



Trading Statement for Q3 2022 and Q1-Q3 2022

Key Performance Indicators

Unless otherwise stated, all amounts in EUR million	Q3 2022	Q3 2021		Q1-Q3 2022	Q1-Q3 2021	
Total revenues	1,292	1,205	7.2%	3,667	3,507	4.6%
Service revenues	1,069	1,013	5.5%	3,083	2,945	4.7%
Equipment revenues	200	173	15.9%	517	502	3.1%
Other operating income	23	19	19.8%	67	60	12.7%
Wireless revenues	774	726	6.6%	2,181	2,079	4.9%
Service revenues	614	570	7.6%	1,736	1,621	7.1%
Equipment revenues	161	156	2.9%	445	458	-2.8%
Wireline revenues	495	460	7.6%	1,419	1,368	3.7%
Service revenues	455	443	2.7%	1,346	1,324	1.7%
Equipment revenues	40	17	138.3%	73	44	64.3%
EBITDA before restructuring	526	501	4.9%	1,456	1,369	6.3%
EBITDA margin before restructuring	40.7%	41.6%		39.7%	39.1%	
EBITDA	517	480	7.8%	1,406	1,306	7.6%
EBITDA margin	40.0%	39.8%		38.3%	37.3%	
EBIT	273	244	11.9%	686	595	15.4%
EBIT margin	21.1%	20.2%		18.7%	17.0%	
Net result	205	181	13.4%	503	415	21.2%
Net margin	15.9%	15.0%		13.7%	11.8%	
Wireless indicators	Sept 30, 2022	Sept 30, 2021				
Subscribers (thousand)	23,776	22,732	4.6%			
Postpaid	19,708	18,593	6.0%			
Prepaid	4,068	4,139	-1.7%			
	Q3 2022	Q3 2021		Q1-Q3 2022	Q1-Q3 2021	
ARPU (in EUR)	8.7	8.4	3.2%	8.3	8.1	2.7%
Mobile churn (%)	1.3%	1.2%		1.3%	1.3%	
Wireline indicators	Sept 30, 2022	Sept 30, 2021				
RGUs (thousands)	6,154	6,052	1.7%			

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

Q3 2022 Overview

The presentation for the conference call and detailed key figures of A1 Telekom Austria Group in Excel format ('Fact Sheet Q3 2022') are available on the website at www.a1.group/en/investor-relations.

In the third quarter of the 2022 financial year, A1 Telekom Austria Group managed to increase both service revenues (+5.5%) and equipment revenues (+15.9%). The former grew on the basis of strong demand for high-bandwidth products, successful upselling measures and positive roaming effects due to increased travelling. The latter benefitted from a better supply of devices, from a large project in Austria as well as the first time consolidation of STEM0 (Bulgaria). Favorable exchange rate developments supported revenue growth by EUR 14 mn.

This strong result came amid an increasingly challenging macroeconomic environment. Energy costs have been rising strongly driving inflation. A1 Telekom Austria Group cannot escape this development. In particular electricity costs went up strongly in Q3 compared to Q2 (+19.6% to EUR 37 mn). The management expects this trend to continue and also affect other cost items. A focus lies on workforce costs as the collective bargaining process in Austria is expected to be concluded later this year. The situation in the supply chain has improved somewhat, but is still being closely monitored.

Therefore, the management has launched efficiency measures to mitigate the increase in costs. Furthermore, contractual opportunities to increase prices in line with the consumer price index (price indexation) are being seized.

Mobile Subscribers and Fixed-line RGUs in Q1-Q3 2022

In mobile communications, the number of subscribers of the A1 Telekom Austria Group rose by 4.6% to a total of 23.8 million. The growth was mainly driven by a strong increase in M2M subscribers and a solid demand for mobile WiFi routers. The trend from prepaid to contract offers continued in the year to date.

The number of revenue-generating units (RGUs) in the Group's fixed-line business increased by 1.7% year-on-year. In Austria, the number of RGUs declined, driven by fewer voice and low-bandwidth broadband RGUs. This could not be offset by the continued solid demand for high-bandwidth products. In international markets, the number of RGUs rose mainly due to increasing high-bandwidth broadband RGUs, particularly in Bulgaria, while TV RGUs also grew in most of the markets.

