



Results Report 2024

A1 Group

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Group Management Report

Group overview and market environment

Business environment

Macroeconomic performance recovered slightly in 2024. Inflation rates fell steadily in the US and the eurozone. Interest rate cuts had a positive impact on the business environment and overall economic demand increased. Overall, global economic growth increased and the outlook for 2025 shows stable growth. Our markets reveal a mixed picture, however, with higher year-on-year GDP growth rates in most CEE countries while Austria recorded another year of recession.¹

Starting from a high level at the end of 2023, inflation rates fell over the course of 2024 in both the US and Europe. In the US, inflation fell from 3.4% in December 2023 to 2.9% in December 2024.² In the eurozone, average inflation fell from 5.4% in 2023 to 2.4% in 2024.³

In the year under review, the US Federal Reserve (FED) lowered its key short-term interest rate in three steps from a range of 5.25% to 5.5% to between 4.25% and 4.50%.⁴

The European Central Bank carried out a total of four interest rate cuts in 2024, reducing the interest rates on main refinancing operations, the marginal lending facility, and the deposit facility from 4.5%, 4.75%, and 4.0% to 3.15%, 3.40%, and 3.0% respectively.⁵

According to the World Economic Outlook published by the IMF in October 2024, the global growth outlook is stable with expected growth of 3.2% for 2024 and 2025. For the Eurozone, growth projections for 2024 were maintained at 0.8% in October compared to previous projections from April 2024 whereas for 2025 they were slightly decreased to 1.2%. The growth forecasts for the USA project growth of 2.8% for 2024 and 2.2% for 2025. Growth projections for China were slightly adjusted upwards versus previous forecasts due to high demand for semiconductors and electronics.^{6 7}

In the markets of A1 Group, as shown in the table below, most CEE countries are expected to experience higher GDP growth compared to the previous year. In Austria, however, another year of recession is forecasted for 2024.⁸

Development of real GDP and inflation in the markets of the A1 Group⁹

in %	2023		2024e		2025e	
	GDP	Inflation	GDP	Inflation	GDP	Inflation
Austria	-0.8	7.7	-0.6	3.0	1.1	2.5
Bulgaria	1.8	8.6	2.3	2.8	2.5	2.6
Croatia	3.1	8.4	3.4	4.0	2.9	2.8
Belarus	3.9	5.0	3.6	6.0	2.3	6.4
Slovenia	2.1	7.4	1.5	2.0	2.6	2.7
Serbia	2.5	12.4	3.9	4.5	4.1	3.6
North Macedonia	1.0	9.4	2.2	3.3	3.6	2.3

¹ Source: <https://www.wko.at/statistik/jahrbuch/worldgdp.pdf>

² Source: <https://tradingeconomics.com/united-states/inflation-cpi>

³ Source: <https://tradingeconomics.com/euro-area/inflation-cpi>

⁴ Source: <https://www.federalreserve.gov/economy-at-a-glance-policy-rate.htm>

⁵ Source: https://www.ecb.europa.eu/stats/policy_and_exchange_rates/key_ecb_interest_rates/html/index.de.html

⁶ Source: <https://www.imf.org/en/Publications/WEO/Issues/2024/04/16/world-economic-outlook-april-2024>

⁷ Source: <https://www.imf.org/en/Publications/WEO/Issues/2024/10/22/world-economic-outlook-october-2024>

⁸ Source: <https://www.wko.at/statistik/eu/europa-wirtschaftswachstum.pdf>

⁹ Source: <https://www.imf.org/en/Publications/WEO/weo-database/2024/October>, data on inflation based on average consumer prices

Industry trends and competition

The A1 Group identified the following trends in the course of its strategy process:

The **continuing rapid development of artificial intelligence (AI)** and real-time data analyses is transforming business processes and making real-time decisions the norm. With **increasing data traffic** driven by digitalization and OTT content and **the progress being made in rolling out broadband (fiber and 5G)**, telecommunications companies are at the center of this digital evolution. They are having to focus on improving the **end-to-end customer experience** in order to differentiate themselves by anticipating needs and offering personalized services. As **ecosystems** of interconnected companies, services, and technologies are driving future economic growth, telecommunications companies must redefine their role and actively shape their platforms and partnerships. Telecommunications companies are at the **center of digitalization**, with software playing a crucial role in increasing business efficiency through network design, automation, virtualization, and cloud services. This foundation provided by software is additionally opening up new business opportunities in the field of digital services. **Cybersecurity** is becoming increasingly important due to strict regulations, such as the EU NIS2 Directive, and the rising number of **cyber attacks**, which is posing both a challenge and a business opportunity for telecommunications companies. In addition, the **popularity of cloud computing** and **edge computing** is growing thanks to the advantages they offer in the areas of innovation, mobility, flexibility, cost efficiency, and improved data security. Moreover, **ESG aspects** are now an essential prerequisite for being able to compete in the market, while the **competitive landscape is expanding** to include OTT providers and satellite-based Internet companies.

Competitive environment

The A1 Group is primarily active in seven regional markets in Central and Eastern Europe:

	Inhabitants ¹⁾	GDP/capita ²⁾	Mobile subscribers		RGUs	
	in million	in USD	in million	market position ³⁾	in million	market position ³⁾
Austria	9.1	73,100	5.1	#1	2.7	#1
Bulgaria	6.4	38,900	3.8	#2	1.3	#2
Croatia	3.8	46,800	2.2	#2	0.7	#2
Belarus	9.2	30,800	4.9	#2	0.9	#2
Slovenia	2.1	55,700	0.7	#2	0.2	#3
Serbia	6.6	29,600	2.4	#3		
North Macedonia	1.8	26,300	1.1	#1	0.4	#2

¹⁾ Source for inhabitants as well as GDP/capita (PPP, current international USD): <https://data.worldbank.org/indicator/SP.POP.TOTL>, data for most recent year: 2023, figures rounded

²⁾ Source for GDP/capita (PPP, current international USD): <https://data.worldbank.org/indicator/NY.GDP.PCAP.PP.CD>, data for most recent year: 2023, figures rounded

³⁾ Mobile and fixed market positions both based on service revenue market shares

Regulation

A1 Group is subject to different legal and regulatory frameworks in its markets. A1 Austria, comprising the largest Group segment by revenue and EBITDA, is classified as a provider with significant market power in the wholesale market for Ethernet and dark fiber in certain regions in Austria. The company is therefore subject to relevant regulatory measures, including network access and price regulations.

The international subsidiaries of the A1 Group are also subject to extensive regulatory provisions in their respective national markets. In addition, the Group companies in EU member states (Austria, Bulgaria, Croatia, Slovenia) are required to comply with European regulations in order to ensure harmonised conditions within the EU. This is especially true for the EU-wide roaming and net neutrality regulations as well as the harmonization of mobile and fixed-line termination rates resulting from the European Electronic Communications Code (EECC), which applies equally to all EU member states.

Fixed-line regulation

Market regulation in Austria

The wholesale markets for broadband access have been fully deregulated since October 11, 2022. Previous regulations have been replaced by new, voluntary contracts for virtual unbundling of local access (VULA 2.0) and for very high capacity networks (VHCN). These contracts were given a positive reception by both the Austrian regulatory authority and the European Commission. Wholesale partners numbering in the mid-double digits have since signed contracts of this kind with A1 Austria, including its largest competitors.

This deregulation paves the way for additional investment and will accelerate the large-scale roll-out of broadband and fiber infrastructure throughout Austria. The Austrian regulator and the Federal Competition Authority will continue to monitor the wholesale markets for local and central access very closely. Some smaller Internet service providers have contested the deregulation decision of the national regulator, however, and initiated proceedings before the Federal Administrative Court. These proceedings were opened in 2023, but a result or decision is not expected until 2025 at the earliest.

Following the final decision by the regulator in August 2023, further steps toward deregulation have been implemented in the wholesale market for high-quality access (Ethernet services and dark fiber) in many geographic areas (municipalities). In predominantly rural regions, however, A1 Austria remains regulated in this market and is therefore still subject to relevant regulatory measures, including network access and price regulations.

Fixed-line termination rates¹

The European Commission set the fixed-line termination rate for all operators in the European Economic Area (EEA) at a uniform EUR 0.0007 per minute back on January 1, 2022. The Austrian regulator deregulated the fixed-line termination market at the national level following this measure. Nothing has changed in this regulation since then, and no adjustments are expected in the foreseeable future either.

Mobile communication regulation

Roaming

The European Union Roaming Regulation was updated in 2022, but its broad guidelines have been in force since 2016. The EU roaming area is expected to be expanded to EU candidate countries such as Ukraine and Moldova in the coming years. The markets of Belarus, Serbia and North Macedonia are regulated to a varying degree.

¹ The term termination rate refers to the amount that a telecommunications provider must pay for the termination (call termination, call completion) of a telephone call to a third-party network or for the acceptance of such a call from a third-party network in the case of network interconnection.

Roaming agreements in the Western Balkans

Retail roaming charges within the region have been reduced following the introduction of a roaming agreement for the Western Balkans in 2019. In addition, A1 and other mobile operators have signed a voluntary agreement to lower rates between the European Union and the Western Balkan countries (Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia, and Serbia).

European Union wholesale caps

Voice (outgoing), in eurocents/minute	July 1, 2022 – December 31, 2024:	2.2
	January 1, 2025 – June 30, 2032:	1.9
SMS, in eurocents/SMS	July 1, 2022 – December 31, 2024:	0.4
	January 1, 2025 – June 30, 2032:	0.3
Data, in EUR/GB	July 1 – December 31, 2022:	2
	From January 1, 2023:	1.8
	2024:	1.55
	2025:	1.3
	2026:	1.1
	January 1, 2027 – June 30, 2032:	1

Mobile termination

The European Commission set mobile termination rates for all operators in the European Economic Area at a uniform EUR 0.002 per minute on January 1, 2024. This value has been achieved by means of a glide path that provided for annual reduction steps. The Austrian regulator has deregulated the mobile termination market at the national level and further reductions are not expected at present.

Mobile termination rates

	January 1, 2022	January 1, 2023	January 1, 2024	January 1, 2025
EU-wide maximum (EUR)	0.0055	0.004	0.002	0.002
Serbia (RSD)	1.43	1.12	0.81	0.5
North Macedonia (MKD)	0.63	0.63	0.63	0.63
Belarus*) (BYN)	operator MTS 0.025/0.0125	operator MTS 0.025/0.0125		
	operator BeST 0.018/0.009	operator BeST 0.018/0.009		

*) Belarus values: prime time/downtime. MTS: Mobile TeleSystems; BeST: Belarus Telecommunications Network

Net neutrality

The EU regulation on net neutrality has been in force since 2016. It requires providers of Internet access services to treat all data traffic equally. Furthermore, specialized services can also be offered in addition to Internet access services, but these are subject to certain limitations.

The European Commission had to review the EU net neutrality provisions by April 30, 2023. The Body of European Regulators for Electronic Communications (BEREC) had already published an opinion before that date stating that the current regulation was suitable and no amendments were necessary. The European Commission's final evaluation also showed that no amendments to the EU regulation on net neutrality are necessary.

Retail charges for regulated intra-EU communication

As of May 15, 2019, retail charges charged to consumers for regulated intra-EU communication may not exceed EUR 0.19 per minute for calls and EUR 0.06 per SMS text message (excluding VAT in each case). Despite this requirement, it is nevertheless possible to offer consumers a choice of alternative tariffs. The validity of this regulatory EU pricing requirement (Article 5a of EU Regulation 2018/1971) was extended when the Gigabit Infrastructure Act (EU Regulation of May 2024) was approved. A reduction in the charges for intra-EU calls to the national price level is planned for January 1, 2029.

Spin-off of the "EuroTeleSites AG" tower business and its impacts in 2023

On September 22, 2023, Telekom Austria AG's former tower business was listed on the Vienna Stock Exchange as the newly founded EuroTeleSites AG. The shareholders of Telekom Austria AG agreed to the spin-off at an extraordinary general meeting held on August 1, 2023. They received one EuroTeleSites share for every four Telekom Austria shares.

The passive infrastructure of the towers that was spun off comprises components that are not directly attributable to the mobile communications network, such as foundations and metal structures, containers, air conditioning units, power supply, and other supporting systems.

A1 Group has secured long-term access to the towers by contract as the anchor tenant by entering into local master lease agreements with the local EuroTeleSites operating companies. The contract has been entered into for an indefinite period, but termination options are available. Inflation protection is provided. The rent and other price elements are adjusted annually by 85% of the annual adjustment of the consumer price index, but by no more than 3% per year. Prices for steel components for modifications that are additionally commissioned must be adjusted in accordance with the steel price index.

5G and the frequencies used with this technology require a densification of towers. The expansion in terms of area is also not yet complete, and new areas are being developed. For the construction of new towers, A1 Group has the freedom to choose any tower company. The majority of the required expansions are to be carried out through collaboration with the preferred tower company, EuroTeleSites.

In the event of significant financial difficulties or the disposal of a significant amount of infrastructure at or by a EuroTeleSites operating company in breach of contract, A1 Group has a right to repurchase the towers at country level. More detailed information can be found in the Group Management Report 2023.

Since the spin-off took place in September of the comparative year, there are still financial impacts on the year-on-year performance. An overview can be found on page 12 with the table "A1 Group Comparison of reported vs. pro forma values".

Business development and economic situation

Business performance in financial year 2024

Despite a challenging environment, A1 Group were able to prove how robust its business model is and deliver a solid business performance in the financial year 2024. This is the result of a continued focus on driving digitalization, ensuring the relevance to our customers, and providing an excellent customer journey. Despite a persistently competitive environment, A1 Group was able to further expand its customer base in the fixed-line business but also in the mobile customer business.

Inflation fell compared to the previous year, nonetheless a certain price sensitivity remained among customers given the high inflation rates of previous years. A1 Group implemented value protection measures in Austria, Bulgaria, and Croatia to cushion the increase in costs. Rising workforce costs were once again one of the biggest cost drivers in 2024. A clear focus on operational efficiency remained a priority in 2024 and enabled a further increase in margins to be achieved. At the same time, it is important to ensure that the company is fit for the future and to maintain financial flexibility for growth opportunities. To this end, we set a milestone in our transformation with the establishment of a "competence delivery center", which pursues exactly this goal by reducing indirect costs and enables more investments in the market. Certain activities are therefore carried out only once across the entire group instead of seven times in our individual markets, aiming for a harmonization of tools, systems, and processes.

We also pursued a sustainable approach to investments: the expansion of the fixed-line and mobile broadband networks in Austria and CEE was continued, while at the same time a focus was placed on accelerating the monetization of previous investments. In March 2024, A1 acquired 400 MHz in the 26 GHz spectrum plus additional regional frequencies in the 3.5 GHz spectrum in Austria in a frequency auction for a total of EUR 7.3 mn (incl. interest). In June 2024, the existing frequencies in the 900 MHz and 1800 MHz bands were renewed in Bulgaria for 10 years for a total of EUR 26.8 mn. Also in Bulgaria, an additional 5 MHz in the 1800 MHz band was acquired in June 2024 for a total of EUR 3.8 mn.

In May 2024, S&P again confirmed Telekom Austria AG's "A-" rating with a stable outlook. In addition, Moody's also confirmed the A1 Group's credit rating at A3 with a stable outlook in November 2024. The rating from Fitch remained unchanged at 'A-'. Enjoying an "A-" rating from all three major credit rating agencies, A1 Group is one of the best-rated companies in the industry in Europe.

Operational and financial performance of the A1 Group

As reported results in the full year 2024 were largely impacted by non-operating effects, the following factors should be considered in the analysis of A1 Group's operating results:

- FY 2024: Positive one-off effects of EUR 13 mn in EBITDA, of which positive EUR 9 mn in other operating income, in Austria (EUR 5 mn) and Croatia (EUR 4 mn) and EUR 4 mn in total OPEX thereof EUR 1 mn in Austria (net EUR 5 mn mainly due to the reversal of legal provisions overcompensating a negative effect related to the former tower business) and Croatia (EUR 3 mn mainly due to positive effect in bad debts).
- FY 2023: Positive one-off effects of EUR 34 mn in EBITDA in Austria in total OPEX.
- FY 2024: Negative FX effects amounted to EUR 35 mn in total revenues, EUR 25 mn in service revenues, and EUR 15 mn in EBITDA (thereof positive EUR 39 mn in workforce costs and negative EUR 5 mn for legal cases).
- Restructuring charges in Austria amounted to EUR 89 mn (2023: EUR 85 mn).

In the mobile business, the number of subscribers increased by 7.4% to a total of 27.1 mn in the reporting year. The main driver of growth was almost exclusively the robust increase in the M2M business. Excluding M2M customers, the number of subscribers increased slightly (0.3%) thanks to the postpaid subscriber business, while the number of prepaid subscribers continued to decline. The rise in both mobile WiFi routers and subscribers in the mobile core business contributed growth in the number of subscribers. Overall, the number of mobile subscribers increased in every country except Serbia. The number of postpaid customers increased in all the international markets, except Serbia, while it remained stable at the previous year's level in Austria.

In the fixed-line business, the number of revenue generating units (RGUs) increased by 1.3% year-on-year. Growth in international markets, especially in Bulgaria and Belarus, more than compensated for the decline in Austria. RGUs in the other international markets also increased, while remaining stable in Croatia. In Austria, the continued strong demand for higher-bandwidth broadband was unable to offset the losses in broadband RGUs with lower bandwidths and voice RGUs.

Key figures

in EUR million	2024	2023	Δ
Total revenues	5,413	5,251	3.1%
Service revenues	4,502	4,348	3.5%
Equipment revenues	813	811	0.2%
Other operating income	98	92	5.9%
Wireless revenues	3,172	3,099	2.3%
Service revenues	2,500	2,429	2.9%
Equipment revenues	672	670	0.3%
Wireline revenues ¹⁾	2,143	2,060	4.0%
Service revenues	2,002	1,919	4.3%
Equipment revenues	141	142	-0.2%
EBITDA ²⁾	2,021	1,924	5.1%
EBITDA margin	37.3%	36.6%	0.7pp
EBITDAaL ³⁾	1,603	1,671	-4.0%
EBITDAaL margin	29.6%	31.8%	-2.2pp
Depreciation, amortization, impairments	1,160	1,013	14.5%
EBIT ⁴⁾	861	911	-5.4%
EBIT margin	15.9%	17.3%	-1.4pp
Net result	627	646	-3.0%
Net margin	11.6%	12.3%	-0.7pp
Capital expenditures	865	1,093	-20.9%
Tangible	653	787	-17.0%
Intangible	211	305	-30.7%
Free cash flow	575	354	62.5%
	Dec. 31, 2024	Dec. 31, 2023	Δ
Net debt / EBITDA (12 months)	1.1	1.3	-0.23x
Net debt (excl. leases) / EBITDAaL (12 months)	0.2	0.4	-0.16x
Customer indicators (thousand)	Dec. 31, 2024	Dec. 31, 2023	Δ
Mobile subscribers	27,122	25,245	7.4%
Postpaid	23,447	21,512	9.0%
Prepaid	3,676	3,733	-1.5%
RGUs ⁵⁾	6,352	6,271	1.3%
	2024	2023	Δ
ARPU (in EUR) ⁶⁾	8,0	8,2	-3,0%
ARPL (in EUR) ⁷⁾	27,0	26,3	2,8%
Mobile churn	1.3%	1.4%	-0.0pp
	Dec. 31, 2024	Dec. 31, 2023	Δ
Employees (full-time equivalent)	17,298	17,508	-1.2%

¹⁾ Wireline revenues also include solutions & connectivity revenues

²⁾ Earnings Before Interest, Tax, Depreciation and Amortization

³⁾ EBITDA after Leases: EBITDA - depreciation of lease assets according to IFRS 16 - interest expenses pursuant to IFRS 16

⁴⁾ Operating income according to IFRS

⁵⁾ Revenue Generating Unit

⁶⁾ Average Revenue Per User incl. M2M Subscriber

⁷⁾ Average Revenue Per Line

In the financial year 2024, A1 Group's total revenues increased by 3.1%, which can be attributed almost entirely to higher service revenues. These revenues increased in all markets except Slovenia. They were kept stable in Belarus despite negative currency effects. The largest contributions came from Bulgaria, Croatia, and Serbia. Equipment revenues remained stable year-on-year at Group level, but fell in Austria, Slovenia, and Serbia.

Service revenues increased primarily as a result of higher retail mobile service revenues, higher revenues in the solutions and connectivity business, and an increase in revenues from retail fixed-line services. Overall, the results benefited to a large extent from value protection measures, a solid performance in mobile WiFi routers, and successful upselling. In the fixed-line business, A1 Group recorded solid demand for broadband and TV products in the international segments, while growth in the solutions and connectivity business was driven by strong demand for ICT services especially in Austria and Bulgaria. This enabled A1 Group to more than offset the losses resulting from the regulatory driven decline in interconnection revenues and the decline in the fixed-line voice business.

The increase in costs in the year under review was mainly due to higher workforce costs. These included positive one-off effects of around EUR 39 million in Austria in the previous year but were also the biggest operative cost driver.

The rest of the increase in core OPEX can be attributed to higher costs for network maintenance, product-related costs such as licenses and software for sale, and content costs. On the other hand, savings were made in energy and advertising costs. Restructuring charges increased by EUR 3 mn.

The equipment margin fell among other things as a result of higher subsidies compared to the previous year.

Overall, EBITDA rose by 5.1%. The highest contributions to EBITDA growth came from Bulgaria, Croatia, and Serbia, with all countries except Slovenia generating an increase in EBITDA on the operational level.

Depreciation increased significantly year-on-year, which can largely be attributed to the spin-off of the tower business in the previous year. This also led to a lower operating result (-5.4%). On a pro forma basis, the operating result was 1.8% higher. In 2024, A1 Group reported a financial result of EUR -98 mn (previous year: EUR -90 mn).

Income tax expenses decreased primarily as a result of deferred tax income and amounted to EUR 137 mn in financial year 2024 (previous year: EUR 175 mn).

The profit for the period fell slightly in the financial year 2024 to EUR 627 mn (2023: EUR 646 mn), but rose by 12.5% on a pro forma basis.

	2024	2023	Δ
Earnings per share (in EUR)	0.94	0.97	-3.0%
Dividend per share, paid (in EUR)	0.36	0.32	12.5%
Free cash flow per share (in EUR)	0.87	0.53	62.5%
ROE	13.1%	15.8%	-2.7pp
Operating ROIC	11.2%	12.9%	-1.7pp

Net assets and financial position

As of December 31, 2024, the balance sheet total increased by 3% from EUR 9,557 million to EUR 9,854 million. Current assets increased mainly due to higher cash and cash equivalents and higher accounts receivable. Non-current assets remained stable as additions to property, plant and equipment were offset by a decline in right-of-use assets.

Current liabilities increased due to the rise in lease liabilities short-term related to the shift from lease liabilities long-term. This development also impacted the decline in total non-current liabilities. The increase in equity is due to the period result being higher than the dividend payments in July.

Balance sheet structure

in EUR million	Dec. 31, 2024	As % of the balance sheet total	Dec. 31, 2023	As % of the balance sheet total
Current assets	1,828	18.6%	1,545	16.2%
Property, plant and equipment	3,116	31.6%	3,029	31.7%
Goodwill	1,089	11.1%	1,089	11.4%
Intangible assets, net	1,604	16.3%	1,655	17.3%
Other assets	2,217	22.5%	2,239	23.4%
Total assets	9,854	100.0%	9,557	100.0%
Current liabilities	-1,889	19.2%	-1,845	19.3%
Long-term debt	-749	7.6%	-748	7.8%
Lease liabilities long term	-1,585	16.1%	-1,672	17.5%
Employee benefit obligation	-166	1.7%	-187	2.0%
Non-current provisions	-398	4.0%	-423	4.4%
Other long-term liabilities	-78	0.8%	-81	0.8%
Stockholders' equity	-4,989	50.6%	-4,601	48.1%
Liabilities and stockholders' equity	-9,854	100.0%	-9,557	100.0%

Cash flow

in EUR million	2024	2023	Δ
Net cash flow from operating activities	1,814	1,716	5.7%
Net cash flow from investing activities	-909	-64	n.m.
Net cash flow from financing activities	-707	-600	17.8%
Adjustment to cash flows due to exchange rate fluctuations, net	-0	-0	n.m.
Cash transferred spin-off	0	-1,033	n.m.
Net change in cash and cash equivalents	198	19	n.m.

In the financial year 2024, cash flow from operating activities increased by 5.7% year-on-year. This was primarily due to the improved operating result. In addition, income taxes paid decreased year-on-year. The cash flow from investing activities was attributed to both lower capital expenditures and reduced payments for frequency spectrum (2024: EUR 39 million, 2023: EUR 133 million). Last year, cash flow from investing activities was influenced by the spin-off of the tower business. Cash flow from financing activities last year was also impacted by the raising of debt capital, which was subsequently transferred in the course of the spin-off of EuroTeleSites AG. Lease payments were higher. Overall, cash and cash equivalents increased.

Net debt

	Dec 31, 2024	Dec 31, 2023	Δ
Long-term debt	749	748	0.1%
Lease liability long-term	1,585	1,672	-5.2%
Short-term debt	0	60	-99.9%
Lease liability short-term	316	284	11.3%
Cash and cash equivalents	-367	-169	117.7%
Short term investments marketable	-25	0	n.a.
Net debt (incl. leases)	2,257	2,595	-13.0%
Net debt (incl. leases) / EBITDA	1.1x	1.3x	-0.23x
Net debt (excl. leasing)	357	639	-44.2%
Net debt excl leasing / EBITDAaL	0.2x	0.4x	-0.16x

^aNet debt definition changed in Q4 2024 and now includes short term investments marketable

In 2024, the net debt decreased compared to the previous year. The net debt excluding leases/EBITDAaL ratio decreased from 0.4x at the end of 2023 to 0.2x in the reporting year 2024. The net debt/EBITDA ratio was 1.1x as of December 31, 2024, and thus declined compared to the previous year. This reduction was due to the higher cash and cash equivalents and lower lease liabilities.

Free cash flow

	2024	2023	Δ
EBITDA	2,021	1,924	5.1%
Restructuring charges and cost of labor obligations	91	92	-1.4%
Lease paid (principal, interest and prepayments)	-389	-256	51.8%
Income taxes paid	-156	-180	-13.1%
Net interest paid	2	-32	n.m.
Change working capital and other changes	-67	-14	393.0%
Capital expenditures	-865	-1,093	-20.9%
Social plans new funded ¹⁾	-63	-88	-28.5%
FCF after social plans new	575	354	62.5%

¹⁾ Cost for social plans granted in the respective period

In the financial year, free cash flow amounted to EUR 575 million during the reporting period, increasing compared to the previous year (EUR 354 million). In addition to the better operating result, the main reason for this was the significantly lower capital expenditure, as mentioned above, were due to both lower capital expenditures and reduced payments for frequency spectrum. Net interest paid decreased, among other things, due to the spin-off of the tower business. The latter also led to higher lease payments. The unfavorable changes in working capital were mainly due to the negative impact of accounts receivable. Accounts payable benefited in the previous year from broadband subsidies granted until 2023 and thus contributed negatively to the changes in working capital year-over-year.

Capital expenditures ("CAPEX")

In the financial year 2024, CAPEX decreased by 20.9% to EUR 864.6 million. Investments in frequencies amounted to a total of EUR 39 million, of which EUR 31 million was in Bulgaria and EUR 7 million in Austria (compared to a total of EUR 133 million in the previous year). A1 Group focused on expanding its fiber roll-out and 5G networks both in Austria and internationally. In 2024, the lower CAPEX excluding spectrum compared to the fiscal year 2023 is attributable to savings both in Austria and internationally.

The main drivers of the lower investments compared to the financial year 2023 are the spin-off of the tower business and lower investments into the mobile network. Investments in the fiber roll-out in Austria increased compared to last year. Excluding frequency spectrum, CAPEX decreased by 14.0% to EUR 825.4 million, with declines in all segments except Belarus.

A1 Group comparison of reported vs. pro forma values

	Reported 2024	Reported 2023	Δ	pro forma 2024	pro forma 2023	Δ
in EUR million						
Total revenues	5,413	5,251	3.1%	5,413	5,245	3.2%
EBITDA	2,021	1,924	5.1%	2,021	1,939	4.2%
EBITDA after leases	1,603	1,671	-4.0%	1,603	1,551	3.4%
EBIT	861	911	-5.4%	861	846	1.8%
Net result	627	646	-3.0%	627	557	12.5%

A1 Group underlying performance

	2024	2023	Δ
in EUR million			
Total revenues	5,413	5,251	3.1%
One-off effects	-9.1	0.0	-
Total revenues adjusted for one-off effects	5,404	5,251	2.9%
Group EBITDA	2,021	1,924	5.1%
One-off effects	-13	-34	-61.8%
EBITDA adjusted for one-off effects	2,008	1,890	6.3%

Total revenues (incl. other operating income)

in EUR million	2024	2023	Δ
Austria	2,807	2,798	0.3%
Bulgaria	821	750	9.5%
Croatia	570	525	8.6%
Belarus	449	442	1.6%
Slovenia	230	242	-5.0%
Serbia	398	382	4.0%
North Macedonia	164	152	8.2%
Corporate & other, eliminations	-26	-39	-32.8%
Total revenues (incl. other operating income)	5,413	5,251	3.1%

Service revenues

in EUR million	2024	2023	Δ
Austria	2,487	2,463	1.0%
Bulgaria	625	583	7.2%
Croatia	466	425	9.5%
Belarus	327	327	-0.0%
Slovenia	177	179	-1.1%
Serbia	309	280	10.6%
North Macedonia	135	124	8.8%
Corporate & other, eliminations	-24	-33	-27.9%
Service revenues	4,502	4,348	3.5%

EBITDA

in EUR million	2024	2023	Δ
Austria	1,039	1,064	-2.3%
Bulgaria	341	304	12.2%
Croatia	224	189	18.7%
Belarus	196	192	2.1%
Slovenia	52	56	-7.3%
Serbia	146	127	15.2%
North Macedonia	57	48	18.3%
Corporate & other, eliminations	-33	-55	-39.4%
EBITDA	2,021	1,924	5.1%
Restructuring charges	-89	-85	3.8%
EBITDA before restructuring	2,110	2,009	5.0%

EBITDA after leases

in EUR million	2024	2023	Δ
Austria	811	936	-13.3%
Bulgaria	286	267	7.0%
Croatia	186	167	11.2%
Belarus	186	181	2.4%
Slovenia	20	30	-34.1%
Serbia	105	105	0.3%
North Macedonia	44	40	8.5%
Corporate & other, eliminations	-34	-56	-38.7%
EBITDA after leases	1,603	1,671	-4.0%

EBIT

in EUR million	2024	2023	Δ
Austria	387	493	-21.5%
Bulgaria	187	181	3.0%
Croatia	100	89	12.3%
Belarus	155	139	11.8%
Slovenia	-14	-5	168.8%
Serbia	62	59	5.2%
North Macedonia	24	15	57.5%
Corporate & other, eliminations	-39	-60	-35.2%
EBIT	861	911	-5.4%

Capital expenditures (CAPEX)

in EUR million	2024	2023	Δ
Austria	524	590	-11.1%
Bulgaria	121	137	-11.8%
Croatia	79	206	-61.5%
Belarus	54	25	115.3%
Slovenia	21	40	-46.6%
Serbia	33	57	-41.7%
North Macedonia	21	31	-31.3%
Corporate & other, eliminations	10	7	44.4%
CAPEX	865	1,093	-20.9%

ARPU

in EUR	2024	2023	Δ abs	Δ
Austria	17.7	17.3	0.3	1.8%
Bulgaria	8.0	7.6	0.4	5.1%
Croatia	12.0	11.5	0.4	3.9%
Belarus	4.2	4.3	-0.2	-4.1%
Slovenia	14.6	15.0	-0.5	-3.2%
Serbia	9.8	9.0	0.8	8.7%
North Macedonia	7.8	7.2	0.6	8.5%
Group ARPU includes M2M customers	8.0	8.2	-0.2	-3.0%

ARPL

in EUR	2024	2023	Δ	Δ
Austria	37.9	35.8	2.2	6.1%
Bulgaria	17.6	16.7	0.9	5.2%
Croatia	32.9	31.0	1.9	6.0%
Belarus	7.8	7.4	0.4	5.5%
Slovenia	32.0	32.9	-1.0	-2.9%
Serbia	n.a.	n.a.	n.a.	n.a.
North Macedonia	11.4	11.4	0.1	0.5%
Group ARPL	27.0	26.3	0.7	2.8%

ARPL-relevant revenues (in EUR million)	2024	2023	Δ	Δ
Austria	708	709	-1	-0.2%
Bulgaria	143	124	19	15.3%
Croatia	127	116	11	9.7%
Belarus	57	44	12	27.3%
Slovenia	36	40	-3	-8.5%
Serbia	n.a.	n.a.	n.a.	n.a.
North Macedonia	23	22	0	2.0%

Segment development

Segment Austria

in EUR million	2024	2023	Δ
Total revenues	2,807	2,798	0.3%
Service revenues	2,487	2,463	1.0%
Equipment revenues	255	285	-10.3%
Other operating income	65	50	30.2%
Wireless revenues	1,293	1,287	0.5%
Service revenues	1,083	1,070	1.2%
Equipment revenues	210	217	-3.2%
Wireline revenues	1,449	1,461	-0.8%
Service revenues	1,404	1,393	0.8%
Equipment revenues	46	68	-32.8%
Total revenues excl. international business ¹⁾	2,656	2,642	0.6%
Service revenues excl. international business ¹⁾	2,336	2,307	1.2%
EBITDA	1,039	1,064	-2.3%
EBITDA margin	37.0%	38.0%	-1.0pp
EBITDAaL	811	936	-13.3%
EBITDAaL margin	28.9%	33.4%	-4.5pp
EBIT	387	493	-21.5%
EBIT margin	13.8%	17.6%	-3.8pp
Customer indicators (thousand)	Dec 31, 2024	Dec 31, 2023	Δ
Mobile subscribers	5,131	5,127	0.1%
RGUs	2,727	2,847	-4.2%
	2024	2023	Δ
ARPU (in EUR)	17,7	17,3	1,8%
Mobile churn	1.3%	1.2%	0.1pp

¹⁾ International business revenues (mainly comprising transit and connectivity revenues) as reported in Austria, shown separately as it is not reflecting Austrian business performance

The Austria segment accounted for 52% of A1 Group's revenues.

Competition in Austria remained intense in the 2024 reporting year. In the higher end of the market the trend towards SIM-only offers stabilized towards the end of the year following higher hardware promotions in the second half of the year. The fixed-line market continued to be characterized by ongoing campaigns in the broadband Internet sector. A1 implemented value protection measures on April 1, 2024 that were linked to the 7.8% increase in the CPI in 2023. This had a positive effect on the results, although price sensitivity remained noticeable at the same time because of the high inflation of previous years.

In this environment, A1 continued to rely on differentiated customer segmentation and a multi-brand strategy: We addressed high-value customers with the premium brand A1, while the bob and yesss! brands catered to the low-price segment. In the premium segment, we focused on family plans, the "customer journey", and loyalty programs. Measures for acquiring and retaining subscribers were boosted and subsidies were increased in the second half of the year.

In the Internet@Home sector, we pursued a technology-agnostic approach in order to serve customer needs with great flexibility. In parallel, we focused on the fiber roll-out in order to tap additional upselling potential. Entertainment offers and cyber security remained central components of the value proposition of the brand A1.

Demand also remained high in the ICT sector, especially for data security solutions. The acquisition of the IT service provider NTT Austria GmbH was completed in the third quarter. The company now operates under the name A1 ICT Services GmbH. That profited service and equipment revenues in 2024 with an impact of in total approximately EUR 15 mn.

Overall, the mobile subscriber base in Austria remained stable compared to the previous year. The additions in the second half of the year offset the losses in the first half of the year. Gross additions and the churn rate both increased. In the fixed-line sector, RGUs declined by 4.2% overall, which can mainly be attributed to the losses in voice RGUs. The number of broadband RGUs also declined, as the increase in high-bandwidth RGUs could not fully offset the decline in low-bandwidth RGUs. In the 2024 reporting year, the Internet@home subscriber base, which includes Internet products for both the fixed-line and mobile markets, decreased from the previous year overall despite the increase in the number of mobile WiFi routers.

Total revenues in Austria increased slightly in the 2024 reporting year. Compared to the previous year, lower equipment revenues were generated, while service revenues increased. Revenues from equipment sales declined, especially in the fixed-line market as a result of fewer Solutions- & Connectivity projects with hardware sales, but also in the mobile segment because of lower volumes.

Other operating income increased and included EUR 5 mn positive one-off effects.

Service revenues benefited from growth in the retail mobile business as well as in the solutions and connectivity business. The positive effects of the value protecting measures described above were reduced in the mobile segment by customer optimizations. Still, both ARPU in the mobile market and ARPL in the fixed-line market increased in the financial year. Retail fixed-line service revenues remained roughly stable despite lower voice service revenues. Declines in interconnection revenues driven by regulatory requirements also weighed on service revenues.

The development of costs and expenses was characterized predominantly by higher workforce costs year-on-year. Operationally, workforce costs increased in connection with the rise in inflation and the collective bargaining agreements, while the number of full-time employees decreased. Workforce costs additionally included a positive one-off effect totaling EUR 39 mn from the revaluation of provisions in the previous year. Moreover, core OPEX was driven by higher product-related costs, (content, licenses and software for sale, commissions) as well as higher network maintenance costs. These were offset to an extent by savings especially in energy costs, but also in advertising.

The one-off effects in the costs and expenses amounted to a total of positive EUR 1 mn in 2024 compared to a total of positive EUR 34 mn in 2023. In 2024, positive effects were related to legal provisions whereas negative effects were related to the former tower business.

In 2023, in addition to the above-mentioned EUR 39 mn in workforce costs, there were additional negative one-off effects of EUR 5 mn EUR in 2023.

Restructuring charges totaled EUR 89 mn in the reporting year 2024, whereas they amounted to EUR 85 mn in the previous year. The margin from equipment sales had a negative impact on EBITDA primarily as a result of higher subsidies.

Overall, EBITDA fell by 2.3% in the year under review. Adjusted for the one-off effects EBITDA increased slightly by 0.3% year-on-year. Depreciation increased due to the spin-off of the towers, leading to a decline in EBIT of 21.5%.

There were no significant new developments in the lawsuits instituted by the Bundesarbeitskammer (Austrian Federal Chamber of Labour) that were received in January 2024. The Bundesarbeitskammer is demanding that service fees no longer be charged in the future and that payments that have already been collected be refunded. The Bundesarbeitskammer has initiated two class action lawsuits as test cases against A1 Austria, specifically concerning the separate A1 and bob brands. The proceedings for the bob brand were suspended in November 2024. As before, the A1 Group remains confident in convincing the courts, up to the Supreme Court, that the service fee is legal, especially as the Supreme Court recently ruled that service fees can also be permitted for ticket providers. The telecommunications regulatory authority has regularly reviewed and accepted the regulations governing the service fee since 2011. Moreover, there are special legal provisions in the telecommunications industry, also based on European law, that allow different fees to be charged. Thus, the legal situation differs significantly from other cases. No provisions for these lawsuits were therefore recognized as of December 31, 2024. Should the Supreme Court accept all claims of the Bundesarbeitskammer, which the company does not expect, a significant impact on the results would occur. To avoid any risk, service fees have no longer been agreed with customers since February 2024.

Moreover, the Association for Consumer Information (VKI) filed a lawsuit on July 4, 2024, against the indexation clause used by A1 Austria, arguing that the use of the previous year's index prior to the contract conclusion is impermissible. The VKI demands that A1 Austria no longer uses this clause and does not rely on it. The case is pending in the first instance, and there is no verdict yet. In 2012, the VKI already challenged a nearly identical clause with the argument that an index increase triggers an extraordinary right of termination for consumers. Following a preliminary ruling procedure at the ECJ, the Austrian Supreme Court (OGH) decided (8 Ob 132/15t) that the clause is not objectionable materially. Similar decisions were made in favor of two market competitors. A1 Austria assumes that this is a resolved legal matter and that the lawsuit should be dismissed. A1 Austria also believes that there are good material reasons for the admissibility of the annual index. Therefore, no provisions were made for this lawsuit as of December 31, 2024. Should the OGH unexpectedly side with the VKI, a significant impact on results could occur.

Additionally, the Association for Consumer Information (VKI) and the Federal Chamber of Labour have legally challenged numerous clauses in consumer contracts. Settlements were reached with both institutions, covering all contested clauses with VKI and all but two clauses with the Federal Chamber of Labour. The Federal Chamber of Labour continued the legal proceedings regarding the non-settled clauses, primarily concerning the activation fee. No provisions were made for these claims as of December 31, 2024. The court of first instance dismissed the Federal Chamber of Labour's lawsuit in January 2025, thus deeming the charging of an activation fee permissible. The decision is not yet legally binding.

International segments

In the financial year 2024, the international segment that generated the highest revenue was Bulgaria, which accounted for 15% of the Group revenues, followed by Croatia (11%) and Belarus (8%). All international segments except Slovenia recorded growth in service revenues, with the highest growth rates achieved in Serbia, Croatia, and North Macedonia. In Belarus they remained stable but grew excluding FX effects. EBITDA grew in all markets, except Slovenia.

in EUR million	2024	2023	Δ
Total revenues	2,623	2,485	5.6%
Service revenues	2,031	1,911	6.3%
Equipment revenues	557	526	5.9%
Other operating income	35	47	-25.5%
Wireless revenues	1,887	1,821	3.6%
Service revenues	1,425	1,368	4.2%
Equipment revenues	462	453	1.9%
Wireline revenues	701	616	13.8%
Service revenues	606	543	11.5%
Equipment revenues	95	73	30.5%
EBITDA	1,016	915	11.0%
EBITDA margin	38.7%	36.8%	1.9pp
EBITDAaL	826	791	4.5%
EBITDAaL margin	31.5%	31.8%	-0.3pp
EBIT	513	478	7.3%
EBIT margin	19.6%	19.3%	0.3pp
Customer indicators (thousand)	Dec 31, 2024	Dec 31, 2023	Δ
Mobile subscribers	15,159	15,011	1.0%
RGUs	3,625	3,423	5.9%
	2024	2023	Δ
ARPU (in EUR)	7,9	7,6	3,4%
Mobile churn	1.8%	1.7%	0.0pp

Segment Bulgaria

in EUR million	2024	2023	Δ
Total revenues	821	750	9.5%
Service Revenues	625	583	7.2%
EBITDA	341	304	12.2%
EBITDA margin	41.5%	40.5%	1.0pp

We were able to achieve strong results in Bulgaria in the financial year 2024 by consistently implementing the strategy to increase the number of customers through attractive entertainment solutions, successful upselling, and monetizing our broadband expansion. In addition, value protection measures were implemented in both the mobile and fixed-line business in March 2024.

In the mobile business, the number of customers increased in both the mobile core business and the mobile Internet sector. We also recorded more TV and broadband customers at the end of the year in the fixed-line business.

In the financial year 2024, the existing 900 MHz and 1800 MHz frequency bands were renewed for 10 years for a total of EUR 26.8 mn in June 2024. An additional 5 MHz in the 1800 MHz band was acquired in June 2024 for EUR 3.8 mn in total.

Total revenues recorded growth of 9.5% year-on-year in the financial year 2024, which can be attributed both to the growth from mobile service revenues and fixed-line services as well as to the solid growth in total revenues from ICT solutions. The latter was the main driver behind the growth in equipment revenues, especially driven in the fourth quarter.

The growth in mobile service revenues was due to the successful measures mentioned above to upsell to higher-value tariffs with unlimited data in the 5G network as well as the value protection measures. ARPU increased compared to the previous year. Revenues from fixed-line services increased as a result of the strong demand for higher Internet speeds, attractive TV content, and an increased number of broadband and TV RGUs. The solutions and connectivity business grew thanks to the ICT projects and the high demand for IT and cyber security solutions. In addition, the results in the fixed-line business also benefited from the value protection measures implemented in March 2024. This altogether also led to an increase in ARPL.

Costs and expenses increased compared to the previous year. The rise in equipment costs mainly driven by the cost for ICT projects as well as by increased sales of mobile handsets. The main driver of core OPEX was workforce costs, which increased as a result of the establishment of the Competence Delivery Center (CDC). Content costs also increased.

Overall, the increase in total revenues more than offsets the higher costs and expenses and this resulted in year-on-year double-digit EBITDA growth of 12.2%. Higher depreciation resulting from the spin-off of the towers, but also from 5G network expansion, fixed network upgrades and billing system modernization, had a dampening effect on operating income, which nevertheless recorded a year-on-year increase of 3.0%.

Segment Croatia

in EUR million	2024	2023	Δ
Total revenues	570	525	8.6%
Service Revenues	466	425	9.5%
EBITDA	224	189	18.7%
EBITDA margin	39.3%	36.0%	3.4pp

Despite a challenging competitive environment, A1 achieved solid results in Croatia in the financial year 2024.

In the mobile business, A1 was able to drive the continued monetization of the 5G network through successful upselling. In the fixed-line business, A1 Croatia benefited from increased broadband coverage following the intensified expansion in previous years. Attractive TV and high-quality broadband bundles play a particular role here. A1 continues to focus in both the mobile and fixed-line markets on attractive hardware offers to acquire and retain subscribers. Another focus was protecting the existing customer base from aggressive activities of competitors by offering customized and personalized products. Value protection measures, which were implemented at 6.9% on June 1, were also a decisive growth driver.

Total revenues increased by 8.6% year-on-year in the financial year 2024, driven primarily by the growth in mobile service revenues, followed by growth in retail fixed-line services, ICT business and revenue from equipment sales. Service revenues benefited from the value protection measures taken in July 2023 and June 2024, the monetization of the fiber and 5G networks, and mobile subscriber growth. Other operating income profited from a positive one-off effect in the amount of EUR 4 mn.

We were able to expand the customer base in the mobile market due to an increase in the postpaid subscriber business. RGUs in the fixed-line business remained stable, as losses in the fixed voice business and TV services were offset by more high-speed broadband connections. Both ARPU and ARPL increased.

The rise in core OPEX was driven primarily by higher workforce costs, but also product-related costs such as licenses and software increased, while content and energy costs declined. In the third quarter of 2024, bad debt included a positive one-off effect in the amount of EUR 3 mn.

The revenue growth more than offset the increase in expenses, which ultimately resulted in robust year-on-year EBITDA growth of 18.7%.

Depreciation increased in the reporting period primarily in connection with the spin-off of the towers, but together with the strong EBITDA growth led to a 12.3% year-on-year increase in operating income.

Segment Belarus

in EUR million	2024	2023	Δ
Total revenues	449	442	1.6%
Service Revenues	327	327	-0.0%
EBITDA	196	192	2.1%
EBITDA margin	43.6%	43.4%	0.2pp
in BYN million	2024	2023	Δ
Total revenues	1,578	1,439	9.7%
Service Revenues	1,147	1,063	7.9%
EBITDA	688	624	10.2%
EBITDA margin	43.6%	43.4%	0.2pp

In the challenging landscape of the 2024 financial year, A1 Belarus navigated a geopolitical and economic environment marked by sanctions and restrictions in Belarus. These conditions necessitated adaptations in supply chain management and operational strategies. Notably, the Belarusian government implemented temporary restrictions on dividend payments to foreign investors from the European Union and other countries deemed "unfriendly".

Despite these hurdles, the company achieved a 1.6% year-on-year revenue growth in euros and 9.7% year-on-year revenue growth in BYN, primarily driven by its focus on non-regulated services, which experienced double-digit growth in fixed-business and ICT. Despite the price moratorium in the mobile business, revenue growth was achieved mainly by upselling across all segments.

The Belarusian ruble depreciated by 7.4% against the euro on an average basis over the year. Inflation in Belarus decreased to 5.2% from 5.8% in the previous year, providing some relief in an otherwise tough economic climate.

A1 Belarus faced financial penalties as well, with a fine of BYN 83.7 million (EUR 24 million) imposed during a State Control Audit for administrative violations. This fine was recorded as an expense in Q2 of 2024 and was later converted into an obligation to expand the mobile network by adding 300 base stations according to the list agreed with the State. The above-mentioned provision was therefore released in the fourth quarter of 2024.

Despite these challenges, the company managed to grow by leveraging attractive offers, such as unlimited data plans in the mobile sector, and by implementing targeted upselling strategies based on the "more for more" principle. The demand for high-speed internet and convergent offerings that included TV content remained robust in the fixed-line segment.

Overall, total revenues increased by 9.7% in local currency. The margin on equipment sales improved. A1 Belarus achieved a 7.9% year-on-year growth in service revenues in local currency while containing core OPEX growth to 3.3%. The primary drivers were decreasing costs in content and marketing. Traffic-related expenses for corporate networks and 4G infrastructure also rose.

EBITDA increased in both local currency and euros, although the company faced negative foreign exchange effects amounting to EUR 15.6 million. Overall, the company demonstrated resilience and adaptability in a complex operating environment, achieving growth through strategic initiatives and a focus on customer retention and acquisition.

Segment Slovenia

in EUR million	2024	2023	Δ
Total revenues	230	242	-5.0%
Service Revenues	177	179	-1.1%
EBITDA	52	56	-7.3%
EBITDA margin	22.5%	23.1%	-0.6pp

The Slovenian market was also characterized by a highly competitive environment in the 2024 reporting year. Competitors pushed for market share, while product offers were concentrated on low-price promotions featuring unlimited data. In this environment, A1 Slovenia addressed these challenges by introducing attractive offers on the market with a sharp focus on securing the customer base and acquiring new customers.

Total revenues decreased by 5.0% in the 2024 reporting year as a result of the decline in equipment revenues, other operating income, and service revenues. Mobile service revenues fell year-on-year. The number of customers in the mobile communications sector increased due to a rise in the number of postpaid subscribers. This did not offset customers' tariff optimization, however. ARPU consequently fell. The customer base in the fixed-line sector increased, as the increasing demand for higher bandwidth and TV overcompensated for the losses in lower bandwidth and fixed voice business. Retail fixed-line service revenues decreased due to optimizations in the base, hence ARPL fell in the year under review.

Core OPEX benefited from lower costs for electricity, advertising, and network maintenance, which offset the higher workforce and content costs. Equipment margin decreased in the financial year. In total, EBITDA fell by 7.3% year-on-year. Depreciation increased as a result of the spin-off of the towers, which led to a year-on-year decline in operating income overall.

Segment Serbia

in EUR million	2024	2023	Δ
Total revenues	398	382	4.0%
Service Revenues	309	280	10.6%
EBITDA	146	127	15.2%
EBITDA margin	36.8%	33.2%	3.6pp

A1 took an important step in its corporate strategy in Serbia in the 2024 financial year. After acquiring Conexio Metro d.o.o A1 is now active as a convergent player in Serbia - and thus in all seven of its markets. A1 signed a share purchase agreement in Q3 2024. The completion of the transaction is still open. With this acquisition, 42,000 households were added with fiber connections. Additionally, A1 is expanding its fixed-line infrastructure with our own development. Since the beginning of 2025, A1 has also been offering fixed-line products in Serbia.

The competitive dynamics in the mobile sector remained largely unchanged. New product portfolios were introduced in the mobile business. An additional focus in this reporting year was on upselling the existing customer base.

Total revenues increased by 4.0% year-on-year in financial year 2024. Service revenues recorded double-digit growth and thus more than compensated for the decline in equipment revenues. Service revenues increased on the back of pricing measures related to inflation that came into effect on April 1, 2024, with increases of 10% for certain customer segments. The slight increase in demand for mobile WiFi routers was unable to offset the decline of customers in the mobile core business, which ultimately led to a drop in the customer base. The mobile core business recorded declines in both postpaid subscribers and prepaid customers. ARPU increased compared to the previous year. The high demand for ICT and cyber security products led to double-digit growth in revenues in the solutions and connectivity business again this year. Equipment revenues declined.

The increase in core OPEX is primarily due to higher workforce and electricity costs as well as higher product-related costs such as licenses and software for sale and content costs. The equipment margin declined.

In total, EBITDA grew by 15.2% in the year under review. Despite an increase in depreciation due to the spin-off of the towers, operating income also improved by 5.2% year-on-year.

Segment North Macedonia

in EUR million	2024	2023	Δ
Total revenues	164	152	8.2%
Service Revenues	135	124	8.8%
EBITDA	57	48	18.3%
EBITDA margin	34.7%	31.7%	3.0pp

A1 achieved strong revenue growth in North Macedonia in 2024. The main driver for this development was the higher service revenues, equipment revenues also rose.

In the mobile business, service revenues profited from postpaid subscriber growth. Also, we successfully monetized demand for attractive 5G tariffs with unlimited data in the high-value segment. In the fixed-line business, fixed-line service revenues also increased, supported by the higher broadband RGU base. Growth in the solution and connectivity business also boosted revenues.

The equipment margin improved year-on-year thanks to a decline in subsidies.

The increase in core OPEX was primarily due to higher workforce and product-related costs such as licenses and software for resale. Overall, this resulted in double-digit EBITDA growth in the 2024 reporting year. Due to the spin-off of the towers, depreciation has increased. Overall, the operating result increased significantly by 57.5% year-on-year.

Outlook for the financial year 2025

The A1 Group expects to achieve revenue growth of 2-3% in the 2025 financial year. As in previous years, A1 Group anticipate that the majority of this growth will come from higher service revenues, both from Austria and international markets. Key growth drivers include upselling in the mobile consumer business, high demand for connectivity and ICT solutions in the business segment, and growth in the fixed-line business in international markets. In contrast, we expect declining voice revenues and lower interconnection revenues. Overall, A1 Group anticipates growth primarily in the mobile consumer business and in the Solutions & Connectivity business.

The Belarusian ruble depreciated by an average of 7% in 2024, exerting pressure on revenue and EBITDA growth, particularly in the first half of the year. The currency is expected to continue losing value against the euro in 2025.

On the cost side, we expect an increase in total workforce costs, partly due to higher restructuring charges, as well as revenue-related costs. To counteract rising costs, the A1 Group will advance efficiency projects and transformation initiatives, i.e. with the establishment of additional units in the competence delivery centers.

Management expects capital expenditures (CAPEX) excluding spectrum investments of around EUR 850 million for the 2025 financial year. The A1 Group will continue to focus on expanding its fiber and 5G networks both in Austria and internationally. Investments in the fiber roll-out in Austria will remain at a high level, although they are expected to be lower than in the previous year.

In terms of frequencies, in 2025 tenders are expected in Bulgaria (refarming of spectrum: 900 MHz, renewal of spectrum: 2100 MHz) and Serbia (5G spectrum: 700 MHz, 2.6 GHz and 3.5 GHz, renewal of spectrum: 900 MHz, 1800 MHz and 2100 MHz, expansion of spectrum: 800 MHz and 1800 MHz). This list of tenders is neither exhaustive nor does it imply specific plans for these auctions or A1 Group's intention to participate in them.

The Management Board plans, subject to the approval of the Supervisory Board, to propose a dividend of EUR 0.40 (2023: EUR 0.36) per share to the Annual General Meeting 2025 for the financial year 2024.

Risk and opportunity management

Principles and organization

The A1 Group pursues a systematic risk management policy in which opportunities and risks are analyzed and evaluated and measures to avoid and remedy risks are implemented and continuously improved.

The A1 Group operates as a telecommunications company in Austria and six other countries, while its A1 Digital entity is also active in Germany and Switzerland. The A1 Group thus benefits from geographical diversification.

To address the relevant market-specific risks directly, local risk management falls under the responsibility of the operating units, while the holding company is responsible for central management. Company-wide risk management is carried out by Enterprise Risk Management (ERM), which is structurally independent of the business areas and is the responsibility of the Group CFO. A separate area was created in 2024 to emphasize the importance and further strengthen visibility within the company. Enterprise Risk Management reports at least annually and also on an ad hoc basis to the Management Board, which in turn reports relevant developments to the Audit Committee of the Supervisory Board or directly to the Supervisory Board. The effectiveness of the risk management system is reviewed both internally by Internal Audit and annually by the A1 Group's auditor and reported to the Management Board and the Supervisory Board.

Methods

Strategic discussions with the Supervisory Board form the starting point for the A1 Group's Enterprise Risk Management (ERM). In this context, the Management Board presents strategic risks, their relevance to the A1 Group, and corresponding countermeasures, among other things, in the course of the budget planning process. At the same time, planning assumptions are presented, including the strategic orientation for the coming business plan period and planned measures for realizing opportunities. The business plan reflects the expectations for business success and maps necessary costs and investments, while the risks assumed in order to achieve overarching objectives are evaluated in relation to both growth and expenditure.

Risk assessment

Based on the budget or forecast, Enterprise Risk Management identifies and analyzes risks and opportunities together with the relevant specialist departments. The risk assessment is carried out systematically, iteratively and collaboratively using the knowledge, experience and views of the parties involved. Emerging risks are also considered. These are new, long-term risks where the potential threat is difficult to assess due to the high level of uncertainty.

Once the risks and opportunities have been identified and assessed, the risks are aggregated and simulated in order to present the company's overall risk position in quantitative terms in relation to the planned budget or forecast. Key performance indicators such as EBITDA at risk and free cash flow at risk serve as crucial parameters here. Risks and opportunities are updated and reassessed at least once a year in Group Enterprise Risk Management.

Effective risk management also requires developing and implementing effective measures to identify opportunities and reduce risks. These measures include risk assessments with the specialist departments and monthly performance calls between the Group and the local company, which build on leadership meetings of the extended Management Board of the companies. Critical deviations from the targets that have been set are analyzed, as is the effectiveness of the countermeasures that are taken. Once the risks have been prioritized, the greatest risks are examined in order to plan further measures in a targeted manner. In addition to the regular management meetings and strategic discussions, the A1 Group conducts multi-year planning. The close integration of the multi-year plan with risk management ensures adequate longer-term risk management. A risk committee was also established in 2024 to make the monitoring of risks by the Management Board more effective, to establish a central unit for coordinating risks and opportunities, and thus to increase transparency.

Risks and opportunities

The risk management system is divided into the following four risk categories:

ERM risk categories

1. Strategic Risks & Opportunities

- Macroeconomics, Geopolitics and Regulation
 - Market and Competitors
 - Suppliers Landscape and Supply Chain
 - New growth areas
 - Budget and business plan risks
 - Other strategic risks and opportunities
-

2. ESG Risks & Opportunities

- Environmental (E) - Environmental risks and opportunities
- Social (S) - Social risks and opportunities
- Governance (G)
- Other

3. Financial Risks & Opportunities

- Treasury
- Tax
- Other financial risks and opportunities

4. Operational Risks & Opportunities*¹

- Availability & Continuity
- Technological transformation
- Cyber Security
- Litigation
- Sales & Marketing
- Property Damage
- Other operational risks and opportunities

From the totality of risks identified for the A1 Group, the most important individual risks that could have a significant impact on the net assets, financial position, and results of operations are discussed below.

(1) Strategic risks and opportunities

Macroeconomics, geopolitics, and regulation

On the one hand, macroeconomic risks and opportunities arise from economic developments in the markets in which the A1 Group operates and their knock-on effects (for example, a sharp rise in inflation affects interest rate levels, exchange rates, and, ultimately, demand). On the other hand, conflicts in economic policy can have a direct or indirect impact (e.g. punitive tariffs, the suspension of deliveries, production bottlenecks). While macroeconomic developments are easier to forecast and assess, trade policy decisions are more difficult to predict.

In the context of the conflict in Ukraine, sanctions in Belarus have materialized in the form of counter-sanctions for the A1 Group. The A1 Group ensures compliance with sanctions as well as the sustainable provision of products and services. In the second quarter of 2024, the Belarusian government introduced temporary restrictions on the payment of dividends to foreign investors based in the European Union or other countries considered to be “unfriendly”. A1 Group is affected by these restrictions. Mitigating measures are currently still being evaluated, while the situation in Belarus is closely monitored by the Group’s Management Board and Enterprise Risk Management.

Due to the conflict in the Middle East that flared up in October 2023, an ad hoc risk analysis was already carried out in 2023 and continued to be evaluated in the year under review. No significant risks were identified on this basis.

The year under review saw inflation decline steadily from the high levels it had reached in previous years. A1 Group is exposed to the risk of a sustained increase in costs that cannot be offset by revenue generated from price competition. The A1 Group relies on strict cost management, raising efficiencies, and harmonizing processes, tools, and systems as mitigating measures.

In the current reporting period, regulatory risks (focused on telecommunications) are only region-specific. The charges for regulated intra-EU communications were rolled over when the Gigabit Infrastructure Act was enacted. The decline that had been assumed in the last reporting year has therefore not materialized.

Market and competition

Particularly in mobile communications, the frequency and aggressiveness of offers means that volume growth in data services does not necessarily lead to increasing revenues. While these data volumes can be handled more efficiently with new technologies, there is a risk for the A1 Group that new technologies will be marketed without a premium and that higher transmission rates and quality and lower latency will not lead to any improvement in performance or corresponding increase in revenue, either.

Supply chain and suppliers

As a company with numerous suppliers, A1 Group is exposed to supply constraints resulting from the external environment and fluctuations in demand. The A1 Group actively counteracts this risk with measures that are also set out in the Responsible Sourcing Policy. These measures include, for example, ensuring alternative procurement channels for critical goods as well as continually evaluating and reducing supplier dependencies.

As a result of the spin-off of the radio tower business, EuroTeleSites AG has become a central supplier of radio towers for the A1 Group. Based on the open-ended contracts, which include a long-term waiver of termination rights by EuroTeleSites, the use of the radio towers for the A1 Group is secured for the long term. The associated risk is therefore limited (for details, please see “Spin-off of the “EuroTeleSites AG” radio tower business”).

New growth areas

One challenge in the telecommunications industry is the ever-shorter intervals at which companies have to adapt their range of offers to include new services and products. Cloud services, over-the-top services, and machine-to-machine communications are just a few examples of new business areas in which the A1 Group is tapping growth potential. However, shorter innovation cycles also involve innovation risks, such as in connection with investments. The biggest challenges are the scaling of services, different levels of maturity, and the demand in the A1 Group’s markets. As part of the América Móvil Group, the A1 Group is involved in the exchange, discourse, and also implementation of innovations.

Budget and business plan risks

The business plan reflects the assessment of the planning assumptions and incorporates external effects as much as possible. As already mentioned above, risks from inflation trends continue to be monitored, but inflation has in fact steadily declined in the year under review and is forecast to stabilize.

The challenging economic trends and the increasing number of insolvencies, e.g. in Austria, were discussed in the planning process and pose a risk particularly on the revenue side.

This was discussed with the country organizations in the planning process and mapped in risk management in the macroeconomic risks category. Budgetary risks primarily relate to targets for further increasing cost, investment and human resource efficiency that have not yet been consistently backed up with actions.

Public image

Risks in connection with the company's public image arise from ordinary business activities (throughout the life cycle of the customer relationship) and from social discussions or topics raised by opinion leaders (influencers). A standard procedure in this area does not go far enough here. Flawlessly professional communication and appropriate expertise are essential prerequisites for preventing negative effects.

(2) ESG risks and opportunities

ESG risks (environmental, social, governance) represent another category of ERM. In the context of the implementation of the CSRD, a double materiality analysis (DMA) was carried out in 2024 in accordance with the requirements of the European Sustainability Reporting Standards (ESRS), in which all material topics for the A1 Group were identified and assessed based on their impacts, risks and opportunities. Consistency with the ERM framework was observed as far as possible (e.g. same valuation scales) when the DMA was conducted. However, there are also differences between the DMA and ERM, in particular the gross consideration of the risks that is required in the DMA in contrast to the net consideration in ERM. The different consideration of the time horizons (the DMA also requires a long-term view of 30 years) can also produce different results.

