

2021 Annual General Meeting

Vienna, May 14, 2021

| **A¹ Telekom Austria Group**



Virtual execution – 2021 Annual General Meeting

Live broadcast

We offer you two alternative accesses to the Internet transmission with picture and sound in German and English language.

Link 1: <https://www.a1.group/en/ir/annual-general-meeting-2021>

Link 2: <https://s3-eu-west-1.amazonaws.com/streaming.bevideo.tv/live/A1-Telekom/A1-Telekom-Austria-AG-HV-EN.html>



Virtual execution – 2021 Annual General Meeting

Questions please to : fragen.telekom@hauptversammlung.at

Question form available at:

<https://www.a1.group/en/ir/annual-general-meeting-2021>



Virtual execution – 2021 Annual General Meeting

Voting, motions for resolutions and raising objections by special proxies:

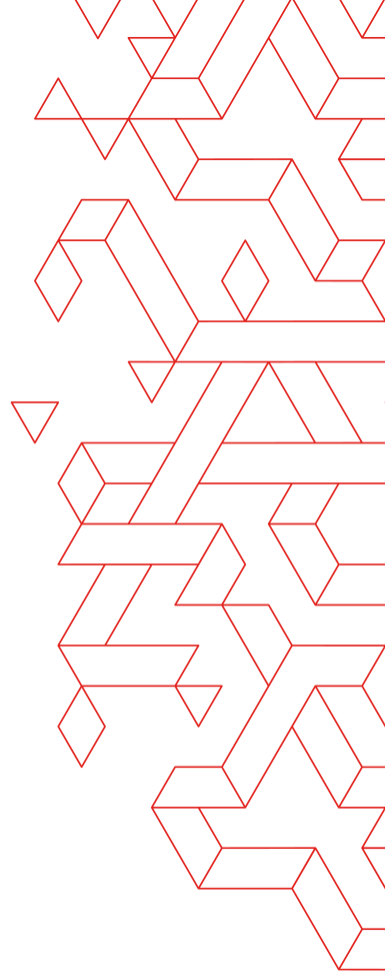
- Florian Beckermann beckermann.telekom@hauptversammlung.at
- Christoph Nauer nauer.telekom@hauptversammlung.at
- Thomas Niss niss.telekom@hauptversammlung.at
- Sascha Schulz schulz.telekom@hauptversammlung.at

Procedure – Virtual Annual General Meeting

- Determination of the invitation
- Resolution proposals, reports
- General debate
- Interruption for further questions/motions for resolutions
- Voting en bloc

Agenda Item 1

Report on the 2020 Fiscal Year



Members – Supervisory Board of Telekom Austria AG

Shareholder representatives

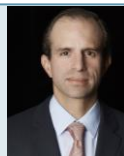
Edith Hlawati
Chair



Carlos Garcia Moreno Elizondo
Vice Chair



Alejandro Cantú Jiménez



Karin Exner-Wöhler



Peter Hagen



Carlos M. Jarque



Peter Kollmann



Daniela Lecuona Torras



Thomas Schmid



Oscar von Hauske Solís



Employee representatives

Gerhard Bayer



Gottfried Kehrer



Werner Luksch



Renate Richter



Alexander Sollak

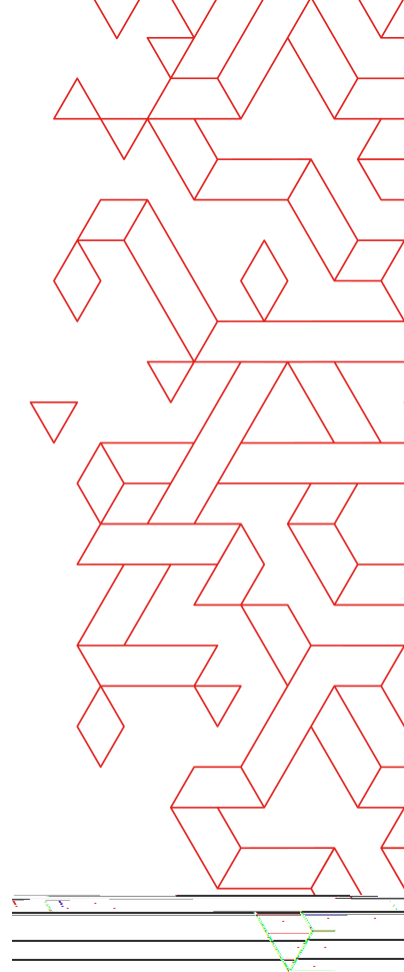


Attendance – Supervisory Board and Committees 2020

	Supervisory Board meetings	Compensation committee	Audit committee
Edith HLAWATI	6/6 (100%)	4/4 (100%)	
Carlos GARCIA MORENO ELIZONDO	6/6 (100%)	4/4 (100%)	5/5 (100%)
Alejandro CANTU	5/6 (83%)		
Karin EXNER-WÖHRER	6/6 (100%)		
Peter HAGEN	6/6 (100%)		5/5 (100%)
Carlos M. JARQUE	6/6 (100%)		5/5 (100%)
Peter KOLLMANN	6/6 (100%)		5/5 (100%)
Daniela LECUONA TORRAS	6/6 (100%)		
Thomas SCHMID	6/6 (100%)		5/5 (100%)
Oscar VON HAUSKE SOLÍS	6/6 (100%)	4/4 (100%)	5/5 (100%)
Gerhard BAYER (ab 5.10.)	2/2 (100%)		2/2 (100%)
Walter HOTZ (bis 4.10.)	4/4 (100%)		3/3 (100%)
Gottfried KEHRER	6/6 (100%)		
Werner LUKSCH	3/6 (50%)		3/5 (60%)
Renate RICHTER	6/6 (100%)		
Alexander SOLLAK	6/6 (100%)		5/5 (100%)

