1 Telekom Austria Group (VSE: TKA, OTC US: TKAGY) announces its results for the third quarter and the first nine months of 2021, ending September 30, 2021.

Key performance indicators

in EUR million	Q3 2021	Q3 2020	% change	1-9 M 2021	1-9 M 2020	% change
Total revenues	1,205.2	1,142.1	5.5	3,506.5	3,363.8	4.2
Service revenues	1,012.9	953.8	6.2	2,945.1	2,843.1	3.6
thereof mobile service revenues	570.0	524.0	8.8	1,621.2	1,554.3	4.3
thereof fixed-line service revenues	442.9	429.8	3.0	1,323.9	1,288.9	2.7
Equipment revenues	172.9	168.9	2.4	501.7	463.6	8.2
Other operating income	19.4	19.4	-0.2	59.7	57.0	4.6
EBITDA before restructuring	501.3	462.5	8.4	1,369.3	1,274.3	7.5
% of total revenues	41.6%	40.5%		39.1%	37.9%	
EBITDA	480.2	441.6	8.7	1,306.3	1,212.3	7.7
% of total revenues	39.8%	38.7%		37.3%	36.0%	
EBIT	243.8	210.7	15.7	594.6	509.6	16.7
% of total revenues	20.2%	18.4%		17.0%	15.2%	
Net result	181.0	142.6	26.9	414.8	345.6	20.0
% of total revenues	15.0%	12.5%		11.8%	10.3%	
Wireless indicators	Q3 2021	Q3 2020	% change	1-9 M 2021	1-9 M 2020	% change
Wireless subscribers (thousands)	22,731.6	21,609.4	5.2	22,731.6	21,609.4	5.2
Postpaid	18,592.5	17,505.1	6.2	18,592.5	17,505.1	6.2
Prepaid	4,139.0	4,104.3	0.8	4,139.0	4,104.3	0.8
MoU (per Ø subscriber)	404.7	410.0	-1.3	421.0	415.7	1.3
ARPU (in EUR)	8.4	8.1	3.5	8.1	8.1	0.2
Mobile churn (%)	1.2%	1.2%		1.3%	1.4%	
Wireline indicators	Q3 2021	Q3 2020	% change	1-9 M 2021	1-9 M 2020	% change
RGUs (thousands)	6,055.1	6,066.2	-0.2	6,055.1	6,066.2	-0.2

All comparisons are given year-on-year. EBITDA is defined as net income excluding financial result, income taxes, depreciation and amortization and impairment charges.

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Alternative performance measures are included in this report. For details, please refer to the section 'Detailed figures'.

Q3 2021 Analysis

Group Summary

A1 Telekom Austria Group closed the third quarter of 2021 with another strong performance, demonstrated in growing service revenues across all the segments. Solid trends from prior quarters continued, with still-present great demand for mobile WiFi routers and high-bandwidth products, as well as solution and connectivity services.

Steady vaccination rates and eased travel restrictions allowed for more travelling in the footprint during summer months and resulted in another rebound of roaming revenues compared to the previous year, while further FX stabilization in Belarus has been seen as a supportive factor. With solid top-line trends, costs and expenses also went up driven by higher product related costs in the reporting period, and partly also resulting from a low Q3 2020 baseline due to COVID-19 related savings.

The presentation for the conference call and key figures of A1 Telekom Austria Group in Excel format ('Fact Sheet Q3 2021') are available on the website at www.a1.group.

- Group total revenues increased by 5.5 % almost entirely driven by service revenue growth in all markets, both in the mobile and the fixed-line businesses.
- Equipment revenues were higher, as volume-driven declines in Austria were more than compensated by the increase in equipment sales in other markets.
- Mobile service revenues increased by 8.8 % on a Group level, driven by growth in all segments, and in particular continued strong performance of mobile core business in Austria, Croatia, Serbia and Bulgaria.
- Fixed-line service revenues grew by 3.0 %, mainly driven by the Austrian, Bulgarian and Belarusian segment with all the other countries also contributing to the growth. In particular, solid traction of solution and connectivity business added to the growth.
- Growth in Internet@home subscriber base of 5.4 % driven by mobile WiFi routers in all markets, especially in Bulgaria and Croatia.
- The number of mobile contract subscribers rose by 6.2 % due to a higher number of M2M subscribers, higher number of mobile core subscribers as well as growth in mobile WiFi routers.
- Fixed-line RGUs stable (-0.2 %), as growth in high-bandwidth broadband RGUs compensated for a decline of low-bandwidth broadband and fixed voice RGUs.
- Roaming revenues continued to grow in Q3 year-on-year (positive impact yoy: ~ 1 % of revenues; ~ 2 % of EBITDA versus approx. 1 % in Q2 2021) due to more travelling in the summer season across the footprint, especially in Croatia, while staying substantially below pre-COVID levels.
- Higher service revenues translated into solid Group EBITDA before restructuring charges growth of 8.4 % (reported: 8.7 %), outweighing increased costs and expenses. Excluding one-off and FX effects as well as restructuring charges, Group EBITDA increased by 9.0 %.
 - In Austria, EBITDA before restructuring charges increased by 5.0 % (reported: 5.4 %), due to successful translation of service revenues and improved equipment margin.
 - EBITDA in the international operations increased by 11.3 %, with strong growth in all markets except for a slight decline in Slovenia.
- Net result increased by 26.9 % in the third quarter of 2021, driven by strong operational performance.
- Free cash flow decreased slightly from EUR 172.5 mn to EUR 167.6 mn in the quarter under review, as improved operational performance and lower working capital needs could not fully offset higher capital expenditures.
- Spectrum acquired in Q3 2021: 700 MHz, 3.6 GHz and 26 GHz for EUR 14.0 mn in Croatia.
- Outlook 2021 raised: 3-4 % Group total revenue growth; CAPEX excluding spectrum investments and acquisitions of ~ EUR 800 mn (unchanged).

