

# Results for the Fourth Quarter and Full Year 2019

Vienna, February 11, 2020 – Today, A1 Telekom Austria Group (VSE: TKA, OTC US: TKAGY) announces its results for the fourth quarter and the full year of 2019, ending December 31, 2019.

## Key performance indicators

in EUR million	Q4 2019 IFRS 16	Q4 2018 IFRS 16 based	% change	2019 IFRS 16	2018 IFRS 16 based	% change
Total revenues	1,200.4	1,153.2	4.1	4,565.2	4,435.4	2.9
Service revenues	962.7	929.6	3.6	3,805.5	3,680.8	3.4
Equipment revenues	212.9	202.1	5.3	663.9	662.6	0.2
Other operating income	24.8	21.5	15.4	95.8	91.9	4.2
EBITDA	355.5	334.1	6.4	1,560.6	1,548.9	0.8
% of total revenues	29.6%	29.0%		34.2%	34.9%	
EBITDA excl. restructuring	376.5	347.9	8.2	1,644.7	1,571.0	4.7
% of total revenues	31.4%	30.2%		36.0%	35.4%	
EBIT	118.0	95.2	23.9	614.8	446.0	37.9
% of total revenues	9.8%	8.3%		13.5%	10.1%	
Net result	35.3	42.5	-17.0	327.4	243.7	34.4
% of total revenues	2.9%	3.7%		7.2%	5.5%	

Wireless indicators	Q4 2019 IFRS 16	Q4 2018 IFRS 16 based	% change	2019 IFRS 16	2018 IFRS 16 based	% change
Wireless subscribers (thousands)	21,296.4	21,028.6	1.3	21,296.4	21,028.6	1.3
thereof postpaid	16,962.8	16,244.8	4.4	16,962.8	16,244.8	4.4
thereof prepaid	4,333.6	4,783.8	-9.4	4,333.6	4,783.8	-9.4
MoU (per Ø subscriber)	369.9	357.0	3.6	361.9	347.9	4.0
ARPU (in EUR)	8.1	7.8	4.1	8.2	8.0	1.9
Mobile churn (%)	2.0%	2.0%		1.7%	1.7%	

Wireline indicators	Q4 2019 IFRS 16	Q4 2018 IFRS 16 based	% change	2019 IFRS 16	2018 IFRS 16 based	% change
RGUs (thousands)	6,143.4	6,202.8	-1.0	6,143.4	6,202.8	-1.0

All financial figures are in accordance with IFRS 15. Figures for 2019 are in accordance with IFRS 16, figures for 2018 are based on IFRS 16 with sufficient accuracy ('IFRS 16 based'). 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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<sup>1</sup> Alternative performance measures are included in this report. For details please refer to the tables on page 13 onwards.

This financial report of A1 Telekom Austria Group contains quarterly results which have not been audited or reviewed by a certified public accountant. The full year 2019 results figures are audited. Figures have not yet been approved by the Supervisory Board. The annual financial report, which includes the audited single and consolidated financial statements as well as the management reports, will be released as required by April 30, 2020.

## Q4 2019 Analysis

### Group Summary

In Q4 2019, the positive trends of the last quarters continued with both stable or growing service revenues and rising EBITDA, excluding restructuring charges, in all markets. Fixed-line revenues were especially driven by the solutions and connectivity business in Austria and Bulgaria as well as by TV services, while the growth in the mobile business was dominated by mobile WiFi routers.

- Group total revenues increased by 4.1 %, with flat service revenues in Austria and Slovenia and growth in all other markets.
- Mobile service revenues rose in all markets except for Slovenia and were mainly driven by the ongoing strong demand for mobile WiFi routers.
- Fixed-line service revenues continued to grow, with a steady increase in solutions and connectivity revenues in Austria and further strong performance in Bulgaria.
- Mobile contract subscribers rose by 4.4 % year-on-year, with growth in all markets except for Bulgaria, which was impacted by the removal of inactive SIM cards in Q1 2019.
- Fixed-line RGUs decreased by 1.0 % year-on-year, as TV RGU growth mitigated the decline of fixed-line voice and fewer low-bandwidth broadband RGUs in Austria.
- Group EBITDA excluding restructuring charges increased by 8.2 % (reported: +6.4 %), driven by higher service revenues.
  - In Austria, EBITDA excluding restructuring charges rose slightly by 0.3 %, mostly enabled by operational efficiency.
  - All international operations contributed to EBITDA growth, especially driven by Belarus, Serbia and Croatia.
- Net result declined from EUR 42.5 mn in Q4 2018 to EUR 35.3 mn in Q4 2019, driven by higher deferred tax expenses due to an appreciation of affiliates.
- Free cash flow increased from EUR 58.0 mn in Q4 2018 to EUR 89.4 mn in the reporting period, mostly driven by better operational performance and lower capital expenditures paid.
- Guidance 2020: approximately 1-2 % higher revenues and CAPEX at EUR 770 mn excl. spectrum investments and acquisitions.

The presentation for the conference call and key figures of A1 Telekom Austria Group in Excel format ('Fact Sheet Q4 2019') are available on the website at [www.a1.group](http://www.a1.group).

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

- Restructuring charges in Austria amounted to EUR 21.0 mn in Q4 2019 (Q4 2018: EUR 13.9 mn).
- In total, revenues and EBITDA, there were no one-off effects in Q4 2019, (Q4 2018: EUR 0.2 mn).
- Positive FX effects amounted to EUR 6.3 mn in total revenues and EUR 2.8 mn in EBITDA in Q4 2019, stemming mostly from Belarus.
- Negative effect of EUR 4.2 mn in total revenues in Q4 2019, arising from the EU-International Call regulation

### Mobile Subscribers and Fixed-line RGUs

In mobile communications, the number of subscribers of A1 Telekom Austria Group increased by 1.3% to 21.3 million in the quarter under review. In the Austrian market, the regulation for registering SIM cards has been effective as of January 1, 2019. Existing customers could register until September 1, 2019. This led to lower gross additions and subscriber numbers in the prepaid segment as well as some shift to low-value contract offers. A1 was able to register the vast majority of its active prepaid SIM cards.

Number of postpaid subscribers grew by 4.4% in Q4 2019

The number of contract customers rose in almost all international markets while prepaid customer numbers continued to decline as most markets see an ongoing shift from prepaid to contract offers. The increase in the number of contract customers was also driven by the ongoing strong demand for mobile WiFi routers. Contract subscriber numbers in Bulgaria were impacted by the removal of inactive SIM cards in Q1 2019. Without this effect the contract base remained stable in Bulgaria. The number of A1 Digital M2M customers continued to rise.

The number of revenue-generating units (RGUs) in the Group's fixed-line business declined by 1% year-on-year. The decline in RGUs in Austria, which was driven primarily by voice and to some extent also by low-bandwidth broadband RGUs, was partly mitigated by increases in CEE due to TV and broadband RGUs. In North Macedonia, WiFi routers have been reported as mobile postpaid since Q2 2019 due to a new product logic and were formerly reported as fixed-line RGUs.