Report of the Management Board

A1



A1 Telekom Austria Group – 2020 highlights



- **Pleasing business performance** despite challenging environment
- **EBITDA increase** thanks to operating efficiency, despite 4% roaming losses



- Top priority: **Business continuity and employee health**



- Reliability of the **system-critical digital infrastructure** proven



- **Accelerated digitalization** as a result of COVID-19 and constant high demand for **broadband solutions, ICT and security products**



- **ESG** as a strategy enabler an integral part of the **company strategy**
- **Specific targets** defined for implementing the ESG strategy



- Successful launch of the **A1 5Gigaset** on January 25, 2020
- Successful second **5G frequency auction** in Austria in fall 2020



2020 results – Pleasing results confirm resilience of the business model

Total revenues

-0.3%

EBITDA

+1.0%

+3.5% excluding FX & non-recurring effects

Free cash flow

EUR 503.7 mn (+46.5%)

Net result

EUR 388.8 mn (+18.7%)

Mobile postpaid

+5.1%

Internet@home +4.4%

TV and broadband stable

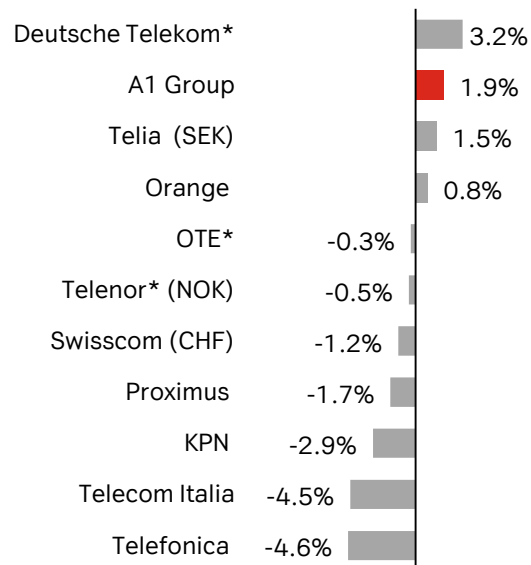
Key figures on reported basis



On a growth trajectory – A1 is a top performer in its peer group

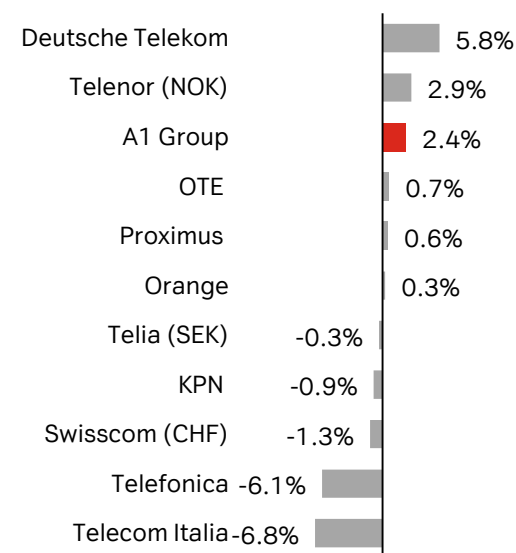
Revenues

CAGR 2016-2020



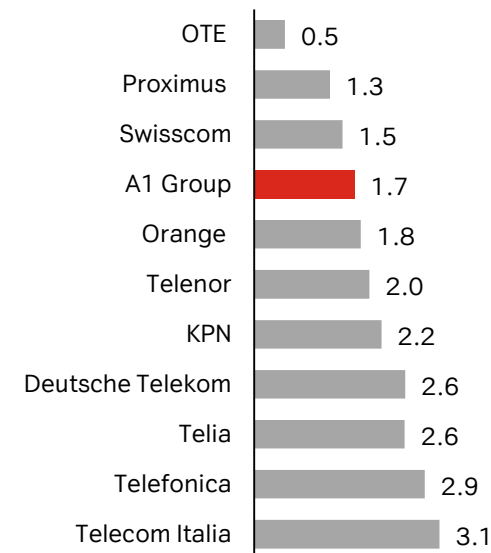
Adjusted EBITDA AL*

CAGR 2016-2020



Net debt/EBITDA*

End of 2020**



* excluding M&A

* Excluding non-recurring effects, M&A and restructuring costs;
Telia & Telefonica: EBITDA AL of the company for 2020 not reported: Comparability was made on the basis of organic y-o-y growth

* Excluding IFRS 16
** Source: Barclays



Empowering digital life – Our vision is relevant more than ever



Boost Core Growth

- Sweating the Assets
- Increase Multiplay+
- Data-driven Marketing & Sales



Scale Platform Business

- Drive Industry 4.0 Portfolio (Cloud | IoT | Cyber Sec | ICT)
- Develop Platforms 4 Digital Services



Targeted M&A

- In-market consolidation
- Expand portfolio/growth areas
- Expand into new geographies



Continuous Improvement



- Optimizing external expenses
- Partnering 4 operational efficiency
- Develop new skills

Digital Transformation



- Data-driven decision making
- Digitalize Customer Experience
- Enhance Digital Channels

Radical Simplification



- Implementing new platform operating model
- Simplify & Robotize Processes
- Excelling in Partnering

Long-term trends – Accelerated digitalization offering new opportunities



Boost in remote work and video-conferencing



Demand for cyber security solutions



Increased demand for higher fixed-line bandwidth



Growth in health monitoring, telemedicine & self-diagnostics



Opportunities in the e-learning market



Higher penetration of e-commerce



Move towards cloud services



Growth of streaming traffic



A reliable digital infrastructure and high-quality digital services will be even more important in the future.