The following factors should be considered in the analysis of A1 Telekom Austria Group's quarterly operating results:

- Negative FX effects amounted to EUR 1.1 mn in total revenues, EUR 0.2 mn in service revenues and EUR 0.1 mn in EBITDA in Q3 2021, stemming entirely from Belarus.
- There were no one-off effects in total revenues and EBITDA in the reporting period, while there was a positive one-off effect in Q3 2020 in EBITDA (+2.6 mn in Croatia).
- Restructuring charges in Austria amounted to EUR 21.1 mn in Q3 2021 (Q3 2020: EUR 20.9 mn).

Mobile Subscribers and Fixed-line RGUs

Internet@home continued to grow: + 5.4 % year-on-year in Q3 2021

In mobile communications, the number of subscribers of the A1 Telekom Austria Group rose by 5.2 % to a total of 22.7 million in the third quarter of 2021. The number of contract customers rose in almost all markets driven by strong growth in M2M subscribers, particularly in Austria and Belarus. Otherwise, the growth was also driven by solid mobile core business and the continued shift from prepaid to contract offers as well as ongoing strong demand for mobile WiFi routers. The number of A1 Digital M2M customers continued to increase in Q3 2021.

The number of revenue-generating units (RGUs) in the Group's fixed-line business were stable (-0.2 % year-on-year). In Austria, the number of RGUs declined, driven by fewer low-bandwidth broadband and voice RGUs, which was partially offset by the continued strong demand for high-bandwidth products in Q3 2021. In the international markets, the number of RGUs rose mainly due to increasing high-bandwidth broadband RGUs, particularly in Belarus, Bulgaria and Croatia, while TV RGUs also grew in almost all markets.

Overall, the Internet@home customer base increased by 5.4 % in the Group, driven by the increase in mobile WiFi router numbers. Especially Austria, Bulgaria, Croatia and Serbia contributed to that growth.

Comments on Operating Segments for Q3 2021 – Revenues and EBITDA

Austria

Key performance indicators

Financials in EUR million	Q3 2021	Q3 2020	% change	1-9 M 2021	1-9 M 2020	% change
Total revenues	672.5	657.1	2.3	1,996.1	1,940.5	2.9
thereof service revenues	601.4	577.9	4.1	1,773.1	1,729.5	2.5
EBITDA before restructuring	300.2	285.8	5.0	820.3	783.5	4.7
% of total revenues	44.6%	43.5%		41.1%	40.4%	
EBITDA	279.1	264.9	5.4	757.2	721.6	4.9
% of total revenues	41.5%	40.3%		37.9%	37.2%	
EBIT	143.6	135.2	6.2	346.8	330.8	4.8
% of total revenues	21.4%	20.6%		17.4%	17.0%	

In the third quarter of 2021, the market environment in Austria remained broadly unchanged compared to the previous quarters. A1 continued to benefit from a steady demand for mobile WiFi routers and high-bandwidth products, while the solution and connectivity business continued to see encouraging traction since the beginning of the year. A1 launched a new Internet@Home portfolio, focusing on the best technology at the customers' location while flattening the pricing curve and increasing the entry-level tariff with a more-for-more approach. In the mobile business, demand for the high-value and 5G tariffs with premium continued, increasing the overall share of these tariffs in the portfolio.

A1 launched new
Internet@Home portfolio

In the Austrian segment, total revenues increased by 2.3 % year-on-year, as solid service revenue growth more than compensated for lower equipment revenues. While service revenue growth was driven both by the mobile and the fixed-line business, equipment revenues declined due to lower quantities sold.

Mobile service revenues came in higher, driven by solid performance of high value tariffs and continued strong demand for mobile WiFi routers. Results were also supported by inflation-linked pricing measures from April 2021 and a further partial rebound of roaming revenues. As a consequence, ARPU trended upwards also in third quarter of 2021.

Fixed-line service revenues rose, owing to a solid traction of the solution and connectivity business which was partly offset by lower retail fixed-line revenues. The latter declined as the ongoing erosion in voice RGUs, coupled with the lower traffic volumes compared to the previous year, and lower number of low-bandwidth RGUs could not be compensated by broadband speed upgrades and certain pricing measures. ARPL increased mainly due to successful upselling effects and above-mentioned pricing effects.