Internet@home + 5.0%

Overall, the Internet@home customer base increased by 5.0% in the Group, driven by the increase in mobile WiFi routers but also broadband RGUs.

Outlook for the Financial Year 2022

Outlook confirmed:
Revenues close to +3%
(excl. additional positive
FX effect)
CAPEX +15%

Revenues are still forecasted to increase by around 3%, driven by continued solid service revenues in basically all markets and strong results in mobile and solutions & connectivity. This revenue forecast is based on the initial assumption that the Belarusian ruble would depreciate by an average of 5% to 10% against the euro in financial year 2022. Based on the actual exchange rate development in Q1-Q3 and assuming that the exchange rate remains at the level of September 30, 2022 until the end of the year, a positive impact on revenue of an additional 1-1.5% is expected.

Overall, the EBITDA margin is still expected to slightly increase.

Capital expenditures, before spectrum investments and acquisitions, are expected to increase by approximately 15% in 2022. The increase versus last year's CAPEX results shall mainly come from higher investments in Austria dedicated to more fiber build, and to a small extent to more IT CAPEX and the 5G roll-out.

Group Results

Revenues and Profitability

Group **revenues** increased by 7.2% to EUR 1,292 mn, driven by service revenue growth in all markets. Equipment revenues increased by 15.9% mainly due to a sizeable project in Austria. Mobile service revenues increased strongly by 7.6% on a Group level driven by the solid mobile core business performance. Primarily successful upselling, inflation-linked price adjustments and increased roaming traffic helped. Fixed-line service revenues rose by 2.7% on a Group level, as continued traction of the solution and connectivity business more than compensated for lower interconnection revenues. Total revenues were positively impacted by a favorable development of the Belarusian ruble versus the euro in the amount of EUR 14 mn, while service revenue in the amount of EUR 11 mn.

Group **EBITDA before restructuring** charges increased by 4.9% to EUR 526 mn as revenue growth compensated for higher core OPEX. Restructuring charges in Austria dropped to EUR 9 mn in Q3 2022 (Q3 2021: EUR 21 mn), as a higher interest rate led to a lower present value in the calculation. The stronger Belarusian ruble accounted for a positive effect of EUR 7 mn. **EBITDA** surged by 7.8% to EUR 517 million which corresponds to an EBITDA margin of 40.0%. In Q3 2022, amidst increased traveling, particularly in Austria, the increased roaming result accounted for 1.0% of Group EBITDA.

In Q3 2022, **depreciation and amortization** (incl. rights of use) increased slightly (+3.5%) and amounted to EUR 245 mn compared to EUR 236 mn in Q3 2021. Operating income (**EBIT**) increased by 11.9% to EUR 273 mn.

Net result improved by 13.4% in Q3 2022, as solid operational performance more than compensated for higher income tax expenses.

Net result + 13.4%

Consolidated Statement of Financial Position

As at September 30, 2022, the balance sheet total was 2.4% lower than as at December 31, 2021. This was mainly due to the repayment the EUR 750 mn bond in April 2022, which had a balance sheet-reducing effect.

As a consequence of this repayment, cash and cash equivalents as well as current assets decreased, as did short-term debt and current liabilities. However, there was a countermovement in the latter due to the reclassification of a EUR 300 mn bond due in July 2023 from long-term debt to short-term debt. This caused non-current liabilities to decrease. Also the long-term lease liabilities decreased compared to the balance sheet date.

KPI: Capital Expenditures (CAPEX)

In the third quarter, capital expenditures increased by 17.4% to EUR 224 mn. Tangible capital expenditures increased by 29.7% in Q3 2022 mainly driven by increased fiber and 5G investments in Austria. Intangible CAPEX decreased by 22.5%, as the Group acquired frequencies in the same period of the previous year.

Unless otherwise stated, all amounts in EUR

million	Q3 2022	Q3 2021	
Total capital expenditures - tangible	189	145	29.7%
Total capital expenditures - intangible	35	45	-22.5%
Total capital expenditures	224	191	17.4%

KPI: Free Cash Flow

In Q3, free cash flow decreased by 20.0% to EUR 134 mn due to increased CAPEX and higher working capital needs.

