



# Results for the Fourth Quarter and the Full Year 2020

Vienna, February 9, 2021 – Today, A1 Telekom Austria Group (VSE: TKA, OTC US: TKAGY) announces its results for the fourth quarter and the full year 2020, ending December 31, 2020.

## Key performance indicators

in EUR million	Q4 2020	Q4 2019	% change	2020	2019	% change
Total revenues	1,185.6	1,200.4	-1.2	4,549.4	4,565.2	-0.3
Service revenues	961.4	962.7	-0.1	3,804.5	3,805.5	0.0
thereof mobile service revenues	516.8	520.4	-0.7	2,071.1	2,075.3	-0.2
thereof fixed-line service revenues	444.6	442.4	0.5	1,733.5	1,730.2	0.2
Equipment revenues	195.7	212.9	-8.1	659.4	663.9	-0.7
Other operating income	28.5	24.8	15.1	85.5	95.8	-10.8
EBITDA	364.5	355.5	2.5	1,576.8	1,560.6	1.0
% of total revenues	30.7%	29.6%		34.7%	34.2%	
EBITDA before restructuring	387.0	376.5	2.8	1,661.3	1,644.7	1.0
% of total revenues	32.6%	31.4%		36.5%	36.0%	
EBIT	129.3	118.0	9.6	638.9	614.8	3.9
% of total revenues	10.9%	9.8%		14.0%	13.5%	
Net result	43.2	35.3	22.4	388.8	327.4	18.7
% of total revenues	3.6%	2.9%		8.5%	7.2%	
Wireless indicators	Q4 2020	Q4 2019	% change	2020	2019	% change
Wireless subscribers (thousands)	21,864.2	21,288.1	2.7	21,864.2	21,288.1	2.7
Postpaid	17,822.4	16,954.6	5.1	17,822.4	16,954.6	5.1
Prepaid	4,041.9	4,333.6	-6.7	4,041.9	4,333.6	-6.7
MoU (per Ø subscriber)	450.5	369.9	21.8	424.4	361.9	17.3
ARPU (in EUR)	7.9	8.1	-2.3	8.1	8.2	-1.3
Mobile churn (%)	1.3%	2.0%		1.4%	1.7%	
Wireline indicators	Q4 2020	Q4 2019	% change	2020	2019	% change
RGUs (thousands)	6,050.3	6,147.7	-1.6	6,050.3	6,147.7	-1.6

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<sup>1</sup> Alternative performance measures are included in this report. For details, please refer to the tables on page 16 onwards.

## Q4 2020 Analysis

### Group Summary

While the pandemic situation seemed to be relatively stable at the beginning of the fourth quarter, a growing number of new COVID-19 infections in October and November prompted all governments in the footprint of the A1 Telekom Austria Group to reimpose certain measures. In order to protect public health systems, most governments announced national lockdowns in the course of Q4 2020, temporarily closing or restricting opening hours for hospitality facilities, cancelling public events and limiting travel. Telecommunication shops remained open in almost all of the Group's markets.

Operations were well prepared and adjusted again to this environment, while continued focus on operational efficiency strengthened business resilience further and allowed to offset negative external effects from lower roaming revenues and equipment sales.

The presentation for the conference call and key figures of A1 Telekom Austria Group in Excel format ('Fact Sheet Q4 2020') are available on the website at [www.a1.group](http://www.a1.group).

- Group total revenues decrease of 1.2% driven by equipment revenues while service revenues remained flat despite heavy roaming losses (~2% on Group revenues) and negative FX effects.
  - Mobile service revenues declined only slightly by 0.7% on a Group level as growth in Austria, Bulgaria and Serbia almost compensated for the decline in Belarus and Slovenia.
  - Fixed-line service revenues rose by 0.5% as growth in Bulgaria and Slovenia outweighed declines in other CEE markets, while they remained flat in Austria.
  - Equipment revenues declined by 8.1%, due to a considerably lower number of sold devices following the year-end lockdown measures.
- Mobile contract subscriber numbers rose by 5.1%, with growth in almost all markets.
- Fixed-line RGUs decreased by 1.6%, as the group-wide growth in high-bandwidth broadband RGUs could not compensate for the decline in low-bandwidth broadband and fixed-line voice RGUs.
- Group EBITDA before restructuring increased by 2.8% on the back of operational efficiencies
  - Excluding FX and one-off effects as well as restructuring charges EBITDA rose by 5.0%.
  - In Austria, successful cost saving measures together with higher service revenues translated into EBITDA before restructuring growth of 4.2%.
  - In the CEE markets, EBITDA excluding FX and one-off effects grew by 3.7% (reported: -1.2%) due to growth in Bulgaria, Serbia and North Macedonia.
- Total CAPEX in the full year 2020 declined by 26.0% on Group-level. CAPEX in Austria was 13.4% lower. The CAPEX reduction was a decision taken early in 2020 to ensure flexibility in unstable times due to COVID-19.
- In FY 2020, free cash flow increased by EUR 159.9 mn due to announced CAPEX cuts (EUR 131.3 mn less CAPEX paid) and better operational performance.
- A1 Telekom Austria Group is currently working on developing alternatives to reap more benefits from its tower assets through a targeted management focus on internal efficiencies and higher tenancy ratios.
- Outlook 2021: approximately 1% Group total revenue growth, approx. EUR 800 mn CAPEX excluding spectrum investments and acquisitions.

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

- Negative roaming impact on Group EBITDA of around 5% (Q3 2020: ~-5%) stemming from the decline in roaming traffic following reduced mobility and increased travel restrictions.
- Negative FX effects amounted to EUR 34.9 mn in total revenues, EUR 25.0 mn in service revenues, and EUR 14.0 mn in EBITDA in Q4 2020, the vast majority stemming from Belarus and, to a small extent, from Croatia.
- Total one-off effects of positive EUR 6.9 mn in revenues and positive EUR 5.9 mn in EBITDA in Q4 2020 with the following main effects (none in the comparison period):
  - In Croatia, there was a positive one-off effect of EUR 4.2 mn in total revenues and EUR 5.8 mn in EBITDA in Q4 2020 stemming from income in relation to an agreement on network infrastructure rental.
  - In Slovenia, there were negative one-off effects of EUR 2.2 mn in EBITDA, with the main effect stemming from a pending proceeding of the national regulation authority.
  - In Serbia, there were positive one-off effects of EUR 2.4mn, in both total revenues and EBITDA, stemming from the settlement related to a contractual obligation and revised future costs for asset retirement obligations.
- Restructuring charges in Austria amounted to EUR 22.6 mn in Q4 2020 (Q4 2019: EUR 21.0 mn).

### Mobile Subscribers and Fixed-line RGUs

Number of postpaid subscribers grew by 5.1% in Q4 2020, RGUs decreased by 1.6%

In mobile communications, the number of subscribers of the A1 Telekom Austria Group rose by 2.7% to 21.8 million in the quarter under review.

In a year-on-year comparison, the number of contract customers rose in almost all markets driven by ongoing strong demand for mobile WiFi routers. The number of A1 Digital M2M customers increased in Q4 2020 while prepaid customer numbers declined in almost all markets. In Austria, prepaid churn has stabilized as the SIM card registration for existing customers annualized as of September 1, 2020.

The number of revenue-generating units (RGUs) in the Group's fixed-line business declined by 1.6% year-on-year. The decline in RGUs in Austria was driven by voice and low-bandwidth broadband RGUs. In the CEE markets, the number of RGUs rose due to broadband and TV RGUs.