EBITDA before restructuring increased by 5.0 % (reported: +5.4 %), as higher service revenues and the slightly higher equipment margin more than outweighed increased core OPEX. While equipment margin improved, OPEX was up following higher product related costs in the reporting period as well as elevated maintenance and advertising costs after a low 2020 comparable amidst COVID-19 related savings.

EBITDA before restructuring
increased by 5.0 % driven by
encouraging service revenue
trends

International operations

Key performance indicators

Financials*

in EUR million	Q3 2021	Q3 2020	% change	1-9 M 2021	1-9 M 2020	% change
Total revenues	545.4	494.6	10.3	1,536.0	1,445.9	6.2
thereof service revenues	423.6	383.8	10.4	1,195.9	1,134.4	5.4
EBITDA	211.8	190.4	11.3	585.3	533.9	9.6
% of total revenues	38.8%	38.5%		38.1%	36.9%	
EBIT	112.3	90.5	24.0	288.5	226.5	27.4
% of total revenues	20.6%	18.3%		18.8%	15.7%	

* including eliminations within the international segments

EBITDA increased by 11.3 %
in CEE markets

In Q3 2021, all international operations of A1 Telekom Austria Group posted service revenue growth. The main contributors were Serbia, Croatia and Bulgaria, while Belarus also posted solid results in EUR terms. In Q3 2021, negative FX effects were only minor.

Bulgaria

Positive trends continued in the third quarter of 2021, reflecting solid underlying momentum in Bulgaria. 5G tariff plans have become a standard in all operators' portfolios and A1 Bulgaria continued to offer these tariffs at a premium. The mobile business benefited again from a solid demand for mobile WiFi routers, while the summer season came to the aid of the prepaid segment and a rebound of roaming revenues. In the fixed-line business, successful upselling to higher broadband speeds continued with exclusive TV content offers in focus. Solution and connectivity business posted again a strong result, mainly driven by high demand for IT solutions and security services.

Total revenues increased by 13.3%, to a large part driven by service revenue growth while equipment revenues also rose following the higher number of sold devices versus previous year. On the OPEX side, the increase was mainly driven by higher workforce costs, electricity and higher product-related costs, while equipment margin remained stable. EBITDA increased by 9.1%, with service revenue growth more than outweighing higher costs and expenses.

Croatia

Following the acquisition of 5G spectrum in July 2021, all mobile network operators in Croatia included 5G propositions in their portfolios. In the mobile business, A1 Croatia recorded a strong growth in Q3 2021, owing to a newly redesigned portfolio with attractive hardware and increased subsidies, supported by roaming rebound resulting from exceptionally strong tourist season and almost record number of visitors during summer months. In the fixed-line business, successful upselling to high-bandwidth products bundled with exclusive TV content remained in focus.

Total revenues increased by 8.7% year-on-year, following a strong service revenue growth while equipment revenues remained at the level of the previous year. Mobile service revenues grew due to solid performance in the mobile core, continued strong performance of mobile WiFi routers and increased visitor roaming. Retail fixed-line service revenues remained stable as the successful upselling activities to high-bandwidth products compensated for the ongoing shift of customers from the fixed-line bistream access to mobile WiFi routers. Successful translation of service revenues resulted in strong EBITDA growth of 15.1%, despite slightly higher OPEX which came mainly due to positive one-off effect of EUR 2.6 mn in the comparison period (reimbursement of frequency fees) as well as higher advertising and commission costs in the reporting period.

Belarus

Solid operational performance, both in the mobile and the fixed-line business continued, with the competitive environment being unchanged. A1 Belarus focused on customer upselling and successfully continued its journey in a further customer acquisition. While strong operational results were overshadowed by negative FX effects in previous quarters, the Belarusian segment posted a growth in EUR terms in Q3 2021. The Belarusian ruble depreciated by 1.3 % year-on-year (period average) in Q3 2021, however has appreciated slightly versus euro since the beginning of the year, while inflation stood at 10.2 % year-on-year. Earlier imposed sanctions have not harmed the telecommunications sector so far.

Total revenues increased by 9.9 %, driven by solid service revenue growth as well as higher equipment sales. Mobile service revenues grew on the back of upselling and monetization of the growing subscriber base, and were also supported by earlier implemented inflation-linked pricing measures. The fixed-line business benefited from the upselling to multi-play services, solid traction of solution and connectivity business as well as price increases from June and November 2020. Costs and expenses went up year-on-year mainly due to higher corporate network costs and higher product-related costs, but were more than outweighed by solid revenue growth, which led to a positive EBITDA development of 7.6 %. Moreover, following inflation-linked price increase for the fixed-line business in August 2021, a subsequent 4 % adjustment will be implemented for mobile customers as of beginning of November 2021.