Unless otherwise stated, all amounts in EUR million	Q3 2022	Q3 2021	
EBITDA	517	480	7.8%
Restructuring charges and cost of labor obligations	8	24	-65.8%
Lease paid (principal, interest and prepayments)	-38	-37	3.7%
Income taxes paid	-48	-42	14.8%
Net interest paid	-14	-11	34.9%
Change working capital and other changes	-56	-38	48.4%
Capital expenditures	-224	-191	17.4%
Free Cash Flow (FCF) before social plans	145	186	-22.1%
Social plans new funded*	-11	-18	-41.2%
FCF after social plans new	134	168	-20.0%

* Cost for social plans granted in the respective period.

Unless otherwise stated, all amounts in EUR million	Q3 2022	Q3 2021	
FCF after social plans new	134	168	-20.0%
Social plans new funded*	11	18	-41.2%
Total social plans paid*	-24	-24	-1.2%
FCF - previously reported	121	162	-25.2%

* Cost for social plans granted.

KPI: Net Debt

Net debt and net debt/EBITDA further decreased after December 31, 2021.

Unless otherwise stated, all amounts in EUR million	Sept 30, 2022	Dec 31, 2021	
Net debt (excl. leases)	1,815	2,065	-12.1%
Net debt (excl. leases) / EBITDA after leases (12 months)	1.1x	1.3x	

Unless otherwise stated, all amounts in EUR million	Sept 30, 2022	Dec 31, 2021	
Long-term debt	747	1,046	-28.6%
Lease liability long-term	546	606	-9.9%
Short-term debt	1,240	1,553	-20.2%
Lease liability short-term	166	161	2.8%
Cash and cash equivalents	-172	-534	-67.8%
Net debt (incl. leases)	2,526	2,832	-10.8%
Net debt (incl. leases) / EBITDA (12 months)	1.4x	1.7x	

Segment Performance

Austria

Unless otherwise stated, all amounts in EUR million

	Q3 2022	Q3 2021		Q1-Q3 2022	Q1-Q3 2021	
Total revenues	702	673	4.5%	2,042	1,996	2.3%
Service revenues	608	601	1.0%	1,799	1,773	1.4%
Equipment revenues	83	60	38.0%	204	186	9.7%
Other operating income	12	11	9.3%	39	37	6.5%
Wireless revenues	319	303	5.4%	923	888	3.9%
Service revenues	264	252	4.8%	769	729	5.4%
Equipment revenues	55	50	8.3%	154	159	-3.0%
Wireline revenues	371	359	3.5%	1,081	1,072	0.8%
Service revenues	343	349	-1.7%	1,030	1,044	-1.3%
Equipment revenues	28	10	192.6%	50	28	82.2%
EBITDA before restructuring	301	300	0.2%	845	820	3.0%
EBITDA margin before restructuring	42.8%	44.6%		41.4%	41.1%	
EBITDA	292	279	4.7%	795	757	5.0%
EBITDA margin	41.6%	41.5%		38.9%	37.9%	
EBIT	154	144	7.0%	383	347	10.5%
EBIT margin	21.9%	21.4%		18.8%	17.4%	
Wireless indicators	Sept 30, 2022	Sept 30, 2021				
Subscribers (thousand)	5,148	5,049	2.0%			
Wireline indicators	Sept 30, 2022	Sept 30, 2021				
RGUs (thousands)	2,971	3,074	-3.4%			

In Q3 2022, competition for gross adds has become more aggressive, especially in the low-value segment. Mobile network operators launched summer promotions focusing on hardware but also on SIM-only tariffs. Also, in the fixed-line business there were some seasonal fall offerings with stronger promotional benefits. A1 Austria's mobile core business performed decently and was supported by better availability of high-value handsets. There was a continued solid development in the SIM-only and the prepaid business. A1 Austria's 5G tariffs are still sold with a premium over LTE tariffs, despite a slightly more competitive environment. The Internet@home business grew due to strong mobile WiFi router demand. This partially compensated for fixed-line RGU losses driven by voice-only and low-bandwidth customers. The solution and connectivity business further developed solidly.

Internet@home driven by mobile WiFi routers

Total revenues in the Austrian segment increased mainly driven by higher equipment revenues due to a sizeable project. Service revenues increased slightly as mobile core performance and solid solution & connectivity business was able to more than compensate for lower interconnection and declining retail fixed-line service revenues.