All topics that are crucial in the materiality assessment because of their risk and opportunity assessment are included in the ERM model. In addition to the significant opportunities and risks resulting from the DMA, the issue of labor shortages was also considered in the ERM process. The ESG risks and opportunities are described in detail in the sustainability statement.

Environmental (E) – environmental risks and opportunities

Environmental risks result from the key issues involving adaptation to climate change and climate protection. Climate change can give rise to physical (e.g. floods, heat waves) and transitional risks (higher pricing of greenhouse gas emissions or costs of transitioning to lower-emission technologies) for the A1 Group. For this reason, the A1 Group conducted a climate scenario analysis in accordance with the requirements of the ESRS in 2024. Based on the specifications of the IPCC (Intergovernmental Panel on Climate Change), the scenarios RCP2.6, RCP4.5, RCP6.0 and RCP8.5 were used to investigate the physical climate risks. Risk mitigation and adaptation measures were subsequently evaluated and defined with experts (details can be found in the sustainability statement).

At the top of the physical climate risks are landslides, followed by heat stress/heat waves, as well as flooding and cold waves/frost. These climate risks primarily affect the A1 Group's mobile and fixed network infrastructure, which, however, is exposed in the short and medium term only to a minor extent. In order to reduce the long-term risk, the results of the climate risk analysis are included in the establishment of new sites. For existing sites, adaptation measures, such as heat shields, relocation or flood protection, are continuously evaluated, for example. The financial risk of damage is further mitigated by group-wide insurance. The increases in carbon pricing constitute a particular climate-related transition risk. Higher carbon taxes can lead to higher commodity and material prices. The A1 Group's mitigating measures are anchored in the Climate Transition Plan and taken into account in the budget and business plan.

In addition, volatile energy prices continue to represent both an opportunity and a risk for the A1 Group. Risks can be mitigated by reducing energy consumption, for example by modernizing equipment (e.g. radio access network [RAN]) and infrastructure, while opportunities can be increased and risks reduced by closely monitoring energy prices.

Social (S) – Social risks and opportunities

The "social" category includes risks and opportunities related to social, employee, and human rights issues. These comprise risks and opportunities such as the social impacts of Internet use or media consumption, access to information and education, or labor shortages.

Social matters

Access to information and education as well as promoting the use of digital media is seen as having a positive impact on society, as the safe and competent use of new media has now permeated all areas of life – education, work, and leisure. As a network and Internet provider, the A1 Group plays an essential role here and meets its social responsibility towards its customers by helping to teach digital skills. However, increasing digitalization not only brings benefits for society, it also poses risks such as excessive use, isolation, cyber-bullying, and cybercrime. Children, young people, and senior citizens are particularly affected by this due to a lack of experience or education. The A1 Group is therefore committed to measures such as offering training and education for vulnerable groups in order to contain or prevent such risks. The A1 Group also sees this as an opportunity to strengthen its reputation.

Human Capital and labor shortages

The category "Human capital and labor shortages" includes the opportunities arising from the key issues described in "ESRS S1 Own workforce". A1 Group currently sees no acute risk in relation to labor shortages. Rapid technological change and the looming shortage of skilled workers, particularly in areas such as IT security and data analysis, may mean that this issue will pose a risk in the long term. The A1 Group is committed to attracting qualified talent and providing existing staff with targeted training to prepare them for new technologies such as 5G, AI, and cloud solutions, as well as to bundling these skills across countries. If these measures are not put in place, there is a risk that skill gaps will emerge that could jeopardize innovation and competitiveness and lead to increased costs or revenue losses. Flexible working schemes, equal opportunities, fair salaries, and diversity, all of which are offered and put into practice in the A1 Group, are seen as an opportunity in the short and medium term to retain current employees in the A1 Group and attract new and skilled workers in the future.

Governance (G) – risks and opportunities

Governance risks and opportunities include topics such as compliance, sanctions, and data protection.

Compliance

Compliance risks comprise legal, financial, and reputation risks for the A1 Group that arise from possible violations of laws, regulations or internal policies by a manager, employee or representative of the company. As part of the annual compliance risk assessment process – a key element of the A1 Group's compliance management system – relevant compliance risks are identified and risk-minimizing measures defined on the basis of structured management interviews and workshops. But the "tell.me" whistleblowing system that the A1 Group has established also helps to uncover internal misconduct and subsequently avert risks and damage. At the start of the year under review, the audit firm BDO confirmed in full and provided an unqualified audit opinion on the design, implementation, and effectiveness of the A1 Group Compliance Management System in the areas of anti-corruption, antitrust law, sanctions, and capital market compliance in accordance with the German generally accepted standards for the audit of compliance management systems, IDW PS 980.

Sanctions

One risk associated with sanctions is non-compliance. This can result in financial penalties, jeopardize contracts with suppliers, customers, and banks, and lead to reputational damage. The process that has been established in the A1 Group for reviewing and reliably implementing sanctions ensures compliance and thus minimizes the likelihood of this risk occurring.

Data protection

The A1 Group's products and services are subject to data protection and data security risks. These primarily relate to the unlawful processing of data or the loss of sensitive data. Possible violations of the EU General Data Protection Regulation (GDPR), which has been in force since May 2018, can result in significant legal and financial risks and weaken the trust of stakeholders in the A1 Group and its public reputation. Continuous investment in data protection and security measures helps to keep risks as low as possible. In addition to the implementation of guidelines that ensure compliance with legal requirements, certifications and regular training programs and courses are carried out in the area of data protection, for example. Work is also being conducted to achieve the targets set out in the data protection maturity model. All A1 Group companies are committed to complying with the highest data protection and data security standards. The effectiveness of the data protection measures within the A1 Group is demonstrated, among other things, by the official review of the telecommunications sector conducted by the Austrian Data Protection Authority in 2024, which was completed without giving rise to any objections.

(3) Financial risks and opportunities

The A1 Group is exposed to liquidity, credit, foreign exchange, and interest rate risks. These risks are discussed in more detail in note 33 “Financial Instruments” of the notes to the consolidated financial statements. Tax risks are also included in the risk assessment.

Treasury

Liquidity risks

Because of the business model, this risk is increased only in periods of intensive investment (e.g. spectrum acquisition), but is mitigated by precise planning, cash pooling, available credit lines, and the possibility of intercompany financing.

Credit risks

A1 Group holds cash with various financial institutions. A1 Group uses external credit ratings. If no external rating is available, an internal rating is performed on the basis of capital resources of the contractual partners. In principle, financial investments are entered into only with counterparties holding investment grade ratings. Due to the current political and economic challenges in Belarus, the choice of international credit institutions with an investment grade rating is limited. Thus A1 Group holds cash and cash equivalents and financial investments with local credit institutions in Belarus (see Notes (9) and (19)) in the Consolidated Financials Statements), which do not have investment grade ratings at the moment.

There was no exposure to a significant credit risk identified for financial investments and cash and cash equivalents.

As in previous years, a major focus in the year under review was invoice and receivables management. Due to the expected increase in insolvencies and personal bankruptcies as well as the challenging macroeconomic trends, outstanding invoices will continue to be monitored with increased vigilance. If customers change their payment behavior, the A1 Group anticipates their liquidity so that effective and efficient countermeasures can be taken if necessary.

Exchange rate risks

The A1 Group is exposed to exchange rate risks in Belarus, Serbia, and North Macedonia. The A1 Group takes appropriate countermeasures depending on the volume and fluctuation margins of the foreign currency risks. Mitigation measures include entering into contracts in local currency, for example.

A risk arises from the temporary restrictions on dividend payments to foreign investors in Belarus described above in the macroeconomic risks. Mitigating measures are currently still being evaluated, while the situation in Belarus is closely monitored by the Group's Management Board and Enterprise Risk Management.

Interest rate risk

The risks are still considered to be low amidst of the spin-off of the tower business in September 2023 and the liabilities transferred in this context. The positive development of A1 Group's credit rating – an “A-”- rating from all three rating agencies – reflects this favorable situation.

Tax risks

In order to identify tax risks and take any necessary action, the Group tax department conducts a quarterly internal tax review with all national companies. The report to the Group Tax Department on the external review carried out in the fourth quarter states that there are no material issues relating to tax risks in 2024.

Other financial risks

The A1 Group has implemented a tight network of SOX controls (US Sarbanes-Oxley Act) and results analyses to prevent risks in the financial reporting. In addition, monthly senior management meetings and, separately, a meeting between the chief financial officers and the Group CFO are held to discuss results, which thus minimize the risk of material misreporting.

(4) Operational risks and opportunities

This category covers the following areas of focus:

Availability and continuity

Ensuring the continuity of and access to the telecommunications and services offered is a central focus of operational risk management. Various threats such as natural disasters, technical disruptions, third-party influences from construction activity, hidden defects or criminal acts can impair the availability of networks and services and even lead to an interruption of the business. The A1 Group mitigates this through long-term planning that takes technical developments into account. The redundant design of critical components ensures a high level of systems stability and resilience. Efficient organizational structures for operations and security serve to safeguard high-quality standards. The resilience demonstrated during the floods in 2024 shows how effective the measures are. A Group policy also ensures a uniform methodology for identifying and managing key risks. The ongoing identification and assessment of risks culminates in a decision as to whether measures are taken to minimize the risk or whether the potential risk is tolerated by the A1 Group. In the event of any major disruption, the causes are clarified and how to prevent a recurrence is determined. A centralized approach to insurance against physical damage minimizes any financial impact. The results of the Climate Risk Analysis 2024 show that the A1 Group's mobile and fixed network infrastructure is exposed to climate risks in the short and medium term only to a minor extent. Long-term adaptation measures such as heat shields, the relocation of sites or flood protection are continually evaluated. The financial risk is mitigated by group-wide insurance.

IT changes and digital transformation

In the area of BSS (Business Support Systems) and OSS (Operations Support Systems), modernization and complexity reduction are proving to be a long-term task. The renewal of infrastructure and software enables sustainable risk reduction. The integration of platforms reduces complexity and is intended to ensure openness for new services and partners. Associated risks are analyzed in terms of IT security, flexibility in service delivery, and the associated medium-term costs.

Cyber security

The A1 Group places particular emphasis on implementing information security standards. A number of internal guidelines and processes are in place for this purpose. In critical situations, these are controlled via specific responsibilities, implemented and monitored to ensure they are effective. A special focus is placed on risk prevention in the area of critical and important network elements as well as in BSS and OSS. The A1 Group follows the international IT standards for security techniques (ISO 27001) and has established uniform, state-of-the-art information security standards and guidelines.

Essential elements in the management of cyber risks include continuous checks and software updates of the infrastructure to be protected as well as training courses for employees. The A1 Telekom Austria Security Committee is made up of highly qualified security experts from all countries of the A1 Group and regularly exchanges information on current local, regional, and global cyber risks and cyber-attacks. This working group also provides information on and coordinates cross-country protective measures in acute cases of need.

Unlike in the description in the sustainability statement under SBM-3, information security is not seen as an opportunity in Enterprise Risk Management, as the positive development of this business area is already reflected in the budget and business plan.

Litigation

A1 Group companies are parties to several court and out-of-court proceedings with authorities, competitors, and other parties. Dialog with the stakeholders involved and an ongoing exchange of information on issues that could pose a risk to the company enable problems to be identified at an early stage and countermeasures to be developed.

Monitoring legal risks makes it easier to assess potential payments in connection with legal proceedings. This position is updated every quarter and is based on the ongoing assessment of the success in the proceedings.

There were no significant new developments in the lawsuits instituted by the Bundesarbeitskammer (Austrian Federal Chamber of Labour) that were received in January 2024. The Bundesarbeitskammer is demanding that service fees no longer be charged in the future and that payments that have already been collected be refunded. The Bundesarbeitskammer has initiated two class action lawsuits as test cases against A1 Austria, specifically concerning the separate A1 and bob brands. The proceedings for the bob brand were suspended in November 2024. As before, the A1 Group remains confident it will be able to convince the courts that the service fee is legal, especially as the Supreme Court recently ruled that service fees can also be permitted for ticket providers. The telecommunications regulatory authority has regularly reviewed and accepted the regulations governing the service fee since 2011. Moreover, there are special legal provisions in the telecommunications industry, also based on European law, that allow different fees to be charged. No provisions for these lawsuits were therefore recognized as of December 31, 2024. Should the Supreme Court accept all claims of the Bundesarbeitskammer, which the company does not expect, a significant impact on the results would occur. To avoid any risk, service fees have no longer been agreed with customers since February 2024.

Additionally, the Association for Consumer Information (VKI) filed a lawsuit on July 4, 2024, against the indexation clause used by A1 Austria, arguing that the use of the previous year's index prior to the contract conclusion is impermissible. The VKI demands that A1 Austria no longer uses this clause and does not rely on it. The case is pending in the first instance, and there is no verdict yet. In 2012, the VKI already challenged a nearly identical clause with the argument that an index increase triggers an extraordinary right of termination for consumers. Following a preliminary ruling procedure at the ECJ, the Austrian Supreme Court (OGH) decided (8 Ob 132/15t) that the clause is not objectionable materially. Similar decisions were made in favor of two market competitors. A1 Austria assumes that this is a resolved legal matter and that the lawsuit should be dismissed. A1 Austria also believes that there are good material reasons for the admissibility of the annual index. Therefore, no provisions were made for this lawsuit as of December 31, 2024. Should the OGH unexpectedly side with the VKI, a significant impact on results could occur.

Material damage

Damage to infrastructure can have various causes and result in business interruptions and/or financial losses. The risk of financial losses is largely covered by insurance.

Emerging Risks

Every company is faced with a number of uncertain situations where an emerging risk can potentially have an impact on operations. In the case of new or foreseeable long-term risks ("emerging risks"), there is generally not enough information available to assess the probability and speed of occurrence and the impact of the risk. As a result, the A1 Group may not be able to establish a complete risk mitigation plan until a better understanding of the threat is available. The A1 Group identifies emerging risk trends by referring to an analysis of the external environment and internal sources. Risks are assessed over different time periods to ensure an appropriate focus on these emerging risks. The A1 Group considers risks associated with the use of artificial intelligence and the EU Supply Chain Directive to be among the significant emerging risks.

Artificial Intelligence

The use of artificial intelligence or machine learning is not only bringing considerable opportunities, but also entails risks in connection with guidelines and regulations. Existing regulations in the areas of data protection, intellectual property protection, and cyber security are butting up against new regulations that are being created for artificial intelligence. In harmonizing these regulations, there is a risk that investments that have been made may not yet meet all future requirements; conversely, delayed adjustment would mean a competitive disadvantage. In both cases, the risk would be reflected in a possible decline in cash flows, whether as a result of higher investments or as a result of delays in exploiting opportunities. In terms of risk mitigation, the A1 Group pursues a path of continuous improvement in areas such as data protection and security and integrates ethical principles in developments in order to anticipate compliance with future regulations.

EU Supply Chain Directive

After the Corporate Sustainability Due Diligence Directive (Supply Chain Directive, CSDDD) entered into force in 2024, EU member states now have until 2026 to implement the directive in national law. Because the member states enjoy room for maneuver, it is not certain whether the activities already in place will be sufficient or whether further measures will be necessary. Failure to comply with the legislation could result in fines or damage to the company's image, which could have a negative impact on its attractiveness as a supplier and on customer loyalty. The measures taken by the A1 Group to mitigate the risks range from the continuation of the suppliers' self-declaration of compliance, through the determination of maturity and improvement measures for emissions, and all the way to external audits at the suppliers' locations through the A1 Group's membership of the Joint Alliance for CSR (JAC), participation in corresponding external ratings, and the creation of transparency at level three of the supply chain. All of the measures in place can be found in the A1 Sustainable Sourcing Policy. Together with the suppliers of A1 Group, the company regards the annual development of the activities as an essential contribution to improving relevant areas of resource-efficient and energy-saving production, human rights-compliant working conditions, and responsible business conduct sustainably over the long term. As soon as the exact details of the national legislation are known, further measures will be implemented to close any gaps.

Internal control system for financial reporting

Telekom Austria Aktiengesellschaft has an internal control system (ICS) for financial reporting in accordance with the applicable legal requirements. The ICS is designed to provide reasonable assurance regarding the reliability and accuracy of external financial reporting in accordance with international and national standards. Regular internal reporting to management as well as audits of the ICS by Internal Audit also ensure that weaknesses are identified in good time and communicated and remedied accordingly. The most important content and principles apply to all companies of A1 Group. The effectiveness of the ICS system is analyzed and evaluated at periodic intervals. At the end of each year, an evaluation of the ICS is carried out by management for relevant Group companies with the involvement of the responsible specialist departments. Based on the findings of this assessment and the defined criteria, management has assessed the internal control system over financial reporting as effective as of December 31, 2024. The listing of the (indirect) majority owner América Móvil on the New York Stock Exchange (NYSE) requires compliance with the Sarbanes-Oxley Act (SOX). The internal control system includes the relevant requirements of this U.S. law.

Other disclosures

Disclosure pursuant to Section 243a of the Austrian Commercial Code (UGB): Shareholder structure and capital disclosures

As at the end of 2024, 60.6% or 402,661,546 shares of Telekom Austria Aktiengesellschaft are held by América Móvil B.V., Netherlands ("América Móvil BV"), a wholly owned subsidiary of América Móvil, S.A.B. de C.V. ("América Móvil"). The Republic of Austria holds 28.4% of the shares through Österreichische Beteiligungs ("ÖBAG"), the remaining 11.0% is in free float. This includes 415,159 treasury shares and 455,528 employee shares that are held in a collective custody account.

The total number of no-par value shares remains unchanged at 664,500,000. The following information concerning the shareholders' agreement is based solely on publicly available information. No further information is available to the company.

The shareholders' agreement between ÖBAG and América Móvil came into force on June 27, 2014. Under the terms of the shareholders' agreement, the parties have undertaken to jointly pursue a long-term policy with regard to the management of Telekom Austria Aktiengesellschaft by exercising their voting rights on a concerted basis. On February 6, 2023, América Móvil and ÖBAG agreed to extend their shareholders' agreement for a further ten years, whereby the shareholders' agreement came into effect immediately.

The two syndicate partners agreed on an investment package worth a total volume of EUR 1 bn. The investment package is intended to guarantee the accelerated expansion of high-speed Internet in Austria, which has been underway since 2022, and in particular the expansion of fiber networks.

The extended shareholders' agreement also includes the continuation of the "Austria package". This in particular secures the company's headquarters in Vienna and its listing on the Vienna Stock Exchange. ÖBAG and América Móvil have agreed that at least 10% of the company's shares should continue to be held in free float. The shareholders' agreement also contains provisions on the joint exercise of voting rights in the committees of the company when electing Supervisory Board and Management Board members and restrictions on the sale of shares.

The Supervisory Board of the company consists of ten shareholder representatives, eight of which, including the Deputy Chairperson, will continue to be nominated by América Móvil and two of which, including the Chairperson, will continue to be nominated by ÖBAG. The Management Board consists of two members; the right to nominate the Chief Executive Officer lies with América Móvil. ÖBAG nominates the Deputy Chief Executive Officer.

The Extraordinary General Meeting on August 14, 2014, also amended the Articles of Association to state that, as long as the Republic of Austria directly or indirectly holds at least 25% plus one share of the company's share capital, resolutions on capital increases and the issue of instruments containing a conversion right or a conversion obligation for shares of the company and amendments to the provisions of the Articles of Association relating to these capital increases and instruments require a majority of at least three quarters of the share capital represented at the vote on the resolution in question.

As long as ÖBAG holds 25% plus one share or more of the share capital of Telekom Austria Aktiengesellschaft, it shall have the following co-determination rights in accordance with the voting rights agreement: rights to veto capital increases of Telekom Austria Aktiengesellschaft and its subsidiaries, the issue of certain convertible instruments, the appointment of the auditor of the financial statements, the conclusion of related party transactions, the relocation of the company's registered office and material business functions, including research and development, the disposal of the company's core business, and changes to the name of Telekom Austria Aktiengesellschaft and its brands, among other things.

ÖBAG shall additionally be granted the blocking minority rights accruing by law to a minority shareholder with an equity interest of 25% plus one share. ÖBAG's veto rights in connection with capital increases and the issue of certain convertible instruments are also set out in the Articles of Association of the company. Even if its equity interest falls below 20% but remains at least 10%, ÖBAG shall continue to be entitled to certain veto rights. The voting rights agreement expires automatically if the equity interest held by one of the parties falls below 10%.

Corporate Governance Report

In accordance with C Rule 61 of the Austrian Code of Corporate Governance, please note that the consolidated corporate governance report is available on the Internet at <https://www.a1.group/de/group/corporate-governance>.

Research and development

No research and development projects of a significant size for the A1 Group were carried out in the past financial year.

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General information

Basis for preparation

BP-1 – General basis for preparation of sustainability statement

The information in the sustainability statement covers the entire A1 Telekom Austria Group (A1 Group) and its subsidiaries. The scope of consolidation corresponds to the consolidated financial statements for the 2024 financial year. Material impacts, risks, and opportunities for the value chain (upstream and downstream) have been included in the double materiality assessment as described in IRO-1. The extent to which the value chain has been included in the reporting on policies, actions, targets, and metrics is topic-specific and is explained in the relevant chapter. The option to omit certain information relating to intellectual property, know-how or the results of innovation is exercised in accordance with ESRS 1 (7.7).

BP-2 – Disclosures in relation to specific circumstances

Time horizons

The following time horizons have been used for the reporting in accordance with the requirements of the ESRS (European Sustainability Reporting Standards):

- Short-term: corresponds to the reporting period, i.e. up to one year
- Medium-term: from one year to five years
- Long-term: more than five years

Sources of estimates/value chain estimation

The availability of data on the upstream and downstream value chain presents the A1 Group – like most companies subject to reporting requirements – with major challenges.

When applying the standards E1 Climate change and E5 Resource use and circular economy, projections are required to calculate individual metrics: for E1, these are the scope 3 emissions (E1-6); for E5, metrics for weights (E5-4) are projected because complete data is not available. Details on the methods that are used are provided in the relevant chapters.

It is expected that, as a result of the expansion of regulatory requirements, the availability of data from direct sources will improve over the next few years and that suppliers will increasingly provide the required information as standard in the course of the purchasing/delivery process. The A1 Group will also implement actions in cooperation with its suppliers and industry associations in order to gradually improve the accuracy of the information on the value chain.

Changes in preparation or presentation of sustainability information

This sustainability statement has been prepared in accordance with the requirements of the topics identified as material on the basis of the ESRS. The implementation of the CSRD in national law, in the form of the Nachhaltigkeitsberichtsgesetz (NaBeG – Sustainability Reporting Act), had not yet been put into effect at the time of reporting. The requirements of the Nachhaltigkeits- und Diversitätsverbesserungsgesetz (NaDiVeG – Sustainability and Diversity Improvement Act) therefore continue to apply to the reporting in the 2024 financial year. The A1 Group thus reports voluntarily in accordance with the ESRS for the financial year while taking the requirements of the NaDiVeG into account.

The application of the ESRS has resulted in some changes to the definitions used in the calculation of the metrics and the disclosure of new metrics. Where definitions have been changed, information from prior periods is not stated, as the metrics are not comparable. Prior periods are reported if the calculation of the metrics has not changed. The table below shows how the information required by the NaDiVeG is covered in this sustainability statement in accordance with the ESRS.

Coverage of the NaDiVeG in the sustainability statement according to ESRS

Matters pursuant to the NaDiVeG	Material matters pursuant to the 2022 materiality assessment	Coverage in the section of the sustainability statement in accordance with the ESRS	Metrics from the preceding period (2023)	Reason
Business activities	High-performance and future-proof networks, new business models for customers resulting from digitalization and innovation, and the improvement of public services through digitalization, sustainable supply chain	S4: Entity-specific topic (critical) infrastructure and resilience	No	Amended definition of the topic
		S4: Entity-specific topic information security	No	New definition of the metrics
		G1: Entity-specific topic data protection	No	New definition of the metric
		S2: Workers in the value chain G1: Management of relationships with suppliers	N/A	No metrics
Environmental matters	Climate change and carbon footprint of own operating business, resource optimization and dematerialization, sustainable products and services	E1	Yes	
		E5	Partial	Partial new definition of the metrics
Social matters	Cybercrime and access to information and education	S4: Entity-specific topic digital competences	Yes	
Employee matters	New ways of work, transforming skills in the workplace and developing employees' digital skills, employee engagement and well-being, diversity, inclusion and equality	S1	No	New metrics/ partial new definition or calculation of the metrics
Respect of human rights		S1, S2, G1	Partial	New metrics
Combating corruption and bribery	Anti-corruption and compliance with laws and regulations	G1	Partial	Partial new definition and calculation of the metric

Disclosures stemming from other legislation or generally accepted sustainability reporting pronouncements

This sustainability statement has been prepared in accordance with the requirements of the matters identified as material on the basis of the ESRS and the NaDiVeG. The implementation of the CSRD in national law, in the form of the Nachhaltigkeitsberichts-gesetz (NaBeG – Sustainability Reporting Act), had not yet been put into effect at the time of reporting. Other frameworks that are used for the A1 Group's reporting include the GHG Protocol for calculating emissions, the Science Based Targets Initiative (SBTi) as a framework for the transition plan for climate change mitigation, and the guidelines of the Task Force on Climate-Related Financial Disclosures (TCFD) for the climate risk assessment.

Governance

GOV-1 – The role of the administrative, management and supervisory bodies

In accordance with the Aktiengesetz (AktG – Austrian Stock Corporation Act), the management structure of Telekom Austria AG, consisting of the Management Board and the Supervisory Board, is based on strict separation between the two boards. The Group Management Board is the administrative and governing body of the A1 Group. The holding company Telekom Austria AG is the parent company of the A1 Group: the Group comprises subsidiaries in Austria, Belarus, Bulgaria, Croatia, North Macedonia, Serbia, and Slovenia as well as A1 Digital International GmbH (A1 Digital), which also operates in Switzerland and Germany. The task of the Management Board is to conduct the day-to-day business and represent the company externally. At the end of 2024, the Management Board consisted of Alejandro Plater (1967), Chief Executive Officer (CEO), and Thomas Arnoldner (1977), Deputy Chief Executive Officer (Deputy CEO). The Management Board thus consists of two members. Sonja Wallner has been the Chief Financial Officer (CFO) of the A1 Group, without formally being a member of the Management Board, since September 2023 and reports directly to Alejandro Plater.

CEO Alejandro Plater has enjoyed a long international career in the telecommunications industry, particularly in the areas of business development and sales/key account management. Deputy CEO Thomas Arnoldner has many years of experience in the industry as well as in the field of market and growth strategy. CFO Sonja Wallner contributes her many years of experience in the financial sector. The Management Board and the CFO regularly exchange information with the specialist departments on new strategic and regulatory developments relating to sustainability.

The Supervisory Board appoints members of the Management Board and monitors the activities of the Management Board. It consists of ten members elected by the Annual General Meeting, four members delegated by the Central Works Council of A1 Telekom Austria AG (Austria), and one member delegated by the Staff Council of Telekom Austria AG. Employee co-determination on the Supervisory Board is regulated by Austrian law.

All Supervisory Board members have the relevant competencies and expertise in the area of sustainability, derived for example from their professional activities outside the Supervisory Board of the A1 Group and also as a result of their constant engagement with sustainability aspects within the Supervisory Board. The table below provides an overview of the composition of the Supervisory Board and the competencies of the members of the Supervisory Board that are essential for monitoring sustainability matters, among other things.

Diversity in the Supervisory Board

	Supervisory board members elected by the Annual General Meeting										Members of the Supervisory Board delegated by the Staff Council				
	Edith Hlawati	Carlos García Moreno Elizondo	Alejandro Cantú Jiménez	Karin Exner-Wöhner	Stefan Fürnsinn	Peter Hagen	Carlos M. Jarque	Peter F. Kollmann	Daniela Lecuona Torres	Oscar Von Hauske Solis	Gerhard Bayer	Gottfried Kehr	Renate Richter	Alexander Soliak	Franz Valsky
General information															
Year of first appointment	2018	2014	2014	2015	2023	2016	2014	2017	2018	2012	2020	2010	2018	2010	2023
Diversity															
Sex	f	m	m	f	m	m	m	m	f	m	m	m	f	m	m
Year of birth	1957	1957	1972	1971	1979	1959	1954	1962	1982	1957	1967	1962	1972	1978	1972
Nationality	AUT	MEX	MEX	AUT	AUT	AUT	MEX	AUT	MEX/ESP	MEX	AUT	AUT	AUT	AUT	AUT

Competences of the Supervisory Board members elected by the Annual General Meeting

Internationality	International experience	■
	Telecommunications	■
Industry expertise	Technology, digital services	■
	Financial services	■
Functional expertise	Senior management experience	■
	Strategy	■
	Entrepreneurship, innovation, new business development	■
	Risk management	■
	Finance, accounting, audit	■
	Financing, treasury	■
	Legal, regulatory	■
	Corporate governance	■
	Capital market, investors	■
	M&A	■
	Human resources, organization and culture	■
	Marketing, sales	■
	IT, digitalization	■
	ESG, sustainability	■
	Compliance	■
	Operations, purchasing, supply chain	■

- Broad expertise (more than 2 Supervisory Board members)
 ■ Expertise (1-2 Supervisory Board members)

Of the total of 15 members of the Supervisory Board, four are women, which is equivalent to around 27%. In accordance with Section 86(7) AktG, at least 30% of the Supervisory Board members must be women and at least 30% must be men. Of the ten shareholder representatives on the Supervisory Board, three are women, which corresponds to a proportion of 30%. This fulfills the mandatory gender quota of 30%.

The guidelines defined by the Supervisory Board for determining the independence of its members are consistent with Annex 1 of the current version of the Austrian Code of Corporate Governance (ÖCGK). According to these provisions, members of the Supervisory Board can declare that they are independent if they have no business or personal relations with the company or its Management Board that could constitute a material conflict of interest and thus influence their behavior. All shareholder representatives have declared that they are independent in accordance with the ÖCGK.

The shareholder representatives on the Supervisory Board are appointed in accordance with the provisions of the syndicate agreement between the controlling shareholder América Móvil and Österreichische Beteiligungs AG (ÖBAG).

The Management Board and the Supervisory Board of Telekom Austria AG comply with established principles as well as the principles of transparency and an open communication policy with a view to ensuring sustainable corporate development that creates value. The Group-wide areas of competence and responsibility are clearly regulated by the Articles of Association of Telekom Austria AG in addition to statutory provisions. Furthermore, the duties, responsibilities, and working methods are described in greater detail in the rules of procedure of the Management Board and the Supervisory Board. Possible adjustments to governance in order to anchor sustainability even more firmly in the area of responsibility of the Management Board and Supervisory Board are evaluated on an ongoing basis.

The Supervisory Board has set up three committees, which provide effective support by carrying out preparatory work on selected tasks and issues on behalf of the Supervisory Board. The committee work supports the Supervisory Board by ensuring focused discussions and efficient, sustainable decision-making. The CFO takes responsibility for the material impacts, risks and opportunities based on the double materiality assessment. The company's risk management informs the CFO of the material impacts, risks and opportunities and discusses these with her. The CFO passes this information on to the CEO, who then reports it to the Supervisory Board or the Audit Committee.

Composition of the Supervisory Board Committees

	Audit Committee	Remuneration Committee	Staff and Nomination Committee
Edith Hlawati		X	X
Carlos García Moreno Elizondo	X	X	X
Alejandro Cantú Jiménez			X
Karin Exner-Wöhrer			
Stefan Fürnsinn	X		
Peter Hagen	X		
Carlos M. Jarque	X		X
Peter F. Kollmann	X		X
Daniela Lecuona Torras			
Oscar Von Hauske Solís	X	X	X
Gerhard Bayer	X		X
Gottfried Kehrer			
Renate Richter	X		
Alexander Sollak	X		X
Franz Valsky			X

The Remuneration Committee is responsible for regulating the relationship between the company and the members of the Management Board and thus for structuring and implementing the remuneration of the Management Board on the basis of the remuneration policy.

The Audit Committee primarily deals with the audit and preparation of the adoption of the annual financial statements, the audit of the consolidated financial statements, the proposal on the appropriation of profit, the Management Report, the Group Management Report, the Consolidated Corporate Governance Report, and the monitoring of risk management and the effectiveness of the internal control system. In 2024, the Management Board reported in detail to the Audit Committee on the Group's Enterprise Risk Management (ERM), focusing in particular on the risk exposure rate, the top five risks, and the risk assessment and calculation. The Audit Committee thus monitors the ERM process and how ESG risks are handled as a whole. Climate-related risks and other material sustainability risks are incorporated in the annual ERM process and the ERM system as a whole.

The Personnel and Nomination Committee submits proposals to the Supervisory Board for appointments to positions on the Management Board and Supervisory Board that have become vacant and also deals with questions of succession planning. When selecting and appointing members of the company's Management Board, the Supervisory Board places emphasis on the skills and expertise necessary to manage a telecommunications company. Decisions are also based on other criteria such as educational background and career history, age, gender, and general personality traits. When appointing members to the Supervisory Board, care is taken to ensure that the composition is balanced both professionally and personally, taking into account the aspects of the diversity of the Supervisory Board in terms of gender, a balanced age structure and the international background of its members.

The Management Board defines the sustainability strategy and objectives in close coordination with Group ESG and in regular consultation with the Supervisory Board, while taking the results of the double materiality assessment (material impacts, risks, opportunities) into account. Group ESG defines Group-wide targets in close coordination with the ESG managers in the countries. The sustainability strategy is agreed with the Supervisory Board.

The Group ESG department, which is responsible for implementing the ESG strategy, and the Sustainable Finance department, which is responsible for sustainability reporting, form the central pillars of the company's sustainability expertise. There are also sustainability managers in the subsidiaries, who are responsible for strategy execution locally. In order to build up and ensure the necessary knowledge on the subject of sustainability, ongoing Group-wide training courses on sustainability issues are held for managers and employees.

Related to ESRS 2 GOV-1 – G1 Business conduct

The Management Board and the Supervisory Board are responsible for monitoring the compliance management system. This includes compliance with regulations such as the anti-corruption guidelines. Measures are in place to ensure that necessary compliance trainings are carried out.

GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

The Management Board defines the sustainability strategy in close coordination with Group ESG and in regular consultation with the Supervisory Board. Group ESG defines Group-wide targets in close coordination with the ESG managers in the countries. The sustainability strategy is agreed with the Supervisory Board.

The Deputy CEO is informed every two weeks by Group ESG about the progress that has been made in implementing the targets defined as part of the sustainability strategy and about the effectiveness of the strategies and actions that have been adopted. The Management Board regularly informs the Supervisory Board in turn. Sustainability matters are discussed at every Supervisory Board meeting. In the 2024 reporting year, the Supervisory Board was informed about the following matters: results of the double materiality assessment (see tables in SBM-3), progress in the implementation of the CSRD, the transition plan for climate change mitigation, sustainability targets and results, as well as compliance.

Risk Management reports on risks and opportunities to the CFO, who in turn informs the CEO, who informs the Supervisory Board and the Audit Committee. Decisions are made based on the assessment of risks and opportunities. Material impacts will also be increasingly included in the future.

GOV-3 – Integration of sustainability-related performance in incentive schemes

The remuneration of the shareholder representatives on the Supervisory Board consists of an annual, fixed lump-sum payment and does not include any variable or performance-based remuneration. Employee representatives on the Supervisory Board do not receive any remuneration. The remuneration of the members of the Supervisory Board therefore does not include sustainability matters.

The basis for the remuneration of the members of the Management Board is provided by the current remuneration policy, which has been in force since January 1, 2024. The total target remuneration of the members of the Management Board is made up of the fixed, non-performance-based remuneration components (basic annual salary, pension contributions) and the performance-based variable remuneration components, comprising the short-term incentive (STI) and the long-term incentive (LTI). The remuneration of the members of the Management Board is largely dependent on the achievement of sustainability-related targets. Sustainability-related incentive and remuneration systems have been anchored in the A1 Group's management remuneration since 2020.

Sustainability-related targets in variable remuneration

Sustainability-related targets are anchored in both the STI and the LTI. STIs and LTIs are defined for members of the Management Board of Telekom Austria AG as well as for the CEOs of the subsidiaries and other members of top management.

Specific corporate goals are derived annually from the sustainability strategy. On this basis, the Remuneration Committee of the Supervisory Board sets STI targets for the members of the Management Board that apply for one year. For 2024, STI targets were set for the matters relating to sustainability in supply chain management and employee satisfaction. In addition, the Group Management Board defined STI targets for the CEOs of the subsidiaries and other members of the top management in connection with the transition plan for climate change mitigation.

LTI targets for the members of the Management Board are also derived from the sustainability strategy for a period of three years. For the period from 2022 to 2024, LTI targets were set for the members of the Management Board of Telekom Austria AG in relation to employee training (training hours) and energy efficiency. For the period from 2023 to 2025, LTI targets have been set relating to the gender pay gap, equal pay gap, and carbon emissions. For the period from 2024 to 2026, LTI targets have been set for the gender pay gap and carbon emissions. The Group Management Board has set LTI targets for the CEOs of the subsidiaries and members of top management for the period from 2024 to 2026 in relation to the equal pay gap and carbon emissions.

Sustainability-related targets account for 22% of the variable salary of the members of the Group Management Board for the 2024 financial year.

Related to ESRS 2 GOV-3 – E1 Climate change

The remuneration of the Management Board includes the following targets in relation to climate change mitigation:

- LTI 2022 (2022-2024): increase energy efficiency in comparison to 2021
- LTI 2023 (2023-2025): reduce carbon emissions by the end of 2025 in line with the emissions reduction curve approved by the Science Based Targets initiative (SBTi)
- LTI 2024 (2024-2026): reduce carbon emissions by the end of 2026 in line with the emissions reduction curve approved by the Science Based Targets initiative (SBTi).

As part of the STI 2024, the remuneration of the CEOs in the subsidiaries includes the following target relating to climate change mitigation: prepare a plan to implement the climate transition plan for the respective subsidiary with allocated resources – approved by Group ESG.

As part of the LTI 2024, the remuneration of members of the top management in the subsidiaries includes the following targets relating to climate change mitigation:

- 2024: keep carbon emissions constant
- 2025: reduce carbon emissions by at least 55% compared to 2019
- 2026: reduce carbon emissions by at least 65% compared to 2019

GOV-4 – Statement on due diligence

The A1 Group considers the core elements of due diligence in the following business functions: governance, strategy and business model, involvement of affected stakeholders, identification and assessment of negative impacts, actions to counteract these, and tracking of effectiveness. The table below describes where these core elements are taken into account in this sustainability statement.

Reference to the due diligence

Core elements of due diligence	Chapter in the sustainability statement	Does the disclosure relate to people and/or environment?
a) Embedding due diligence in governance, strategy and business model	ESRS 2 GOV-2	People and environment
	ESRS 2 GOV-3	People and environment
	ESRS 2 SBM-3	People and environment
b) Engaging with affected stakeholders	ESRS 2 GOV-2	People and environment
	ESRS 2 SBM-2	People and environment
	ESRS 2 IRO-1	People and environment
	E1-2	Environment
	S1-1	People
	S2-1	People
	S1-2	People
	S2-2	People
	G1-1	People
c) Identifying and assessing adverse impacts	ESRS 2 IRO-1	People and environment
	ESRS 2 SBM-3	People and environment
d) Taking actions to address those adverse impacts	E1-1	Environment
	E1-3	Environment
	S1-4	People
	S2-4	People
e) Tracking effectiveness of these efforts and communicating	E1-4	Environment
	S1-5	People
	S2-5	People
	E1-5, E1-6, E1-7, E1-8, E1-9	Environment
	S1-9, S1-10, S1-11, S1-13, S1-14, S1-15, S1-16, S1-17	People

GOV-5 – Risk management and internal controls over sustainability reporting

The A1 Group has a well-established enterprise risk management system. The A1 Group's risks related to financial and sustainability reporting are included in the financial risks category. The risk portfolio, including these risks, is analyzed and evaluated on an annual basis, mitigating actions are derived. A report is submitted twice a year to management and the Audit Committee of the Supervisory Board. A detailed description of risk management can be found in the A1 Group's Risk Management Policy. A detailed description of the control system and the controls in use throughout the Group can be found in the Framework for Internal Control Systems in Austria and CEE Segments of América Móvil, our internal policy.

Risks in connection with reporting are identified and evaluated by the internal control system, secured and made transparent by means of appropriate controls. The controls in reporting are made up of entity level controls, process level controls, and IT general controls.

The A1 Group's strategy for managing financial and non-financial reporting is risk avoidance. As in the financial reporting, controls are aimed at ensuring correct and complete reporting. By embedding the controls for sustainability reporting, the processes for creating, updating, and implementing the reporting are subject to an already well-established standard. The risk assessment is carried out by assessing the probability of incomplete or incorrect reporting and sanctions (penalties).

The internal controls governing the sustainability reporting will be continuously expanded over the next few years, particularly with a view to meeting the requirements of a future audit with reasonable assurance.

Internal control system (ICS) in relation to sustainability reporting

The scope of the ICS for sustainability reporting is determined on the basis of the double materiality assessment, which is the responsibility of Sustainable Finance and is carried out jointly with Group ESG and Risk Management.

The materiality assessment is reviewed annually as part of the risk review and updated if necessary. A complete materiality assessment is carried out at least every three years. Based on the completed materiality assessment, the ICS Competence Center determines the scope of the ICS for the sustainability reporting. Any changes in the materiality assessment defined in the annual reviews must be reflected in the ICS scoping accordingly (e.g. inclusion of controls over new data collection and reporting processes).

The main risks identified and the mitigation strategies, including associated controls

The risks involved in the sustainability reporting include its greatly expanded scope pursuant to the requirements of the CSRD. In addition, high data quality must be guaranteed, although many data points can be recorded or calculated only manually at present. In contrast to the established financial reporting, IT systems are currently available only for selected data points. Risks also arise as a result of the limited availability of data in the value chain and the resulting projections and estimates.

Risks and controls relating to the sustainability reporting

The following relevant risks were identified for the sustainability reporting for the year under review, where their prevention shall be ensured by controls that have been implemented:

- Expertise and organization of the sustainability reporting in the A1 Group
- Governance – tasks, competences and responsibilities for the sustainability reporting
- Scoping for the sustainability reporting
- System readiness before the start of the reporting period
- Separation of report creation and data approval
- Existence of the reporting guideline and the schedule
- Consistency check for relevant metrics
- Confirmation that the information from the data providers is accurate

Currently, 14 controls are executed at Group level and 6 controls are executed for each subsidiary. Like the Process Level Controls, the Entity Level Controls are an integral part of the framework for Internal Control systems and SOX. The implementation of the controls is supported by the company's own application for carrying out and documenting controls. The report on the successful implementation of the controls is addressed to the Head of Sustainable Finance and to the staff responsible for sustainability reporting at local and Group level.

The ICS Competence Center is responsible for creating and implementing the controls relating to the sustainability reporting. Each control is developed and implemented together with the respective process owners at Group level. The controls are then rolled out to all subsidiaries by the local ICS managers. The responsibility for executing the controls lies with the employees who provide the data points or approve the data. Other roles and responsibilities will be continuously adapted in the course of implementing the CSRD.

Reporting to the administrative, management and supervisory bodies

Supervisory Board and Audit Committee: The Supervisory Board or Audit Committee has to review the effectiveness of the company's risk management system (in accordance with Section 92(4a) no. 4b AktG). The Management Board reports to the Audit Committee at least once a year on the company's risk situation, measures to optimize risks, and the development of the Enterprise Risk Management process.

Management Board: The Management Board of the A1 Group defines the tasks of Enterprise Risk Management, lays down the opportunity and risk policy, and reports to the Supervisory Board or Audit Committee on the effectiveness of the risk management system (in accordance with Section 92(4a) no. 4b AktG). It also approves the risk prioritization and measures to optimize risks and integrates Enterprise Risk Management into other company processes.

Enterprise Risk Management (ERM): ERM reports directly to the Chief Financial Officer (CFO) and has operational responsibility for the entire enterprise risk management process and the methods applied there. ERM is responsible for the further development of the risk management system, harmonizing all risks at company level, and reporting to the Management Board and the top management. Together with areas that manage the business operations, such as Security, Controlling and Compliance, Enterprise Risk Management takes on the role of the second line in the three lines model (model for the effective organization of the risk management).

Sustainable Finance (reporting directly to the CFO) is responsible for the sustainability reporting and regularly informs the Management Board in steering meetings in course of the CSRD implementation about potential risks in connection with the sustainability reporting.

Strategy

SBM-1 – Strategy, business model and value chain

The A1 Group, which is listed on the Vienna Stock Exchange, is a leading provider of digital services and communication solutions and offers these in the CEE region in its seven core markets of Austria, Belarus, Bulgaria, Croatia, North Macedonia, Serbia, and Slovenia. The A1 Group offers products and services in the areas of voice telephony, broadband Internet, mobile and home entertainment as well as data and IT solutions, wholesale, payment solutions, and digital services. Through A1 Digital International GmbH (hereinafter A1 Digital), the A1 Group also offers industry-specific solutions for business customers in its core markets as well as in Germany and Switzerland. The A1 Group is part of América Móvil, one of the world's largest telecommunications providers with subsidiaries in 23 countries in North, Central, and South America as well as in Europe.

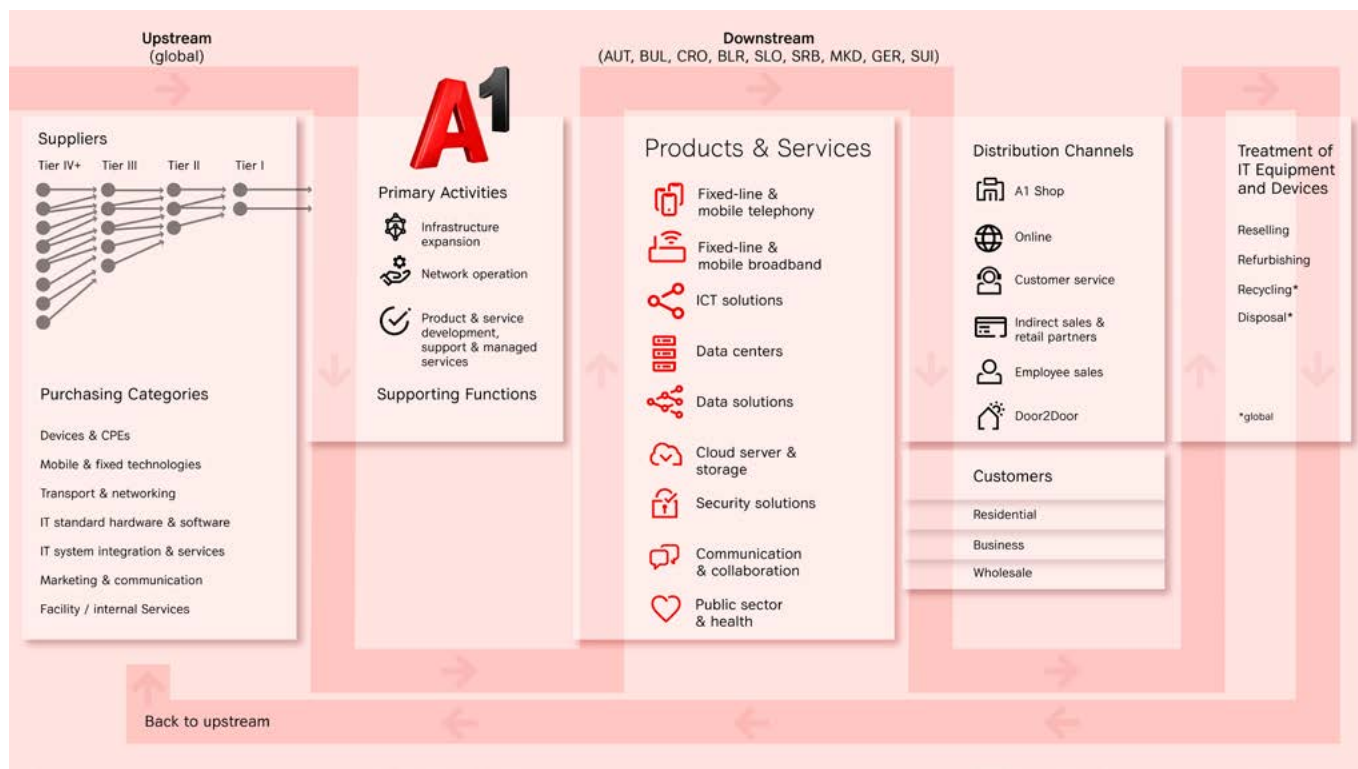
The A1 Group generates revenues from the provision of fixed-line and mobile communication services. Fixed-line services include access fees, domestic and long-distance services including Internet services, fixed-to-mobile calls, voice value-added services, interconnection, call center services, data and ICT solutions, television services, IPTV, and smart home services. Mobile communication services include mobile voice and data services, m-commerce, information and entertainment services (for example mobile television, music streaming, etc.), and roaming. In the 2024 financial year, the company generated EUR 2.1 bn in the fixed-line segment (J.61.10) and EUR 3.2 bn in the mobile services segment (J.61.20).

These products and services play an important role in digitalization and sustainability. The expansion of fixed and mobile communication services will create a stable infrastructure that will enable data to be transmitted faster and more efficiently. On the one hand, this is driving the digital transformation, while, on the other, these products and services contribute to sustainability, for example by optimizing the use of resources, reducing energy consumption, and lowering carbon emissions. At the same time, however, telecommunication services can also be energy-intensive. The operation of networks, data centers, and terminal equipment requires energy, which produces a larger ecological footprint. For this reason, increasing energy efficiency and continuously expanding the proportion of electricity generated from renewable energy sources is of major importance. In the context of digitalization, the promotion of digital education is also essential – it enables people of different age groups to take advantage of the opportunities offered by the digital world, while at the same time promoting a critical approach to digital media.

Our value chain

A substantial share of the products we procure from tier I suppliers comprises network technology (mobile and fixed devices), transport and core components, IT infrastructure, and associated services (such as support and maintenance). In addition to OEMs (original equipment manufacturers), we have also entered into contracts with general contractors and distributors as tier I suppliers. Distributors are contracted if this is requested by the OEMs.

Our 17,975 employees (in headcount, see S1-6) develop products and solutions that are tailored to the needs of our customers and the growing demand for digital services. We are continuously investing in the expansion of our infrastructure and the modernization of our networks. We use various sales channels, including direct sales, online sales, customer service, partner networks, and telesales. Our approximately 30 million customers are divided into private customers, business customers, and wholesale customers. At the end of our value chain is the refurbishment, recycling, and disposal of terminals as well as ICT equipment.



Corporate and ESG strategy

With our vision of Empowering Digital Life, we want to offer our customers services and digital communication solutions that make their lives easier and enable them to take advantage of the opportunities offered by digitalization. The best customer experience and reliable technology provide the basis for this. We have made a conscious commitment to shaping a sustainable future – for our employees, customers, business partners, and all stakeholders along the value chain. The corporate strategy focuses on two core areas:

- **Evolve the core:** We are endeavoring to strengthen our position in our core business by responding flexibly to rapidly changing requirements. Our focus is on optimizing the infrastructure to deliver customers a best-in-class experience and maintain our reputation as a quality leader. We focus here on the comprehensive integration of customer needs throughout the entire customer journey. Thanks to the increased use of cloud technology, we are constantly simplifying and modernizing processes and driving the digital transformation forward.
- **Explore the new:** We want to tap into new business areas in order to exploit additional growth opportunities. To this end, we are constantly expanding our existing portfolio and counting on partnerships to provide a comprehensive range of digital services. We bundle knowledge in our internal competence centers, use it throughout the entire Group, and create synergies in this way.

Our strategy puts people at the heart of every activity: Human@Center (see S1) aims to promote a culture of responsibility, team spirit, and professional development. The A1 brand, sustainability (ESG), and the whole area of security are paving the way in this sense, making them an integral part of the corporate strategy. The A1 brand connects all the markets in which we operate. It serves as the basis for cross-border initiatives and represents the values of the Group. Rising customer expectations and legal requirements have increased the relevance of information security (see S4 Information security) and data privacy (see G1 Data privacy). As a trustworthy partner, we therefore offer solutions that meet the highest security standards. We are also committed to a sustainable and inclusive future. This is why ESG (E - environment, S - social, G - governance) is a central element of our corporate strategy.

The focus of our sustainability strategy in the area of the environment, and at the same time the greatest challenge, lies in continuously improving energy efficiency and keeping electricity consumption as low as possible despite the expansion of even more powerful infrastructure and increasing data consumption. Only in this way we can make an active contribution to climate change mitigation. This is also reflected in our targets: reducing carbon emissions and increasing energy efficiency are integral elements of our strategy.

In the social sphere, we focus on promoting digital competences in society, advocating equality, and reducing the gender pay gap. As a technology company, we are taking on the challenge of increasing the proportion both of women overall and of female managers.

In the area of governance, we are working together with our suppliers and business partners to make our supply chain sustainable. The global challenges in the area of sustainability include in particular transparency regarding complex supplier structures, the monitoring of and compliance with human rights, ensuring fair working conditions, and environmental protection measures in countries where the general legal conditions are currently set at a lower level.

Our sustainability strategy addresses the A1 Group as a whole, no specific targets have been defined for individual product groups, customer segments, geographical areas or stakeholder groups.

SBM-2 – Interests and views of stakeholders

Actively working together with stakeholders and making sure they are involved are crucial to the long-term success of our company. Their views, needs, interests, and expectations are integrated in our corporate strategy and business model.

Our Stakeholder Engagement Policy provides the framework for identifying, prioritizing, and involving our stakeholders. By exchanging views and information with our stakeholders, we can better understand their interests, concerns, and expectations, and we discuss these at least twice a year with the Group Directors (management level directly below the Group Management Board). Group ESG also informs the Management Board of the results of these discussions. This ensures that the concerns and perspectives of the stakeholders are incorporated into our decision-making processes.

The Stakeholder Engagement Policy is based on international standards and norms such as the UN Global Compact, the UN Guiding Principles on Business and Human Rights, and the OECD Guidelines for Multinational Enterprises.

Once a year, we organize a stakeholder roundtable to which representatives of all stakeholder groups (see Stakeholder involvement table) are invited. This event enables us to receive direct feedback from our stakeholders on various issues. The roundtable also promotes exchanges and strengthens the relationship between stakeholders and our company, thereby promoting and supporting transparency and cooperation.

We have identified employees, workers' representatives, customers, the capital market, suppliers, the media, the competitive environment, government representatives, and authorities as well as local communities as our most important stakeholders. The table below shows how we get in contact and interact with them and the purpose and results of this interaction. The views, interests, and expectations of the stakeholders are incorporated in our due diligence process and the materiality assessment described under IRO-1.

Stakeholder Engagement

Key stakeholders	Description	Responsibility	Engagement and purpose	Examples of outcomes
Employees and Works Council	<p>Employees, potential employees</p> <p>(local and European), workers' representatives</p>	<p>Group Human Resources and Human Resources in the countries</p> <p>Local employee representatives and European Works Council</p>	<p>Employees are involved through the intranet, e-mails, personal meetings, employee surveys (e.g. Great Place to Work), and events in order to keep them informed and integrate them in company activities. Communication with potential employees generally takes place at career fairs, on employer evaluation platforms, on career websites, on job portals, and at conferences. The aim of the communication with employees and potential employees is to reinforce trust in the company and strengthen our position as an attractive employer in order to retain existing employees and attract new ones.</p> <p>The workers' representatives are involved through e-mails, telephone calls, video conferences, and discussions with the Group Management Board. They are also represented on the Supervisory Board, where they contribute employee concerns and perspectives. The aim of involving workers' representatives is to promote cooperation based on trust and develop joint solutions.</p>	<ul style="list-style-type: none"> • Human@Center concept and coordinated actions • Works agreements adapted to the employees' needs • Optimization of processes
Customers	<p>Residential customers (B2C)</p> <p>Business customers (B2B Large Enterprise and B2B Small Business Sales)</p>	<p>Business Unit Enterprise</p> <p>Business Transformation and Acceleration</p>	<p>We involve customers through e-mails, contact forms, telephone calls, surveys (e.g. NPS/net promoter score) as well as through personal exchanges and meetings – with the aim of gaining a better understanding of their needs and their expectations of us and our services and tailoring these accordingly.</p>	<ul style="list-style-type: none"> • Aligning services with the needs of customers • Strengthening customer loyalty • Ensuring long-term satisfaction and loyalty
Financial community	Institutional investors, private investors, analysts, financial media	Investor Relations	We provide the capital market with information via publications on the website and e-mails and involve them through telephone calls, roadshows, meetings, and video conferences in order to ensure transparency and strengthen the market's trust in us.	<ul style="list-style-type: none"> • Meeting the information needs of investors • Positive contribution to maintaining enterprise value
Suppliers	<p>Strategic suppliers, medium-sized and small suppliers, distributors</p> <p>Workers in the value chain</p>	<p>Purchasing</p> <p>Compliance</p>	<p>We communicate with suppliers via the digital procurement platform, e-mails, phone calls, meetings, and events – with the aim of ensuring that our cooperation is transparent and efficient and that potential challenges are identified at an early stage. The procurement platform also ensures that our suppliers act in compliance with business practices, the environment, human rights, and reporting obligations. In addition, workers in the value chain can submit any concerns they may have via thetelt.me whistleblowing platform</p>	<ul style="list-style-type: none"> • Optimizing delivery processes • Ensuring product quality • Optimizing sustainable procurement • Ensuring compliance with the Supplier Code of Conduct • Fulfilling due diligence obligations on the part of suppliers
Media	Journalists (editors-in-chief, authors), publishers, publishing houses	Corporate Communications	We inform and involve the media through press conferences, personal meetings, visits, telephone calls, video conferences, and events in order to promote trust in the company as well as its credibility. A proactive approach also enables us to manage potential crises effectively.	<ul style="list-style-type: none"> • Increasing brand awareness/brand value • Increasing/maintaining the enterprise value/image
Competitive landscape	<p>Industry associations, business associations</p> <p>Companies from the same industry</p>	Regulatory, European, and Public Affairs; ESG; C-Level	Industry and business associations are involved through multi-stakeholder initiatives, joint projects, conferences, and presentations. The aim is to promote the exchange of best practice and the development of common standards.	<ul style="list-style-type: none"> • Harmonizing sustainability practices and KPIs • Joint initiatives for workers in the value chain • Joint on-site audits of telecommunication suppliers • Coordinated approach and feedback on legislative proposals
Government officials & Authorities	<p>Government representatives, authorities</p> <p>Intergovernmental organizations (IGOs)</p>	Regulatory, European, and Public Affairs ESG	We inform and involve government representatives and authorities through face-to-face meetings, including events and the stakeholder roundtable, but also via telephone calls and e-mails. Intergovernmental organizations (IGOs) are informed and involved through events, initiatives, seminars, and reporting. Among other things, this serves regulatory compliance, the pursuit of environmental and social responsibility, and economic development.	<ul style="list-style-type: none"> • Cooperating in the preparation of legislative projects • Ensuring the feasibility of legal regulations

Key stakeholders	Description	Responsibility	Engagement and purpose	Examples of outcomes
Local communities	<p>Different stakeholders are involved depending on the area of interest:</p> <ul style="list-style-type: none"> Customers and municipalities (infrastructure, health and safety, EMF) Children, young people, educators/teachers, women, and senior citizens (digital skills) NGOs (environmental/social) 	<p>EMF (Electromagnetic fields)</p> <p>ESG</p> <p>ESG, Marketing and Communication</p>	<p>Infrastructure, health and safety, EMF: communication is mainly initiated by customers or communities who express their concerns through letters, protests, and the media. We actively respond to every request in order to create trust, promote transparency, and reduce distrust.</p> <p>Digital competences: the involvement here includes organizing training courses and workshops to promote digital skills. This is intended to improve equal opportunities</p> <p>NGOs (environmental protection/social issues): involvement is related to specific topics.</p>	<ul style="list-style-type: none"> Local acceptance for new infrastructure projects Contributing to reducing the digital divide Developing new initiatives together with NGOs Cooperation with NGOs

Related to ESRS 2 SBM-2 — S1 Own workforce

Through employee surveys such as Great Place to Work, as well as in the context of dialogues with management, the interests, perspectives, and rights of the workforce are collected, analyzed, and integrated into the corporate strategy and business model if necessary.

Related to ESRS 2 SBM-2 — S2 Workers in the value chain

We as a company lay down various social and ecological standards along the supply chain in guidelines such as our Supplier Code of Conduct or Responsible Sourcing Policy. The tell.me platform gives workers in the value chain the opportunity to voice their concerns and opinions. These are then analyzed and, if necessary, integrated in the corporate strategy.

SBM-3 — Material impacts, risks and opportunities and their interaction with strategy and business model

The material impacts, risks, and opportunities have been identified as part of the double materiality assessment and are presented in the table below.

E1 Climate change

Sustainability matter	Time horizon	Description
Climate change adaptation		
Risk (OO)	medium-term	The fixed and mobile infrastructure (cell towers) as well as buildings are exposed to physical climate risks. These risks can lead to the failure or unavailability of services and thus to financial risks resulting from increased costs to restore them.
Climate change mitigation		
Actual negative impact (OO, VC)	short-term	Emissions that are generated from the manufacture and use of our products and services contribute to climate change.
Risk (OO)	long-term	Higher carbon taxes can lead to higher prices for raw materials and supplies.
Opportunity (OO)	short-term	Companies that work sustainably enjoy a better reputation, generate competitive advantages, and increase their employer attractiveness.
Energy		
Actual negative impact (OO, VC)	short-term	Our business model causes high energy consumption both within the company and in the value chain.
Actual positive impact (OO, VC)	short-term	Reducing CO ₂ emissions through investments to increase energy efficiency and expand the use of renewable energies; contributing to a sustainable economy
Products (devices)		
Actual negative impact (OO, VC)	short-term	Telecommunication products and services contribute to higher production and intensive use of devices, which leads in turn to higher electricity consumption and thus contributes to climate change.
Actual positive impact (OO, VC)	short-term	Telecommunication promotes digitalization, builds connections and networks, and thus has a positive impact on society.
Products (infrastructure)		
Actual negative impact (OO, VC)	short-term	Telecommunication products and services require the development and intensive use of infrastructure, which leads to higher electricity consumption and thus contributes to climate change.
Actual positive impact (OO, VC)	short-term	Telecommunication promotes digitalization, builds connections and networks, and thus has a positive impact on society.

OO = own operation
VC = value chain

E5 Resource use and circular economy

Sustainability matter	Time horizon	Description
Resource inflows, including resource use		
Actual negative impact (OO, VC)	short-term	The production of technical equipment, infrastructure, and packaging materials is resource-intensive and therefore has a negative impact on the environment and ecosystem.
Resource outflows related to products and services		
Actual negative impact (OO, VC)	short-term	The A1 Group does not produce any equipment, but is a retailer and therefore contributes to the negative impacts on the environment.