A1 5Giganet – The backbone of Austria’s digitalization

5G	Broadband expansion	Data centers
<ul style="list-style-type: none">▪ A1 5Giganet combines the fastest 5G technology with the largest fiber-optic network▪ ~ 1,500 5G base stations: > 42% of the population already connected▪ 5G + fiber = ultra-fast Internet for rural areas▪ Boost for the Internet of Things	<ul style="list-style-type: none">▪ A1 fiber-optic network access points in 95% of all communities▪ Over 62,000 km A1 fiber-optic network▪ Around EUR 450 mn of investment in Austria’s infrastructure per year▪ Smart combination of fixed line, mobile & hybrid	<ul style="list-style-type: none">▪ Largest operator of data centers in Austria: 12,000 m² area▪ IT infrastructure in Austria and secure cloud-based software

Status 05/2021



ESG – Promotion of a more sustainable way of life with clearly defined ESG targets

“Environmental, Social & Corporate Governance (ESG)” was introduced as a **strategy enabler**. ✓

The A1 Telekom Austria Group’s aim is to promote more efficient, resource-saving and thus more sustainable ways of working and living.

The E in ESG



- Reduction of CO2 emissions to net zero by 2030
- Increase energy efficiency by 80%*
- Promote circular economy

The S in ESG



- Acceleration of digital education

The G in ESG



- Promote diversity, equity and inclusion
- Maintain a best-practice and externally certified compliance management system

*till 2030 versus 2019

Empowering a sustainable future – Promotion of a more sustainable way of life through digitalization



- We are committed to the **procurement or self-production of electricity from renewable energy**.
- Around 100 of our **mobile base stations** are powered by **solar and wind energy**.
- **Energy-efficient telephone exchanges** are being **expanded further** in Austria.



- **Focus on digital education:** Development of digital skills such as coding and programming in order to make children and young people in particular fit for the future while at the same time explaining potential dangers.



- **A1 Charge App:** Simple access to over 1,600 e-charging stations in Austria.
- **A1 Wallbox/Charger/Storage**
- **SolMate by A1:** State-of-the-art photovoltaic and storage systems for household power supply.
- **Improved efficiency:** Digital solutions like **advanced analytics** or **network slicing** as the basis for **industrial IoT**.

People & culture – New ways of working at A1



Diversity, equity & inclusion



- **Communication and training** (unconscious bias initiative)
- **Transparency** through KPIs and reporting
- Focus on **gender diversity**



Agility



- Collaboration in **cross-functional agile teams**
- **Agile coaches**
- **Agile leadership**



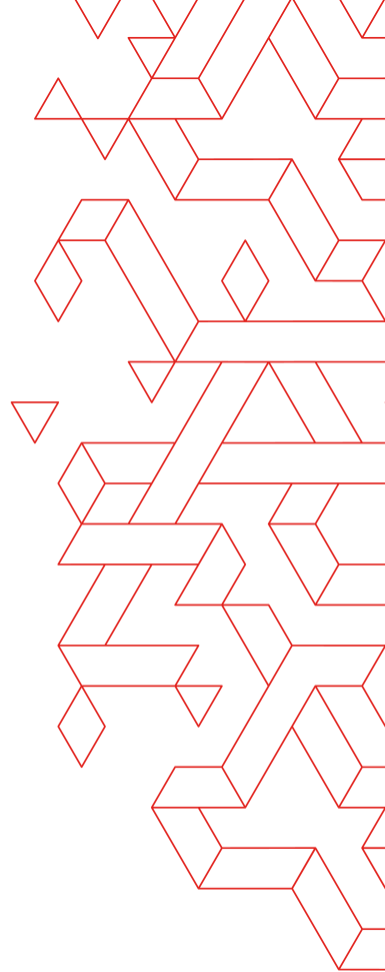
“A1 Ways of Working”



- COVID-19 as an **accelerator of “new ways of working”**
- **“Flex office”**: Remote working + days at the office
- **New Work Festival** in Austria: two weeks of panels, talks, external speakers

2020 Group results

A1



2020 results – Strong operating performance in the Group

Key financial figures in EUR mn	2020	2019	+/-%
Service revenues	3,804.5	3,805.5	0.0%
Equipment revenues	659.4	663.9	-0.7%
Total revenues	4,549.4	4,565.2	-0.3%
Total costs and expenses	-2,972.6	-3,004.5	+1.1%
EBITDA	1,576.8	1,560.6	+1.0%
Depreciation and amortization	-937.9	-945.8	+0.8%
EBIT	638.9	614.8	+3.9%
Financial result	-128.1	-133.2	+3.8%
Income tax	-122.0	-154.2	+20.8%
Net result	388.8	327.4	+18.7%
Capital expenditures	651.4	879.8	-26.0%
Free cash flow	503.7	343.7	+46.5%

- High demand for broadband solutions makes up for roaming and FX losses
- Focus on operating efficiency increases operating EBITDA by 3.5%
- Strong increase in net profit
- Increase in free cash flow driven primarily by systematic CAPEX cuts as a precautionary measure during the crisis and improved operating performance

2020 results – Austria

Key financial figures in EUR mn	2020	2019	+/-%
Revenues	2,622.1	2,648.1	-1.0%
EBITDA	936.7	921.3	+1.7%
<i>EBITDA margin</i>	<i>35.7%</i>	<i>34.8%</i>	-
EBITDA before restructuring	1,021.2	1,005.4	+1.6%
<i>EBITDA margin before restructuring</i>	<i>38.9%</i>	<i>38.0%</i>	-