Mobile service revenues rose on the back of the solid retail business. Furthermore, customer and visitor roaming improved due to more traveling compared to Q3 2021. There was continued good demand for high- and low-value tariffs, mobile WiFi routers, but revenues were also supported by inflation-linked pricing measures.

Fixed-line service revenues decreased since the ongoing good performance of the connectivity business could not fully compensate for declining retail fixed-line service revenues and lower interconnection revenues. The successful upselling of high-bandwidth products and the indexation measures were only able to temper the continued trend of voice RGU losses and lower usage.

EBITDA +4.7%

EBITDA before restructuring remained flat, as higher revenues offset increased expenses. Total OPEX went up mainly due to surging electricity costs, higher content costs and seasonal advertising costs. Total workforce costs excluding restructuring decreased slightly. The equipment margin decreased. EBITDA grew by 4.7%, as restructuring charges dropped to EUR 9 mn (Q3 2021: EUR 21 mn). This was a consequence of increased interest rates which led to a lower present value in the calculation.

International Operations

International operations comprises the segments Bulgaria, Belarus, Croatia, Serbia, Slovenia and North Macedonia.

Unless otherwise stated, all amounts in EUR million	Q3 2022	Q3 2021		Q1-Q3 2022	Q1-Q3 2021	
Total revenues	601	545	10.1%	1,653	1,536	7.6%
Service revenues	471	424	11.2%	1,308	1,196	9.4%
Equipment revenues	117	113	4.1%	313	315	-0.8%
Other operating income	12	9	34.1%	32	25	29.1%
Wireless revenues	459	428	7.3%	1,265	1,198	5.6%
Service revenues	353	322	9.6%	974	899	8.3%
Equipment revenues	106	106	0.3%	291	299	-2.7%
Wireline revenues	130	109	19.1%	356	313	13.6%
Service revenues	118	102	16.1%	334	297	12.5%
Equipment revenues	11	7	62.6%	22	16	33.6%
EBITDA	237	212	11.9%	646	585	10.4%
EBITDA margin	39.5%	38.8%		39.1%	38.1%	
EBIT	131	112	17.1%	342	289	18.5%
EBIT margin	21.9%	20.6%		20.7%	18.8%	
Wireless indicators	Sept 30, 2022	Sept 30, 2021				
Subscribers (thousand)	15,125	15,094	0.2%			
Wireline indicators	Sept 30, 2022	Sept 30, 2021				
RGUs (thousands)	3,183	2,979	6.9%			

EBITDA in international markets + 11.9%

In Q3 2022, all international operations of A1 Telekom Austria Group posted growth in service revenues reflecting the continuation of solid operational trends. The impact of inflation was offset by a particularly strong revenue growth contribution from Belarus and Bulgaria in Q3 2022. In the international segment, service revenues and EBITDA grew by 11.2% and 11.9% respectively. Excluding FX, EBITDA grew by 8.7%.

Bulgaria

In Bulgaria, the results show a sustainable growth path and positive market dynamics prevailed in the third quarter of 2022 with robust service revenue trends both in fixed-line and mobile business. Strong performance of high-value tariffs and solid demand for mobile WiFi routers shaped the mobile business. The fixed-line business was characterized by upselling to high-broadband products and a growing customer base. In addition, the solutions and connectivity business remained an important growth factor due to ongoing high demand for security services and IT solutions.

Total revenues increased by 14.1% to EUR 165 mn, EUR 5 mn of this increase is attributable to the first-time consolidation of STEMO, one of the largest ICT companies in the country. Service revenue growth of 12.0% more than compensated for core OPEX increase. Core OPEX went up, mainly due to almost doubled electricity costs, growth in revenue-related costs such as licenses & software for resale, content cost and sales commissions as well as consolidation

of STEMO costs. Overall, the strong service revenue growth has been successfully translated and enabled EBITDA to grow by EUR 11 mn or 19.4% in the reporting period. STEMO contributed EUR 0.4 mn to the EBITDA growth.

Belarus

As in the previous quarters, the competitive landscape remained mostly unchanged with all operators focusing on upselling of their existing customer base to higher-value offers. Despite macroeconomic challenges and the direct negative impact of the war in Ukraine, A1 Belarus's operating performance continued to be strong both in the fixed-line and the mobile business.