Other segments

In Slovenia, the market environment remained competitive also in third quarter of 2021. With the additional spectrum acquired earlier in April 2021, A1 Slovenia continued to offer 5G experience to its customers in the biggest cities. Growth in the subscriber base and successful upselling measures characterized the fixed-line business. The mobile business was the main growth driver in Q3 2021 and was supported by the vacation season and a partial rebound of roaming revenues. Higher service revenues together with the improved equipment margin could only partially offset higher core OPEX which increased mainly due to higher advertising and higher maintenance costs, and lead to a slight EBITDA decline of 1.2 % year-on-year.

In Serbia, A1 was successful in attracting customers with its NEO tariffs, monetizing somewhat abating demand for mobile WiFi routers as well as benefiting from the increase in roaming revenues year-on-year. Strong EBITDA increase of 22.5 % year-on-year was driven by service revenue growth in a dynamic market environment, supported by the improved equipment margin, while core OPEX increased slightly due to higher bad debt and higher commission costs.

In North Macedonia, positive trends continued and the market environment has been supportive in the third quarter of 2021, with A1 growing both in the mobile and the fixed-line business year-on-year. While roaming recovery benefited the mobile business, attractive convergent offers and upselling continued in the fixed-line business. EBITDA grew by 16.5 % year-on-year, on the back of strong service revenue growth despite higher costs and expenses.

Year-to-date Highlights

- Group total revenues increased by 4.2 %, driven by both higher service revenues and equipment revenues. Excluding FX and one-off effects, total revenues increased by 5.4 %.
 - Mobile service revenues grew by 4.3 %, driven by the growth in all markets, apart from a slight decline in Slovenia and FX-impacted Belarus, in total on the back of the ongoing strong demand for mobile WiFi routers and a positive impact from partial rebound of roaming revenues.
 - Fixed-line service revenues rose by 2.7 %, as all markets except Croatia posted a growth, stemming from increased demand for high-bandwidth products also related to accelerated digitization due to the COVID-19 pandemic and growth in the solutions & connectivity business.
- In the first nine months of 2021, the positive roaming impact was only minor in revenues and EBITDA (both less than 1 % in yoy comparison)
- Group EBITDA before restructuring charges increased by 7.5 %, driven by higher service revenues, despite slightly lower equipment margin. Excluding also one-off and FX effects, EBITDA increased by 9.1 %.
 - In Austria, EBITDA before restructuring improved by 4.7 %, as solid service revenues growth more than outweighed increased product-related costs and negative equipment margin.
 - In international markets, EBITDA grew by 9.6 % which was driven by growth in all markets except for an FX related decline in Belarus.
- Net result increased by 20.0 % in the first nine months of 2021, driven by the improved operational performance.
- Free cash flow grew by 8.4 % to EUR 465.4 mn in the first nine months of 2021, as lower working capital needs and strong operative performance outweighed higher CAPEX which was lower in the comparison period due to investment cut as a precautionary measure following the COVID-19 outbreak. Furthermore, the Group acquired spectrum in Bulgaria, Slovenia and Croatia in the first nine months of 2021.

The following factors should be considered in the analysis of A1 Telekom Austria Group's year-to-date operating results:

- Negative FX effects amounted to EUR 40.1 mn in total revenues, EUR 28.9 mn in service revenues and EUR 18.2 mn in EBITDA in the first nine months of 2021, stemming entirely from Belarus.
- There were no one-off effects in total revenues both in the reporting and the comparison period, while there was a minor one-off in Q2 2021 in EBITDA (+0.6 mn in Serbia) after a positive one-off in Q3 2020 (+2.6 mn in Croatia)
- Restructuring charges in Austria amounted to EUR 63.0 mn in the first nine months of 2021 (1-9 M 2020: EUR 61.9 mn).

Group profit and loss – below EBITDA

In the first nine months of 2021, **depreciation and amortization** (incl. rights of use) increased only slightly (+1.3 %) to EUR 711.7 mn.

Operating income increased by 16.7 % from EUR 509.6 mn in the first nine months of 2020 to EUR 594.6 mn in the first nine months of 2021, driven by higher EBITDA.

Net result increased by 20.0 % in the first nine months of 2021

Net result increased by 20.0 % to EUR 414.8 mn in the first nine months of 2021, as solid operational and financial result more than outweighed higher income tax expenses. While financial result was better due to

improved foreign currency exchange result in Belarus and Croatia, income tax expenses went up attributable to an increase of corporate income tax rate in Belarus since January 2021 as well as the positive impact of a tax case in Bulgaria in the comparison period.

Balance Sheet

As of September 30, 2021, the balance sheet total increased by 3.3 % compared to December 31, 2020, driven by the growth of current assets, while non-current assets declined only slightly. Current assets increased mainly due to higher cash and cash equivalents and to a lesser extent due to higher short-term investments. The increase in current liabilities is attributable to the reclassification of an outstanding bond due in Q2 2022 from long-term to short-term debt as well as higher accounts payable as investments are back to normal level in the first nine months of 2021. Non-current liabilities declined on the back of the above-mentioned reclassification of debt as well as due to lower lease liabilities following lease payments. The increase in shareholders' equity is a consequence of net income generation being higher than the dividend distribution. The equity ratio as of September 30, 2021 amounted to 36.1 %, after 34.0 % as of December 31, 2020.