OO = own operation
VC = value chain

S1 Own workforce

Sustainability matter	Time horizon	Description
Secure employment		
Actual positive impact (OO)	short-term	The A1 Group creates a framework for secure and long-term jobs, which provides financial security and predictability for the workforce and thus also produces a positive impact on society.
Working time		
Actual positive impact (OO)	short-term	The A1 Group offers flexible working time models and clearly regulated working hours, which improves work-life balance and helps to maintain health.
Opportunity (OO)	medium-term	Flexible working time models make it easier to retain employees within the A1 Group and to attract new employees.
Adequate wages		
Actual positive impact (OO)	short-term	The A1 Group pays appropriate wages/salaries; this increases job satisfaction, creates financial security, and ensures a good standard of living.
Freedom of association, existence of works councils and rights of workers on information, consultation and participation		
Actual positive impact (OO)	short-term	Employee representative bodies and regular dialog between management and employee representatives are in place in several A1 Group operating countries, which makes it easier for employees to exercise their rights.
Work-life-balance		
Actual positive impact (OO)	short-term	A good work-life balance is essential for preventing physical and mental stress and therefore helps to maintain good health.
Health and safety		
Actual positive impact (OO)	short-term	Ensuring physical safety and creating healthy working conditions has a positive impact on the well-being of the employees
Gender equality and equal pay for work of equal value		
Actual positive impact (OO)	short-term	Equal opportunities and fair wages increase job satisfaction.
Opportunity (OO)	short-term	Equal opportunities and fair wages improve the company's position as an attractive employer and enhance its reputation and employee loyalty. This can create a competitive advantage.
Training and skills development		
Actual positive impact (OO)	short-term	The A1 Group's training programs increase employee satisfaction and equal opportunities.
Opportunity (OO)	medium-term	The continuous development of skills is a prerequisite for innovation and productivity and increases competitiveness.
Diversity		
Opportunity (OO)	medium-term	Diversity in the company leads to higher productivity and has a positive effect on the corporate culture. This improves the company's position as an employer and makes it easier to recruit talent.
Data privacy		
Potential negative impact (OO)	short-term	The misuse of data by the employer can lead to financial and mental health consequences as a result of a loss of identity, discrimination or harassment.
Risk (OO)	short-term	Data breaches or the loss of sensitive data can lead to large fines, weaken the trust of customers and employees in the company, and jeopardize the company's reputation.

OO = own operation
VC = value chain

S2 Workers in the value chain

As a telecommunications provider, the A1 Group purchases technical products and equipment. The A1 Group relies on global supply chains to procure these products. Production takes place in countries that partially do not (yet) follow international sustainability standards. This results in potential negative impacts, also on the workforce. Conversely, the A1 Group endeavors to achieve positive impacts for employees through the management of supplier relationships in conjunction with appropriate actions. Numerous topics covered by ESRS Standard S2 have therefore been assessed as material.

As all topics are closely linked depending on the supplier/production site in question, they are presented together in the following section. Further information on which targets and actions we have defined for the relevant matters is set out in detail in S2 Workers in the value chain.

Material topics due to short-term potential positive and negative impacts:

- Secure employment
- Working time
- Adequate wages
- Freedom of association
- Health and safety

Material topics due to short-term potential negative impacts:

- Gender equality and equal pay for work of equal value
- Employment and inclusion of persons with disabilities
- Measures against violence and harassment in the workplace
- Diversity
- Child labor
- Forced labor

S4 Consumers and end-users (entity-specific topics)

Sustainability matter	Time horizon	Description
Information security		
Opportunity (OO)	medium-term	The increasing relevance of information security as an issue presents the opportunity to offer appropriate products for customers and thus strengthen the market position and the A1 brand.
(Critical) infrastructure and resilience		
Actual negative impact (OO, VC)	short-term	The unavailability or limited availability of fixed line, mobile, and Internet services can lead to constraints on the customer's ability to communicate and can be particularly critical in emergency situations.
Digital competences		
Potential negative impact (OO, VC)	short-term	A lack of digital skills can lead to unintentionally taking risks as well as misuse and result in serious consequences including health problems, adverse impacts on personal safety, and financial losses.

OO = own operation
VC = value chain

G1 Business conduct

Sustainability matter	Time horizon	Description
Corporate culture		
Actual negative impact (OO)	short-term	Unethical behavior or behavior that is not consistent with the values of the A1 Group can result in employees not feeling comfortable in their work environment or can lead to health problems.
Actual positive impact (OO)	short-term	The A1 Group's corporate culture, which is based on shared values, norms, and behaviors, strengthens the sense of belonging and can improve personal and professional development.
Protection of whistleblowers		
Actual positive impact (OO, VC)	short-term	The A1 Group protects external and internal whistleblowers and thus contributes to higher transparency and ethical behavior.
Management of relationships with suppliers, including payment practices		
Actual positive impact (VC)	short-term	The A1 Group relies on diligent supplier management that builds stable and trustworthy partnerships, guarantees reliable and secure purchasing processes, and ensures that payment terms are met.
Corruption and bribery – prevention and detection including training		
Actual positive impact (OO)	short-term	The A1 Group ensures proper ethical behavior through mandatory training for all employees – this is also in the public interest.
Data privacy (entity-specific material matter)		
Actual negative impact (OO, VC)	short-term	Data breaches can result in damage to mental and/or physical health, for example through loss of identity, discrimination or harassment.
Actual positive impact (OO, VC)	short-term	Thanks to the A1 Group's internal guidelines and processes, customers can be confident that their fundamental right to data privacy will be upheld.
Risk (OO)	short-term	Data privacy violations can lead to penalties, loss of trust, and loss of reputation.

OO = own operation
VC = value chain

As a result of climate change, the effects of extreme weather, especially flooding, were felt in Croatia and Austria in 2024. There were also cases of data breaches in Croatia. The area of information security shows a growing customer demand for specific products. Overall, however, the material risks and opportunities did not have any significant financial impact on the A1 Group. At present, no restatement of assets due to material risks is required for 2025.

The A1 Group's resilience in terms of managing material impacts and risks and exploiting material opportunities is regularly evaluated as part of the strategy and risk management processes. A climate risk assessment was carried out for all A1 Group sites in 2024 that covered short to long-term time horizons and several climate scenarios. The climate risk assessment covers both physical and transition risks. The results, i.e. which risks were identified, the impacts of these risks, and the resilience of the A1 Group to the impacts, are presented in E1 SBM-3 in conjunction with E1.

Further information relating to material impacts, risks or opportunities can be found in the relevant topical chapters.

Impact, risk and opportunity management

IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities

The A1 Group has carried out a materiality assessment every two to three years since 2012. In 2023, a double materiality assessment in accordance with ESRS requirements was conducted for the first time. This includes identifying and assessing impacts, risks, and opportunities (IROs). We reviewed the results of the materiality assessment in the second quarter of 2024.

Analysis of the scope of consolidation and disaggregation

As preparation for the double materiality assessment, the scope of consolidation was analyzed. It is the same as the scope used in the financial reporting in accordance with the ESRS requirements. The double materiality assessment therefore applies to the entire A1 Group, including all subsidiaries. As each subsidiary of the A1 Group pursues the same business model, the impacts, risks, and opportunities that have been identified apply to all companies. For this reason, individual impacts, risks, and opportunities have not been disaggregated at the country level.

Assessment

All impacts, risks, and opportunities were assessed on a gross basis where possible. The scales for the assessment were derived or adopted from the existing risk management scales. The qualitative and quantitative scale values used for the assessment are based on the scales of operational Tech Risk Management and those of Enterprise Risk Management. This is intended to ensure in the long term that sustainability-related risks and opportunities are in line with other corporate risks and opportunities. The time horizons applied are consistent with the ESRS: short term up to one year, medium term one to five years, long term over five years. The time horizons reflect the first occurrence of impacts, risks, and opportunities.

In accordance with the ESRS, three scales – scale, scope and remediability (only for negative impacts) – were used to assess impacts on the environment and/or society:

- The scale of the impact on the environment or society was taken into account in the assessment.
- When assessing the scope, the extent of the impact was analyzed based on parameters such as the percentage of employees affected.
- When assessing remediability, the difficulty of repairing the damage in terms of cost and time frame was estimated.

When assessing risks and opportunities, three types of scales were available for the assessment: continuation of use of resources, reliance on relationship, and other factors influencing the future cash flow. The probability of occurrence was also included in the assessment.

- Continuation of use of resources: Metrics such as the availability of resources, raw materials for example, were taken into account.
- Reliance on relationship: This scale measures the extent to which relationships with business partners, financial institutions or employees can be influenced.
- Other factors influencing the future cash flow: This scale measures the financial impact of risks and opportunities on cash flow.

If several scales were used for the assessment of risks and opportunities, the scale with the highest assessment was applied.

Threshold

A topic was identified as material if at least one impact, risk or opportunity exceeded the threshold. Thus, topics are material where either impacts, risks or opportunities are in the top third of the assessment result.

Stakeholder involvement

A comprehensive online survey of stakeholders was conducted for the materiality assessments that have been performed to date. In view of the special requirements – both in terms of the variety of topics and the depth of analysis required for a well-founded assessment – the A1 Group took the conscious decision that an online survey of external stakeholders was not suitable for the double materiality assessment. For this reason, the following approach was chosen: The assessment itself was carried out by internal experts (see process description) with specialist knowledge of the relevant topic. They are informed about the concerns, expectations, and wishes of stakeholders – for example through the annual stakeholder roundtable: Topics discussed, findings and results from the roundtable are incorporated in the assessment and also in the review. In 2024, almost 60 representatives from all A1 Group stakeholder groups took part in the stakeholder roundtable. Current trends or results from surveys such as Great Place to Work are also included in the assessment.

Process

The A1 Group has defined following process steps for carrying out the double materiality assessment of impact and financial materiality:

1. Collection of topics to be assessed and preparation
2. Assessment workshops
3. Communication and approval of results
4. Review of the results

Step 1: Collection of topics to be assessed and preparation

As a first step, the A1 Group analyzed material topics of other ICT and telecommunications companies as well as international standards such as the GRI (Global Reporting Initiative) and SASB (Sustainability Accounting Standards Board). All topics and sub-topics from the ESRS standards as well as industry and entity-specific topics resulting from the preliminary analysis were included: This resulted in a longlist with a total of 99 topics to be assessed. In preparation for step 2 (assessment workshops), the company's touchpoints with the relevant topics along its value chain were identified. The topics were then assigned to one or more departments in order to create a basis for the allocation of the participants to the assessment workshops.

The extent to which the departments are affected by the touchpoints, can influence them or are aware of the interests of the affected stakeholders was taken into account.

Step 2: Assessment workshops

One or more workshops were held with specialist departments for each ESR standard and for entity-specific topics. Experts from various fields were invited in order to incorporate a broad spectrum of perspectives and specialist knowledge. This interdisciplinary collaboration made it possible to take the different points of view into account. At least one representative from each of the areas of Enterprise Risk Management, Sustainable Finance, and ESG attended all workshops. Topic by topic, the company's touchpoints were first discussed and elaborated on, then the negative and positive impacts, risks, and opportunities were described in order to evaluate them in the next step. When discussing the impacts, the area of the value chain in which the impact is localized was also identified: in the company's own activities and/or in the value chain (in all configurations: upstream, downstream or upstream and downstream). Finally, the specific area of the impact along the value chain was taken into account in the assessment.

The assessment was carried out on a consolidated basis for the entire A1 Group – in the event of country-specific differences, contact persons from the specialist departments of the subsidiaries were included. Sustainability risks were not prioritized in relation to other corporate risks. Risks and opportunities were not yet quantified at this stage (see step 4: Review of results), although quantified risks and opportunities from the risk inventory were included in the assessment. For the ESR standard E4 Biodiversity and ecosystems, an interview was conducted with an expert from an NGO together with an ESG expert in order to assess the impacts, risks, and opportunities.

Step 3: Communication and approval of the results

After the assessment workshops were completed, the results were discussed with the Investor Relations and Corporate Communication departments. The results of the double materiality assessment were then presented to the Management Board at the beginning of 2024 and approved following a subsequent discussion. The results were presented to the Supervisory Board in March 2024. In addition, all workshop participants and internal stakeholders were comprehensively informed about the results.

Step 4: Review of the results

The A1 Group carried out a review in the second quarter of 2024. For those topics identified as material from the double materiality assessment, the assessment of the topics was reviewed. Topics from the stakeholder roundtable held in April were also included, as were new trends and surveys (e.g. the Great Place to Work employee survey). The review of risks and opportunities was combined with the half-yearly risk review by Enterprise Risk Management.

Results

A total of 36 topics (including six entity-specific topics) were assessed as material. The ESR standards E2 Pollution, E3 Water and marine resources, and E4 Biodiversity and ecosystems standards were identified as not material. The A1 Group has no relevant touchpoints with topics related to the ESR standard S3 Affected communities, therefore it is not relevant to the business model. Thus the standard was identified as not material and excluded from the assessment. The topics from standard S4 Consumers and end-users were also evaluated as not material, but the entity-specific topics of information security, digital competences, and (critical) infrastructure and resilience were allocated to standard S4. The entity-specific topic of data privacy was allocated to G1 Business conduct and the topics products: devices and products: infrastructure were allocated to the standard E1 Climate change.

More than 20 departments and approximately 50 internal stakeholders were involved in the double materiality assessment and review. The results of the double materiality assessment can be found in detail in SBM-3.

Outlook

The results of the double materiality assessment to identify, assess, and prioritize impacts, risks, and opportunities are reviewed annually to take into account trends, underlying assumptions, context, and regulatory changes. We are gradually working on further quantifying the material risks and opportunities in order to fully integrate them in the A1 Group's overall risk perspective.

Related to ESRS 2 IRO-1 – E1 Climate change

Procedures in relation to the impacts on climate change/greenhouse gas emissions

Globally, telecommunications account for around 2% of total carbon emissions. Carbon emissions are caused on the one hand by the production of the technical components used, such as the end-user terminal equipment, and, on the other, by energy consumption for operating the systems, data centers, and sites. Logistics and the company's own fleet (for sales, installation, and maintenance activities) also produce carbon emissions.

The actual carbon emissions and the projection of carbon emissions in a do-nothing scenario, i.e. if emissions are not actively reduced by a transition plan for climate change mitigation (see E1-1), were used to assess the impact on climate change. The carbon emissions are calculated based on information from internal reporting (such as energy consumption, sales figures for end-user terminal equipment, sites in use, and terminal equipment in use). Scope 3 emissions are calculated and projected using information available from suppliers (see E1-6).

Climate-related physical risks at A1 Group and in the upstream and downstream value chain

The A1 Group has regularly carried out climate scenario analyses since 2022 in order to identify potential climate-related risks over the various planning horizons and scenarios and, if necessary, to prevent these by means of appropriate action.

In 2024, a climate risk assessment was carried out in accordance with the requirements of the ESRS: In a first step, sites were grouped according to their asset class and specific characteristics. These sites were examined individually in terms of the potential negative impacts of 18 physical climate risks. Supported by a database, more than 25,000 sites in the A1 Group's footprint were analyzed for potential climate events based on site specific geographical coordinates. The assets were divided into three clusters and then analyzed in order to assess the different vulnerabilities of the sites: For mobile communications, greenfield, rooftop and micro sites were analyzed. For the fixed line infrastructure, the focus was on switching centers such as ARUs (access remote units). In addition, the building types offices, data centers, and A1 shops were examined.

The identified climate risks and the exposed sites were assessed with experts in terms of their vulnerability to the respective climate event. Finally, adaptation solutions were discussed for those assets classed as highly vulnerable in each category, as was the time frame for possible actions to adapt the assets and thus avoid risk. The various adaptation measures were also quantified, allowing their total cost to be determined in addition to the probability of occurrence over the time horizon under consideration and the relevant climate scenario. Based on the IPCC (Intergovernmental Panel on Climate Change), the RCP 2.6, RCP 4.5, RCP 6.0, and RCP 8.5 scenarios were used for the analysis. The assessment included the upstream value chain (cell towers are rented from EuroTeleSites, among others) and the risks in the company's own operations. The assessment was carried out for short, medium, and long-term horizons.

Procedures relating to climate-related transition risks and opportunities within the company and in the upstream and downstream value chain

Two outlier scenarios were used for the climate-related transition risks: < 2° Celsius (RCP 2.6) and > 4° Celsius (RCP 8.5). The two scenarios were used to present more extreme positions and thus also to describe different risk scenarios. The observation horizon included short, medium, and long-term transition risks (up to 1 year, < 5 years and up to 30 years). The analysis included regulatory, legal, technological, market and consumer-oriented, as well as image-related aspects.

In a first step, possible transition risks were identified with experts and recorded for an assessment of the extent of the risk. The second step involved conducting the assessment and quantifying possible opportunities and risks over the period under review. Depending on the assessment results, the risks and opportunities were classified as relevant or under observation; possible actions to promote opportunities or mitigate risks were also discussed with the experts and incorporated in the action planning.

The approach is quantitative for transition risks such as energy consumption and the pricing of CO₂ emissions and strongly interwoven with the short, medium, and long-term planning of the business model. Planning assumptions for energy consumption are modeled using different price assumptions – depending on the regulatory scenario. The results of the two scenarios and the different financial impact on the planning then determine whether there are relevant risks and in which planning period (short, medium or long term) the effects will become apparent.

Related to ESRS 2 IRO-1 — E2 Pollution

In an expert workshop, the topics from E2 Pollution were analyzed and assessed in order to determine the impacts, risks, and opportunities of business activities and in the upstream and downstream value chain. The business activities of the A1 Group were reviewed with regard to specific aspects of air pollution and related emission thresholds, but specific sites were not assessed. The topic was identified as not material. Affected communities were not consulted.

Related to ESRS 2 IRO-1 — E3 Water and marine resources

In an expert workshop, the topics in E3 Water and marine resources were analyzed and assessed in order to determine the impacts, risks, and opportunities of business activities and in the upstream and downstream value chain. The business activities of the A1 Group were reviewed with regard to the touchpoint of water withdrawals, but assets were not assessed. The topic was identified as not material. Affected communities were not consulted.

Related to ESRS 2 IRO-1 — E4 Biodiversity and ecosystems

In an interview with an NGO expert together with an A1 Group ESG expert, the topics in E4 Biodiversity and ecosystems were analyzed and assessed in order to determine the impacts, risks, and opportunities in the own operation and in the upstream and downstream value chain. The scales described above were used for the assessment. The A1 Group has sites in or near biodiversity-sensitive areas, but no negative impacts on the environment have been identified. In addition, no physical risks, system risks or transition risks were assessed as material and no dependencies were identified. Thus, the topic was assessed as not material. No actions to reduce impacts have to be taken at the moment. Affected communities were not consulted.

Related to ESRS 2 IRO-1 — E5 Resource use and circular economy

In an expert workshop the topics of resource inflows, resource outflows, and waste generated were analyzed and assessed in order to determine the impacts, risks, and opportunities in the own operation and in the upstream and downstream value chain. The relevance of the topics in connection with the own operation was reviewed. Affected communities were not consulted. Network infrastructure, equipment, fixed and mobile devices, and packaging materials were identified as material inflows. The latter was also identified as a material outflow. Both resource inflows and resource outflows are material due to their negative impact on the environment and relate to the A1 Group's entire value chain.

Related to ESRS 2 IRO-1 — G1 Business conduct

In an expert workshop the topics in G1 Business conduct were analyzed and assessed in order to identify and analyze the impacts, risks, and opportunities in the own operation and in the upstream and downstream value chain. The analysis was performed consolidated for the entire A1 Group based on the comprehensive compliance management system.

IRO-2 — Disclosure requirements in ESRS covered by the undertaking's sustainability statement

The index of disclosure requirements covered by the sustainability statement and the list of data points resulting from other EU legislation are listed in the annex to the sustainability statement.

Environmental information

Disclosures pursuant to Article 8 of Regulation 2020/852 (Taxonomy Regulation)

The aim of the EU Taxonomy as part of the European Green Deal is to mobilize investments in sustainable activities. Mandatory reporting ensures that sustainability is measured through financial performance indicators.

The legal framework is provided by the EU Taxonomy Regulation¹⁾, which came into force in June 2020, the Climate Delegated Act²⁾ for the environmental objectives of climate change mitigation and adaptation, the associated Annexes I³⁾ and II⁴⁾ and the supplementary Disclosures Delegated Act⁵⁾, which sets out the disclosure requirements in accordance with Article 8 of the EU Taxonomy Regulation.

In June 2023, a further Delegated Act⁶⁾ (Environmental Delegated Act) was adopted, which includes EU taxonomy criteria for economic activities that make a significant contribution to one or more of the non-climate-related environmental objectives, namely: sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems. This Delegated Act also supplements the disclosure requirements pursuant to Article 8. The existing regulations for the two climate targets (Climate Delegated Act) were supplemented in June 2023 by a further Commission Delegated Regulation⁷⁾, which defines additional taxonomy criteria.

Furthermore, the EU Commission published additional notices/FAQs⁸⁾ that provide guidance and clarification on the correct application and interpretation of the Regulation/Delegated Acts, including Commission Notices on Article 8 and the technical screening criteria.

For the 2024 financial year, all six environmental objectives are relevant for disclosures, where the share of capital and operating expenditure (CAPEX and OPEX) and turnover from taxonomy-eligible, non-taxonomy-eligible and taxonomy-aligned activities must be disclosed for all objectives for the first time. This means that the full scope of reporting has been achieved for the time being.

Approach 2024

The newly expanded reporting requirements were again implemented in a cross-border team. The A1 Group's economic activities were reviewed at Group level in regard to their taxonomy eligibility for 2024.

For the two environmental objectives of climate change mitigation and climate change adaptation as well as for the non-climate-related environmental objectives (sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems), the A1 Group's economic activities in the 2024 reporting year were screened in order to ascertain whether any changes had been made. It was concluded that the catalogue of taxonomy-eligible economic activities for A1 Group is unchanged compared to the 2023 reporting year. A first review of taxonomy alignment was necessary for the non-climate-related environmental objectives in 2024. For the climate-related economic activities, it was examined whether there were any changes in the degree to which the technical screening criteria were met compared to the previous year.

The KPIs for all taxonomy-eligible and taxonomy-aligned economic activities of the A1 Group were determined by the subsidiaries and verified for plausibility, checked, consolidated, and reconciled with the financial indicators at Group level. Questions raised by the subsidiaries regarding the requirements of the Taxonomy Regulation, definitions, and any options for interpretations were jointly discussed and answered by the Group team. To ensure that the information was correct and complete, documentation with the key content of the EU Taxonomy was produced and shared with the team.

Taxonomy-eligible activities

The list of economic activities described in the EU Taxonomy Regulation covers only a small part of the A1 Group's core activities. Most of its business activities – which mainly involve products and services for mobile telecommunications, fixed line and broadband Internet – are currently not covered within the scope of the EU Taxonomy Regulation. Thus, the significant investments in infrastructure, such as the 5G and fiber roll-out, are also not taxonomy-eligible. Numerous studies prove the contribution of the

¹⁾[EU Taxonomy Regulation \(EU\) 2020/852](#)

²⁾[Commission Delegated Regulation \(EU\) 2021/2139](#)

³⁾[Annex I \(EU\) 2021/2800](#)

⁴⁾[Annex II \(EU\) 2021/2800](#)

⁵⁾[Commission Delegated Regulation \(EU\) 2021/2178](#)

⁶⁾[Commission Delegated Regulation \(EU\) 2023/2486](#)

⁷⁾[Commission Delegated Regulation \(EU\) 2023/2485](#)

⁸⁾[FAQ July 2021, FAQ January 2022, FAQ February 2022, Commission Notice C/2023/305, Commission Notice C/2023/267, Draft Commission Notice November 2024](#)

telecommunications sector to the achievement of environmental objectives, so it is to be hoped that the EU will include telecommunication services in the catalogue of taxonomy-eligible activities in the next few years as the EU Taxonomy continues to expand.

The EU Taxonomy defines that an economic activity is characterized by the input of resources, a production process, and an output of goods or services (see FAQ¹⁾ of the EU Commission). This means that primarily revenue-generating activities are taxonomy-eligible. The definition of revenue is based on the Delegated Regulation. The revenue-generating activities remain unchanged from the previous year.

Economic activity of EU Taxonomy Regulation	Revenue-generating activities of the A1 Group	Contribution to the environmental objective
8.1. Data processing, hosting, and related activities	A1 Group operates its own and leased data centers and sells related services, such as data processing and storage or transmission capacities.	Climate change mitigation
8.2. Data-driven solutions for GHG emissions reductions	IoT/data solutions for GHG emissions reductions: smart meters, smart waste, smart parking and mobility	Climate change mitigation
4.1. Provision of IT/OT data-driven solutions	IoT Solutions for Remote Monitoring and Predictive Maintenance (Activity 4.1./a)	Transition to a circular economy
5.4. Sale of second-hand goods	<ul style="list-style-type: none"> Collection of old devices and resale as used equipment Purchase of refurbished devices from third parties and resale 	Transition to a circular economy
5.5. Product-as-a-service and other circular use- and result-oriented service models	Result-oriented services: Product-as-a-service (e.g. device as-a-service/rental of mobile phones and other devices)	Transition to a circular economy

In addition to revenue-generating activities, the EU Taxonomy Delegated Act also lists three taxonomy-eligible types of CAPEX:

- CAPEX a) refers to investments that are directly related to taxonomy-eligible revenue-generating economic activities.
- CAPEX b) refers to investments that are part of a plan to expand taxonomy-aligned economic activities or to convert taxonomy-eligible economic activities into taxonomy-aligned economic activities ("CAPEX plan").
- CAPEX c) refers to investments resulting from the acquisition of output (products/services) from taxonomy-eligible and taxonomy-aligned economic activities and individual measures by which the economic activities are carried out in a way that generates low carbon emissions or reduces greenhouse gas emissions.

Based on the above definitions, the following CAPEX c) is taxonomy-eligible in 2024:

Economic activity of EU Taxonomy Regulation	CAPEX c) activities of the A1 Group	Contribution to the environmental objective
6.5. Transport by motorbikes, passenger cars and light commercial vehicles	A1 Group buys and leases vehicles with combustion engines, hybrid and electric vehicles from manufacturing companies or dealers.	Climate change mitigation
7.2. Renovation of existing buildings	A1 Group buys services from companies that carry out renovation work.	Climate change mitigation
7.3. Installation, maintenance and repair of energy-efficiency equipment	A1 Group buys the output and services of companies to increase energy efficiency in buildings, e.g. heating and cooling systems.	Climate change mitigation
7.4. Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	A1 Group buys the output/services of companies that take care of the installation, maintenance and repair of charging stations, solar panels on charging stations and batteries for these solar panels.	Climate change mitigation
7.5. Installation, maintenance and repair of instruments and devices for measuring, regulating and controlling energy performance of buildings	A1 Group buys the output/services of companies that install, maintain or repair devices for measuring, regulating and controlling the energy performance of buildings.	Climate change mitigation
7.6. Installation, maintenance and repair of renewable energy technologies	A1 Group buys the output and services of companies that install, maintain or repair solar panels or wind turbines on buildings and cell towers.	Climate change mitigation

¹⁾FAQ February 2022

All taxonomy-eligible activities of the A1 Group contribute only to one environmental objective, either "Climate change mitigation" or "transition to a circular economy". This prevents activities from being counted twice.

Reporting in accordance with the Taxonomy Regulation was based on the scope of consolidation of the A1 Group, which is presented in note 34 of the 2024 consolidated financial statements.

Assessment of taxonomy alignment

For the 2024 reporting year, for the first time, taxonomy alignment is to be evaluated for all environmental objectives. The relevant taxonomy-eligible activities were therefore reviewed in terms of their taxonomy alignment, i.e. whether the technical screening criteria are met:

Economic activities in connection with the environmental objective of climate change: As part of the preparation for the CSRD, a climate risk assessment was carried out, the results of which can also be used as proof for taxonomy alignment.

The climate risk assessment is used to prove taxonomy alignment for the A1 Group's economic activities 7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings) and activity 7.6 Installation, maintenance, and repair of renewable energy technologies. The extent to which the criteria for taxonomy alignment are now met for these two activities was therefore reviewed.

- Significant contribution: As enabling activities, both activities automatically fulfill the criterion of making a significant contribution to climate change mitigation
- Do no significant harm (DNSH): The climate risk assessment is the only criterion that must be met to ensure the DNSH principle is fulfilled.
- Minimum (social) safeguards: The minimum safeguards pursuant to Article 18 of the EU Taxonomy Regulation (EU) 2020/852 are intended to ensure that an economic activity is considered taxonomy-aligned only if it also complies with international human rights standards and regulations governing issues such as bribery and corruption, taxation, and fair competition. The Platform for Sustainable Finance published a report Final Report on Minimum Safeguards in 2022¹⁾ (Platform on Sustainable Finance October 2022), which explains the requirements for minimum social safeguards. The A1 Group fulfills these requirements and does not violate any of the above criteria. This is verified by this sustainability statement, which reports on the key matters of human rights, bribery and corruption, and fair competition in accordance with the ESRS. The requirements regarding taxation are met by the A1 Group's Tax Policy²⁾. Furthermore, no proceedings for violations of tax laws were ongoing in 2024.

As a result, the economic activities 7.4. and 7.6. fulfill all technical screening criteria in 2024 and can be assessed as taxonomy-aligned.

Economic activities in connection with the environmental objective transition to a circular economy:

- 4.1 ./ Provision of data-driven IT/OT solutions and 5.4./ Sale of second-hand goods: These two activities generate only minor revenue for the A1 Group and no investments were made in 2024. They are therefore not material for the business model. In accordance with question 13 of the FAQ 2023 of the EU Commission³⁾ FAQ Art. 8 20.10.2023, it is no necessary to assess the taxonomy alignment for activities that are not material for the business model.
- 5.5./ Product-as-a-service and other circular use and result-oriented service models: A review of the technical screening criteria showed that the activities only partially meet the criteria for making a significant contribution to the environmental objective. They are therefore determined as not taxonomy-aligned.

Materiality

The EU Taxonomy Delegated Act does in general not allow the application of materiality. An exception is the application of materiality for OPEX provided this they are "not significant" to the company's business model. The FAQ/Commission Notice⁴⁾ from 2023 provided further clarification in this regard. Accordingly, all OPEX that is not material for the business model can be exempted from the calculation of the numerator of the OPEX KPI. The numerator is disclosed as being equal to zero.

The A1 Group continues to follow this approach in 2024: Only OPEX KPIs for the taxonomy-eligible economic activities that are significant (material) for the A1 Group's business model are reported. As a result, only the OPEX of revenue-generating activities is material. No other activities are included in the numerator, i.e. the OPEX KPI is disclosed as being equal to zero. In the denominator, the total OPEX as defined in the Delegated Act is still included.

¹⁾Final Report Minimum Safeguards - Platform on Sustainable Finance October 2022

²⁾A1 Group Tax Policy

³⁾FAQ Art. 8, 20.10.2023

⁴⁾Commission Notice C/2023/305

EU Taxonomy Regulation KPIs

The KPIs for the 2024 financial year for revenue, CAPEX, and OPEX were calculated in accordance with the requirements and definitions in Annex I of Commission Delegated Regulation 2021/2178¹⁾ and the Environmental Delegated Act²⁾, which includes amendments to the disclosure requirements.

Each taxonomy-eligible business activity of the A1 Group is allocated to the corresponding economic activity of the taxonomy catalogue. In some cases, individual economic activities could be assigned to more than one taxonomy activity. This applies particularly to CAPEX and OPEX for buildings with multiple uses as offices and data centers. To provide transparency and avoid double counting, CAPEX and OPEX were allocated only to the predominant activity ("majority principle").

To determine KPIs for all taxonomy-eligible activities as shown in the reporting templates, selection parameters were defined according to the definition of CAPEX, OPEX, and turnover and reports were generated from the respective ERP systems of the subsidiaries.

Only external revenues and expenditures related to third parties were included in the calculation. Intra-group transactions were excluded. This ensured that double counting was avoided.

Revenue KPI: Total revenue (denominator) is as disclosed in note 5 to the consolidated financial statements, revenue from services and the sale of terminal equipment.

Revenue in EUR million	2024	2023
Service revenues	4,501.6	4,347.8
Total equipment revenues	813.4	811.5
Total revenue	5,315.0	5,159.2

CAPEX KPI: Total CAPEX (denominator) is equal to the amount disclosed for total additions to intangible assets and property, plant, and equipment, plus additions to right-of-use assets in accordance with IFRS 16 (Leases). Due to the prevailing legal opinion the additions for asset retirement obligations are to be included in CAPEX since the 2023 reporting year.

Capital expenditures in EUR million	2024	2023
Intangibles (Note 16)	211.4	305.2
Property, plant, and equipment without asset retirement obligations (Note 15)	662.2	806.6
Right-of-use assets in accordance with IFRS 16 (Note 30)	300.9	415.8
Total additions	1,174.6	1,527.6

OPEX KPI: Total OPEX (denominator) as defined by EU Taxonomy includes only a very limited share of operating expenditures. These are expenses related to research and development, building renovation, short-term leases, and maintenance and repairs. Since the A1 Group does not engage in any significant research and development projects and almost all of its leases are capitalized (see also note 30), only expenses for maintenance and repair that are included in other operating expenses (see note 6) were classified as relevant and included in the OPEX KPI.

Respective KPIs of the taxonomy-eligible, taxonomy-aligned, and non-taxonomy-eligible economic activities of the A1 Group, shown as the share of A1 Group total turnover, CAPEX and OPEX, are presented in the following templates in the updated version (see Annex II of Commission Delegated Regulation 2023/2486³⁾).

¹⁾Commission Delegated Regulation (EU) 2021/2178

²⁾Commission Delegated Regulation (EU) 2023/2486

³⁾Commission Delegated Regulation (EU) 2023/2486

Template 1: Proportion of turnover from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2024

FINANCIAL YEAR		2024		SUBSTANTIAL CONTRIBUTION CRITERIA										DNSH CRITERIA ("Does Not Significantly Harm")						Proportion of Taxonomy- aligned (A.1.) or -eligible (A.2.) Turnover, 2023		Category enabling activity Category transitional activity									
ECONOMIC ACTIVITIES	CODE(s)	Turnover in EUR million	Proportion of Turnover, 2024 %	Climate Change Mitigation		Climate Change Adap- tation		Water		Pollution		Circular Economy		Biodiversity		Climate Change Mitigation		Climate Change Adap- tation						Water		Pollution		Circular Economy		Biodiversity	
				(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																															
A.1. Environmentally sustainable activities (taxonomy-aligned)																															
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0.0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N	N	N	N	N	N	N	N	N	N	N	N	N	N	0.0%			
Of which Enabling		0.0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%															0.0%		E	
Of which Transitional		0.0	0.0%	0.0%																								0.0%		T	
A.2. Taxonomy-eligible, but not environmentally sustainable activities (not taxonomy-aligned)																															
8.1 Data processing, hosting and related activities		CCM 8.1 / CCA 8.1	73.4	1.4%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL																	1.3%			
8.2 Data-driven solutions for GHG emissions reductions		CCM 8.2	14.3	0.3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL																	0.7%			
4.1 Provision of IT/OT data-driven solutions and software		CE 4.1	2.3	0.0%	N/EL	N/EL	N/EL	N/EL	N/EL	EL	N/EL																	0.0%			
5.4 Sale of second-hand goods		CE 5.4	1.0	0.0%	N/EL	N/EL	N/EL	N/EL	N/EL	EL	N/EL																	0.0%			
5.5 Product-as-a-service and other circular use- and result-oriented service models		CE 5.5	33.7	0.6%	N/EL	N/EL	N/EL	N/EL	N/EL	EL	N/EL																	0.6%			
Turnover of Taxonomy-eligible, but not environmentally sustainable activities (not Taxonomy-aligned) (A.2)		124.7	2.3%	70.3%	0.0%	0.0%	0.0%	0.0%	29.7%	0.0%																		2.7%			
Turnover of Taxonomy-eligible activities (A.1 + A.2)		124.7	2.3%	70.3%	0.0%	0.0%	0.0%	0.0%	29.7%	0.0%																		2.7%			
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																															
Turnover of Taxonomy non-eligible activities (B)		5,190.3	97.7%																												
TOTAL Turnover		5,315.0	100.0%																												

(a) Section A.1:

Y – Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective;

N – No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective;

N/EL – Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective

(b) Section A.2:

EL – Taxonomy-eligible activity for the relevant objective;

N/EL – Taxonomy-non-eligible activity for the relevant objective

Template 2: Proportion of CAPEX from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2024

FINANCIAL YEAR		2024		SUBSTANTIAL CONTRIBUTION CRITERIA						DNSH CRITERIA ("Does Not Significantly Harm")						Minimum safeguards	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) CAPEX, 2023	Category enabling activity	Category transitional activity
ECONOMIC ACTIVITIES	CODE(s)	CAPEX in EUR million	Proportion of CAPEX, 2024 %	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity				
				(a) (b)	(a) (b)	(a) (b)	(a) (b)	(a) (b)	(a) (b)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (taxonomy-aligned)																			
7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4. / CCA 7.4.	1.0	0.1%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.0%	E	-
7.6 Installation, maintenance and repair of renewable energy technologies	CCM 7.6. / CCA 7.6.	1.3	0.1%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.0%	E	-
CAPEX of environmentally sustainable activities (Taxonomy-aligned) (A.1)		2.3	0.2%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	Y	Y	Y	Y	Y	Y	Y	0.0%		
Of which Enabling		2.3	0.2%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%								0.0%	E	
Of which Transitional		0.0	0.0%	0.0%													0.0%		T
A.2. Taxonomy - eligible, but not environmentally sustainable activities (not taxonomy-aligned)																			
6.5 Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5. / CCA 6.5.	21.5	1.8%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.8%		
7.2 Renovation of existing buildings	CCM 7.2. / CCA 7.2. / CE 3.2.	1.0	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.1%		
7.3 Installation, maintenance and repair of energy efficiency equipment	CCM 7.3. / CCA 7.3.	4.4	0.4%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.8%		
7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings) ^(c)	CCM 7.4. / CCA 7.4.	0.0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		
7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5. / CCA 7.5.	0.1	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		
7.6 Installation, maintenance and repair of renewable energy technologies ^(c)	CCM 7.6. / CCA 7.6.	0.0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.5%		
8.1 Data processing, hosting and related activities	CCM 8.1. / CCA 8.1.	31.8	2.7%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.7%		
8.2 Data-driven solutions for GHG emissions reductions	CCM 8.2.	0.1	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		
5.5 Product-as-a-service and other circular use- and result-oriented service models	CE 5.5.	24.3	2.1%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								1.1%		
CAPEX of Taxonomy-eligible, but not environmentally sustainable activities (not Taxonomy-aligned) (A.2)		83.3	7.1%	70.8%	0.0%	0.0%	0.0%	29.2%	0.0%								5.0%		
CAPEX of Taxonomy-eligible activities (A.1 + A.2)		85.5	7.3%	71.6%	0.0%	0.0%	0.0%	28.4%	0.0%								5.0%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CAPEX of Taxonomy non-eligible activities (B)		1,089.0	92.7%																
TOTAL CAPEX		1,174.6	100.0%																

(a) Section A.1:

Y - Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective;
 N - No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective;
 N/EL - Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective

(b) Section A.2:

EL - Taxonomy-eligible activity for the relevant objective;
 N/EL - Taxonomy-non-eligible activity for the relevant objective

(c) Activity was not taxonomy-aligned in 2023 (reported under section A.2.). In 2024 activity is taxonomy-aligned (reported under section A.1.)

Template 3: Proportion of OPEX from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2024

FINANCIAL YEAR		2024		SUBSTANTIAL CONTRIBUTION CRITERIA								DNSH CRITERIA ("Does Not Significantly Harm")											
ECONOMIC ACTIVITIES	CODE(s)	OPEX in EUR million	Proportion of OPEX, 2024 %	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy- aligned (A.1.) or -eligible (A.2.) OPEX, 2023	Category enabling activity	Category transitional activity				
				(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T	
				(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T	
A. TAXONOMY-ELIGIBLE ACTIVITIES																							
A.1. Environmentally sustainable activities (taxonomy-aligned)																							
OPEX of environmentally sustainable activities (Taxonomy-aligned) (A.1)				0.0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%					
Of which Enabling				0.0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	E				
Of which Transitional				0.0	0.0%	0.0%									0.0%					T			
A.2. Taxonomy - eligible, but not environmentally sustainable activities (not taxonomy-aligned)																							
6.5 Transport by motorbikes, passenger cars and light commercial vehicles ^(c)				CCM 6.5. / CCA 6.5.	0.0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL		0.0%					
7.2 Renovation of existing buildings ^(c)				CCM 7.2. / CCA 7.2. / CE 3.2.	0.0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL		0.0%					
7.3 Installation, maintenance and repair of energy efficiency equipment ^(c)				CCM 7.3. / CCA 7.3.	0.0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL		0.0%					
7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings) ^(c)				CCM 7.4. / CCA 7.4.	0.0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL		0.0%					
7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings ^(c)				CCM 7.5. / CCA 7.5.	0.0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL		0.0%					
7.6 Installation, maintenance and repair of renewable energy technologies ^(c)				CCM 7.6. / CCA 7.6.	0.0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL		0.0%					
8.1 Data processing, hosting and related activities				CCM 8.1. / CCA 8.1.	5.7	2.9%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL		3.1%					
8.2 Data-driven solutions for GHG emissions reductions				CCM 8.2.	0.3	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL		0.2%					
OPEX of Taxonomy-eligible, but not environmentally sustainable activities (not Taxonomy-aligned) (A.2)				6.0	3.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		3.3%					
OPEX of Taxonomy-eligible activities (A.1 + A.2)				6.0	3.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		3.3%					
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																							
OPEX of Taxonomy non-eligible activities (B)				193.5	97.0%																		
TOTAL OPEX				199.5	100.0%																		

^(a) Section A.1:

Y – Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective;
N – No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective;
N/EL – Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective

^(b) Section A.2:

EL – Taxonomy-eligible activity for the relevant objective;
N/EL – Taxonomy-non-eligible activity for the relevant objective

^(c) Based on materiality approach, OPEX determined as not material for A1 Group business model is disclosed as zero in the template

Taxonomy eligibility and alignment per environmental objective

	Proportion of Turnover / Total Turnover		Proportion of CAPEX / Total CAPEX		Proportion of OPEX / Total OPEX	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective	Taxonomy-aligned per objective	Taxonomy-eligible per objective	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0.0%	1.7%	0.2%	5.2%	0.0%	3.0%
CCA	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
WTR	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
CE	0.0%	0.7%	0.0%	2.1%	0.0%	0.0%
PPC	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
BIO	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

E1 Climate change

Strategy

E1-1 — Transition plan for climate change mitigation

We are committed to counteracting climate change by integrating sustainability into our operations and business strategies. As one of the leading telecommunications companies, we recognize our role in reducing greenhouse gas (GHG) emissions and advancing towards a low-carbon economy.

Our Climate Transition Plan aligns with the best practices in the telecommunication industry, and it aims to support global efforts to limit temperature rise in line with the Paris Agreement, explicitly limiting global warming to 1.5°C. Our ambition is to be at the forefront of our industry in sustainability by continuously minimizing the carbon footprint in our operation and across the value chain. We prioritize energy efficiency and renewable energy use as key strategies for climate change mitigation. Our ambition is backed by science-based Net-Zero targets, validated by the Science Based Targets initiative (SBTi) in 2024. We aim to reduce emissions from our operations by at least 90% by 2030 and reach Net-Zero across our entire value chain by 2040. Net-Zero means that emissions are reduced in line with the 1.5-degree target of the Paris Agreement, and the impact of remaining emissions (after a reduction of 90–95%) is neutralized through the permanent removal of an equivalent amount of CO₂.

Our near-term targets are as follows: We are committed to reducing absolute Scope 1 and 2 GHG emissions by 90% by 2030, compared to a 2019 base year. Additionally, we are committed to reducing absolute Scope 3 GHG emissions from purchased goods and services, capital goods, fuel- and energy-related activities, and the use of sold products by 60% by 2030, also from a 2019 base year. The target boundary includes land-related emissions and removals from bioenergy feedstocks. Scope 2 emissions are calculated using the market-based approach (see E1-4). Our decarbonization pathway follows the latest sector-specific decarbonization trajectories¹⁾. These pathways are aligned with the IPCC Special Report on 1.5°C and have been adopted as the sectoral target-setting approach by the Science Based Targets Initiative (SBTi), ensuring that our targets contribute to limiting global temperature rise in line with international climate goals. We are not excluded from the EU Paris-aligned Benchmarks.

However, we understand that setting ambitious goals alone is not enough. We need to carefully plan and take action to make them a reality while ensuring transparency regarding the impacts of these initiatives. Therefore, we are making significant adjustments across multiple areas to ensure our business model is compatible with these ambitious targets. Our decarbonization levers are increasing on-site renewable production and renewable energy procurement, transitioning our fleet to low-carbon vehicles, as well as modernizing networks, infrastructure and cooling and heating systems to improve energy efficiency (see E1-3). The investments in decarbonization based on our Climate Transition Plan are covered within the respective line items of the balance sheet and Profit & Loss of the consolidated financial statements. In accordance with ESRS 1 (7.7) no. 106 we use the right to omit disclosures of planned CAPEX/OPEX broken down to decarbonization levers as they contain sensitive information related to our strategy and business model.

The Climate Transition Plan was approved by the A1 Group Management Board, which holds ultimate responsibility for delivering our “Empowering Digital Life” strategy. Our Climate Transition Plan is acknowledged by the Supervisory Board. Execution of the Climate Transition Plan is integrated into our regular governance structures, with ongoing and regular progress reviews. The day-to-day management and execution of climate transition initiatives is decentralized across our operating companies and overseen by the unit Group ESG. Furthermore, the Climate Transition Plan execution is also integrated in the incentive schemes of the local and Group management.

The EU Taxonomy Regulation covers only a small portion of our core activities. Most of our business, primarily mobile telecommunications and broadband services, falls outside its current scope. As a result, significant infrastructure investments, such as 5G and fiber roll-out, are not Taxonomy-eligible, despite numerous studies highlighting the positive environmental contributions of telecommunications. Therefore the investments for the Climate Transition Plan may not be related to the low CAPEX KPI disclosed according to Article 8 of EU Taxonomy Regulation.

Success is measured by our progress in reducing GHG emissions toward our climate targets. As of today, compared to our 2019 baseline, we have reduced our Scope 1, 2, and 3 emissions by 35%, keeping us ahead of our Net-Zero reduction trajectory. Moving forward, as part of our climate transition plan implementation, we will continuously identify, monitor, and report on key success metrics. Simultaneously, we are enhancing our ESG data measurement, reporting, and disclosure processes. By adopting innovative technologies, we aim to strengthen our operational resilience and contribute positively to environmental sustainability, aligning our efforts with the expectations set forth by our stakeholders.

¹⁾ As outlined in Recommendation ITU-T L.1470, ‘GHG Emissions Trajectories for the ICT Sector Compatible with the UNFCCC Paris Agreement.’

Related to ESRS 2 SBM-3 — E1 Climate change

Physical climate risks

The following climate-related risks were identified as relevant risks for the A1 Group's sites in the course of the climate risk assessment:

- Temperature change and heat stress
- Heatwave
- Cold spell/frost
- Landslide
- Heavy precipitation
- Floods/coastal flooding

The top climate risks for the passive and active infrastructure of the radio towers and for the fixed line infrastructure are landslides, followed by heat stress/heatwaves. Other risks include flooding and cold spells/frost. Buildings (shops, offices, data centers, logistics centers) are also exposed to climate risks in the form of landslides, heavy precipitation, and flooding. The majority of climate risks are concentrated in shops and smaller office buildings. All headquarters and all relevant data centers such as warehouses are not affected by climate events across all periods under review.

While risks such as landslides and floods are more pronounced in Austria and Croatia, Bulgaria and North Macedonia are more affected by heatwaves. In terms of individual countries, Austria is exposed to the highest number of climate risks in absolute terms, as it has the most fixed line and mobile network sites.

Assessment of the exposure of the company's assets and business activities to these climate-related risks

The results of the 2024 climate risk assessment can be represented by the number of climate events over time (> 10% of the sites are potentially affected) and the assessment of the potential damage incurred compared to when adaptation measures are implemented.

Overall, the A1 Group's mobile and fixed line infrastructure is exposed to climate risks only to a minor extent in the short and medium term. As a short-term measure, new sites are already being examined prior to the construction of infrastructure with regard to future climate events so that sustainable use is guaranteed. In the long term, however, a significant increase in exposure has to be expected based on the scenarios. Additional adaptation solutions will therefore be required, ranging for example from the relocation of sites, flood protection, to heating elements or cooling of the systems.

Climate-related transition risks

Relevant transition events for the A1 Group include

- Policy and legal: higher pricing of greenhouse gas emissions; risk of legal disputes
- Technology: costs of the transition to lower-emission technologies
- Market: change in consumer behavior
- Reputation: change in consumer preferences

In the field of policy and legal, the A1 Group is already subject to carbon pricing, e.g. in Austria. For each scenario, the A1 Group models the energy price trends over the next 30 years, including the pro rata carbon pricing, which is reflected in the energy price, fuel costs, and cooling and heating costs. While the < 2°C scenario manages energy consumption and sustainable energy sources through increases in carbon pricing, the > 4°C scenario sees a further increase in demand for energy that is also provided by conventional, non-sustainable sources. Carbon taxes have no steering effects in this scenario.

The price trend in each scenario is linked to the trend in volume in order to assess the financial impacts of the two scenarios. While higher demand for data from end customers and increasing computing power in data centers increases energy consumption, energy-saving measures, new transmission technologies, and the switch to sustainable sources reduce energy consumption and thus emissions. Accordingly, the two scenarios result in significantly different, i.e. high or low, financial impacts of regulatory interventions. Regardless of the carbon pricing, the Climate Transition Plan is essential for the A1 Group to achieve its Net-Zero-target.

The risk of legal disputes for the A1 Group in connection with climate-related issues is currently assessed as low. The A1 Group assumes its responsibility in the form of the Climate Transition Plan, which demonstrates a scientifically proven way (SBTi) to achieve climate neutrality. Risks in connection with the sustainability reporting can be avoided through the use of internal controls. Risks in the value chain are prevented through the A1 Group's sustainable sourcing activities (see S2). We also work closely with our business customers to jointly reduce sustainability risks.

Costs of the transition to lower-emission technologies

The main risks in this context are legacy devices in the mobile network. While shutting down 2G and 3G is sensible from a technological point of view, as newer technologies such as 4G and 5G and packet-based data transmission also offer efficiency gains for voice services, it is not possible to replace all 2G and 3G terminal equipment in the network in the short term. This is causing a delay in the switch to more efficient technologies, which in turn poses a challenge for the transition plan for climate change mitigation. Ideally, the regulator will support this transition, as it should not create competitive advantages or disadvantages for the operators, but rather encourage concerted activity by all operators to help the sector combat climate change. Data transmission via the fiber network is a far more energy-efficient technology. Terminal equipment – from routers to set-top boxes for streaming – is also generating fewer emissions and may contribute to reducing energy consumption by end customers. The risk of technological transformation can be described as the delayed shutdown of legacy technologies such as 2G and 3G that temporarily causes higher costs for licenses, energy consumption, complexity, and maintenance.

Changes in consumer behavior and consumer preferences

The A1 Group faces the challenge of meeting growing demand for data using the most suitable technology. These are stationary/household fiber or hybrid networks. The challenge for the A1 Group lies in steering customers towards the appropriate technologies for their own consumption patterns. Consumer preferences in connection with access technology (mobile or fixed line) are currently driven less by the carbon impact and more by attractive offers and ease of installation and operation. The risk for the A1 Group lies in providing low-emission (fixed line) technology, which is facing low demand in the short term, and thus in higher production costs for data traffic in mobile communications with a partial lack of utilization of the energy-efficient fixed networks.

Assessment of the exposure of the company's assets and business activities to these climate-related transition risks

For most customers, telecommunications are a commodity, a part of daily life that cannot be replaced or compensated for by other services. Climate-related transition risks for the business model of telecommunications providers such as the A1 Group can therefore be regarded as non-critical. The risk related to an industry-standard return on investment in the case of fiber for example is partly reduced by government subsidies, while the speed of the roll-out is controlled by the regulation of supply and demand.

Resilience of the strategy and the business model in relation to climate change

Telecommunication networks are characterized by redundant architecture and regional nodes – as far as both wired and wireless infrastructure is concerned. This offers the advantage that regional (climate-related) events may have regional impacts, but may not produce any overall burden on the network. The more decentralized the network component is, the lower the impacts of possible disruptions are. This, combined with a constantly growing network and thus smaller cell units, helps create a certain basic resilience in the telecommunications infrastructure and thus of the A1 Group's products and services.

The infrastructure expansion and maintenance process also aims to minimize potential disruptions – including climate-related outages – through design, placement, regular maintenance, and predictive actions (e.g. through predictive analytics). Sites exposed to an elevated risk will be subject to special monitoring in the future in order to minimize the increasing risks through countermeasures.

A distinction is made between the following risk exposures, which are resolved accordingly by using management strategies:

- Risk avoidance involves making decisions and taking actions to prevent sources of risk and risk-generating factors.
- In the case of risk mitigation, measures are taken either to reduce the probability of occurrence or to reduce the possible extent of any damage.
- Through risk transfer, risks are partially or completely transferred to third parties.
- Another strategy involves risk acceptance. Risks are consciously entered into either because there is sufficient risk coverage potential or because the risk control measures are associated with disproportionately high costs. The decision whether to accept a risk is made by the responsible managers in the relevant departments or the Management Board, coordinated with Enterprise Risk Management, and are transparently documented.

In course of the climate risk assessment, we also evaluated the resilience of the business model with regard to the physical and transition risks.

Physical risks

Experience from climate disasters in the immediate past and their impacts on the provision of services suggests that the business model is resilient in the short to medium term. On the one hand, the impacts of climate change are not yet noticeable in terms of frequency and intensity, while, on the other hand, relevant physical risks are adequately covered by insurances. The risks that have been identified do not in any case affect our most relevant sites, such as data centers or major traffic hubs, headquarters or warehouses.

Transition risks

Transition risks relate on the one hand to rising costs in connection with the taxation of emissions (CO₂) and, on the other hand, risks such as consumer behavior and increasing demand for data volumes, which can also turn into an opportunity as consumers become more aware of energy consumption and the efficiency of technologies.

In summary, the A1 Group will proactively monitor the impacts of climate change on our business model to take preventive measures in good time.

Impact, risk and opportunity management

E1-2 — Policies related to climate change mitigation and adaptation

The policies outlined focus on climate change mitigation, energy efficiency, and renewable energy deployment, applying to the A1 Group and its subsidiaries. The Environmental Policy additionally covers the entire upstream and downstream value chain. They are published on the A1 Group website and are accessible to internal and external stakeholders at any time. The implementation of the policies is overseen by the Head of Group ESG.

Environmental Policy

- **Content:** Our Environmental Policy emphasizes our commitment to sustainability by minimizing environmental impact and aligning with global initiatives like the Paris Agreement. The policy outlines strategies for reducing emissions, enhancing energy efficiency, and responsible sourcing. It also focuses on transparency, stakeholder engagement, and continuous improvement across the supply chain. Our environmental policy is regularly monitored by the unit Group ESG, ensuring its alignment with any developments that may affect the policy. We report on a regular basis our energy efficiency indicators to track the progress of our initiatives. We also continuously monitor our value chain using a vendor risk assessment matrix based on ESG criteria. This includes self-assessments and external audits at vendor locations through our membership in the Joint Alliance for CSR (JAC).
- **Third party standards or initiative relevant for the A1 Group:** UN Sustainable Development Goals (SDGs), Science Based Targets Initiative (SBTI), GHG Corporate Accounting and Reporting Standard, JAC (Joint Alliance for CSR)

Clean Energy Strategy

- **Content:** Our Clean Energy Strategy provides an important framework for our decarbonization efforts. We aim to increase the energy efficiency, minimizing electricity consumption, purchasing clean energy, and raising the share of renewables in our electricity mix. The policy prioritizes renewable sources like wind, solar, and green hydrogen while excluding controversial options like new hydropower and grey hydrogen. New hydropower and gray hydrogen face criticism for not aligning with long-term environmental goals. New hydropower can harm ecosystems and release methane, while gray hydrogen, despite being a cleaner-burning fuel, generates significant CO₂ emissions. In line with this policy, we use various methods to procure renewable energy, including on-site production, Power Purchase Agreements (PPA), and Guarantees of Origin (GO). The strategy is flexible, adapting to local markets, and emphasizes transparent reporting and long-term positive climate impact. Our clean energy strategy is regularly monitored by the relevant departments, ensuring its relevance and alignment with any developments that may affect our strategic approach. We transparently report electricity consumption, emissions, and the share of renewable energy to ensure effective strategy implementation.

Sustainable Business Travel Guideline

- **Content:** Our Sustainable Business Travel Guideline aims to reduce Scope 3 GHG emissions by promoting sustainable travelling. Employees are encouraged to prioritize virtual meetings, minimize travel frequency, and use public transportation. Air travel is limited to distances over 500 km, with approval needed for domestic flights. The guideline is integrated into local travel policies and emphasizes continuous monitoring, reporting, and periodic reviews to ensure its effectiveness in minimizing environmental impact.

E1-3 — Actions and resources in relation to climate change policies

In line with our commitment to combat climate change, we have set a Net-Zero target, aiming to achieve a 90% reduction in greenhouse gas emissions across all three scopes by 2040 compared to our 2019 baseline. This ambitious goal reflects our dedication to mitigating climate risks and aligning with global sustainability standards. Our climate policies focus on reducing emissions throughout our entire value chain, covering Scope 1 (direct emissions), Scope 2 (indirect emissions from energy use), and Scope 3 (other indirect emissions across the value chain). Targeted actions and resource allocation underpin these efforts to transform our operations, improve energy efficiency, and foster stakeholder collaboration to drive sustainable outcomes. The described actions have been implemented and will be continued.

Emission reduction of our own operation

Our efforts to reduce Scope 1 and Scope 2 greenhouse gas emissions are guided by a comprehensive Climate Transition Plan, focusing on four key areas: energy efficiency, increasing the share of renewable energy, transitioning our fleet to low-carbon options, modernizing our network, and optimizing other energy-consuming assets. The resulting actions are implemented across the entire A1 Group.

Regarding our progress in 2024, we increased the share of renewable energy in our operations to 79%. We made significant strides in transitioning our fleet to low-carbon alternatives by increasing the share of non-ICE vehicles to 17%. Simultaneously, we invested in modernizing and expanding our mobile and fixed networks with cutting-edge technologies to enhance service quality, availability, and energy efficiency. Additionally, we are upgrading some of our older facilities with more energy-efficient Heating, Ventilation, and Air Conditioning (HVAC) systems. These initiatives will continue as part of our efforts to align with our Net-Zero targets. They are expected to significantly reduce our Scope 1 and Scope 2 emissions, contributing to our target of a 90% reduction by 2030 compared to the 2019 baseline. In 2024, we achieved a decrease of 58% compared to our 2019 baseline, putting us 17 percentage points ahead of the Net-Zero reduction trajectory.

Energy Efficiency

- **Content and timeframe:** We consume approximately 0.9 TWh of energy annually, with about 70% used to operate our fixed and mobile access networks. We aim to reduce Scope 1 and 2 emissions by improving energy efficiency and optimizing energy use across the network. This will also mitigate our risk to rising energy costs and future price volatility, enabling us to decouple growing data demand from energy consumption. We assess the outcome of our actions based on the Energy Efficiency Indicator (MWh/TB). Our actions include:
 - We will continue implementing our network modernization plans, including rolling out more energy-efficient 5G technology and fiber by 2030 and simultaneously phasing out legacy technologies.
 - Prioritizing energy efficiency when selecting network equipment to minimize electricity consumption during its operation
 - Optimizing energy use through network configuration improvements and deploying digital tools, AI, and smart energy-saving features, such as 5G sleep mode
 - Consolidating parts of our mobile and fixed network and data center assets, utilizing virtualization and cloud technologies to optimize energy consumption

On-site renewable energy production and renewable electricity purchasing

- **Content and timeframe:** Our objective focuses on two key areas. First, we aim to increase the number of mobile base station sites equipped with on-site renewable electricity generation and power storage, reducing our reliance on fossil fuel-powered stationary generators. Second, we plan to match more of our electricity use with renewable energy certificates and, where possible, with power purchase agreements (PPAs). However, we recognize challenges in procuring renewable energy as well. Namely, in some of our markets, where renewable energy mechanisms are less developed, procuring renewable electricity remains challenging. Nevertheless, the objective of our electricity procurement efforts is to support the transition from fossil fuels to renewables. As the renewable energy market evolves, we will continue exploring new ways to facilitate this transition through our procurement practices. We assess the outcome of our actions based on the Share of Renewables in Electricity (%). Our actions include:
 - We will continue executing our renewable energy procurement strategy to match the electricity we use with renewable sources, either through the grid or power purchase agreements (PPAs) where possible, to reach 100% renewable electricity.
 - We will continuously monitor renewable energy market trends and engage in relevant innovation projects to accelerate our energy transition through improved procurement practices.
 - We will continue installing photovoltaic systems and small wind turbines at sites, and where feasible, larger photovoltaic installations, to increase the share of self-produced renewable electricity.

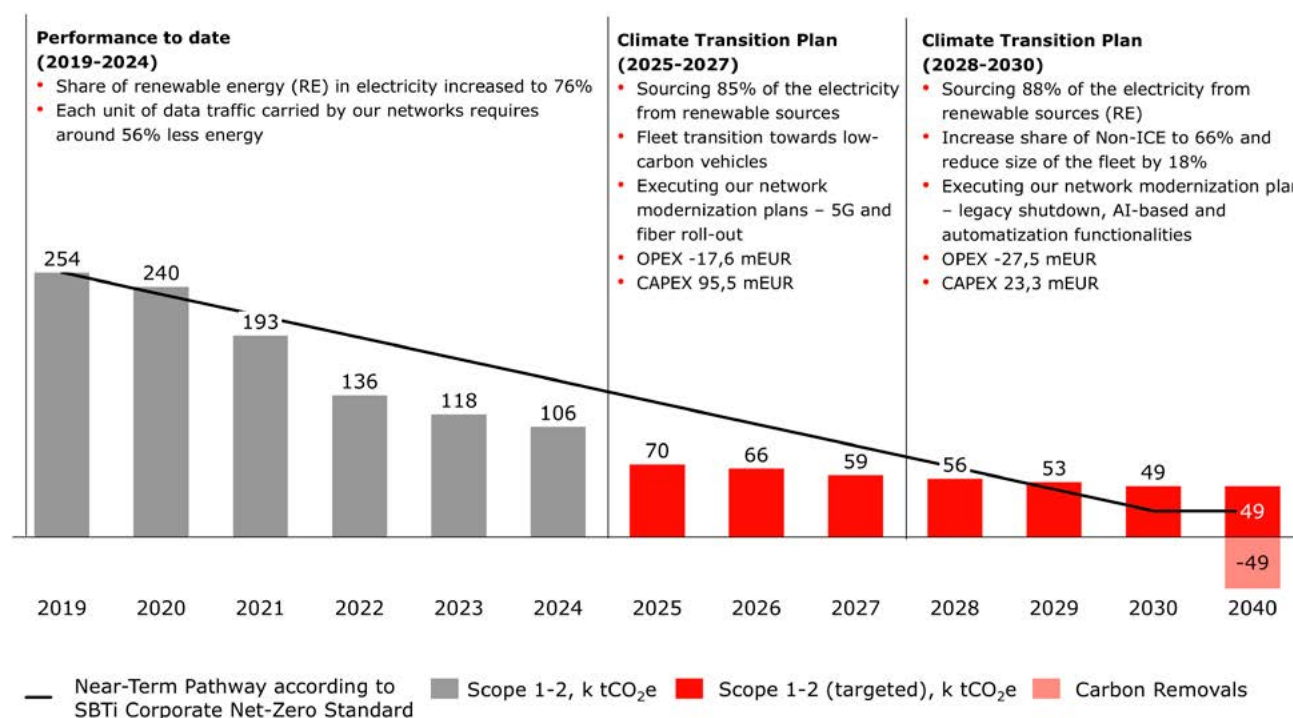
Increasing the share of low-carbon vehicles in the fleet

- **Content and timeframe:** We aim to transition from internal combustion engine vehicles (ICE) to electric vehicles (EVs) powered by renewable electricity, along with hybrid (HEV) and plug-in hybrid (PHEV) vehicles. This transition will consider non-ICE availability, government subsidies, tax incentives, and operational factors. We assess the outcome of our actions based on the Share of non-ICE vehicles (%). Our actions include:
 - Significantly reduce fleet emissions by decreasing the share of internal combustion engine (ICE) vehicles by 2030
 - Support the installation of EV infrastructure, such as charging stations, at our premises to encourage EV adoption
 - Raise awareness and provide training to employees on the benefits of low-carbon vehicles, promoting optimal driving styles
 - Improve our fleet operations to maximize the use of low-carbon vehicles and ensure their efficiency

Modernization of Heating, Ventilation, and Air Conditioning systems across our networks, data centers, and other assets

- **Content and timeframe:** We aim to modernize HVAC systems by upgrading to more energy-efficient models, implementing free cooling, optimizing hot and cold aisles in data centers, and enhancing heat recovery systems where technically and economically feasible. We assess the outcome of our actions based on the Electricity consumption Savings (MWh). Our actions include:
 - Gradually phase out outdated, energy-inefficient HVAC and fossil fuel heating systems, replacing them with modern, energy-efficient alternatives to reduce energy consumption and enhance operational sustainability
 - Maximize the use of free cooling techniques in locations with favorable climate conditions, leveraging natural airflow to reduce energy consumption in cooling operations
 - Deploy advanced cooling solutions in data centers, including optimizing hot and cold aisle containment and upgrading cooling infrastructure to reduce energy use and improve efficiency

A1 Climate Transition Pathway for Scope 1 and 2 emissions



Emission reduction of our value chain operation

We aim to reduce Scope 3¹⁾ emissions by 90% by 2040 from our 2019 baseline. Regarding our progress in 2024, we took actions, such as collaborating with key suppliers to decarbonize their operations, significantly lowering our upstream emissions. Additionally, we are optimizing employee business travel by promoting environmentally friendly options. This includes stricter guidelines on when travel is necessary (principle of avoidance), exploring alternatives or improving travel efficiency (principle of reduction), and prioritizing public transport and trains over cars and planes (principle of lower carbon footprint). To address downstream emissions, we are refurbishing Customer Premises Equipment (CPEs), offering refurbished mobile phones, and gradually transitioning our services to a device-less model. These initiatives align with our policy objectives and targets, promoting sustainability throughout our value chain and are implemented across the entire A1 Group.