On the operational side, there is stable consumer demand for telco services. However, ICT growth and new business have stagnated. Inflation was 17.4% compared with September 30 of the previous year.

From a Group perspective, the Belarusian ruble provided tailwind with a period average appreciation of 14.4% (period-end: 22.1%). So far, sanctions had no severe impact on the service business while equipment revenues came down significantly.

A1 Belarus is working on re-establishing deliveries compliant with the current sanction framework and telco exception rules. Earlier introduced new regulatory measures, such as an increased fee for state-broadcast TV channels, advertising tax and a reduced feed-in multiplier for renewable energy are all negatively affecting operating expenses and other operating income.

Total revenues increased by 12.8% (shrinking in local currency by 0.3%). This was the result of higher service revenues despite lower equipment revenues. Furthermore, the aforementioned reduced solar power multiplier had a negative impact on other operating income. Service revenues rose on the back of successful upselling both in mobile and fixed-line business, increased roaming traffic and the solid contribution from the solution and connectivity business.

Core OPEX increased mainly driven by workforce costs, higher electricity costs and capacity-driven corporate network costs. EBITDA rose by 27.4%; in local currency EBITDA went up by 12.9%.

Due to the impact on the consolidated results of occasionally substantial fluctuations in the Belarusian ruble, the performance of the Belarusian segment is also presented in local currency.

Unless otherwise stated, all amounts in EUR million

	Q3 2022	Q3 2021		Q1-Q3 2022	Q1-Q3 2021	
Total revenues	123	109	12.8%	328	297	10.5%
Total costs and expenses	-63	-62	1.6%	-168	-163	3.4%
EBITDA	60	47	27.4%	160	134	19.2%

Unless otherwise stated, all amounts in BYN million

	Q3 2022	Q3 2021		Q1-Q3 2022	Q1-Q3 2021	
Total revenues	323	324	-0.3%	934	908	2.9%
Total costs and expenses	-165	-184	-10.4%	-479	-497	-3.8%
EBITDA	158	140	12.9%	456	411	10.9%

Croatia

A1 Croatia's mobile business continued to show encouraging development that is mainly attributable to the addition of new contract customers. The fixed-line business also performed solidly, and the high-bandwidth RGU increase was able to offset the ongoing decline in voice RGUs.

Total revenues increased by 4.5% as solid mobile and fixed-line revenue growth was backed by higher equipment revenues. Total costs and expenses increased by 5.3%, as lower energy costs, taxes and use of rights and advertising only partially compensated for the costs of a litigation case and the cost of equipment. As improved revenues were able to mitigate the aforementioned cost increases, EBITDA was 3.4% above the previous year.

Slovenia

Slovenia remains a very competitive market. A1 Slovenia continued to offer its attractive hardware and 5G propositions in the mobile business, while successful customer acquisition continued in the fixed-line business. Total revenues increased by 7.2%, as service revenues and equipment revenues both showed a positive development over the last quarter. Besides solid growth in the retail fixed-line business, an additional tailwind is coming from mobile service revenues and solution and connectivity. Electricity and total workforce costs are the main driver for the core OPEX rise. The equipment margin was slightly positive. EBITDA decline by 12.9% as higher revenues were not able to compensate increased costs.

Serbia

In Serbia, the positive market trends continued and by offering its attractive proposition, A1 posted strong revenue growth of 12.8%. Service revenues increased by 9.1% and equipment sales went up by 23.1%. EBITDA grew by 11.1% in Q3 2022, since solid revenue growth more than compensated for sharply increased total costs and expenses. The latter increased mainly due to electricity costs, higher workforce costs and somewhat higher advertising expenses.

North Macedonia

A1 North Macedonia grew both in the mobile and the fixed-line business year-on-year. The company continued to successfully monetize solid demand for high-value tariffs with its convergent offers. Service revenues grew by 7.8%, while equipment revenues declined by 12.1% due to a lower number of terminals sold in the postpaid business. EBITDA decreased by 11.8%, as solid revenue performance were not able to offset elevated electricity costs.