## Segment Austria

### Key performance indicators

#### Financials

in EUR million	Q4 2019 IFRS 16	Q4 2018 IFRS 16 based	% change	2019 IFRS 16	2018 IFRS 16 based	% change
Total revenues	685.2	683.8	0.2	2,648.1	2,637.5	0.4
Service revenues	582.0	584.0	-0.3	2,320.3	2,297.6	1.0
thereof mobile service revenues	228.1	226.8	0.6	926.1	923.6	0.3
thereof fixed-line service revenues	353.9	357.1	-0.9	1,394.2	1,373.9	1.5
Equipment revenues	89.1	86.6	2.9	268.6	286.1	-6.1
Other operating income	14.0	13.2	6.4	59.2	53.8	10.1
EBITDA	207.1	213.6	-3.0	921.3	975.3	-5.5
% of total revenues	30.2%	31.2%		34.8%	37.0%	
EBITDA excl. restructuring	228.1	227.5	0.3	1,005.4	997.4	0.8
% of total revenues	33.3%	33.3%		38.0%	37.8%	
EBIT	78.0	89.8	-13.1	415.8	474.5	-12.4
% of total revenues	11.4%	13.1%		15.7%	18.0%	

Wireless indicators	Q4 2019 IFRS 16	Q4 2018 IFRS 16 based	% change	2019 IFRS 16	2018 IFRS 16 based	% change
Wireless subscribers (thousands)	5,114.9	5,363.7	-4.6	5,114.9	5,363.7	-4.6
thereof postpaid	3,895.5	3,825.1	1.8	3,895.5	3,825.1	1.8
thereof prepaid	1,219.3	1,538.6	-20.7	1,219.3	1,538.6	-20.7
MoU (per Ø subscriber)	293.1	279.1	5.0	281.6	269.9	4.3
ARPU (in EUR)	14.8	14.2	3.9	14.7	14.5	1.4
Mobile churn (%)	1.8%	1.5%		1.6%	1.6%	

Wireline indicators	Q4 2019 IFRS 16	Q4 2018 IFRS 16 based	% change	2019 IFRS 16	2018 IFRS 16 based	% change
RGUs (thousands)	3,247.0	3,327.7	-2.4	3,247.0	3,327.7	-2.4

In Austria, all mobile network operators continued with the offering of their convergent products. Competitors' tariff portfolios remained generally unchanged compared to the previous quarter, featuring earlier introduced 5G-ready unlimited data proposition in the premium segment.

In Q4 2019, competition in the mobile premium segment was characterized by unlimited data volumes and high subsidy. In this segment, A1 maintained its high-value proposition with the re-introduction of unlimited data promotions for the high-end smartphone tariffs in combination with attractive subsidy and continued to offer a 5G-ready tariff with increased speed for mobile WiFi routers. In the mobile low value and the youth segment, the competitive intensity remained high which A1 countered via special youth promotions and attractive offers with its no-frills brands.

As of January 27, 2020, A1 launched its new "5Giga" premium tariff portfolio for mobile and Internet@Home segments. 5GigaMobil tariffs offer a priority network proposition, unlimited data volumes, as well as the latest 5G devices. 5GigaNet tariffs feature a bandwidth guarantee of minimum 90% for FTTH products while 5GigaCube tariffs for mobile WiFi routers offer increased speeds as well as premium hardware. Besides the 5GigaMobil tariffs, A1 offers attractive LTE mobile tariffs with increased data allowances.

SIM card registration for new customers has been effective as of January 1, 2019 and existing customers could register until September 1, 2019. This led to lower gross additions and subscriber numbers in the

prepaid segment as well as some shifting to contract offers. A1 was able to register the vast majority of its active prepaid SIM cards.

In the retail fixed-line business, operators focused above all on retaining and upselling customers as acquiring new customers had become increasingly challenging. Nevertheless, A1 run a new fixed-line broadband promotion from October 2019 to January 2020 in order to attract new customers and to reduce churn. The promotion offered attractive benefits like a free tablet and free installation to every new fixed broadband customer as well as individual benefits to existing customers who extend their contract and upgrade to higher bandwidth products. The promotion campaign was successful and resulted in significantly better net-adds.

In February 2019, prices for new customers in the high-value mobile and the youth segment were increased by 2 Euro and 1 Euro respectively. The activation fee and the annual service fee were also raised. As of April 1, 2019, an indexation of 2.0% has been effective for existing customers in both the mobile high-value (including mobile WiFi routers) and parts of the fixed-line business. In November 2019, prices for existing fixed-line voice customers were increased.

Total revenues in the Austrian segment remained flat (+0.2%) year-on-year in the fourth quarter of 2019, as higher mobile service revenues and higher equipment revenues were mostly offset by lower fixed-line service revenues.

Retail mobile service revenues rose, driven by successful upselling activities in the high-value segment as well as growth in mobile WiFi routers but they were again negatively impacted by the EU international calls regulation which has been in place since May 15, 2019. Visitor and national roaming revenues were higher due to strong increase in data usage, offsetting reduced tariffs within the A1 Group and with other companies. Interconnection revenues decreased due to a lower volume of and in particular due to lower prices for SMS. ARPU rose due to higher number of high-value customers, their increased share in the customer base, as well as strong demand for WiFi routers, despite losses due to the EU international call regulation.

Fixed-line service revenues declined in the fourth quarter of 2019, driven by the lower retail fixed-line revenues. Retail fixed-line revenues decreased by 2.5% attributable to losses in fixed-line voice as well as customers' voucher redemption and lower installation fees collected, both as consequence of the above mentioned broadband promotion campaign. Solution and connectivity revenues increased due to the growth in ICT customer projects. ARPL increased due to successful upselling measures and price increases.

Internet@Home continued to grow at 1.4% year-on-year

Internet@home subscriber numbers, which include pure fixed-line broadband RGUs, hybrid modems and mobile WiFi routers, grew by 1.4% year-on-year. This was driven by ongoing strong demand for mobile WiFi routers.

EBITDA excluding restructuring charges rose slightly by 0.3% which was mostly enabled by operational efficiency, offsetting higher costs for ICT projects and worse equipment margin. The lower equipment margin was impacted by the fixed-line broadband promotions and the lower ICT equipment margin. Mobile subsidies decreased driven by lower volumes and a slightly lower subsidy per device compared to the previous year.