These key actions are expected to significantly reduce our Scope 3 emissions, contributing to our target of a 90% reduction by 2040 compared to the 2019 baseline. In 2024, we achieved a decrease of 26% compared to our 2019 baseline, putting us 5 percentage points ahead the Net-Zero reduction trajectory.

Key Supplier Engagement

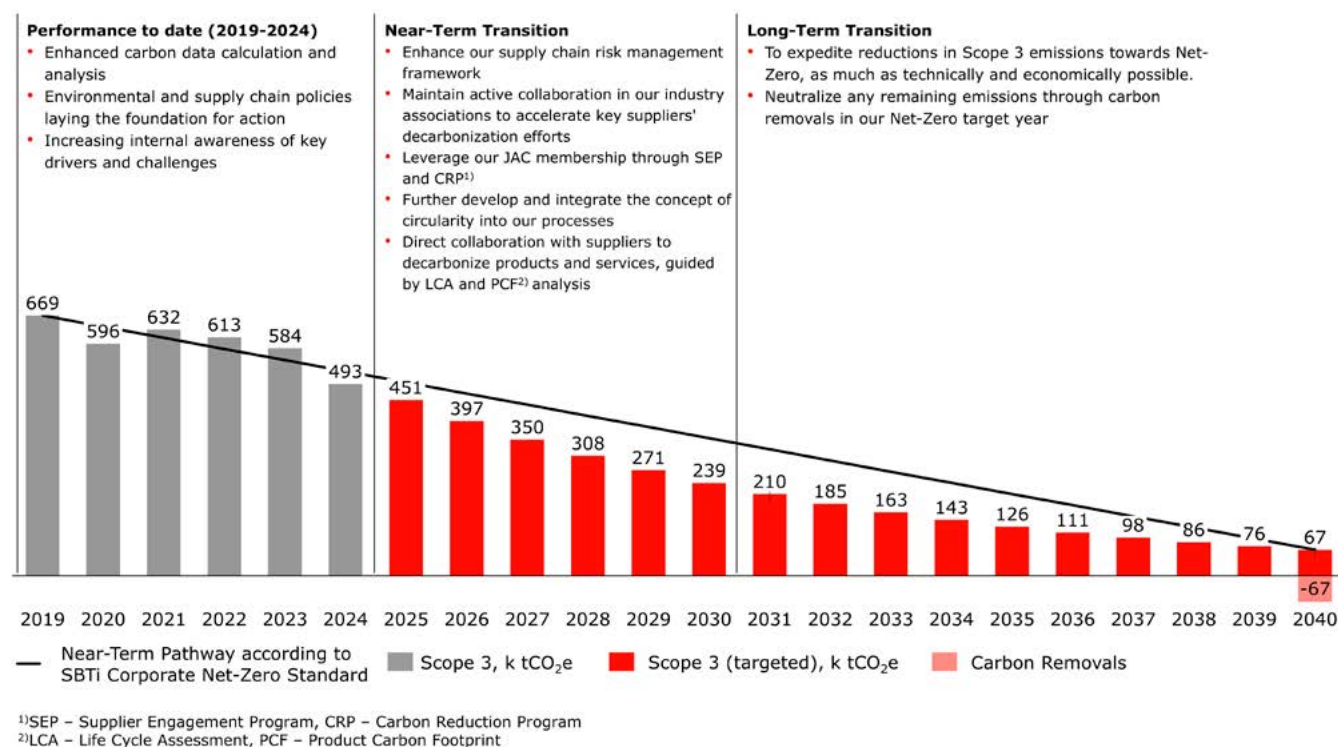
- **Content and timeframe:** We aim to reduce upstream carbon emissions by working with key suppliers, including network equipment manufacturers, to align their climate goals with ours and accelerate decarbonization. One of our key levers is our membership in the Joint Alliance for CSR (JAC). We will also engage tier 2 and tier 3 suppliers to communicate our climate goals and encourage emissions reductions. Supplier climate ambitions and performance will continue to be key factors in procurement. We assess the outcome of our actions based on Scope 3 emissions from purchased goods and services, as well as capital goods (t CO₂e). Our actions include:
 - We will continue collaborating with industry peers and Joint Alliance for CSR (JAC) to engage key equipment and service suppliers in the telecommunications sector, aligning on climate ambitions and emissions reduction opportunities
 - Enhance our supplier engagement program to keep suppliers informed about our climate action plans and set clear expectations for climate action and disclosure and to defining those also through contracts
 - Continue improving tools, processes, and knowledge for procurement teams to integrate climate considerations into supplier selection and buying decisions
 - Explore the use of carbon data analytics, particularly Life Cycle Assessment (LCA) as the gold standard, Ecorating or an internal carbon price to inform procurement decisions

Other Supplier Engagement

- **Content and timeframe:** Our decarbonization efforts extend beyond our key suppliers to include others as well. We aim to collaborate in various areas to explore additional decarbonization opportunities, such as refurbishment and trade-in programs, partnerships that decouple business growth from network expansion, and more. We assess the outcome of our actions based on Scope 3 emissions from purchased goods and services, as well as capital goods (t CO₂e). Our actions include:
 - We strive to enhance our refurbishment programs to lower emissions by decreasing spending on new equipment procurement.
 - We will continue to explore potential emission reductions through active network sharing, which should help us partially decouple network growth from business growth.

¹⁾ Scope 3 emissions include purchased goods and services, capital goods, fuel- and energy-related activities, and use of sold products.

A1 Group Climate Transition Pathway for Scope 3 emissions



Metrics and targets

E1-4 – Targets related to climate change mitigation and adaptation

The targets outlined focus on climate change mitigation and energy efficiency, applying to the A1 Group and its subsidiaries. None of the targets or the related metrics were adjusted during the reporting year.

Scope 1 and Scope 2 market-based greenhouse emissions reduction by 90% until 2030

- Target definition and time horizon:** Scope 1 and Scope 2 greenhouse emissions reduction by 90% until 2030 compared to 2019 baseline. This target is part of our near-term Net-Zero goal, validated by the SBTi, and aligns with the GHG Protocol Corporate Accounting and Reporting Standard.
- Target performance and review:** Target evaluation occurs twice a year. In 2024, we achieved a decrease of 58% compared to our 2019 baseline, putting us 17 percentage points ahead of the Net-Zero reduction trajectory.

Scope 3 greenhouse emissions reduction by 90% until 2040

- Target definition and time horizon:** Scope 3 greenhouse emissions reduction by 90% until 2040 compared to 2019 baseline. This target is part of our Net-Zero goal, validated by the SBTi, and aligns with the GHG Protocol Corporate Accounting and Reporting Standard. The target covers 93% of our Scope 3 greenhouse gas inventory.
- Target performance and review:** Target evaluation occurs annually. In 2024, we achieved a decrease of 26% compared to our 2019 baseline, putting us 5 percentage points ahead of the Net-Zero reduction trajectory.

Increase energy efficiency by 80% until 2030

- **Target definition and time horizon:** Recognizing the critical role of energy efficiency in the telecommunications industry, particularly in mobile and fixed networks, we have set an ambitious target to reduce the energy required to carry data and increase energy efficiency by 80% until 2030 compared to 2019 baseline. Our target encompasses the electricity consumed for data transmission in both mobile and fixed networks. It is expressed in MWh per terabyte (TB). As data traffic continues to rise, improving energy efficiency is not only essential for meeting our sustainability goals but also for ensuring long-term operational efficiency. Our target is aligned with industry best practices, focusing on reducing the energy intensity of data transmission while maintaining high network performance and reliability. Investments in network expansion and modernization — such as deploying 5G technology and upgrading to more efficient equipment — allow us to reduce power consumption, enhance service quality, and lower operational costs. These efforts reflect our commitment to minimizing environmental impact while supporting the growing demand for digital services.
- **Target performance and review:** Target evaluation occurs twice a year. In 2024, we achieved a increase of 60% compared to our 2019 baseline.

GHG emission reduction targets and decarbonization levers

in t CO ₂ eq	Base year	Target			
	2019	2027	2030	2035	up to 2040
Scope 1 and 2	254,092	59,479	49,295	25,409	25,409
Use of renewable energy	–	41,318	34,387	22,145	22,145
Energy efficiency and consumption reduction	–	–	–	–	–
Fleet transformation	–	9,446	6,707	1,868	1,868
Other areas (e. g. Buildings)	–	8,715	8,200	1,396	1,396
Expected Scope 3 reduction	668,734	350,290	239,020	126,505	66,868
Total GHG emissions	922,826	409,769	288,315	151,914	92,277

E1-5 – Energy consumption and mix

Energy consumption and mix¹⁾

	2024	2023	Δ
Consumption from fossil sources (in MWh)	280,009	305,130	-8%
Consumption from renewable sources (in MWh)	696,493	655,434	6%
thereof fuel consumption for renewable sources including biomass, biofuels, biogas, hydrogen from renewable sources, etc. (in MWh)	3,652	3,874	-6%
thereof consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (in MWh)	684,086	645,412	6%
thereof consumption of self-generated non-fuel renewable energy (in MWh)	8,755	6,148	42%
Total energy consumption (in MWh)	976,502	960,564	2%
thereof share of fossil sources (in %)	29	32	-3pp
thereof share of renewable sources (in %)	71	68	3pp

¹⁾ A1 Group relies on direct energy consumption data from its energy suppliers' invoices whenever possible. If this data is unavailable, either due to different billing cycles or because A1 is not directly invoiced (e.g., as a tenant), estimates based on comparable historical periods and expert judgment are used. For energy billed in volume or mass units, a standard conversion factor for normalization, following guidelines from the International Energy Agency (IEA) and aligned with the IPCC AR5, is applied. In some of A1 Group's operating countries, diesel and petrol used in its internal combustion engine and hybrid-electric vehicles include a share of biofuels, as mandated by local regulations. The combustion of these fuels results in biogenic emissions, which, in line with the GHG Protocol, are disclosed separately alongside its Scope 1 emissions.

E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions

Direct and indirect GHG emissions¹⁾

	Retrospective				Milestones and target years			
	2024	2023	Δ	Base year 2019	2027	2030	Target year 2040	Annual emission reduction % target / Base year ²⁾
Scope 1								
Gross Scope 1 GHG emissions (in t CO ₂ eq)	18,807	20,964	-10%	27,114	18,161	2,711	2,711	8%
Share of Scope 1 GHG emissions from regulated emission trading schemes (in %)	-	-	-	-	-	-	-	-
Biogenic emissions of CO ₂ (in t CO ₂ eq)	935	1,022	-9%	1,189	-	-	-	-
Scope 2 (in t CO₂eq)								
Gross location-based Scope 2 GHG emissions	265,117	234,629	13%	248,559	-	-	-	-
Gross market-based Scope 2 GHG emissions	87,260	97,006	-10%	226,979	41,318	22,698	22,698	8%
Significant Scope 3 emissions (in t CO₂eq)³⁾								
Gross Scope 3 GHG emissions	492,687	584,355	-16%	668,734	349,407	126,206	66,868	4%
1 Purchased goods and services	240,838	267,945	-10%	321,350	162,676	59,963	32,135	4%
2 Capital goods	104,645	136,838	-24%	152,652	81,668	29,089	15,259	4%
3 Fuel and energy-related activities	25,670	32,969	-22%	50,584	21,210	8,779	5,058	4%
11 Use of sold products	121,534	146,603	-17%	144,148	83,852	28,374	14,415	4%
Total GHG emissions (in t CO₂eq)								
Total GHG emissions (location-based)	776,611	839,948	-8%	944,406	367,568	128,917	69,579	4%
Total GHG emissions (market-based)	598,754	702,325	-15%	922,826	408,886	151,615	92,277	4%

¹⁾ We calculate our GHG emissions using the GHG Protocol, which provides a standardized framework to ensure consistency, accuracy, and alignment with international reporting standards. This approach applies across all emission scopes to ensure comparability and reliability. We define our reporting boundaries based on the operational control approach. This allows us to focus on the emissions we can directly influence. Whenever possible, we rely on primary data to increase the accuracy of our emissions calculations. For Scope 3 emissions, we gather direct data from our suppliers including LCA; where this is unavailable, we apply a spend-based method. Our emission calculations use emission factors sourced from the IEA, BEIS, and RE-DISS databases. These sources align with internationally recognized standards and offer the regional relevance needed to reflect our operational context accurately. We use a cloud-based solution from a reputable provider for calculating and managing our GHG data. This platform ensures high standards of security, access control, and workflow functionalities. Additionally, it is internationally recognized and certified for GHG Protocol compliance, which reinforces the reliability and integrity of our data.

²⁾ For the calculation of the annual reduction of scope 1 and 2 market-based emissions, the year 2030 is used as the reference (see E1-4).

³⁾ The scope 3 categories listed represent 90 % of the company's total scope 3 emissions. They thus represent the company's material scope 3 emissions and those that the company can directly influence. All scope 3 emissions are screened every two to three years, most recently in spring 2023. For the calculation of Scope 3 emissions, 31% of the data was obtained from primary sources.

Direct and indirect GHG emissions per country

	Scope 1			Scope 2			Scope 3		
	location-based			market-based					
in tCO ₂ eq	2024	2023	Δ	2024	2023	Δ	2024	2023	Δ
Austria ¹⁾	8,765	10,510	-17%	49,305	52,362	-6%	2,504	3,037	-18%
Bulgaria	3,341	3,216	4%	77,813	57,129	36%	16,876	23,439	-28%
Croatia	2,170	2,566	-15%	15,375	12,675	21%	4,410	5,606	-21%
Belarus	1,691	1,680	1%	28,756	30,805	-7%	28,756	30,805	-7%
Slovenia	375	409	-8%	9,670	9,728	-1%	55	54	2%
Serbia	1,377	1,412	-3%	60,538	54,156	12%	22,700	23,529	-4%
North Macedonia	1,049	1,114	-6%	23,389	17,605	33%	11,963	10,531	14%
A1 Digital ²⁾	40	56	-29%	271	168	61%	1	5	-89%
							11	16	-33%

¹⁾ Material scope 3 emissions produced by A1 Digital are reported in the Austria segment.

²⁾ A1 Digital includes the German and Swiss part of the activities of A1 Digital (Austrian and Bulgarian parts are already reported in their respective segments).

THG intensity per net revenue

in t CO ₂ eq/EUR	2024	2023	Δ
Total GHG emissions (location-based) per net revenue	0.000146	0.000163	-10%
Total GHG emissions (market-based) per net revenue	0.000113	0.000136	-17%

Connectivity of GHG intensity based on revenue with financial reporting information

in TEUR	2024
Net revenue used to calculate GHG intensity	5,315,033
Net revenue (other)	-
Total net revenue	5,315,033

E1-7 – GHG removals and GHG mitigation projects financed through carbon credits

As part of A1 Group's commitment to addressing climate change, our primary focus is on reducing greenhouse gas (GHG) emissions directly within our operations (Scope 1 and Scope 2 GHG emissions) or in cooperation and collaboration with relevant stakeholders in our value chain (Scope 3 GHG emissions). While we acknowledge the potential role of GHG removals and GHG mitigation projects financed through carbon credits in achieving net-zero targets, these are not currently part of our strategy. We consider these measures to be supplementary to our direct emission reduction efforts and view them as a last resort to achieve Net-Zero once substantial emission reductions have been achieved.

A1 Group does not currently engage in GHG removals or finance GHG mitigation projects through carbon credits. Our strategy emphasizes reducing our operational GHG emissions by focusing on energy efficiency, transitioning to renewable energy sources, and optimizing our network operations. We believe that direct emission reductions are the most effective and credible way to contribute to climate change mitigation.

A1 Group recognizes that achieving Net-Zero GHG emissions may eventually require GHG removal solutions. Our approach to GHG removals would be defined by the following principles:

- **Principle 1** – Emission Reduction First: Our priority is to achieve a 90% reduction in GHG emissions from our baseline before considering any form of GHG removal. This focus ensures that we are tackling the root causes of emissions within our operations and supply chain.
- **Principle 2** – Technological Maturity and Credibility: We will only consider GHG removal technologies when they have matured to a point where they meet high standards of credibility, effectiveness, and verification. A1 Group is committed to ensuring that any future GHG removal efforts are based on scientifically sound, transparent, and verifiable methods. This approach will help us maintain integrity and trust in our climate action strategies.
- **Principle 3** – Alignment with Net-Zero Goals: Any future and potential GHG removal initiatives will be aligned with our long-term Net-Zero targets. We will ensure that these initiatives contribute meaningfully to our overall climate strategy and are not used as substitutes for direct emission reduction efforts.

A1 Group is committed to transparency and accountability in our climate-related activities. Although we are not currently engaged in GHG removals or carbon credit projects, we will continue to:

- Regularly review the landscape of GHG removal technologies and carbon credit projects to assess their potential role in our future strategy.
- Monitor developments in standards and best practices for GHG removals and ensure alignment with international frameworks and guidelines.
- Report on our progress and position regarding GHG removals in our reports, providing stakeholders with clear and transparent information about our approach.

E1-8— Internal carbon pricing

A1 Group is committed to reducing its greenhouse gas (GHG) emissions through direct actions. While we recognize the value of internal carbon pricing as a tool to drive emission reductions and support sustainable decision-making, we currently do not have an internal carbon pricing mechanism in place, but are open to adapt our position and would introduce internal carbon pricing if we determine that it could effectively support our GHG emissions reduction efforts.

Our decision is based on the current effectiveness of our existing sustainability strategies and our focus on direct measures to reduce emissions. We believe these approaches are currently the most impactful for achieving our climate goals.

However, we acknowledge the potential benefits internal carbon pricing could offer in the future. Our approach to internal carbon pricing would be guided by the following considerations.

- **Consideration 1** – Monitoring and Evaluation: A1 Group will continue to monitor global best practices and emerging trends related to internal carbon pricing. We will evaluate its potential benefits and challenges within the context of our operations, considering factors such as industry standards, regulatory developments, and our own sustainability performance.
- **Consideration 2** – Alignment with Emission Reduction Goals: Should we decide to implement internal carbon pricing in the future, it will be aligned with our overarching emission reduction goals. We will consider this tool if it becomes clear that it could provide additional incentives for reducing emissions, support cost-effective sustainability initiatives, or improve risk management related to carbon regulation and pricing.
- **Consideration 3** – Flexibility and Responsiveness: Our stance on internal carbon pricing is flexible. We are prepared to revisit and potentially integrate internal carbon pricing into our sustainability strategy if it becomes a beneficial and necessary tool for driving further GHG reductions. This could be in response to changing market conditions, regulatory pressures, or as part of our commitment to continuous improvement in our environmental performance.
- **Consideration 4** – Transparency: Although we do not currently use internal carbon pricing, we remain committed to transparency and accountability in our sustainability practices. We will keep stakeholders informed about our position on internal carbon pricing, provide clear and transparent information on our emissions reduction strategies and any considerations for future use of internal carbon pricing and continue to assess the potential role of internal carbon pricing in our overall climate strategy and ensure that any future decisions are made in alignment with our sustainability commitments and business objectives.

E5 Resource use and circular economy

Digital communication solutions are often environmentally friendly, as many activities can be carried out more quickly and in a way that conserves physical resources. However, this is based on increasingly powerful devices and components that are being replaced at ever shorter intervals due to constant technical progress and customer behavior. The production of devices, infrastructure, and packaging materials make intensive use of resources and raw materials, which results in negative impacts on the environment and the ecosystem. Although the A1 Group is not a producer of hardware, it uses and sells electronic equipment and purchases components.

The A1 Group wants to promote the transformation from a linear to a circular economy. We are guided here by the 9R model: Refuse, Reduce, Reuse, Repair, Refurbish, Recycle, Recover, Rethink, Redistribute.

The topics relating to resource inflows and outflows were assessed as material in the course of the double materiality assessment, as they have negative impacts on the environment. Based on our business model, we have identified mobile devices, fixed devices, infrastructure equipment, network equipment, and packaging material as material resource inflows. As we are not active in the manufacturing sector, the packaging material we purchase and place on the market is the only material resource outflow.

Impact, risk and opportunity management

E5-1 — Policies related to resource use and circular economy

The guidelines and policies apply to all subsidiaries. They are published on the A1 Group website.

Environmental Policy

- **Content:** Our environmental policy focuses on climate change and energy, water, biodiversity, sustainable procurement, the supply chain, the promotion of the circular economy, and the reduction of waste. The aim of our environmental policy is to minimize the environmental impact that our company has. To this end, we are committed to keeping materials, components, and products in circulation for as long as possible.
- **Responsibility:** Head of Group ESG

Policy on Responsible Sourcing

- **Content:** The policy on responsible sourcing is based on our Code of Conduct. Within the scope of this policy, suppliers are required to comply with our ESG standards. These include environmental standards in particular: our suppliers are called on to take action to promote the circular economy and reduce waste (see S2-1).
- **Responsibility:** Director of Group Technology and Transformation
- **Third party standards or initiative relevant for the A1 Group:** US Dodd-Frank Act (compliance with the principles of responsible and ethical sourcing of minerals), EU regulation on conflict minerals

Sustainable Packaging Policy

- **Content:** The purchase and use of packaging plays a significant part in the negative environmental impacts we cause. The Sustainable Packaging Policy therefore has the aim of minimizing these impacts. The focus here is the use of reusable or recyclable packaging material in order to minimize the use of raw materials. Particular emphasis is placed on paper and cardboard packaging, while the use of plastic is to be largely avoided. The policy sets out specific quality criteria that packaging must meet in order to be classified as sustainable. These criteria include the origin of the fibers, the absence of coatings, the use of mineral oil-free printing ink, the minimization of adhesives, and the avoidance of decorative elements such as stickers.
- **Responsibility:** Head of Group ESG
- **Third party standards or initiative relevant for the A1 Group:** Recommendations of the EuPIA (European Printing Ink Association)

E5-2 — Actions and resources related to resource use and circular economy

Actions taken

Change of transport packaging in logistics

- **Content and time horizon:** A measure to avoid the use of plastic filling material was implemented at our logistics center in Austria in 2024. Previously, fixed standard sizes were used for shipping cartons. It was necessary to use filling material (such as air cushions) in order to ensure that shipped devices such as mobile phones, modems, and TV boxes do not slip and become damaged in the shipping carton. The new transport packaging can be variably adapted to the size of the devices being shipped so that plastic filling material is no longer required. We have also switched to paper bags with a wax coating for delivery note pockets, which are attached to the outside of the cartons when deliveries are shipped to A1 shops or sales partners.
- **Expected result and progress:** The action has been fully implemented so that plastic filling material and plastic delivery note pockets are no longer used in Austria.
- **Scope:** A1 Austria

Refurbishment of Customer Premises Equipment (CPEs)

- **Content and time horizon:** We started operating a refurbishment center in Bulgaria in 2016. CPEs such as modems and media boxes that have been used but are still functional undergo a comprehensive refurbishment process. The refurbished devices come from the markets in Austria and Bulgaria. In addition, devices from A1 Austria are refurbished directly at the logistics center in Hagenbrunn (Austria) or by a partner company in Lower Austria in order to be put back into circulation. This action will be continued.
- **Expected result and progress:** By refurbishing CPEs, the service life of the devices is extended, which reduces resource inflows on the one hand and the demand for primary raw materials on the other.
- **Scope:** A1 Austria, A1 Bulgaria

Recycling and refurbishment of mobile phones

- **Content and time horizon:** All of our subsidiaries offer various options for collecting mobile phones, which are then sent for recycling or refurbishment. This action will be continued.
- **Expected result and progress:** By recycling mobile phones, primary raw materials are kept in circulation for longer. Refurbishment extends the service life of the devices, which in turn reduces the demand for primary raw materials.
- **Scope:** All subsidiaries of the A1 Group

Planned action

Internal marketplace for network equipment

- **Content and time horizon:** We are considering introducing an internal marketplace in order to utilize unused network equipment from our subsidiaries more efficiently and over the long term. The aim is to exchange unused equipment with each other. For the moment, the timing of any possible implementation is still to be defined.
- **Expected result and progress:** The reuse of existing resources can reduce the need for new network equipment and thus the resource inflows in this area.
- **Scope:** All subsidiaries of the A1 Group

Metrics and targets

E5-3 — Targets related to resource use and circular economy

With its voluntary recycling and refurbishment target, the A1 Group has set itself the target of keeping mobile devices, CPEs (customer premises equipment), and their raw materials in circulation for as long as possible in order to minimize the use of primary raw materials. According to the waste hierarchy of the 9R model, this target addresses the Reuse, Refurbish and Recycle stages.

Circular economy

- **Target definition and time horizon:** Increase the percentage of recycled and refurbished devices to 20% of all devices put into circulation by 2025.
- **Target measurement and review:** The target is measured twice a year. In 2024, around 28% of devices were recycled or refurbished.
- **Scope:** All subsidiaries of the A1 Group

E5-4 — Resource inflows

Based on the A1 Group's business model, the product groups involving mobile devices, fixed devices, infrastructure equipment, network equipment, and packaging material were identified as material resource inflows. The first three product groups may contain critical raw materials such as rare earths. The A1 Group obtains these from external suppliers and is therefore dependent on the information they provide when it discloses the product composition. Because of the currently limited availability of data, only the weight of the product groups involving mobile devices and packaging material can be published for the 2024 financial year. The weight of the packaging material is determined locally by the subsidiaries. Eco-ratings (life cycle assessments (LCA) for mobile phones) are used to extrapolate weights in the mobile devices product group (see table Total weight of resource inflows).

As only a limited number of LCAs providing information on the composition of the products are currently available for fixed devices, infrastructure equipment, and network equipment, a valid extrapolation is currently not possible. However, the A1 Group is working closely with the JAC (Joint Alliance for Corporate Social Responsibility), a voluntary association of telecommunications companies, to increase the number of LCAs. Weights for the infrastructure equipment and network equipment product clusters will be published on this basis in the future.

Total weight of resource inflows

in t	2024
Mobile devices ¹⁾	353
Packaging material	513

¹⁾ The mobile devices product group includes the weight of mobile phones. For mobile phones for which a life cycle assessment (LCA) is available, the weight was taken directly from this assessment. For devices without an LCA, the average weight was taken from existing LCAs.

E5-5 — Resource outflows

As the A1 Group is not active in the manufacturing sector, the packaging material purchased and placed on the market represents the only material resource outflow. The Sustainable Packaging Policy was implemented in order to make this resource outflow as sustainable as possible (see E5-1). In addition, all subsidiaries are certified in accordance with ISO 14001 (certification for environmental management systems). This ensures that every subsidiary has implemented an operational waste management system.

The weight and proportion of recyclable materials in the packaging material has been determined locally by the subsidiaries based on the quantities purchased. Packaging material made of paper and wood was classified as recyclable, while plastic packaging was divided into non-recyclable and recyclable materials. Packaging materials consisting of several components were classified based on the majority principle in the category from which the majority of the material originated.

In 2024, 513 tons of packaging material were put into circulation by the A1 Group, of which 99% of the packaging was made from recyclable materials.

Social information

S1 Own workforce

Our market environment and our business field are constantly changing. Technologies are developing at an enormous pace. The needs and wishes of customers are changing dynamically. This change and the high speed of development with a concomitant increase in complexity are noticeable on many levels every day. Realizing our vision of Empowering Digital Life therefore also requires a change in corporate culture, skills, and working methods.

Human@Center

Because every development starts not with technology, but with people, we place them at the heart of our strategy. As a core element of our corporate strategy, Human@Center defines behaviors that are important for achieving our strategic targets. We promote these behaviors in dialog with our workforce and expect them to follow them. At the same time, we see it as our responsibility to set and support suitable framework conditions through selected initiatives that enable the desired behaviors to be implemented and put into practice. Human@Center comprises the following four dimensions:

- **Take Ownership:** Increased speed and complexity require more independent action and decision-making on the one hand, while on the other managers must provide the transparency and the freedom needed for individuals to take ownership. We therefore regularly discuss Human@Center and the corporate strategy with our workforce and take action to develop the organization with (virtual) events, team workshops, and one-to-one conversations.
- **Learn & Innovate:** As technologies and business fields continue to evolve, new demands are placed on the skills and abilities of our workforce. Learn & Innovate describes this attitude of continuous development: leaving one's comfort zone, being and remaining curious, lifelong learning, and further training. To this end, we provide a comprehensive range of learning opportunities on various learning platforms and an individual learning budget for employees who change jobs within A1.
- **Team Up Beyond Limits:** As an international company, cross-border cooperation is crucial to our success. Team Up Beyond Limits stands for collaboration across divisional and national borders in virtual teams and competence centers on the one hand and for the promotion of diverse teams on the other. This requires suitable tools for digital collaboration, but also a framework that promotes flexibility and supports personal interaction. We promote diversity because we are convinced that diverse teams increase the quality of decisions and find better solutions. We therefore take action to enhance diversity, for example by increasing the proportion of women overall and the number of women in management positions or in STEM fields.
- **Consciously Care:** The fast pace and complexity of working life are both mentally and physically demanding, which is why we place a special emphasis on our workforce's health and the well-being of others, brought together in Consciously Care. We expect our workforce to take responsibility, look after themselves, and show consideration for others. As an employer, we set the framework conditions and provide a variety of health measures, such as the Employee Assistance Program (see S1-4), while our job architecture ensures fair and adequate wages.

Strategy

Related to ESRS 2 SBM-3 — S1 Own workforce

As a leading provider of digital services and communication solutions, we operate in a dynamic market environment in which technological progress and changing customer needs constantly present us with new challenges. To successfully master this change, we have put Human@Center at the heart of our corporate strategy. Building on this, we create working conditions and a working environment that have a positive impact on our employees.

On the one hand, this includes aspects of the working conditions to which we attach great importance, including long-term employment relationships, the promotion of work-life balance through flexible working time models, the representation of employee rights, adequate wages, and the protection of physical and mental health.

Human@Center, however, also covers other material aspects: the promotion of equal treatment and opportunities for all and equal pay for work of equal value are central pillars of our strategy. In addition, continuous further training and development in a dynamic market environment are prerequisites for success.

This is the basis for the strategic focus on further training and skills development, which contributes to personal and professional development through a wide variety of actions. The material topics gender equality and equal pay for work of equal value, working time and work-life balance have a positive impact on our workforce, especially women: We are already implementing numerous initiatives to prevent discrimination and inadequate wages and to promote greater flexibility and work-life balance for women, who often bear the brunt of unpaid work in addition to paid work. Further training programs have a positive effect on employees and non-employees.

We have set ourselves comprehensive, ambitious sustainability targets. Particularly for the implementation of the transition plan for climate change mitigation, a profound understanding of the content and interrelationships is necessary. In training sessions for managers and employees in the relevant departments of the A1 Group, we build target-group-appropriate foundational knowledge and expertise on the topic of sustainability. Additionally, new skill profiles and roles are being developed to meet the diverse new demands.

The interaction between these factors leads overall to significant positive impacts on our workforce in terms of health, well-being, personal development, perceived equal opportunities, security, and increased job satisfaction, which are visible in all the countries in which our Group operates. Data privacy is of great importance to us and represents a financial risk due to high fines, but it can also potentially lead to a loss of trust from customers and our workforce (see G1 Data privacy).

Many of the material positive impacts mentioned above also represent opportunities: diversity, training and skills development, gender equality and equal pay for work of equal value, and flexible working time models are essential for the successful implementation of our corporate strategy. They play a part in strengthening the A1 Group's market position, securing our innovative strength and competitiveness, retaining qualified and well-trained employees in the company, and attracting new talents.

Impacts, risks and opportunities management

S1-1 — Policies related to own workforce

The policies apply to the workforce of the A1 Group, including all subsidiaries. The Diversity, Equity & Inclusion Policy, the Health, Safety and Well-Being Policy, and the Human Rights Policy also apply to all persons associated with the A1 Group. The Group HR Director is responsible for their implementation. The policies are published on the A1 Group website.

Diversity, Equity & Inclusion Policy

The policy addresses the material topics of diversity, gender equality and equal pay for work of equal value as well as training and skills development.

- **Content:** The Diversity, Equity & Inclusion Policy underlines our commitment to a working environment that enables our own workforce to grow personally and professionally. We endeavor to offer equal employment and development opportunities regardless of age, disability, gender, sexual orientation, family or career status, ethnic origin, nationality, skin color, culture, religion, working hours or contract status. In addition, political rights can be exercised freely (see G1-1 Code of Conduct). We are convinced that a diverse workplace increases the potential and satisfaction of the workforce as well as the company's attractiveness as an employer. We focus on:
 - creating a diverse and fair work culture that is also characterized by acceptance
 - offering equal professional opportunities based on skills and abilities
 - increasing the proportion of women overall and among managers
 - offering equal pay for work of equal value
 - providing inclusion regarding personnel processes and language

Fair Pay Principles

The policy addresses the material topics of adequate wages, gender equality and equal pay for work of equal value as well as secure employment.

- **Content:** With the Fair Pay Principles, we are committed to an equitable working environment in which our workforce receives competitive remuneration and equal pay for equal work within each market. These are:
 - Equal pay for work of equal value: we review salaries annually to understand and eliminate potential differences.
 - Competitive remuneration: the salary bands are based on a Group-wide job architecture and are regularly adjusted to market data.
 - Remuneration practices: remuneration is based on skills, roles and performance, and standardized salary bands.
 - Benefits: we offer benefits such as pension and insurance models.
 - Basic principles: we act in accordance with labor law and internal policies.
 - Review: we regularly review our remuneration practices.

Human Rights Policy

The policy addresses the material topics of secure employment, working time, adequate wages, freedom of association, the existence of works councils and the information, consultation and participation rights of workers, health and safety, gender equality and equal pay for work of equal value as well as diversity.

- **Content:** The Human Rights Policy aims to promote and safeguard human rights, including compliance with and the implementation of international standards. We focus on:
 - our responsibility and role in the digitalization of society
 - data privacy and information security
 - the obligations to respect human rights
 - The policy describes our commitment against child and forced labor, against ideological and political affiliation as well as for safety and health standards and appropriate remuneration. Incidents of non-compliance with the policy must be reported (see G1-1).
- **Third party standards or initiative relevant for the A1 Group:** International Bill of Human Rights, ILO Declaration on Fundamental Principles and Rights at Work, UN Global Compact, Guiding Principles on Business and Human Rights

Health, Safety and Well-Being Policy

This policy addresses the material topics of health and safety, working time, work-life balance, equal treatment and opportunities for all, training and skills development, and diversity.

- **Content:** the aim of the Health, Safety and Well-Being Policy is to promote and safeguard the health, safety, and well-being of the workforce. The policy enables the occupational health and safety management systems in the subsidiaries to deal with all risks in accordance with local laws and regulations. We have ISO 45001 certificates (occupational health and safety certification) in all our subsidiaries. To ensure optimum risk prevention, our workforce is informed about and receives training in health, safety, and well-being. They can also contact health and safety experts.

S1-2 — Processes for engaging with own workers and workers' representatives about impacts

To fulfill our duty of care regarding material actual and potential impacts on our workforce and to actively consider their perspectives in company decisions, we involve them both directly and through workers' representatives.

Works Councils

Austria, Bulgaria, Slovenia, Croatia, Belarus, and North Macedonia each have a local Works Council. The type and frequency of their involvement depends on the national legal regulations. The Works Councils provide information about their activities through internal communication channels. This takes place at both the organizational and the operational level, including individual divisions. The financial and human resources are provided in accordance with the national legal framework.

A European Works Council (EWC) was also established in 2015. This consists of the Works Council of the subsidiaries in EU member states. The number of Works Council is regulated in the EWC agreement. The Works Council from North Macedonia is invited to EWC meetings as a guest but is not an official member. The EWC provides the workforce with information via the local Works Council and involves them in decision-making processes that affect business performance and employee matters. It is also assuming responsibility if an issue affects more than two subsidiaries. It has the right to meet with the Group Management Board at least once a year. Engagement is more frequent in practice: the Group HR Director and the EWC are in regular contact with each other. The operational responsibility for involving the EWC and integrating the results into the corporate context lies with the Group management. The Group HR Director represents the Group management in the relationship with the EWC.

Direct involvement

We have developed an Employee Listening Strategy where the opinions and needs of the workforce are recorded at regular intervals. The surveys are conducted anonymously using a variety of tools. A Group-wide survey is conducted at least every one to two years. The last comprehensive survey took place as part of the Great Place To Work certification in November 2023, while the next one is planned for the second quarter of 2025. In addition, A1 Austria conducted a survey on mental health and a Group-wide survey on employee retention in 2024. Operational responsibility for the surveys lies with the Group HR Director. The managers of the respective departments are responsible for deriving actions. The company invests in the use of the survey platform and provides the human resources for conducting, analyzing, and deriving actions. We evaluate the effectiveness of the cooperation with the workforce through regular surveys and systematic analyses. The actions derived from this are distributed via internal communication channels.

The Group-wide Memorandum of Understanding on employee rights and working conditions was concluded with the Works Council to respect human rights. In Austria, a works agreement regulates the procedure relating to employee surveys.

S1-3 — Processes to remediate negative impacts and channels for own workers to raise concerns

Our workforce has various channels at their disposal to express their concerns. Managers act as the first point of contact here and are trained to handle reports confidentially. In addition, concerns can be addressed to Group Compliance or local compliance officers. Our tell.me whistleblower portal additionally allows our workforce to report misconduct and violations anonymously – if they so wish. tell.me can be accessed at any time via the website (see G1-1 for more information on tell.me and whistleblower protection).

We ensure that our workforce is informed about the reporting channels in mandatory e-learning and trainings. In addition to that, we provide information on the intranet and in the Code of Conduct. A systematic process is launched as soon as a report is received. The first step involves qualifying, categorizing, and reviewing the facts of the case. Persons suspected of a violation are given the opportunity to respond. Confidential processing is guaranteed by Group Compliance and Internal Audit. The person who submits the report will be informed of the progress of the case. If we as the A1 Group cause or contribute to negative impacts on our workforce, we will conduct a comprehensive review of the matter. We identify the causes and take immediate action to rectify the grievances identified. We continuously monitor the progress being made. If the initiated actions are not sufficient, we implement further steps depending on the nature of the incident and the results of our review. The same applies if misconduct or a violation that has been reported is confirmed. The actions taken vary from training courses to disciplinary or criminal law consequences.

Regular reports and surveys ensure the continuous improvement of the reporting channels. The Supervisory Board receives annual reports, the management and the Works Council receive quarterly reports on the number and categories of reports. We regularly evaluate whether our workforce is familiar with and trust the reporting channels. An integrity survey is conducted every two years among approximately 10% of the workforce to measure trust in the channels and the perception of how effective they are. Trainings and statistics on reports that have been received and actions that have been taken also strengthen confidence in our processes.

S1-4 — Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities, and effectiveness of those actions

The resources for implementing actions are provided by Group HR and the HR departments of the subsidiaries. All the actions described have been implemented and will be continued.

Equal treatment and equal opportunities for all

The actions address the material topics of gender equality and equal pay for work of equal value, training and skills development, and diversity.

Female Empowerment Program

- **Content and time horizon:** The Austrian Female Empowerment Program (FEP) is aimed exclusively at female employees and provides them with targeted support on their path to a management position. The FEP is run once a year. Participants qualify by applying themselves or by being nominated by colleagues. The FEP comprises three training days and accompanying individual coaching sessions.
- **Expected result and progress:** The aim of the FEP is to increase the proportion of women in management positions. The program contributes to the Group-wide target of increasing the proportion of women in management positions to 40% by 2025 (see S1-5). A total of 85 women have already successfully completed the FEP since 2021. 19 participants took part in the program in 2024.
- **Scope:** All female employees of A1 Austria

ESG live update: gender pay gap and female empowerment

- **Content and time horizon:** An ESG live update on the gender pay gap and female empowerment takes place regularly as part of the communication of the strategy. Our Deputy CEO and our Group HR Director participated in the 2024 event, which was broadcast live throughout the Group. Comprehensive information was provided on the gender pay gap, including the calculation method, the interpretation of the results, and the connection between the gender pay gap and female empowerment.
- **Expected result and progress:** The aim is to provide comprehensive information on the gender pay gap and the actions that are being taken to close it. The update additionally sets out to debunk myths surrounding the issue and to answer any questions. A total of 1,244 employees took part in the live broadcast, while a further 1,775 watched the recording later.
- **Scope:** All subsidiaries of the A1 Group

Learning opportunities

- **Content and time horizon:** Our Learning Hub has offered our employees a comprehensive and continuous learning program since 2018. The Learning Hub offers learning opportunities addressed to target groups in a variety of formats. These are based on our future skills (cloud, data & AI, cyber security, network). The A1 Learning Hub additionally includes the use of external digital learning platforms. Special programs for managers are also provided. Examples include training on change management, how to lead international teams, and essential topics such as ESG.
- **Expected result and progress:** One focus of the Learning Hub is to promote relevant future skills through targeted training and qualification.
- **Scope:** All subsidiaries of the A1 Group

Actions to promote diversity and equal opportunities

- **Content and time horizon:** We take a variety of actions to promote diversity and equal opportunities. Here are a few examples: Since 2020, A1 Belarus has been supporting diversity through inclusive coffee, which is offered in shops that are geared towards the needs of persons with disabilities. At A1 Austria, the plan for promoting women was extended for a further five years up to 2029. In addition, the topic of diversity was comprehensively analyzed in the Diversity Annual Report, while a month was dedicated to diversity. We announced our commitment to the UN Women's Empowerment Principles in 2024.
- **Expected result and progress:** Our aim is to anchor diversity and equal opportunities as central elements of our corporate culture. We promote an inclusive working environment where everyone is respected, valued, and supported. Different perspectives enrich the quality of our results.
- **Scope:** The scope of actions varies and ranges from country-specific to Group-wide actions.

Unconscious Bias Initiative

- **Content and time horizon:** We have pursued the Unconscious Bias Initiative since 2020. Unconscious bias refers to prejudices or preferences that influence our decisions and perceptions without us being aware of them. The first step involved identifying and training diversity and inclusion allies in their respective countries to promote awareness of the topic. An e-learning course on unconscious bias was then developed in German and English, which was subsequently translated into all national languages of the A1 subsidiaries in the years that followed and is still available today.
- **Expected result and progress:** Unconscious bias training aims to raise awareness of unconscious biases and minimize their influence, particularly on recruitment and salary increase processes. In 2024, 2,865 of these trainings were successfully completed.
- **Scope:** All subsidiaries of the A1 Group. The scope varies from country to country.

Working conditions

The actions address the material topics of secure employment, working time, adequate wages, freedom of association, the existence of works councils and the information, consultation and participation rights of workers, work-life balance, and health and safety.

Employee Assistance Program

- **Content and time horizon:** The Employee Assistance Program (EAP) has been provided by an external provider since 2023 as a comprehensive support program for our workforce. The EAP provides support with work, life, health, family, and financial issues through confidential counseling and resources as well as links to community agencies and support services. Consultations can take place remotely or in person. The program can be contacted any number of times about a wide variety of questions. The advisers are available around the clock. The services can be used anonymously and confidentially; the A1 Group does not receive any information about who has contacted the EAP.
- **Expected result and progress:** The EAP promotes the well-being of the workforce and increases satisfaction and productivity in the company. In 2024, the EAP was contacted 147 times.
- **Scope:** All subsidiaries of the A1 Group except for Belarus. The EAP can be used by our workforce as well as their spouses and partners, their immediate family (children and parents) and household members.

Actions to promote health and safety

- **Content and time horizon:** We constantly take actions to protect and promote the health and safety of our workforce. Our commitment is anchored in our Health, Safety and Well-Being Policy (see S1-1). In addition to the Group-wide Employee Assistance Program, local webinars and training courses, for example in Croatia, North Macedonia, Bulgaria, and Serbia, provide targeted support on topics such as stress management, change, resilience, and work-life balance. Additional health insurance is also available in Belarus, Bulgaria, Serbia, and Croatia. The occupational health department in Austria offers comprehensive medical examinations and vaccinations. In addition, training programs improve safety in high-risk areas, while sports initiatives promote a healthy lifestyle.
- **Expected result and progress:** The aim of our health services is to support our workforce in terms of their health, safety, and well-being, increase satisfaction, and reduce sick leave and accidents.
- **Scope:** The scope of actions varies. There are Group-wide and country-specific actions.

Strategy communication

- **Content and time horizon:** Various activities and formats are used to communicate the corporate strategy, strategy updates, and detailed information on individual matters. The CEO and Deputy CEO presented the corporate strategy at the strategy kick-off at the Vienna headquarters in February 2024. The event was broadcast live for the workforce. The six pillars of the corporate strategy were discussed together with experts on six Strategy Tuesdays. In addition, the CEO and/or Deputy CEO hold regular live updates to discuss topics such as ESG, the pay gap, telco trends, and learning. Our Strategy Escape Room also employs gamification to refresh the strategy content.
- **Expected result and progress:** The aim of the strategy communication is to ensure that our workforce understands the content and importance of the corporate strategy and knows how they can contribute to it individually.
- **Scope:** All subsidiaries of the A1 Group

Internal job market

- **Content and time horizon:** The internal job market has been organized transparently for our workforce since 2023. All advertised positions are visible in the Group-wide HR system. Applications are submitted directly in the system. Job advertisements are additionally communicated throughout the Group via our internal social media platform.
- **Expected result and progress:** The internal job market promotes the further development, international mobility, and motivation of our workforce. It supports the acquisition of new abilities and the visibility of existing skills to make targeted use of resources. Because we are an international company, cross-border cooperation is essential and therefore anchored in Human@Center (see S1 Introduction).
- **Scope:** All subsidiaries of the A1 Group

Flexible working

- **Content and time horizon:** Our workforce can work flexibly at the times and locations that suit them, provided this is compatible with the activity they are engaged on. This working time flexibility makes it possible to organize working hours independently, while mobile working allows tasks also to be completed away from the company site. This model is implemented within the framework of the legal requirements and local requirements of each subsidiary and was reconfirmed in 2023 through its integration in the Group-wide Human@Center corporate strategy.
- **Expected result and progress:** Flexible working increases satisfaction and performance quality and strengthens the relationship of trust between employer and employees. The aim is to create a balance between mobile working and presence at the company site and to improve the work-life balance.
- **Scope:** All subsidiaries of the A1 Group

Job architecture

- **Content and time horizon:** A Group-wide job architecture has been used as a framework for personnel organization and administration since 2012. It offers a systematic approach to classifying job roles and career paths. Jobs are grouped for this purpose based on similar functions and specialist areas as well as job levels. This creates a clear differentiation and understanding of the path from entry-level positions to more senior roles. The job architecture forms the basis for remuneration structures and salary bands. These are reviewed annually by comparing the internal salary structure with external data from comparable sectors and adjusted if necessary.
- **Expected result and progress:** The job architecture creates a structured and transparent framework with clear criteria for the job classification and salary bands to ensure fair and competitive remuneration.
- **Scope:** All subsidiaries of the A1 Group

Childcare

- **Content and time horizon:** We offer a variety of different childcare programs. These include vacation camps, workshops, online courses, and kindergartens. The initiatives vary depending on the subsidiary: in Austria, the A1 Digital Campus puts on additional educational and leisure activities especially during vacation periods; in Croatia and Macedonia, the Flying

Nannies program provides childcare during the vacations. Kindergartens are available close to the workplace in Serbia, Croatia, and Bulgaria. In Belarus, children and youths can take part in online courses that introduce them to artificial intelligence, among other things.

- **Expected result and progress:** The programs aim to guarantee out of school hours care in close vicinity to the workplace. At the same time, they are intended to raise children's awareness of their parents' work and offer them valuable educational and leisure opportunities.
- **Scope:** The scope of actions varies. There are Group-wide and country-specific actions.

The Karenz@A1 program in Austria

- **Content and time horizon:** The Karenz@A1 parental leave program has promoted the balance between family, work, and career planning as well as the return to work for parents since 2019. It includes coaching sessions, virtual events, and other services that parents can use as and when they need them. In addition, parents receive financial support of EUR 400 for the birth of a child. Parents receive support and advice from A1 parental leave mentors before, during, and after their leave. A family-friendly working environment is promoted through part-time options and a co-leadership model that allows management positions to be shared.
- **Expected result and progress:** The Karenz@A1 program is designed to offer all employees on parental leave equal opportunities and to make the best possible use of this time for their professional development. It promotes job satisfaction when they return to work as well as their professional development.
- **Scope:** All subsidiaries of the A1 Group

Metrics and targets

S1-5 — Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

The targets apply to the A1 Group and were jointly defined by Group HR and Group ESG, proposed to the Management Board, and agreed with the Supervisory Board, which also includes Works Council among its members. Targets are measured regularly and at least twice a year. Interpreting data and developing actions are the responsibility of Group HR. Employees, including Works Council, are informed about this by means of internal communication formats and channels (see S1-4 Strategy communication).

Diversity, equity and inclusion

The diversity, equity and inclusion (DEI) target addresses the material topic of diversity and gender equality.

- **Target definition and time horizon:** In our efforts to achieve greater diversity and equality, we have set ourselves the target of increasing both the overall proportion of women and the proportion of female managers to 40%. This is particularly essential in the telecommunications and IT sector, which traditionally has a lower proportion of women. The targets are based on the DEI policy published in 2022 and correlate with other targets such as reducing the gender pay gap.
- **Target measurement and review:** The targets are measured twice a year. In 2024, the overall proportion of women was 40% and the proportion of female managers was 35%.

Gender pay gap and equal pay gap

The gender pay gap target relates to the material topic of Gender equality and equal pay for work of equal value. Reducing the gender pay gap (difference in the average income of men and women) and closing the equal pay gap (the difference in the income for work of equal value) is therefore included as part of the Management Board remuneration:

- **Target definition and time horizon:**
 - LTI 2023 (2023-2025): reduce the gender pay gap by 15% compared to 2022 and the equal pay gap by 80% by the end of 2025 compared to 2022.
 - LTI 2024 (2024-2026): reduce the gender pay gap by 20% compared to 2022.
- **Target measurement and review:** We implemented standardized Group-wide metrics for measuring salary differences. The gender pay gap is defined in accordance with the CSRD. The survey is conducted every six months (see S1-16). In 2024, the gender pay gap was 16%.

Training hours

The target addresses the material topic of training and skills development.

- **Target definition and time horizon:** Our target is to increase the number of training hours and achieve an average of 40 training hours per employee by the end of 2030. The target forms part of the Management Board remuneration for 2024. This targeted promotion of individual potential contributes to employee satisfaction. Both employee satisfaction and the development of their potential are crucial to the success of our business.
- **Target measurement and review:** Targets are measured once per quarter. In 2024, the average number of training hours per employee (in full-time equivalents) was 42 hours.

Corporate volunteering

The target addresses the material topic of health and safety.

- **Target definition and time horizon:** Our target is to enable our workforce to volunteer at least once a quarter. Our workforce can use one working day for this. The corporate volunteering opportunities are determined individually by the subsidiaries. Volunteering and altruistic behavior have a positive effect on the physical and mental health of our workforce.
- **Target measurement and review:** Progress is reviewed at least once a year. In 2024, 1,406 participants used a total of 8,128 hours for corporate volunteering.
- **Target adjustment:** Compared to the 2023 target, the opportunity for corporate volunteering was increased from once a year to four times a year in 2024.

S1-6 – Characteristics of the undertaking's employees

The employees are shown in headcount (HC). Everyone who is actively employed by the A1 Group as of December 31, 2024 is taken into account. The gender information is based on the self-declaration of the employees. The total number of employees in headcount (17,975) corresponds to 17,298 full-time equivalents (FTE).

Employees by gender as of December 31

in HC	2024
Male	10,873
Female	7,102
Other	-
Not reported	-
Total employees	17,975

Employees by country as of December 31

in HC	2024
Austria	6,910
Bulgaria	3,905
Croatia	1,934
Belarus	2,180
Slovenia	611
Serbia	1,591
North Macedonia	770
Germany	29
Switzerland	45

Employees per contract and gender as of December 31

	Permanent employees	Temporary employees	Full-time employees	Part-time employees
in HC	2024	2024	2024	2024
Male	10,418	455	10,426	447
Female	6,665	437	6,414	688
Other	-	-	-	-
Not reported	-	-	-	-

Employees per contract and country as of December 31¹⁾

	Permanent employees	Temporary employees	Full-time employees	Part-time employees
in HC	2024	2024	2024	2024
Austria	6,643	267	5,940	970
Bulgaria	3,858	47	3,768	137
Croatia	1,661	273	1,933	1
Belarus	2,180	0	2,180	0
Slovenia	582	29	590	21
Serbia	1,386	205	1,591	0
North Macedonia	700	70	770	0
Germany	28	1	28	1
Switzerland	45	0	40	5

¹⁾ Temporary employees include employment relationships that are still in the probation period or with people filling in for employees who are temporarily absent, for example due to parental leave or illness, and contracts to cover a short-term increase in the workload. Part-time contracts are entered into to ensure flexibility and promote work-life balance.

Employee turnover¹⁾

	2024
Employee turnover (in HC)	2,619
Employee turnover (in %)	14

¹⁾ All departures divided by the average number of employees (= number of employees at the end of the previous period plus number of employees at the end of the reporting period divided by 2).

S1-7 – Characteristics of non-employee workers in the undertaking's own workforce

Non-employees are shown as full-time equivalents (FTE). One FTE corresponds to the number of contractually agreed hours in relation to the agreed hours of full-time employees. Everyone working for the A1 Group as of December 31, 2024 is taken into account. The gender information is based on the self-declaration of the non-employee.

Non-employee workers as of December 31

in FTE	2024
Number of self-employed people	57
Number of external workforce (=EFW) ¹⁾	1,450
Total number of non-employees in own workforce	1,506

¹⁾ Provided by companies primarily engaged in employment activities.

S1-9 – Diversity metrics**Gender distribution at the top management level¹⁾ as of December 31**

	Gender distribution (in HC) 2024	Gender distribution (in %) 2024
Male	35	74
Female	12	26
Other	-	-
Not reported	-	-

¹⁾ Definition of the top management level pursuant to the ESRS: The A1 Group Management Board and managers reporting directly to it, CEOs of the A1 subsidiaries and their Leadership Team members (corresponds to the level below the CEO)

Age distribution of employees as of December 31

	Age distribution (in HC) 2024	Age distribution (in %) 2024
below 30	2,992	17
30-50	10,853	60
above 50	4,130	23

S1-10 – Adequate wages

All A1 Group employees are paid an adequate wage.

S1-11 – Social protection

All A1 Group employees are insured against loss of income resulting from major life events.

S1-13 – Training and skills development metrics**Regular performance reviews¹⁾ by gender as of December 31**

in %	2024
Male	61
Female	39
Other	-
Not reported	-

¹⁾ All employees who have participated in at least one regular performance and career development reviews during the reporting period.

Average training hours by gender per person

	2024
Male	31
Female	37
Other	-
Not reported	-

S1-14 – Health and safety metrics**Workforce protected by health and safety management systems as of December 31**

in %	2024
Employees	100
Non-employees	98

Health and safety information

	2024
Number of fatalities	
Employees	1
Non-employees	0
Other workers	0
Number of work-related accidents	
Employees	59
Non-employees	2
Rate of work-related accidents ¹⁾	
Employees	1.69
Non-employees	0.58
Work-related ill health and injuries	
Number of work related, recordable ill health of employees	18
Days lost due to work-related injuries and ill health of employees	555

¹⁾ Calculation based on contractually agreed working hours, taking into account intra-year changes in working hours.

S1-15 – Work-life balance metrics

Entitlement to family-related leave

in %	2024
Employees entitlement to take family-related leave	100
Employees that took family-related leave per gender	
Male	33
Female	67
Other	-
Not reported	-

S1-16 – Compensation metrics (pay gap and total compensation)

Gender pay gap among employees as of December 31

in %	2024
Gender Pay Gap ¹⁾	16

¹⁾ Calculation based on contractually agreed working hours and contractually agreed target salary.

Total remuneration ratio

	2024
Ratio	1:36

The ratio of the annual total remuneration of the highest paid individual to the median annual total remuneration for all employees (excluding the highest-paid individual). The ratio by country is calculated in accordance with the ESRS definition. The total value is calculated from the weighted average of all country ratios. The weighting is based on the head count per country.

S1-17 – Incidents, complaints and severe human rights impacts

Incidents of discrimination¹⁾

	2024
Number of discrimination incidents	1
Number of complaints filed through channels for own workforce	11
Number of complaints filed through national contact points for multinational enterprises of the OECD	0

¹⁾ Incl. harassment and mobbing

Human rights incidents

	2024
Total number of human rights incidents	0
thereof cases of non respect of UN Guiding Principles, ILO Declaration on Fundamental Principles and OECD Guidelines for Multinational Enterprises	0

Payments related to incidents of discrimination and human rights incidents

in TEUR	2024
Payments as result of human rights incidents	0
Payments as result of incidents of discrimination ¹⁾	0

¹⁾ Incl. harassment and mobbing

S2 Workers in the value chain

Strategy

Related to ESRS 2 SBM-3 — S2 Workers in the value chain

As a leading telecommunications company in the CEE region, we attach the greatest importance to social responsibility along our global value chain. Cooperating with numerous partners in different regions of the world presents particular challenges. Transparency is crucial here: ensuring the availability of data on social standards and creating a comprehensive overview of our value chain are key tasks.

Our approach to a socially fair and sustainable value chain aims, among other things, to ensure positive impacts such as regulated working hours, adequate wages, health and safety standards, and the offer of stable employment relationships. Our focus in preventing negative impacts on the workers in the value chain is directed at the upstream value chain. Most of our production partners in the field of telecommunications equipment and devices are located in Asia, where the requirements we set for working conditions are not always fully met. Aspects such as health and safety, regulated working hours, fair pay, equality, and diversity are therefore especially important to us. Continuous monitoring of these criteria is essential to ensure compliance with our standards. Furthermore, we source key raw materials for telecommunications equipment, such as rare earths, mainly from Africa. This procurement of raw materials is often associated with an increased risk of human rights violations, such as child labor. We are taking comprehensive action to address the impacts and challenges along our value chain (see S2-4).

This includes, among others:

- Supplier assessment and selection: we conduct rigorous due diligence to ensure that our suppliers meet our high requirements in relation to social and environmental standards.
- Contractual requirements: our contracts with suppliers include unambiguous clauses on compliance with human rights and environmental standards.
- Continuous monitoring and audits: we continuously monitor our supply chain and carry out regular audits to ensure that our standards are met.
- Complaints procedure: our tell.me whistleblower portal

With these actions and our constant commitment to monitoring and improving our value chain, we want to make a positive contribution for the workers in our value chain and at the same time tackle the challenges involved.

Impact, risk and opportunity management

S2-1 — Policies related to value chain workers

The policies described apply to all partners in our value chain and, therefore, to all workers in the value chain, regardless of the country or subsidiary. They are published on the A1 Group website. The Director of Group Technology and Transformation, who is also responsible for Group Purchasing, is in charge of implementing the policies.

Our policies are based on our Human Rights Policy (see S1-1), which is based on the United Nations Universal Declaration of Human Rights, the United Nations International Covenant on Civil and Political Rights (CCPR), the United Nations International Covenant on Economic, Social and Cultural Rights (CESCR), the Declaration on Fundamental Principles and Rights at Work of the International Labor Organization (ILO), the United Nations Guiding Principles on Business and Human Rights (UNGP), the UN Global Compact and the OECD Guidelines for Multinational Enterprises.

Supplier Code of Conduct

The Supplier Code of Conduct addresses the material topics secure employment, working time, adequate wages, Freedom of association, including the existence of work councils, health and safety, Gender equality and equal pay for work of equal value, measures against violence and harassment in the workplace, diversity, and child and forced labor.

- **Content:** Our Supplier Code of Conduct sets out ethical, environmental, and social standards. We are committed to acting responsibly and sustainably and regard suppliers as key partners in achieving these goals. Suppliers must comply with all environmental laws, minimize their environmental footprint, and promote sustainable practices. Labor and human rights laws are also a focus here, including the ban on child and forced labor and human trafficking. They shall offer safe working conditions, pay fair wages, and eliminate conflict minerals. Additionally, it specifies that laws and regulations concerning bribery, corruption, conflicts of interest, ethical business practices, and the confidentiality and security of data must be followed. We carry out risk assessments and audits (see S1-4) to check compliance. If they are non-compliant, suppliers must take corrective action to maintain the business relationship.
- **Third party standards or initiative relevant for the A1 Group:** Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, the labor and social standards of the International Labor Organization (ILO).

Responsible Sourcing Policy

The Responsible Sourcing Policy addresses the following material topics: adequate wages, health and safety, gender equality and equal pay for equal work, diversity, child and forced labor.

- **Content:** The policy is based on our Code of Conduct (see G1-1) and the commitments it contains on human rights, labor standards, environmental protection, and anti-corruption. The suppliers are required to comply with our ESG standards. These include, in particular, social standards on human rights, child labor, forced labor, human trafficking, health and safety, fair pay, diversity, inclusion, and equality. The responsible procurement of minerals is also included. In addition to strengthening economic performance and ensuring the resilience of the supply chain, the aim of the policy is in particular to promote our sustainability commitments. We integrate responsibility into supplier management on two levels: in the supplier dimension, this includes governance as well as compliance and risk assessments to ensure that ESG standards and guidelines are adhered to. This is supplemented by suppliers' self-declarations and external ESG assessments. At the transactional level, our General Terms and Conditions of Purchase require suppliers to comply with the Code of Conduct. ESG criteria are incorporated in the selection and award process where applicable. We monitor our suppliers using internal and external screening processes and expect our suppliers to do the same in their own supply chain. Any deviations that are identified during our audits are recorded in the corrective action plan (CAP) and processed in collaboration with the supplier until they are rectified. We expect the supplier to notify us and to comply with the specified corrective measures.
- **Third party standards or initiative relevant for the A1 Group:** US Dodd-Frank Act (compliance with the principles of responsible and ethical sourcing of minerals), EU regulation on conflict minerals

Conflict Minerals Policy

The Conflict Minerals Policy addresses the material topics of working hours, adequate wages, health and safety, measures against violence and harassment in the workplace, and child and forced labor.