Condensed Consolidated Financial Statements

Condensed Consolidated Statement of Comprehensive Income

in EUR million, except per share information	Q3 2022 unaudited	Q3 2021 unaudited	Q1-Q3 2022 unaudited	Q1-Q3 2021 unaudited
Service revenues	1,068.6	1,012.9	3,082.5	2,945.1
Equipment revenues	200.3	172.9	517.2	501.7
Other operating income	23.2	19.4	67.3	59.7
Total revenues (incl. other operating income)	1,292.1	1,205.2	3,667.0	3,506.5
Cost of service	-357.1	-335.2	-1,042.7	-988.0
Cost of equipment	-192.6	-167.7	-496.4	-494.8
Selling, general & administrative expenses	-223.2	-220.3	-715.9	-710.5
Other expenses	-1.7	-1.8	-6.0	-7.0
Total cost and expenses	-774.7	-725.0	-2,261.0	-2,200.2
Earnings before interest, tax, depreciation and amortization - EBITDA	517.5	480.2	1,406.0	1,306.3
Depreciation and amortization	-202.3	-195.6	-593.9	-589.9
Depreciation of right-of-use assets	-42.3	-40.8	-126.0	-121.8
Operating income - EBIT	272.9	243.8	686.2	594.6
Interest income	3.0	1.0	7.3	3.2
Interest expense	-15.2	-25.1	-45.0	-74.6
Interest on employee benefits and restructuring and other financial items, net	-0.1	0.5	-4.7	-2.6
Foreign currency exchange differences, net	3.5	0.7	4.5	3.3
Equity interest in net income of associated companies	0.1	0.0	-0.8	0.0
Financial result	-8.7	-22.8	-38.7	-70.6
Earnings before income tax - EBT	264.2	221.0	647.4	524.0
Income tax	-59.0	-40.0	-144.6	-109.2
Net result	205.2	181.0	502.8	414.8
Attributable to:				
Equity holders of the parent	204.9	180.8	502.3	414.3
Non-controlling interests	0.3	0.2	0.6	0.4
Earnings per share attributable to equity holders of the parent in euro*	0.31	0.27	0.76	0.62
Other comprehensive income items:				
Items that may be reclassified to profit or loss:				
Effect of translation of foreign entities	29.1	7.6	49.6	21.0
Realized result on hedging activities, net of tax	1.1	1.1	3.3	3.3
Unrealized result on debt instruments at fair value, net of tax	-0.2	0.0	-2.4	0.0
Items that will not be reclassified to profit or loss:				
Remeasurement of defined benefit obligations, net of tax	29.9	-4.4	37.1	-0.8
Total other comprehensive income (loss)	59.9	4.3	87.6	23.4
Total comprehensive income (loss)	265.0	185.3	590.4	438.2
Attributable to:				
Equity holders of the parent	264.7	185.1	589.8	437.8
Non-controlling interests	0.3	0.2	0.6	0.4

*basic and diluted; weighted-average number of ordinary shares outstanding: 664,084,841 (in each period)

Condensed Consolidated Statement of Financial Position

in EUR million	Sept. 30, 2022 unaudited	Dec. 31, 2021 audited
ASSETS		
Current assets		
Cash and cash equivalents	172.3	534.4
Short-term investments	75.6	87.4
Accounts receivable: Subscribers, distributors and other, net	845.6	782.4
Receivables due from related parties	2.2	4.1
Inventories, net	131.6	92.8
Income tax receivable	18.9	2.1
Other current assets, net	187.5	179.1
Contract assets	89.0	103.6
Total current assets	1,522.8	1,785.8
Non-current assets		
Property, plant and equipment, net	2,976.2	2,875.8
Right-of-use assets, net	716.3	762.3
Intangibles, net	1,607.5	1,670.2
Goodwill	1,305.4	1,285.8
Investments in associated companies	1.1	0.0
Long-term investments	186.6	141.5
Deferred income tax assets	31.1	27.7
Other non-current assets, net	22.0	23.6
Total non-current assets	6,846.2	6,786.8
TOTAL ASSETS	8,369.0	8,572.6
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Short-term debt	1,239.9	1,553.2
Lease liabilities short-term	165.6	161.0
Accounts payable	805.6	736.9
Accrued liabilities and current provisions	241.9	253.3
Income tax payable	101.1	29.8
Payables due to related parties	0.7	0.6
Contract liabilities	226.9	205.6
Total current liabilities	2,781.6	2,940.4
Non-current liabilities		
Long-term debt	747.0	1,046.1
Lease liabilities long-term	545.8	606.1
Deferred income tax liabilities	42.9	24.6
Other non-current liabilities	40.8	43.3
Asset retirement obligation and restructuring	524.7	573.6
Employee benefits	167.0	223.2
Total non-current liabilities	2,068.2	2,516.8
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	1,631.6	1,315.3
Other comprehensive income (loss) items	- 656.1	- 743.7
Equity attributable to equity holders of the parent	3,517.1	3,113.3
Non-controlling interests	2.1	2.1
Total stockholders' equity	3,519.3	3,115.4
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	8,369.0	8,572.6