## International operations

### Key performance indicators

#### Financials

in EUR million	Q4 2019 IFRS 16	Q4 2018 IFRS 16 based	% change	2019 IFRS 16	2018 IFRS 16 based	% change
Total revenues	521.7	481.1	8.4	1,957.5	1,846.6	6.0
Service revenues	388.0	356.7	8.8	1,525.4	1,430.4	6.6
thereof mobile service revenues	294.2	269.7	9.1	1,161.8	1,095.7	6.0
thereof fixed-line service revenues	93.8	87.0	7.8	363.7	334.7	8.7
Equipment revenues	123.4	115.5	6.8	395.2	376.7	4.9
Other operating income	10.4	8.9	16.3	36.9	39.5	-6.6
EBITDA	165.4	139.9	18.2	701.1	632.8	10.8
% of total revenues	31.7%	29.1%		35.8%	34.3%	
EBIT	58.4	25.1	132.5	264.0	31.9	n.m.
% of total revenues	11.2%	5.2%		13.5%	1.7%	

Wireless indicators	Q4 2019 IFRS 16	Q4 2018 IFRS 16 based	% change	2019 IFRS 16	2018 IFRS 16 based	% change
Wireless subscribers (thousands)	14,669.4	14,618.5	0.3	14,669.4	14,618.5	0.3
thereof postpaid	11,555.1	11,373.3	1.6	11,555.1	11,373.3	1.6
thereof prepaid	3,114.3	3,245.2	-4.0	3,114.3	3,245.2	-4.0

Wireline indicators	Q4 2019 IFRS 16	Q4 2018 IFRS 16 based	% change	2019 IFRS 16	2018 IFRS 16 based	% change
RGUs (thousands)	2,896.4	2,875.1	0.7	2,896.4	2,875.1	0.7

International operations contain a consolidation of the segments Bulgaria, Croatia, Belarus, Slovenia, Serbia and North Macedonia

The international operations showed again growth in total revenues (+8.4%), driven by both mobile and fixed-line service revenue growth. Service revenues rose or were stable in all segments, with Belarus, Bulgaria and Serbia as the main positive contributors. EBITDA increased by 18.2%, driven particularly by Belarus, Serbia and Croatia.

EBITDA growth of 18.2% in CEE market

### Segment Bulgaria

On the Bulgarian market, growth trends continued in Q4 2019 with increases both in the fixed-line and the mobile segment. The fixed-line business continued to be driven by customized corporate solutions, upselling, and exclusive sports content, which led again to a higher ARPL as well as more TV and broadband RGUs. The market environment in the mobile segment remained stable and A1 was successful with its upselling activities with existing customers, which led to increased mobile service revenues and a higher ARPU.

Following the above mentioned positive trends, total revenues increased by 16.7% in Q4 2019 year-on-year. While service revenues growth of 9.2% was equally driven by increases in the fixed-line and the mobile segment, equipment revenues rose due to higher quantities of smart handsets sold.

Costs and expenses increased, driven by the higher cost of equipment and, to a lower extent, by higher advertising and sales costs. A higher average subsidy per handset in Q4 2019 year-on-year, coupled with increased quantities, contributed to the higher equipment cost, while focused sales incentives and advertising campaigns caused advertising and sales costs to rise.

Despite higher cost and expenses, EBITDA rose by 9.5% in Q4 2019, as strong growth in service revenues more than outweighed lower equipment margin and increased advertising and sales costs.

### *Segment Croatia*

Competitive intensity on the mobile and the fixed-line market loosened slightly, reducing the pressure from pricing and discounts while focusing more on convergence through attractive hardware bundle offers. In the fixed-line market, a strong demand for TV packages continued to be driven by the exclusive sport content featuring UEFA Champions League football games. The regulatory approval for the acquisition of Tele2 by United Media, which was announced in May 2019, is still pending and is expected in February 2020.

Total revenues in the Croatian segment remained stable, as solid service revenue growth of 3.2%, driven by the increase of both the mobile and the fixed-line service revenues, was offset by the decline in equipment revenues. Fixed-line service revenues grew owing to higher retail fixed-line revenues which were supported by TV RGU growth and price increases of approx. 10% in September 2019, leading further to a higher ARPL. Mobile service revenues grew in Q4 2019 due to stronger demand for mobile WiFi routers as well as due to the increased number of postpaid customers driven by the shift from the prepaid segment. Equipment revenues were lower due to declining quantities and a shift towards less expensive handsets.

Costs and expenses declined in Q4 2019 year-on-year, driven by lower equipment costs and lower frequency usage fees as well as reduced advertising costs. The latter came in lower as the comparison period was affected by rebranding activities, while the former due to regulatory driven price reductions.

Higher service revenues coupled with the above mentioned cost reductions contributed to the strong EBITDA growth of 18.6% in Q4 2019.

### *Segment Belarus*

In Belarus, economic activity slowed down, while the inflation rate in December 2019 came in at 4.7%. The Belarusian Ruble appreciated 5.8% (period average) against the Euro in Q4 2019.

Telecom operators in Belarus started to focus more on retaining and upselling existing customers. In this environment, A1 Belarus benefits from being able to offer LTE services in cooperation with beCloud. The agreement with beCloud was further amended in December 2019 and now allows A1 Belarus the use of network capacity, enabling nationwide LTE coverage.

In Q3 2019, A1 Belarus redesigned its mobile portfolio to include more data-centric propositions and optional data add-ons for voice-only prepaid propositions as well as aiming to shift prepaid customers to contract offers. Additionally, A1 started with a voluntary migration of some grandfathered service plans to current tariffs plans with higher monthly fees, which continued in Q4 2019.

As of July 1, 2019, an inflation-linked price increase for mobile customers of 4.3% was implemented. Fixed-line tariffs for existing customers were increased by 6.0% in June 2019.

Total revenues in the Belarusian segment increased by 13.7% (+7.6% excluding FX effects). This increase was driven almost entirely by higher service revenues following the charging of unlimited mobile data options since Q1 2019, by upselling measures and by the above mentioned price increases. Fixed-line service revenues grew on the back of upselling measures in high-bandwidth broadband and IPTV segments as well as the stronger solutions and connectivity business since A1 offered and successfully marketed additional IT products and services in this segment.

Costs and expenses increased in Q4 2019 driven primarily by the higher cost of services, namely higher interconnection and roaming expenses as well higher network maintenance costs.

Strong growth in service revenues more than compensated for the increase in costs and expenses, resulting in strong EBITDA growth of 22.9% (+16.2% excluding FX effects).



### *Other Segments*

In Slovenia, competition in the mobile market remained intense with attractive offers including high data allowances but first signs of a stabilization have become visible. TV content continued to play an important role in the fixed-line business. As a measure of churn prevention, A1 Slovenia launched the “Members get Members” promotion campaign in September 2019, offering discounts to customers who bring friends or family members as new customers. Total revenues declined in Q4 2019, driven by lower other operating income and lower equipment revenues. Service revenues were stable as higher fixed-line revenues mitigated the decline in retail mobile revenues. Fixed-line service revenues rose due to more RGUs and the expiration of a fixed-line promotion with lower monthly fees at the end of 2018. Costs and expenses declined by 6.0% in Q4 2019, due to lower equipment costs as well as decreased workforce and advertising costs. Equipment costs declined as a result of lower quantities as well as a lower subsidy per device, which led to an improvement in the equipment margin. As the decline in total revenues was more than outweighed by the reduction of costs and expenses, EBITDA grew 2.7%.