5.1 mn mobile customers
▪ **Contract customers +1.7 %**

3.1 Mio. RGUs

Internet @ Home +1.7 %

2020 results – International operations

Key financial figures in EUR mn	2020	2019	+/-%
Revenues	1,955.8	1,957.5	-0.1%
EBITDA	697.4	701.1	-0.5%
<i>EBITDA margin</i>	<i>35.7%</i>	<i>35.8%</i>	-
Operating EBITDA (excluding FX and non-recurring effects)	724.0	696.0	+4.0%

14.7 mn mobile customers
▪ **Contract customers +2.1 %**

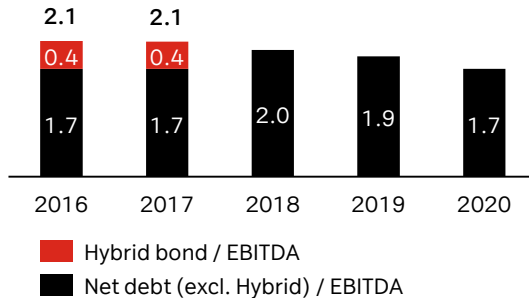
2.9 mn RGUs

Internet @ Home +7.3%

Conservative financial strategy - Balance sheet structure further strengthened

Leverage ratio significantly reduced

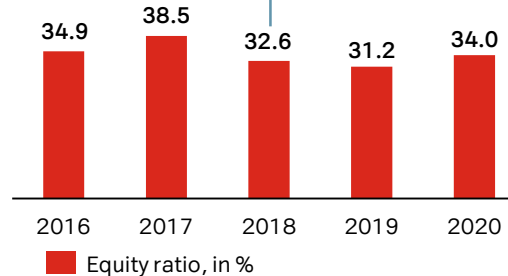
Net debt / EBITDA
(pre IFRS 16)



- Strong free cash flow supports deleveraging
- Target level: Net debt / EBITDA = 1.5x (pre IFRS 16)

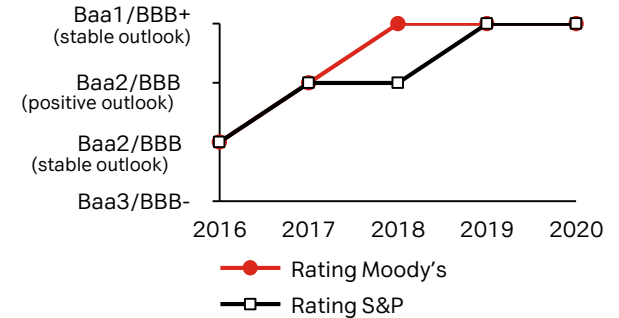
Equity ratio substantially increased

Redemption of hybrid bond



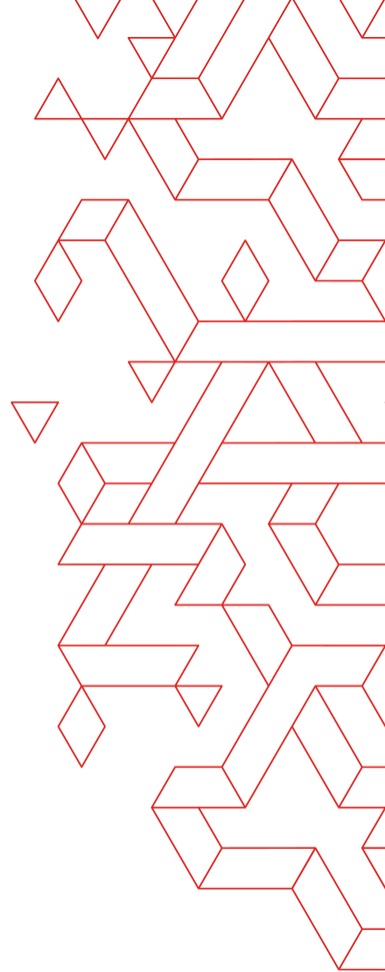
- Continuous improvement of the equity ratio (2019 impacted by the adoption of IFRS 16)
- Hybrid bond classified as equity under IFRS, therefore redemption reduces equity ratio in 2018