## Austria

### Key performance indicators

#### Financials

in EUR million	Q4 2020	Q4 2019	% change	2020	2019	% change
Total revenues	681.6	685.2	-0.5	2,622.1	2,648.1	-1.0
Service revenues	587.8	582.0	1.0	2,317.3	2,320.3	-0.1
thereof mobile service revenues	234.2	228.1	2.7	940.0	926.1	1.5
thereof fixed-line service revenues	353.6	353.9	-0.1	1,377.3	1,394.2	-1.2
Equipment revenues	80.3	89.1	-9.9	256.2	268.6	-4.6
Other operating income	13.5	14.0	-3.8	48.7	59.2	-17.8
EBITDA	215.1	207.1	3.8	936.7	921.3	1.7
% of total revenues	31.6%	30.2%		35.7%	34.8%	
EBITDA before restructuring	237.7	228.1	4.2	1,021.2	1,005.4	1.6
% of total revenues	34.9%	33.3%		38.9%	38.0%	
EBIT	82.9	78.0	6.2	413.7	415.8	-0.5
% of total revenues	12.2%	11.4%		15.8%	15.7%	

Wireless indicators	Q4 2020	Q4 2019	% change	2020	2019	% change
Wireless subscribers (thousands)	5,061.2	5,114.9	-1.0	5,061.2	5,114.9	-1.0
thereof postpaid	3,963.1	3,895.5	1.7	3,963.1	3,895.5	1.7
thereof prepaid	1,098.1	1,219.3	-9.9	1,098.1	1,219.3	-9.9
MoU (per Ø subscriber)	380.7	293.1	29.9	361.8	281.6	28.5
ARPU (in EUR)	15.5	14.8	5.0	15.6	14.7	5.7
Mobile churn (%)	0.9%	1.8%		1.2%	1.6%	

Wireline indicators	Q4 2020	Q4 2019	% change	2020	2019	% change
RGUs (thousands)	3,117.3	3,247.0	-4.0	3,117.3	3,247.0	-4.0

While general market conditions remained mostly unchanged, compared to previous quarters, Q4 was additionally impacted by a new lockdown and usual Christmas business. The country-wide lockdown announced in November 2020 supported the increasing demand for streaming services amidst more home-schooling and a return to home offices. Strong demand for mobile WiFi routers continued in the mobile segment, while the need for increased broadband speeds characterized the fixed-line business. At the end of the year, market participants focused on Christmas campaigns.

Competition in the Internet@Home business, which comprises mobile WiFi routers, hybrid and pure fixed-line broadband solutions, remained intense also in the fourth quarter. The demand for high-end tariff products increased and was especially driven by the business side.

A1 continued its fixed-line broadband promotion in the fourth quarter, offering attractive benefits to new and existing customers. The main goal of the promotion was to improve orders of new as well as to upgrade the existing fixed-line broadband lines, and resulted in better numbers of gross additions compared to the previous quarters. However, broadband churn increased mostly due to low-bandwidth products and returned to its pre-COVID-19 level. As a result in Q4 2020, fixed-line broadband net adds were slightly more negative than in Q3 2020 (-6,200 in Q4 vs. -5,500 in Q3).

Back in March 2020, A1 launched its new TV platform A1 Xplore TV with multiscreen experience and integrated applications. Price increases of EUR 3 will be implemented for existing customers on the old platform and will be effective from March 2021.

Upselling continues on the back of strong demand for data and bandwidth

In January 2020, A1 launched its "5Giga" premium tariff portfolio for the mobile and Internet@Home segments. 5GigaMobil tariffs offer a priority network proposition, unlimited data volumes as well as the latest 5G devices. With the launch of new 5G devices in November 2020 the uptake rate of 5G tariffs, which slowed down after the COVID-19 outbreak, started to rise again.

In the fourth quarter competition followed earlier moves by A1 through the inclusion of "free stream" features for social media and streaming applications in their 5G tariff propositions. Additionally, one competitor classified their entry tariffs as '5G tariffs'.

Competition in mobile low-value and youth segments remained intense in Q4 2020, which A1 continued to counter via targeted youth tariffs and attractive offers with its no-frills brands. As the SIM card registration of existing customers annualized as of September 1, 2020, prepaid net addition levels have now stabilized.

Prices for existing residential fixed-line voice customers were increased in November 2019 and raised again by EUR 2 in September 2020. Furthermore, the activation fee and the annual service fee were increased for mobile customers and tariff switches in February 2020, while in September 2020 prices were increased for SIM-only customers by EUR 1 to 3, depending on the relevant tariff. As of April 1, 2020, an indexation of approximately 1.5% became effective for certain customers in mobile high-value and the fixed-line businesses.

#### *Impact of COVID-19*

On November 3, 2020, a second lockdown came into effect throughout Austria with some easing around Christmas. After Christmas, most of the measures have been prolonged into 2021. Tourism and leisure travel has not been allowed and only urgent business travel has been permitted. Hotels have been closed. Essential shops have been allowed to remain open which included shops of telecom operators.

Roaming revenues were hit in the fourth quarter, as the new lockdown measures reduced both the incoming and outgoing travels.

#### *Q4 2020 Results*

#### Service revenue growth of 1.0% despite roaming losses

In the Austrian segment, total revenues declined only slightly by 0.5% yoy in the fourth quarter, as higher service revenues partially offset lower equipment revenues. Total service revenues increased by 1.0%, driven by mobile service revenues, while fixed-line service revenues remained flat. Equipment revenues declined due to lower volumes following reduced retention and acquisition activities in the mobile business as well as fewer quantities in the ICT business.

Mobile service revenues increased, as the ongoing strong demand for mobile WiFi routers together with the increased share of high-value tariffs more than outweighed roaming losses caused by the reduced travel. ARPU rose by 5.0% as a result, additionally supported by higher share of contract customers following the SIM card registration.

Fixed-line service revenues were stable (-0.1%) in the fourth quarter, as higher retail fixed-line service revenues, owing to the strong demand for high-bandwidth products and increased voice traffic, compensated for lower solutions and connectivity revenues. The latter were lower as the comparison period benefited from a big customer project. ARPL rose by 5.8% due to the increased share of higher bandwidth products as well as price increases for fixed-line voice customers.

Internet@home subscriber numbers grew by 1.7% year-on-year. This growth was again driven by ongoing strong demand for both high and low-value mobile WiFi routers.

The equipment margin declined following lower equipment sales and less promotional deals, while total subsidies decreased both in acquisitions and retentions due to lower volumes and lower subsidies per handset.

Costs and expenses decreased, as lower cost of equipment, lower costs for ICT customer projects as well as savings in advertising expenses offset higher network maintenance and workforce costs. Advertising expenses were lower due to fewer promotional campaigns in the reporting period. Network maintenance costs were higher amidst network adaptations and rollout activities, while workforce costs increased due to less own work capitalized.

EBITDA before restructuring charges increased by 4.2% (reported 3.8%) as successful cost saving measures together with higher service revenues more than compensated for the lower equipment margin.