In Serbia, the mobile market continued to be shaped by the strong demand for unlimited voice and SMS tariffs with flat data allowances, while the popularity of mobile WiFi routers also remained. Total revenues grew by 14.5% driven by strong service revenue growth due to the growing contract customer base, which led to higher monthly fees. Together with flat costs, this resulted in high EBITDA growth of 56.3 %.

With the introduction of a regional retail roaming agreement for the Western Balkan countries, roaming rates have been cut as of July 1, 2019 and are planned to be abolished entirely by July 1, 2021. This affects, to a limited extent, both Serbia and North Macedonia.

In North Macedonia, all market participants continued to focus on customer retention and upselling. WiFi routers, which were formerly reported as fixed-line RGUs, have been reported as part of the mobile contract segment as of Q2 2019 due to a new product logic. A growth in service revenues driven by the mobile segment together the decline of administration expenses were able to more than outweigh worse equipment margin and the higher cost of services, which led to EBITDA growth of 2.0% year-on-year.

## Year-to-date Analysis

### Group Summary

- Group total revenues increased by 2.9 %, driven primarily by CEE markets.
- Mobile service revenues rose or remained stable in all markets, mainly due to the ongoing strong demand for mobile WiFi routers.
- Fixed-line service revenues grew as Austria showed particularly strong growth in solutions and connectivity revenues while Bulgaria also performed well.
- Group EBITDA excluding one-off and FX effects as well as restructuring charges increased by 4.1 %, driven by higher service revenues.
  - In Austria, EBITDA excluding restructuring and one-off effects was stable as ongoing solid operational trends were offset by a lower equipment margin.
  - The increase in EBITDA of 10.8 % in the international operations was particularly supported by Bulgaria, Belarus and Serbia.
- Net result increased from EUR 243.7 mn in 2018 to EUR 327.4 mn in 2019. While the comparison period was negatively impacted by the brand amortization, a tax case in Bulgaria in Q2 2019 and an appreciation of affiliates in Q4 2019 had a negative impact on net income.

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

- Restructuring charges of EUR 84.1 mn in 2019 compared to EUR 22.1 mn in 2018 in Austria
- Total one-off effects of positive EUR 8.2 mn in revenues and positive EUR 13.3 mn in EBITDA in 2019 after positive EUR 5.0 mn in revenues and positive EUR 9.4 mn in EBITDA in 2018, with the following main effects:
  - In Croatia, there was a positive one-off effect of EUR 6.5 mn in Q3 2019 after a positive one-off effect of EUR 3.9 mn in Q3 2018, both in cost of services. These one-off effects stemmed from reimbursements of frequency fee overpayments in connection with frequency fee cuts.
  - In Austria, a positive EUR 8.2 mn one-off effect in revenues and EBITDA in 2019, stemming from a real estate sale in other operating income.
- Total positive FX effects amounted to EUR 12.8 mn in total revenues and EUR 5.6 mn in EBITDA in 2019, stemming mostly from Belarus
- The EU regulation on international calls, which came into force on May 15, 2019, had a negative impact on results of roughly EUR 11 million

### Group profit and loss – below EBITDA

In 2019, **depreciation and amortization** (incl. rights of use) decreased by 14.2% to EUR 945.8 mn, driven by the brand name amortization in the comparison period.

**Operating income (EBIT)** amounted to EUR 614.8 in 2019, an increase of 37.9% in comparison to the previous year. This was due to brand amortization, which corresponded to a significantly lower amount of EUR 23.7 mn in 2019 (2018: EUR 197.9 mn)..

Net result of EUR 327.4 mn in 2019

**Net result** increased from EUR 243.7 mn in 2018 to EUR 327.4 mn in 2019, positively impacted by the brand amortization of the last year. Apart from this, restructuring charges in Austria and a tax case in Bulgaria as well as higher deferred taxes, following an appreciation of affiliates, had a negative impact on net income.

## Cash flow

(in EUR million)	2019 IFRS 16	2018 IFRS 16 based	% change
Cash flow from operating activities	1458.0	1390.6	4.8
Capital expenditures paid	-873.9	-771.5	-13.3
Proceeds from sale of plant, property and equipment	14.3	7.5	89.8
Interest paid	-108.3	-98.4	-10.1
Lease principal paid	-149.5	-144.1	-3.7
<b>Free cash flow</b>	<b>340.6</b>	<b>384.2</b>	<b>-11.3</b>

Cash flow from operating activities increased in the financial year 2019, due to improved operating performance as well as lower working capital needs. In the year under review, "working capital and other financial positions" in the amount of EUR - 176.0 mn (2018: EUR - 190.8 mn), were mainly driven by payments for restructuring, a decrease in accounts payable, as well as income tax payments resulting from the above mentioned tax audit in Bulgaria.

Free cash flow declined from EUR 384.2 mn as of December 31, 2018 to EUR 340.6 mn as of December 31, 2019, due to higher capital expenditures paid in the year under review, which were mainly driven by acquired frequencies in Austria and Belarus.

## Balance Sheet

As of December 31, 2019, the balance sheet total increased by 0.9% compared to January 1, 2019, mainly owing to the increase in current assets as well as in property plant and equipment. Current assets rose driven by higher cash and cash equivalents as well as higher receivables, which was partly offset by lower inventories and contract assets. Non-current assets declined slightly since the increase in property, plant and equipment attributable to the fibre rollout and higher LTE investments in Austria were outweighed by the lower right-of-use assets and reduced deferred tax assets.

While current liabilities declined due to bank loan repayments, non-current liabilities remained stable. Lower lease liabilities were offset by the new obligation from an agreement with the local monopoly provider for LTE services in Belarus, beCloud, on the usage of network capacity. The equity ratio as of December 31, 2019 amounted to 31.2% compared to 29.1% as of January 1, 2019. The increase in shareholders' equity was driven by the net income of the financial year 2019.

## Net Debt

in EUR million	Dec 31, 2019	Dec 31, 2018	% change
Net debt (excl. leases)	2,522.3	2,718.4	-7.2
Net debt (excl. leases) / EBITDA after leases (12 months)	1.8x	2.0x	

in EUR million	Dec 31, 2019 IFRS 16	Jan 1, 2019 IFRS 16	% change
Net debt (incl. leases)	3,463.1	3,720.8	-6.9
Net debt (incl. leases) / EBITDA (12 months)	2.2x	2.4x	

Net debt (excl. leases) decreased by 7.2%, mostly due to lower short-term debt following the repayment of a bank loan and an increase in cash and cash equivalents in the reporting period. The net debt (excl. leases) to EBITDA after leases ratio decreased for this reason and due to improved operating results from 2.0x as of December 31, 2018 to 1.8x as of December 31, 2019.