- **Content:** Our policy aims to prevent the sourcing of minerals and rare earths from conflict and high-risk areas. We are aware of our responsibility in the value chain, even if there is no direct link to conflict minerals. We recognize the risks of financial crimes and human rights abuses that can occur in the extraction, transportation or trade of minerals, as well as their association with torture, forced labor, child labor, and other serious crimes. Our suppliers and partners must comply with the principles of responsible mineral sourcing set out in the US Dodd-Frank Act and the EU regulation on conflict minerals. We are committed to implementing due diligence processes to eliminate the sourcing of such minerals and to report transparently on the results. We do not work with suppliers who tolerate abuses in connection with conflict minerals and we terminate any cooperation with suppliers who pose a risk of serious abuses.
- **Third party standards or initiative relevant for the A1 Group:** US Dodd-Frank Act (compliance with the principles of responsible and ethical mineral sourcing), EU regulation on conflict minerals

In addition to the policies described, the Code of Conduct (see G1-1), the Diversity, Equity & Inclusion Policy, the Health, Safety and Well-Being Policy, and the Human Rights Policy (see S1-1) address the material impacts on the workers in the value chain. These apply to the A1 Group and its partners and customers. Our policies and guidelines also describe our commitment to combating child and forced labor and human trafficking.

S2-2 — Processes for engaging with value chain workers about impacts

We attach great importance to directly engaging the worker in the value chain and their legal representatives in order to address their concerns in a targeted manner and include them in our decisions. This is ensured by a structured audit procedure in accordance with the specifications of the Joint Alliance for CSR (JAC). Each member of the JAC carries out at least five audits per year. With currently around 30 member companies, this results in an annual total of approximately 150 audits. The audit comprises several steps: in the opening meeting, important aspects of the audit are discussed, and a business review is presented. The aim is to understand the supplier's labor and health and safety standards and ethical and environmental practices. Production processes and working conditions are examined during a site tour. This is followed by a document review to ensure conformity with the JAC principles. A central component is the interviews with the supplier's employees, which are conducted in a confidential setting. These provide the audit team with insights into the actual working conditions and cover different groups of workers. A final meeting is held in which the results of the audit are presented and feedback is given. This comprehensive procedure ensures that the interests and concerns of the workers in the value chain are taken into account and that actions to improve working conditions are continuously implemented.

The interviews are conducted by the external JAC audit manager. Any deviations that are identified during audits are recorded in corrective action plans (CAP). The A1 Group JAC officer maintains regular contact with the audited company in order to review the progress in implementing the action plans. The results are reported to the Director of Group Technology and Transformation.

S2-3 — Processes to remediate negative impacts and channels for value chain workers to raise concerns

Workers in the value chain can communicate their concerns and complaints directly to us via the tell.me whistleblower system. tell.me is available in all the national languages of our subsidiaries and in English and can be accessed at any time via our website. Our suppliers are informed about the whistleblower system via the Code of Conduct. It is not currently mandatory for suppliers to communicate the procedure to their employees or provide relevant training, so knowledge of the system cannot be verified. The procedure for dealing with reported concerns and complaints is explained in S1-3 and applies both to our own workforce and to workers in the value chain. No incidents were reported from the value chain in 2024. Our suppliers' employees additionally have the opportunity to communicate their concerns and complaints during the audit interviews (see S2-2).

S2-4 — Taking action on material impacts, and approaches to managing material risks and pursuing material opportunities, and effectiveness of those action

The actions address the material topics secure employment, working time, adequate wages, freedom of association, including the existence of work councils, health and safety, Gender equality and equal pay for work of equal value, as well as child and forced labor. Similarly, the topics of employment and inclusion of people with disabilities, measures against violence and harassment in the workplace, and diversity are also covered. The resources for the implementation of the actions are provided by Group Purchasing and Supplier Relationship Management. All the actions described have been implemented and will be continued.

Due Diligence Form (DDF)

- **Content and time horizon:** As part of our commitment to social responsibility and to ensuring fair working conditions along our value chain, we have developed a comprehensive due diligence form for our suppliers. This was introduced in 2022 and is expanded every year. The form consists of four parts:
 - General company information
 - EcoVadis: EcoVadis assesses the sustainability performance of companies. It is determined whether a scorecard is available, including the score and medal.
 - Main section: subdivided into compliance, social responsibility, data protection, quality management, environmental responsibility, due diligence, and financial responsibility.
 - Authorization to use data: clarification of whether the data applies to other companies affiliated with the supplier and may be shared with our companies.

The questionnaire must be completed every 3 years. Suppliers receive the main section only if an EcoVadis scorecard is not available or if they have not been awarded the bronze medal as a minimum. The bronze medal is awarded to the best 35% of the companies that have been assessed. An escalation procedure is initiated if a supplier does not complete the form. If reference is made to the supplier's own policies, our team checks these to ensure that they meet our requirements.

- **Expected result and progress:** The aim of our due diligence form is to check and ensure that our suppliers comply with basic labor law and ethical standards. This systematic approach guarantees transparency and responsibility and ensures that our suppliers meet our standards. Around 350 suppliers have completed the form in total. As of the end of 2024, all suppliers accounting for 80% of expenditure and demonstrating a medium to high risk potential are covered by the DDF.
- **Scope:** The A1 Group's highest risk suppliers (all A1 Group suppliers accounting for 80% of expenditure and demonstrating a medium to high risk potential).

JAC (Joint Alliance for CSR)

- **Content and time horizon:** We are a member of the Joint Alliance for CSR (JAC), an association of telecommunications providers that has the aim of reviewing, evaluating, and further developing the implementation of corporate social responsibility (CSR) at major multinational suppliers in the information and communications technology (ICT) industry. The JAC pursues the mission of viewing sustainability as a shared responsibility that extends beyond competition and of promoting awareness of sustainability as a driving force along the supply chain. This can be achieved only through close collaboration and cooperation between the member companies.
- **Expected result and progress:** The aim of our membership of the JAC is to review and develop sustainability standards and proven processes by for example sharing practices. This helps to ensure compliance with internationally recognized standards and promotes respect for human rights as well as social, labor, and environmental standards. Compliance with these standards is assessed through joint audits and assessments of suppliers. Our cooperation with other telecommunications companies strengthens the effective implementation of sustainability principles in the industry and underlines our commitment to responsible corporate governance. Every member of the JAC is required to audit no less than five suppliers per year in accordance with the specifications. 29 companies are currently members.
- **Scope:** Suppliers of the A1 Group

An audit in 2023 revealed that the weekly working hours and overtime of the employees surveyed at one supplier breached the legal requirements and the SA8000 standards (certification standard for social responsibility in the workplace). An action plan to address these issues included revising the relevant policy for the use of the workforce, increasing production efficiency, hiring additional workers, and reducing overtime with the aim of gradually reducing the weekly working hours to a maximum of 60 hours. These actions were successfully implemented in 2024 and the infringements identified were rectified.

Metrics and targets

S2-5 — Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Due Diligence Form (DDF)

- **Target definition and time horizon:** Our current practice is to subject 100% of all suppliers to an annual risk assessment in the areas of environment, social, and governance. Our aim is to conduct a survey of suppliers accounting for 80% of all expenditure and assessed as medium to high risk using the due diligence form at least every three years. The survey sets out to identify critical areas of the supply chain (e.g. origin of metals and rare earths, compliance with human rights, carbon reduction, etc.) through self-disclosures and to determine and increase the maturity level of the suppliers.
- **Target measurement and review:** Progress towards meeting the annual target is communicated in a report and is also included as part of an annual audit, as this constitutes an STI (short-term incentive) for our management. The target was achieved in 2024.
- **Scope:** The A1 Group's highest risk suppliers (all A1 Group suppliers accounting for 80% of expenditure and demonstrating a medium to high-risk potential).

JAC (Joint Alliance for CSR)

- **Target definition and time horizon:** We plan to carry out five on-site audits at our suppliers every year by 2030 in order to ensure high standards along our supply chain.
- **Target measurement and review:** Five on-site audits were carried out at our suppliers this year. This target is also tracked by the JAC and documented by entries on the audit platform.
- **Scope:** Suppliers of the A1 Group

S4 Consumers and end-users

Information security

As we are an operator of critical infrastructure, information security is a key element of our value proposition and therefore also of our business strategy. Customers, employees, and society count on the availability and confidentiality of our services. In addition, companies such as the A1 Group are increasingly the target of cybercrime. This demands a high level of security awareness among our employees as well as a high level of security in our technology and business processes. Our stakeholders' trust in our brand is closely linked to our perception as a secure company.

Impact, risk and opportunity management

Policies related to information security

Information security policy

- **Content:** We implemented a Group-wide information security management system (ISMS) in 2024. Individual subsidiaries have already had an ISMS in place since 2005. The Group-wide ISMS defines the Information Security Policy as a central element of information security management. The target defined in this policy is to minimize the security risk in line with our risk tolerance. In doing so, we create a secure corporate environment and promote a security culture that has a positive impact on our products, our brand, and our image. Fewer security incidents result in the company being perceived as trustworthy by customers, for example. The most important aspects of our information security are:
 - Confidentiality: Access to information and data must be restricted exclusively to authorized persons and strictly regulated according to the need-to-know and need-to-have principles, so that access to data is granted only when it is necessary for work purposes.
 - Integrity: Data must be complete and correct. All systems, IT components, and networks must function perfectly in accordance with the specifications. Changes to data may only be possible with appropriate authorization. All changes to business-critical data records must be traceable at all times.
 - Availability: Data must be available at all times and delivered to the authorized workforce, customers, third parties or the right system at the time they are needed.
 - Compliance: The entire workforce or third parties must know and comply with the relevant internal or external specifications, guidelines, standards, and/or laws.
- **Scope:** All subsidiaries of the A1 Group
- **Responsibility:** Chief Information Security Officer in the subsidiaries
- **Availability for stakeholders:** The policy is published on the A1 Group website.

Actions related to information security

We implement a large number of actions to maintain and enhance the level of security. The following four actions have an especially positive effect on the opportunities that have been defined as material (perception as a safe company, positive impacts on brand, image, and products). All of the actions described have been implemented and will be continued.

ISO 27001 certification

- **Content and time horizon:** We implement and operate an ISMS in accordance with ISO 27001 in every subsidiary and consider the result to be a Group-wide SMS. The ISMS is designed as a permanent measure and is subject to an external monitoring audit every year. A recertification audit is carried out every three years. The ISMSs are certified and define a large number of security controls that are subject to a monitored and continuous improvement cycle.
- **Expected result and progress:** Targets include maintaining the certification, implementing possible measures for improvement, and eliminating weaknesses that have been identified as part of the audit results. All subsidiaries currently have valid certification.
- **Scope:** All subsidiaries of the A1 Group

Simulated hacker attacks

- **Content and time horizon:** We continuously carry out simulated hacker attacks (e.g. penetration testing, red teaming) against our company in order to test the actual effectiveness of our technical infrastructure and the security awareness of our employees. A total of 59 simulated hacker attacks were carried out in 2024.
- **Expected result and progress:** The results of the tests are communicated to the responsible officers and measures to eliminate any vulnerabilities and introduce improvements are initiated. The aim of the action is to continuously improve our level of security and thereby further strengthen our customers' trust in our products and brand.
- **Scope:** All subsidiaries of the A1 Group

Information security trainings

- **Content and time horizon:** We have implemented a comprehensive information security training and education concept. Annual mandatory e-learning courses and ongoing training programs are conducted in order to raise the awareness of our workforce regarding information security. Moreover, internal communication media and events provide information on current developments. This measure is implemented on an ongoing basis.
- **Expected result and progress:** The aim is to reduce the risk of successful attacks and incidents by training our workforce and raising their awareness of attacks and fraud patterns.
- **Scope:** All subsidiaries of the A1 Group

Information security escape room

- **Content and time horizon:** To raise public awareness, A1 Serbia has opened the first escape room with a focus on information security. The escape room is an interactive experience in which a group of people work together to solve a series of puzzles and tasks. Participants are guided through a scenario that simulates various security challenges that we encounter almost every day – often without realizing it.
- **Expected result and progress:** The importance of information security is promoted through a combination of entertainment and education.
- **Scope:** A1 Serbia

Metrics and targets

Targets related to information security

We monitor the effectiveness of security measures by implementing a Group-wide information security management system (ISMS). The overall ISMS consists of individual ISO 27001-certified ISMSs in each subsidiary. The inherent PDCA (plan-do-check-act) cycle ensures that their design and implementation is effective. Verification is ensured by the certification and recertification process. The level of ambition is defined by successful certification.

Metrics for information security

We use the following metric (according to the definition of América Móvil) to check the effectiveness of our information security: total number of security incidents incurring a penalty or fine of more than USD 100,000 (equivalent to EUR 103,890 reporting date December 31, 2024). There were no security incidents of this kind in 2024.

(Critical) Infrastructure and resilience

Critical infrastructure is the infrastructure that is essential for maintaining important societal functions. The disruption or destruction of this infrastructure can have serious impacts on the health, safety, and economic and social well-being of large sections of the population or the effective functioning of government institutions.

They form the foundation of modern societies and support essential services such as communications, transportation, energy, and health care. Of these, the telecommunications network stands out as a component that enables real-time data exchange and coordination between different sectors. The A1 Group operates critical infrastructure that supports not only telecommunications, but also other industries that depend on reliable connectivity for their operations and security.

Our infrastructure spans several countries and includes mobile, fixed-line, and fiber networks, data centers, and cloud platforms. In the face of increasing cyber threats, natural disasters, and technical failures, protecting this critical infrastructure is of paramount importance. Our networks are therefore designed with redundancy, resilience, and security as key priorities to ensure continuous operation even in the most challenging scenarios. Maintaining the integrity of this infrastructure is critical to the stability and security of the nations it serves.

Impact, risk and opportunity management

Policies related to (critical) Infrastructure and resilience

Business Continuity Management Policy (BCM)

- **Content:** The main focus of the Business Continuity Management Policy is on improving our resilience. This requires developing the necessary skills to recognize, prevent, minimize the impact of and, if necessary, manage incidents that cause damage. BCM activities are prioritized as follows:
 - Protecting life and limb
 - Continuing or rapidly restarting critical services
 - Ensuring compliance with legal regulations
 - Protecting the reputation of the A1 Group
 - Making improvements in stability by conducting root cause analyses and implementing suitable actions
- **Scope:** A1 Austria (formal implementation planned in all subsidiaries)
- **Responsibility:** CEOs of the subsidiaries (implementation)
- **Third party standards or initiative relevant for the A1 Group:** BSI Standard 200-4, ISO 22301
- **Availability for stakeholders:** The policy is available internally for the entire workforce.

Actions related to (critical) Infrastructure and resilience

The measures to maintain critical infrastructure have been implemented and will be continued. They are derived from the Business Continuity Management Policy and comprise two major disjunct areas:

- Prevention: preventive planning of resilience, redundancy, and reserves
- Reaction: reactive handling of outages, emergencies, and crises

Preventive planning of resilience, redundancy, and reserves

- **Content and time horizon:** The critical infrastructure shall be provided continuously, apart from during necessary, minimal maintenance windows, by implementing preventive actions. The redundancies (e.g. hot standby systems) and reserves (e.g. battery back-up, emergency power generators) are designed accordingly.
- **Expected result and progress:** Permanent provision of the critical infrastructure and prevention of outages.
- **Scope:** All subsidiaries of the A1 Group

Reactive handling of outages, emergencies, and crises

- **Content and time horizon:** Unexpected events cannot be completely ruled out by prevention, so how we handle outages, emergencies, and crises is clearly defined, e.g. by deploying emergency and crisis management teams.
- **Expected result and progress:** The aim is to restore the availability of the critical infrastructure as quickly as possible.
- **Scope:** All subsidiaries of the A1 Group

Metrics and targets

Targets related to (critical) infrastructure and resilience

The strategic target is to maintain the availability of the critical network and service infrastructure at all times and thus ensure the continuous support of business processes. Outages, emergencies, and crises must be handled in accordance with the stipulated activities. The target definition is adjusted annually.

Measurable, results-oriented, and scheduled target

- **Target definition and time horizon:** The target for the reporting year was to keep the number of outages in connection with the critical infrastructure to zero. In response to unforeseeable outages, their average duration and the average duration of any interruption for customers should both be kept as short as possible.
- **Target measurement and review:** The achievement of the target is reviewed annually.
- **Scope:** All subsidiaries of the A1 Group

Metrics for (critical) infrastructure and resilience

Key metrics include recording the total number of outages affecting critical infrastructure components, the duration of the outages, and the number of customers affected. In the event of disruptions to critical infrastructure, the subsidiaries concerned inform both the local regulatory authorities and, where affected, specific customer groups and the public. These metrics additionally serve as an important basis for internal management and decision-making. The metrics are currently used internally.

Digital competences

Digital competences are increasingly seen as central to equal opportunities, social participation, and economic development. The ability to use digital technologies safely, effectively, and competently plays a decisive role here.

A lack of these skills can make people more vulnerable to abuse, such as cyberbullying. This can lead to health problems or adverse effects on mental health, among other things. In addition, financial losses can be incurred if the people affected fall victim to fraud or data misuse.

As a telecommunications company, we are not only a provider of infrastructure and an enabler of digitalization, but are also committed to providing digital education and media literacy. Our vision is to improve digital competences in the target groups of children and young people, educators, parents, and senior citizens and to enable them to make the best possible use of the opportunities in the digital world. This includes partnerships with other organizations and associations, interest groups, school partnerships, digital learning platforms, training courses, and special learning apps and tools that teach digital skills.

Impact, risk and opportunity management

Policies related to digital competences

Digital competences as part of the ESG strategy

- **Content:** The ESG strategy includes targets for E (environment), S (social), and G (governance). Digital competences fall under S. With our Group-wide initiative, we offer free workshops and webinars for the target groups of children and young people, educators, parents, and senior citizens, among others. The focus of our ESG strategy relating to digital competences is children and young people. Our aim is to give them the self-confidence and skills they need to shape digital worlds.
- **Scope:** All subsidiaries of the A1 Group
- **Responsibility:** Head of Group ESG
- **Third party standards or initiative relevant for the A1 Group:** Sustainable Development Goals, etc. (ESG strategy), UNESCO for media and information literacy, the European Digital Competence Framework, and the guidelines of the Alliance for Digital Skills and Education of the European Union (digital competences)
- **Stakeholder involvement:** Local communities – especially children, young people, educators, and teachers, women, and senior citizens – but also NGOs, government representatives, and authorities were involved as stakeholder groups.
- **Availability for stakeholders:** The ESG strategy is published on the A1 Group website.

Actions related to digital competences

Our most relevant actions in relation to digital competences are presented below. The actions described have been implemented and will be continued.

Action for the target groups of children and young people

- **Content and time horizon:** Our diverse, free, and innovative program of workshops and courses offers children and young people the opportunity to actively immerse themselves in the digital world and help shape it. The workshops are held all year round – both on site at A1 locations, in schools, and online. The workshops cover a wide range of subjects and a variety of skills, such as coding, robotics, artificial intelligence, and media literacy. Several workshops can be attended in succession in order to gain a comprehensive understanding of the subjects and skills. The workshops are designed above all to encourage people to engage with the topic of digital education and media skills independently also after they have completed the course. Additional material is available for this purpose.
- **Expected result and progress:** Our aim is to expand the digital skills of the target groups mentioned in order to protect them from disinformation and fake news and also to promote equal opportunities, critical thinking, and responsible behavior online.
- **Scope:** All subsidiaries of the A1 Group

Action for the target group of parents and teachers

- **Content and time horizon:** Parents, educators, and kindergarten teachers play a key role in motivating and supporting children and young people in the learning process. If teachers and parents can understand and use digital tools and platforms, they are better able to support students' learning progress, identify problems early on, and provide targeted help. That is why we focus the contents of the courses for teachers on tips and tricks suitable for everyday school life that can be integrated in lessons and thus support teachers. Apps and websites are presented that can be used free of charge and are even suitable for the school subject involving basic digital education in Austria. We offer special info evenings for the target group of parents, sometimes directly at the schools with the help of the parents' associations. The main focus is on raising the awareness of the challenges that many children face in the digital world and how parents can best support their children.
- **Expected result and progress:** Our goal is to make everyday school life easier for educators and to break down prejudices against digital education and the generation gap in digital education. The aim is also to increase adults' understanding of the digital lives of children and young people. The involvement of teachers and parents in digital education is crucial for being able to take full advantage of digital tools and for supporting children and young people in their development.
- **Scope:** All subsidiaries of the A1 Group

Action for the target group of senior citizens/generation 60+

- **Content and time horizon:** Our courses are aimed specifically at the 60+ generation to enable them to actively use the Internet and participate in digital life. True to the motto "We learn for life", our free courses cover topics such as safe online shopping, video telephony, e-mail phishing, and Internet scams. This is intended to allay the participants' fears of getting started and give them the confidence to navigate the Internet independently.
- **Expected result and progress:** Our aim is to promote inclusion and enable older people to safely participate in digital life.
- **Scope:** A1 Austria and A1 Belarus

Metrics and targets

Targets related to digital competences

Measurable, results-oriented, and scheduled target

- **Target definition and time horizon:** Our goal is to reach a total of 500,000 participations to our digital education initiatives from 2021 to 2030
- **Target measurement and review:** The target is reviewed twice a year. A total of 437,526 participations registered in the period from 2021 up to 2024.
- **Scope:** All subsidiaries of the A1 Group

Metrics for digital competences

The number of participants per country and target group is listed below.

Participations in digital competence trainings

	2024	2023	Δ
Austria	131,637	90,417	46%
Bulgaria	13,057	13,216	-1%
Croatia	14,199	5,706	149%
Belarus	1,369	502	173%
Slovenia	5,033	20,983	-76%
Serbia	4,420	9,757	-55%
North Macedonia	1,667	1,939	-14%
Total number	171,382	142,520	20%

Participations per target group

	2024	2023	Δ
Children and young adults	155,731	129,291	20%
Educationalists ¹⁾	6,131	1,935	217%
Parents	2,752	2,046	35%
Senior Citizens	6,768	9,248	-27%
Total number	171,382	142,520	20%

¹⁾ Incl. kindergarten, primary and secondary school educationalists

Governance

G1 Business Conduct

Impact, risk and opportunity management

G1-1 – Business conduct policies and corporate culture

Compliance shapes the attitude and behavior of all managers and employees through clear, practiced values and actions to promote correct conduct. Maintaining and further developing an externally audited Compliance Management System (CMS) in line with best practice is a key element of the A1 Group's corporate governance and ESG strategy. By acting ethically and in compliance with the law, we help to ensure that employees, customers, and other stakeholders trust the A1 Group. This trust is an important prerequisite for protecting our company from reputational damage, liability risks, and financial risks in the future.

The A1 Group's strategy places people at the center and thus shapes the corporate culture (see S1 for more information on Human@Center). The results of the regular employee surveys (A1 Voices, compliance and integrity surveys) form the basis for specific actions aimed at developing and promoting the corporate culture.

In order to ensure absolutely correct ethical and legally compliant conduct, the A1 Group relies on managers at all levels to act as role models, on the values that the A1 Group puts into practice, and on the recognition and implementation of actions to promote correct conduct. This requires the Management Board, the Leadership Teams, and the management of the A1 Group to make an active, visible commitment to shared standards of conduct.

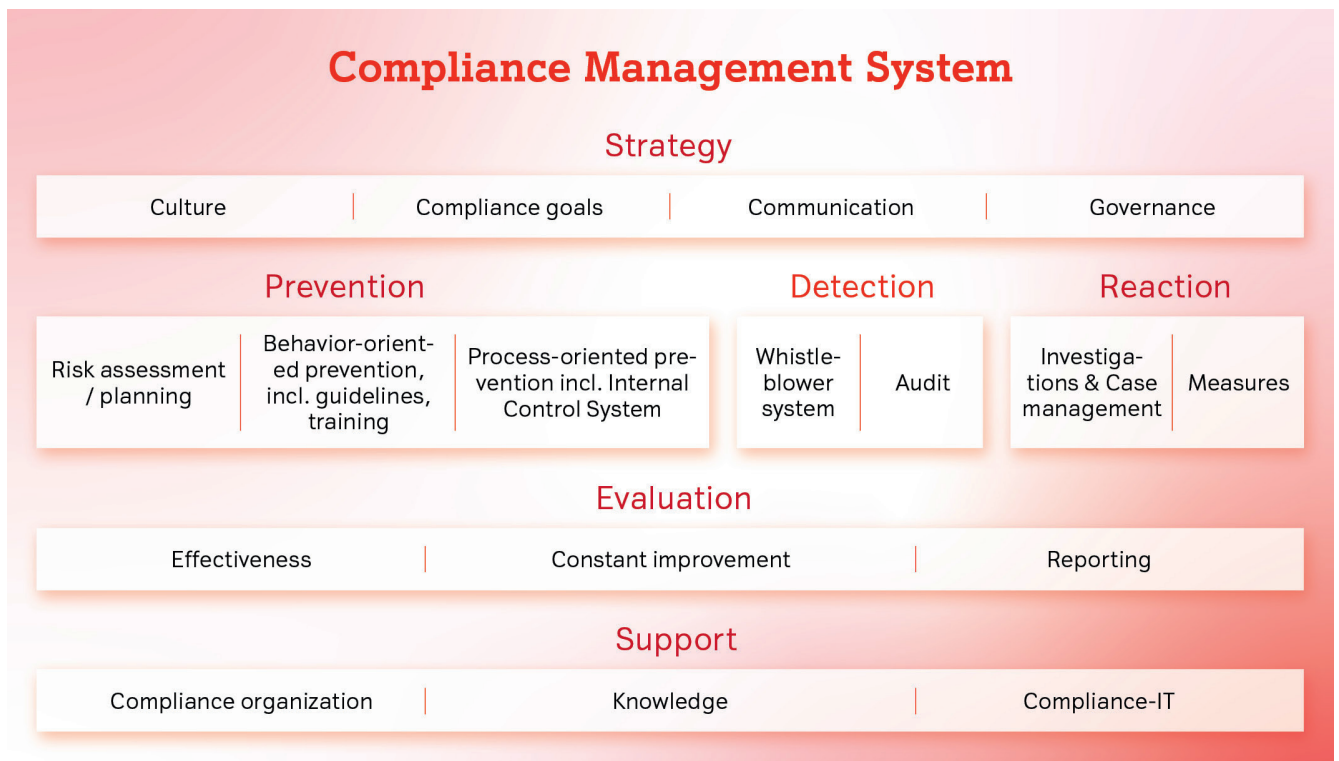
Moreover, treating each other with respect and appreciation is also an important part of our corporate culture. Teamwork, trust, and agility are the A1 Group's values that guide the company as it implements its vision of Empowering Digital Life. The A1 Group's corporate culture promotes diversity, equity, and inclusion. In addition, psychological safety and an open feedback culture in the workplace are important aspects in supporting compliance.

The policies and guidelines described below apply to all members of the Management Board, Leadership Team members, managers, and the workforce of the A1 Group, i.e. employees and non-employees in all Group companies. They are published on the A1 Group website.

Compliance Management System (CMS)

- **Content:** Compliance is especially important for successful business management and is firmly anchored in our corporate governance and in our corporate culture and strategy. As part of the CMS, the compliance policy and compliance strategy form the governance and the basis for operational compliance management. Together with our commitment to human rights, due diligence in the supply chain, and the data protection management system, the A1 Group's CMS is an essential part of the governance pillar of our ESG strategy.

The compliance management system comprises the following elements:



Acting with integrity is a prerequisite for sustainable business success and the reputation of the A1 Group. It is managers who are responsible in the first instance for ensuring integrity by setting an appropriate tone from the top/middle and by setting an example themselves. All members of the Leadership Team sign an annual compliance commitment, which describes their role and responsibility within the CMS. In the course of the annual compliance risk assessment risks are identified and evaluated, followed by the definition and prioritization of suitable actions in order to prevent improper business conduct by managers and employees. The areas of anti-corruption/integrity, antitrust law, data protection, capital market compliance, and export compliance/sanctions are discussed and the risk reduction measures and their implementation are reported to the Management Board and Supervisory Board as well as to all leadership teams of the Group companies as part of the risk assessment process. A strong culture of integrity is the key to successful compliance management. For this reason, the A1 Group relies on target group specific communication and training. The A1 Group uses all internal communication channels, in particular the Workplace platform, to convey important compliance messages, e.g. our Code of Conduct or our tell.me whistleblower portal. Important information about the CMS is available on the company website.

With the aim of preventing and detecting compliance violations within the A1 Group and in our value chain, our workforce, but also external persons may use the tell.me whistleblower platform – anonymously if they wish – to report information about possible misconduct or suspected violations of legal regulations, the Code of Conduct, and internal guidelines. This includes the actions of our workforce in the Group companies' own business areas as well as those of our suppliers and business partners.

A link to the whistleblower portal is provided for employees in an easy-to-find location, e.g. on the homepage of the intranet and in internal apps. External stakeholders are informed about the whistleblowing portal via the company website. Information on the reporting channels and on whistleblower protection can also be found in the Code of Conduct, which is an integral part of the A1 Group's General Terms and Conditions of Purchase. Information on the whistleblowing procedure is included as part of regular training activities and communication measures. An electronic mailbox in the whistleblower portal guarantees the anonymity of the whistleblowers from a technical perspective if they decide to remain completely anonymous, even to the Compliance department.

Information from employees can also be passed on to their immediate supervisor or the responsible compliance officer on site. Reports from whistleblowers are treated confidentially and investigated and reviewed by persons subject to confidentiality requirements.

The whistleblowing process actively communicated to our own workforce takes into account all requirements of the EU Whistleblowing Directive 2019/1937 as well as local laws and regulates in detail the protection of whistleblowers, the confidential and professional processing of all reports, communication with whistleblowers, and the appropriate sanctions for any misconduct that is actually identified. A special process is provided if a member of the Management Board, a member of the Supervisory Board or a head of Internal Audit or Compliance is the subject of a report of potential misconduct.

The channels for reporting misconduct, the comprehensive whistleblower protection, and the actions that are taken in response to any misconduct that is identified are discussed in particular in all compliance training courses. Employees who are involved in handling reports receive special training. The A1 Group responds immediately with appropriate actions and sanctions if misconduct is detected. The possible consequences range from awareness-raising and training activities or process improvements to reprimands, dismissal, reports to the police or the termination of business relationships. The professional and confidential handling of all reports by Compliance and Internal Audit ensures that not only the people submitting a report, but also the people that are subject of a report are protected as long as no actual misconduct is identified.

In 2024, reports on 33 material issues (of which 4 related to corruption, 2 to antitrust law, 2 to data privacy, 7 to human rights, and 18 to integrity) were received through the tell.me whistleblowing platform and other reporting channels, which were handled with the utmost care and confidentiality. Action was taken a total of 34 times as a result of reports that were received and confirmed in 2024. In accordance with EU Directive 2019/1937 on the protection of whistleblowers, the A1 Group prohibits any form of retaliation against whistleblowers. Any actions or omissions in a professional context that result in a whistleblower who raises concerns in good faith receiving disadvantageous treatment are prohibited. The protection of whistleblowers is expressly not limited to the topics covered by statutory protection, provided that the whistleblower acts in good faith. If discrimination is suspected on account of information that has been submitted, the responsible Compliance Officer will investigate the case with the support of Internal Audit. Any whistleblower who feels being subject of retaliation can contact Compliance. In cases of proven disadvantage to the whistleblower, the A1 Group shall compensate the damage incurred and the costs in an appropriate manner.

In addition, annual training courses are held for the relevant target group on all areas of compliance (anti-corruption, conflicts of interest, antitrust law, data protection, capital market compliance, sanctions, and human rights) in order to anchor the concept of integrity in the A1 Group. Group-wide training programs explain compliance issues in a practical way and provide real-world case studies. Compliance training focuses on the individuals whose activities are particularly susceptible to the risk of corruption and bribery, such as managers, sales and purchasing staff.

The appropriateness and effectiveness of the A1 Group's Compliance Management System (CMS) has already been audited several times by external auditors and confirmed without qualification, most recently in 2022/2023 by BDO Assurance GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft. In addition to the audit of a company's compliance culture, the underlying auditing standard IDW PS 980 of the Institut der Wirtschaftsprüfer in Deutschland (Institute of Public Auditors in Germany) for compliance management systems as amended in September 2022, also provides for the audit of the targets, risks, program, organization, communication, monitoring, and improvement measures of the CMS. BDO certified that the A1 Group's Compliance Management System has a high level of maturity.

- **Responsibility:** The Supervisory Board supervises the Management Board in its operation and further development of the compliance management system. Both bodies are responsible for defining a compliance policy. Within the A1 Group, the compliance organization, headed by the Group Compliance Director, ensures that the necessary procedures and processes are maintained and further developed. Group Compliance ensures that the risk mitigation measures resulting from the annual compliance risk assessments are implemented in all business units with the support of responsible officers in the subsidiaries. Management is responsible for ensuring compliance.
- **Third party standards or initiative relevant for the A1 Group:** The Austrian Code of Corporate Governance (ÖCGK) pursues the goal of responsible corporate management and control geared towards sustainable and long-term value creation. The A1 Group has been committed to voluntary compliance with the ÖCGK since 2003. The A1 Group also makes an important contribution to achieving the UN Sustainable Development Goals (SDGs) in the area of governance. This is reflected in our membership of the UN Global Compact since 2013. In its declaration of commitment, the A1 Group has pledged to integrate the UN Global Compact, which includes the SDGs, in its strategy, culture, and operating activities. The following international standards form the framework for the A1 Group's compliance management system: ISO 37301 Compliance management systems, ISO 37001 Anti-bribery management systems, ISO 37002 Whistleblowing management systems, the UN Global Compact, OECD Guidelines for Multinational Enterprises.

Code of Conduct

- **Content:** The A1 Group has laid down clear rules for legally compliant and ethical conduct in all business relationships in its Code of Conduct. The code regulates the A1 Group's responsibility for people, society, and the environment, the A1 Way of Working, and the importance of human rights, diversity and inclusion, the requirements for conduct in the business relationships with customers, competitors and suppliers, the handling of gifts, invitations and personal benefits, the protection of company assets, the correct handling of confidential and personal data, the prevention and handling of conflicts of interest, and the options for reporting misconduct. It also stipulates that the A1 Group has no political affiliation and that its workforce is free to exercise their political rights.
- **Responsibility:** The Code of Conduct is the responsibility of the Management Board of the A1 Group and is adopted by all Management Boards in the Group companies.
- **Third party standards or initiative relevant for the A1 Group:** The A1 Group has joined the UN Global Compact. We have thus undertaken to implement fundamental requirements in the areas of human rights, labor, the environment, and combating corruption. The Group aligns its activities with the SDGs and is committed to the OECD Guidelines for Multinational Enterprises. The Human Rights Policy is based on the United Nations Universal Declaration of Human Rights, the United Nations International Covenant on Civil and Political Rights (CCPR), the United Nations International Covenant on Economic, Social and Cultural Rights (CESCR), the Declaration on Fundamental Principles and Rights at Work of the International Labor Organization (ILO), and the United Nations Guiding Principles on Business and Human Rights (UNGPs).

Further guidelines related to compliance

In addition, Group-wide guidelines regulate topics such as anti-corruption, conflicts of interest, data protection, antitrust law, capital market compliance, respect for human rights, diversity, inclusion and equal treatment, the environment, and responsible supplier relationships in detail.

G1-2 – Management of relationships with suppliers

The basis for the management of relationships with suppliers is their relevance measured by the extent to which they can positively or, in terms of risk, negatively influence the A1 Group's business success. The A1 Group strives to enter into long-term business relationships and to work with suppliers in several business areas.

We see the resulting larger and more diversified footprint as a lever for gaining commercial advantages, securing the supply chain, and obtaining more open access to innovations. We make use of economies of scale with our majority shareholder América Móvil in the purchasing categories that are suitable for this (e.g. IT standard software).

The Purchasing Guidelines of the A1 Group and its subsidiaries describe our two procurement processes, the strategic Source2 Contract process and the operational Purchase2Pay process. It specifies in particular how supplier selection is to be carried out and documented in order to ensure a transparent and traceable process. Defined thresholds have been set, above which management, right up to the Management Board, has to be involved, thus going far beyond the formal requirements of the signatory rules.

By agreeing to our General Terms and Conditions for Purchasing (GTC), suppliers (and the A1 Group) undertake to comply with our Code of Conduct (see G1-1), which demands integrity as the basis of our business. The A1 Group puts this concept of fairness into practice in its relationships with suppliers not only when selecting a supplier: Terms and conditions of payment are negotiated by product (hardware and software) and service and further differentiated based on purchasing categories. The A1 Group's practice is to adhere to contractually agreed payment terms without exception.

The A1 Group depends for its supplies on global supply chains, which are hedged by measures such as alternative sources of supply, contractual agreements, and stock management. In addition to the prevention of outages, there are ESG risks that need to be addressed especially when sourcing globally. The Responsible Sourcing Policy (see S2-1) defines our ESG standards in detail, and we demand compliance with these standards without exception throughout the entire supply chain. This policy describes our approach to the risk assessment of each supplier, to the review of our requirements in the form of self-assessments, and to external on-site audits. As part of our membership, we make use of the network of the Joint Alliance for CSR (see S2-4) for these audits.

Where relevant for the business case in question, ESG criteria are integrated in the procurement process itself. This relates to the energy requirements of a solution as part of the total cost of ownership as well as to privacy and security requirements. In addition, the Supplier Code of Conduct (see S2-1) is explicitly addressed to our suppliers: It clearly describes our requirements for their social and environmental performance and the possible consequences of non-compliance.

G1-3 – Prevention and detection of corruption and bribery

The prevention and detection of corruption and bribery forms part of the compliance management system that is described under G1-1. The A1 Group management system for the prevention of corruption and bribery and the guidelines and policies that are described apply to all A1 Group Management Board members, Leadership Team members, managers, and the A1 Group workforce, i.e. employees and non-employees in all Group companies. They are published on the A1 Group website.

Employees but also externals can use the tell.me whistleblower platform on the A1 Group website to report any misconduct they have observed or suspect. Communication and training measures as well as the implementation of the annual risk assessment and the actions derived from it help to raise awareness around the prevention of corruption risks.

Management system for the prevention of corruption and bribery

- **Content:** When dealing with business partners, customers, and suppliers as well as authorities and other public officials, employees, non-employees and managers are prohibited without exception from directly or indirectly offering, promising, granting or authorizing financial or other advantages if the intention is to cause the recipient to act or refrain from acting in breach of their duty. In addition, the company's employees are prohibited from granting financial or other benefits to a business partner, consultant, agent, intermediary or other third party or from authorizing such a benefit if circumstances indicate that it will be passed on in whole or in part, directly or indirectly, to a public official or a person in the private sector in order to obtain an act or omission by the recipient in breach of their duty or to influence the public official in any other unauthorized way. Employees make business decisions exclusively in the interest of the A1 Group and put private interests aside. They must not allow themselves to be influenced in their business decisions as a result of being offered or promised unfair advantages by suppliers or other business partners or as a result of accepting such advantages. Nor may they demand that they be granted unfair advantages. No one who reports corrupt practices at A1 or refuses to participate in such practices will suffer any disadvantages.
- Description of the management system: The A1 Group anti-corruption policy, the roles and responsibilities involved in implementing the measures and processes in the area of the prevention and detection of corruption and in further developing the anti-corruption management system correspond to those of the CMS principles described in more detail in G1-1 and are published on the A1 Group website.
- Description of the policy: In addition to the local criminal provisions on corruption, the A1 Group is also subject to the US Foreign Corrupt Practices Act (FCPA) as the main shareholder América Móvil is listed in the US, and subject to the UK Bribery Act because the A1 Group has a subsidiary in the UK. All legal requirements are taken into account in the A1 Group Anti-Corruption and Conflicts of Interest Policy. It serves the purpose of prevention and contains a strict ban on bribery and corruption as well as detailed rules on conflicts of interest, gifts and invitations, lobbying, sponsorship, and donations. The ban on donations to political parties and affiliated organizations, the ban on placing advertisements in political media, and the commitment to responsible advertising are clearly regulated.
- Training courses on anti-corruption and bribery: As described under G1-1, training courses that are tailored to the relevant target group and that cover all areas of compliance, thus including anti-corruption and bribery, are held annually. Special training is given to people at an increased risk of corruption, such as managers, sales and purchasing employees. With regard to the mandatory annual compliance e-learning and the special training courses that are conducted, the training rate for functions at risk in the reporting year 2024 is 86%. Management and supervisory bodies receive training in the reporting obligations and information concerning the compliance risk assessment. The Code of Conduct and the Anti-Corruption and Conflicts of Interest Policy are available for external stakeholders on the A1 Group website.
- Disclosure of corruption and bribery: The tell.me whistleblower platform described under G1-1 is available to our workforce and external persons so that they can disclose any misconduct they have observed or suspect. Regular training and communication measures as well as activities based on the compliance risk assessment are carried out to prevent corruption. Compliance audits, the internal control system, and tip-offs play their part in bringing incidents of corruption to light. Reported incidents are investigated confidentially and independently by Internal Audit. The Management Board and the Supervisory Board are informed of the results of the investigations and the implementation of the risk mitigation actions.

- **Responsibility:** The Supervisory Board supervises the Management Board with regard to the operation and further development of the management system for the prevention of corruption and bribery. Both bodies are responsible for defining an anti-corruption policy. Within the A1 Group, the Compliance Organization, headed by the Group Compliance Director, ensures that the necessary procedures and processes for preventing corruption are maintained and further developed. Management is responsible for ensuring compliance.
- **Third party standards or initiative relevant for the A1 Group:** The following international standards form the framework for the A1 Group management system for the prevention of corruption and bribery: ISO 37001 Anti-bribery management systems, UN Global Compact, OECD Guidelines for Multinational Enterprises. A1 Belarus and A1 Bulgaria are certified to ISO 37001.

Data privacy

We believe that enabling a positive and people-centered digital future requires constructive collaboration between stakeholders. Governments, industry and international organizations all have a stake in the digital future. We are committed to ensure the privacy of citizens is respected and their data is handled in responsible, secure, and transparent ways by all participants. This includes providing consumers with opportunities to exercise choice and control over their data, whilst enabling innovation and other societal benefits. By ensuring data privacy, we not only avoid penalties but also safeguard the fundamental human right to privacy. Additionally, we strengthen the trust of our customers and our workforce in our company.

Impact, risk and opportunity management

Policies related to data privacy

The policies are applicable to all subsidiaries of A1 Group.

Group Data Privacy Governance Policy

- **Content:** The objective of our policy is to ensure a standardized approach to the implementation needs regarding the General Data Protection Regulation (GDPR), as well as various other regulations dealing with data protection. As a group of subsidiaries operating internationally, it is of particular importance to meet the expectations of customers, business partners and our workforce in the confident, safe, and sensitive handling of their personal data.
- **Responsibility:** Director of Group Technology and Transformation
- **Involvement of stakeholder:** 2019 GSMA Declaration on the Digital Future (Stakeholder group: Competitive landscape).
- **Availability for stakeholder:** The policy is publicly available on the A1 Group website.

Group Data Privacy Governance Handbook

- **Content:** The objective of the handbook consists in providing us with a self-regulating mechanism of measures in compliance when we act as either controller or processor, especially as regards the identification of the risk related to the processing, their assessment in terms of origin, nature, likelihood and severity, and the identification of best practices to mitigate the risk of non-compliance. The handbook is aimed at placing privacy in internal project execution, where personal data is being processed. Among the main privacy controls, it seeks to implement is to determine the lawful basis as well as the fulfillment of privacy principles for the processing of personal data. Each of our subsidiaries has the responsibility to comply with their own data protection regulations, as well as to meet the requirements set forth by the corresponding authorities.
- **Responsibility:** Corresponding management board member of subsidiaries
- **Availability for stakeholders:** The handbook is internally available.

Data Governance Guideline in the procurement process

- **Content:** The objective of the guideline is to determine controls and risk mitigations related to data privacy in our procurement sourcing. The application of the rules, documentation and steps described here is mandatory when such Group Project involves engagement of a vendor which, during the provision of services, will engage in processing personal data on behalf of two or more subsidiaries. The rules, documentations and steps as described are also advised to be applied in projects that are not considered as Group Projects (i.e. projects concerning only one subsidiary).
- **Responsibility:** Director of Group Technology and Transformation
- **Availability for stakeholders:** The guideline is internally available.

Actions related to data privacy

ISO 27701 Certification

- **Content and timeframe:** In several operations we have ISO certifications on privacy – A1 Bulgaria and A1 Digital are certified according to ISO/IEC 27701:2019. Such certifications require a Privacy Information Management System and are subject to annual external audit for validation of effective controls. This measure is ongoing.
- **Expected outcome and progress:** Maintaining certifications under ISO 27701 ensures the continued existence of robust data protection management systems that meets internal requirements as well as the demands of the GDPR and other data protection laws.
- **Scope:** A1 Bulgaria, A1 Digital

General and specific training

- **Content and timeframe:** We have detailed training on privacy compliance in all our subsidiaries. Additionally, we implement specific privacy training for managers, marketing teams, procurement and other relevant units handling personal data. The topics covered range from direct marketing communication, cookies and websites to privacy controls in the procurement process as well as main obligations which managers need to adhere to. Lastly, based on recent regulatory developments, as well as on the additional controls we want to implement for data analytics, advanced analytics and AI, we are developing specific training and awareness for the data science and data engineer communities. This measure is ongoing.
- **Expected outcome and progress:** The expected outcome is a higher awareness of the risks and internal requirements associated with non-compliance and privacy obligations in key areas such as marketing, procurement and big data and AI for the corresponding stakeholders.
- **Scope:** All subsidiaries of A1 Group

Compliance Risk Assessment

- **Content and timeframe:** The compliance risk assessment is used to identify and assess compliance risks and potential non-compliant situations and to define and prioritize appropriate measures to prevent non-compliant business conduct by managers, our workforce and representatives of A1 Group to reduce legal, financial and reputational risks. This measure is ongoing.
- **Expected outcome and progress:** The privacy segment of the compliance risk assessment of 2024 includes questions related to the AI Act which will start to have its implementation starting on 2025. The outcomes of the compliance risk assessments will be checked on plausibility and consolidated on group level by Group Compliance.
- **Scope:** All subsidiaries of A1 Group

Data Protection Officer

- **Content and timeframe:** Data privacy controls cannot be implemented without the expertise of data protection officers and the privacy community overall. Therefore, each subsidiary has a governance structure in place for privacy management and for handling data protection matters. Each subsidiary has appointed a Data protection Officer who serves as the key contact and source of expertise for privacy compliance across the business lines.
- **Expected outcome and progress:** Comply and monitor internal and external data protection policies and regulation. Our Data Protection Officers serve as a point of contact for authorities and other concerned parties in the countries.
- **Scope:** All subsidiaries of A1 Group

Metrics and targets

Targets related to data privacy

No substantiated complaints over USD 100,000 received concerning breaches of customer privacy in the financial year (according to the definition of América Móvil).

- **Target definition and time horizon:** The target includes all incidents regarding breaches of customer privacy that had a final court decision and that individually had a cost over USD 100,000 paid during the financial year.
- **Target performance and review:** The target is reviewed twice a year.
- **Scope:** All subsidiaries of A1 Group

Metrics for data privacy

The A1 Group defined the total number of substantiated complaints received concerning breaches of customer privacy in the financial year, categorized into complaints received from regulatory bodies and those from other outside parties.

The A1 Group provides the number of incidents that had a final court decision and that individually had a cost of over USD 100,000 (equivalent to 103,890 EUR, as of December 31, 2024) paid during the financial year. In 2024, no complaints from regulatory bodies and no complaints from other outside parties were received.

Appendix of the sustainability statement

Datapoints that derive from other EU legislations

Disclosure Requirement and related Datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation Reference	EU Climate Law Reference	Material/ Not material	Page
GOV-1 Board's gender diversity, paragraph 21 (d)	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816, Annex II		Material	36-37
GOV-1 Percentage of board members who are independent, paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		Material	37
GOV-4 Statement on due diligence, paragraph 30	Indicator number 10 Table #3 of Annex 1				Material	40
SBM-1 Involvement in activities related to fossil fuel activities, paragraph 40 (d) i	Indicators number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013: Commission Implementing Regulation (EU) 2022/2453 Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		Not material	
SBM-1 Involvement in activities related to chemical production, paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		Not material	
SBM-1 Involvement in activities related to controversial weapons, paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not material	
SBM-1 Involvement in activities related to cultivation and production of tobacco, paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not material	
E1-1 Transition plan to reach climate neutrality by 2050, paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	Material	63
E1-1 Undertakings excluded from Paris-aligned Benchmarks, paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 12.1 (d) to (g), and Article 12.2		Material	63
E1-4 GHG emission reduction targets, paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book - Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		Material	70
E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors), paragraph 38	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1				Not Material	

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Disclosure Requirement and related Datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation Reference	EU Climate Law Reference	Material/ Not material	Page
E1-5 Energy consumption and mix, paragraph 37	Indicator number 5 Table #1 of Annex 1				Material	71
E1-5 total energy consumption from nuclear sources, paragraph 37 (b)					Not material	
E1-5 Energy intensity associated with activities in high climate impact sectors, paragraph 40-43	Indicator number 6 Table #1 of Annex 1				Not material	
E1-6 Gross Scope 1, 2, 3 and Total GHG emissions, paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book - Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		Material	72
E1-6 Gross GHG emissions intensity, paragraph 53-55	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book - Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		Material	73
E1-7 GHG removals and carbon credits, paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	Not material	
E1-9 Exposure of the benchmark portfolio to climate-related physical risks, paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		Not material	
E1-9 Disaggregation of monetary amounts by acute and chronic physical risk; Location of significant assets at material physical risk, paragraph 66 (a); 66 (c)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.			Not material	
E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes, paragraph 67 (c)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2: Banking book - Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral			Not material	
E1-9 Degree of exposure of the portfolio to climate-related opportunities, paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		Not material	
E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1				Not material	

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Disclosure Requirement and related Datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation Reference	EU Climate Law Reference	Material/ Not material	Page
E3-1 Water and marine resources, paragraph 9	Indicator number 7 Table #2 of Annex 1				Not material	
E3-1 Dedicated policy, paragraph 13	Indicator number 8 Table 2 of Annex 1				Not material	
E3-1 Sustainable oceans and seas, paragraph 14	Indicator number 12 Table #2 of Annex 1				Not material	
E3-4 Total water recycled and reused, paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex 1				Not material	
E3-4 Total water consumption in m3 per net revenue on own operations, paragraph 29	Indicator number 6.1 Table #2 of Annex 1				Not material	
SBM-3 - E4, paragraph 16 (a) i	Indicator number 7 Table #1 of Annex 1				Not material	
SBM-3 - E4, paragraph 16 (b)	Indicator number 10 Table #2 of Annex 1				Not material	
SBM-3 - E4, paragraph 16 (c)	Indicator number 14 Table #2 of Annex 1				Not material	
E4-2 Sustainable land / agriculture practices or policies, paragraph 24 (b)	Indicator number 11 Table #2 of Annex 1				Not material	
E4-2 Sustainable oceans / seas practices or policies, paragraph 24 (c)	Indicator number 12 Table #2 of Annex 1				Not material	
E4-2 Policies to address deforestation, paragraph 24 (d)	Indicator number 15 Table #2 of Annex 1				Not material	
E5-5 Non-recycled waste, paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1				Not material	
E5-5 Hazardous waste and radioactive waste, paragraph 39	Indicator number 9 Table #1 of Annex 1				Not material	
SBM-3 - S1 Risk of incidents of forced labour, paragraph 14 (f)	Indicator number 13 Table #3 of Annex I				Not material	
SBM-3 - S1 Risk of incidents of child labour, paragraph 14 (g)	Indicator number 12 Table #3 of Annex I				Not material	
S1-1 Human rights policy commitments, paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				Material	80
S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		Material	80

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Disclosure Requirement and related Datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation Reference	EU Climate Law Reference	Material/ Not material	Page
S1-1 Processes and measures for preventing trafficking in human beings, paragraph 22	Indicator number 11 Table #3 of Annex I				Material	80
S1-1 Workplace accident prevention policy or management system, paragraph 23	Indicator number 1 Table #3 of Annex I				Material	80
S1-3 Grievance/complaints handling mechanisms, paragraph 32 (c)	Indicator number 5 Table #3 of Annex I				Material	81
S1-14 Number of fatalities and number and rate of work-related accidents, paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Material	88
S1-14 Number of days lost to injuries, accidents, fatalities or illness, paragraph 88 (e)	Indicator number 3 Table #3 of Annex I				Material	88
S1-16 Unadjusted gender pay gap, paragraph 97 (a)	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Material	88
S1-16 Excessive CEO pay ratio, paragraph 97 (b)	Indicator number 8 Table #3 of Annex I				Material	88
S1-17 Incidents of discrimination, paragraph 103 (a)	Indicator number 7 Table #3 of Annex I				Material	88
S1-17 Non-respect of UNGPs on Business and Human Rights and OECD, paragraph 104 (a)	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		Material	89
SBM-3 – S2 Significant risk of child labour or forced labour in the value chain, paragraph 11 (b)	Indicators number 12 and n. 13 Table #3 of Annex I				Not material	
S2-1 Human rights policy commitments, paragraph 17	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1				Material	90-91
S2-1 Policies related to value chain workers, paragraph 18	Indicator number 11 and n. 4 Table #3 of Annex 1				Material	90-91
S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines, paragraph 19	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Material	93
S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		Material	90-91
S2-4 Human rights issues and incidents connected to its upstream and downstream value chain, paragraph 36	Indicator number 14 Table #3 of Annex 1				Material	93

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Disclosure Requirement and related Datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation Reference	EU Climate Law Reference	Material/ Not material	Page
S3-1 Human rights policy commitments, paragraph 16	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1				Not material	
S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines, paragraph 17	Indicator number 10 Table #1 Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material	
S3-4 Human rights issues and incidents, paragraph 36	Indicator number 14 Table #3 of Annex 1				Not material	
S4-1 Policies related to consumers and end-users, paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				Not material	
S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines, paragraph 17	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material	
S4-4 Human rights issues and incidents, paragraph 35	Indicator number 14 Table #3 of Annex 1				Not material	
G1-1 United Nations Convention against Corruption, paragraph §10 (b)	Indicator number 15 Table #3 of Annex 1				Not material	
G1-1 Protection of whistleblowers, paragraph §10 (d)	Indicator number 6 Table #3 of Annex 1				Not material	
G1-4 Fines for violation of anti-corruption and anti-bribery laws, paragraph §24 (a)	Indicator number 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II)		Not material	
G1-4 Standards of anti-corruption and anti-bribery, paragraph §24 (b)	Indicator number 16 Table #3 of Annex 1				Not material	

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Vienna, February 10, 2025

CEO Alejandro Plater m.p.

Deputy CEO Thomas Arnoldner m.p.

Glossary

ARPL (Average Revenue Per Line)	<p>ARPL-relevant revenues / average fixed access lines</p> <p>ARPL-relevant revenues = fixed retail revenues + fixed interconnection revenues</p> <p>Average fixed access lines = average of the average monthly fixed access lines in a financial year</p>
ARPU (Average Revenue Per User)	<p>ARPU-relevant revenues / average number of subscribers</p> <p>ARPU-relevant revenues are wireless service revenues, i.e., mobile retail revenues (including customer roaming) and mobile interconnection as well as visitor roaming and national roaming revenues.</p> <p>Average number of subscribers = average of the average monthly subscribers in a financial year</p>
CAPEX (Capital Expenditures)	Total additions to intangible assets + total additions to property, plant and equipment (excluding right of use additions according to IFRS 16)
Core OPEX	OPEX — equipment costs — interconnection costs — roaming costs
CO ₂ e (CO ₂ equivalents)	Unit of measurement that compares the emissions of different greenhouse gases based on their warming potential. It expresses the amount of a greenhouse gas that has the same impact on global warming as a certain amount of CO ₂ .
CSRD (Corporate Sustainability Reporting Directive)	EU directive ¹⁾ that requires companies to disclose detailed information on environmental, social, and governance (ESG) aspects. It has been in force since the beginning of 2023 and expands the requirements of the previous Non-Financial Reporting Directive (NFRD) in order to increase the transparency and comparability of sustainability reporting.
EBITDA (Earnings Before Interest, Tax, Depreciation and Amortization)	EBIT + depreciation + amortization
EBITA margin	EBITDA / total revenues
EBITDA aL (EBITDA after Leases)	EBITDA — depreciation of lease assets according to IFRS 16 — interest expenses pursuant to IFRS 16
EBITDA aL-Marge	EBITDA — depreciation of lease assets according to IFRS 16 — interest expenses pursuant (EBITDA after Leases) to IFRS 16
EBIT (Earnings Before Interest and Tax)	EBIT equals the operating income according to IFRS.
EBIT margin	EBIT / total revenues
ESRS (European Sustainability Reporting Standards)	Reporting standards that specify which sustainability information must be disclosed within the context of the CSRD. They provide clear guidelines for the reporting and contain detailed requirements for environmental, social, and governance issues.

¹⁾ [Directive \(eu\) 2022/2464 of the european parliament and of the council](#)

Free Cashflow	EBITDA + restructuring charges and cost of labor obligations — lease paid (principal, interest and prepayments) — income taxes paid — net interest paid +/— change working capital and other charges — capital expenditures — cost for social plans granted after January 1, 2019
Gender pay gap and equal pay gap	The gender pay gap describes the difference in the average income of men and women. The equal pay gap refers to the difference in income for work of equal value.
GHG (greenhouse gas emissions)	Gases such as carbon dioxide (CO ₂), methane (CH ₄), and nitrous oxide (N ₂ O) store heat in the atmosphere and thus contribute to global warming. The emissions result from both natural processes and human activities.
GO (guarantees of origin)	Proof that electricity was produced from renewable sources.
LCA (Life Cycle Assessment)	Method for assessing the environmental impact of a product over its entire life cycle.
NaBeG (Nachhaltigkeitsberichtsgesetz, Sustainability Reporting Act)	Austrian law that will transpose the EU Corporate Sustainability Reporting Directive (CSRD) into national law. ¹⁾
NaDiVeG (Nachhaltigkeits- und Diversitätsverbesserungsgesetz, Sustainability and Diversity Improvement Act)	Austrian law that transposes the EU Non-Financial Reporting Directive (NFI Directive) into national law. It has been in force since 2017 and will be replaced in the future by the Sustainability Reporting Act (NaBeG).
Net debt	Debt (long-term and short-term) + lease liability (long-term and short-term) — cash and cash equivalents
Net-Zero target	The goal of reducing greenhouse gas emissions to zero. This will be achieved by reducing emissions in line with the 1.5-degree target set out in the Paris Agreement and neutralizing the impacts of remaining emissions (after a reduction of 90-95%) by permanently removing an equivalent amount of CO ₂ .
Head Count (HC) and full-time equivalents (FTE)	The actual number of employees is recorded as Head Count (HC), regardless of their working hours. Each employee is counted as one unit. The working hours of part-time and full-time employees are standardized in full-time equivalents (FTE), where 1.0 corresponds to a full-time job.
Operating ROIC (Operating Return On Invested Capital)	<p>EBIT / average invested capital</p> <p>Invested capital = total stockholders' equity + debt (long-term and short-term) — cash and cash equivalents — short-term investments + income taxes payable + non-current employee benefit obligations + deferred tax liabilities — deferred tax assets + loss allowances for accounts receivable + total lease liability</p> <p>Average invested capital is calculated as half of the sum of invested capital at the end of the financial year and of the previous financial year.</p>
OPEX (Operating Expenses)	Revenues — EBITDA
Own workforce	People who are in an employment relationship with the company (employees) and non-employees who are either people with contracts with the company to supply labor (self-employed people) or people provided by companies primarily engaged in "employment activities".

¹⁾The NaBeG is not yet in force as of December 31, 2024.

PPA (power purchase agreements)	Long-term contracts under which a company purchases electricity directly from a renewable energy producer to secure the supply of renewable energy and price stability.
RCPs (representative concentration pathways)	<p>Climate scenarios produced by the Intergovernmental Panel on Climate Change (IPCC) that describe possible developments in greenhouse gas concentrations up to 2100. There are four main scenarios:</p> <ul style="list-style-type: none"> • RCP2.6: sharp drop and negative emissions, warming to around 1.5 °C to 2 °C. • RCP4.5: moderate increase in emissions, warming to around 2.5°C to 3°C. • RCP6.0: higher increase in emissions, warming to around 3°C to 3.5°C. • RCP8.5: unchecked increase, warming to around 4°C to 5°C.
RGU (Revenue Generating Unit)	One or more services included in a subscription which generates recurring revenue. These services are commonly used in fixed-line business and comprise TV (including streaming services), broadband, and voice. Each additional service that a customer subscribes to, is counted as an RGU.
ROE (Return On Equity)	<p>Net result / average equity employed</p> <p>The average equity employed is calculated as half of the sum of total stockholders' equity at the end of the financial year and of the previous financial year.</p>
SBTi (Science Based Targets initiative)	Global initiative that defines and promotes methods and standards for reducing emissions and achieving net zero targets in line with climate science. Companies can use these to set scientifically sound climate targets. The SBTi evaluates and validates the targets.