Net Debt

Net debt (excl. leases) declined by 11.1 %, due to higher cash and cash equivalents in the reporting period. That together with improved operating results drove net debt (excl. leases) / EBITDA after leases (12 months) to 1.4x, down from 1.7x as of December 31, 2020.

in EUR million	Sept 30, 2021	Dec 31, 2020	% change
Net debt (excl. leases)	2,073.6	2,331.9	-11.1
Net debt (excl. leases) / EBITDA after leases (12 months)	1.4x	1.7x	

in EUR million	Sept 30, 2021	Dec 31, 2020	% change
Long-term debt	1,045.9	1,793.7	-41.7
Lease liability long-term	625.5	700.6	-10.7
Short-term debt	1,499.3	749.1	100.2
Lease liability short-term	159.5	154.4	3.3
Cash and cash equivalents	-471.5	-210.9	-123.6
Net debt (incl. leases)	2,858.7	3,186.8	-10.3
Net debt (incl. leases) / EBITDA (12 months)	1.7x	2.0x	

Cash flow

(in EUR million)	1-9 M 2021	1-9 M 2020	% change
EBITDA	1306.3	1212.3	7.7
Restructuring charges and cost of labor obligations	67.5	68.3	-1.2
Lease paid (principal, interest and prepayments)	-133.7	-136.2	1.9
Income taxes paid	-67.8	-45.9	-47.6
Net interest paid	-41.8	-45.9	8.9
Change working capital and other changes	32.7	-97.5	n.m.
Capital expenditures	-632.7	-448.5	-41.1
Free Cash Flow (FCF) before social plans	530.5	506.6	4.7
Social plans new funded*	-65.1	-77.4	15.9
FCF after social plans new	465.4	429.2	8.4

* Cost for social plans granted after January 1, 2019.

In the first nine months of 2021, free cash flow increased by 8.4 % year-on-year to EUR 465.4 mn as the improved working capital and better operational performance more than outweighed higher capital expenditures and higher income taxes paid. The changes in working capital and other changes in the first nine months of 2021 were mainly driven by an increase in accounts payable as investments returned back to normal level in the reporting period.

Capital expenditures

Capital expenditures grew by EUR 184.1 mn versus the comparison period and amounted to EUR 632.7 mn in the first nine months of 2021. Tangible capital expenditures increased by 24.9 % to EUR 462.7 mn, as investments in the reporting period are back to normal levels after their cuts in the Group's entire footprint taken in the comparison period as a precautionary measure in the course of the COVID-19 pandemic.

Intangible capital expenditures increased by EUR 92.0 mn compared to the same period last year and amounted to EUR 170.0 mn in the reporting period, mainly due to acquired frequencies in Bulgaria (2.1 GHz, 2.6 GHz and 3.6 GHz for EUR 5.6 mn), Slovenia (700 MHz, 1.4 GHz, 2.1 GHz, 3.6 GHz, 26 GHz for EUR 43.6 mn) and Croatia (700 MHz, 3.6 GHz and 26 GHz for EUR 14.0 mn)

A1 Telekom Austria Group outlook for the full year 2021 raised

Outlook raised

Based on the ongoing strong operative performance and positive trends, the management of A1 Group raises the outlook on revenue growth from +2-3 % to +3-4 %. This is based on continuing solid trends in basically all of the Group's markets, reflected in solid service revenue growth in the first nine months of 2021. The Belarusian ruble is expected to depreciate by ~ 10 % (period average) against the euro in 2021. The outlook for CAPEX (excluding spectrum) remains unchanged, at around EUR 800 mn.

Detailed Figures

Revenues

in EUR million	Q3 2021	Q3 2020	% change	1-9 M 2021	1-9 M 2020	% change
Austria	672.5	657.1	2.3	1,996.1	1,940.5	2.9
Bulgaria	144.9	127.9	13.3	422.1	376.9	12.0
Croatia	121.5	111.8	8.7	336.2	312.2	7.7
Belarus	108.8	99.0	9.9	296.9	306.9	-3.2
Slovenia	54.0	52.7	2.5	156.6	152.1	3.0
Serbia	83.2	73.7	12.9	228.6	210.4	8.6
North Macedonia	35.0	31.0	13.0	98.6	88.9	10.9
Corporate & other, eliminations	-14.8	-11.1	n.m.	-28.6	-24.2	n.m.
Total revenues	1,205.2	1,142.1	5.5	3,506.5	3,363.8	4.2

Service Revenues

in EUR million	Q3 2021	Q3 2020	% change	1-9 M 2021	1-9 M 2020	% change
Austria	601.4	577.9	4.1	1,773.1	1,729.5	2.5
Bulgaria	113.9	101.8	11.9	327.8	299.5	9.4
Croatia	105.1	95.6	9.9	285.9	270.0	5.9
Belarus	75.4	68.9	9.4	213.5	219.5	-2.8
Slovenia	39.4	39.0	1.1	116.0	115.8	0.1
Serbia	63.1	55.0	14.6	176.0	158.7	10.9
North Macedonia	28.4	24.8	14.6	79.4	72.9	9.0
Corporate & other, eliminations	-13.9	-9.3	n.m.	-26.6	-22.8	n.m.
Total service revenues	1,012.9	953.8	6.2	2,945.1	2,843.1	3.6