### CAPEX (excl. leases)

In the year 2019, capital expenditures increased by 14.1 % year-on-year to EUR 879.8 mn. Excluding the frequency spectrum, capital expenditures increased from EUR 770.0 mn to EUR 797.7 mn, entirely driven by an agreement in Q4 2019 with the local monopoly provider for LTE services in Belarus, beCloud, on the usage of network capacity.

Tangible capital expenditures decreased slightly by 0.7 % to EUR 605.9 mn. While fibre rollout in Austria led to higher spending in the reporting year, 2018 was impacted by investments in a data center. Investments in Bulgaria increased, driven by higher mobile network infrastructure expenditures. Intangible capital expenditures increased by 70.4 % to EUR 273.9 mn, which is attributable to acquired frequencies in Austria (3.5 GHz; EUR 64.4 mn), Belarus (2.1 GHz; EUR 9.7 mn) and Croatia (2.1 GHz; EUR 7.2 mn) as well as the above mentioned agreement with beCloud in Belarus.

### Personnel

End of period (full-time equivalent)	Dec 31.2019	Dec 31.2018	% change
Austria	7,625	8,010	-4.8
International operations	10,347	10,319	0.3
Corporate & other	372	376	-1.0
<b>Total</b>	<b>18,344</b>	<b>18,705</b>	<b>-1.9</b>

Group headcount was again reduced year-on-year by 1.9 %, driven by the Austrian segment due to the ongoing restructuring measures. The overall number of employees in the CEE segments remained stable.

### A1 Telekom Austria Group outlook for the full year 2020

In 2019, A1 Telekom Austria Group achieved substantial growth in its revenues and its EBITDA adjusted for one-off and FX effects as well as restructuring charges, with the CEE segments making a particularly strong contribution to this growth. In the mobile communications business, this was achieved by means of a clear focus on high-value customers and continuing growth in mobile broadband solutions. The fixed-line business profited from the increasing significance of TV content, demand for higher bandwidths, and fast-growing solutions and connectivity business.

For the full year 2020, most of the market dynamics described above are expected to continue. The development in Austria will still be dominated by convergent offers and intense competition in the mobile market. In the mobile markets in the CEE countries, the competitive environment is expected to remain largely similar to 2019 and demand for fixed-line services is also expected to remain a positive driver across all markets. As in the financial year 2019, TV content will be an important element here, as will solutions and connectivity.

In this business environment, the Management of A1 Telekom Austria Group remains committed to its growth strategy. The focus here is on growth in the core business, lifting earnings and efficiency potential from platform solutions, and selective non-organic growth by way of acquisitions. As in previous years, results are expected to receive support from ongoing measures to continuously increase operating efficiency.

For 2020, the Management of A1 Telekom Austria Group expects to achieve growth in total revenues of approximately 1-2% and another increase in the EBITDA margin.

The development in Belarus could be negatively affected by the devaluation of the Belarusian Ruble in 2020. The Management of A1 Telekom Austria Group expects the currency to depreciate by around 5% (period average) against the Euro in 2020, although it should be noted that the predictability of the Belarusian Ruble is generally limited.

The harmonization of the local brands under the "A1" brand will be completed in 2020 with the market launch in Serbia, thus allowing for a uniform market presence of A1 Telekom Austria Group in its footprint.

A1 Telekom Austria Group will remain committed to the fiber rollout in Austria and the further development of its mobile infrastructure, especially with regards to the preparation and rollout of 5G, in 2020. In January 2020, A1 Austria started operating its 5G network and it will keep pressing ahead with the rollout in 2020 and the following years. Capital expenditures before spectrum investments and acquisitions are expected to total approximately EUR 770 mn in 2020.

In Austria, a frequency allocation for the 700-MHz, 1500-MHz and 2100-MHz bands is coming up in a multi-band auction. The bidding documents were published in December 2019, while the auction itself is expected to begin in April 2020.

Based on the improved operational and financial performance of the Group, a new expected dividend level was agreed upon by América Móvil and Österreichische Beteiligungs AG (ÖBAG) in 2016. Starting with the financial year 2016, this dividend expectation entails the payment of EUR 0.20 per share to be maintained or increased on a sustainable basis in line with the operational and financial developments of the Group.

In this context, the Management Board plans to propose a dividend of EUR 0.23 per share to the Annual General Meeting 2020 for the financial year 2019.

In order to ensure its financial flexibility, A1 Telekom Austria Group remains committed to maintaining a solid investment grade rating of Baa2 from Moody's and BBB from Standard & Poor's (currently Baa1 from Moody's and BBB+ from Standard & Poor's).

## Detailed Figures

### Information on alternative performance measures

The Consolidated Financial Statements are prepared according to applicable accounting standards. Additionally, alternative performance measures are used to describe the operational performance. Therefore, please also refer to the financial information presented in the Consolidated Financial Statements as well as the following reconciliation tables.

### Revenues

in EUR million	Q4 2019	Q4 2018	% change	2019	2018	% change
	IFRS 16	IFRS 16 based		IFRS 16	IFRS 16 based	
Austria	685.2	683.8	0.2	2,648.1	2,637.5	0.4
Bulgaria	137.7	118.0	16.7	486.2	445.1	9.2
Croatia	109.3	109.6	-0.3	432.8	429.9	0.7
Belarus	114.0	100.3	13.7	426.1	390.9	9.0
Slovenia	54.2	56.3	-3.7	209.4	208.2	0.6
Serbia	75.9	66.3	14.5	283.8	258.7	9.7
North Macedonia	31.3	31.2	0.5	122.8	119.0	3.2
Corporate & other, eliminations	-7.2	-12.2	41.0	-44.1	-53.9	18.2
<b>Total revenues</b>	<b>1,200.4</b>	<b>1,153.2</b>	<b>4.1</b>	<b>4,565.2</b>	<b>4,435.4</b>	<b>2.9</b>

### Service Revenues

in EUR million	Q4 2019	Q4 2018	% change	2019	2018	% change
	IFRS 16	IFRS 16 based		IFRS 16	IFRS 16 based	
Austria	582.0	584.0	-0.3	2,320.3	2,297.6	1.0
Bulgaria	96.7	88.6	9.2	378.5	348.1	8.7
Croatia	91.3	88.5	3.2	368.4	360.0	2.3
Belarus	84.0	71.9	16.9	320.3	286.9	11.6
Slovenia	39.0	39.0	-0.1	157.8	156.3	1.0
Serbia	52.5	44.9	16.9	204.4	184.8	10.6
North Macedonia	24.6	24.1	2.4	98.9	97.0	2.0
Corporate & other, eliminations	-7.5	-11.3	33.9	-43.1	-49.8	13.3
<b>Total service revenues</b>	<b>962.7</b>	<b>929.6</b>	<b>3.6</b>	<b>3,805.5</b>	<b>3,680.8</b>	<b>3.4</b>

## Mobile Service Revenues

in EUR million	Q4 2019 IFRS 16	Q4 2018 IFRS 16 based	% change	2019 IFRS 16	2018 IFRS 16 based	% change
Austria	228.1	226.8	0.6	926.1	923.6	0.3
Bulgaria	65.7	61.8	6.3	260.6	245.8	6.0
Croatia	58.3	56.6	3.0	240.2	235.0	2.2
Belarus	71.4	60.9	17.2	272.5	247.0	10.3
Slovenia	29.3	30.1	-3.0	120.0	121.0	-0.8
Serbia	51.0	43.1	18.4	196.2	178.1	10.2
North Macedonia	18.7	17.3	7.8	74.9	71.3	5.1
Corporate & other, eliminations	-2.0	-4.5	54.9	-15.2	-18.2	16.4
<b>Total mobile service revenues</b>	<b>520.4</b>	<b>492.2</b>	<b>5.7</b>	<b>2,075.3</b>	<b>2,003.6</b>	<b>3.6</b>

\*In North Macedonia, service revenues from WiFi routers, which were formerly reported in fixed-line service revenues, are reported in mobile service revenues since Q2 2019.