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Telekom Austria AG – Consolidated Statement of Comprehensive Income

in TEUR	Note	2024	2023
Service revenues		4,501,611	4,347,780
Equipment revenues		813,422	811,460
Other operating income		97,637	92,214
Total revenues (incl. other operating income)	(5)	5,412,670	5,251,453
Cost of service		-1,487,266	-1,473,650
Cost of equipment		-806,820	-789,714
Selling, general & administrative expenses		-1,087,717	-1,045,952
Other expenses		-9,466	-18,145
Total cost and expenses	(6)	-3,391,269	-3,327,461
Earnings before interest, tax, depreciation and amortization – EBITDA		2,021,401	1,923,992
Depreciation and amortization	(15) (16)	-825,198	-795,680
Depreciation of right-of-use assets	(30)	-337,586	-214,822
Impairment	(15)	0	-2,733
Reversal of impairment	(15)	2,820	0
Operating income – EBIT		861,437	910,757
Interest income		20,215	20,170
Interest expense		-100,169	-98,505
Interest on employee benefits and restructuring and other financial items, net		-17,626	-8,597
Foreign currency exchange differences, net		-1,837	-3,464
Equity interest in net income of associated companies	(18)	1,116	822
Financial result	(7)	-98,302	-89,575
Earnings before income tax – EBT		763,135	821,182
Income tax	(29)	-136,563	-175,301
Net result		626,572	645,881
Attributable to:			
Equity holders of the parent		625,880	645,216
Non-controlling interests	(34)	692	665
Basic and diluted earnings per share attributable to equity holders of the parent in euro	(8)	0.94	0.97
Other comprehensive income items:			
Items that may be reclassified to profit or loss:			
Effect of translation of foreign entities	(3) (28)	-6,435	-40,744
Realized result on hedging activities, net of tax	(33)	0	2,190
Unrealized result on debt instruments at fair value, net of tax	(19)	680	1,439
Realized result on debt instruments at fair value, net of tax	(7)	-237	2
Items that will not be reclassified to profit or loss:			
Remeasurement of defined benefit obligations, net of tax	(27)	6,985	-12,550
Total other comprehensive income (loss)		994	-49,663
Total comprehensive income (loss)		627,566	596,218
Attributable to:			
Equity holders of the parent		626,874	595,553
Non-controlling interests	(34)	692	665

Telekom Austria AG – Consolidated Statement of Financial Position

in TEUR	Note	31.12.2024	31.12.2023
ASSETS			
Cash and cash equivalents	(9)	366,991	168,545
Short-term investments	(19)	62,523	84,646
Accounts receivable: Subscribers, distributors and other, net	(10)	949,613	843,084
Receivables due from related parties	(11)	16,405	21,546
Inventories, net	(12)	101,807	104,525
Income tax receivable	(29)	198	10,508
Other current assets, net	(13)	247,421	223,278
Contract assets	(14)	83,138	88,391
Current assets		1,828,095	1,544,522
Property, plant and equipment, net	(15)	3,116,000	3,029,031
Right-of-use assets, net	(30)	1,880,203	1,961,315
Intangibles, net	(16)	1,604,272	1,654,600
Goodwill	(17)	1,088,878	1,089,265
Investments in associated companies	(18)	2,036	921
Long-term investments	(19)	253,685	207,340
Deferred income tax assets	(29)	53,497	47,221
Other non-current assets, net	(20)	27,189	22,391
Non-current assets		8,025,759	8,012,084
TOTAL ASSETS		9,853,854	9,556,606
LIABILITIES AND STOCKHOLDERS' EQUITY			
Short-term debt	(21)	82	60,055
Lease liabilities short-term	(30)	315,583	283,652
Accounts payable	(22)	966,985	927,012
Accrued liabilities and current provisions	(23)	245,155	252,612
Income tax payable	(29)	83,629	80,956
Payables due to related parties	(11)	36,800	24,447
Contract liabilities	(24)	240,735	216,285
Current liabilities		1,888,969	1,845,019
Long-term debt	(25)	748,630	747,919
Lease liabilities long-term	(30)	1,584,835	1,671,919
Deferred income tax liabilities	(29)	34,221	59,417
Other non-current liabilities	(26)	44,182	21,573
Asset retirement obligation and restructuring	(23)	398,233	422,868
Employee benefits	(27)	166,258	187,311
Non-current liabilities		2,976,358	3,111,008
TOTAL LIABILITIES		4,865,327	4,956,027
Common stock		1,449,275	1,449,275
Treasury shares		-7,803	-7,803
Additional paid-in capital		1,100,148	1,100,148
Retained earnings		3,207,662	2,820,852
Other comprehensive income (loss) items		-763,043	-764,036
Equity attributable to equity holders of the parent	(28)	4,986,238	4,598,435
Non-controlling interests		2,288	2,144
TOTAL STOCKHOLDERS' EQUITY		4,988,527	4,600,579
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		9,853,854	9,556,606

Telekom Austria AG – Consolidated Statement of Cash Flows

in TEUR	Note	2024	2023
Earnings before income tax – EBT		763,135	821,182
Depreciation	(15)	553,199	541,295
Amortization of intangible assets	(16)	271,999	254,385
Depreciation of right-of-use assets	(30)	337,586	214,822
Reversal of Impairment/Impairment	(15)	-2,820	2,733
Equity interest in net income of associated companies	(18)	-1,116	-822
Result on sale / measurement of investments	(7)	570	-3,054
Result on sale of property, plant and equipment	(5) (6)	600	2,057
Net period cost of labor obligations and restructuring	(7) (23) (27)	106,161	102,261
Foreign currency exchange differences, net	(7)	1,837	3,464
Interest income	(7)	-20,215	-20,170
Interest expense	(7)	102,073	100,150
Other adjustments	(32)	-4,900	-4,778
Non-cash and other reconciliation items		1,344,975	1,192,343
Accounts receivable: Subscribers, distributors and other, net	(10)	-104,821	-22,594
Prepaid expenses	(13)	8,902	-10,000
Due from related parties	(11)	1,298	3,223
Inventories	(12)	6,097	-2,338
Other assets	(13) (20)	-39,755	-49,496
Contract assets	(14)	5,300	8,985
Accounts payable and accrued liabilities	(22) (23)	72,822	46,839
Due to related parties	(11)	12,353	7,011
Contract liabilities	(24)	16,681	-1,761
Working capital changes		-21,123	-20,132
Employee benefits and restructuring paid	(23) (27)	-135,872	-117,534
Interest received	(7)	19,114	19,615
Income taxes paid	(29)	-156,096	-179,668
Net cash flow from operating activities		1,814,132	1,715,807
Capital expenditures paid	(32)	-890,371	-1,093,971
Proceeds from sale of property, plant and equipment	(15)	9,582	10,387
Purchase of investments	(19)	-251,214	-107,387
Proceeds from sale of investments	(19)	227,727	87,412
Acquisition of businesses, net of cash acquired	(34)	-4,291	0
Repayment of loans to related parties	(2)	0	1,039,681
Net cash flow from investing activities		-908,567	-63,878
Issuance of long-term debt	(25) (32)	0	994,365
Repayments of long-term debt	(25) (32)	0	-600,000
Interest paid	(7)	-98,863	-88,425
Financing with related parties	(2)	0	-25,120
Repayments of short-term debt	(21) (32)	-301,129	-5,354,717
Issuance of short-term debt	(21) (32)	240,737	4,894,166
Dividends paid	(28)	-239,618	-213,156
Deferred consideration paid for business combinations	(32) (34)	-6,519	-1,867
Lease principal paid	(30)	-301,341	-205,207
Net cash flow from financing activities		-706,734	-599,960
Adjustment to cash flows due to exchange rate fluctuations, net	(3)	-385	-360
Cash transfer spin-off	(2)	0	-1,032,880
Net change in cash and cash equivalents		198,446	18,729
Cash and cash equivalents beginning of the year	(9)	168,545	149,816
Cash and cash equivalents end of the year	(9)	366,991	168,545

Telekom Austria AG – Consolidated Statement of Changes in Stockholders' Equity

in TEUR	Common stock	Treas- ury shares	Additional paid-in capital	Retained earnings	IAS 19 reserve	FVOCI reserve	Hedging reserve	Trans- lation reserve	Total	Non-con- trolling interests	Total stockhold- ers' equity
At January 1, 2023	1,449,275	-7,803	1,100,148	1,763,252	-17,291	-2,170	-2,190	-692,722	3,590,498	2,128	3,592,626
Net Result	0	0	0	645,216	0	0	0	0	645,216	665	645,881
Other comprehensive income (loss)	0	0	0	0	-12,550	1,441	2,190	-40,744	-49,663	0	-49,663
Total comprehensive income	0	0	0	645,216	-12,550	1,441	2,190	-40,744	595,553	665	596,218
Distribution of dividends	0	0	0	-212,507	0	0	0	0	-212,507	-648	-213,156
ETS shares	0	0	0	514	0	0	0	0	514	0	514
Spin-off ETS Group	0	0	0	624,377	0	0	0	0	624,377	0	624,377
At December 31, 2023	1,449,275	-7,803	1,100,148	2,820,852	-29,841	-729	0	-733,467	4,598,435	2,144	4,600,579
Net Result	0	0	0	625,880	0	0	0	0	625,880	692	626,572
Other comprehensive income (loss)	0	0	0	0	6,985	443	0	-6,435	994	0	994
Total comprehensive income	0	0	0	625,880	6,985	443	0	-6,435	626,874	692	627,566
Distribution of divi- dends	0	0	0	-239,071	0	0	0	0	-239,071	-548	-239,618
At December 31, 2024	1,449,275	-7,803	1,100,148	3,207,662	-22,856	-285	0	-739,901	4,986,238	2,288	4,988,527

For the shares in EuroTeleSites ("ETS") and the spin-off of ETS Group, see Note (2).

Telekom Austria AG – Notes to the Consolidated Financial Statements

(1) Segment Reporting

in TEUR	Austria	Bulgaria	Croatia	Belarus	Slovenia
2024					
External revenues	2,793,021	812,882	562,366	449,178	227,949
Intersegmental revenues	14,377	7,976	7,430	11	2,162
Total revenues (incl. other operating income)	2,807,398	820,858	569,795	449,190	230,111
Segment expenses	-1,768,156	-480,239	-345,604	-253,366	-178,248
EBITDA	1,039,242	340,618	224,192	195,824	51,862
Depreciation and amortization	-652,423	-153,795	-124,370	-43,484	-66,079
Reversal of impairment	0	0	0	2,820	0
Operating income – EBIT	386,819	186,824	99,821	155,160	-14,217
Interest income	18,514	18,512	1,867	1,575	240
Interest expense	-100,789	-12,753	-16,334	-6,006	-4,923
Other financial result	-16,416	-589	-249	-654	121
Equity interest in net income of associated companies	1,116	0	0	0	0
Earnings before income tax – EBT	289,243	191,994	85,105	150,075	-18,779
Income taxes	-56,919	-29,284	-15,964	-38,675	3,384
Net result	232,324	162,710	69,141	111,399	-15,395
EBITDA margin	37.0%	41.5%	39.3%	43.6%	22.5%
Capital expenditures – intangible	85,801	49,661	12,943	39,430	8,256
Capital expenditures – tangible	438,658	71,645	66,144	15,008	12,876
Total capital expenditures	524,458	121,306	79,088	54,438	21,132
Addition to right-of-use assets	105,747	42,100	21,796	11,228	56,736
Assets by segment	6,163,814	1,605,800	913,044	387,319	496,513
Property, plant and equipment	2,211,838	251,629	264,609	100,568	77,860
Right-of-use assets, net	1,123,252	239,275	166,597	18,995	97,546
Goodwill	587,254	236,023	100,785	9,371	112,385
Brand names and patents	158,351	2,010	0	0	3,045
Licenses and other rights	593,205	53,948	124,959	6,273	70,338
Other intangible assets	315,794	49,675	32,344	42,007	25,762
Investments in associated companies	2,036	0	0	0	0
Liabilities by segment	3,978,779	516,246	514,906	115,697	193,002
2023					
External revenues	2,777,693	740,753	516,981	442,154	240,157
Intersegmental revenues	19,999	8,969	7,862	58	2,033
Total revenues (incl. other operating income)	2,797,691	749,722	524,843	442,212	242,190
Segment expenses	-1,733,882	-446,008	-336,043	-250,340	-186,247
EBITDA	1,063,809	303,714	188,800	191,872	55,943
Depreciation and amortization	-571,168	-122,345	-99,910	-50,405	-61,231
Impairment	0	0	0	-2,733	0
Operating income – EBIT	492,641	181,369	88,890	138,734	-5,288
Interest income	17,668	12,857	990	128	200
Interest expense	-66,191	-7,066	-11,593	-5,804	-2,779
Other financial result	-7,422	819	355	-2,752	-41
Equity interest in net income of associated companies	822	0	0	0	0
Earnings before income tax – EBT	437,517	187,979	78,642	130,306	-7,909
Income taxes	-102,769	-18,337	-15,143	-34,361	2,383
Net result	334,749	169,642	63,499	95,945	-5,526
EBITDA margin	38.0%	40.5%	36.0%	43.4%	23.1%
Capital expenditures – intangible	109,539	44,545	121,157	4,130	7,251
Capital expenditures – tangible	480,439	92,951	84,453	21,157	32,302
Total capital expenditures	589,978	137,496	205,610	25,287	39,553
Addition to right-of-use assets	220,861	56,591	47,637	5,567	21,505
Assets by segment	6,297,458	1,543,732	891,340	300,481	493,968
Property, plant and equipment	2,083,752	263,782	268,021	109,336	90,189
Right-of-use assets, net	1,213,145	245,686	177,215	16,251	84,189
Goodwill	587,254	236,023	100,785	9,603	112,385
Brand names and patents	158,351	2,903	0	0	4,339
Licenses and other rights	656,609	28,761	133,964	14,733	78,988
Other intangible assets	318,155	51,288	36,054	8,788	20,996
Investments in associated companies	921	0	0	0	0
Liabilities by segment	4,136,178	416,265	562,344	86,992	175,095

CONSOLIDATED FINANCIAL STATEMENTS

in TEUR	Serbia	North Macedonia	Corporate & Other	Eliminations	Consolidated
2024					
External revenues	390,174	157,303	19,798	0	5,412,670
Intersegmental revenues	7,622	6,572	33,623	-79,772	0
Total revenues (incl. other operating income)	397,795	163,875	53,421	-79,772	5,412,670
Segment expenses	-251,591	-107,051	-86,754	79,740	-3,391,269
EBITDA	146,204	56,823	-33,334	-31	2,021,401
Depreciation and amortization	-84,170	-33,248	-5,237	22	-1,162,784
Reversal of impairment	0	0	0	0	2,820
Operating income – EBIT	62,035	23,575	-38,571	-9	861,437
Interest income	1,926	1,155	71,058	-94,633	20,215
Interest expense	-10,364	-3,770	-39,871	94,642	-100,169
Other financial result	169	76	404,444	-406,366	-19,463
Equity interest in net income of associated companies	0	0	0	0	1,116
Earnings before income tax – EBT	53,766	21,037	397,060	-406,366	763,135
Income taxes	-8,053	-3,554	12,507	-5	-136,563
Net result	45,713	17,483	409,568	-406,371	626,572
EBITDA margin	36.8%	34.7%	-62.4%	0.0%	37.3%
Capital expenditures – intangible	8,464	2,722	4,119	0	211,396
Capital expenditures – tangible	24,762	18,514	5,591	0	653,199
Total capital expenditures	33,226	21,236	9,710	0	864,595
Addition to right-of-use assets	45,631	15,345	2,349	0	300,933
Assets by segment	615,250	310,913	8,518,814	-9,157,613	9,853,854
Property, plant and equipment	111,332	90,112	8,639	-587	3,116,000
Right-of-use assets, net	188,081	44,332	2,126	0	1,880,203
Goodwill	0	25,794	17,265	0	1,088,878
Brand names and patents	4,463	0	2,830	0	170,700
Licenses and other rights	44,132	19,526	24	0	912,405
Other intangible assets	36,452	8,700	10,291	142	521,167
Investments in associated companies	0	0	0	0	2,036
Liabilities by segment	244,419	105,198	1,697,064	-2,499,983	4,865,327
2023					
External revenues	372,551	145,906	15,259	0	5,251,453
Intersegmental revenues	9,947	5,619	27,523	-82,009	0
Total revenues (incl. other operating income)	382,498	151,525	42,782	-82,009	5,251,453
Segment expenses	-255,635	-103,487	-96,588	80,771	-3,327,461
EBITDA	126,862	48,037	-53,806	-1,238	1,923,992
Depreciation and amortization	-67,880	-33,068	-5,864	1,368	-1,010,502
Impairment	0	0	0	0	-2,733
Operating income – EBIT	58,982	14,969	-59,669	130	910,757
Interest income	1,552	916	63,361	-77,501	20,170
Interest expense	-4,150	-1,818	-76,684	77,580	-98,505
Other financial result	77	16	422,914	-426,026	-12,061
Equity interest in net income of associated companies	0	0	0	0	822
Earnings before income tax – EBT	56,461	14,082	349,921	-425,817	821,182
Income taxes	-8,666	-1,719	3,345	-34	-175,301
Net result	47,795	12,364	353,266	-425,851	645,881
EBITDA margin	33.2%	31.7%	k. A.	k. A.	36.6%
Capital expenditures – intangible	10,743	4,313	3,546	0	305,222
Capital expenditures – tangible	46,246	26,600	3,737	-557	787,329
Total capital expenditures	56,988	30,913	7,283	-557	1,092,551
Addition to right-of-use assets	62,134	1,538	0	0	415,833
Assets by segment	604,003	281,164	8,481,970	-9,337,511	9,556,606
Property, plant and equipment	119,801	89,469	5,290	-609	3,029,031
Right-of-use assets, net	185,119	38,896	814	0	1,961,315
Goodwill	0	25,794	17,419	0	1,089,265
Brand names and patents	8,119	0	2,869	0	176,581
Licenses and other rights	58,234	21,693	73	0	993,055
Other intangible assets	30,855	9,945	8,741	142	484,964
Investments in associated companies	0	0	0	0	921
Liabilities by segment	249,465	92,943	1,830,465	-2,593,719	4,956,027

A1 Group has aligned its management structure and the resulting segment reporting with geographical markets and reports on the following seven operating segments: Austria, Bulgaria, Croatia, Belarus, Slovenia, Serbia and North Macedonia. The segments offer the services and products disclosed in Note (5) and operate in their local markets under the common brand name "A1".

The Management Board of A1 Group, which regularly meets in Management Board meetings, acts as the chief operating decision maker. The Management Board consists of the Group CEO of Telekom Austria AG, Alejandro Plater (CEO since September 1, 2023), Thomas Arnoldner (Deputy CEO since September 1, 2023), see Note (36). Since September 1, 2023, Sonja Wallner took over the role of CFO in A1 Group in addition to her role as CFO of A1 Telekom Austria AG without being a formal board member. The Management Board focuses on revenue, EBITDA and capital expenditures (CAPEX).

The accounting policies of the segments are the same as those of A1 Group. Intercompany lease transactions are not recognized as right-of-use assets and lease liabilities according to IFRS 16 but are recognized as expense and revenue and eliminated as other intercompany transactions. The recognition of lease contracts with the subsidiaries of ETS Group before and after the spin-off is disclosed in Note (2).

Segment revenues, segment expenses and segment results include deliveries and services between operating segments. Such deliveries and services are accounted for at transfer prices that are constantly monitored and documented to ensure that pricing is at arm's length. These intersegmental transactions are eliminated in consolidation. The column Corporate & Other comprises mainly holding companies, the Group financing company as well as A1 Digital, which focuses its business activities on core markets of A1 Group as well as on Germany and Switzerland.

Other financial result reported in the Corporate & Other column relates mostly to dividend income as well as to impairment charges and reversals of impairment charges relating to investments in fully consolidated subsidiaries that have no impact on the Consolidated Financial Statements and are therefore consolidated in the Eliminations column. The column Corporate & Other is reported in addition to the column Eliminations for reasons of clarity.

The Eliminations column contains intersegment consolidation entries and the reconciliation of segment assets and liabilities to consolidated total assets and liabilities.

None of the segments recognizes revenues from transactions with a single external customer amounting to at least 10% of A1 Group's revenues.

Depreciation and amortization relate to property, plant and equipment, other intangible assets and right-of-use assets (see Notes (15), (16) and (30)). The item "other financial result" in the segment reporting includes interest expense on employee benefits and restructuring, the other financial result as well as foreign exchange differences (see Note (7)).

EBITDA is defined as net income excluding income taxes, financial result, depreciation and amortization as well as, if applicable, impairment charges and reversal of impairment charges. The EBITDA margin is calculated by dividing EBITDA by total revenues (including other operating income).

Capital expenditures include additions to intangible and tangible assets (see Notes (15) and (16)) but do not include additions related to asset retirement obligations or additions to right-of-use assets according to IFRS 16 (see Notes (23) and (30)).

(2) The Company and Spin-off of ETS Group

Telekom Austria Aktiengesellschaft ("Telekom Austria AG") is headquartered in Austria at Lassallestrasse 9, 1020 Vienna and is a registered stock corporation within the meaning of the Austrian Stock Corporation Act. Telekom Austria AG and its subsidiaries ("A1 Group") provide the services and products listed in revenues (Note (5)) in Austria, Bulgaria, Croatia, Belarus, Slovenia, Serbia and North Macedonia under the common brand name "A1".

The ultimate parent company of A1 Group is América Móvil, S.A.B. de C.V. ("América Móvil"), which is located in Mexico. América Móvil holds its investment in Telekom Austria AG via its subsidiary América Móvil B.V., headquartered in Amsterdam. The Federal Republic of Austria, through Österreichische Beteiligungs AG ("ÖBAG"), is the second significant shareholder of A1 Group. América Móvil's and ÖBAG's stakes in A1 Group are disclosed in Note (28).

In addition to the related party transactions disclosed in Note (11), the Federal Republic of Austria regulates and monitors certain activities of A1 Group in Austria via Rundfunk und Telekom Regulierungs-GmbH (RTR, the Austrian Regulatory Authority for Broadcasting and Telecommunications). In addition, the government holds the taxing authority for the Austrian operations of A1 Group and imposes taxes such as corporate income tax and value-added taxes.

Spin-off of EuroTeleSites AG ("ETS Group")

On September 22, 2023, Telekom Austria AG spun off its radio tower business ("tower business") on a proportionate basis and listed it on the Vienna Stock Exchange under the newly founded EuroTeleSites AG ("ETS AG"). The companies transferred, which form ETS Group, are disclosed in the table of companies in Note (34) with the designation "SpO" in the column "Method of consolidation" in 2023.

In preparation for the spin-off, parts of the passive infrastructure of the radio base stations of the operating companies ("A1 companies") were transferred into separate legal entities ("tower companies") in the segments Bulgaria, Croatia, Slovenia, Serbia and North Macedonia in the previous years. This passive infrastructure of the radio towers comprises components that are not directly attributable to the mobile network, such as foundations and metal structures, containers, air-condition units, power supply and other support systems. In the segments Bulgaria and Croatia, the corresponding radio towers and the related provisions for asset retirement obligations as well as the right-of-use assets and lease liabilities had already been transferred to the tower companies in 2021. In the segments Slovenia, Serbia and North Macedonia, the transfer was effected in 2022. On the transfer of the passive infrastructure of the radio base stations into the tower companies, lease contracts (Master Lease Agreements – "MLAs") were concluded between the A1 companies and the tower companies. For a description of the MLAs, see Note (30).

In Austria, a separate business unit ("Austrian Tower BU") was established in A1 Telekom Austria AG in 2021 comprising assets and liabilities of the tower business and the related expenses. Until June 30, 2023, the business unit was not separated legally and no MLA was in force. On July 1, 2023, the Austrian Tower BU was transferred from A1 Telekom Austria AG to Telekom Austria AG by way of upstream spin-off (Section 17 Demerger Act). This transaction was registered in the Company Register on July 4, 2023, and the MLA came into force.

In preparation for the spin-off, A1 Towers Holding GmbH issued a TEUR 500,000 bond in July 2023 and took out a bank loan of TEUR 500,000 (see Note (25)). The funds from these financing activities were used to redeem the debt transferred, as described below.

The two other transfers disclosed below were approved by the shareholders of Telekom Austria AG in the Extraordinary General Meeting on August 1, 2023:

- Downstream spin-off of the Austrian Tower BU, the indirect shareholdings in the tower companies and debt in the amount of TEUR 1,031,000 (plus the related interest liabilities) from Telekom Austria AG into the subsidiary A1 Towers Holding GmbH.
- Transfer of the shareholding in A1 Towers Holding GmbH by Telekom Austria AG by means of a sidestream spin-off by formation of ETS AG.

On September 22, 2023, the shares in ETS AG were distributed to the shareholders of Telekom Austria AG on a pro rata basis. Thus, América Móvil is the ultimate parent of both ETS Group and A1 Group. The shareholders of Telekom Austria AG received one share in ETS AG for every four Telekom Austria shares held. Thus, Telekom Austria AG received 103,789 ETS shares in the amount of TEUR 514 for its treasury shares (see Consolidated Statement of Changes in Stockholders' Equity and Note (28)).

Accounting policies applied and discretionary decisions

- The individual reorganization steps listed above served to prepare the spin-off and the listing of ETS AG on the stock exchange. Thus, the individual reorganization steps are recognized as single transactions.
- The transaction to bundle the tower business in A1 Towers Holding GmbH qualifies as a "business combination under common control", which is thus not in the scope of IFRS 3. The transaction is recognized prospectively according to the pooling of interests method, thus the historical carrying amounts at the time of the transaction were aggregated. The goodwill transferred was determined based on the relative enterprise values of the tower companies and the A1 companies at September 22, 2023. The allocation to the respective segments is disclosed in Note (17).
- The spin-off of ETS Group is a transaction under common control, as the owners of both groups immediately before and after the transaction were identical and thus both groups are controlled by América Móvil. The spin-off is not recognized as a dividend in kind to the owners according to IFRIC 17, as the requirements of IFRIC 17.5 are met. Thus, the spin-off of ETS Group was recognized at carrying amounts and netted directly with retained earnings.
- The spin-off of ETS Group and the conclusion of the MLAs does not qualify as a sale and leaseback transaction, as IFRS 16.99 requires a sale according to IFRS 15. The spin-off of ETS Group is a transaction under company law whereby the ownership structure is maintained and no consideration is due to the entity spinning off. In absence of revenues, IFRS 15 is not applied. Thus, the spin-off is recognized separately and the MLAs are recognized as rights-of-use or lease obligations.
- The tower business spun off is not presented as a discontinued operation, as the requirements of IFRS 5 are not met. Tower lease revenues amounted to less than 0.5% of A1 Group's total revenues in the previous years. Thus, the requirement for the presentation of a separate major line of business according to IFRS 5.32 (a) is not met.

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The following table discloses the effects of the spin-off of ETS Group on the Consolidated Statement of Financial Position at September 22, 2023:

in TEUR	Before spin-off	a) Tower Companies	b) Inter-company balances	c) Intercompany lease	After spin-off	Total effect
Cash and cash equivalents	1,207,975	-1,032,880	0	0	175,095	-1,032,880
Short-term investments	67,722	0	0	0	67,722	0
Accounts receivable: Subscribers, distributors and other, net	861,148	-2,911	0	0	858,236	-2,911
Receivables due from related parties	3,797	0	27,955	0	31,752	27,955
Receivables due from related parties financing	0	0	1,039,681	0	1,039,681	1,039,681
Inventories, net	114,422	0	0	0	114,422	0
Income tax receivable	8,809	-90	0	0	8,719	-90
Other current assets, net	218,183	-3,514	0	0	214,669	-3,514
Contract assets	83,833	0	0	0	83,833	0
Total current assets	2,565,888	-1,039,395	1,067,636	0	2,594,128	28,241
Property, plant and equipment, net	3,233,184	-239,530	0	0	2,993,654	-239,530
Right-of-use assets, net	808,367	-388,402	0	1,521,986	1,941,950	1,133,583
Intangibles, net	1,634,206	-584	0	0	1,633,622	-584
Goodwill	1,298,130	-209,075	0	0	1,089,055	-209,075
Investments in associated companies	985	0	0	0	985	0
Long-term investments	213,866	0	0	0	213,866	0
Deferred income tax assets	49,782	-8,552	0	0	41,231	-8,552
Other non-current assets, net	21,391	-81	0	0	21,310	-81
Total non-current assets	7,259,911	-846,224	0	1,521,986	7,935,673	675,762
TOTAL ASSETS	9,825,799	-1,885,619	1,067,636	1,521,986	10,529,802	704,003
Short-term debt	1,161,008	0	0	0	1,161,008	0
Payables due to related parties financing	0	0	25,120	0	25,120	25,120
Lease liabilities short-term	146,449	-47,357	0	182,553	281,645	135,196
Accounts payable	920,381	-31,720	0	0	888,661	-31,720
Accrued liabilities and current provisions	240,916	-480	0	0	240,435	-480
Income tax payable	89,004	-2,644	0	0	86,360	-2,644
Payables due to related parties	8,743	0	20,592	0	29,336	20,592
Contract liabilities	235,642	-1,207	0	0	234,434	-1,207
Total current liabilities	2,802,143	-83,409	45,713	182,553	2,947,000	144,857
Long-term debt	1,742,904	-994,587	0	0	748,317	-994,587
Lease liabilities long-term	660,733	-327,561	0	1,357,424	1,690,596	1,029,863
Deferred income tax liabilities	55,653	0	0	0	55,653	0
Other non-current liabilities	21,349	0	0	0	21,349	0
Asset retirement obligation and restructuring	522,782	-98,978	0	0	423,804	-98,978
Employee benefits	177,851	-1,529	0	0	176,322	-1,529
Total non-current liabilities	3,181,272	-1,422,655	0	1,357,424	3,116,041	-65,231
Total stockholders' equity	3,842,384	-379,556	1,021,923	-17,992	4,466,761	624,377
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	9,825,799	-1,885,619	1,067,636	1,521,986	10,529,802	704,003

The effect of column a) and b) on equity corresponds to the equity of the tower companies including the balances due from or due to the A1 companies.

The total of column a) to c) shows the total effect on the Consolidated Statement of Financial Position of A1 Group.

The total effect is disclosed in the tables of the individual notes in the line item "changes in reporting entities".

- The tower companies' assets and liabilities disposed of do not include receivables and payables due from/to the A1 companies, as these intragroup transactions were completely eliminated until the spin-off and were thus not included in the Consolidated Statement of Financial Position.
- Until the spin-off, receivables/payables from intragroup transactions between the tower companies and the A1 companies were completely eliminated. After the spin-off, these became related party receivables/payables which are not eliminated in consolidation and were thus included in the Consolidated Statement of Financial Position with an effect on equity. The financing receivables and payables result from the debt transferred amounting to TEUR 1,031,000, the interest liabilities as well as the cash-pooling balances of the tower companies with Telekom Finanzmanagement GmbH.
- The MLAs concluded between the tower companies and the A1 companies were recognized according to IFRS 16. The A1 companies record right-of-use assets as well as lease liabilities. Until the spin-off, the right-of-use assets and the lease liabilities were eliminated in consolidation and had no impact on either the Consolidated Statement of Financial Position or the Consolidated Statement of Comprehensive Income. After the spin-off they constitute leases with related parties, which are no longer eliminated, but reported in the Consolidated Statement of Financial Position with an effect on equity (see Note (30)).

Transactions with ETS Group

The following transactions with ETS Group took place after the spin-off on September 22, 2023 until December 31, 2023, and are disclosed in the Consolidated Statement of Cash Flows:

- The line item "Repayment of loans made to related parties" in the net cash flow from investing activities includes the redemption of debt spun off as well as the related interest payable by ETS Group on September 26, 2023.
- The line item "Financing with related parties" in the net cash flow from financing activities includes A1 Group's settlement of cash-pooling payables due to ETS Group.
- The line item "Interest received" in the Consolidated Statement of Cash Flows includes interest of TEUR 434 related to the debt spun off in the period between the spin-off and the redemption on September 26, 2023.
- Cash outflow for leases with ETS Group is disclosed in Note (30).

The interest expense recognized from lease agreements with ETS Group in the Consolidated Statement of Comprehensive Income as well as the interest income related to the charging of interest for debt transferred is disclosed in the table "Revenues from and expenses charged to related parties" in Note (11). Furthermore, this table includes expenses and revenues from other services provided between A1 Group and ETS Group.

(3) Basis of Presentation

Functional currency

The Consolidated Financial Statements of A1 Group are prepared in euro on a going concern basis. Unless indicated otherwise, all amounts are reported in thousand euro (TEUR). The use of automated calculation systems may give rise to rounding differences.

Financial statements of subsidiaries where the functional currency is a currency other than the euro are translated using the functional currency principle. For these entities, assets and liabilities are translated using the year-end exchange rates, while revenues and expenses are translated using the average exchange rates prevailing during the year. The resulting foreign currency translation is recognized in other comprehensive income (OCI) and presented in the translation reserve in stockholders' equity until the disposal of the respective subsidiary.

The following table provides the exchange rates for the currencies in which A1 Group mainly conducts its transactions:

	Exchange rates at December 31,		Average exchange rates for the year	
	2024	2023	2024	2023
Belarusian ruble (BYN)	3.6246	3.5363	3.5131	3.2544
Bulgarian lev (BGN)	1.9558	1.9558	1.9558	1.9558
Macedonian denar (MKD)	61.4950	61.4950	61.5319	61.5570
Swiss franc (CHF)	0.9412	0.9260	0.9527	0.9716
Serbian dinar (RSD)	117.0149	117.1737	117.0861	117.2530
US dollar (USD)	1.0389	1.1050	1.0821	1.0815

On January 1, 2023, the euro was introduced in Croatia. The exchange rate for one euro was set at 7.5345 Croatian kuna. The translation reserve relating to the currency translation of the Croatian subsidiary A1 Hrvatska, which was recognized in equity until December 31, 2022 and amounts to TEUR 1,834, remains unchanged until a possible sale of the subsidiary.

Accounting

A1 Group prepared the Consolidated Financial Statements as of December 31, 2024 in compliance with the International Financial Reporting Standards (IFRS/IAS) issued by the International Accounting Standards Board (IASB), the interpretations of the IFRS Interpretations Committee (IFRIC) and the interpretations of the former Standards Interpretation Committee (SIC), effective as of December 31, 2024 and as endorsed by the European Union, as well as in accordance with the supplemental regulations of Section 245a of the Austrian Commercial Code (UGB).

Significant accounting policies

The general accounting policies are presented in the respective Notes to the Statement of Comprehensive Income and the Statement of Financial Position.

Changes in accounting policies

The following amendments are effective as of January 1, 2024:

IFRS 16	Amendments: Lease Liability in a Sale and Leaseback
IAS 1	Amendments: Classification of Liabilities as Current or Non-Current
IAS 7 and IFRS 7	Amendments: Disclosure Supplier Finance Arrangements

The initial application of the amendments to the standards (IAS, IFRS) mentioned above had an insignificant impact on the Consolidated Financial Statements since the amendments were only partially applicable. For the impact of the reform of the international system of taxation, see Note (29).

The following standards and interpretations were issued by the IASB but were not effective at the reporting date:

		Effective*	Effective**
IAS 21	Amendments: Lack of Exchangeability	Jan. 1, 2025	Jan. 1, 2025
IFRS 18	Presentation and Disclosure in Financial Statements	Jan. 1, 2027	not endorsed
IFRS 19	Reduced Disclosure Requirements	Jan. 1, 2027	not endorsed
IFRS 7 and 9	Amendments: Contracts Referencing Nature-dependent Electricity	Jan. 1, 2026	not endorsed
IFRS 7 and 9	Amendments: Classification and Measurement of Financial Instruments	Jan. 1, 2026	not endorsed
IFRS 1; 7; 9; 10 and IAS 7	Annual Improvements - Volume 11	Jan. 1, 2026	not endorsed

* This standard/interpretation is effective for annual periods beginning on or after the presented date (in accordance with IASB).

** This standard/interpretation is effective for annual periods beginning on or after the presented date (in accordance with EU endorsement).

A1 Group has not early adopted these standards and interpretations and is evaluating their impact on the Consolidated Financial Statements.

(4) Use of Estimates and Judgements

The preparation of the Consolidated Financial Statements requires the Management Board to make estimates and assumptions in the course of applying A1 Group's accounting policies that affect assets and liabilities recognized and contingent liabilities reported at the end of any given period, and revenues and expenses for that reported period. Actual results may differ from these estimates.

Additionally, at the reporting date, the Management Board has to make key assumptions and judgements concerning the future and identify other key sources of estimation uncertainty that are subject to the risk of a material change in the carrying amounts of assets and liabilities in the next financial year. For all sensitivity analyses, the remaining parameters of the original calculation remain unchanged, thus no possible correlation effects are taken into account.

- Revenues: Changes in the allocation of the transaction prices of multi-element arrangements for goods and services as well as changes in the expected average contractual term may lead to a shift in timing of revenue recognized (see Note (5)).

- b) Employee benefit plans: The measurement of pension plans as well as severance and service awards is based on a method that uses various parameters, such as the expected discount rate, salary and pension increases, mortality rate and rate of employee turnover. Changes in these parameters could result in higher or lower expenses (see Note (27)).
- c) Impairments: The impairment test for goodwill, other intangible assets, right-of-use assets and property, plant and equipment is generally based upon discounted estimated future net cash flows from the continuing use and ultimate disposal of the assets. Changes in the discount rates used, in the development of revenues, in cost drivers as well as in capital expenditures could lead to impairments or, to the extent permitted, to reversals of impairments (see Note (17)). For more information on the carrying amounts of goodwill, other intangible assets, right-of-use assets and property, plant and equipment, see Notes (17), (16), (30) and (15).
- d) The estimated useful lives of property, plant and equipment and intangible assets subject to depreciation and amortization represent the estimated periods during which the assets will be in use. With respect to changes in depreciation and amortization resulting from changes in the useful lives of other property, plant and equipment and intangible assets, see Notes (15) and (16).
- e) Income tax: In assessing the recoverability of deferred tax assets, the Management Board considers whether it is probable that all deferred tax assets can be realized. The ultimate realization of deferred tax assets depends upon the generation of sufficient taxable income during the periods in which those temporary differences will become deductible. If A1 Group does not generate sufficient taxable income, deferred tax assets cannot be recognized (see Note (29)).
- f) Restructuring: The provision is based on various parameters such as discount rate and salary increases. Changes in these parameters could result in higher or lower expenses (see Note (23)).
- g) Loss allowances for financial assets and contract assets are based on the estimated probability of default. Deviation of actual customer behavior may result in higher or lower expenses (see Note (33)).
- h) Asset retirement obligation: The calculation of the provision is based on parameters such as expected decommissioning costs, estimated term until dismantling, discount rate and inflation rate. Changes in these parameters may result in higher or lower provisions (see Note (23)).
- i) Leases: IFRS 16 requires estimates that affect the measurement of right-of-use assets as well as lease liabilities. These mainly include the effects on the term of the leases from any options to extend or to terminate a lease contract and the incremental borrowing rate applied to discount the future payment obligations (see Note (30)).

(5) Revenues

Operating revenues include all revenues resulting from the ordinary operations of A1 Group. Operating revenues are stated net of value-added tax and any other taxes and fees collected from the customer on behalf of tax and other relevant authorities.

A1 Group generates revenues from the sale of end-user terminal equipment as well as from fixed-line services and mobile communication services to individuals, commercial and non-commercial organizations and other national and foreign carriers. Furthermore, A1 Group offers innovative digital products, cloud, security and IoT solutions and mobile payment services.

Fixed-line services include access fees, domestic and long-distance services including Internet services, fixed-to-mobile calls, voice value-added services, interconnection, call center services, data as well as information and communication technology ("ICT") solutions, television services, IPTV and smart home solutions.

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Mobile communication services include mobile voice and data services, m-commerce, information and entertainment services (for example mobile television, streaming of music, etc.) and roaming.

The following table shows the disaggregated revenues per product line and segment:

2024 (in TEUR)	Austria	Bulgaria	Croatia	Belarus	Slovenia	Serbia	North Mac- edonia	Other*	Consoli- dated
Mobile service revenues	1,083,253	363,719	310,649	245,469	123,943	282,524	105,528	-15,493	2,499,592
Fixed-line service revenues	1,403,699	260,868	155,380	81,112	53,387	26,723	29,322	-8,472	2,002,019
Service revenues	2,486,952	624,587	466,029	326,582	177,330	309,247	134,850	-23,965	4,501,611
Mobile equipment revenues	209,666	108,082	87,615	103,963	49,794	86,670	26,096	81	671,968
Fixed-line equipment reve- nues	45,722	77,604	7,059	7,809	415	155	2,007	682	141,454
Equipment revenues	255,388	185,686	94,675	111,772	50,209	86,825	28,103	764	813,422
Other operating income	65,058	10,584	9,092	10,836	2,572	1,723	922	-3,150	97,637
Total revenues (incl. OOI)	2,807,398	820,858	569,795	449,190	230,111	397,795	163,875	-26,351	5,412,670

2023 (in TEUR)	Austria	Bulgaria	Croatia	Belarus	Slovenia	Serbia	North Mac- edonia	Other*	Consoli- dated
Mobile service revenues	1,070,030	346,392	286,954	254,664	128,087	261,654	96,138	-14,802	2,429,117
Fixed-line service revenues	1,393,114	236,357	138,521	71,976	51,225	18,067	27,838	-18,436	1,918,663
Service revenues	2,463,144	582,749	425,475	326,640	179,312	279,721	123,976	-33,238	4,347,780
Mobile equipment revenues	216,586	94,722	85,740	96,756	55,545	96,441	24,934	-936	669,787
Fixed-line equipment revenues	68,005	58,315	5,590	7,271	521	0	1,151	820	141,673
Equipment revenues	284,591	153,037	91,330	104,027	56,066	96,441	26,085	-116	811,460
Other operating income	49,956	13,935	8,038	11,545	6,812	6,336	1,464	-5,873	92,214
Total revenues (incl. OOI)	2,797,691	749,722	524,843	442,212	242,190	382,498	151,525	-39,227	5,251,453

* Other includes Corporate & Other and Eliminations

The following table shows revenues from customer contracts and from other sources:

in TEUR	2024	2023
Service revenues	4,476,310	4,327,666
Equipment revenues	812,452	810,482
Total customer contract revenues	5,288,762	5,138,147
Other service revenues	25,300	20,114
Other equipment revenues	970	978
Other operating income	97,637	92,214
Total revenues from other sources	123,908	113,306
Total revenues (incl. other operating income)	5,412,670	5,251,453

Other service revenues essentially include income from the rental of private automatic branch exchange equipment ("PABX"), set-top boxes, routers, servers, mobile devices and equipment for fixed-line customers as well as telecommunication circuits (see Note (30)).

Other equipment revenues include mainly revenues from finance lease (see Note (30)).

Other operating income comprises income from the rental of radio towers and buildings amounting to TEUR 14,163 (2023: TEUR 18,914), see Note (30). For income from collections of impaired receivables included in other operating income, see "Credit risk" in Note (33). Other operating income includes tax exempted research bonuses amounting to TEUR 1,042 (2023: TEUR 914). The remaining portion of other operating income comprises mainly collection fees, compensation for damages, gains on disposal of tangible assets and service charges to ETS Group (see Note (11)). In 2024, it includes also the gain resulting from bargain purchase in a business combination in the segment Austria amounting to TEUR 3,195 (see Note (34)).

Accounting principles

Service revenues are recognized upon providing the service and are generally billed on a monthly basis. Certain SIM card services, access fees, monthly base fees, maintenance contracts, services and leased line revenues for business customers are to some extent billed in advance. These fees and revenues are deferred and reported as contract liabilities (see Note (24)) and recognized in income over the period or at the time the service is provided.

In accordance with contract terms, equipment revenues are recognized upon delivery and acceptance by the customers. For sales that are not part of either multiple-element arrangements or installment sales, customers pay at the time of sale. For sales that are part of multiple-element arrangements, customers pay the amount recognized in contract assets as part of the monthly fees invoiced over the term of the contract. In the case of installment sales, customers pay equal installments over the term of the contract.

Receivables and revenues from installment sales are not discounted if the period between the provision of goods and services and the payment is less than one year or if the discounting effect is insignificant. The materiality of the discounting effect for receivables with remaining terms of more than one year is assessed on an individual contract level. In 2024, an accretion effect of TEUR 4,973 was recognized in equipment revenues in Belarus and in Serbia (2023: TEUR 4,865 in Belarus only).

When equipment is sold through dealers, these distributors are considered agents, i.e. the revenue is recognized once the mobile devices are sold to end customers. At the same time, dealer subsidies are treated as a reduction in revenue.

Certain arrangements require A1 Group to supply multiple deliverables. For mobile communication, the transaction price for these multiple-element arrangements typically includes the sale of a handset, the activation fee, the service contract and, in Austria, the yearly service fee. For fixed-line, these arrangements typically include Internet and fixed-line services including installation, a yearly Internet service fee in Austria and optional TV and mobile communication services.

If the requirements of IFRS 15 are met, A1 Group generally determines that such arrangements are divided into separate "units of account" based on a determination of a separable benefit for the end customer for each deliverable on a stand-alone basis, thus constituting separate performance obligations.

Transaction prices are allocated to the individual performance obligations by reference to the relative stand-alone selling prices of the underlying products and services. The stand-alone selling prices of products are based on the market prices of alternative providers whereas the stand-alone selling prices of services are available separately, as services are also offered on a stand-alone basis, i.e. without hardware.

Customer loyalty programs, which lead to claims for the acquisition of new mobile handsets or accessories on the basis of sales generated and which are settled with customers in the form of bonus points, are included in the calculation of multiple deliverables as well. Revenue is reduced at the time of the granting of the award credits taking into account an estimated expiration rate, while revenue is recognized once the bonus points are redeemed. The stand-alone selling prices of bonus points are determined based on the stand-alone selling prices of the future services. The performance obligation is adjusted for the probability of usage.

For the majority of the contracts, A1 Group applies the practical expedient according to IFRS 15 to pool similar contracts into portfolios, primarily based on contract characteristics and duration. For a small number of more complex contracts with major clients, IFRS 15 deferrals are determined on an individual contract basis.

Revenue from connection and roaming services to A1 Group customers is based upon calling minutes or data volume used and recognized as income at the time the service is provided, unless connection and roaming services are covered by contractually agreed fee schedules.

Revenues due from other national and foreign carriers for incoming calls from outside A1 Group's network (interconnection) and roaming revenues are recognized in the period the call occurs or the data volume is used.

For certain contracts for mobile value-added services and partly for (digital) services, such as cloud software, A1 Group acts as an agent and thus records its revenues on a net basis, i.e. deducting supplier costs.

Cash discounts and discounts granted retrospectively are accounted for as a reduction in revenue when granted. The discounts are calculated on an individual customer basis depending on the service revenue generated.

Discounts (standardized multiple-element subsidies) are generally included in the multiple-element calculation, leading, in the case of pure service contracts, to an equal reduction of revenue over the term of the contract. In multiple-element contracts, discounts are usually allocated to separate performance obligations according to the method of relative stand-alone prices, whereby a part of the revenue for equipment is reduced at a certain point in time and the other part of the revenue from services is reduced over a period of time.

Due to the volumes purchased, certain customers are also granted discounts on hardware and sometimes on services during the term of the service contract in addition to standardized multiple-element subsidies. These discounts are included in the multiple-element calculation as well ("discounts granted for hardware").

There are neither substantial warranties exceeding statutory warranty obligations nor significant obligations for returns.

At December 31, 2024, the total transaction price of the unfulfilled (or partly unfulfilled) performance obligations relating to multiple-element arrangements amounted to TEUR 755,376 (2023: TEUR 678,032) and will as a general rule be realized over a contract term of twelve to 24 months or up to 36 months for business customers. For performance obligations recognized at the amount to which A1 Group has a right to invoice, the transaction price of unfulfilled performance obligations and timing of revenue recognition are not disclosed. These disclosures refer to transactions within the scope of IFRS 15 only. Thus, they do not include those parts of the transaction price relating to performance obligations that are not within the scope of this standard, such as leasing.

(6) Cost and Expenses

The following table shows cost and expenses according to their nature:

in TEUR	2024	2023
Cost of equipment	806,820	789,714
Employee expenses, including benefits and taxes	1,021,355	938,977
Other operating expenses	1,563,095	1,598,770
Total cost and expenses	3,391,269	3,327,461

The cost of equipment corresponds to material expense. Employee expenses, including benefits and taxes, comprise all benefits to employees net of own work capitalized:

in TEUR	2024	2023
Own work capitalized	86,794	90,526

Own work capitalized represents the work performed for own purposes consisting mainly of employee costs and direct overheads capitalized primarily as part of property, plant and equipment. For the capitalization of internally developed software, see Note (16).

Impairment losses of accounts receivable: subscribers, distributors and other, classified at amortized cost, are reported in bad debt expense in the line item "selling, general & administrative expenses" and amount to (see Note (33)):

in TEUR	2024	2023
Impairment losses	45,518	41,799

The line item "depreciation and amortization" in the Consolidated Statement of Comprehensive Income is allocated as follows:

in TEUR	2024	2023
Cost of service	1,026,327	879,679
Cost of equipment	20,645	17,518
Selling, general & administrative expenses	115,812	113,306
Depreciation and amortization	1,162,784	1,010,502

The increase in depreciation and amortization related to cost of service is due to the addition of right-of-use assets related to the lease contracts with ETS Group (see Notes (2) and (30)).

Group auditor's fees

At the Annual General Meeting, Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. (EY) was appointed as group auditor for Telekom Austria AG. The fees related to the group auditor amount to:

in TEUR	2024	2023
Audit fees	1,661	1,248
Other reviews	124	1,367
Other services	93	104
Fees EY	1,878	2,720

Other reviews and other services comprise mainly audits of the internal control system ("ISAE certifications") as well as expenses for disclosures in the sustainability report in accordance with the European Sustainability Reporting Standards EU taxonomy directive and to the publication of the annual financial report in the European single electronic format ("ESEF format"). In 2023, services related to the spin-off of ETS Group are included as well (see Note (2)).

(7) Financial Result

in TEUR	2024	2023
Interest income on financial assets at amortized cost	18,472	17,996
Interest income on investments at fair value through profit or loss	841	1,094
Interest income on investments at fair value through other comprehensive income	723	925
Interest income on finance lease	179	155
Interest income	20,215	20,170

in TEUR	2024	2023
Interest expense on financial liabilities at amortized cost	17,762	57,018
Interest expense on lease liabilities	80,570	38,528
Interest capitalized	-3,290	-3,956
Interest expense on asset retirement obligations	5,100	6,915
Interest expense on deferred consideration	28	0
Interest expense	100,169	98,505

Interest is recognized using the effective interest method, except for equity instruments at fair value through profit or loss. Interest expense on financial liabilities at amortized cost is primarily due to issued bonds and the recycling of the hedging reserve (see Notes (21), (25) and (33)). The decrease in interest expense on financial liabilities amortized cost relates to the low volume of financial liabilities throughout 2024. The increase in interest expense on lease liabilities is mainly due to the spin-off of ETS Group (see Notes (2), (11) and (30)). For interest expense on asset retirement obligations, see Note (23). For interest expense on deferred consideration, see Notes (22), (26) and (34).

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the asset. A qualifying asset is an asset that requires a substantial period of time to be prepared for its intended use. Interest capitalized on internally developed software as well as on qualifying assets of property, plant and equipment (see Notes (15) and (16)) was based on an interest rate of 1.5 % (2023: 2.2 %).

in TEUR	2024	2023
Interest result on employee benefit obligations	6,243	-497
Interest expense on restructuring provisions	9,367	10,899
Fees for unused credit lines	2,210	2,870
Dividends received	-458	-395
Income on disposal of debt instruments at fair value through other comprehensive income	-313	-1
Loss on disposal of debt instruments at fair value through other comprehensive income	6	5
Loss from the premature sale of financial assets at amortized cost	207	0
Change of expected credit loss	1,829	-224
Interest on taxes	-306	-1,226
Income from measurement of financial instruments at fair value through profit or loss	-2,345	-3,955
Loss from measurement of financial instruments at fair value through profit or loss	1,185	1,122
Interest on employee benefits and restructuring and other financial items, net	17,626	8,597

Restructuring provisions contain onerous contracts in accordance with IAS 37 as well as provisions for social plans in accordance with IAS 19. For information on the interest rate for restructuring provisions and employee benefit obligations, see Notes (23) and (27). In 2023, the interest result on employee benefit obligations included a benefit of TEUR 7,167 related to the release of a pension fund provision for civil servants in Austria. The expected credit loss relates to financial investments (see Note (19)). In 2024 and 2023, the gain from interest on taxes mainly relates to tax audits in Bulgaria. Net gains or net losses of financial instruments at fair value through profit or loss do not include dividends or interest.

in TEUR	2024	2023
Foreign exchange gains	6,638	7,796
Foreign exchange losses	-8,475	-11,260
Foreign exchange differences	-1,837	-3,464

Foreign exchange gains and losses arise from exchange rate fluctuations between the recognition of the transaction and the payment date or from the measurement of receivables and payables at the reporting date. The foreign exchange losses are mainly due to the development of the Belarusian ruble. The foreign exchange rates are disclosed in Note (3).

(8) Earnings per Share

Basic and diluted earnings per share are calculated by dividing the net income or loss by the weighted average number of common shares outstanding for the year:

	2024	2023
Net result attributable to owners of the parent in TEUR	625,880	645,216
Weighted average number of common shares outstanding	664,084,841	664,084,841
Basic and diluted earnings per share in euro	0.94	0.97

Due to the Supervisory Board's decision to settle all share-based compensation plans in cash, no related dilutive effect occurred as of December 31, 2024 and 2023.

(9) Cash and Cash Equivalents

Cash and cash equivalents comprise cash in banks and financial investments with remaining maturities of up to three months from the date of acquisition. The financial resource fund in the Consolidated Statement of Cash Flows is equal to cash and cash equivalents reported in the Consolidated Statement of Financial Position.

In the second quarter of 2024, the Belarusian government imposed temporary restrictions on the payment of dividends to foreign investors residing in European Union and other countries considered "unfriendly". As of December 31, 2024 cash and cash equivalents of the Belarusian subsidiaries amounted to TEUR 40,524.

The calculation of expected credit losses for cash and cash equivalents resulted in an insignificant amount, which was not recognized (see also "Credit risk" in Note (33)).

(10) Accounts Receivable: Subscribers, Distributors and Other, Net

in TEUR, at December 31	2024	2023
Accounts receivable, gross	1,225,274	1,127,563
Loss allowances	-275,661	-284,479
Accounts receivable, net	949,613	843,084
Thereof remaining term of more than one year	85,610	75,650

At December 31, 2024 and 2023, accounts receivable: subscribers, distributors and other with a remaining term of more than one year relate to installment sales of essentially mobile handsets, as well as tablets, TV sets and other devices in all segments.

The development of the loss allowance for accounts receivable: subscribers, distributors and other as well as their age structure is disclosed in "Credit risk" in Note (33).

(11) Related Party Transactions

The shareholders América Móvil and ÖBAG are considered related parties due to their stake in Telekom Austria AG allowing them to exercise control or significant influence, respectively. Through América Móvil, A1 Group is also a related party to its subsidiaries. Through ÖBAG, A1 Group is a related party to the Republic of Austria and its subsidiaries (mainly ÖBB Group, ASFINAG Group, OMV Group and Post Group as well as Rundfunk und Telekom Regulierungs-GmbH (RTR, the Austrian Regulatory Authority for Broadcasting and Telecommunications) and Verbund). Members of the Supervisory Board of Telekom Austria AG also qualify as related parties.

As described in Note (2), ETS Group, a subsidiary of América Móvil, qualifies as a related party after the spin-off on September 22, 2023. The disposal of the carrying amounts of assets and liabilities of ETS Group as well as further transactions after the spin-off are disclosed in Note (2) as well as in the line item "changes in reporting entities" in 2023 in the respective tables in the individual Notes. Revenues and expenses relating to other service charges between A1 Group and ETS Group are included in the revenues and expenses disclosed below. In 2024, the related party transactions include revenues and expenses with ETS Group of approximately TEUR 11,000 each. The revenues with ETS Group relate mainly to staff leasing and the expenses with ETS Group relate mainly to network maintenance and other technical services.

All business transactions with related parties are continually monitored and documented to ensure that pricing is at arm's length. With the exception of the fully consolidated subsidiaries, whose transactions are eliminated in consolidation, as well as the bond explained below and the transactions with the ETS Group disclosed in note (2), there are no financial relationships with related parties.

The revenues from and expenses charged to related parties are the following:

in TEUR	2024	2023
Revenues (incl. other operating income)	144,736	127,264
Expenses	104,715	104,594
Interest income	3,965	543
Interest expense on lease liabilities	60,175	15,392
Depreciation of right-of-use assets	206,042	15,392

In 2024 and 2023, revenues generated with Austrian related parties comprise the entire service portfolio of A1 Group. The increase in revenues is mainly due to the revenues with ETS Group described above and to revenues from devices and higher tariffs. In 2024 and 2023, services received from Austrian related parties include mainly energy, postage fees, transportation, commissions and fees to RTR.

In 2024, transactions with related parties include revenues of TEUR 4 (2023: TEUR 5) and expenses of TEUR 4,227 (2023: TEUR 4,916) with Canal+, which is accounted for using the equity method. The expenses relate to TV and video content (see Note (18)).

On July 22, 2024, A1 Group acquired a bond issued by ETS Group as a private placement with a face value of TEUR 180,000, a term until July 2028 and a variable interest rate based on the 3 months' EURIBOR plus a margin of 1.05 basis points. This bond is not disclosed in receivables due from related parties, but in long-term investments (see Note (19)). In 2024, the interest income relates to this bond. In 2023, the interest income relates mainly to the transfer of debt to ETS Group (see Note (2)) for the period after the spin-off until the redemption on September 26, 2023.

The interest expense on lease liabilities and the amortization of right-of-use assets are due to lease contracts with ETS Group (see Note (30)).

A1 Group is obligated to provide communication services for low-income households and other eligible individuals at reduced tariffs for which it is compensated by the Republic of Austria on a contractual basis. The contract with the Republic of Austria dated June 2021 specifies the reimbursement of EUR 10.00 per customer per month for customers having a valid official notice. In 2024, the total reimbursement recorded as revenue in the service period was TEUR 5,601 (2023: TEUR 5,368).

See Note (23) regarding the transfer of civil servants, who cannot be laid off, to the federal government and the related expenses and provisions.

For government grants for assets received from the Republic of Austria, see Note (15). Tax exempted research bonuses are disclosed in Note (5).

At December 31, 2024 and 2023, accounts receivable due from related parties and accounts payable due to related parties, as recognized in the Consolidated Statement of Financial Position, include:

- Payables due to ETS Group relating mainly to leasing charges. Receivables due from ETS Group resulting essentially from leasing charges for mobile base stations for which economic but not legal ownership was transferred to ETS Group.
- Receivables from and payables to fully consolidated subsidiaries of América Móvil relating to operating business activities, notably to interconnection and roaming.
- A receivable of TEUR 729 (2023: payable of TEUR 430) due from Canal+, which is accounted for using the equity method, see Note (18).

The following table shows the compensation of key management personnel as well as the expenses for pensions and severance for other employees. Key management personnel is defined as the members of the management boards and the managing directors of all significant operating companies of A1 Group registered in the Company Register as well as the members of the Management Board of Telekom Austria AG (see Note (36)).

in TEUR	2024	2023
Short-term employee benefits	10,981	13,457
Pensions	430	497
Termination benefits	148	1,056
Share-based payments	935	1,855
Compensation of key management	12,493	16,865
Expenses for pensions and severance for other employees	19,139	-10,992
Expenses for pensions and severance for Management Board	315	1,253

Expenses for pensions and severance consist of statutory and voluntary severance expenses, contributions to pension plans and other pension payments. In 2023, the expenses for pensions for other employees include a benefit related to the release of a pension fund provision for civil servants in Austria of TEUR 27,863.

(12) Inventories

Inventories consist of merchandise sold in the shops of A1 Group or to distributors and are measured at the lower of cost or net realizable value, with cost being determined on the basis of moving average cost less allowance based on the turnover rate of the last twelve months. Net realizable value is the estimated selling price less the estimated selling expense in the ordinary course of business.

The net amount related to impairment loss and reversal of impairment loss of inventory that is recognized in cost of equipment consists of:

in TEUR	2024	2023
Write-down/ reversals of write-down of inventories	3,529	-656

Impairment loss: negative values; reversal of impairment loss: positive values

The reversal of write-down in 2024 is mainly due to the fixed net business, as inventories were sold that had already been impaired before.

(13) Other Current Assets, Net

Other current assets are broken down as follows:

in TEUR, at December 31	2024	2023
Prepaid expenses	69,422	70,590
Other current assets	128,227	105,561
Contract costs	49,772	47,127
Total	247,421	223,277

Prepaid expenses

in TEUR, at December 31	2024	2023
Advances to employees	13,534	14,188
Concession fees	21,329	15,765
Maintenance	10,192	10,397
Other	24,367	30,239
Prepaid expenses	69,422	70,590

Other current assets

in TEUR, at December 31	2024	2023
Finance lease receivables	1,479	1,185
Accrued interest	3,063	2,796
Other financial assets	21,032	10,239
Financial assets	25,574	14,220
Fiscal authorities	1,341	1,376
Advance payments	25,912	28,571
Government grants	13,483	24,622
Refund salary increments reference date	26,497	23,481
Other non-financial assets	44,454	21,268
Non-financial assets	111,687	99,319
Other current assets, gross	137,261	113,538
Less loss allowance for financial assets	-4,528	-3,569
Less loss allowance for non-financial assets	-4,507	-4,409
Other current assets	128,227	105,561

- For finance lease receivables as well as the loss allowance recognized thereon that is included in the loss allowance for financial assets, see Note (30).
- Accrued interest includes interest on financial investments (see Note (19)).
- Other financial assets (less loss allowance) relate mainly to receivables due from a distributor in Bulgaria.
- The advance payments include primarily TV content.
- The government grants are mainly attributable to the expansion of the broadband network in Austria (see Note (15)).

- The line item "Refund salary increments reference date" includes receivables due from the federal government for supplementary salary payments to Austrian civil servants related to the recognition of previous periods of service, as these have to be borne by the federal government (see Notes (22) and (23)).
- Other current non-financial assets consist mainly of services not yet billed, indemnification claims due from insurance companies and receivables due from employees. The increase is due mainly to ICT projects not yet charged in Bulgaria.

Contract costs

Commissions paid to third parties and to employees are deferred if they qualify as customer acquisition costs and are expected to be recoverable. As contract costs are expected to be realized as part of A1 Group's normal operating cycle, they are classified as current. A1 Group applies the practical expedient not to capitalize incremental costs of obtaining a contract with an amortization period of one year or less.

in TEUR, at December 31	2024	2023
Contract costs, gross	50,900	48,192
Loss allowance contract costs	-1,128	-1,066
Contract costs, net	49,772	47,127
Thereof remaining term of more than one year	20,709	19,252

Contract costs are expensed over the expected duration of the underlying contract using the straight-line method. In 2024, the amortization of TEUR 36,395 (2023: TEUR 35,588) was recognized in selling expenses.

Impairment losses are recognized in selling expenses if the related customer receivable or contract asset has to be impaired according to IFRS 9. The following table shows the development of the loss allowance for contract costs:

in TEUR	2024	2023
At January 1	1,066	973
Foreign currency adjustment	0	-2
Reversed	-847	-835
Charged to expenses	909	929
At December 31	1,128	1,066

(14) Contract Assets

A1 Group recognizes contract assets for contractual rights to consideration for goods transferred or services performed. Contract assets include mainly deferrals for relevant multiple-element arrangements for mobile communication services and for performance obligations for fixed-line services as well as deferrals for customer loyalty programs, discounts granted for hardware and installation fees (see Note (5)).

As contract assets are expected to be realized as part of A1 Group's normal operating cycle, they are classified as current. Contract assets are reclassified to receivables when the right to the consideration becomes unconditional. At December 31, 2024, contract liabilities from customer loyalty programs and discounts granted for hardware amounting to TEUR 100,420 (2023: TEUR 90,474) are included in the multiple-element calculation and are therefore presented net in contract assets.

The following table shows the development of gross contract assets as well as a reconciliation to net contract assets and its portion with a remaining term of more than one year:

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in TEUR	2024	2023
At January 1	91,137	100,178
Increases	203,093	189,714
Transfers to receivables	-209,274	-198,797
Accretion	807	0
Foreign currency adjustments	17	41
At December 31	85,780	91,137
Loss allowances	-2,642	-2,746
Contract assets, net	83,138	88,391
Thereof remaining term of more than one year	51,440	40,872

The development of the loss allowance regarding contract assets is disclosed in "Credit risk" in Note (33).

(15) Property, Plant and Equipment

Property, plant and equipment are stated at cost, which includes certain costs that are incurred during the installation and expansion of the assets, for example material, payroll, direct overhead and interest costs as well as the present value of decommissioning and restoration obligations (see Note (23)). Value-added tax (VAT), which is charged by suppliers and refunded by the tax authorities, is not included in cost.

Maintenance and repairs are expensed as incurred, while replacements and improvements are capitalized. The cost and accumulated depreciation of assets sold or retired are removed from the accounts, and any resulting gain or loss is recognized in other operating income or other operating expenses.

Inventories for the operation of the plant (network) are used primarily for A1 Group's network expansion. In accordance with IAS 16.8, they are reported in property, plant and equipment as A1 Group expects to use these items during more than one period.