Condensed Consolidated Statement of Cash Flows

in EUR million	Q3 2022 unaudited	Q3 2021 unaudited	Q1-Q3 2022 unaudited	Q1-Q3 2021 unaudited
Earnings before income tax - EBT	264.2	221.0	647.4	524.0
Depreciation	137.0	131.8	404.6	397.8
Amortization of intangible assets	65.3	63.8	189.3	192.1
Depreciation of right-of-use assets	42.3	40.8	126.0	121.8
Equity interest in net income of associated companies	-0.1	0.0	0.8	0.0
Result on sale/measurement of investments	-0.3	-0.5	3.3	-0.5
Result on sale of property, plant and equipment	0.9	1.0	2.6	3.9
Net period cost of labor obligations and restructuring	9.0	24.1	48.7	70.0
Foreign currency exchange differences, net	-3.5	-0.7	-4.5	-3.3
Interest income	-3.0	-1.0	-7.3	-3.2
Interest expense	14.7	25.0	44.2	75.6
Other adjustments	-0.8	-0.2	-2.5	-4.1
Non-cash and other reconciliation items	261.4	284.0	805.2	850.1
Accounts receivable: Subscribers, distributors and other, net	-24.7	-26.4	-39.6	-18.0
Prepaid expenses	-2.8	3.2	-7.0	2.4
Due from related parties	1.2	1.7	1.9	4.0
Inventories	-9.8	1.2	-33.8	-11.6
Other assets	-6.9	-2.9	-3.6	-1.9
Contract assets	3.8	3.8	14.7	8.2
Accounts payable and accrued liabilities	-26.3	-3.5	40.8	4.3
Due to related parties	-0.9	0.0	0.1	0.4
Contract liabilities	5.4	1.8	19.1	21.9
Working capital changes	-61.0	-21.1	-7.6	9.7
Employee benefits and restructuring paid	-26.7	-27.0	-78.3	-79.5
Interest received	2.0	1.1	7.2	3.2
Income taxes paid	-48.5	-42.2	-87.3	-67.8
Net cash flow from operating activities	391.4	415.7	1,286.7	1,239.7
Capital expenditures paid	-219.0	-206.2	-611.9	-608.5
Proceeds from sale of plant, property and equipment	1.0	0.3	3.1	1.9
Purchase of investments	-60.7	-6.4	-139.1	-204.4
Proceeds from sale of investments	57.9	1.2	97.9	170.3
Acquisition of businesses, net of cash acquired	-15.0	0.0	-15.0	0.0
Investments in associated companies	0.0	0.0	-2.0	0.0
Net cash flow from investing activities	-235.9	-211.0	-667.1	-640.7
Repayments of long-term debt	0.0	0.0	-750.0	0.0
Interest paid	-19.0	-14.4	-55.6	-54.5
Change in short-term debt	0.3	0.8	-2.4	2.4
Repayments of short-term debt	-900.0	0.0	-1,000.0	0.0
Dividends paid	-185.9	0.0	-186.4	-166.5
Issuance of short-term debt	740.0	0.0	1,140.0	0.0
Acquisition of non-controlling interests	0.0	0.0	-0.1	0.0
Deferred consideration paid for business combinations	0.0	0.0	-1.3	0.0
Lease principal paid	-33.4	-33.7	-124.4	-121.5
Net cash flow from financing activities	-398.0	-47.3	-980.1	-340.2
Adjustment to cash flows due to exchange rate fluctuations, net	-0.9	0.8	-1.6	1.9
Net change in cash and cash equivalents	-243.4	158.1	-362.1	260.6
Cash and cash equivalents beginning of period	415.8	313.4	534.4	210.9
Cash and cash equivalents end of period	172.3	471.5	172.3	471.5