## Fixed-Line Service Revenues

in EUR million	Q4 2019 IFRS 16	Q4 2018 IFRS 16 based	% change	2019 IFRS 16	2018 IFRS 16 based	% change
Austria	353.9	357.1	-0.9	1,394.2	1,373.9	1.5
Bulgaria	31.0	26.8	15.8	117.9	102.3	15.2
Croatia	33.0	31.8	3.6	128.2	125.0	2.5
Belarus	12.7	11.0	15.2	47.8	39.9	19.9
Slovenia	9.7	8.9	9.7	37.8	35.3	7.2
Serbia	1.5	1.8	-16.8	8.2	6.7	23.3
North Macedonia	6.0	6.7	-11.5	24.0	25.8	-6.7
Corporate & other, eliminations	-5.4	-6.8	19.8	-27.9	-31.6	11.6
<b>Total fixed line service revenues</b>	<b>442.4</b>	<b>437.5</b>	<b>1.1</b>	<b>1,730.2</b>	<b>1,677.2</b>	<b>3.2</b>

\*In North Macedonia, service revenues from WiFi routers, which were formerly reported in fixed-line service revenues, are reported in mobile service revenues since Q2 2019.

## Other Operating Income

in EUR million	Q4 2019 IFRS 16	Q4 2018 IFRS 16 based	% change	2019 IFRS 16	2018 IFRS 16 based	% change
Austria	14.0	13.2	6.4	59.2	53.8	10.1
Bulgaria	4.3	2.0	117.0	8.3	7.6	9.2
Croatia	1.3	1.6	-19.8	6.1	6.0	1.6
Belarus	3.0	2.5	21.7	14.8	18.1	-18.1
Slovenia	0.9	2.3	-61.4	3.4	5.7	-40.6
Serbia	1.0	0.0	n.m.	3.3	3.0	12.0
North Macedonia	0.3	0.6	-53.9	1.5	1.4	7.4
Corporate & other, eliminations	-0.1	-0.8	86.1	-0.8	-3.7	77.3
<b>Total other operating income</b>	<b>24.8</b>	<b>21.5</b>	<b>15.4</b>	<b>95.8</b>	<b>91.9</b>	<b>4.2</b>

## EBITDA

in EUR million	Q4 2019 IFRS 16	Q4 2018 IFRS 16 based	% change	2019 IFRS 16	2018 IFRS 16 based	% change
Austria	207.1	213.6	-3.0	921.3	975.3	-5.5
excl. Restructuring	228.1	227.5	0.3	1,005.4	997.4	0.8
Bulgaria	41.7	38.1	9.5	179.4	159.5	12.5
Croatia	29.2	24.6	18.6	145.1	132.8	9.3
Belarus	49.8	40.5	22.9	190.9	177.7	7.4
Slovenia	15.2	14.8	2.7	59.0	54.1	9.2
Serbia	19.7	12.6	56.3	83.4	70.2	18.8
North Macedonia	9.8	9.6	2.0	43.2	40.6	6.3
Corporate & other, eliminations	-17.0	-19.7	13.7	-61.8	-61.3	-0.8
<b>Total EBITDA</b>	<b>355.5</b>	<b>334.1</b>	<b>6.4</b>	<b>1,560.6</b>	<b>1,548.9</b>	<b>0.8</b>
excl. Restructuring	376.5	347.9	8.2	1,644.7	1,571.0	4.7

## EBITDA After Leases\*

in EUR million	Q4 2019 IFRS 16	Q4 2018 IFRS 16 based	% change	2019 IFRS 16	2018 IFRS 16 based	% change
Austria	186.7	195.6	-4.6	841.1	903.5	-6.9
Bulgaria	35.0	32.0	9.3	152.8	135.5	12.7
Croatia	25.4	20.6	23.3	129.6	117.1	10.7
Belarus	45.9	37.4	22.8	175.7	165.6	6.1
Slovenia	10.7	10.6	1.6	41.6	40.1	3.7
Serbia	15.5	9.0	73.2	67.3	55.3	21.7
North Macedonia	8.1	8.3	-1.8	36.7	35.3	4.0
Corporate & other, eliminations	-17.1	-19.8	13.4	-62.1	-61.5	-0.9
<b>Total EBITDA after leases</b>	<b>310.3</b>	<b>293.7</b>	<b>5.6</b>	<b>1,382.8</b>	<b>1,390.9</b>	<b>-0.6</b>

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

## Depreciation and Amortization

in EUR million	Q4 2019 IFRS 16	Q4 2018 IFRS 16 based	% change	2019 IFRS 16	2018 IFRS 16 based	% change
Austria	129.1	123.8	4.3	505.5	500.7	1.0
Bulgaria	28.3	33.2	-14.5	112.5	266.3	-57.8
Croatia	26.4	24.0	10.0	104.0	119.9	-13.2
Belarus	18.6	22.8	-18.3	90.3	87.4	3.3
Slovenia	11.4	11.6	-0.9	44.4	41.9	6.0
Serbia	14.3	13.6	5.1	55.7	55.3	0.7
North Macedonia	8.0	9.8	-18.0	31.0	30.5	1.9
Corporate & other, eliminations	1.2	0.1	n.m.	2.3	0.9	149.4
<b>Total D&amp;A</b>	<b>237.5</b>	<b>238.8</b>	<b>-0.6</b>	<b>945.8</b>	<b>1,102.9</b>	<b>-14.2</b>



## EBIT

in EUR million	Q4 2019 IFRS 16	Q4 2018 IFRS 16 based	% change	2019 IFRS 16	2018 IFRS 16 based	% change
Austria	78.0	89.8	-13.1	415.8	474.5	-12.4
Bulgaria	13.4	4.9	170.7	66.9	-106.8	n.m.
Croatia	2.8	0.6	n.m.	41.1	12.9	218.2
Belarus	31.2	17.7	76.0	100.7	90.3	11.4
Slovenia	3.7	3.2	15.8	14.7	12.2	20.2
Serbia	5.4	-1.0	n.m.	27.7	14.9	86.0
North Macedonia	1.8	-0.2	n.m.	12.2	10.2	19.7
Corporate & other, eliminations	-18.3	-19.9	8.1	-64.2	-62.3	-3.0
<b>Total EBIT</b>	<b>118.0</b>	<b>95.2</b>	<b>23.9</b>	<b>614.8</b>	<b>446.0</b>	<b>37.9</b>