Rating stable

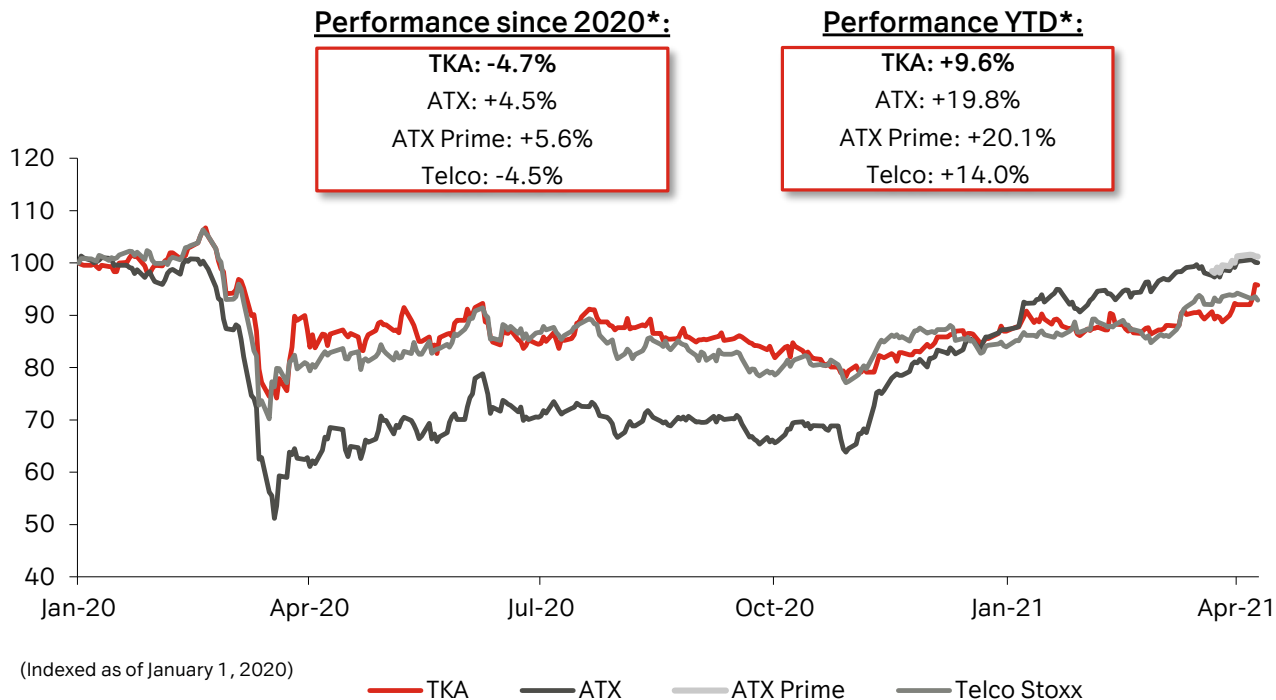


- Standard & Poor's and Moody's: Rating and outlook confirmed in mid-2020
- Solid financing ratios and ensured liquidity: Available lines of credit of EUR 1.115 bn

Telekom Austria shares



Share performance - Telekom Austria shares



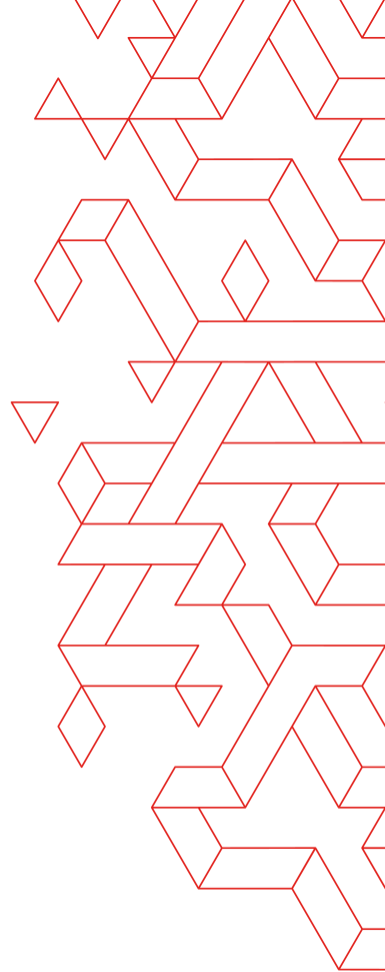
Since March 22, 2021, Telekom Austria shares have been included in the **ATX Prime**

Treasury shares

- Number as of December 31, 2020: 415,159
- No transactions in FY 2020

* As of May 7, 2021

Outlook 2021



COVID-19 - Adjusted expectations for 2020 exceeded

Focus for 2021: Revenue and margin growth

	2020		2021
	OUTLOOK	ACHIEVED	OUTLOOK
Revenues	approx. -2% (initial guidance: +1-2%)	-0.3%	approx. +1%
CAPEX (excl. spectrum)	approx. -25% (vs. initial guidance of approx. EUR 770 mn)	EUR 585.6 mn	approx. EUR 800 mn

Outlook and results on reported basis

A1 Group – Strong position to take advantage of the opportunities of accelerated digitalization



A **business model** as the foundation for digitalization, with growth opportunities arising from accelerated digital transformation



Strong **market position** and **uniform brand presence** in our footprint



Strong demand for data, broadband and ICT solutions; reliable and established partner for business customers in the areas of **ICT, IoT and cyber security**



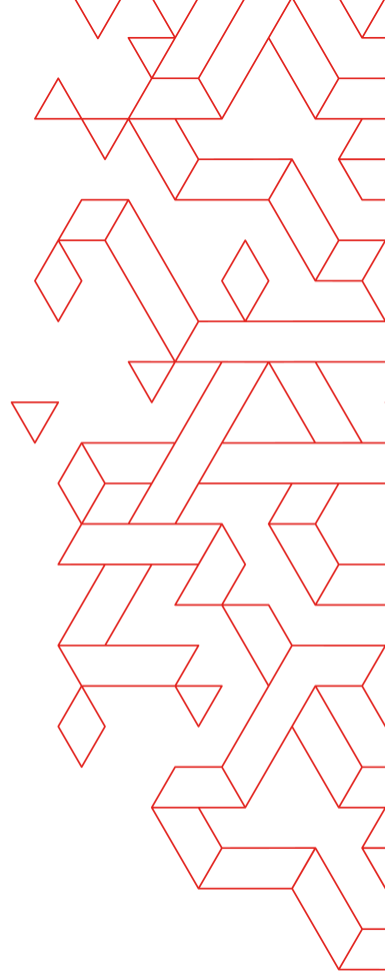
Promotion of a **more sustainable way of life** through digitalization with a clear **ESG strategy and specific targets**



Sustainable dividend policy, solid balance sheet structure and strong liquidity position as an excellent basis for future growth