## International operations

### Key performance indicators

Financials in EUR million	Q4 2020	Q4 2019	% change	2020	2019	% change
Total revenues	509.9	521.7	-2.3	1,955.8	1,957.5	-0.1
Service revenues	380.3	388.0	-2.0	1,514.7	1,525.4	-0.7
thereof mobile service revenues	284.0	294.2	-3.5	1,138.0	1,161.8	-2.0
thereof fixed-line service revenues	96.3	93.8	2.7	376.6	363.7	3.6
Equipment revenues	115.0	123.4	-6.8	402.2	395.2	1.8
Other operating income	14.6	10.4	40.4	38.9	36.9	5.5
EBITDA	163.5	165.4	-1.2	697.4	701.1	-0.5
% of total revenues	32.1%	31.7%		35.7%	35.8%	
EBIT	62.2	58.4	6.4	288.7	264.0	9.4
% of total revenues	12.2%	11.2%		14.8%	13.5%	
Wireless indicators	Q4 2020	Q4 2019	% change	2020	2019	% change
Wireless subscribers (thousands)	14,737.4	14,661.1	0.5	14,737.4	14,661.1	0.5
thereof postpaid	11,793.7	11,546.9	2.1	11,793.7	11,546.9	2.1
thereof prepaid	2,943.8	3,114.3	-5.5	2,943.8	3,114.3	-5.5
Wireline indicators	Q4 2020	Q4 2019	% change	2020	2019	% change
RGUs (thousands)	2,933.1	2,900.7	1.1	2,933.1	2,900.7	1.1

In Q4 2020, results in the international operations were heavily impacted by negative FX effects, which amounted to EUR 34.9 mn in total revenues and EUR 14.0 mn in EBITDA, and stemmed almost entirely from Belarus. Excluding one-off and FX effects, international operations grew by 3.1% and 3.7% in total revenues and EBITDA, respectively. Service revenues excluding one-off and FX effects grew by 5.2%.

Excluding one-off and FX effects, EBITDA increased by 3.7% in CEE markets

### Bulgaria

In Bulgaria, the solid trends of the previous quarters continued in Q4. The fixed-line business was shaped by increasing demand for exclusive TV products that were enriched with additional channels and new features for sport products. Also the demand for high-bandwidth products increased. The solutions and connectivity business grew again, mainly on the back of security solutions. The mobile business benefited from continued upselling activities. Total subsidies declined in the fourth quarter, due to lower quantities and less subsidy per device in retention activities, while they increased in acquisition activities due to higher sales volumes and higher subsidy per handset.

In order to reduce the COVID-19's impact on the public health system, the Bulgarian government reintroduced lockdown restrictions in November 2020. That involved the closing of schools and universities, in addition to bars, restaurants and non-essential shops, while domestic and international tourism was suspended. Shops of all telecommunication operators remained opened. On January 26, 2021, the epidemic declaration in the country have been extended until April 30, 2021, while gradual re-opening of schools and hospitality services would follow in February and March respectively. Travels within the country will be conditional on negative PCR tests.

In Q4 2020, total revenues declined marginally by 0.6%, as the solid service revenues growth was not able to fully offset lower equipment revenues and lower other operating income. Mobile service revenues rose due to successful upselling, which more than compensated for the roaming losses. Fixed-line service revenues rose due to the above-mentioned upselling to high-bandwidth products, higher number of TV customers as well as the increase in solutions and connectivity revenues. Other operating income came in lower as the comparison period was positively impacted due to the release of an accrual for asset retirement obligations. Total costs and expenses declined as lower cost of equipment following less quantities sold as well as savings achieved in sales and advertising expenses due to less promotional activities more than compensated for higher content and network maintenance costs. While content costs increased due to additional channels and features for TV products, network maintenance costs were higher due to passive infrastructure preparations. EBITDA increased by 10.9%, driven by service revenue growth and additionally supported by cost savings.

### *Croatia*

Being heavily dependent on tourism, the Croatian economy is one of the hardest hit by the COVID-19 pandemic. At the end of November 2020, a new set of lockdown measures have been introduced in the country. Hospitality services have been closed, while the travel ban has been reimposed and all border crossings have become strongly restricted. Shops of telecommunication operators have remained open. On January 28, 2021, the government decided to ease certain measures amidst the improving pandemic situation and to allow for schools reopenings and outdoor sports from February 1, 2020.

Competition in Croatia focused on convergent offers with high data allowances, TV content and attractive bundle promotions. In the mobile business, A1 Croatia launched a new postpaid portfolio with attractive handset promotions and additional data packages, while demand for mobile WiFi routers continued to be strong.

The Croatian Kuna depreciated by 1.5% (period average) against the euro in Q4 2020, which led to a negative FX impact of EUR 1.8 mn on total revenues and EUR 0.5 mn on EBITDA.

### Strong demand for mobile WiFi routers mitigated roaming shortfalls

In Q4 2020, total revenues in the Croatian segment increased by 6.0%, driven by higher other operating income and increased equipment revenues, which more than compensated for a decline in service revenues. Other operating income was positively impacted by one-off effect of EUR 4.2mn stemming from income in relation to an agreement on network infrastructure rental, while equipment revenues were driven by higher quantities sold. Mobile service revenues declined due to the roaming shortfall, while continued strong demand for mobile WiFi routers was able to compensate for some of the losses. Fixed-line service revenues declined, mainly due to lower bitstream revenues following the ongoing shift of customers from bitstream access to mobile WiFi routers, as well as due to lower solutions and connectivity revenues.

Total costs and expenses increased, driven by higher cost of equipment and higher administration costs as well as higher advertising and commission expenses. While cost of equipment came in higher due to increased equipment sales, administration expenses rose amidst higher legal and workforce costs. Advertising and commission expenses increased, driven by a higher number of promotional campaigns in the reporting period. Corporate network costs also benefited following the release of the above-mentioned accrual, while lower taxes and use of rights came as a result of lower frequency fees. EBITDA rose by 10.2%, due to positive one-off effects, while EBITDA excluding FX and one-off effects decreased by 7.9%.

### *Belarus*

The economic situation in Belarus continues to be shaped by political uncertainty. Throughout the fourth quarter, all operators were ordered to reduce capacity of their mobile network in Minsk for limited time periods. A1 Belarus complied with the requirements of the governmental authorized bodies and transparently communicated all the cases as decisions by the Belarusian government.

The National Bank pursues a strict monetary policy in order to keep inflation low (7.4% in December 2020) and suspended the short-term liquidity for the banking system from September until January 2021. As a consequence, shortage of local currency in the market led to a sharp increase of interest rates for short-term lending, potentially weighing on growth prospects of the economy. In September, S&P Global Ratings revised the country outlook to negative and affirmed a "B" (Foreign Currency LT) credit rating. In Q4 2020, the local currency depreciated 25.2% vs. the euro compared to the same period last year (period average). For the full year 2020, the local currency depreciated by 16.1% (period average). In the context of an adverse investment climate in 2020, A1 substantially reduced capital expenditures (-91.4% in Q4, -74.5% (EUR 78.3 mn) in FY 2020).

Local currency depreciated  
16.1% in FY 2020

The Belarusian government had imposed no official restrictions at the outset of the COVID-19 outbreak for a long period of time, but people were asked to minimize social contacts. In November, wearing of masks became mandatory at workplaces and in all public places.

In this environment, market dynamics continued to be calm and operators focused on retaining and upselling existing customers, as acquiring new customers has become more difficult. Already in Q2 2020, A1 Belarus launched an online store in order to shift more sales to digital channels. Total subsidies increased in Q4 2020, both in retention and acquisition activities driven by higher subsidies per device.

As of June 2020, fixed-line service plan prices for existing customers were increased by 3.0%. In November 2020, inflation-linked price adjustments of roughly 4%, tied with an attractive convergent offering, were implemented for all mobile customers and about a half of the fixed subscriber base.