EBITDA

in EUR million	Q3 2021	Q3 2020	% change	1-9 M 2021	1-9 M 2020	% change
Austria	279.1	264.9	5.4	757.2	721.6	4.9
Bulgaria	56.9	52.1	9.1	167.9	146.1	14.9
Croatia	50.7	44.1	15.1	125.8	111.2	13.1
Belarus	47.2	43.9	7.6	134.3	136.5	-1.6
Slovenia	16.3	16.5	-1.2	45.7	44.4	2.8
Serbia	27.9	22.8	22.5	76.4	63.9	19.6
North Macedonia	12.8	11.0	16.5	35.3	31.8	10.9
Corporate & other, eliminations	-10.8	-13.6	21.0	-36.3	-43.2	15.9
Total EBITDA	480.2	441.6	8.7	1,306.3	1,212.3	7.7

EBITDA After Leases*

in EUR million	Q3 2021	Q3 2020	% change	1-9 M 2021	1-9 M 2020	% change
Austria	259.4	244.9	5.9	697.9	661.3	5.5
Bulgaria	50.0	45.4	10.2	147.3	125.6	17.3
Croatia	46.9	40.3	16.5	114.6	99.9	14.6
Belarus	44.3	40.8	8.6	125.6	126.3	-0.5
Slovenia	11.6	11.9	-2.5	31.6	30.8	2.3
Serbia	23.8	18.4	29.4	64.2	51.1	25.7
North Macedonia	11.3	9.4	19.9	30.7	27.0	13.8
Corporate & other, eliminations	-10.8	-13.7	21.1	-36.6	-43.5	15.9
Total EBITDA after leases	436.5	397.4	9.9	1,175.2	1,078.5	9.0

* EBITDA after leases is defined as EBITDA plus depreciation of right-of-use assets and interest expense on lease liabilities

EBITDA per segment - adjusted for FX-, one-off effects and restructuring charges

in EUR million	Q3 2021	Q3 2020	% change	1-9 M 2021	1-9 M 2020	% change
Austria	300.2	285.8	5.0	820.3	783.5	4.7
Bulgaria	56.9	52.1	9.1	167.9	146.1	14.9
Croatia	50.6	41.4	22.3	125.8	108.6	15.9
Belarus	47.5	43.9	8.2	152.4	136.5	11.7
Slovenia	16.3	16.5	-1.2	45.7	44.4	2.8
Serbia	27.9	22.8	22.5	75.8	63.9	18.7
North Macedonia	12.8	11.0	16.3	35.3	31.8	10.8
Corporate & other, eliminations	-10.8	-13.6	n.m.	-36.3	-43.2	n.m.
Total adjusted EBITDA	501.5	459.9	9.0	1,386.9	1,271.6	9.1

Group EBITDA - adjustments for FX-, one-off effects and restructuring charges

in EUR million	Q3 2021	Q3 2020	% change	1-9 M 2021	1-9 M 2020	% change
EBITDA	480.2	441.6	8.7	1,306.3	1,212.3	7.7
FX translation effect	0.1			18.2		
One-off effects	0.0	-2.6		-0.6	-2.6	
Restructuring charges	21.1	20.9		63.0	61.9	
EBITDA - excl. FX-, one off effects and restructuring charges	501.5	459.9	9.0	1,386.9	1,271.6	9.1

Austria EBITDA - adjustments for one-off effects and restructuring charges

in EUR million	Q3 2021	Q3 2020	% change	1-9 M 2021	1-9 M 2020	% change
EBITDA	279.1	264.9	5.4	757.2	721.6	4.9
One-off effects	0.0	0.0		0.0	0.0	
Restructuring charges	21.1	20.9		63.0	61.9	
EBITDA excl. one off effects and restructuring charges	300.2	285.8	5.0	820.3	783.5	4.7

EBITDA after leases – adjusted for FX-, one-off effects and restructuring charges

in EUR million	Q3 2021	Q3 2020	% change	1-9 M 2021	1-9 M 2020	% change
EBITDA after leases	436.5	397.4	9.9	1,175.2	1,078.5	9.0
FX translation effect	0.1			18.2		
One-off effects	0.0	-2.6		-0.6	-2.6	
Restructuring charges	21.1	20.9		63.0	61.9	
EBITDA after leases - excl. FX-, one-off effects and restructuring charges	457.8	415.7	10.1	1,255.9	1,137.8	10.4

EBIT

in EUR million	Q3 2021	Q3 2020	% change	1-9 M 2021	1-9 M 2020	% change
Austria	143.6	135.2	6.2	346.8	330.8	4.8
Bulgaria	28.6	22.8	25.4	83.3	57.8	44.0
Croatia	25.7	20.0	28.7	51.3	36.4	40.8
Belarus	32.9	28.9	13.7	91.5	87.6	4.5
Slovenia	4.7	5.6	-16.6	11.6	11.3	2.9
Serbia	14.8	9.2	61.0	36.1	23.0	56.5
North Macedonia	5.4	3.8	41.9	14.2	9.7	46.0
Corporate & other, eliminations	-11.9	-14.9	20.1	-40.2	-47.1	14.6
Total EBIT	243.8	210.7	15.7	594.6	509.6	16.7