Agenda Item 2

Appropriation of the net profit



Appropriation of the net profit

The Management Board and the Supervisory Board propose to use the net profit of Telekom Austria AG generated in the 2020 fiscal year in the amount of EUR 388,824,000 as follows:

- Distribution of a dividend of EUR 0.25 per eligible no par value share
- The remainder is to be carried forward to new account

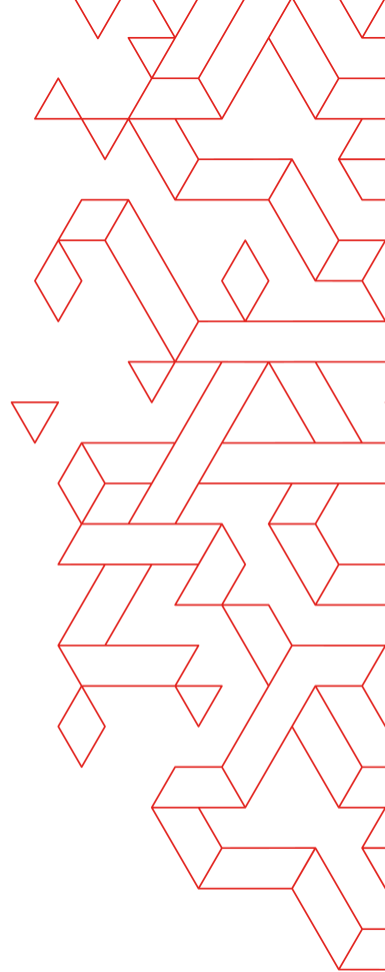
Information

According to Austrian tax law, the dividend qualifies as a repayment of capital pursuant to Sec 4 para 12 Income Tax Act (EStG).

- Ex-dividend day: May 20, 2021
- Dividend record date: May 21, 2021
- Distribution payment date: May 25, 2021

Agenda Item 3

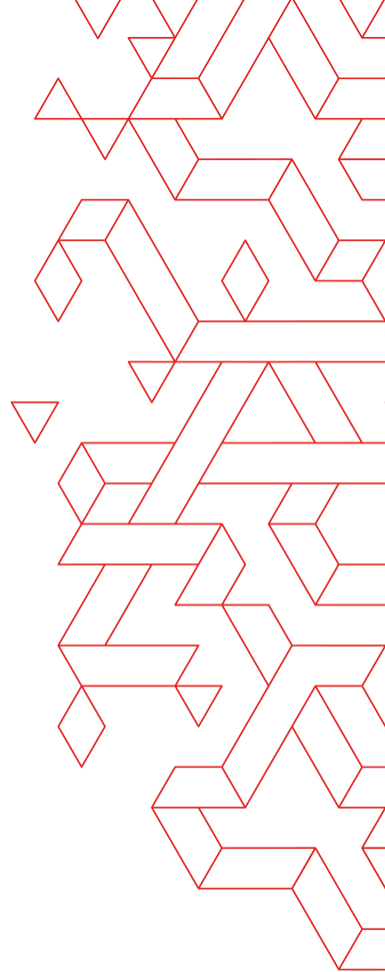
Discharge of the members
of the Management Board



Discharge of the members of the Management Board

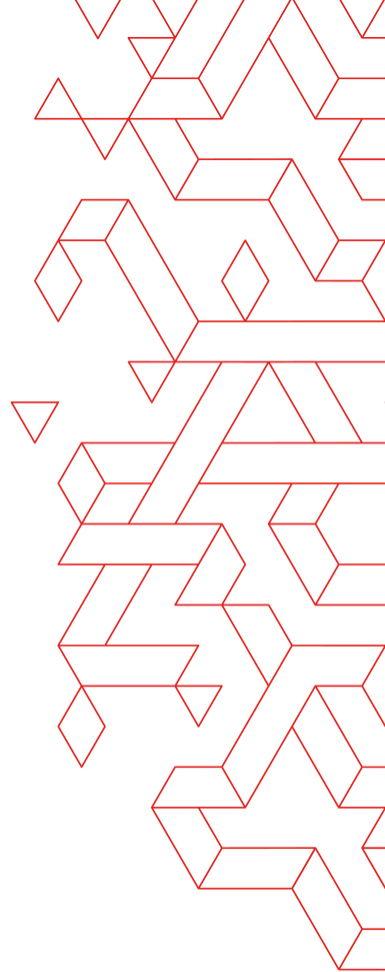
- Thomas Arnoldner
- Alejandro Douglass Plater
- Siegfried Mayrhofer

The Management Board and the Supervisory Board of Telekom Austria AG propose to grant discharge to the members of the Management Board for the fiscal year 2020.



Agenda Item 4

Discharge of the members
of the Supervisory Board



Discharge of the members of the Supervisory Board

Shareholder representatives:

- Edith Hlawati, Carlos Jose Garcia Moreno Elizondo, Alejandro Cantú Jiménez, Karin Exner-Wöhrer, Peter Hagen, Carlos M. Jarque, Peter F. Kollmann, Daniela Lecuona Torras, Thomas Schmid, Oscar von Hauske Solis