Due to negative FX effects of EUR 33.0 mn, total revenues declined in Euro terms, while they rose by 12.9% on a local currency basis due to higher service revenues as well as increased equipment revenues. Mobile service revenues grew by 7.3% in local currency, as upselling measures and the above-mentioned price increases more than offset a negative roaming impact. Fixed-line service revenues increased by 21.1% in local currency, mainly on the back of a strong solutions and connectivity business. Additionally, upselling customers to Internet and TV bundles as well as the above-mentioned price increase contributed to the growth. Equipment revenues increased despite lower quantities sold, largely driven by structural shifts towards FX-denominated more expensive handset portfolio.

Mobile service revenue  
growth of 7.3% in local  
currency

Cost and expenses rose due to capacity-driven higher network maintenance costs as well as higher content and workforce costs. While higher content costs were FX-driven, workforce costs increased due to an inflation-linked wage increase. On a local currency basis, EBITDA remained flat, as higher service revenues and higher equipment revenues could not outweigh increased cost and expenses. In euro terms, EBITDA declined by 27.0%.

### *Other Segments*

In the Slovenian market all operators continued with their promotions in the fourth quarter and market dynamics intensified approaching the year-end. In the fixed-line business, A1 continued to offer its new Xplore TV platform as well as Internet products with recently updated propositions such as increased speeds, satisfaction guarantee and non-binding, as well as higher pricing. Solid sales of cloud-related products continued and translated successfully into higher solutions and connectivity revenues. In the mobile business, A1 continued with its 'Member-Get-Member' campaign, providing discounts to those who bring additional customers. The number of COVID-19 infection cases started to climb at the beginning of

September and the number of daily new cases as well as of hospitalized patients remained at high levels at year-end. A new country lockdown was enacted again in mid-October and a pandemic state of emergency was declared. Later, on January 17, 2021, the government decided to extend the lockdown and the pandemic state of emergency was prolonged for another 60 days. Shops of telecommunication operators work as pick-up points. Total revenues declined by 2.4%, as higher fixed-line service revenues, owing to RGU growth and higher solution and connectivity revenues, could not compensate for roaming losses and lower equipment revenues. Cost and expenses were lower, despite a negative one-off effect of EUR 2.5 mn due to a pending proceeding of the national regulation authority, and were driven by lower cost of equipment and lower administrative expenses. In total, EBITDA declined by 5.8%. Excluding the above mentioned one-off effect, EBITDA increased by 8.9%.

In Serbia, the competitive environment in mobile business remained intense in the fourth quarter. Vip mobile had redesigned its portfolio at the beginning of 2020 with a "more-for-more" concept. Higher data allowances including subsidized hardware exclusively for high-value tariffs resulted in a stronger differentiation against SIM-only tariffs. Demand for unlimited voice and SMS tariffs with flat data allowances and the popularity of mobile WiFi routers continued to be strong. The level of new COVID-19 infections in the country reached a peak at the beginning of December and the government reacted by reintroducing restriction measures. Opening hours for restaurants, bars and shops have been restricted, while shops of telecommunication operators have remained open. Incoming travelers can access the country only under the condition of negative PCR testing or obligatory 10-day quarantine. Total revenues remained stable (-0.2%), as higher service revenues and higher other operating income compensated for lower equipment revenues. While service revenues increased due to strong demand for high-value tariffs despite roaming losses, other operating income was positively impacted by one-off effects of EUR 2.2 mn, mainly coming from the settlement for contractual obligation and the revised future costs for asset retirement obligation. Equipment revenues declined following lower handset sales. Costs and expenses declined, driven by lower cost of equipment as well as lower bad debt and administration expenses. Stable revenues and lower costs and expenses resulted in EBITDA growth of 20.7% in the reporting period. Excluding one-off effects, EBITDA increased by 8.6%.

During the fourth quarter, all operators in North Macedonia continued their efforts to move existing customers to higher tariff levels. Competition amended their propositions, offering a more-for-more concept. A1 was successful with the upselling in the mobile high value segment, while demand for mobile WiFi routers remained high and resulted in growing subscriber numbers. The pandemic situation in the country was challenging approaching the year-end with a rising number of new infections, however it remained under control. The government announced new measures forbidding public gatherings and New Year celebrations as well as restricted opening hours for hospitality services. Total revenues increased by 5.3%, driven by higher service revenues as well as higher equipment revenues. Costs and expenses increased following higher cost of equipment and interconnection expenses. As the increase of service revenues outweighed higher costs and expenses, EBITDA rose by 8.9%.

## Year-to-date Highlights

- Group total revenues declined slightly (-0.3%), driven by lower other operating income and lower equipment revenues, while service revenues remained stable despite roaming losses (~2% on Group revenues) and negative FX effects. Excluding FX and one-off effects, total revenues increased by 1.5%.
- Mobile service revenues remained stable (-0.2%) as the high demand for mobile WiFi routers together with successful upselling activities in the high-value segment offset the roaming losses.
- Fixed-line service revenues were flat (+0.2%) as increasing solutions and connectivity business in CEE offsets IC losses. Retail fixed-line service revenues were stable backed by speed upgrades and TV content.
- Group EBITDA before restructuring charges increased by 1.0%, mainly driven by savings in workforce, advertising and maintenance costs. Excluding one-off and FX effects as well as restructuring charges, EBITDA increased by 3.5%.
  - In Austria EBITDA before restructuring rose by 1.6% due to strong operational efficiency while service revenues remained stable despite roaming losses. Excluding a one-off effect in the comparison period, Austrian EBITDA before restructuring grew by 2.4%.
  - EBITDA from the CEE markets declined by 1.2%, as growing fixed-line service revenues could only partly offset roaming losses and negative FX impacts. Excluding one-off and FX effects, EBITDA grew by 4.0%.
- Net result increased from EUR 327.4 mn in 2019 to EUR 388.8 mn in 2020.

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

- Negative roaming impact on Group EBITDA of around 4% in the full year 2020 due to the decline in roaming traffic following reduced mobility and travel restrictions.
- Negative FX effects amounted to EUR 83.4 mn in total revenues, EUR 60.5 mn in service revenues and to EUR 35.2 mn in EBITDA in 2020. They came with a vast majority from Belarus and to a small extent from Croatia.
- Total one-off effects of positive EUR 6.9 mn in revenues and positive EUR 8.6 mn in EBITDA in the full year 2020 after positive EUR 8.2 mn in revenues and positive EUR 13.3 mn in EBITDA in the comparison period, with the following main effects:
  - In Austria, a positive one-off effect of EUR 8.2 mn in revenues and EBITDA in the comparison period, stemming from a real estate sale in other operating income.
  - The Croatian segment recorded positive one-off effects of EUR 4.2 mn (2019: none) in total revenues and EUR 8.4 mn in EBITDA (2019: EUR 6.5 mn).
- Restructuring charges in Austria amounted to EUR 84.5 mn in 2020 compared to EUR 84.1 mn in 2019.

## Group profit and loss – below EBITDA

In 2020, **depreciation and amortization** (including rights of use) amounted to EUR 937.9 mn compared to EUR 945.8 in 2019.

**Operating income** increased by 3.9% from EUR 614.8 mn in 2019 to EUR 638.9 mn in the full year 2020.

**Net result** increased by 18.7% from EUR 327.4 mn in 2019 to EUR 388.8 mn in 2020, as the comparison period was negatively impacted by the penalty interest as a result of a tax audit in Bulgaria.