Capital Expenditures

in EUR million	Q3 2021	Q3 2020	% change	1-9 M 2021	1-9 M 2020	% change
Total capital expenditures - tangible	145.5	103.2	41.0	462.7	370.6	24.9
Total capital expenditures - intangible	45.0	21.9	106.1	170.0	78.0	118.0
Total capital expenditures	190.5	125.0	52.4	632.7	448.5	41.1

Additional Information

Risks and Uncertainties

A1 Telekom Austria Group faces various risks and uncertainties which could affect its results. For further details about these risks and uncertainties, please refer to the A1 Telekom Austria Group Combined Annual Report 2020, pp. 85 ff.

Waiver of Review

This financial report of the A1 Telekom Austria Group contains quarterly and half-year results which have not been audited or reviewed by a certified public accountant.

Other

The use of automated calculation systems may give rise to rounding differences.

The reported results include depreciation and amortization of fair value adjustments resulting from past business combinations and therefore may deviate from the result of the single financial statements.

n.m. - not meaningful, used for percentage changes >300% and others which are not meaningful.

n.a. - not applicable, e.g. for divisions by zero.

Disclaimer

Disclaimer for forward-looking statements: This document 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 report does not constitute a recommendation or invitation to purchase or sell securities of A1 Telekom Austria Group.

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Condensed Consolidated Statement of Comprehensive Income

in EUR million, except per share information	Q3 2021 unaudited	Q3 2020 unaudited	1-9 M 2021 unaudited	1-9 M 2020 unaudited
Service revenues	1,012.9	953.8	2,945.1	2,843.1
Equipment revenues	172.9	168.9	501.7	463.6
Other operating income	19.4	19.4	59.7	57.0
Total revenues (incl. other operating income)	1,205.2	1,142.1	3,506.5	3,363.8
Cost of service	-335.2	-316.6	-988.0	-965.4
Cost of equipment	-167.7	-165.6	-494.8	-454.4
Selling, general & administrative expenses	-220.3	-216.3	-710.5	-724.7
Other expenses	-1.8	-2.0	-7.0	-6.9
Total cost and expenses	-725.0	-700.5	-2,200.2	-2,151.5
Earnings before interest, tax, depreciation and amortization - EBITDA	480.2	441.6	1,306.3	1,212.3
Depreciation and amortization	-195.6	-190.3	-589.9	-580.3
Depreciation of right-of-use assets	-40.8	-40.6	-121.8	-122.4
Operating income - EBIT	243.8	210.7	594.6	509.6
Interest income	1.0	0.8	3.2	2.8
Interest expense	-25.1	-25.8	-74.6	-78.3
Interest on employee benefits and restructuring and other financial items, net	0.5	-1.7	-2.6	3.6
Foreign currency exchange differences, net	0.7	-6.7	3.3	-18.3
Equity interest in net income of associated companies	0.0	-0.2	0.0	-11.6
Financial result	-22.8	-33.6	-70.6	-101.7
Earnings before income tax - EBT	221.0	177.1	524.0	407.9
Income tax	-40.0	-34.5	-109.2	-62.3
Net result	181.0	142.6	414.8	345.6
Attributable to:				
Equity holders of the parent	180.8	142.4	414.3	345.4
Non-controlling interests	0.2	0.1	0.4	0.3
Earnings per share attributable to equity holders of the parent in euro*	0.27	0.21	0.62	0.52
Weighted-average number of ordinary shares outstanding	664,084,841	664,084,841	664,084,841	664,084,841
Other comprehensive income items:				
Items that may be reclassified to profit or loss:				
Effect of translation of foreign entities	7.6	-32.2	21.0	-76.9
Realized result on hedging activities, net of tax	1.1	1.1	3.3	3.3
Items that will not be reclassified to profit or loss:				
Remeasurement of defined benefit obligations, net of tax	-4.4	-8.5	-0.8	-5.1
Total other comprehensive income (loss)	4.3	-39.5	23.4	-78.8
Total comprehensive income (loss)	185.3	103.0	438.2	266.9
Attributable to:				
Equity holders of the parent	185.1	102.9	437.8	266.6
Non-controlling interests	0.2	0.1	0.4	0.3