## Capital Expenditures

in EUR million	Q4 2019 IFRS 16	Q4 2018 IFRS 16 based	% change	2019 IFRS 16	2018 IFRS 16 based	% change
Austria	117.0	135.0	-13.3	526.9	469.3	12.3
Bulgaria	31.4	35.6	-11.9	78.5	86.5	-9.2
Croatia	25.2	31.7	-20.3	86.6	87.8	-1.3
Belarus	69.5	23.0	202.8	105.1	49.7	111.5
Slovenia	12.7	16.4	-22.5	24.5	27.5	-10.7
Serbia	15.8	16.1	-1.9	35.8	34.1	4.9
North Macedonia	7.7	9.8	-21.5	19.1	19.2	-0.5
Corporate & other, eliminations	0.3	-3.9	n.m.	3.3	-3.1	n.m.
<b>Total capital expenditures</b>	<b>279.7</b>	<b>263.7</b>	<b>6.1</b>	<b>879.8</b>	<b>771.0</b>	<b>14.1</b>

## Capital Expenditures - Tangible

in EUR million	Q4 2019 IFRS 16	Q4 2018 IFRS 16 based	% change	2019 IFRS 16	2018 IFRS 16 based	% change
Austria	91.9	109.9	-16.4	380.3	389.5	-2.4
Bulgaria	24.9	18.5	34.6	63.2	52.4	20.6
Croatia	16.4	20.1	-18.3	64.2	70.7	-9.2
Belarus	11.6	17.0	-31.6	32.3	36.7	-12.0
Slovenia	9.5	9.2	2.8	19.3	17.9	7.8
Serbia	15.0	10.5	42.1	28.3	25.3	11.8
North Macedonia	6.3	8.2	-23.4	16.7	17.0	-1.8
Corporate & other, eliminations	0.2	0.6	-67.4	1.7	0.8	113.4
<b>Total capital expenditures - tangible</b>	<b>175.7</b>	<b>194.0</b>	<b>-9.4</b>	<b>605.9</b>	<b>610.2</b>	<b>-0.7</b>

## Capital Expenditures - Intangible

in EUR million	Q4 2019 IFRS 16	Q4 2018 IFRS 16 based	% change	2019 IFRS 16	2018 IFRS 16 based	% change
Austria	25.2	25.1	0.1	146.6	79.9	83.5
Bulgaria	6.5	17.1	-62.3	15.4	34.1	-55.0
Croatia	8.9	11.6	-23.6	22.5	17.1	31.5
Belarus	57.9	5.9	n.m.	72.8	13.0	n.m.
Slovenia	3.3	7.2	-54.8	5.2	9.5	-45.4
Serbia	0.9	5.6	-84.5	7.5	8.8	-15.2
North Macedonia	1.4	1.6	-11.9	2.4	2.2	9.8
Corporate & other, eliminations	0.1	-4.5	n.m.	1.5	-3.9	n.m.
<b>Total capital expenditures - intangible</b>	<b>104.0</b>	<b>69.7</b>	<b>49.3</b>	<b>273.9</b>	<b>160.7</b>	<b>70.4</b>

## Wireless Subscribers

in thousands	Q4 2019	Q4 2018	% change
Austria	5,114.9	5,363.7	-4.6
thereof postpaid	3,895.5	3,825.1	1.8
Bulgaria	3,824.1	3,934.3	-2.8
thereof postpaid	3,406.4	3,505.2	-2.8
Croatia	1,847.8	1,833.3	0.8
thereof postpaid	1,111.4	1,043.9	6.5
Belarus	4,890.1	4,873.0	0.3
thereof postpaid	4,117.4	4,041.1	1.9
Slovenia	705.3	697.1	1.2
thereof postpaid	626.3	611.7	2.4
Serbia	2,311.0	2,195.2	5.3
thereof postpaid	1,574.3	1,481.8	6.2
North Macedonia	1,091.1	1,085.6	0.5
thereof postpaid	719.3	689.6	4.3
<b>Total wireless subscribers</b>	<b>21,296.4</b>	<b>21,028.6</b>	<b>1.3</b>
<b>  thereof postpaid</b>	<b>16,962.8</b>	<b>16,244.8</b>	<b>4.4</b>

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

## RGUs

in thousands	Q4 2019	Q4 2018	% change
Austria	3,247.0	3,327.7	-2.4
thereof broadband	1,411.3	1,434.8	-1.6
thereof TV	323.9	313.0	3.5
Bulgaria	1,060.0	1,029.0	3.0
thereof broadband	464.3	448.3	3.6
thereof TV	530.5	507.5	4.5
Croatia	685.8	681.8	0.6
thereof broadband	252.2	254.0	-0.7
thereof TV	235.1	229.3	2.5
Belarus	616.9	657.3	-6.1
thereof broadband	228.0	246.7	-7.6
thereof TV	386.3	408.1	-5.3
Slovenia	200.1	182.1	9.9
thereof broadband	82.2	73.7	11.5
thereof TV	69.0	60.2	14.6
North Macedonia	333.6	324.9	2.7
thereof broadband	104.2	102.5	1.6
thereof TV	132.2	128.8	2.6
<b>Total RGUs</b>	<b>6,143.4</b>	<b>6,202.8</b>	<b>-1.0</b>
thereof broadband	2,542.2	2,560.1	-0.7
thereof TV	1,676.9	1,646.9	1.8

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

## Mobile churn

in %	Q4 2019 IFRS 16	Q4 2018 IFRS 16 based	2019 IFRS 16	2018 IFRS 16 based
Austria	1.8%	1.5%	1.6%	1.6%
Bulgaria	2.2%	2.0%	1.8%	1.6%
Croatia	3.0%	3.2%	2.5%	2.3%
Belarus	1.4%	1.7%	1.4%	1.5%
Slovenia	1.3%	1.3%	1.2%	1.4%
Serbia	3.5%	3.2%	3.0%	3.2%
North Macedonia	2.8%	2.5%	1.7%	1.8%

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

in EUR million	Q4 2019 IFRS 16	Q4 2018 IFRS 16 based	% change	2019 IFRS 16	2018 IFRS 16 based	% change
Austria	228.1	227.5	0.3	997.2	997.4	0.0
Bulgaria	41.7	37.9	10.2	179.4	157.8	13.7
Croatia	29.3	24.6	19.1	138.6	128.9	7.5
Belarus	47.1	40.5	16.2	185.7	174.5	6.4
Slovenia	15.2	14.8	2.7	60.0	54.1	11.0
Serbia	19.5	12.6	55.1	83.6	70.2	19.0
North Macedonia	9.8	9.6	2.0	43.2	40.1	7.6
Corporate & other, eliminations	-17.0	-19.8	13.9	-61.8	-61.5	-0.5
<b>Total adjusted EBITDA</b>	<b>373.7</b>	<b>347.7</b>	<b>7.5</b>	<b>1,625.8</b>	<b>1,561.6</b>	<b>4.1</b>