Net result increased by 18.7% in the reporting period

## Cash Flow

Starting with Q3 2020, a new presentation of free cash flow was introduced in order to reflect operational development in a more transparent way. For new social plans (granted after January 1, 2019), A1 Telekom Austria Group is voluntarily funding a cash deposit to cover future obligations. The change in these deposits are shown as cash outflow in the new calculation of the free cash flow while previously effective payments for all social plans (existing and newly granted ones) were deducted. Free cash flow 2020 and 2019 are shown on a comparable basis.

(in EUR million)	2020	2019	Change in %
EBITDA	1,576.8	1,560.6	1.0%
Restructuring charges and cost of labor obligations	92.4	91.9	0.5%
Lease principal and interest paid	-177.7	-170.9	-4.0%
Income taxes paid	-65.2	-70.1	7.0%
Net interest paid	-81.6	-86.3	5.4%
Change working capital and other changes	-92.9	-5.0	n.m.
CAPEX	-651.4	-879.8	26.0%
Free Cash Flow (FCF) before social plans	600.4	440.4	36.3%
Social plans new funded	-96.7	-96.7	0.0%
Free Cash Flow	503.7	343.7	46.5%

\* Cost for social plans granted after January 1, 2019. Previously payments for old and new social plans were included in FCF. Comparative figures have been adjusted accordingly.

In the reporting period, 'Changes in working capital and other changes' were driven mainly by a reduction in accounts payable, which were partially offset by a decrease of accounts receivables and lower inventories.

+46.5% free cash flow in 2020

CAPEX in the full year 2020 showed a strong decline compared to the full year 2019 due to reduced spending in the reporting period following the CAPEX cuts.

Free cash flow increased strongly from EUR 343.7 mn in 2019 to EUR 503.7 mn in 2020, driven by EUR 131.3 mn lower capital expenditures paid as well as an improved operational performance.

## Balance Sheet

As of December 31, 2020, the balance sheet total decreased by 3.2% compared to December 31, 2019, mainly due to the decline in non-current assets, while current assets increased. Current assets rose as higher short-term investments, owing to new fixed-term deposits, together with higher cash and cash equivalents outweighed lower receivables and inventories. Non-current assets declined, driven by lower property, plant and equipment attributable to reduced mobile network and fiber rollout investments, amortization of frequencies and right-of-use assets as well as lower deferred tax assets.

Current liabilities increased, driven by higher short-term debt as the bond of EUR 750 mn that matures in December 2021 was reclassified from long-term to short-term debt, and the increase was mitigated by lower accounts payable and the redemption of multi-currency notes. Non-current liabilities decreased due to the above-mentioned reclassification of long-term debt. The increase in shareholders' equity was driven by higher retained earnings due to net income generation in 2020. The equity ratio as of December 31, 2020 amounted to 34.0% compared to 31.2% as of December 31, 2019.

## Net Debt

Net debt (excluding leases) declined by 10.7%, driven by the redemption of multi-currency-notes as well as higher cash and cash equivalents. Net debt (excluding leases) / EBITDA after leases decreased from 1.9x as of December 31, 2019 to 1.7x as of December 31, 2020.

in EUR million	Dec 31, 2020	Dec 31, 2019	% change
Net debt (excl. leases)	2,331.9	2,612.4	-10.7
Net debt (excl. leases) / EBITDA after leases	1.7x	1.9x	

Net debt (in EUR million)	Dec 31, 2020	Dec 31, 2019	Change in %
Long-term debt	1,793.7	2,539.6	-29.4
Lease liabilities long-term	700.6	788.2	-11.1
Short-term borrowings	749.1	123.0	n.m.
Lease liabilities short-term	154.4	152.6	1.1
Cash and cash equivalents*	-210.9	-50.2	n.m.
<b>Net debt (incl. leasing)</b>	<b>3,186.8</b>	<b>3,553.2</b>	<b>-10.3</b>
Net debt incl. Leasing/EBITDA	2.0	2.3	

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

## Capital Expenditures

In the year 2020, capital expenditures declined by 26.0% year-on-year, from EUR 879.8 mn to EUR 651.4 mn, due to cuts and postponements of some investments in Austria and CEE markets. Excluding the additions to frequency spectrum, capital expenditures declined from EUR 797.7 mn to EUR 585.6 mn.

Tangible capital expenditures decreased by 21.0% to EUR 478.8 mn, driven by lower investments in network infrastructure, fewer ICT customer related projects as well as optimization of the internal project portfolio throughout the Group. Intangible capital expenditures declined by 37.0% to EUR 172.6 mn, as the comparison period was impacted by EUR 51.9 mn higher investments in Belarus, following the agreement with the local monopoly provider of LTE services, beCloud, on the usage of exclusive network capacity. Additionally, intangible capital expenditures declined also due to lower investments in frequency spectrum compared to the previous year: EUR 65.6 mn in 2020 for the acquisition of frequency spectrum in Austria compared to a total of EUR 82.1 mn in 2019 for acquisitions in Austria (EUR 64.3 mn), Croatia (EUR 7.2 mn) and Belarus (EUR 9.5 mn).

## A1 Telekom Austria Group outlook for the full year 2021

The operational and financial development of the A1 Telekom Austria Group was largely impacted by the COVID-19 pandemic in the fiscal year 2020. Under these circumstances, the financial figures for the reporting year reflect the resilience of the business model and the positive effects of the countermeasures taken by the management.

The Group's revenues remained virtually stable (- 0.3%) and it achieved a slight increase in EBITDA of 1.0%. Despite the substantial loss of roaming revenues and negative FX effects, there was a stable trend in service revenues both in the mobile and the fixed-line segment.

There are signs that the overall economic situation will recover in fiscal 2021, which should exert a positive effect on results. After severe slumps in GDP growth rates in 2020, a recovery is forecast in 2021. The rising availability of vaccinations from the start of the year should ease the situation. Nonetheless, it should be noted that the recovery could be delayed, partly on account of mutations of the COVID-19 virus that emerged at the end of 2020.

Despite the lockdown measures still in place on all markets at the start of the fiscal year, the Group is projecting a partial recovery in roaming revenues for 2021, though it is assumed that travel activity will still be limited.

The market developments in 2020 are likely to largely resume in fiscal 2021. Developments in Austria will continue to be dominated by convergent offers and intense competition on the mobile market. Following the 5G auction in fall 2020 and the advancing expansion of the new mobile generation, attention in the high-value customer segment is shifting to the 5G product portfolio. In the CEE countries as well, like last year, the focus is on the high-value customer segment, and management again expects strong demand for mobile broadband solutions. In 2021, the Group's fixed-line business should again benefit from demand for higher bandwidths, the rising significance of TV content and fast-growing solutions and connectivity business.

In this business environment, the management of A1 Telekom Austria Group is committed to its growth strategy. The focus here is on growth in the core business, leveraging earnings and efficiency potential from platform solutions and selective growth through acquisitions. As in previous years, results are expected to be supported by ongoing measures to continuously enhance operating efficiency.

A1 Telekom Austria Group announced with the publication of its Q3 2020 quarterly report that it is currently working on the development of alternatives that would allow to reap more benefits from its tower assets through a targeted management focus on internal efficiencies and higher tenancy ratios.

For the financial year 2021, the management of A1 Telekom Austria Group expects to achieve growth in total revenues of around 1% and for its EBITDA margin to grow once again.