* basic and diluted

Condensed Consolidated Statement of Financial Position

in EUR million	Sept 30, 2021 unaudited	Dec. 31, 2020 audited
ASSETS		
Current assets		
Cash and cash equivalents	471.5	210.9
Short-term investments	203.8	164.8
Accounts receivable: Subscribers, distributors and other, net	801.3	774.7
Receivables due from related parties	4.4	8.4
Inventories, net	103.3	90.8
Income tax receivable	16.1	0.9
Other current assets, net	153.8	152.4
Contract assets	98.7	106.8
Total current assets	1,853.0	1,509.7
Non-current assets		
Property, plant and equipment, net	2,810.3	2,753.1
Right-of-use assets, net	787.1	853.1
Intangibles, net	1,661.6	1,678.0
Goodwill	1,285.6	1,284.0
Long-term investments	7.9	12.4
Deferred income tax assets	49.7	96.5
Other non-current assets, net	29.1	25.1
Total non-current assets	6,631.1	6,702.2
TOTAL ASSETS	8,484.2	8,212.0
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Short-term debt	1,499.3	749.1
Lease liabilities short-term	159.5	154.4
Accounts payable	768.0	685.8
Accrued liabilities and current provisions	237.9	246.4
Income tax payable	36.8	24.0
Payables due to related parties	0.6	0.2
Contract liabilities	210.8	188.7
Total current liabilities	2,912.9	2,048.4
Non-current liabilities		
Long-term debt	1,045.9	1,793.7
Lease liabilities long-term	625.5	700.6
Deferred income tax liabilities	1.9	4.1
Other non-current liabilities	42.3	53.9
Asset retirement obligation and restructuring	556.0	586.0
Employee benefits	234.2	231.5
Total non-current liabilities	2,505.9	3,369.8
Stockholders' equity		
Capital stock	1,449.3	1,449.3
Treasury shares	-7.8	-7.8
Additional paid-in capital	1,100.1	1,100.1
Retained earnings	1,275.2	1,026.9
Other comprehensive income (loss) items	-753.5	-776.9
Equity attributable to equity holders of the parent	3,063.4	2,791.6
Non-controlling interests	2.1	2.1
Total stockholders' equity	3,065.4	2,793.8
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	8,484.2	8,212.0

Condensed Consolidated Statement of Cash Flows

in EUR million	Q3 2021 unaudited	Q3 2020 unaudited	1-9 M 2021 unaudited	1-9 M 2020 unaudited
Earnings before income tax - EBT	221.0	177.1	524.0	407.9
Depreciation	131.8	126.7	397.8	387.6
Amortization of intangible assets	63.8	63.6	192.1	192.6
Depreciation of right-of-use assets	40.8	40.6	121.8	122.4
Equity interest in net income of associated companies	0.0	0.2	0.0	11.6
Result on sale/measurement of investments	-0.5	0.2	-0.5	0.6
Result on sale of property, plant and equipment	1.0	1.2	3.9	2.7
Net period cost of labor obligations and restructuring	24.1	25.7	70.0	72.0
Foreign currency exchange differences, net	-0.7	6.7	-3.3	18.3
Interest income	-1.0	-0.8	-3.2	-2.8
Interest expense	25.0	26.5	75.6	70.6
Other adjustments	-0.2	-0.5	-4.1	-2.2
Non-cash and other reconciliation items	284.0	290.3	850.1	873.6
Accounts receivable: Subscribers, distributors and other, net	-26.4	-12.5	-18.0	40.4
Prepaid expenses	3.2	1.5	2.4	5.4
Due from related parties	1.7	0.6	4.0	0.9
Inventories	1.2	0.4	-11.6	13.4
Other assets	-2.9	1.1	-1.9	1.8
Contract assets	3.8	2.1	8.2	24.3
Accounts payable and accrued liabilities	-3.5	-49.0	4.3	-138.1
Due to related parties	0.0	-0.4	0.4	-0.8
Contract liabilities	1.8	8.0	21.9	21.8
Working capital changes	-21.1	-48.3	9.7	-30.9
Employee benefits and restructuring paid	-27.0	-28.5	-79.5	-84.1
Interest received	1.1	0.8	3.2	2.8
Income taxes paid	-42.2	-27.0	-67.8	-45.9
Net cash flow from operating activities	415.7	364.4	1,239.7	1,123.3
Capital expenditures paid	-206.2	-146.9	-608.5	-517.2
Proceeds from sale of plant, property and equipment	0.3	0.6	1.9	5.9
Purchase of investments	-6.4	-14.9	-204.4	-152.4
Proceeds from sale of investments	1.2	0.3	170.3	0.4
Acquisition of businesses, net of cash acquired	0.0	-5.0	0.0	-5.0
Sale of shares of associated companies	0.0	19.5	0.0	19.5
Net cash flow from investing activities	-211.0	-146.4	-640.7	-648.8
Interest paid	-14.4	-16.0	-54.5	-60.5
Change in short-term debt	0.8	0.8	2.4	-120.6
Dividends paid	0.0	0.0	-166.5	-0.6
Lease principal paid	-33.7	-33.4	-121.5	-119.2
Net cash flow from financing activities	-47.3	-48.6	-340.2	-300.9
Adjustment to cash flows due to exchange rate fluctuations, net	0.8	-3.9	1.9	-7.3
Net change in cash and cash equivalents	158.1	165.5	260.6	166.2
Cash and cash equivalents beginning of period	313.4	141.0	210.9	140.3
Cash and cash equivalents end of period	471.5	306.5	471.5	306.5