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

in EUR million	Q4 2019 IFRS 16	Q4 2018 IFRS 16 based	% change	2019 IFRS 16	2018 IFRS 16 based	% change
<b>EBITDA</b>	<b>355.5</b>	<b>334.1</b>	<b>6.4</b>	<b>1,560.6</b>	<b>1,548.9</b>	<b>0.8</b>
FX translation effect	-2.7			-5.6		
One-off effects	0.0	-0.2		-13.3	-9.4	
Restructuring charges	21.0	13.9		84.1	22.1	
<b>EBITDA - excl. FX-, one off effects and restructuring charges</b>	<b>373.7</b>	<b>347.7</b>	<b>7.5</b>	<b>1,625.8</b>	<b>1,561.6</b>	<b>4.1</b>

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

in EUR million	Q4 2019 IFRS 16	Q4 2018 IFRS 16 based	% change	2019 IFRS 16	2018 IFRS 16 based	% change
<b>EBITDA</b>	<b>207.1</b>	<b>213.6</b>	<b>-3.0</b>	<b>921.3</b>	<b>975.3</b>	<b>-5.5</b>
One-off effects	0.0	0.0		-8.2	0.0	
Restructuring charges	21.0	13.9		84.1	22.1	
<b>EBITDA excl. one off effects and restructuring charges</b>	<b>228.1</b>	<b>227.5</b>	<b>0.3</b>	<b>997.2</b>	<b>997.4</b>	<b>0.0</b>

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

in EUR million	Q4 2019 IFRS 16	Q4 2018 IFRS 16 based	% change	2019 IFRS 16	2018 IFRS 16 based	% change
<b>EBITDA after leases</b>	<b>310.3</b>	<b>293.7</b>	<b>5.6</b>	<b>1,382.8</b>	<b>1,390.9</b>	<b>-0.6</b>
FX translation effect	-2.4			-5.1		
One-off effects	0.0	-0.2		-13.3	-9.4	
Restructuring charges	21.0	13.9		84.1	22.1	
<b>EBITDA after leases - excl. FX-, one-off effects and restructuring charges</b>	<b>328.8</b>	<b>307.3</b>	<b>6.9</b>	<b>1,448.4</b>	<b>1,403.6</b>	<b>3.2</b>

## ARPU

ARPU-relevant revenues are wireless service revenues, i.e. mobile retail revenues (incl. customer roaming) and mobile interconnection as well as visitor roaming and national roaming revenues. The ARPU is calculated based on ARPU-relevant revenues divided by the average subscribers in a certain period.

in EUR	Q4 2019 IFRS 16	Q4 2018 IFRS 16 based	% change	2019 IFRS 16	2018 IFRS 16 based	% change
Austria	14.8	14.2	3.9	14.7	14.5	1.4
Bulgaria	5.7	5.2	10.0	5.6	5.2	9.3
Croatia	10.4	10.1	2.3	10.8	10.8	0.2
Belarus	4.9	4.2	17.4	4.7	4.2	10.3
Slovenia	13.8	14.4	-4.2	14.3	14.5	-1.3
Serbia	7.3	6.5	12.5	7.2	6.8	6.2
North Macedonia	5.6	5.3	6.9	5.7	5.4	4.6
<b>Group ARPU</b>	<b>8.1</b>	<b>7.8</b>	<b>4.1</b>	<b>8.2</b>	<b>8.0</b>	<b>1.9</b>

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

## ARPL

ARPL-relevant revenues are fixed retail revenues and fixed interconnection revenues. The ARPL is calculated by dividing ARPL-relevant revenues by average fixed access lines in a certain period. The difference to fixed-line service revenues represents interconnection transit revenues, solutions & connectivity revenues and other revenues.

in EUR	Q4 2019 IFRS 16	Q4 2018 IFRS 16 based	% change	2019 IFRS 16	2018 IFRS 16 based	% change
Austria	31.6	31.1	1.5	31.3	30.7	1.9
Bulgaria	13.5	12.8	5.6	13.3	12.5	6.1
Croatia	32.0	30.4	5.2	30.8	30.3	1.8
Belarus	6.6	5.6	17.5	6.1	5.6	7.8
Slovenia	34.2	34.8	-1.6	35.2	35.7	-1.6
Serbia	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
North Macedonia	10.9	11.0	-1.1	10.8	11.0	-1.9

\* Figures for the comparison period have been restated due to minor reclassifications in Austria and Slovenia.

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

ARPL-relevant revenues (in EUR million)	Q4 2019 IFRS 16	Q4 2018 IFRS 16 based	% change	2019 IFRS 16	2018 IFRS 16 based	% change
Austria	187.2	192.1	-2.5	753.2	767.8	-1.9
Bulgaria	21.9	20.6	6.4	85.5	79.8	7.1
Croatia	27.8	27.0	3.0	109.3	107.1	2.0
Belarus	7.7	7.0	9.9	30.1	25.8	16.8
Slovenia	8.3	7.6	9.2	32.9	30.7	7.2
Serbia	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
North Macedonia	5.0	4.9	2.2	19.7	19.3	2.5

\* Figures for the comparison period have been restated due to minor reclassifications in Austria and Slovenia.

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

Access lines (in '000)	Q4 2019	Q4 2018	% change
Austria	1,967.0	2,048.3	-4.0
Bulgaria	543.4	536.0	1.4
Croatia	288.8	296.9	-2.7
Belarus	389.0	451.8	-13.9
Slovenia	82.3	73.8	11.5
Serbia	n.a.	n.a.	n.a.
North Macedonia	153.9	149.5	2.9

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

#### Belarus Key Financials in EUR and BYN

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.

in EUR million	Q4 2019 IFRS 16	Q4 2018 IFRS 16 based	% change	2019 IFRS 16	2018 IFRS 16 based	% change
Total revenues	114.0	100.3	13.7	426.1	390.9	9.0
Total costs and expenses	-64.2	-59.7	-7.5	-235.2	-213.2	-10.3
EBITDA	49.8	40.5	22.9	190.9	177.7	7.4

in BYN million	Q4 2019 IFRS 16	Q4 2018 IFRS 16 based	% change	2019 IFRS 16	2018 IFRS 16 based	% change
Total revenues	261.8	243.2	7.6	997.0	940.3	6.0
Total costs and expenses	-147.5	-144.8	-1.9	-550.2	-512.8	-7.3
EBITDA	114.3	98.4	16.1	446.8	427.5	4.5

## 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 Annual Report 2018, pp. 78 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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