The development in Belarus could be negatively affected by the depreciation of the Belarusian ruble in 2021. The management of A1 Telekom Austria Group expects the currency to depreciate by around 15% (period average) against the euro in 2021, though it should be noted that the predictability of the Belarusian ruble is limited.

A1 Telekom Austria Group is also committed to the fiber rollout in Austria and to the ongoing development of its mobile infrastructure in 2021, especially in terms of the roll-out of 5G. This will gather momentum in 2021 following the launch of the 5G network in January 2020.

Capital expenditures before spectrum investments and acquisitions are expected to come in at around EUR 800 mn in 2021.

With regards to frequencies, some tenders are envisaged by regulators in Bulgaria (2.6 GHz, 3.6 GHz), Croatia (700 MHz, 3.6 GHz, 26 GHz), Slovenia (700 MHz, 1.4 GHz, 2.1 GHz, 2.3 GHz, 3.6 GHz, 26 GHz) and Serbia (3.6 GHz). Whether these tenders will take place in 2021 remains to be seen given the current COVID-19 pandemic. Please note that this is a list of spectrum award procedures. Whether A1 Telekom Austria Group is planning to participate and sees a need to acquire spectrum the company does not comment on.

The Management Board intends to propose a dividend of EUR 0.25 per share for the financial year 2020 to the 2021 Annual General Meeting. The Management Board and the Supervisory Board will continuously evaluate the further development of the COVID-19 pandemic in terms of its financial and general business impacts. If the business operations of Telekom Austria AG have noticeable positive or unforeseen negative effects until the invitation to the Annual General Meeting, the Management Board and the Supervisory Board do not rule out a subsequent adjustment of the proposal for the appropriation of profits 2020 in any direction.

To ensure its financial flexibility, A1 Telekom Austria Group is still striving to maintain 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

### Reconciliation of Free Cash Flow

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

\*In the previous view all payments for all social plans (old = granted before 1.1.2019 + new = granted after 1.1.2019 ) have been deducted in FCF.

### Revenues

in EUR million	Q4 2020	Q4 2019	% change	2020	2019	% change
Austria	681.6	685.2	-0.5	2,622.1	2,648.1	-1.0
Bulgaria	136.9	137.7	-0.6	513.8	486.2	5.7
Croatia	115.8	109.3	6.0	428.1	432.8	-1.1
Belarus	95.7	114.0	-16.0	402.6	426.1	-5.5
Slovenia	52.9	54.2	-2.4	205.0	209.4	-2.1
Serbia	75.7	75.9	-0.2	286.2	283.8	0.8
North Macedonia	33.0	31.3	5.3	121.9	122.8	-0.7
Corporate & other, eliminations	-6.1	-7.2	15.4	-30.3	-44.1	31.3
<b>Total revenues</b>	<b>1,185.6</b>	<b>1,200.4</b>	<b>-1.2</b>	<b>4,549.4</b>	<b>4,565.2</b>	<b>-0.3</b>

### Service Revenues

in EUR million	Q4 2020	Q4 2019	% change	2020	2019	% change
Austria	587.8	582.0	1.0	2,317.3	2,320.3	-0.1
Bulgaria	102.8	96.7	6.2	402.3	378.5	6.3
Croatia	89.0	91.3	-2.5	359.0	368.4	-2.5
Belarus	68.3	84.0	-18.7	287.9	320.3	-10.1
Slovenia	39.3	39.0	0.7	155.1	157.8	-1.7
Serbia	55.4	52.5	5.5	214.1	204.4	4.7
North Macedonia	25.7	24.6	4.2	98.6	98.9	-0.4
Corporate & other, eliminations	-6.8	-7.5	8.3	-29.7	-43.1	31.2
<b>Total service revenues</b>	<b>961.4</b>	<b>962.7</b>	<b>-0.1</b>	<b>3,804.5</b>	<b>3,805.5</b>	<b>0.0</b>

### Mobile Service Revenues

in EUR million	Q4 2020	Q4 2019	% change	2020	2019	% change
Austria	234.2	228.1	2.7	940.0	926.1	1.5
Bulgaria	69.0	65.7	5.0	271.0	260.6	4.0
Croatia	57.8	58.3	-0.9	233.4	240.2	-2.8
Belarus	56.8	71.4	-20.4	242.3	272.5	-11.1
Slovenia	27.9	29.3	-4.8	112.8	120.0	-6.0
Serbia	53.3	51.0	4.6	205.7	196.2	4.8
North Macedonia	19.4	18.7	3.9	75.0	74.9	0.1
Corporate & other, eliminations	-1.6	-2.0	23.8	-9.1	-15.2	40.4
<b>Total mobile service revenues</b>	<b>516.8</b>	<b>520.4</b>	<b>-0.7</b>	<b>2,071.1</b>	<b>2,075.3</b>	<b>-0.2</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.

### Fixed-Line Service Revenues

in EUR million	Q4 2020	Q4 2019	% change	2020	2019	% change
Austria	353.6	353.9	-0.1	1,377.3	1,394.2	-1.2
Bulgaria	33.8	31.0	8.9	131.3	117.9	11.4
Croatia	31.3	33.0	-5.2	125.6	128.2	-2.0
Belarus	11.5	12.7	-9.3	45.6	47.8	-4.7
Slovenia	11.4	9.7	17.1	42.3	37.8	11.9
Serbia	2.1	1.5	36.6	8.4	8.2	2.6
North Macedonia	6.3	6.0	5.2	23.6	24.0	-1.8
Corporate & other, eliminations	-5.3	-5.4	2.4	-20.6	-27.9	26.2
<b>Total fixed line service revenues</b>	<b>444.6</b>	<b>442.4</b>	<b>0.5</b>	<b>1,733.5</b>	<b>1,730.2</b>	<b>0.2</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 2020	Q4 2019	% change	2020	2019	% change
Austria	13.5	14.0	-3.8	48.7	59.2	-17.8
Bulgaria	1.2	4.3	-72.6	4.5	8.3	-46.3
Croatia	6.9	1.3	n.m.	10.2	6.1	68.1
Belarus	1.9	3.0	-37.9	13.3	14.8	-10.4
Slovenia	1.0	0.9	8.5	3.8	3.4	11.2
Serbia	3.6	1.0	243.0	6.1	3.3	82.3
North Macedonia	0.2	0.3	-42.1	0.6	1.5	-62.4
Corporate & other, eliminations	0.3	-0.1	o.A.	-1.6	-0.8	-87.4
<b>Total other operating income</b>	<b>28.5</b>	<b>24.8</b>	<b>15.1</b>	<b>85.5</b>	<b>95.8</b>	<b>-10.8</b>

## EBITDA

in EUR million	Q4 2020	Q4 2019	% change	2020	2019	% change
Austria	215.1	207.1	3.8	936.7	921.3	1.7
before Restructuring	237.7	228.1	4.2	1,021.2	1,005.4	1.6
Bulgaria	46.3	41.7	10.9	192.4	179.4	7.3
Croatia	32.1	29.2	10.2	143.4	145.1	-1.2
Belarus	36.4	49.8	-27.0	172.8	190.9	-9.5
Slovenia	14.3	15.2	-5.8	58.7	59.0	-0.6
Serbia	23.8	19.7	20.7	87.6	83.4	5.0
North Macedonia	10.7	9.8	8.9	42.5	43.2	-1.6
Corporate & other, eliminations	-14.1	-17.0	17.0	-57.3	-61.8	7.3
<b>Total EBITDA</b>	<b>364.5</b>	<b>355.5</b>	<b>2.5</b>	<b>1,576.8</b>	<b>1,560.6</b>	<b>1.0</b>
before Restructuring	387.0	376.5	2.8	1,661.3	1,644.7	1.0