At December 31, 2024, the carrying amount of land amounted to TEUR 60,665 (2023: TEUR 59,897).

in TEUR	Telephonic plant in operation and equipment	Land and build- ings & leasehold im- provements	Other assets	Construction in progress	Inventories for operation of the plant	Total
Cost						
At January 1, 2023	11,500,127	945,833	381,051	347,189	168,462	13,342,662
Additions	281,011	10,818	25,307	268,899	220,538	806,572
Disposals	-266,581	-11,137	-24,635	-1,503	-6,091	-309,948
Transfers	402,196	4,849	12,315	-189,967	-232,538	-3,146
Translation adjustment	-49,530	-4,693	-8,686	-2,730	-590	-66,229
Changes in reporting entities	-1,379,136	-2,249	-6,423	-12,194	-879	-1,400,882
At December 31, 2023	10,488,086	943,420	378,929	409,693	148,901	12,369,030
Additions	252,640	3,620	15,958	251,418	138,596	662,232
Disposals	-266,165	-5,048	-28,131	-485	-7,660	-307,489
Transfers	285,000	104,799	-6,621	-213,500	-170,361	-683
Translation adjustment	-5,756	-519	-1,275	-345	-17	-7,912
Changes in reporting entities	0	0	342	0	479	821
At December 31, 2024	10,753,804	1,046,273	359,201	446,781	109,939	12,715,998

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in TEUR	Telephonic plant in operation and equipment	Land and build- ings & leasehold im- provements	Other assets	Construction in progress	Inventories for operation of the plant	Total
Accumulated depreciation and impairment						
At January 1, 2023	-9,194,591	-740,588	-320,409	0	-32,964	-10,288,552
Additions	-479,632	-19,351	-34,101	0	-8,210	-541,295
Impairment	0	-39	-2,693	0	0	-2,733
Disposals	254,424	8,186	23,705	0	2,909	289,224
Transfers	7	-11	3	0	0	0
Translation adjustment	32,482	1,553	7,910	0	60	42,005
Changes in reporting entities	1,157,251	771	3,330	0	0	1,161,352
At December 31, 2023	-8,230,059	-749,479	-322,255	0	-38,206	-9,339,999
Additions	-503,462	-26,406	-26,018	0	2,688	-553,199
Reversal of impairment	0	44	2,776	0	0	2,820
Disposals	255,915	3,227	27,712	0	4,418	291,272
Transfers	60,971	-78,110	10,321	0	0	-6,818
Translation adjustment	4,627	193	1,092	0	13	5,925
At December 31, 2024	-8,412,007	-850,532	-306,372	0	-31,087	-9,599,998
Carrying amount at						
December 31, 2024	2,341,798	195,741	52,829	446,781	78,852	3,116,000
December 31, 2023	2,258,028	193,941	56,674	409,693	110,695	3,029,031

Other assets include mainly office and business equipment as well as motor vehicles.
For possible changes in reporting entities, see Note (34).
In 2023, changes in reporting entities relate to the spin-off of ETS Group (see Note (2)).

The reclassifications of telephonic plant in operation and building and leasehold improvements in 2024 relate to a group harmonization of accounts.

Depreciation on property, plant and equipment is calculated using the straight-line method over the estimated useful life of the assets. If an event or circumstance indicates that the assets may be impaired, they are tested for impairment (see Impairment test in Note (16)). Leasehold improvements are amortized using the straight-line method over the lease term or the useful life of the asset, whichever is shorter. The useful lives in years are:

	2024	2023
Telephonic plant in operation and equipment	2-25	2-25
Buildings and leasehold improvements	2-50	2-50
Other assets	2-10	2-10

The impairment of other assets in 2023 was due to the impairment of a solar power plant in the segment Belarus, as the excess of solar power produced could not be sold anymore due to new legal restrictions. As no further cash flows were expected, the complete solar power plant was impaired to zero, after an impairment that had already been recognized in 2022. In 2024, revenues with third parties can be generated again. Thus the impairment was reversed and the solar plant is recognized at its amortized carrying amount of TEUR 2,820. The solar plant's recoverable amount less cost to sell amounts to TEUR 3,330.

Sensitivity analysis

The estimated useful lives of depreciable property, plant and equipment represent the periods in which the assets are estimated to be used by A1 Group. A change in the useful lives by one year would lead to the following changes in depreciation:

in TEUR	2024	2023
Decrease due to extension by one year	114,635	89,495
Increase due to reduction by one year	181,798	161,256

In 2024, the useful life of customer devices (set-top boxes and modems) was reduced from five to three years based on the estimations of technical experts and taking into account the life cycle of the devices. This resulted in an increase in depreciation of “telephonic plant in operation and equipment” of TEUR 6,310.

Government grants and contractual commitments

In 2024, government grants for assets amounting to TEUR 44,432 (2023: TEUR 43,637) were deducted from acquisition cost. The other grants relate essentially to the expansion of the broadband network in Austria.

At December 31, 2024, contractual commitments for the acquisition of property, plant and equipment amounted to TEUR 224,250 (2023: TEUR 238,442).

(16) Intangibles

in TEUR	Licenses and other rights	Brand names and patents	Software	Customer base	Construction in progress	Total
Cost						
At January 1, 2023	2,170,002	565,254	1,283,126	1,046,466	162,814	5,227,662
Additions	137,161	3,853	63,663	289	100,256	305,222
Disposals	-1,023	-30	-57,859	0	-400	-59,313
Transfers	466	5,317	114,407	0	-117,044	3,146
Translation adjustment	-19,151	-8,832	-8,138	-33,365	-686	-70,172
Changes in reporting entities	-854	-324	-6	0	-347	-1,531
At December 31, 2023	2,286,601	565,237	1,395,193	1,013,390	144,593	5,405,014
Additions	42,812	2	70,520	161	97,902	211,396
Disposals	-75,879	-1,937	-30,291	0	1,680	-106,426
Transfers	11	-7,784	112,450	66	-104,060	683
Translation adjustment	-2,186	-1,037	-849	-3,823	-1,320	-9,215
Changes in reporting entities	0	0	0	5,073	0	5,073
At December 31, 2024	2,251,359	554,481	1,547,024	1,014,867	138,795	5,506,526
Accumulated amortization and impairment						
At January 1, 2023	-1,185,488	-392,828	-1,030,154	-1,011,232	0	-3,619,701
Additions	-124,486	-4,984	-115,576	-9,339	0	-254,385
Disposals	791	30	57,416	0	0	58,238
Translation adjustment	14,832	8,984	7,408	33,263	0	64,487
Changes in reporting entities	804	141	1	0	0	947
At December 31, 2023	-1,293,546	-388,656	-1,080,904	-987,308	0	-3,750,415
Additions	-123,132	-3,112	-137,059	-8,696	0	-271,999
Disposals	75,643	0	29,959	0	0	105,602
Transfers	1	6,980	-164	0	0	6,818
Translation adjustment	2,080	1,007	839	3,814	0	7,740
At December 31, 2024	-1,338,954	-383,781	-1,187,329	-992,190	0	-3,902,254
Carrying amount at						
December 31, 2024	912,405	170,700	359,695	22,677	138,795	1,604,272
December 31, 2023	993,055	176,581	314,289	26,082	144,593	1,654,600

For possible changes in reporting entities, see Notes (2) and (34).
Licenses not yet put into operation are included in licenses and rights of use.

Intangible assets with finite useful lives are recognized at acquisition cost and amortized using the straight-line method. If there is an indication of impairment, intangible assets are tested for impairment (see Impairment test). Amortization using the straight-line method is based on the following useful lives in years:

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	2024	2023
Mobile communications and fixed net licenses	5-24	5-24
Other rights	3-30	3-30
Patents	5-7	5-7
Software	2-10	2-10
Customer base	4-14	4-14

The following table shows expected amortization expense related to intangible assets with a finite useful life for each of the following periods:

in TEUR	2024	2023
2024	n.a.*	279,002
2025	286,094	231,237
2026	257,231	206,203
2027	211,825	161,171
2028	164,587	95,412
2029	109,076	n.a.*
Thereafter	412,268	518,344
Total	1,441,080	1,491,369

* Not applicable to the respective period.

Sensitivity analysis

The estimated useful lives for amortizable intangible assets represent the periods in which the assets are estimated to be used. A change in the useful lives by one year would lead to the following changes in amortization:

in TEUR	2024	2023
Decrease due to extension by one year	44,647	43,403
Increase due to reduction by one year	64,026	60,321

Licenses and other rights

Other rights with useful lives of more than 20 years relate to indefeasible rights to fiber optic cable or wavelengths that are used over a fixed period of time. These rights are amortized over the term of the contract.

A1 Group holds mobile telecommunication licenses (GSM, UMTS, LTE and 5G) provided by regulatory authorities in Austria, Croatia, Slovenia, Serbia, Bulgaria, Belarus and North Macedonia. Licenses are recorded at cost and amortized on a straight-line basis. At December 31, 2024, the total cost incurred for the major license agreements, which will expire between 2027 and 2046 (2023: 2027 and 2044), amounted to TEUR 2,054,994 (2023: TEUR 2,092,199).

In June 2024, A1 Bulgaria acquired frequencies for TEUR 30,623 in the 900 MHz and 1800 MHz frequency bands for a period of 10 years. In April 2024, 400 MHz were acquired in Austria in the 26 GHz band, valid until December 31, 2046, as well as additional regional frequencies in the 3.5 GHz spectrum, valid until December 31, 2039, for TEUR 7,329 (including interest capitalized). In the fourth quarter 2024, A1 Belarus acquired from the Belarusian infrastructure provider beCloud the exclusive right of use of the 10 GHz band in the 1800 MHz frequency band in the 4G network, including the related infrastructure services, for a period of five years. The right of use of TEUR 34,226 equals the discounted future cash flows of the following five years (see Note (26)).

In 2023, frequencies were acquired in Croatia for TEUR 110,816 (including interest capitalized) in the 800 MHz, 900 MHz, 1800 MHz, 2100 MHz and 2600 MHz frequency bands for a period of 15 years starting in October 2024 and in Bulgaria for TEUR 22,088 (700 MHz and 800 MHz band spectrum) for a period of 15 years.

Brand names

The following table shows the changes in the net carrying amounts of brand names by segment:

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in TEUR	Austria	Bulgaria	Corporate & Other	Total
At January 1, 2023	158,351	2,010	2,726	163,087
Translation adjustment	0	0	144	144
At December 31, 2023	158,351	2,010	2,869	163,230
Translation adjustment	0	0	-39	-39
At December 31, 2024	158,351	2,010	2,830	163,191

For possible changes in reporting entities, see Note (34).

Brand names are classified as intangible assets with an indefinite useful life based on an analysis of product life cycles, contractual and legal control of the asset and other pertinent factors. In the course of business combinations, brand names are recognized at fair value based on the "relief from royalty" method. If a brand name is intended for discontinuation in the foreseeable future, it is amortized over its remaining estimated useful life.

The following table shows the recognized brand names, which all have an indefinite useful life:

in TEUR, at December 31	2024	2023
A1 Telekom Austria	144,910	144,910
Cable Runner	491	491
YESSS!	12,950	12,950
Total Austria	158,351	158,351
Stemo	2,010	2,010
Total Bulgaria	2,010	2,010
Exoscale	2,371	2,410
Invenium	459	459
Total Corporate & Other	2,830	2,869
Total brand names	163,191	163,230

Software

Certain direct and indirect development costs associated with internally developed software are capitalized once the project has reached the implementation phase. Development costs are generally amortized using the straight-line method over a period that does not exceed four years from the time when the asset is essentially ready for use. Development costs requiring capitalization include direct costs of materials and purchased services as well as payroll costs and interest costs. Costs incurred during the preliminary project stage, maintenance and training costs as well as research and development costs (with the exception of the above-mentioned capitalizable development costs) are expensed as incurred.

The following table shows internally developed software included in the line item "software":

:

in TEUR, at December 31	2024	2023
Cost of production	131,771	110,801
Accumulated amortization	-85,674	-72,518
Carrying amount	46,097	38,283
Additions	24,116	22,961

Customer base

The addition in 2024 relates to the acquisition of the Austrian company NTT (see Note (34)).

Contractual commitments

At December 31, 2024, contractual commitments for the acquisition of intangible assets amounted to TEUR 52,300 (2023: TEUR 46,826)

Impairment test

Property, plant and equipment and intangible assets with finite useful lives are tested for impairment if facts or changes in circumstances indicate that the carrying amount of an asset could be above its recoverable amount. The impairment test is performed for all property, plant and equipment, right-of-use assets and intangible assets, regardless of whether they are intended for sale or not. In accordance with IAS 36, an impairment loss is recognized when an asset's carrying amount exceeds the higher of its fair value less costs to sell and its value in use. Fair value is the amount that could be realized in an arm's length sales transaction. Value in use corresponds to the estimated future discounted net cash flows expected to arise from the continued use of the asset and from its disposal at the end of its useful life. Impairment charges are recorded separately in the Consolidated Statement of Comprehensive Income. If there is any indication that the impairment recognized in prior periods no longer exists, A1 Group considers the need to reverse all or a portion of the impairment charge.

Brand names classified as intangible assets with indefinite useful lives have to be tested for impairment in accordance with IAS 36, as described in Note (17). If an event or circumstance indicates that an asset may be impaired, impairment tests are performed as necessary. Since brand names do not generate cash inflows that are largely independent of those from other assets, the value in use can be determined only for the asset's cash-generating unit, where an impairment loss is recognized, if applicable.

(17) Goodwill

Goodwill is recognized in the course of business combinations and is measured as the difference between the aggregate of the fair value of the consideration transferred and the amount of any non-controlling interest in the acquired company less the fair value of the identifiable assets acquired and the liabilities assumed.

The following table illustrates the changes in the net carrying amounts of goodwill allocated to the individual cash-generating units that are expected to benefit from the synergies of the business combination:

in TEUR	Austria	Bulgaria	Croatia	Belarus	Slovenia	North Mac- edonia	Corporate & Other	Total
At January 1, 2023	708,212	256,629	125,693	11,635	150,723	30,061	16,850	1,299,803
Changes in reporting entities	-120,958	-20,606	-24,908	0	-38,338	-4,266	0	-209,075
Translation adjustment	0	0	0	-2,031	0	-1	570	-1,463
At December 31, 2023	587,254	236,023	100,785	9,603	112,385	25,794	17,419	1,089,265
Translation adjustment	0	0	0	-232	0	0	-154	-387
At December 31, 2024	587,254	236,023	100,785	9,371	112,385	25,794	17,265	1,088,878

For possible changes in reporting entities, see Note (34).

In 2023, the changes in reporting entities relate to the spin-off of ETS Group (see Note (2)). At September 22, 2023, goodwill was allocated between the tower companies and the A1 companies on the basis of the relative enterprise value of the cash-generating units of each segment affected.

The acquisition cost as well as cumulative impairment charges and amortization of goodwill amounted to:

in TEUR, at December 31	2024	2023
Segment Austria	591,274	591,274
Segment Bulgaria	636,023	636,023
Segment Croatia	105,809	105,809
Segment Belarus	298,692	306,149
Segment Slovenia	140,309	140,309
Segment North Macedonia	30,905	30,905
Corporate & Other	17,265	17,419
Total cost	1,820,277	1,827,888

in TEUR, at December 31	2024	2023
Segment Austria	4,020	4,020
Segment Bulgaria	400,000	400,000
Segment Croatia	5,024	5,024
Segment Belarus	289,321	296,545
Segment Slovenia	27,924	27,924
Segment North Macedonia	5,111	5,111
Accumulated impairment	731,399	738,623

Impairment test

Goodwill and other intangible assets with indefinite useful lives as well as intangible assets that are not yet available for use are not amortized but are tested for impairment in accordance with IAS 36 at least once a year in the fourth quarter, irrespective of whether there is any indication of impairment, by comparing their carrying amounts with their recoverable amounts. If an event or circumstance indicates that an asset may be impaired, impairment tests are also carried out as necessary.

A1 Group performs these impairment tests by calculating the value in use based on capital-market-oriented valuation methodology which is based on detailed planning of future cash flows of revenue and costs less capital expenditure for maintenance and replacement of assets as well as working capital changes for a planning period of five years and a perpetual annuity for the years following the detailed planning period. The detailed planning is based on business plans approved by the management that are also used for internal management purposes. Significant planning assumptions comprise the development of revenues and the profit margin in the detailed planning period as well as the growth in the perpetual annuity for the years following the detailed planning period.

Significant assumptions to determine the value in use comprise the development of revenues, cost drivers, working capital changes, capital expenditure for maintenance and replacement of assets, growth rate and discount rate.

- Assumptions regarding development of revenues are based on historical performance, industry forecasts and external market data such as the development of gross domestic product (GDP), inflation rates, currency rates, population and other parameters.
- Cost drivers and capital expenditure for maintenance and replacement of assets are based on past experience and internal expectations.
- Growth rates applied to the perpetual annuity consider country-specific growth rates as well as company-specific revenue growth rates of prior periods and those used in detailed planning.
- Detailed planning is based on developments of the past and expectations regarding future market developments. The resulting cash flows are discounted at the weighted average cost of capital, which is determined separately for each cash-generating unit, to determine the value in use of the cash-generating units. The cost of equity used for discounting the cash flows is determined based on the "capital asset pricing model" and corresponds to the weighted average interest rate of equity and debt capital of the peer group. The determination of the cost of equity is based on a risk-free borrowing rate, adjusted for market and country-specific risks. The cost of debt is based on a risk-free borrowing rate, adjusted for risk. The cost of debt as well as beta factors and the capital structure of the peer group are derived from publicly available market data. The beta factor used on the reporting date is the average of the two-year beta of the last twelve months.

The analysis of climate scenarios, which has been a part of risk management since 2021, was updated in 2024 according to the requirements of the European Sustainability Reporting Standards and investigates the effects of long-term climate scenarios on the business model of A1 Group by analyzing and evaluating physical (e.g. floods, heat waves) and transition risks (increase in carbon taxation, costs of transition to lower-emission technologies). The top physical climate risks are landslides followed by heat stress/heat waves as well as floodings and cold waves/frost. These climate risks concern primarily the mobile and fixed net infrastructure of A1 Group. The risk analysis did not lead to significant impacts on the results of the business plan period. Due to this fact, no explicit adjustments were made in the impairment testing. The increase in carbon taxation is a major climate induced transitory risk and may lead to higher prices of raw materials and materials. Mitigating measures of A1 Group are part of the climate transition plan and are considered in the budget and business plan. The development of prices and consumption increases as well as countermeasures were taken into account as far as possible in the planning of energy costs. While the estimated development of prices has already been included in the business plan and is part of the impairment test, no new effects from transitional risks (e.g. carbon taxation) come from the scenario analysis, and thus no changes relevant for measurement occurred.

In connection with the conflict in Ukraine both Belarus as well as the sanctioned countries or the economic region are subject to sanctions and countersanctions. A1 Group ensures the adherence to the sanctions as well as the sustainable provision of products and services. This has had no significant impact on the operating performance of A1 Group. Effects of external sources such as market capitalization and market yields are reflected in the weighted average cost of capital applied.

The following parameters were used to calculate the value in use:

	Growth rates perpetual annuity		Pre-tax discount rates	
	2024	2023	2024	2023
Segment Austria	1.4%	1.9%	6.0%	5.9%
Segment Bulgaria	2.0%	2.0%	7.3%	7.1%
Segment Croatia	2.2%	2.1%	7.5%	8.2%
Segment Belarus	5.3%	5.0%	38.1%	34.7%
Segment Slovenia	2.1%	1.9%	6.6%	6.9%
Segment North Macedonia	2.0%	2.0%	9.4%	10.5%
Corporate & Other	2.1%	2.0%	5.6%	5.6%

If the value in use of the cash-generating unit exceeds its carrying amount, neither the cash-generating unit nor the goodwill allocated to that cash-generating unit shall be regarded as impaired. Rather, A1 Group examines if impairment losses recognized in the past (with the exception of goodwill) must be reversed.

At both December 31, 2024 and 2023, the values in use of all cash-generating units exceeded the carrying amounts. Thus, no impairment charges had to be recognized.

(18) Investments in Associates

The following table shows the development of the carrying amount of Canal+ Austria GmbH ("Canal+"), a joint venture which was established in 2021 to expand the TV business in Austria and that is accounted for using the equity method (see Note (34)).

in TEUR	2,024	2023
At January 1	921	99
Recognized income	1,116	822
At December 31	2,036	921

The difference between the investment in associates and its proportionate equity is disclosed in the following table:

in TEUR, at December 31	2024	2023
Proportionate equity	2,378	1,483
Intercompany elimination	-342	-562
Investments in associates	2,036	921

In 2022, an intercompany profit relating to the sale of TV rights from A1 Group to Canal+ was eliminated, which is released into income in subsequent periods.

For outstanding balances and revenues and expenses of A1 Group and Canal+, see Note (11).

(19) Investments

in TEUR, at December 31	2024	2023
Investments at amortized cost	274,491	210,100
Debt instruments at fair value through other comprehensive income*	22,226	38,396
Debt instruments at fair value through profit or loss*	15,826	40,413
Equity instruments at fair value through profit or loss*	3,664	3,079
Short- and long-term investments	316,207	291,987
Thereof		
Short-term investments	62,523	84,646
Long-term investments	253,685	207,340

* Mandatory. For the classification of financial instruments, see also Note (33).

In order for a financial asset to be classified and measured at amortized cost or at fair value through OCI, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at instrument level. The business models of A1 Group are "hold to collect" and "hold to collect and sell", and no derivative financial instruments are held.

At December 31, 2024, investments at amortized cost (business model "hold to collect") include quoted bonds of TEUR 272,639 (2023: TEUR 195,890), which are held to generate contractual cash flows as well as fixed-term deposits of TEUR 1,852 (2023: TEUR 14,210). For details regarding the bond with a face value of TEUR 180,000 issued by ETS Group, see Note (11). At December 31, 2024, bonds held by the subsidiary A1 in Belarus with a face value of TEUR 25,090 are included, which are subject to the restrictions described in Note (9) (see also "credit risk" in Note (33)).

"Debt instruments at fair value through other comprehensive income" include quoted bonds, which are held for generating contractual cash flows as well as for sale (business model "hold to collect and sell"). Interest income is recognized in profit or loss and calculated the same way as interest income on financial assets at amortized cost, i.e. the premium is recognized in profit or loss over the remaining term according to the effective interest method (see Note (7)). The remaining changes in fair value are recognized in other comprehensive income (OCI), net of income tax. At December 31, 2024, bonds in the amount of TEUR 8,344 (2023: TEUR 8,134) are included, which the subsidiary A1 Bank AG is obliged to hold due to the Capital Requirements Regulation.

The recognized 12 months' expected credit loss relating to investments at amortized cost and to debt instruments at fair value through other comprehensive income is disclosed in Note (7), (see also "Credit risk" in Note (33)).

"Debt instruments at fair value through profit or loss" include other long-term financial investments under the business model "hold to collect and sell" that do not meet the SPPI criterion. At December 31, 2024, TEUR 1,181 (2023: TEUR 1,113) serve as coverage for the provision for pension obligations in Austria.

All equity instruments held are classified as "at fair value through profit or loss" and comprise both quoted and unquoted equity instruments.

(20) Other Non-current Assets, Net

in TEUR, at December 31	2024	2023
Finance lease receivables	2,073	1,499
Other financial assets	2,231	4,979
Financial assets	4,304	6,478
Other non-financial assets	22,938	18,889
Other non-current assets, gross	27,242	25,366
Less loss allowance for financial assets	-53	-2,975
Other non-current assets, net	27,189	22,391

- For finance lease receivables as well as the loss allowance recognized that is included in the loss allowance for financial assets, see Note (30).
- At December 31, 2023, other financial assets (less loss allowance) related mainly to deferred receivables from a distributor in Croatia, which have been paid.
- Other non-financial assets include essentially prepayments for maintenance agreements and license fees.

(21) Short-term Debt

in TEUR, at December 31	2024	2023
Short-term bank debt	82	60,055
Short-term debt	82	60,055

For further information regarding long-term financial debt, see Note (25). The average fixed interest rate for short-term bank debt at December 31, 2023 amounted to 4.32% with a term until January 31, 2024. For further funding sources, see Note (33).

(22) Accounts Payable

Accounts payable consist of the following items:

in TEUR, at December 31	2024	2023
Fiscal authorities	74,618	59,233
Social security	14,083	13,543
Other non-financial liabilities	5,947	12,176
Current non-financial liabilities	94,648	84,952
Suppliers	708,520	673,002
Deferred consideration from business combinations	381	0
Accrued interest	740	1,170
Cash deposits received	17,796	16,654
Employees	46,943	40,432
Salary increments reference date	26,491	23,481
Long-term incentive program	1,334	1,766
Government grants	23,858	40,866
Other current financial liabilities	46,274	44,689
Current financial liabilities	872,337	842,060
Accounts payable	966,985	927,012

- Liabilities due to fiscal authorities include mainly value-added taxes and payroll taxes.
- Liabilities regarding social security relate to statutory contributions to the social security system.
- At December 31, 2024, accounts payable – trade amounting to TEUR 3,483 (2023: TEUR 7,113) have a maturity of more than twelve months.

- At December 31, 2024, deferred consideration from business combinations includes the consideration for NTT Austria not yet paid (see Notes (26) and (34)).
- Accrued interest includes mainly interest on an issued bond (see Note (25)).
- Liabilities due to employees relate mainly to salaries payable (including overtime and travel allowances), unused vacation days and liabilities for one-time termination benefits and service awards.
- The line item "salary increments reference date" contains payables to Austrian civil servants related to the recognition of previous periods of service (see Notes (23) and (13) for refunds due from the federal government).
- For information on the long-term incentive program, see Note (31).
- Government grants relate to grants received for the planned broadband expansion in Austria.
- In 2024 and 2023, other current financial liabilities include mainly customer deposits related to vouchers for shopping and parking.

(23) Accrued Liabilities and Provisions, Asset Retirement Obligation and Restructuring

in TEUR	Restructuring	Employees	Asset retirement obligation	Legal	Other	Total
At January 1, 2024	362,005	73,372	155,424	29,200	55,480	675,480
Additions	82,426	60,354	1,354	5,735	33,300	183,169
Changes in estimate	-6,417	0	450	0	0	-5,967
Used	-104,387	-78,824	-3,450	-4,673	-35,031	-226,366
Released	-2,946	-4,107	-718	-11,401	-1,962	-21,134
Accretion expense	9,367	0	5,100	0	0	14,467
Reclassifications*	0	20,281	0	0	0	20,281
Translation adjustment	0	-35	-241	-1	-14	-292
Changes in reporting entities	0	2,443	0	79	1,230	3,751
At December 31, 2024	340,048	73,482	157,917	18,939	53,002	643,388
Thereof long-term						
December 31, 2024	240,316	0	157,917	0	0	398,233
December 31, 2023	267,444	0	155,424	0	0	422,868

* Reclassifications to current liabilities and short-term portion of employee benefit obligations.
For possible changes in reporting entities, see Note (34).

In measuring provisions, the Management Board must assess if there are obligations to third parties that will probably lead to a cash outflow for A1 Group and that can be estimated reliably. Provisions are recognized in the amount of the probable utilization.

Even though the provision is not expected to be paid in the following financial year, provisions are reported under short-term provisions, with the exception of the asset retirement obligation and the provision for restructuring, since A1 Group has no influence on the timing of the utilization.

Restructuring

In 2008, a comprehensive restructuring program was initiated in the segment Austria. The restructuring program includes social plans for employees whose employment was terminated in a socially responsible way such as early retirement, special severance packages and golden handshake options. Due to their nature as termination benefits, these social plans are accounted for according to IAS 19. The provision for restructuring includes to a small extent future compensation of employees who will no longer provide services for A1 Group but who cannot be laid off due to their status as civil servants. These employment contracts are onerous contracts under IAS 37, as the unavoidable cost related to meeting the contractual obligation exceeds the expected future economic benefit. At December 31, 2024, the corresponding provision amounts to TEUR 336,060 (2023: TEUR 357,358) and includes 1,631 (2023: 1,703) employees.

Provisions for restructuring are recorded at their present value. The following table presents the parameters used for calculating the provisions:

	2024	2023
Discount rate:		
Employees permanently leaving the service process	3.00%	3.00%
Social plans	2.75%	3.25%
Civil servants transferred to the government	3.00%	3.00%
Rate of compensation increase	3,40%-4,20%	4,40%-5,30%

For the basis of the discount rate and the determination of the rate of compensation increase, see "Actuarial assumptions" in Note (27).

Changes in the provision are recognized in employee expense and reported in the line item "selling, general & administrative expenses", while the accretion expense is reported in the financial result in the line item "interest expense on restructuring provision" (see Note (7)).

Based on the general agreement for the transfer of personnel, which was concluded with the Austrian government in 2013, civil servants transferring voluntarily to the government can apply for a permanent transfer after a probation period of six months. During this probation period, A1 Group bears the salary expense. In the event of a permanent transfer, A1 Group must compensate the government for any excess expense arising due to differing professional classifications of workplaces. Furthermore, compensation payments (or one-off payments) must be made to civil servants up to the age of 62. At December 31, 2024, the provision for the transfer of civil servants to the government amounts to TEUR 3,988 (2023: TEUR 4,647) and comprises 90 (2023: 97) employees.

Duration

The following table discloses the restructuring obligations' weighted average duration in years:

	2024	2023
Employees permanently leaving the service process	4.5	5.4
Social plans	3.0	3.2
Civil servants transferred to the government	3.9	4.3

Sensitivity analysis

A change of one percentage point in the applied discount rate or in the rate of compensation would lead to the following changes in provisions (negative values indicate a reduction in provisions):

in TEUR, at December 31	1 percentage point increase	1 percentage point decrease
2024		
Change in discount rate	-13,123	13,864
Change in rate of compensation	9,247	-8,966
2023		
Change in discount rate	-11,922	12,585
Change in rate of compensation	10,297	-9,961

Employees

The provisions for employees contain mainly bonuses and the short-term portion of employee benefit obligations for severance, service awards and pensions (see also Note (27)).

Furthermore, the following provision related to civil servants is included in the segment Austria:

In its judgment of November 11, 2014, the European Court of Justice (ECJ) ruled that the Austrian law determining the reference date for salary increments for Austrian civil servants (this date determines the length of service and thus the date for advancing to the next salary level) conflicted with European Union law. In its judgment of May 8, 2019, the ECJ once again ruled that the

adapted Austrian law determining the reference date for salary increments for civil servants was still in conflict with European Union law. On July 8, 2019, a further change in the Austrian law was published (Austrian Federal Law Gazette – No. 58/2019 – “Novella 2019”).

On April 20, 2023, the ECJ ruled that the limited accreditation of apprenticeship periods was unproblematic under European Union law, yet the flat-rate deduction for other periods was age discriminatory and not justified. Other periods are therefore to be credited without restriction, regardless of the age at which they were earned. On November 15, 2023, the Austrian law was thus amended again (Austrian Federal Law Gazette – No. 137/2023 – “Novella 2023”). It can be assumed with a predominant probability that this amendment is in conformity with European Union law. The costs arising due to the change in law under Novella 2023 will – contrary to Novella 2019 – be borne by the Federal Republic of Austria. The liabilities to civil servants and reimbursement claims against the Federal Republic of Austria based on Novella 2023 are disclosed in Notes (22) and (13). At December 31, 2024, a provision of TEUR 7,751 (2023: TEUR 6,844) was recognized for the costs of Novella 2019.

Asset retirement obligation

Liabilities for asset retirement obligations are measured at their net present value in accordance with IAS 37, while the increase in the liability that reflects the passage of time is recognized in profit or loss (see Note (7)). The effects of changes in the measurement of existing provisions are accounted for in accordance with IFRIC 1.

In estimating the fair value of the retirement obligations for its assets, A1 Group has made a number of assumptions, such as the time of retirement or a possible early cancellation, the development of technology and the cost of remediating the sites.

A1 Group records obligations for the retirement and decommissioning of the following items of property, plant and equipment:

- Wooden masts treated with tar or salt that are in operation.
- Base stations on land, rooftops and on other premises under various types of lease contracts.
- Public telephone booths in Austria: Based on the telecommunication law 2021 (“TKG 2021”), A1 Group is no longer obliged to operate these booths.
- Obligations in connection with the disposal of hazardous substances as well as the decontamination of land when decommissioning a building.
- Obligations to return premises to their original condition upon expiration of lease contracts are reported for buildings and office premises that A1 Group rents as part of lease agreements.

The following table provides the parameters used for the measurement of the obligation:

	2024	2023
Discount rate	3,0%-23,9%	2,9%-22,5%
Inflation rate	2,1%-5,8%	2,2%-5,1%

The range is due to different market situations in the respective segments.

The discount rate applied to the calculation reflects current market expectations with regard to interest effects as well as specific risks of the obligation. The discount rate in the non-eurozone is based on the interest rate of German federal bonds with a term of 30 years, adjusted by a risk premium for each country. For those countries whose currencies are not tied to the euro, the respective inflation delta according to the OECD is taken into account as well. In the eurozone, the discount rate is based on government bonds with matching maturities, as the specific risks were considered in the estimated cash flows. The inflation rates applied to the calculation reflect the general development in the individual countries.

In essence, the change in the specified parameters as well as the change in the estimated outflow of resources resulted in a change in the provision with no impact on income due to an adjustment in the carrying amount of the related item of property, plant and equipment (see changes in estimates in the table of provisions). In 2024, TEUR 810 (2023: TEUR 1,721) were recognized in other operating income as the related tangible assets were already fully depreciated.

Sensitivity analysis

A change of one percentage point in the discount rate or in the inflation rate would lead to the following changes in provisions (negative values indicate a reduction in provisions):

in TEUR, at December 31	1 percentage point increase	1 percentage point decrease
2024		
Change in discount rate	-12,590	15,202
Change in inflation rate	15,393	-12,990
2023		
Change in discount rate	-12,794	15,581
Change in inflation rate	15,677	-13,126

Legal

Provisions relate mainly to expenses for legal advice and litigation.

Other provisions

Other provisions relate mainly to taxes (excluding income taxes), rents, penalties and furthermore stamp duty, which has to be paid due to the conclusion of the lease contract between the Austrian Tower BU and A1 Telekom Austria AG in July 2023 (see Notes (2) and (30)). The fees were capitalized in 2023 as part of the acquisition costs of the right-of-use assets and are reported by A1 Telekom Austria AG in the segment Austria. The final stamp duty is determined by the tax authority.

(24) Contract Liabilities

A contract liability is recognized where a customer has paid an amount of consideration prior to goods or services being transferred by A1 Group. Contract liabilities include prepaid fees, prepaid vouchers, fees for leased lines and site sharing, discounts granted as well as deferred one-time fees, activation fees and installation fees. As contract liabilities are expected to be realized as part of A1 Group's normal operating cycle, they are classified as current.

The following table shows the development of contract liabilities:

in TEUR	2024	2023
At January 1	216,285	219,703
Increases due to payments received	1,450,642	1,467,410
Revenues recognized in the current period from:		
Amounts included in the contract liability at beginning of the period	-183,447	-180,604
Increases due to payments received in current period	-1,250,511	-1,288,607
Change in reporting entities	7,806	-1,207
Foreign currency adjustments	-39	-410
At December 31	240,735	216,285
Thereof remaining term of more than one year	29,811	26,790

The increase in the contract liability is due to prepayments for ICT projects in Bulgaria.

At December 31, 2024 and 2023, contract liabilities with a remaining term of more than one year relate mainly to deferred rental income from base stations and data circuits as well as one-time fees, activation fees and installation fees.

(25) Long-term Debt

Bonds

Bonds are recognized at the actual amount received. Discount and issue costs are amortized over the related term using the effective interest rate method.

The conditions of the bond issued are summarized in the following table (face value and carrying amount are disclosed in TEUR):

At December 31		2024		2023	2023
Nominal fixed interest rate	Maturity	Face value	Carrying amount	Face value	Carrying amount
1.50%	2026	750,000	748,630	750,000	747,919

On December 7, 2016, A1 Group issued a bond with a face value of TEUR 500,000, a maturity of ten years and a fixed coupon of 1.5%. On July 14, 2017, a tap issuance with a volume of TEUR 250,000 was settled. In August 2017, the outstanding bond and the tap were consolidated and have the same terms in all respects. Discount and issue costs amount to TEUR 6,990.

On July 4, 2023, A1 Group redeemed a 3.5% bond with a face value of TEUR 300,000.

On July 13, 2023, A1 Group issued a bond with a face value of TEUR 500,000, a maturity of five years and a fixed coupon of 5.25% via its subsidiary A1 Towers Holding GmbH. The discount and issue cost amounted to TEUR 5,635. The debt was spun off to ETS Group (see Note (2)).

Bank debt

On July 20, 2023, A1 Group took out a loan of TEUR 500,000 with a maturity of five years and a variable interest rate linked to the Euribor plus a fixed margin via the subsidiary A1 Towers Holding GmbH. The financial liability was spun off to ETS Group (see Note (2)).

(26) Other Non-current Liabilities

in TEUR, at December 31	2024	2023
Cash deposits received	141	142
Deferred consideration from business combinations	1,173	9,282
Sundry other non-current financial liabilities	42,867	12,149
Other non-current financial liabilities	44,182	21,573

- At December 31, 2024, the deferred consideration from business combinations includes the purchase price not yet paid of NTT Austria (see Notes (22) and (34)).
The put option for the withdrawal of non-controlling shareholders of Invenium, acquired in 2020, which was included at December 31, 2023, was exercised in June 2024. The deferred consideration relating to the acquisition of Stemo in Bulgaria in 2022, included at December 31, 2023, as well, was settled in 2024 (see table "Development of total liabilities from financing activities" in Note (32)).
- Sundry other financial liabilities include liabilities from the acquisition of rights and licenses which correspond to the discounted cash flows of the future payments. The increase is due to the acquisition of the licenses in Belarus disclosed in Note (16). The future payments are disclosed in the maturity analysis in Note (33).

(27) Employee Benefits

A1 Group records employee benefit obligations under both defined contribution and defined benefit plans.

In the case of defined contribution plans, A1 Group pays contributions to publicly or privately administered pension or severance insurance plans on a mandatory or contractual basis. Other than payment contributions, which are recognized in employee expenses in the respective functional area in the respective period, there are no further obligations.

All other obligations are unfunded defined benefit plans and are measured using the projected unit credit method in accordance with IAS 19.

in TEUR, at December 31	2024	2023
Service awards	30,685	36,132
Severance	130,285	145,362
Pensions	2,587	2,952
Long-term incentive program	1,203	1,291
Other	1,497	1,575
Long-term employee benefit obligations	166,258	187,311

In accordance with IAS 19.133, A1 Group chooses to distinguish between current and non-current liabilities arising from employee benefit obligations (see also Note (23)).

For severance and pensions, A1 Group recognizes remeasurement gains and losses in other comprehensive income (OCI), whereas remeasurement gains and losses for service awards are immediately recognized in profit or loss. The remeasurement of defined benefit plans relates to actuarial gains and losses only, as A1 Group holds no plan assets. Accrued interest on employee benefit obligations is reported in the financial result, while service cost is reported in employee expenses in the respective functional area.

Actuarial assumptions

The key actuarial assumptions used to measure the obligations for service awards, severance and pensions are as follows:

	2024	2023
Discount rate service awards	2.75%	3.25%
Discount rate severance	3.50%	3.25%
Discount rate pensions	3.25%	3.25%
Rate of compensation increase - civil servants	3,80%-4,40%	5,30-6,00%
Rate of compensation increase - employees	2,90%-3,80%	3,50%-5,40%
Rate of increase of pensions	1.70%	2.50%
Employee turnover rate*	0,0%-0,90%	0,0%-0,91%

* depending on years of service

The discount rates are determined on the basis of the yields of senior, fixed-interest industry bonds and a duration corresponding to the expected maturities of the defined benefit obligations.

Due to the current economic situation, expected future salary increases are considered when determining the compensation increases to be applied. Based on the high level of inflation in recent years, higher compensation increases are expected in the short term, which will in the long term return to average amounts of the past. Due to the different durations of the provisions, the rates of compensation increase were determined individually for each provision.

Life expectancy in Austria is based on "AVÖ 2018-P – Rechnungsgrundlagen für die Pensionsversicherung – Pagler & Pagler". The obligations related to the international subsidiaries were measured on the same actuarial basis due to their insignificant proportion.

Duration

The following table discloses the obligations' weighted average duration in years:

	2024	2023
Service awards	3.1	3.5
Severance	9.8	10.7
Pensions	7.1	7.4

Service awards

Civil servants and certain employees (in the following "employees") are eligible to receive service awards. In accordance with the legal regulations, eligible employees receive a cash bonus of two months' salary after 25 years of service and four months' salary after 40 years of service. Employees with at least 35 years of service when retiring (at the age of 65) or who are retiring based on specific legal regulations are also eligible to receive the service award of four monthly salaries. The obligation is accrued over the period of service, taking into account the employee turnover rate for employees who leave employment prematurely. The main risk that A1 Group is exposed to is the risk of development of salary increases and changes in interest rates.

The following table provides the components and a reconciliation of the changes in the obligation for service awards:

in TEUR	2024	2023
At January 1	43,040	45,374
Service cost	1,142	1,225
Interest cost	1,315	1,608
Actuarial gain/loss from experience adjustment	-199	-51
Actuarial gain/loss from changes in demographic assumptions	-0	7
Actuarial gain/loss from changes in financial assumptions	-1,165	1,612
Recognized in profit or loss	1,092	4,401
Benefits paid	-7,785	-6,665
Change in reporting entities	517	-69
Obligation at December 31	36,864	43,040
Less short-term portion	-6,179	-6,908
Non-current obligation	30,685	36,132

At December 31, 2024 and 2023, less than 1 % of the non-current obligation for service awards relates to foreign subsidiaries.

Severance

Defined contribution plans

Employees who started to work for A1 Group in Austria on or after January 1, 2003 are covered by a defined contribution plan. In 2024, A1 Group paid TEUR 4,410 (2023: TEUR 3,905), 1.53 % of the salary or wage, into this defined contribution plan (BAWAG Allianz Mitarbeitervorsorgekasse AG).

Defined benefit plans

Severance benefit obligations for employees whose employment commenced before January 1, 2003, excluding civil servants, are covered by defined benefit plans. Upon termination of employment by A1 Group or upon retirement, eligible employees receive severance payments. Depending on their time in service, their severance amounts to a multiple of their monthly basic compensation plus variable components such as overtime or bonuses, up to a maximum of twelve monthly salaries. In case of death, the heirs of eligible employees receive 50 % of the severance benefits. The primary risks to A1 Group are salary increases and changes in interest rates.

The following table shows the components and a reconciliation of the changes in the obligation for severance:

in TEUR	2024	2023
At January 1	150,901	134,580
Service cost	2,918	3,120
Interest cost	4,795	4,939
Curtailment loss/settlement	-1,971	-1,024
Recognized in profit or loss	5,742	7,036
Actuarial gain/loss from experience adjustment	3,372	7,070
Actuarial gain/loss from changes in demographic assumptions	-345	-413
Actuarial gain/loss from changes in financial assumptions	-11,735	9,017
Recognized in other comprehensive income	-8,708	15,675
Benefits paid	-11,356	-4,931
Change in reporting entities	1,478	-1,460
Foreign currency adjustments	1	1
Total obligation at December 31	138,058	150,901
Less short-term portion	-7,773	-5,539
Non-current obligation	130,285	145,362

At December 31, 2024, approximately 6% (2023: 5%) of the non-current obligation for severance relates to foreign subsidiaries.

Pensions

Defined contribution pension plans

In Austria, pension benefits are generally provided by the social security system for employees, and by the government for civil servants. The contributions of 12.55% of gross salaries that A1 Group made in 2024 to the social security system and the government in Austria amount to TEUR 59,046 (2023: TEUR 57,540). In 2024, contributions of the foreign subsidiaries into the respective systems range between 7% and 28% of gross salaries in the current year and amount to TEUR 32,906 (2023: TEUR 29,469).

Additionally, A1 Group offers a defined contribution plan for employees of some of its Austrian subsidiaries. A1 Group's contributions to this plan are based on a percentage of the compensation not exceeding 5%. In 2024, the annual expenses for this plan amount to TEUR 10,693 (2023: TEUR 10,380).

Defined benefit pension plans

A1 Group provides defined benefits for certain former employees in Austria. All eligible employees are retired and were employed prior to January 1, 1975. This unfunded plan provides benefits based on a percentage of salary and years employed not exceeding 80% of the salary before retirement and taking into consideration the pension provided by the social security system. A1 Group is exposed primarily to the risk of development of life expectancy and inflation because the benefits from pension plans are lifetime benefits.

The following table shows the components and a reconciliation of the changes in the obligation for pensions:

in TEUR	2024	2023
At January 1	3,319	2,979
Interest cost	102	105
Recognized in profit or loss	102	105
Actuarial gain/loss from experience adjustment	-119	297
Actuarial gain/loss from changes in financial assumptions	-150	248
Recognized in other comprehensive income	-269	545
Benefits paid	-265	-310
Total obligation at December 31	2,886	3,319
Less short-term portion	-299	-367
Non-current obligation	2,587	2,952

Sensitivity analysis

The following table summarizes the short and long-term obligations recorded:

in TEUR, at December 31	2024	2023
Service awards	36,864	43,040
Severance	138,058	150,901
Pensions	2,886	3,319

A change in the discount rate of half a percentage point would lead to the following changes in obligations (negative values indicate a reduction in obligations):

in TEUR, at December 31	0.5 percentage point decrease	0.5 percentage point increase
2024		
Service awards	561	-546
Severance	6,806	-6,365
Pensions	108	-117
2023		
Service awards	742	-721
Severance	8,139	-7,581
Pensions	124	-116

A change in the rate of compensation of one percentage point would lead to the following changes in obligations (negative values indicate a reduction in obligations):

in TEUR, at December 31	1 percentage point decrease	1 percentage point increase
2024		
Service awards	-1,050	1,084
Severance	-12,402	13,911
Pensions	-195	175
2023		
Service awards	-1,378	1,431
Severance	-14,641	16,536
Pensions	-228	256

A change in the employee turnover rate of half a percentage point would lead to the following changes in obligations (negative values indicate a reduction in obligations):

in TEUR, at December 31	0.5 percentage point decrease	0.5 percentage point increase
2024		
Service awards	6	-109
Severance	1,471	-2,790
2023		
Service awards	6	-748
Severance	2,145	-3,651

As all beneficiaries for pensions are retired, no fluctuation is calculated.
The calculation of a 0.5% decrease is limited to a maximum of 0.0% of the employee turnover rate.

Long-term incentive program

For the long-term incentive program, see Note (31).

(28) Stockholders' Equity

Capital management

The equity attributable to the equity holders of the parent company, which is disclosed in the Consolidated Statement of Changes in Stockholders' Equity, comprises common stock, treasury shares, additional paid-in capital, retained earnings and other comprehensive income (loss) items.

The capital management of A1 Group focuses primarily on maintaining a solid capital basis. This shall continue to be confirmed by solid investment grade ratings from renowned rating agencies. At the same time, A1 Group focuses on a sustainable and transparent dividend policy. Management pays attention to a sound long-term balance between shareholder remuneration, the debt-equity ratio and financial flexibility for strategic projects.

Share capital

At December 31, 2024 and 2023, the common stock of Telekom Austria AG amounts to TEUR 1,449,275 and is divided into 664.5 million bearer shares. At December 31, 2024, América Móvil indirectly holds a stake of 60.6% (2023: 58.5%) through its 100% subsidiary América Móvil B.V., Netherlands, while ÖBAG holds a stake of 28.4% (2023: 28.4%) and free floated shares including treasury shares amount to 11.0% (2023: 13.1%). The shares have no par value.

According to the Austrian Banking Act and the Capital Requirements Regulation, a regulation for banks by the European Union, the subsidiary A1 Bank AG must fulfil regulatory minimum equity requirements regarding bank-related risks, notably credit risk and operating risks as well as liquidity coverage requirements. On December 31, 2024 and 2023, these requirements were fulfilled.

The number of authorized, issued and outstanding shares and treasury shares is presented in the table below:

At December 31	2024	2023
Shares authorized	664,500,000	664,500,000
Shares issued	664,500,000	664,500,000
Shares in treasury	-415,159	-415,159
Shares outstanding	664,084,841	664,084,841

The shares issued are fully paid.

Dividend payments

The following dividends were declared by the shareholders at the Annual General Meeting and distributed by Telekom Austria AG:

	2024	2023
Date of Annual General Meeting	Jun. 27, 2024	Jun. 7, 2023
Dividend per share in euro	0.36	0.32
Total dividend paid in TEUR	239,071	212,507
Date of payment	Jul. 4, 2024	Jun. 15, 2023

The net income of Telekom Austria AG according to Austrian GAAP amounts to:

in TEUR	2024	2023
Net income	204,408	1,689,685
Reduction in net assets due to spin-off	0	-819,975
Release of reserves reported in retained earnings	15,353	0
Allocation to reserves reported in retained earnings	0	-645,907
Profit carried forward from prior year	406,810	422,078
Unappropriated retained earnings	626,572	645,881

The unappropriated retained earnings of Telekom Austria AG according to Austrian GAAP are not subject to a dividend limitation according to Section 235 UGB, the deferred tax assets recognized are covered by free reserves. The Management Board plans, after approval from the Supervisory Board, to propose to the shareholders at the Annual General Meeting to distribute a dividend of euro 0.40 (2023: euro 0.36) per share from unappropriated retained earnings.

Treasury shares

At the Annual General Meeting of Telekom Austria AG held on May 29, 2013, the Management Board was empowered to:

- (a) use treasury shares to settle obligations under the share-based compensation plans disclosed in Note (31) and/or to transfer them for or without a consideration to employees, leading managers and members of the Management Board/ management of Telekom Austria AG and of its affiliated companies;
- (b) use them as consideration for acquisitions, or
- (c) sell treasury shares at any time via the stock exchange or by public offer.

Treasury shares held at December 31	2024	2023
Number of treasury shares	415,159	415,159
Average price per share in euro	18.80	18.80
Deduction in equity in TEUR	7,803	7,803

Additional paid-in capital

The additional paid-in capital results from the incorporation of A1 Group as well as the subsequent capital increase and reorganization measures. Furthermore, effects related to employee participation plans and the retirement of treasury shares are reported in additional paid-in capital.

Retained earnings

The increase in retained earnings in 2023, due to the spin-off of ETS Group, is disclosed in Note (2).

Other comprehensive income (loss) items (OCI)

The IAS 19 reserve contains the remeasurement of severance and pension obligations (see Note (27)). The FVOCI reserve includes the measurement of debt instruments at fair value through other comprehensive income (see Note (19)). For the hedging reserve, see Note (33). The translation reserve relates mainly to the consolidation of subsidiaries in Belarus and in the Republic of Serbia (see Note (3)). The development of the individual OCI items is presented in the Consolidated Statement of Comprehensive Income and the Consolidated Statement of Changes in Stockholders' Equity.

(29) Income Taxes

Income taxes are calculated for each taxable entity based on the expected actual income tax rate applicable. For the purpose of calculating deferred tax assets and liabilities, A1 Group uses the tax rates that have been enacted or substantively enacted at the reporting date. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period the tax rate is effectively enacted. The distribution of dividends by Telekom Austria AG has no effect on the tax rate. Investment tax credits are recognized as a reduction in income taxes in the period in which these credits are granted.

In accordance with IFRIC 23, management regularly reviews certain tax issues for uncertainties regarding the treatment under effective tax regulations by the relevant tax authorities. Correspondingly, income tax liabilities were recognized for possibly existing tax risks based on all information available including interpretations of tax law and experience.

Starting January 1, 2024, A1 Group is subject to the global minimum taxation under Pillar II. The concept of the so-called Pillar Two regulations, drawn up by the OECD and implemented by the EU via a directive, provides for a global minimum level of income tax of 15% and aims at containing tax competition. The mandatory exception of IAS 12 under which a company does not recognize deferred tax assets and liabilities related to the introduction of the "International Tax Reform - Pillar Two Model Rules" was applied in these consolidated financial statements.

The ultimate parent of A1 Group and thus the Ultimate Parent Entity ("UPE") for Pillar Two is América Móvil (see Note (2)). At December 31, 2024, Pillar Two had not yet been implemented by law in Mexico. Telekom Austria AG was assigned by its ultimate parent entity to be the party liable to pay taxes according to Section 76 (2) no. 1 of the Minimum Taxation Act. In this respect, a tax group contract was concluded between Telekom Austria AG and EuroTeleSites AG, which guarantees among other things a source-based distribution in the event of any possible top-up taxes.

The top-up tax recognized relates to the subsidiaries A1 Bulgaria and A1 North Macedonia, for whom the statutory tax rates are 10% each. In both countries, a domestic top-up tax was implemented, which was determined on the basis of national regulations and is recognized in current tax expense in 2024. The total amount of the top-up tax recognized is presented in the following table. In none of the other tax jurisdictions of A1 Group further taxes had to be recognized at December 31, 2024 with respect to Pillar Two, primarily due to applying transitional safe harbour regulations.

Income tax attributable to income before income taxes consists of the following (negative values indicate an income tax benefit):

in TEUR	2024	2023
Current income tax	157,925	174,098
Top-up tax	11,201	0
Deferred income tax	-32,563	1,203
Income tax	136,563	175,301

The table below provides information about the allocation of total income tax in the Consolidated Financial Statements:

in TEUR	2024	2023
Continuing operations	136,563	175,301
Income tax on realized result on hedging activities*	0	730
Income tax on result of debt instruments*	132	430
Income tax on remeasurement of defined benefit obligations*	1,988	-3,673
Total income tax	138,683	172,788

* Recognized in other comprehensive income (OCI).

The following table shows the major reconciling items between the reported income taxes and the amount of income taxes that would have resulted by applying the Austrian statutory income tax rate:

in TEUR	2024	2023
Earnings before income tax – EBT	763,135	821,182
Austrian statutory income tax rate	23.00%	24.00%
Income tax expense at statutory rate	175,521	197,084
Foreign tax rate differential	-26,219	-29,498
Top-up tax	11,201	0
Non-tax-deductible expenses	15,586	25,185
Tax incentives and tax-exempted income	-12,647	-13,064
Tax-free income (loss) from investments	-103	-94
Change in tax rate	0	-1,725
Tax benefit/expense previous years	2,229	838
Changes in deferred tax assets not recognized	-26,408	1,940
Impairments (reversals of impairments) of investments in subsidiaries	0	-155
Other	-2,598	-5,211
Income tax	136,563	175,301
Effective income tax rate	17.89%	21.35%

The decrease in the effective tax rate is mainly due to deferred taxes on loss carry-forwards in Austria.

In 2024 and 2023, non-deductible expenses consist mainly of non-deductible withholding taxes on dividends as well as various non-deductible expenses in the individual countries. The temporary restriction on the payment of dividends in Belarus, disclosed in Note (9), resulted in a decrease of withholding taxes.

In 2024 and 2023, tax incentives and tax-exempted income relate mainly to investment and other tax incentives in the individual countries. Furthermore, the tax-free income on the fictitious amortization of goodwill related to the Austrian tax group is included in both years reported. Amortizations of tax goodwill according to Section 9 (7) of the Austrian Corporate Tax Act (KStG) are treated as temporary differences on investments in subsidiaries for tax purposes. According to IAS 12.39, no deferred tax liabilities are recorded in that case.

In 2023, the change in tax rate is due to the increase of the Slovene corporate income tax rate from 19% to 22% for the years 2024 to 2028.

The tax effect of impairments (reversals of impairments) of investments relates to taxable write-downs and reversals of write-downs of investments in affiliated companies in Austria.

In accordance with IAS 12, deferred tax assets and liabilities are recognized for all temporary differences between the carrying amounts of assets and liabilities and their tax bases. Furthermore, deferred taxes are recognized for current year tax losses and tax loss carry-forwards as well as certain impairment losses on investments for which recognition for tax purposes is deferred over a specified period.

The tax effects of temporary differences that give rise to deferred tax assets and liabilities are set out below:

in TEUR, at December 31	Deferred tax assets 2024	Deferred tax assets 2023	Deferred tax liabilities 2024	Deferred tax liabilities 2023
Loss carry-forwards	41,042	11,079	0	0
Property, plant and equipment	12,372	8,892	-24,273	-24,178
Right-of-use assets, net	0	0	-292,798	-312,541
Other intangible assets	800	1,161	-70,663	-65,837
Accounts receivable: Subscribers, distributors and other	12,739	11,922	-71	-38
Contract cost	0	0	-7,998	-7,567
Lease liabilities	298,715	313,658	0	0
Provisions, long-term	12,019	18,073	0	0
Employee benefit obligations	16,442	20,245	0	0
Accrued liabilities and accounts payable	20,968	13,391	-94	-9
Other	7,191	6,568	-7,117	-7,018
Total	422,289	404,990	-403,013	-417,187
Set off	-368,792	-357,770	368,792	357,770
Deferred tax assets/liabilities	53,497	47,221	-34,221	-59,417
Net deferred tax assets/liabilities	19,276	-12,197		

In assessing the recoverability of deferred tax assets, the Management Board considers whether it is probable that all deferred tax assets will be realized. The realization of deferred tax assets is dependent upon the generation of sufficient future taxable income during the periods in which these temporary differences become deductible. These are based on business plans with a detailed planning period of five years. The Management Board considers the scheduled release of deferred tax liabilities and projected future taxable income when making this assessment.

In Austria, A1 Group established a tax group according to Section 9 of the Austrian Corporate Tax Act (KStG), with Telekom Austria AG as the head of the tax group. The head of the tax group and its members agreed on tax compensation. As of January 1, 2023, positive as well as negative taxable results are charged on the basis of the legal corporate tax rate less half a percentage point. Until December 31, 2022, positive taxable results were subject to a tax rate of 23%. Negative taxable results were not reimbursed but netted with future positive results of the tax group members. Deferred tax assets and liabilities for the members of the tax group (currently all significant Austrian subsidiaries) are reported on a net basis since the tax group is treated as one taxable entity.

The loss carry-forwards relate mostly to Austrian companies. In Austria, the annual usage of loss carry-forwards, which can be carried forward indefinitely, is generally limited to 75% of the respective taxable income.

Deferred tax liabilities on property, plant and equipment are mostly due to differences in the carrying amounts of retirement obligations for assets as well as to interest capitalized, which may not be recognized for tax purposes (see Notes (7), (15) and (23)).

Right-of-use assets and lease liabilities according to IFRS 16 may not be recognized for tax purposes in some countries, resulting in deferred tax assets or liabilities.

Deferred tax liabilities on other intangible assets are mainly due to the recognition of assets according to IFRS 3 in the course of business combinations.

Contract costs may not be recognized for tax purposes in some countries, resulting in deferred tax liabilities.

Deferred tax assets on long-term provisions relate mostly to the provision for the asset retirement obligation, which may only be partly recognized for tax purposes, as well as to differences in the IFRS and tax value of the restructuring provision in Austria (see Note (23)).

Deferred tax assets on employee benefit obligations largely result from the difference between the amount recognized in accordance with Section 14 of the Austrian Income Tax Act (EStG) and the amount calculated using the projected unit credit method in accordance with IAS 19 (see Note (27)).

The following deferred tax assets were not recognized as their realization in the near future is not probable according to tax planning:

in TEUR, at December 31	2024	2023
Net operating loss carry-forwards	284,844	309,475

The deferred tax assets not recognized relate essentially to Austrian investment companies and are due to tax impairments of investments in subsidiaries. As these investment companies do not generate operating results, no future taxable income is expected and thus a realization of the deferred tax assets in the detailed planning period and thereafter is unlikely, although the loss carry-forwards can be carried forward indefinitely.

At December 31, 2024, no deferred tax liabilities were recognized on temporary differences related to investments in subsidiaries amounting to TEUR 102,662 (2023: TEUR 76,459) since it is unlikely that these temporary differences will be reversed in the foreseeable future.

(30) Leases

Lessee

A1 Group essentially leases telecommunication sites for fixed-line and mobile telephony as well as other infrastructure and buildings.

According to IFRS 16, a lessee recognizes a right-of-use asset and a lease liability upon lease commencement.

The lease term is generally equal to the non-cancellable term of the contract. In addition, options to extend or terminate a contract are taken into account. For lease contracts containing options to extend or terminate a lease, A1 Group assesses at lease commencement date whether it is reasonably certain to exercise the options. A1 Group reassesses whether it is reasonably certain to exercise the option to extend or terminate the lease if there is a significant event or significant changes in circumstances within its control.

For cancellable contracts with an indefinite term, A1 Group determined a contract term of seven years which takes into account the planning period, technology and business strategy as well as the probability of a lease contract being cancelled. Within this period, options to extend lease contracts are considered as exercised, while options to terminate lease contracts are considered as not exercised. Apart from this, A1 Group has no other lease contracts with significant options in its portfolio. For the determination of the lease term of MLAs with ETS Group, see explanations in the following chapter "Tower lease contracts".

Some lease contracts are subject to restrictions, as the approval of the lessor is needed to sublease the leased asset or to extend an existing lease asset. However, this has no impact on current business operations.

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The following table provides a roll-forward of the right-of-use assets ("RoU") recognized, broken down into the respective asset classes:

in TEUR	RoU Land & buildings	RoU Telecommu- nication sites	RoU Other facil- ities	RoU Leased lines	Total
Cost					
At January 1, 2023	433,418	608,142	48,677	174,628	1,264,864
Additions	38,760	321,302	14,857	40,915	415,833
Disposals	-16,311	-41,297	-5,168	-45,486	-108,262
Translation adjustment	-1,673	-7,144	-127	-231	-9,174
Changes in reporting entities	-382	1,031,270	-2,105	0	1,028,783
At December 31, 2023	453,812	1,912,274	56,134	169,826	2,592,045
Additions	42,820	176,416	27,897	53,799	300,933
Disposals	-10,324	-33,983	-13,509	-20,944	-78,760
Translation adjustment	-283	-611	-56	13	-937
Changes in reporting entities	559	0	252	0	811
At December 31, 2024	486,583	2,054,097	70,718	202,693	2,814,092
Accumulated amortization and impairment					
At January 1, 2023	-159,937	-307,273	-27,684	-92,035	-586,929
Additions	-47,034	-125,979	-11,911	-29,899	-214,822
Disposals	5,087	9,665	4,577	41,673	61,002
Translation adjustment	1,182	3,977	27	35	5,220
Changes in reporting entities	26	103,445	1,329	0	104,800
At December 31, 2023	-200,676	-316,166	-33,662	-80,226	-630,730
Additions	-48,503	-244,686	-14,587	-29,809	-337,586
Disposals	6,105	9,897	12,752	4,972	33,726
Translation adjustment	159	492	48	2	702
At December 31, 2024	-242,915	-550,464	-35,449	-105,061	-933,889
Carrying amount at					
December 31, 2024	243,668	1,503,633	35,270	97,632	1,880,203
December 31, 2023	253,136	1,596,108	22,472	89,599	1,961,315

Other facilities contain mainly vehicles.

For possible changes in reporting entities, see Notes (34).

In addition to new contracts, additions to right-of-use assets contain modifications and renewals of contracts as well as index adjustments.

As disclosed in Note (2), the changes in reporting entities in 2023 relate to lease contracts spun off to ETS Group as well as the following additions to lease contracts with the tower companies:

Tower lease contracts

With respect to the transfer of parts of the passive infrastructure of the base stations into the tower companies, Master Lease Agreements ("MLAs") were concluded between the "A1 companies" and the tower companies. The A1 companies record right-of-use assets as well as lease liabilities for these MLAs. Until the spin-off of ETS Group on September 22, 2023, the right-of-use assets and the lease liabilities, being intragroup transactions, were eliminated at group level. After the spin-off they qualify as leases with related parties, which are no longer eliminated, but are reported in the Consolidated Statement of Financial Position. They amount to:

in TEUR, at December 31	2024	2023
Right-of-use assets, net	1,362,450	1,477,000
Lease liabilities short-term	202,267	185,794
Lease liabilities long-term	1,209,475	1,318,388

The carrying amounts at the time of the spin-off of ETS Group on September 22, 2023 are disclosed in Note (2).

The MLAs have an indefinite term. However, they may be terminated by A1 Group at the end of the eighth, 16th and 24th year of contract and by ETS Group at the end of the 24th year of contract at the earliest. After the 24th year of contract, either party may terminate at the end of a calendar year by observing the notice period of 36 months.

As described, A1 Group only takes into account options to extend a lease contract within the planning period of seven years. Following this lease policy, the lease liabilities relating to the MLAs with the tower companies were determined based on a term of eight years.