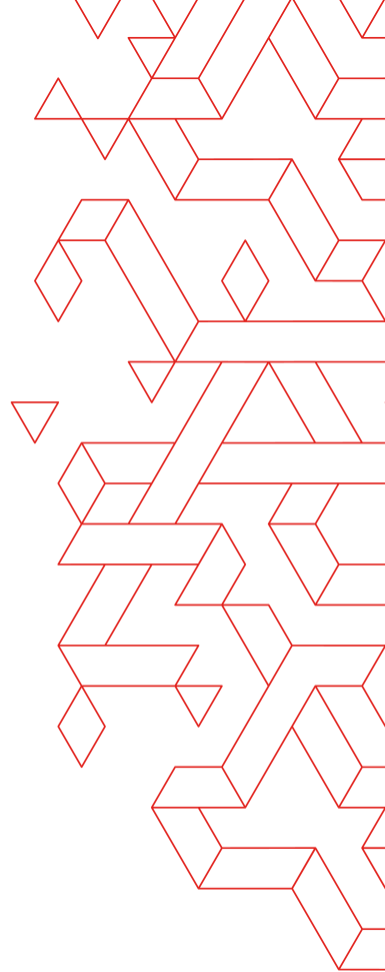
Employee representatives:

- Gerhard Bayer, Gottfried Kehrer, Werner Luksch, Renate Richter, Alexander Sollak

The Management Board and the Supervisory Board of Telekom Austria AG propose to grant discharge to the members of the Supervisory Board for the fiscal year 2020.

Agenda Item 5

Compensation for the members
of the Supervisory Board



Compensation for the members of the Supervisory Board

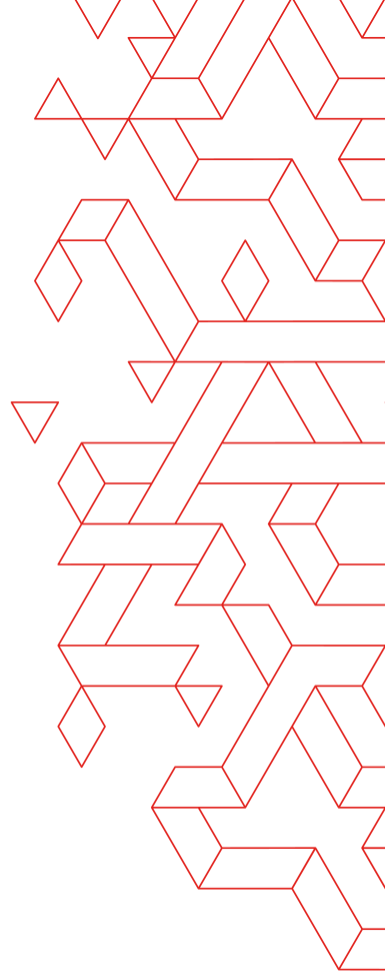
The Management Board and the Supervisory Board of Telekom Austria AG propose to determine the remuneration for the elected members of the Supervisory Board for the 2020 financial year as follows, unchanged from the previous year:

	2020
For the chair	EUR 40,000
For the deputy chair	EUR 30,000
For every further member of the Supervisory Board	EUR 20,000
For the chair of a committee	EUR 12,000
For every other committee member	EUR 10,000

For 2020 and until further notice, a fixed attendance fee of EUR 400 is to be granted for each member of the Supervisory Board for each of the meetings of the Supervisory Board or committee meetings which the member attends.

Agenda Item 6

Elections to the Supervisory Board



Dr. Peter F. Kollmann and Dr. Peter Hagen

Proposal for the election of:

Mr. Peter F. Kollmann,
born November 25, 1962,



Mr. Peter Hagen,
born December 12, 1959,

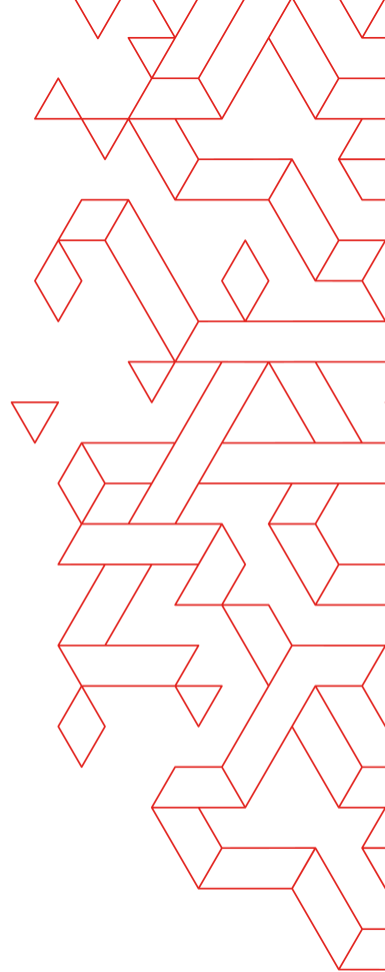


as of termination of this shareholder's meeting until the termination of such shareholder's meeting that resolves upon the discharge for the business year 2023, to the Supervisory Board of the Company.

Mr. Kollmann and Mr. Hagen issued statements according to Sec 87 Para 2 AktG and provided a curriculum vitae.

Agenda Item 7

Election of the auditors of the financial statements
and of the consolidated financial statements

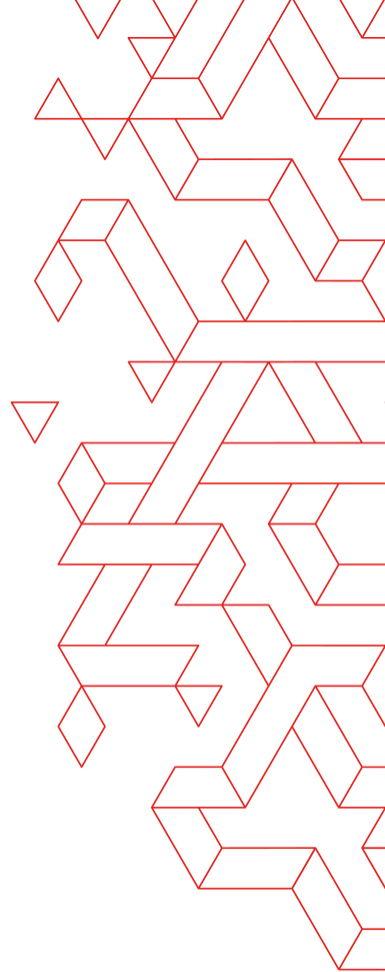


Election of the auditors of the financial statements and of the consolidated financial statements

The Supervisory Board of Telekom Austria AG proposes to elect Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H , Vienna, as auditor and Group auditor for the 2021 fiscal year.