## EBITDA After Leases\*

in EUR million	Q4 2020	Q4 2019	% change	2020	2019	% change
Austria	194.8	186.7	4.3	856.1	841.1	1.8
Bulgaria	39.5	35.0	12.8	165.1	152.8	8.1
Croatia	28.4	25.4	12.0	128.4	129.6	-1.0
Belarus	33.5	45.9	-27.0	159.8	175.7	-9.1
Slovenia	9.6	10.7	-10.3	40.5	41.6	-2.8
Serbia	19.2	15.5	23.5	70.3	67.3	4.4
North Macedonia	9.1	8.1	12.4	36.1	36.7	-1.7
Corporate & other, eliminations	-14.3	-17.1	16.8	-57.8	-62.1	6.9
<b>Total EBITDA after leases</b>	<b>319.9</b>	<b>310.3</b>	<b>3.1</b>	<b>1,398.4</b>	<b>1,382.8</b>	<b>1.1</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 2020	Q4 2019	% change	2020	2019	% change
Austria	132.2	129.1	2.4	523.0	505.5	3.5
Bulgaria	29.5	28.3	4.0	117.8	112.5	4.7
Croatia	25.5	26.4	-3.3	100.3	104.0	-3.6
Belarus	14.6	18.6	-21.5	63.5	90.3	-29.7
Slovenia	11.1	11.4	-2.7	44.3	44.4	-0.2
Serbia	13.9	14.3	-2.7	54.7	55.7	-1.8
North Macedonia	6.8	8.0	-14.8	29.0	31.0	-6.7
Corporate & other, eliminations	1.4	1.2	15.4	5.3	2.3	126.1
<b>Total D&amp;A</b>	<b>235.2</b>	<b>237.5</b>	<b>-1.0</b>	<b>937.9</b>	<b>945.8</b>	<b>-0.8</b>

## EBIT

in EUR million	Q4 2020	Q4 2019	% change	2020	2019	% change
Austria	82.9	78.0	6.2	413.7	415.8	-0.5
Bulgaria	16.8	13.4	25.6	74.6	66.9	11.6
Croatia	6.6	2.8	138.4	43.1	41.1	4.9
Belarus	21.7	31.2	-30.3	109.3	100.7	8.6
Slovenia	3.1	3.7	-15.4	14.4	14.7	-1.7
Serbia	9.8	5.4	83.2	32.9	27.7	18.6
North Macedonia	3.8	1.8	113.9	13.6	12.2	11.5
Corporate & other, eliminations	-15.5	-18.3	14.8	-62.6	-64.2	2.4
<b>Total EBIT</b>	<b>129.3</b>	<b>118.0</b>	<b>9.6</b>	<b>638.9</b>	<b>614.8</b>	<b>3.9</b>

## Capital Expenditures

in EUR million	Q4 2020	Q4 2019	% change	2020	2019	% change
Austria	145.0	117.0	23.9	456.4	526.9	-13.4
Bulgaria	17.6	31.4	-44.0	57.2	78.5	-27.2
Croatia	14.3	25.2	-43.5	49.6	86.6	-42.7
Belarus	5.9	69.5	-91.4	26.8	105.1	-74.5
Slovenia	6.6	12.7	-48.4	17.7	24.5	-28.0
Serbia	8.1	15.8	-48.7	26.9	35.8	-24.8
North Macedonia	3.9	7.7	-49.0	12.7	19.1	-33.4
Corporate & other, eliminations	1.5	0.3	o.A.	4.1	3.3	25.4
<b>Total capital expenditures</b>	<b>202.9</b>	<b>279.7</b>	<b>-27.5</b>	<b>651.4</b>	<b>879.8</b>	<b>-26.0</b>

## Capital Expenditures - Tangible

in EUR million	Q4 2020	Q4 2019	% change	2020	2019	% change
Austria	65.8	91.9	-28.3	322.0	380.3	-15.3
Bulgaria	13.9	24.9	-44.1	46.5	63.2	-26.4
Croatia	10.7	16.4	-34.4	41.0	64.2	-36.1
Belarus	3.2	11.6	-72.3	19.1	32.3	-40.8
Slovenia	5.1	9.5	-46.3	14.9	19.3	-22.9
Serbia	6.4	15.0	-57.5	24.2	28.3	-14.4
North Macedonia	3.0	6.3	-51.8	10.3	16.7	-38.4
Corporate & other, eliminations	0.0	0.2	-84.3	0.7	1.7	-56.6
<b>Total capital expenditures - tangible</b>	<b>108.2</b>	<b>175.7</b>	<b>-38.4</b>	<b>478.8</b>	<b>605.9</b>	<b>-21.0</b>

### Capital Expenditures - Intangible

in EUR million	Q4 2020	Q4 2019	% change	2020	2019	% change
Austria	79.2	25.2	214.6	134.4	146.6	-8.3
Bulgaria	3.6	6.5	-43.6	10.7	15.4	-30.4
Croatia	3.5	8.9	-60.4	8.6	22.5	-61.8
Belarus	2.7	57.9	-95.3	7.7	72.8	-89.5
Slovenia	1.5	3.3	-54.2	2.8	5.2	-46.8
Serbia	1.8	0.9	102.7	2.7	7.5	-64.2
North Macedonia	0.9	1.4	-36.4	2.5	2.4	1.4
Corporate & other, eliminations	1.5	0.1	n.m.	3.3	1.5	116.3
<b>Total capital expenditures - intangible</b>	<b>94.7</b>	<b>104.0</b>	<b>-9.0</b>	<b>172.6</b>	<b>273.9</b>	<b>-37.0</b>

### Wireless Subscribers

in thousands	Q4 2020	Q4 2019	% change
Austria	5,061.2	5,114.9	-1.0
thereof postpaid	3,963.1	3,895.5	1.7
Bulgaria	3,752.8	3,824.1	-1.9
thereof postpaid	3,359.9	3,406.4	-1.4
Croatia	1,936.3	1,839.6	5.3
thereof postpaid	1,184.0	1,103.2	7.3
Belarus	4,916.1	4,890.1	0.5
thereof postpaid	4,228.4	4,117.4	2.7
Slovenia	707.1	705.3	0.2
thereof postpaid	640.2	626.3	2.2
Serbia	2,350.4	2,311.0	1.7
thereof postpaid	1,637.1	1,574.3	4.0
North Macedonia	1,074.7	1,091.1	-1.5
thereof postpaid	744.1	719.3	3.4
<b>Total wireless subscribers</b>	<b>21,864.2</b>	<b>21,288.1</b>	<b>2.7</b>
<b>  thereof postpaid</b>	<b>17,822.4</b>	<b>16,954.6</b>	<b>5.1</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 2020	Q4 2019	% change
Austria	3,117.3	3,247.0	-4.0
thereof broadband	1,386.8	1,411.3	-1.7
thereof TV	314.4	323.9	-2.9
Bulgaria	1,081.0	1,064.3	1.6
thereof broadband	478.4	464.3	3.0
thereof TV	540.5	530.5	1.9
Croatia	671.9	685.8	-2.0
thereof broadband	249.4	252.2	-1.1
thereof TV	232.7	235.1	-1.0
Belarus	627.4	616.9	1.7
thereof broadband	242.9	228.0	6.6
thereof TV	381.9	386.3	-1.1
Slovenia	214.8	200.1	7.4
thereof broadband	89.8	82.2	9.2
thereof TV	76.9	69.0	11.5
North Macedonia	337.9	333.6	1.3
thereof broadband	106.0	104.2	1.8
thereof TV	130.9	132.2	-1.0
<b>Total RGUs</b>	<b>6,050.3</b>	<b>6,147.7</b>	<b>-1.6</b>
<b>thereof broadband</b>	<b>2,553.3</b>	<b>2,542.2</b>	<b>0.4</b>
<b>thereof TV</b>	<b>1,677.3</b>	<b>1,676.9</b>	<b>0.0</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.