Q1-Q3 Summary

Group total **revenues** increased by 4.6%, driven by higher service revenues across the footprint. Positive FX effects supported revenues in the amount of EUR 23 mn, EUR 18 mn thereof in service revenues. Excluding FX, total revenues increased by 3.9%. Equipment revenues were higher, mainly driven by a sizeable transaction and improved availability of high-value handsets in Austria. Mobile service revenues grew by 7.1%, driven by the growth in all markets, on the back of the strong core mobile performance and the ongoing solid demand for mobile WiFi routers. In addition, price indexations supported the results. Fixed-line service revenues rose by 1.7%, as international segments, in particular Bulgaria and Belarus, compensated for the slight decline in Austria.

Despite higher operating costs and expenses A1 Telekom Austria Group managed to increase **EBITDA before restructuring** charges by 6.3%. Positive FX effects amounted to EUR 11 mn in EBITDA, entirely coming from Belarus. Excluding FX effects, EBITDA before restructuring increased by 5.6%. In Austria, EBITDA before restructuring improved by 3.0%, as solid revenue growth more than outweighed increased electricity, product-related and advertising costs. In international markets, EBITDA grew by 10.4% driven by a strong service revenue growth that more than compensated growing core OPEX.

Restructuring charges in Austria amounted to EUR 50 mn in the first three quarters of 2022 (Q1-Q3 2021: EUR 63 mn).

Net result increased by 21.2% to EUR 503 mn in the first three quarters of 2022, driven by the improved operational performance.

KPI: Capital Expenditures (CAPEX)

Capital expenditures decreased by 2.9% to EUR 614 mn. Tangible capital expenditures increased by 9.4% year-on-year mainly driven by higher fiber and 5G investments in Austria. Intangible CAPEX decreased by 36.4% due to a higher comparable figure in the same period of the previous year, when the Group acquired frequencies.

Unless otherwise stated, all amounts in EUR million	Q1-Q3 2022	Q1-Q3 2021	
Total capital expenditures - tangible	506	463	9.4%
Total capital expenditures - intangible	108	170	-36.4%
Total capital expenditures	614	633	-2.9%

KPI: Free Cash Flow

Free cash flow rose by 7.9% to EUR 502 mn. The increase was mainly driven by improved EBITDA. This more than compensated for higher income taxes paid and lower working capital inflows. Higher income taxes paid came mainly from the improved operational result and higher tax payments.

Unless otherwise stated, all amounts in EUR million	Q1-Q3 2022	Q1-Q3 2021	
EBITDA	1,406	1,306	7.6%
Restructuring charges and cost of labor obligations	46	68	-31.7%
Lease paid (principal, interest and prepayments)	-143	-134	6.8%
Income taxes paid	-87	-68	28.7%
Net interest paid	-40	-42	-3.7%
Change working capital and other changes	2	33	-93.4%
Capital expenditures	-614	-633	-2.9%
Free Cash Flow (FCF) before social plans	570	531	7.4%
Social plans new funded*	-68	-65	4.0%
FCF after social plans new	502	465	7.9%

* Cost for social plans granted in the respective period.

Unless otherwise stated, all amounts in
EUR million

	Q1-Q3 2022	Q1-Q3 2021	
FCF after social plans new	502	465	7.9%
Social plans new funded*	68	65	4.0%
Total social plans paid*	-72	-74	-2.4%
FCF - previously reported	498	457	9.0%

* Cost for social plans granted.

Additional Information

Risks and Uncertainties

The A1 Telekom Austria Group faces various risks and uncertainties that could affect its results. For further details about these risks and uncertainties, please refer to the A1 Telekom Austria Group Annual Financial Report 2021, pp. 24 ff.

Waiver of Review

This report contains quarterly and year-to-date results that have not been audited or reviewed by a certified public accountant.

Other

FX – foreign exchange rate

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

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

Disclaimer

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 the A1 Telekom Austria Group nor any other person accepts any liability for any such forward-looking statements. The A1 Telekom Austria Group will not update these forward-looking statements, whether due to changed factual circumstances, changes in assumptions or expectations.

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