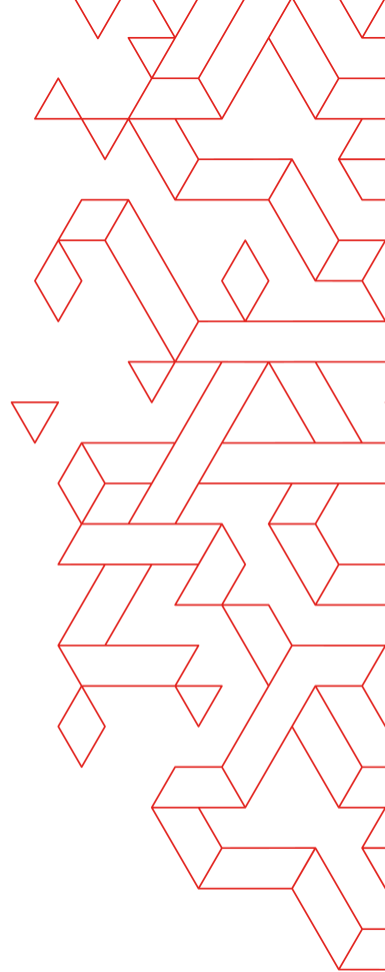
Agenda Item 8

Resolution on the Remuneration Report

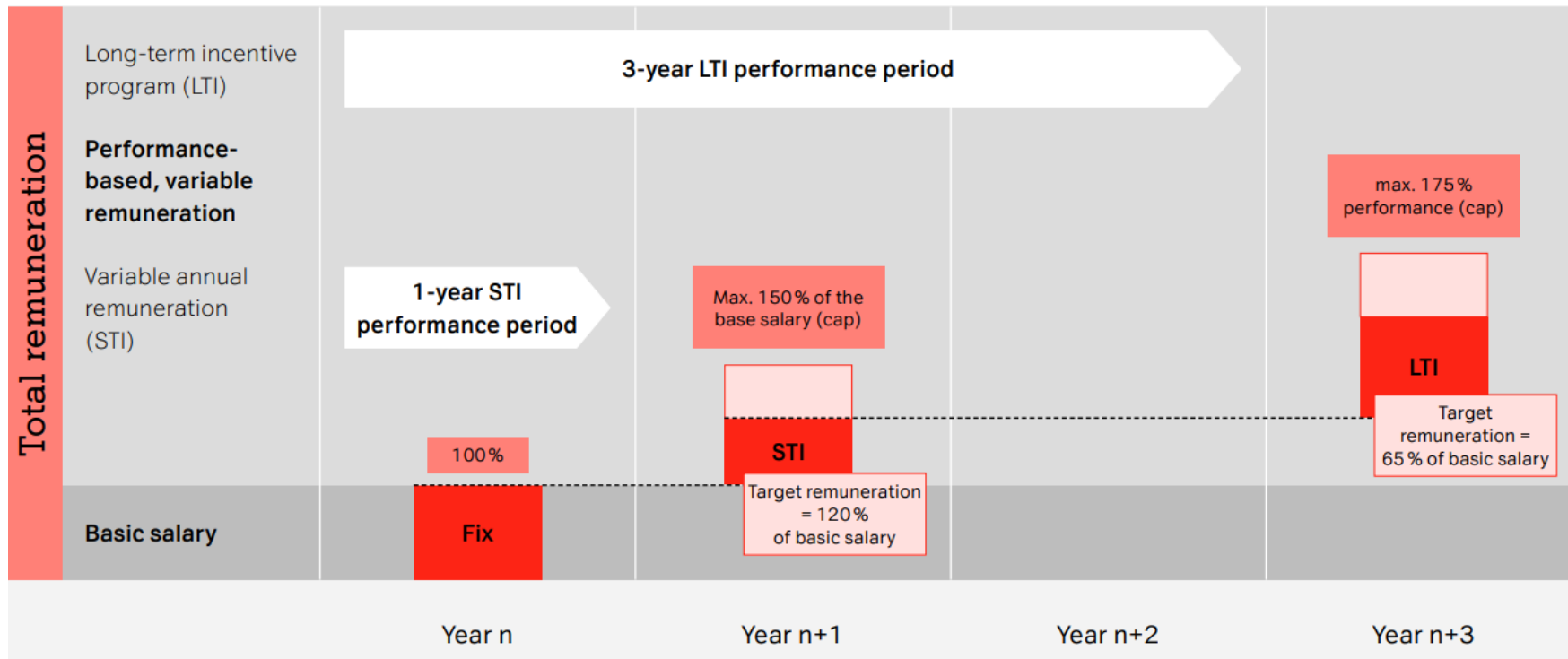


Resolution on the Remuneration Report

The Management Board and the Supervisory Board submit the Remuneration report of the Management Board and of the Supervisory Board for the vote of the Annual General Meeting.



Remuneration system for the Management Board 2020



**Many thanks
for attending!**

<https://www.a1.group/>