## Mobile churn

in %	Q4 2020	Q4 2019	2020	2019
Austria	0.9%	1.8%	1.2%	1.6%
Bulgaria	1.5%	2.2%	1.4%	1.8%
Croatia	2.5%	3.0%	1.9%	2.5%
Belarus	1.3%	1.4%	1.2%	1.4%
Slovenia	1.1%	1.3%	1.1%	1.2%
Serbia	2.1%	3.5%	2.2%	3.0%
North Macedonia	1.4%	2.8%	1.4%	1.7%

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

in EUR million	Q4 2020	Q4 2019	% change	2020	2019	% change
Austria	237.7	228.1	4.2	1,021.2	997.2	2.4
Bulgaria	46.3	41.7	10.9	192.4	179.4	7.3
Croatia	26.9	29.2	-7.9	137.2	138.6	-1.0
Belarus	49.8	49.8	0.1	205.9	190.9	7.9
Slovenia	16.5	15.2	8.9	60.9	60.0	1.5
Serbia	21.4	19.7	8.6	85.0	83.9	1.4
North Macedonia	10.7	9.8	9.2	42.6	43.2	-1.3
Corporate & other, eliminations	-14.1	-17.0	17.0	-57.3	-61.8	7.3
<b>Total adjusted EBITDA</b>	<b>395.1</b>	<b>376.5</b>	<b>5.0</b>	<b>1,688.0</b>	<b>1,631.4</b>	<b>3.5</b>

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

in EUR million	Q4 2020	Q4 2019	% change	2020	2019	% change
<b>EBITDA</b>	<b>364.5</b>	<b>355.5</b>	<b>2.5</b>	<b>1,576.8</b>	<b>1,560.6</b>	<b>1.0</b>
FX translation effect	14.0	0.0	n.a.	35.2	0.0	n.a.
One-off effects	-5.9	0.0	n.a.	-8.6	-13.3	35.6
Restructuring charges	22.6	21.0	7.5	84.5	84.1	0.5
<b>EBITDA - excl. FX-, one off effects and restructuring charges</b>	<b>395.1</b>	<b>376.5</b>	<b>5.0</b>	<b>1,688.0</b>	<b>1,631.4</b>	<b>3.5</b>

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

in EUR million	Q4 2020	Q4 2019	% change	2020	2019	% change
<b>EBITDA</b>	<b>215.1</b>	<b>207.1</b>	<b>3.8</b>	<b>936.7</b>	<b>921.3</b>	<b>1.7</b>
One-off effects	0.0	0.0	n.a.	0.0	-8.2	n.a.
Restructuring charges	22.6	21.0	7.5	84.5	84.1	0.5
<b>EBITDA excl. one off effects and restructuring charges</b>	<b>237.7</b>	<b>228.1</b>	<b>4.2</b>	<b>1,021.2</b>	<b>997.2</b>	<b>2.4</b>

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

in EUR million	Q4 2020	Q4 2019	% change	2020	2019	% change
<b>EBITDA after leases</b>	<b>319.9</b>	<b>310.3</b>	<b>3.1</b>	<b>1,398.4</b>	<b>1,382.8</b>	<b>1.1</b>
FX translation effect	14.0	0.0	n.a.	35.2	0.0	n.a.
One-off effects	-5.9	0.0	n.a.	-8.6	-13.3	35.6
Restructuring charges	22.6	21.0	7.5	84.5	84.1	0.5
<b>EBITDA after leases - excl. FX-, one-off effects and restructuring charges</b>	<b>350.5</b>	<b>331.2</b>	<b>5.8</b>	<b>1,509.5</b>	<b>1,453.5</b>	<b>3.9</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 2020	Q4 2019	% change	2020	2019	% change
Austria	15.5	14.8	5.0	15.6	14.7	5.7
Bulgaria	6.1	5.7	8.0	6.0	5.6	6.1
Croatia	10.0	10.4	-4.4	10.3	10.9	-5.4
Belarus	3.9	4.9	-20.7	4.1	4.7	-11.3
Slovenia	13.2	13.8	-4.7	13.4	14.3	-6.3
Serbia	7.6	7.3	3.5	7.4	7.2	3.2
North Macedonia	6.0	5.6	7.0	5.8	5.7	2.3
<b>Group ARPU</b>	<b>7.9</b>	<b>8.1</b>	<b>-2.3</b>	<b>8.1</b>	<b>8.2</b>	<b>-1.3</b>

## ARPL (reported)

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 2020	Q4 2019	% change	2020	2019	% change
Austria	33.4	31.6	5.8	32.6	31.3	4.2
Bulgaria	14.2	13.6	3.8	13.7	13.4	2.2
Croatia	31.9	32.0	-0.3	31.6	30.8	2.4
Belarus	5.6	6.6	-14.8	5.8	6.1	-4.3
Slovenia	33.8	34.2	-1.3	33.1	35.2	-5.9
Serbia	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
North Macedonia	11.1	10.9	1.4	10.9	10.8	0.5

ARPL-relevant revenues (in EUR million)	Q4 2020	Q4 2019	% change	2020	2019	% change
Austria	190.2	187.2	1.6	753.9	753.2	0.1
Bulgaria	23.4	22.2	5.1	90.4	86.8	4.1
Croatia	26.8	27.8	-3.6	107.2	109.3	-1.9
Belarus	6.4	7.7	-17.5	26.6	30.1	-11.7
Slovenia	9.1	8.3	9.2	34.3	32.9	4.3
Serbia	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
North Macedonia	5.1	5.0	2.1	20.1	19.7	1.7

Access lines (in '000)	Q4 2020	Q4 2019	% change
Austria	1,887.2	1,967.0	-4.1
Bulgaria	549.0	547.7	0.2
Croatia	279.2	288.8	-3.3
Belarus	383.2	389.0	-1.5
Slovenia	90.2	82.3	9.5
Serbia	n.a.	n.a.	n.a.
North Macedonia	154.9	153.9	0.6
<b>Total Access Lines</b>	<b>3,343.7</b>	<b>3,428.6</b>	<b>-2.5%</b>

### 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 2020	Q4 2019	% change	2020	2019	% change
Total revenues	95.7	114.0	-16.0	402.6	426.1	-5.5
Total costs and expenses	-59.4	-64.2	7.5	-229.8	-235.2	2.3
EBITDA	36.4	49.8	-27.0	172.8	190.9	-9.5

  

in BYN million	Q4 2020	Q4 2019	% change	2020	2019	% change
Total revenues	295.7	261.8	12.9	1,122.2	997.0	12.6
Total costs and expenses	-181.5	-147.5	-23.0	-640.4	-550.2	-16.4
EBITDA	114.1	114.3	-0.1	481.8	446.8	7.8

## 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 2019, pp. 74 ff.

### Waiver of Review

This financial report of the A1 Telekom Austria Group contains quarterly and year-to-date 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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