The following services are provided by the tower companies to the relevant A1 companies:

- Space for the installed active equipment of the A1 companies including any installed microwave link for the existing configuration as well as air-conditioning and access systems
- Contract management including collocation for all existing and future contracts with the landlords
- Maintenance of the passive infrastructure which includes the structure, air-conditioning systems, security systems and energy systems (external power supplies and generators)
- ETS Group shall implement upgrades of the passive infrastructure for new technologies (e.g. 5G or any other upgrade needed by the A1 companies)

Cash outflows and maturity analysis

Total cash outflow for leases as well as the amounts attributable to ETS are disclosed in the following table (for the development of lease liabilities, see Note (32)).

in TEUR	2024	2023
Lease principal paid	301,341	205,603
Lease interest paid	82,057	36,371
Prepaid right-of-use assets	5,218	19,026
Operating lease expense	4,643	4,985
Total cash outflow for leases	393,259	265,986
Thereof ETS-Group		
Lease principal paid	182,051	48,265
Lease interest paid	62,151	16,114

The increase in cash outflows to ETS Group is due primarily to the fact that it was spun off at September 22, 2023 only (see Note (2)).

The following table provides a maturity analysis of lease liabilities:

in TEUR at December 31	2024	2023
2024	n.a.*	351,912
2025	383,326	332,279
2026	345,539	301,444
2027	330,565	291,082
2028	318,636	281,540
2029	303,432	n.a.*
Thereafter	475,771	704,317
Total minimum lease payments	2,157,269	2,262,574
Less amount representing interest	-256,851	-307,003
Present value of lease payments	1,900,418	1,955,571
thereof short-term portion	315,583	283,652
thereof long-term portion	1,584,835	1,671,919

* Not applicable to the respective reporting period.

A1 Group elected to apply the recognition exemptions for low-value assets and short-term leases for certain right-of-use assets that are insignificant for its business operations. The recognition exemptions were not applied to base stations, technical sites and facilities or buildings and vehicles. Non-lease components in contracts such as electricity, maintenance, etc. are excluded from the right-of-use calculation.

The following table discloses the expenses recognized for:

in TEUR	2024	2023
Short-term leases	40	1,249
Leases of low-value assets	109	94
Variable lease payments	4,494	3,642

Interest recognized is disclosed in Note (7)

Lessor

Lessors shall classify each lease as an operating lease or a finance lease.

Operating leases

If substantially all the risks and rewards incidental to ownership are not attributable to the lessee, the leased asset is recognized by A1 Group. Measurement of the leased asset is then based on the accounting policies applicable to that asset in accordance with IAS 16. At December 31, 2024, the carrying amount of assets held exclusively under finance leases amounts to TEUR 40,920 (2023: TEUR 33,889). Furthermore, lease revenues are generated by renting out parts of buildings and telecommunication sites. The share in these leased items of property, plant and equipment is not reported separately. Thus, their carrying amount is not included in the amounts disclosed above (see Note (15)).

Payments under operating leases are recognized as revenue on a straight-line basis over the terms of the contracts. Future lease payments amount to:

in TEUR at December 31	2024	2023
2024	n.a.*	25,015
2025	25,271	17,986
2026	17,208	13,687
2027	13,731	11,526
2028	11,205	6,064
2029	6,205	n.a.*
Thereafter	20,171	20,098
Total minimum lease payments	93,792	94,376

* Not applicable to the respective reporting period.

Finance leases

Since 2019, the lease of private automatic branch exchange equipment (PABX) is classified as a finance lease. The following table sets forth a maturity analysis of the future lease payments as well as the recognized loss allowances on finance lease receivables (see Notes (13) and (20)):

in TEUR at December 31	2024	2023
2024	n.a.*	1,301
2025	1,636	811
2026	1,200	469
2027	658	232
2028	266	84
2029	90	n.a.*
Thereafter	28	32
Total minimum lease payments	3,878	2,928
Less amount representing interest	-325	-243
Present value of finance lease receivables	3,553	2,685
thereof short-term portion	1,479	1,186
thereof long-term portion	2,073	1,499
Loss allowances	90	90

* Not applicable to the respective reporting period.

Finance lease revenues are reported in equipment revenues (see Note (5)). Interest income on finance lease, which is recognized in the financial result, is disclosed in Note (7).

(31) Share-based Compensation

Long-term incentive (LTI) program

A1 Group introduced a long-term incentive program (LTI) in 2010. In accordance with IFRS 2, share-based payments are measured at fair value at the grant date and at every reporting date. The expense is recognized over the vesting period. Due to the Supervisory Board's decision to settle bonus shares granted in the course of the LTI in cash (subsequently called fictitious bonus shares), the share-based payments are recorded as a liability. The right cannot be transferred.

The members of the Management Board of Telekom Austria AG (see Note (36)) are the participants of this program. For each tranche, the number of fictitious bonus shares granted is calculated based on the average Telekom Austria stock price for a defined period. The performance period for meeting the performance targets was determined to be three years. The right arises at the earliest three years after the grant date.

The target values for the key indicators were determined by the Supervisory Board and are the following for the 15th tranche (LTI 2024):

- EBITDA growth and free cash flow, each weighted at 25%
- Revenue market share of A1 Group, weighted at 20%
- Two Environmental, Social & Corporate Governance ("ESG") goals:
Reduction of gender pay gap and reduction of the carbon footprint by year-end 2026, each weighted at 15%

For the 14th tranche (LTI 2023) and the 13th tranche (LTI 2022), the following key performance indicators were determined:

- Operating return on invested capital ("operating ROIC"), weighted at 34%
- Revenue market share of A1 Group, weighted at 33%
- Two Environmental, Social & Corporate Governance ("ESG") goals:
LTI 2023: Reduction of gender pay gap and closing of the equal pay gap by year-end 2025, weighted at 16%, and reduction of the carbon footprint by year-end 2025 in accordance with the emission reduction curve approved by the Science Based Targets Initiative, weighted at 17%.
LTI 2022: Increase of energy efficiency until 2024, weighted at 20%, and increase in the training hours per employee, weighed at 13%.

The key performance indicators for the twelfth tranche (LTI 2021) and the eleventh tranche (LTI 2020) are the following:

- Operating ROIC, weighted at 34%
- Revenue market share of A1 Group, weighted at 33%
- Sustainable financing (long-term financing in the years 2021 to 2023 and 2020 to 2022 under a green bond or another sustainable finance certificate, weighted at 33%)

LTI 2024 is based on the new remuneration policy resolved by the General Assembly on June 27, 2024. The members of the Management Board are no longer required to deposit a personal investment for LTI as this has been replaced by the share ownership guideline determined by the new remuneration policy and included in the employment contracts. For all previous tranches, the members of the Management Board have to deposit an amount depending on the annual gross basic salaries in Telekom Austria shares and to hold these shares until the end of the holding period (at least three years).

The corridor for target achievement for LTI 2024 is 0% -200% (for all previous LIT programs 0% -175%).

The following table summarizes the significant terms and conditions for each tranche not yet settled in the current year:

	LTI 2024	LTI 2023	LTI 2022
Grant date	Jun. 1, 2024	Jun. 1, 2023	Jun. 1, 2022
Start of the program	Jan. 1, 2024	Jan. 1, 2023	Jan. 1, 2022
End of vesting period	Dec. 31, 2026	Dec. 31, 2025	Dec. 31, 2024
Vesting date	Jun. 1, 2027	Jun. 1, 2026	Jun. 1, 2025
Bonus shares at grant date	179,487	121,628	140,682
Adjustment ETS share split	n.a. *	20,677	23,916
Bonus shares after ETS share split	n.a. *	142,305	164,598
Expected performance	100.00%	100.00%	117.90%
Expected bonus shares	179,487	142,305	194,061
Maximum bonus shares	358,974	249,033	288,046
Fair value of program in TEUR	1,378	1,114	1,343

* not applicable

As disclosed in Note (2), the shares in ETS AG were issued at a ratio of 4:1. As a consequence of this share split, the bonus shares of the Management Board were increased by the factor 1.17 by resolution of the Remuneration Committee of the Supervisory Board on December 18, 2023. This increase is disclosed in the line item "Adjustment ETS share split" for the affected programs (LTI 2021 - LTI 2023).

The former CFO Siegfried Mayrhofer participates in the LTI program on a pro rata basis only until his resignation on August 31, 2023, (see Note (36)). For LTI 2023, this was already taken into account in the bonus shares at grant date. For LTI 2022, the reduced period of performance will be considered at the future settlement, and thus also in the fair value of the program.

The following table summarizes the significant terms and conditions and the actual achievement of targets for each tranche settled in cash in the current and the previous year:

	LTI 2021	LTI 2020
Grant date	1. Juni 2021	Aug. 1, 2020
Start of the program	1. Jänner 2021	Jan. 1, 2020
End of vesting period	31. Dezember 2023	Dec. 31, 2022
Vesting date	1. Juni 2024	Aug. 1, 2023
Bonus shares at grant date	162,774	151,538
Adjustment ETS share split	27,672	0
Bonus shares at the end of the vesting period	190,446	151,538
Actual performance	112.60%	80.30%
Allocated bonus shares	214,442	121,687
Average stock price at end of vesting period in euro	7.02	5.85
Share-based compensation in TEUR	1,455	712

The remuneration related to LTI 2021 for the former CFO Siegfried Mayrhofer only takes into account the reduced performance period until his resignation on August 31, 2023 (see Note (36)).

As of the reporting date, a provision measured at fair value has been recognized for the portion of the expected future expense of the LTI program that has already vested. The fair value of the liability is measured based on the expected achievement of the performance criteria and the expected share price, as determined by applying a binomial calculation model generally used for modelling the share price. Expected dividends were also included in the calculation of the share price.

The provision is recognized over the vesting period (see Notes (22) and (27)). The following personnel expense is recognized in the Consolidated Statement of Comprehensive Income:

in TEUR	2024	2023
Personnel expense LTI	935	1,855

(32) Cash Flow Statement

The other adjustments in the non-cash and other reconciliation items in the Consolidated Statement of Cash Flows in 2024 and 2023 result mainly from non-cash effects of the asset retirement obligation recognized in other operating income (see Note (23)). In 2024, it includes furthermore a gain resulting from bargain purchase in a business combination in the segment Austria amounting to TEUR 3,195 (see Notes (5) and (34)).

The dividends received in 2024 and 2023 and recognized in the financial result (see Note (7)) had already been settled as of December 31 and are reported in cash flow from operating activities. Dividends paid in 2024 and 2023 to the non-controlling interests of subsidiaries (see Note (34)) are disclosed in the Consolidated Statement of Changes in Stockholders' Equity.

In 2024, cash and cash equivalents of TEUR 2,271 were acquired in business combinations (see Note (34)). In 2023, cash and cash equivalents of TEUR 1,032,880 were spun off into ETS Group (see Note (2)).

The following table provides a reconciliation of capital expenditures paid to total capital expenditures:

in TEUR	2024	2023
Capital expenditures paid	890,371	1,093,971
Reconciliation of additions in accounts payable	-48,706	41,686
Reconciliation of liabilities of government grants	17,008	-40,866
Reconciliation of assets of government grants	11,140	12,243
Reconciliation of right-of-use assets paid	-5,218	-14,484
Total capital expenditures	864,595	1,092,551

For the definition of capital expenditures, see Note (1). At December 31, 2024, TEUR 133,825 (2023: TEUR 121,368) of the additions to intangible assets and property, plant and equipment in the current year have not yet been paid (see Notes (15) and (16)).

In accordance with IAS 7.43, the reconciliation of additions to accounts payable includes the adjustment of capital expenditures of the current period not yet paid as well as capital expenditures of prior periods paid in the current period. The reconciliation of liabilities of government grants includes grants received that are to be allocated to the cash flow from investing activities (see Note (22)). The reconciliation of assets of government grants contains grants not yet paid, which have already been deducted from capital expenditures as well as grants of prior periods paid in the current period (see Notes (13) and (15)). The reconciliation of right-of-use assets paid contains prepayments and payments of other direct costs, which were paid up to the commencement date of the lease and are reported in the cash flow from investing activities.

The following tables show the development of the total liabilities from financing activities (see Notes (2), (21), (25) and (30)):

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in TEUR, at December 31		Cash flow	Foreign exchange differences	Non-cash changes			2023
				Accretion expense	Lease*	Additions/ Disposals	
	2024						
Debt	748,712	-60,392	0	0	0	1,129	807,974
Lease liabilities	1,900,418	-383,398	-523	80,570	247,680	518	1,955,571
Deferred consideration from business combinations	1,554	-6,519	0	28	0	-1,236	9,282
Total liabilities from financing activities	2,650,684	-450,309	-523	80,598	247,680	411	2,772,828
	2023						2022
Debt	807,974	-66,185	7	0	0	-994,587	1,868,740
Payables due to related parties financing	0	-25,120				25,120	0
Lease liabilities	1,955,571	-241,975	-3,915	38,528	316,965	1,165,059	680,909
Deferred consideration from business combinations	9,282	-1,867	0	0	0	-985	12,134
Total liabilities from financing activities	2,772,828	-335,147	-3,908	38,528	316,965	194,608	2,561,783

* Includes additions to new lease contracts as well as terminations or modifications of existing lease contracts.

Development in 2024:

- The cash flow from lease liabilities includes lease principal paid and interest, the latter being reported in the line item "interest paid". The increase in payments is due to the spin-off of ETS Group (see Note (2)).
- The cash flow for deferred consideration from business combinations relates to the payment for the Bulgarian company Stemo, acquired in 2022, and to the put option payment for the withdrawal of non-controlling shareholders of Invenium, acquired in 2020 (see Note (26)). The additions and disposals relate to the acquisition of NTT in Austria (see Note (34)) as well as to the release of the portion of the liability exceeding the payment to Invenium (see Note (26)).

Development in 2023:

- The cash flow from debt includes inflows from the issuance of the bond and the taking out of the bank loan in July 2023 through the subsidiary A1 Towers Holding GmbH, which was spun off on September 22, 2023 (see Notes (2) and (25)).
- Additions to lease liabilities and financing payables due to related parties as well as the disposal of debt relate to the spin-off of ETS Group (see Note (2)).
- The development of the deferred consideration from business combinations relates to a payment as well as to the determination of the final purchase price of the Bulgarian company Stemo acquired in 2022 (see Note (34)).

(33) Financial Instruments

Classification of financial instruments

Financial assets and financial liabilities are classified at initial recognition. Financial assets and financial liabilities are recognized when A1 Group becomes a party to a financial instrument. A1 Group uses the settlement date for recording regular purchases and sales of financial assets. Financial assets and financial liabilities are recognized at the fair value of the consideration paid or received. Transaction costs are included in the initial measurement of fair value, except for financial instruments, which are recognized at their fair value through profit or loss.

Financial assets include, in particular, cash and cash equivalents, investments, accounts receivable: subscribers, distributors and other, net as well as other receivables and receivables due from related parties, which are measured at the lower of cost or net realizable value. The contractual cash flows of non-derivative financial instruments consist mainly of principal and interest. Furthermore, financial assets include financial instruments that are measured at fair value (see Note (19)).

Financial liabilities include, in particular, accounts payable trade, issued bonds, other financial liabilities and payables due to related parties and are recognized initially in the amount corresponding to the financial inflow. Differences between the amount received and the amount to be repaid are recognized over the term of the liability in the financial result (amortized cost) using the effective interest rate method. For financial liabilities carried at amortized cost, gains or losses are recognized in profit or loss when the financial liability is derecognized.

Financial assets and financial liabilities are offset and the net amount is presented in the Statement of Financial Position only when A1 Group has a contractual right to offset the recognized amounts and intends to settle on a net basis.

Fair value and fair value hierarchy of financial instruments

According to IFRS 13, the fair value is the price that would be received to sell an asset or paid to transfer a liability. A three-level hierarchy is to be applied. Level 1 contains financial assets and liabilities based on quoted prices in active markets for identical assets or liabilities. Financial assets and liabilities are allocated to level 2 if the input factors on which their fair value is based are observable, either directly or indirectly. Financial assets and liabilities are allocated to hierarchy level 3 if the fair value is not determined exclusively from observable input factors. When determining the fair value, the credit risk is taken into account as well.

The following tables show the classification as well as the carrying amounts and fair values of financial assets and financial liabilities (debt) including information on their hierarchy level.

Financial assets

in TEUR at December 31	Carrying amount 2024	Fair value 2024	Carrying amount 2023	Fair value 2023
Cash and cash equivalents	366,991	n.a.	168,545	n.a.
Accounts receivable: Subscribers, distributors and other	949,613	n.a.	843,084	n.a.
Receivables due from related parties	16,405	n.a.	21,546	n.a.
Other current financial assets	21,047	n.a.	10,651	n.a.
Other non-current financial assets	4,251	n.a.	3,503	n.a.
Investments at amortized cost	274,491	275,761	210,100	206,580
Financial assets at amortized cost	1,632,797	n.a.	1,257,428	n.a.
Equity instruments at fair value through profit or loss*	3,664	3,664	3,079	3,079
Debt instruments at fair value through other comprehensive income*	22,226	22,226	38,396	38,396
Debt instruments at fair value through profit or loss*	15,826	15,826	40,413	40,413
Financial assets at fair value	41,717	41,717	81,887	81,887

* mandatory

n.a. - Not applicable as the practical expedient of IFRS 7.29 (a) was applied.

The following table discloses the fair values of investments at amortized cost and their fair value hierarchy levels:

in TEUR, at December 31	2024	2023
Bonds - Level 1	68,209	192,370
Bonds - Level 2	205,700	0
Fixed-term deposits	1,852	14,210
Investments at amortized cost	275,761	206,580

The fair values of the bonds equal the face value multiplied by the price quotations at the reporting date and are basically classified as level 1 of the fair value hierarchy. Bonds without an active market have to be classified as level 2. At December 31, 2024, this applies to the bonds of ETS Group disclosed in Note (11) and bonds held in Belarus (see Note (19)). For fixed deposits, the carrying amount approximates their fair value.

The fair value hierarchy of financial assets measured at fair value reflects the market proximity of the inputs in such fair value measurements:

in TEUR	Level 1	Level 2	Level 3	Total
December 31, 2024	40,596	1,120	0	41,717
December 31, 2023	80,974	913	0	81,887

Financial liabilities

	Carrying amount	Fair value	Carrying amount	Fair value
in TEUR at December 31	2024	2024	2023	2023
Short-term bank debt	82	82	60,055	60,099
Bonds	748,630	735,623	747,919	723,383
Payables due to related parties	36,800	k.A.	24,447	k.A.
Current financial liabilities	872,337	k.A.	842,060	k.A.
Other non-current financial liabilities	44,182	44,182	21,573	20,972
Financial liabilities at amortized cost	1,702,031	k.A.	1,696,054	k.A.
Lease liabilities	1,900,418	k.A.	1,955,571	k.A.

n.a. - Not applicable as the practical expedients of IFRS 7.29 (a) respectively IFRS 7.29 (d) for lease obligations were applied.
For further information on short-term financial liabilities, see Note (22).

The fair values of the quoted bonds equal the face value multiplied by the price quotations at the reporting date and are thus classified as level 1 of the fair value hierarchy.

The fair values of the bank liabilities are measured at the present values of the cash flows associated with the debt, based on the applicable yield curve. The fair values of other non-current financial liabilities are measured at the present value of their cash flows based on current discount rates. Thus, these financial liabilities are classified as level 2 of the fair value hierarchy.

Financial risk management

Overview

A1 Group is exposed to various financial risks with respect to its financial assets, liabilities and anticipated transactions, including credit risk, liquidity risk and the market risk, which comprises interest rate and foreign currency exchange rate risk.

The financial risk management is basically centrally organized. The guideline establishing policies, responsibilities and competences is valid for both the A1 Group Treasury and the financial departments of the subsidiaries. The existing risks are regularly monitored and, if necessary, A1 Group responds to changes in market conditions. Due to the current political and economic challenges in Belarus, the financial risk management is adapted to the local situation.

A1 Group neither holds nor issues derivative financial instruments for trading, hedging or speculative purposes.

At the reporting dates and with the exception of the contracts with ETS Group described below, A1 Group did not have any significant concentration of business transacted with a particular supplier or customer or creditor which could, if suddenly eliminated, significantly impact operations. Furthermore, A1 Group does not have any concentration of risk with respect to contractors, providers of other services, franchises or other rights which could, if suddenly eliminated, severely impact operations.

As a result of the spin-off of the tower business, ETS Group became a central supplier for A1 Group. Due to the indefinite term of the contracts, having a long-term waiver of termination clauses on the part of ETS Group, A1 Group ensured the long-term use of the radio towers. Thus, there is limited risk in this respect (see Notes (2) and (30)).

A1 Group operates in markets in the Central Eastern European (CEE) region. Operations in the CEE region involve uncertainties, including transfer and currency risks as well as tax uncertainties that may affect business activities. The accompanying Consolidated Financial Statements reflect the Management Board's risk assessment of the impact on the operations and the financial position of A1 Group. The actual development of the future business environment may differ from this assessment.

Detailed explanations on further risks to which A1 Group is exposed as well as their risk management are disclosed in the Management Report in the chapter "Risk and Opportunity Management". Furthermore, the chapter "Segment development" provides information on the macroeconomic uncertainties and risks in Belarus.

Credit risk

Credit risk is the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from accounts receivable trade and investment activities.

Financial investments and cash and cash equivalents

A1 Group holds cash with various financial institutions. A1 Group uses external credit ratings. If no external rating is available, an internal rating is performed on the basis of capital resources of the contractual partners. In principle, financial investments are entered into only with counterparties holding investment grade ratings. Due to the current political and economic challenges in Belarus, the choice of international credit institutions with an investment grade rating is limited. Thus A1 Group holds cash and cash equivalents and financial investments with local credit institutions in Belarus (see Notes (9) and (19)), which do not have investment grade ratings at the moment.

Neither was an exposure to a significant credit risk identified for financial investments and cash and cash equivalents nor has the risk of default increased significantly since the initial recognition. Accordingly, the expected 12 months' credit loss is recognized in profit or loss for debt instruments at fair value through other comprehensive income as well as for investments at amortized cost, as disclosed in Note (7).

The carrying amount of financial investments and cash and cash equivalents represents the maximum credit risk exposure (see Notes (9) and (19)):

in TEUR, at December 31	2024	2023
Short- and long-term investments	316,207	291,987
Cash and cash equivalents	366,991	168,545
Carrying amount	683,198	460,531

Accounts receivable: subscribers, distributors, contract assets and other financial assets

A1 Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer or group of customers. Within the framework of the applicable legal regulations, each potential new customer is analyzed individually for creditworthiness when placing an order. Credit risk or the risk of late payment by contractual partners is monitored via credit checks, credit limits and routine controls. Due to the large number of customers and the high level of diversification of the portfolios, the default of any single customer would not have a significant impact (low concentration risk) on the Consolidated Financial Statements. Within A1 Group, operative credit risk management functions are performed at the operating company level.

The maximum exposure to credit risk for the receivables and the assets presented in the following table equals their carrying amounts (see Notes (10), (11), (13), (20) and (14)):

in TEUR, at December 31	2024	2023
Accounts receivable: Subscribers, distributors and other	949,613	843,084
Receivables due from related parties	16,405	21,546
Financial assets	25,298	14,153
Contract assets	83,138	88,391
Carrying amount	1,074,453	967,174

As a result of the low concentration of credit risk described above, A1 Group has no insurance for its accounts receivable. However, based on the credit assessment of retail and wholesale customers, A1 Group requires bank guarantees and cash deposits (see Notes (22) and (26)).

in TEUR, at December 31	2024	2023
Cash deposits	17,937	16,796
Bank guarantees	3,886	4,043

Impairment losses of contract assets and accounts receivable: subscribers, distributors and other are measured at the expected lifetime credit loss (see Note (6)). A1 Group uses an allowance matrix to determine the lifetime expected credit losses on accounts receivable: subscribers, distributors and other as well as contract assets. The following table shows the total gross carrying amounts ("Gross") and the average expected credit losses ("ECL") for accounts receivable: subscribers, distributors and other measured by using the allowance matrix:

in TEUR, at December 31	Gross 2024	ECL 2024	Gross 2023	ECL 2023
Unbilled & billed, not yet due	806,524	21,130	767,916	20,765
Past due 0-30 days	87,348	5,286	56,349	4,705
Past due 31-60 days	27,583	5,539	16,445	5,836
Past due 61-90 days	13,802	4,534	12,779	4,811
More than 90 days	290,017	239,173	274,075	248,363
Total	1,225,274	275,661	1,127,563	284,479

A1 Group has grouped accounts receivable according to similar default patterns based on past experience (accounts receivable: subscribers, installment sales, distributors, interconnection and roaming) and the loss rates are based on days past due. The loss allowance matrix is based on A1 Telekom Austria's historically observed default rates, which are updated annually. Due to the large number of customers and the high degree of diversification of the portfolio the default risk of individual industries in which customers operate has less of an influence on the overall credit risk. Nevertheless, forward-looking information has been taken into account in determining the general loss allowance for accounts receivable not yet due from subscribers and from installment sales.

The assessment of the correlation between historically observed default rates, forecast economic conditions and expected credit losses represents a significant estimate. Customers' actual default in the future may differ from these estimates due to changes in the circumstances.

The following table shows the development of the loss allowance for accounts receivable: subscribers, distributors and other, net (see Note (10)):

in TEUR	2024	2023
At January 1	284,479	285,130
Foreign currency adjustment	-253	-2,534
Change in reporting entities	65	-224
Reversed	-4,677	-3,808
Charged to expenses	50,195	45,607
Amounts written-off	-54,147	-39,692
At December 31	275,661	284,479

The maximum credit risk of accounts receivable: subscribers, distributors and other broken down by geographic region and the breakdown of the loss allowance was:

in TEUR, at December 31	2024	2023
Domestic	1,153,335	1,067,678
Foreign	71,939	59,885
Loss allowances	-275,661	-284,479
Accounts receivable: Subscribers, distributors and other	949,613	843,084
Thereof		
Specific loss allowance	6,977	6,897
General loss allowance	268,684	277,583

If there is objective evidence that A1 Group will not be able to collect all amounts due according to the original terms, a default in payment is expected and an impairment is recorded (specific loss allowance). Serious financial difficulties of the debtor, the probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered to be indicators that the receivable is impaired. A financial asset is impaired if the collection of contractual cash flows cannot be reasonably expected. In 2024, income from collections of impaired receivables subject to enforcement activity amounted to TEUR 3,569 (2023: TEUR 4,564) and was recognized in other operating income (see Note (5)).

At December 31, 2024, accounts receivable: subscribers, distributors and other from A1 Group's customer with the highest turnover amount to TEUR 3,266 (2023: TEUR 7,938). Thus, there is no major concentration of risk of default respectively credit risk.

The following table shows the development of the loss allowance of contract assets (see Note (14)):

in TEUR	2024	2023
At January 1	2,746	2,844
Foreign currency adjustment	1	1
Reversed	-4,608	-4,943
Charged to expenses	4,504	4,843
At December 31	2,642	2,746

Upon recognition of contract assets, the related impairment loss is recognized at the credit default rate of the receivables "not yet billed & billed and not yet due". Upon reclassification to receivables, the impairment of contract assets is derecognized.

Impairment losses on financial assets are based on the expected credit loss for twelve months and are disclosed in Notes (13) and (20). Loss allowances for finance lease receivables are measured at the expected credit loss and are disclosed in Note (30).

Liquidity risk

Liquidity risk is the risk that A1 Group will not be able to meet its financial obligations as they fall due. A1 Group's approach to managing liquidity is to ensure that A1 Group will always have sufficient liquidity to meet liabilities when due, under both normal and stressed conditions. A monthly rolling consolidated liquidity planning is drawn up for this purpose and serves as the basis for determining the liquidity requirement. Furthermore, there is a liquidity reserve in the form of committed credit lines.

Funding sources

A1 Group's Treasury department is responsible for the financial management and makes optimum use of potential synergies in financing the operations of A1 Group's subsidiaries. Its primary objective is to secure liquidity in a cost-effective manner by pooling the cash flows and clearing group accounts. This ensures the management of short-term investments and loans at optimal interest rates with minimal administrative effort.

Cash flow from operations is the basis for securing sufficient liquidity of A1 Group. Principal sources of external funding are bank loans and capital markets. For details of outstanding long-term debt and a description of the different types of debt as of the reporting date, see Note (25).

At December 31, 2024, A1 Group disposes of unutilized committed credit lines of TEUR 1,315,000 (2023: TEUR 1,355,000).

- Credit lines of TEUR 1,000,000 have a term until July 2026 (2023: TEUR 1,000,000 until July 2026)
- TEUR 15,000 have a term until September 2025 (2023: TEUR 15,000 until September 2024)
- TEUR 300,000 with a term until March 2025 (2023: TEUR 400,000 until March 2025; thereof TEUR 60,000 were drawn at December 31, 2023)

Furthermore, at December 31, 2024, A1 Group has a Commercial Paper Program with a maximum volume of TEUR 1,000,000 (2023: TEUR 1,000,000). At December 31, 2024 and 2023, no commercial papers were issued.

Exposure to liquidity risk

The following table sets forth the contractual (undiscounted) interest and redemption payments of financial liabilities. Foreign currency amounts were translated at the rates valid on the reporting date.

in TEUR	Contractual cash flow	6 months or less	6 to 12 months	1 to 2 years	2 to 5 years	More than 5 years
At December 31, 2024						
Bonds	772,500	0	11,250	761,250	0	0
Bank debt	82	82	0	0	0	0
Accounts payable - trade	715,293	699,760	12,050	2,819	333	331
Lease obligations	2,157,269	201,571	181,755	345,539	952,633	475,771
Other financial liabilities	220,608	155,052	6,255	14,747	39,886	4,668
At December 31, 2023						
Bonds	783,750	0	11,250	11,250	761,250	0
Bank debt	60,298	60,298	0	0	0	0
Accounts payable - trade	673,156	663,119	2,924	7,081	11	21
Lease obligations	2,262,574	185,960	165,952	332,279	874,066	704,317
Other financial liabilities	190,366	145,017	27,834	4,976	7,896	4,642

It is not expected that the cash flows of the financial liabilities included in the maturity analysis could occur significantly earlier or at significantly different amounts.

Market risks

Market risk is the risk of changes in market prices. A1 Group faces the risk of market price changes in interest rates and foreign exchange rates.

Interest rate risk

Financial liabilities

At December 31, 2024 and 2023, all financial liabilities were concluded on the basis of fixed interest rates. Thus, there is no significant interest rate risk for the cash flows (see Notes (21) and (25)).

Financial investments

Changes in interest rates have an impact on the carrying value of debt instruments held at fair value through other comprehensive income or through profit or loss (see Note (19)). A change in the interest rate of 0.5 percentage points would change the valuation reserve in other comprehensive income by TEUR 70 (2023: TEUR 314) and profit by TEUR 59 (2023: EUR 309), respectively.

In case of debt instruments at amortized cost with a variable interest rate, changes in interest rates have an impact on interest income. For debt instruments at amortized cost with a fixed interest rate, changes in interest rate have no impact on the comprehensive income. All debt instruments held at 31 December, 2024, were concluded with a fixed interest rate except for the bond of ETS Group described in Note (11). A change in the interest rate of 0.5 percentage points would lead to an increase in interest income of TEUR 900.

Hedging reserve

The hedging reserve resulted from the three forward-starting interest rate swap contracts (pre-hedges) concluded in 2011 with a face value of TEUR 100,000 each. The related hedging reserve was released in the Consolidated Statement of Comprehensive Income in accordance with the recognition of interest expense on the bond, which was issued on July 4, 2013, and redeemed on July 4, 2023, as the interest rate risk on that bond was hedged. In 2023, the release of the hedging reserve through other comprehensive income (OCI) resulted in interest expense of TEUR 2,920 and a tax benefit of TEUR 730.

Exchange rate risk

At December 31, 2024 and 2023, of all accounts receivable: subscribers, distributors and other, net as well as accounts payable trade, only the following are denominated in a currency other than the functional currency of the reporting entities (for foreign exchange rates, see Note (3)):

in TEUR, at December 31	2024			2023		
Denominated in	EUR	USD	Other	EUR	USD	Other
Accounts receivable: Subscribers, distributors and other	10,836	3,064	18,707	14,244	2,406	32,187
Accounts payable - trade	57,703	31,700	16,272	50,313	9,392	17,972

A change of 10% in the exchange rate for the monetary items listed above would increase/decrease foreign exchange rate differences as follows:

in TEUR at December 31	2024	2023
Serbian dinar (RSD)	806	1,088
Belarusian ruble (BYN)	11	58

No sensitivity analysis was performed for other accounts receivable or for accounts payable denominated in foreign currencies, as there is no significant risk.

(34) Companies and Business Combinations

Name and company domicile	Share in capital at December 31, 2024 in %	Method of consolidation*	Share in capital at December 31, 2023 in %	Method of consolidation*
Segment Austria				
A1 Telekom Austria Aktiengesellschaft, Vienna	100.00	FC	100.00	FC
Telekom Austria Personalmanagement GmbH, Vienna	100.00	FC	100.00	FC
CableRunner GmbH, Vienna	76.00	FC	76.00	FC
CableRunner Austria GmbH & Co. KG, Vienna	76.00	FC	76.00	FC
World-Direct eBusiness solutions Gesellschaft m.b.H., Vienna	100.00	FC	100.00	FC
A1 Bank AG (2023: paybox Bank AG), Vienna	100.00	FC	100.00	FC
paybox Service GmbH, Vienna	100.00	FC	100.00	FC
wedify GmbH, Vienna	100.00	FC	100.00	FC
mk Logistik GmbH, Vienna	100.00	FC	100.00	FC
A1 Towers Austria GmbH, Vienna	-	-	-	SpO
A1 Open Fiber GmbH, Vienna	100.00	FC	100.00	FC
A1 ICT Services GmbH, Vienna	100.00	FC	-	-
Canal+ Austria GmbH, Vienna	49.00	EQ	49.00	EQ
JetStream Hungary Kft., Budapest	100.00	FC	100.00	FC
JetStream Slovakia s.r.o., Bratislava	100.00	FC	100.00	FC
JetStream RO s.r.l., Bucharest	100.00	FC	100.00	FC
JetStream TR Telekomünikasyon Hizmetleri Ve Ticaret Limited Sirketi, Istanbul	100.00	FC	100.00	FC
JetStream Switzerland GmbH, Zurich	100.00	FC	100.00	FC

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Name and company domicile	Share in capital at December 31, 2024 in %	Method of consoli- dation*	Share in capital at December 31, 2023 in %	Method of consoli- dation*
JetStream Poland Spolka Z Ograniczona Odpowiedzialnoscia, Warsaw	100.00	FC	100.00	FC
JetStream Germany GmbH, Frankfurt on the Main	100.00	FC	100.00	FC
JetStream Italy S.r.l., Milan	100.00	FC	100.00	FC
TA CZ sítě s.r.o., Prague	100.00	FC	100.00	FC
JetStream BH d.o.o. drustvo za telekomunikacije, Sarajevo	100.00	FC	100.00	FC
JetStream England Limited, London	100.00	FC	100.00	FC
Segment Bulgaria				
A1 Bulgaria EAD, Sofia	100.00	FC	100.00	FC
Cabletel-Prima AD, Nessebar	51.00	FC	51.00	FC
Aprimis EOOD, Sofia	100.00	FC	100.00	FC
A1 Towers Bulgaria EOOD, Sofia	-	-	-	SpO
STEMO EOD, Gabrovo	100.00	FC	100.00	FC
Segment Croatia				
A1 Hrvatska d.o.o., Zagreb	100.00	FC	100.00	FC
A1 Towers d.o.o., Zagreb	-	-	-	SpO
Segment Belarus				
Unitary enterprise A1, Minsk	100.00	FC	100.00	FC
Unitary enterprise TA-Engineering, Minsk	100.00	FC	100.00	FC
A1 Digital services (2023: A1 ICT services), Minsk	100.00	FC	100.00	FC
Segment North Macedonia				
A1 Makedonija DOOEL, Skopje	100.00	FC	100.00	FC
Telemedia DOOEL, Skopje	100.00	FC	100.00	FC
A1 TOWERS DOOEL Skopje, Skopje	-	-	-	SpO
LEANWORX DOOEL, Skopje	100.00	FC	100.00	FC
Segment Serbia				
A1 Srbija d.o.o., Belgrade	100.00	FC	100.00	FC
A1 TOWERS INFRASTRUCTURE d.o.o., Belgrade	-	-	-	SpO
Segment Slovenia				
A1 Slovenija d.d., Ljubljana	100.00	FC	100.00	FC
A1 Towers d.o.o., Ljubljana	-	-	-	SpO
Corporate & Other				
Telekom Finanzmanagement GmbH, Vienna	100.00	FC	100.00	FC
Mobilkom Beteiligungsgesellschaft mbH, Vienna	100.00	FC	100.00	FC
mobikom Bulgarien Beteiligungsverwaltung GmbH, Vienna	100.00	FC	100.00	FC
mobikom CEE Beteiligungsverwaltung GmbH, Vienna	100.00	FC	100.00	FC
mobikom Mazedonien Beteiligungsverwaltung GmbH, Vienna	100.00	FC	100.00	FC
mobikom Belarus Beteiligungsverwaltung GmbH, Vienna	100.00	FC	100.00	FC
Kroatien Beteiligungsverwaltung GmbH, Vienna	100.00	FC	100.00	FC
SB Telecom Ltd., Nicosia	100.00	FC	100.00	FC
A1 Digital International GmbH, Vienna	100.00	FC	100.00	FC
A1 Digital Deutschland GmbH, Munich	100.00	FC	100.00	FC
Akenes S.A., Lausanne	100.00	FC	100.00	FC
A1 Towers Holding GmbH, Vienna	-	-	-	SpO
A1 Towers Bulgaria Holding GmbH, Vienna	-	-	-	SpO
A1 Towers Croatia Holding GmbH, Vienna	-	-	-	SpO
A1 Towers Macedonia Holding GmbH, Vienna	-	-	-	SpO
A1 Towers Serbia Holding GmbH, Vienna	-	-	-	SpO
A1 Towers Slovenia Holding GmbH, Vienna	-	-	-	SpO
Invenium Data Insights GmbH, Graz	100.00	FC	51.00	FC

* FC – full consolidation, EQ – equity method, ME – merged, SpO – spin-off ETS Group (see Note (2)), LIQ – liquidation
All affiliated companies have December 31 as their reporting date.

According to IFRS 3, business combinations are accounted for using the acquisition method at the acquisition date, which is the date when the acquirer obtains control over the acquiree. Goodwill is measured as the difference between the aggregate of the fair value of the consideration transferred as of the acquisition date, the amount of any non-controlling interest, and, in a business combination achieved in stages, the fair value of the acquirer's previously held equity interest in the acquiree less the fair value of the identifiable assets acquired and the liabilities assumed. Non-controlling interests are not measured at fair value but at their share of the fair value of identified net assets of the acquiree. In accordance with IFRS 3.45, goodwill may be adjusted for subsequent changes in the estimated purchase price. If the fair value of the net assets acquired exceeds the consideration transferred, the gain resulting from bargain purchase is immediately recognized in other operating income in profit or loss. Transaction costs are expensed as incurred. In case of an acquisition achieved in stages, the previously held interest is restated

at fair value and any resulting difference is recognized in profit or loss. All transactions with non-controlling interest holders are recognized directly in stockholder's equity. No non-controlling interests are recognized for acquisitions where a put option is granted to the remaining non-controlling shareholders, as A1 Group applies the anticipated acquisition method. In the course of the allocation of the consideration transferred, fair values of assets and liabilities acquired are determined based on state-of-the-art discounted cash flow methods. The input factors used are categorized as Level 3 of the fair value hierarchy defined by IFRS 13.

NTT Austria

On August 13, 2024, A1 Group acquired 100% of NTT Austria GmbH, Vienna ("NTT") via its Austrian subsidiary A1 Telekom Austria to further expand its ICT business. NTT is a specialist for intelligent workplace with cloud-based solutions as well as infrastructure and security services and supports customers with managed infrastructure services. On September 2, 2024, NTT was renamed "A1 ICT Services GmbH".

The fair values of assets acquired and liabilities assumed on the acquisition date are disclosed in the following table:

in TEUR	Fair values on acquisition date
Property, plant and equipment	821
Right-of-use assets, net	811
Intangible assets	5,073
Deferred tax assets	1,468
Accounts receivable: Subscribers, distributors and other	11,770
Inventories	3,302
Other assets and receivables	8,856
Cash and cash equivalents	2,271
Bankkredite	-1,129
Deferred tax liabilities	0
Accounts payable	-7,542
Employee benefit obligations	-1,994
Lease liabilities	-852
Other liabilities	-11,570
Net assets acquired	11,284
Gain resulting from bargain purchase	-3,195
Total purchase consideration	8,088
Purchase price not yet paid	-1,526
Cash and cash equivalents acquired	-2,271
Net cash outflow	4,291

The tangible and intangible assets acquired are disclosed in the Notes (15) and (16) in "Changes in reporting entities". The gross amount of accounts receivable approximates their net amount (see Note (33)).

The gain resulting from bargain purchase in this business combination is reported in other operating income in the Statement of Comprehensive Income and is due mainly to deferred taxes on loss carry-forward that can be used in A1 Group.

The deferred consideration is conditional on NTT being able to achieve revenue targets and maintaining a defined customer base. The amount recognized at acquisition corresponds to the discounted value of the expected payment.

NTT is reported in the segment Austria and has contributed revenues of TEUR 14,969 and a loss of TEUR 2,329 since the acquisition date. Acquisition-related costs, which are reported in the line item "selling, general & administrative expenses", amount to TEUR 62. Since the effect of the acquired entity on the Consolidated Statement of Comprehensive Income is not considered significant, no pro-forma information is presented.

(35) Contingent Assets and Liabilities

In the normal course of business, Telekom Austria AG and its subsidiaries are subject to proceedings, lawsuits and other claims, including proceedings under laws and regulations related to network access. Such matters are subject to many uncertainties, and the outcomes are not predictable with certainty. Consequently, the Management Board is unable to ascertain the ultimate aggregate amount of the monetary liability or the impact on the financial position of A1 Group with respect to these matters at December 31, 2024. These matters could affect the results or cash flows of any quarter when resolved in future periods. However, the Management Board believes that, after final settlement, any monetary liability or financial impact on A1 Group, beyond such provided for at year-end, would not be material to its Consolidated Financial Statements.

In the course of a tax audit in Austria the provision related to the reference date for salary increments of Austrian civil servants was not accepted for tax purposes for the financial year 2015. A1 Group filed an appeal against the assessment which could result in an additional tax payment of TEUR 11,600. As the Austrian law regarding the reference date was repeatedly repealed later on by the European Court of Justice (see also Note (23)), A1 Group expects with a high degree of probability that the appeal will be successful. Thus, no tax liability was recognized.

In Serbia, a lawsuit regarding copyright infringement is pending. A1 Group filed a statement of defense in response to the lawsuit. In case the lawsuit is decided in favor of the plaintiff, A1 Group expects a maximum payment of TEUR 8,040. As A1 Group expects with a high degree of probability that the case will be dismissed, no provision was recognized.

Following a class action lawsuit against market leader Telekom Slovenije, an association of small shareholders also sued the Slovenian subsidiary of mobilkom CEE Beteiligungsverwaltung GmbH, A1 Slovenija (see Note (34)), for allegedly unjustified unilateral price increases for contract customers. The lawsuit against A1 Slovenija amounts to TEUR 52,334. The plaintiff's chances of success are currently considered unlikely.

In its tax assessment the Austrian Tax Authority did not accept the treatment of the change in the place of performance with regard to value-added tax on certain telecommunication services in A1 Group for the years 2010 to 2016. A1 Group filed an appeal against the Tax Authority's assessment at the Federal Finance Court and will file an appeal at the European Court of Justice if necessary. The possible subsequent payment of taxes relating to this circumstance would amount to TEUR 8,250 for the years 2010 to 2024. As A1 Group expects with a high probability that the appeal will be granted, no tax liability was recognized.

There are no significant new developments on the lawsuits received from the Austrian Federal Chamber of Labor (Bundesarbeitskammer) in January 2024. The Chamber of Labor requests that in future no service flat rates are charged and that payments received for flat rates are returned. As a model process, the Chamber of Labor initiated two class action lawsuits against A1 Austria, one for the brand A1 and the other one for bob. In November 2024, the lawsuit regarding the brand bob was suspended. A1 Group remains confident that it will convince the court up to the Supreme Court that the service flat rates are in accordance with the law, especially since the Supreme Court has recently considered service fees permissible for ticket providers. Since 2011, the regulatory authority for telecommunications has regularly checked and accepted the service flat rate regulations. Furthermore, there are special legal regulations in the telecommunications industry, also due to European law, that allow the charging of different fees. The legal situation therefore differs significantly from other cases. Thus, A1 Group continues not to recognize provisions for these lawsuits at December 31, 2024. If the Supreme Court accepted all claims by the Austrian Chamber of Labor, which A1 Group does not expect, there would be a material effect on the result. To avoid further risk, no service fees have been agreed with customers since February 2024.

Moreover, the Association for Consumer Information (VKI) filed a lawsuit on July 4, 2024, against the indexation clause used by A1 Austria, arguing that the use of the previous year's index prior to the contract conclusion is impermissible. The VKI demands that A1 Austria no longer uses this clause and does not rely on it. The case is pending in the first instance, and there is no verdict yet. In 2012, the VKI already challenged a nearly identical clause with the above argument and claiming that an index increase triggers an extraordinary right of termination for consumers. Following a preliminary ruling procedure at the ECJ, the Austrian Supreme Court (OGH) decided (8 Ob 132/15t) that the clause is not objectionable materially. Similar decisions were made in favor of two market competitors. A1 Austria assumes that this is a resolved legal matter and that the lawsuit should be dismissed. A1 Austria also believes that there are good material reasons for the admissibility of the annual index. Therefore, no provisions were made for this lawsuit as of December 31, 2024. Should the OGH unexpectedly side with the VKI, a significant impact on results could occur.

Additionally, the Association for Consumer Information (VKI) and the Federal Chamber of Labour have legally challenged numerous clauses in consumer contracts. Settlements were reached with both institutions, covering all contested clauses with VKI and all but two clauses with the Federal Chamber of Labour. The Federal Chamber of Labour continued the legal proceedings regarding the non-settled clauses, primarily concerning the activation fee. No provisions were made for this lawsuit as of December 31, 2024. The court of first instance dismissed the Federal Chamber of Labour's lawsuit in January 2025, thus deeming the charging of an activation fee permissible. The decision is not yet legally binding.

(36) Remuneration Paid to the Management Board and Supervisory Board

At December 31, 2024 and 2023, the Management Board of Telekom Austria AG consists of two members: On September 1, 2023, Alejandro Plater took office as Chief Executive Officer (CEO) and Thomas Arnoldner as Deputy Chief Executive Officer (Deputy CEO). Until August 31, 2023, Thomas Arnoldner was Chief Executive Officer (CEO), Alejandro Plater was Chief Operating Officer (COO) and Siegfried Mayrhofer was Chief Financial Officer (CFO). Siegfried Mayrhofer left the company at the end of his term of office on August 31, 2023.

The following table summarizes the remuneration of members of the Management Board and the Supervisory Board:

in TEUR	2024	2023
Base salary (incl. remuneration in kind)	1,302	1,565
Variable yearly remuneration (Short Term Incentive - "STI")	1,476	2,333
Multi-year share-based remuneration (Long Term Incentive Program)*	1,048	712
Severance payment	0	871
Total	3,826	5,481
Remuneration to former member of the Management Board:		
Pro rata variable yearly remuneration STI 2023	420	0
LTI 2021	407	0
Total remuneration to former member of the Management Board:	827	0
Compensation Supervisory Board	381	380

* In 2024, the remuneration relates to the payment of the tranche for LTI 2021 (2023: LTI 2020), see Note (31). STI includes the variable yearly remuneration paid for the previous year.

Remuneration to former member of the Management Board

The remuneration for LTI 2021 and STI 2023 paid to the resigned CFO Siegfried Mayrhofer in 2024 is based on his period in office until August 31, 2023 (see Note (31)). The year 2023 includes the base salary of Siegfried Mayrhofer until his resignation and the variable yearly remuneration STI for the full year 2022, which is paid in the following year.

(37) Employees

The average number of employees during the year 2024 was 17,463 (2023: 17,708). At December 31, 2024, A1 Group employed 17,298 (2023: 17,508) employees (full-time equivalents).

(38) Release for Publication

On February 10, 2025, the Management Board of Telekom Austria AG approved the Consolidated Financial Statements for submission to the Supervisory Board. The Supervisory Board will review the Consolidated Financial Statements and report its decision on approval.

Vienna, February 10, 2025

CEO Alejandro Plater m.p.

Deputy CEO Thomas Arnoldner m.p.

Declaration of the Management Board

We confirm to the best of our knowledge that the consolidated financial statements prepared according to the applicable accounting standards give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and that the management report describes the development and performance of the business and the position of the Group in a way that it gives a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and the management report describes the principal risks and uncertainties of the Group.

Vienna, February 10, 2025

The Management Board of Telekom Austria

Alejandro Plater m.p.
CEO

Thomas Arnoldner m.p.
Deputy CEO

Assurance Statement

AUDITOR'S REPORT *)

Report on the Consolidated Financial Statements

Audit Opinion

We have audited the consolidated financial statements of

Telekom Austria Aktiengesellschaft, Vienna,

and of its subsidiaries (the Group) comprising the consolidated statement of financial position as of December 31, 2024, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the fiscal year then ended and the notes to the consolidated financial statements.

Based on our audit the accompanying consolidated financial statements were prepared in accordance with the legal regulations and present fairly, in all material respects, the assets and the financial position of the Group as of December 31, 2024 and its financial performance for the year then ended in accordance with the International Financial Reportings Standards (IFRS) as adopted by EU, and the additional requirements under Section 245a Austrian Company Code UGB.

Basis for Opinion

We conducted our audit in accordance with the regulation (EU) no. 537/2014 (in the following "EU regulation") and in accordance with Austrian Standards on Auditing. Those standards require that we comply with International Standards on Auditing (ISA). Our responsibilities under those regulations and standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the Austrian General Accepted Accounting Principles and professional requirements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained until the date of this auditor's report is sufficient and appropriate to provide a basis for our opinion by this date.

*) This report is a translation of the original report in German, which is solely valid.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the fiscal year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We considered the following matters as key audit matters for our audit:

1. Valuation of property, plant and equipment and intangible assets, including goodwill
2. Revenues and related IT systems

1. Valuation of property, plant and equipment and intangible assets, including goodwill

Description

A1 Group shows significant amounts of goodwill (mEUR 1,088.9, intangible assets (mEUR 1,604.3), right-of-use assets, net (mEUR 1,880.2) and property, plant and equipment (mEUR 3,116.0) in its consolidated financial statements as of December 31, 2024.

Under IFRS, an entity is required to annually test the amount of goodwill and intangible assets with an indefinite life for impairment. For intangible assets with a definite life as well as property, plant and equipment, it is required to assess on each balance sheet date whether impairment indicators exist and if they exist, an impairment test is required for these assets.

A1 Group's disclosures about goodwill, intangibles assets and property, plant and equipment and related impairment testing are included in Note 4 (Estimations), Note 15 (Property, plant and equipment), Note 16 (Intangibles), Note 17 (Goodwill) and Note 30 (Leases) in the consolidated financial statements.

We considered the impairment testing of property, plant and equipment and intangible assets, including goodwill, as a key audit matter as the related asset amounts are significant and the assessment process itself is complex and requires judgment. The impairment tests include assumptions that are affected by future market or economic conditions. The uncertain situation regarding the Belarussian subsidiary should still be noted as an impairment might be required due to the further development of the Ukraine crisis.

How our audit addressed the matter:

Our audit procedures included, among others, the following:

We assessed the design and implementation of the controls over the impairment testing process.

Furthermore, we evaluated the composition of cash generating units (CGU's) and the assets allocated to each CGU and assessed the valuation model.

We compared forecasted revenues and EBITDA margins as well as capital expenditure and changes in working capital for all CGU's, with the plans submitted to the audit committee and analyzed the main drivers for the future development included in the business plan to determine the appropriateness of the projections. We also verified the assumptions made in relation to discount rates and growth rates. EY valuation specialists assisted us in performing the audit procedures.

In addition, we analyzed any risks in connection with the political developments in Belarus and their impact on the business model and discussed them in greater depth and critically with the Management Board, local management and the component auditor to assess the appropriateness of the assumptions in the valuation model for the CGU Belarus evaluate.

We also evaluated the adequacy of disclosures made regarding impairment testing and related assumptions.

2. Revenues and related IT systems

Description

A1 Group's revenues in 2024 resulted from various revenue streams and IT systems processing millions of records per day.

A1 Group's disclosures about revenues are included in Note 5 (Revenues) in the consolidated financial statements.

Revenues and related IT systems were important for our audit as there is an industry inherent risk around the accuracy of revenues recorded given the complexity of systems and the large volume of data processed as well as the impact of changing pricing models to revenue recognition (tariff structures, incentive arrangements, discounts etc.).

How our audit addressed the matter:

Our audit procedures included, among others, the following:

We assessed the accounting policies relating to revenue recognition and the impact of new business models. In this context, we particularly evaluated the accounting recognition of multi-component contracts (identification of customer contracts, identification of separate performance obligations, determination and allocation of the transaction price) in accordance with IFRS 15. We also assessed the impact of customer loyalty programs on revenue recognition.

Furthermore, we assessed the design and operating effectiveness of the controls over the revenue processes including the revenue related IT systems (rating, billing and other support systems) and IT general controls with involvement of EY IT specialists.

We performed substantive audit procedures on revenues to corroborate the results of the design and implementation assessment of controls over revenue related processes and IT systems.

Finally, we also evaluated the adequacy of disclosures made regarding revenues.

Other Information

The legal representatives are responsible for the other information. The other information comprises all information in the annual report, except for the consolidated financial statements, the group management report and the auditor's report. We received the consolidated Corporate Governance Report until the date of this audit opinion; the rest of the annual report is estimated to be provided to us after the date of the auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, to consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and of the Audit Committee for the Consolidated Financial Statements

Management is responsible for the preparation of the consolidated financial statements in accordance with IFRS as adopted by the EU, and the additional requirements under Section 245a Austrian Company Code UGB for them to present a true and fair view of the assets, the financial position and the financial performance of the Group and for such internal controls as management determines are necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU regulation and in accordance with Austrian Standards on Auditing, which require the application of ISA, always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the EU regulation and in accordance with Austrian Standards on Auditing, which require the application of ISA, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures

are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- plan and conduct the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit procedures in respect to the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Comments on the Management Report for the Group

Pursuant to Austrian Generally Accepted Accounting Principles, the management report for the Group is to be audited as to whether it is consistent with the consolidated financial statements and as to whether the management report for the Group was prepared in accordance with the applicable legal regulations.

Regarding the consolidated non-financial statement contained in the group management report, it is our responsibility to examine whether it has been prepared, to read it and to evaluate whether it is, based on our knowledge obtained in the audit, materially inconsistent with the consolidated financial statements or otherwise appears to be materially misstated.

Management is responsible for the preparation of the management report for the Group in accordance with Austrian Generally Accepted Accounting Principles and other legal or regulatory requirements.

We conducted our audit in accordance with Austrian Standards on Auditing for the audit of the management report for the Group.

Opinion

In our opinion, the management report for the Group was prepared in accordance with the valid legal requirements, comprising the details in accordance with Section 243a Austrian Company Code UGB, and is consistent with the consolidated financial statements.

Statement

Based on the findings during the audit of the consolidated financial statements and due to the thus obtained understanding concerning the Group and its circumstances no material misstatements in the management report for the Group came to our attention.

Additional information in accordance with article 10 EU regulation

We were elected as auditor by the ordinary general meeting on June 27, 2024. We were appointed by the Supervisory Board on September 2, 2024. We are auditors without cease since 2015.

We confirm that the audit opinion in the Section "Report on the Consolidated Financial Statements" is consistent with the additional report to the audit committee referred to in article 11 of the EU regulation.

We declare that no prohibited non-audit services (article 5 par. 1 of the EU regulation) were provided by us and that we remained independent of the audited company in conducting the audit.

Responsible Austrian Certified Public Accountant

The engagement partner is Mr. Severin Eisl, Austrian Certified Public Accountant.

Vienna, February 10, 2025

Ernst & Young
Wirtschaftsprüfungsgesellschaft m.b.H.

Mag. Marion Raninger mp
Wirtschaftsprüferin / Certified Public Accountant

Mag. (FH) Severin Eisl mp
Wirtschaftsprüfer / Certified Public Accountant

*) This report is a translation of the original report in German, which is solely valid.

Independent auditor's limited assurance report on non-financial disclosures

To the members of the Management Board and Supervisory Board of Telekom Austria AG

Independent auditor's limited assurance report on non-financial disclosures for Fiscal Year 2024 of the Telekom Austria AG ("A1 Group")

Attention: This letter has been translated from German to English for referencing purposes only. Please refer to the officially legally binding version as written and signed in German. Only the German version is the legally binding version.

We have performed a limited assurance engagement on following selected non-financial disclosures included in the Sustainability Statement section of the Group Management Report of Telekom Austria AG for the fiscal year ended 31 December 2024, as follows:

- ESRS E1-1 – E1-4: Climate Transition Plan and related disclosures
- ESRS E1-5: Energy consumption and mix
- ESRS E1-6: Scope 1 – 3 emissions

Limited assurance conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the following selected non-financial disclosures included in the Sustainability Statement section of the Group Management Report report is not prepared, in all material respects, in accordance with the European Sustainability Reporting Standards Standards (hereinafter referred to as 'ESRS'), as follows:

- ESRS E1-1 – E1-4: Climate Transition Plan and related disclosures
- ESRS E1-5 Energy consumption and mix
- ESRS E1-6: Scope 1 – 3 emissions

Basis for conclusion

We conducted our limited assurance engagement in accordance with the legal provisions, the generally accepted standards for other assurance engagements as applied in Austria and supplementary opinions as well as with International Standard on Assurance Engagements (ISAE) 3000 (Revised), which is applicable to such engagements. The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities under these requirements and standards are further described in the "Responsibilities of the auditor of the selected non-financial disclosures" section of our assurance report.

We are independent of the Telekom Austria AG in accordance with the requirements of Austrian commercial and professional law, and we have fulfilled our other professional responsibilities in accordance with these requirements

Our audit firm operates a comprehensive system of quality management, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we obtained by the date of our assurance report is sufficient and appropriate to provide a basis for our conclusion on this date.

Other information

Management is responsible for the other information. The other information comprises all the information included in the financial statements and in the Group Management Report but does not include the selected non-financial disclosures included in the Sustainability Statement and our assurance report thereon.

Our conclusion on the selected non-financial disclosures included in the Sustainability Statement does not cover this other information and we do not express any form of assurance conclusion thereon. In connection with our assurance engagement on the selected non-financial disclosures included in the Sustainability Statement, our responsibility is to read this other information and, in doing so, consider whether the other information is materially inconsistent with the selected non-financial disclosures

included in the Sustainability Statement or our knowledge obtained in the assurance engagement, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Inherent limitations in preparing the selected non-financial disclosures included in the Sustainability Statement

When reporting on forward-looking information, the Company is required to prepare such forward-looking information on the basis of disclosed assumptions about events that could occur in the future and possible future actions by the Company. The actual outcome is likely to differ, as expected events often do not occur as assumed.

Responsibilities of the auditor of the selected non-financial disclosures

Our objectives are to plan and perform an assurance engagement to obtain limited assurance about whether the selected non-financial disclosures included in the Sustainability Statement in accordance with the requirements of the ESRS are free from material misstatement, whether due to fraud or error, and to issue an assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on the selected non-financial disclosures included in the Sustainability Statement.

We exercise professional judgment and maintain professional skepticism throughout the engagement.

Our responsibility for the assurance engagement on the selected non-financial disclosures included in the Sustainability Statement with regard to the materiality assessment process encompasses:

- Performing risk-based procedures, including obtaining an understanding of internal control relevant to the engagement, to identify representations that are more likely to be materially misstated, whether due to fraud or error, but not for the purpose of providing a conclusion on the effectiveness of the Company's internal control; and
- Designing and performing procedures responsive to disclosures where material misstatements are more likely. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of work performed

A limited assurance engagement involves performing procedures to obtain evidence about the selected non-financial disclosures included in the Sustainability Statement.

The nature, timing and extent of procedures selected depend on professional judgment, including the identification of disclosures in the selected non-financial disclosures included in the Sustainability Statement that could be materially misstated, whether due to fraud or error.

In conducting our limited assurance engagement on the selected non-financial disclosures included in the Sustainability Statement,

- We conduct interviews at group level and for Austria and Bulgaria on site level to identify and understand relevant systems, processes and internal controls related to the non-financial disclosures that support the collection of information for reporting;
- We conduct sample data reviews at Austria and Bulgaria site level to ensure completeness, reliability, accuracy and timeliness of disclosures;
- We assess of whether the requirements under ESRS E1 are adequately addressed.

Limitation of liability and publication

The limited assurance engagement on the selected non-financial disclosures included in the Sustainability Statement is a voluntary assurance engagement.

We issue this assurance report on the basis of the engagement agreement signed with the client, which is governed, also in relation to third parties, by the attached General Conditions of Contract for the Public Accounting Professions ["Allgemeine Auftragsbedingungen für Wirtschaftstreuhandberufe": AAB 2018].

ASSURANCE STATEMENT

With regard to our responsibility and liability arising from the engagement, Item 7 of the AAB 2018 applies. We shall only be liable in cases of willful intent and gross negligence. In cases of gross negligence, our maximum liability for damages shall be tenfold the minimum insurance sum of the professional liability insurance according to Sec. 11 WTBG [“Wirtschaftstreuhandberufsgesetz”: Austrian Public Accounting Professions Act] 2017, i.e., a total of EUR 726,730. The limitation period shall be determined in accordance with Item 7 (4) of the AAB 2018.

As our report is prepared exclusively on behalf of and in the interests of the company, it does not form the basis for any reliance by third parties on its content. Claims by third parties can therefore not be derived from it.

Our report on the assurance engagement may only be distributed to third parties in complete and unabridged form together with the Information on the selected non-financial disclosures included in the Sustainability Statement section of the Group Management Report.

Vienna, 10 February 2025

Ernst & Young
Wirtschaftsprüfungsgesellschaftm.b.H.

Mag. Severin Eisl
Austrian Public Auditor

Susanna Gross, MA
Austrian Public Auditor

Financial calendar

April 29, 2025	Results Q1 2025
May 24, 2025	Record date: Annual General Meeting
June 3, 2025	Annual General Meeting
June 5, 2025	Dividend ex-date
June 6, 2025	Dividend record date
June 11, 2025	Dividend payment date
July 15, 2025	Results Q2/H1 2025
Oct 14, 2025	Results Q3 / Q1-Q3 2025

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Disclaimer

This document contains forward-looking statements. These forward-looking statements are usually accompanied by words such as ›believe‹, ›intend‹, ›anticipate‹, ›plan‹, ›expect‹ and similar expressions or by ›outlook‹. Actual events may differ materially from those anticipated in these forward-looking statements. Forward-looking statements involve inherent risks and uncertainties. A number of important factors could cause actual results or outcomes to differ materially from those expressed in any forward-looking statement. Neither the A1 Group nor any other person assumes any liability for any such forward-looking statements. The A1 Group will not update these forward-looking statements, whether due to changed factual circumstances, changes in assumptions or expectations.

This document has been carefully prepared and all information has been carefully checked. Nevertheless, the possibility of layout and printing errors cannot be excluded. The use of automated calculation systems may result in rounding differences. The English version of this document is for convenience only; the German version is binding.

This report contains quarterly and year-to-date results that have not been audited or reviewed by a certified public accountant. This document does not constitute a recommendation or invitation to buy or sell any A1 Group security.

Imprint

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