



# Report of the Supervisory Board 2024

A1 Group

## Dear shareholders,

A1 Group once again achieved convincing results in the 2024 financial year despite a persistently challenging economic and geopolitical environment. The robust business model and the strategic focus on digital, customer-relevant solutions and services, innovation and operational excellence once again demonstrated the A1 Group's resilience. Despite all the challenges, the company was able to continue its long-term growth trajectory thanks to the consistent implementation of its corporate strategy and a prudent financial policy.

In the financial year 2024, A1 Group's total revenues increased by 3.1% to more than EUR 5.4 billion. Growth drivers included value-protecting measures, solid development in the mobile core business and strong growth in the ICT business.

In addition to expanding its business through growth, A1 Group continued to focus on implementing efficiency measures in view of the high inflation of previous years and the associated cost pressure. Overall, A1 Group recorded EBITDA growth of 5.1% and exceeded the EUR 2.0 billion mark for the first time. Due to increased depreciation and amortization as a result of the spin-off of the mobile tower business, there was a slight decline in profit for the period of 3% to EUR 627 million in the financial year 2024. On a comparable basis (pro forma<sup>1</sup>), however, profit for the period increased by 12.5%.

The basis for these positive results remains A1 Group's state-of-the-art and future-proof infrastructure. In the reporting year, the company invested EUR 865 million, a significant part of which went into the expansion of the fiber optic network and the further development of the 5G mobile network in Austria.

Thanks to its conservative financial policy and consistently solid results, A1 Group is one of the best-rated companies in the industry in Europe and has an A3 / A- credit rating from all three leading rating agencies Moody's, S&P and Fitch. In the reporting year, the leverage ratio was further reduced to 0.2x net debt (excluding leases) to EBITDA after leases and to 1.1x net debt (including leases) to EBITDA.

In addition, A1 Group continued to drive forward its commitment to sustainability in 2024. Climate protection was a key focus. A1 Group is committed to reducing all greenhouse gas emissions in all areas of the company and along the entire value chain to net zero by 2040. The „Climate Transition Plan“, which was drawn up in 2024, shows how net-zero CO<sub>2</sub> emissions will be achieved step by step along clearly defined milestones by 2040. It includes measures to reduce energy consumption, promote sustainable mobility solutions and raise environmental awareness in all areas of the company. The Science Based Targets Initiative (SBTi) has officially validated the ambitious target of the Climate Transition Plan 2024 - another milestone in the implementation of A1 Group's sustainability strategy.

In addition, our sustainability strategy and measures are regularly recognized externally. For example, the ESG rating company Sustainalytics has repeatedly rated A1 Group as „ESG Industry Top Rated“. This ranks A1 Group third out of more than 200 telecommunications companies, making it one of the most sustainable companies in the industry worldwide.

With regard to the composition of the Supervisory Board, the mandates of Peter Hagen and Peter Kollmann were extended at the Annual General Meeting on June 27, 2024.

In 2024, the Supervisory Board met seven times - including one strategy meeting - and held various committee meetings to discuss in detail the strategic direction, including sustainability aspects, investment and financing decisions and the course of business. In particular, the Board focused on entering new growth segments and increasing efficiency. This was in response to the inflationary increase in the cost structure and the continuing competitive pressure in the markets.

At six meetings in 2024, the Audit Committee performed its control tasks to monitor the effectiveness of the internal control system, the risk management system and the internal audit and discussed and reviewed the 2023 annual financial statements in detail in the presence of the auditors. In the past financial year, the Audit Committee also prepared the appointment of the new auditor of the annual and consolidated financial statements and recommended its nomination to the Supervisory Board.

The Remuneration Committee of the Supervisory Board held three meetings to discuss the remuneration of the Management Board and the contracts of the Management Board members.

The Supervisory Board of Telekom Austria AG is committed to complying with the Austrian Corporate Governance Code (ÖCGK) and to responsible corporate governance and control in the interests of sustainable value creation. All ten shareholder representatives have declared their independence within the meaning of C-Rule 53 of the ÖCGK.

---

<sup>1</sup> Pro forma means that the figures for the comparative period have been adjusted as if the tower spin-off had already taken place at that time. This makes it possible to compare business development before and after the transaction.

As prescribed in Rule 62 of the ÖCGK, A1 Group has compliance with the rules of the Code and the accuracy of the associated public reporting evaluated by an external auditor every three years. The evaluation carried out by Ernst & Young Wirtschaftsprüfung GmbH in 2023 found no inconsistencies with the declaration of compliance „comply or explain“ rules issued in the 2022 financial year or the recommendations of the Austrian Corporate Governance Code.

The Supervisory Board supports the Management Board's proposal for the appropriation of net profit, whereby a dividend of EUR 0.40 per entitled share is to be distributed for the financial year 2024 and the remainder carried forward to new account.

As Supervisory Board Chairperson, I would like to thank the management and all employees on behalf of the Supervisory Board. Thanks to their commitment and dedication, the A1 Group will be able to continue on its successful course in the future.

Finally, I would like to thank the customers and shareholders of A1 Group for the trust they have placed in us. The Supervisory Board will continue to focus on the strategic and long-term orientation and further development of A1 Group in the future and actively support it.

**Dr. Edith Hlawati m.p.**

Chairperson of the Supervisory Board

Vienna, May 2025