



Report for the first half and second quarter 2025

Highlights

- ✓ Revenues: +4.1% versus Q2 2024, driven by equipment and service revenues
- ✓ Service revenues: +1.8% in Q2, strong growth in CEE overcompensating decline in Austria
- ✓ Core OPEX: Operational increase resulting mainly from market investments in Austria, product-related and total workforce costs
- ✓ EBITDA: +3.4% in Q2 and -0.8% adjusted for one-offs and restructuring
- ✓ Austria: Strategic investments in market as well as lower indexation effects amidst challenging macro and competitive environment weigh on service revenues and EBITDA
- ✓ Net result: 5% higher in H1 2025
- ✓ CAPEX: 19% lower yoy in H1 due to CAPEX savings and lower spectrum CAPEX
- ✓ Free Cashflow: +91% in H1 2025 due to lower CAPEX and better operational result
- ✓ Dividend: EUR 0.40/share (in total EUR 266 mn) paid to shareholders in June 2025
- ✓ Rating: In May 2025, S&P confirmed its credit rating for Telekom Austria AG with 'A'
- ✓ Outlook confirmed: Total revenue growth of 2-3%, CAPEX ex. spectrum of around EUR 800 mn

In Q2 2025, A1 Group streamlined its reporting to reduce the disclosure of sensitive commercial data while maintaining transparency on key business trends. This change supports a more focused communication strategy in increasingly competitive markets.

In this report, rounding differences may occur in the summing of rounded amounts due to the use of automatic calculation tools. 'International' comprises the segments Bulgaria, Croatia, Belarus, Slovenia, Serbia and North Macedonia and since Q1 2025 also includes A1 Digital (A1 Group figures and figures for Austria remained unchanged) in this view. Numbers are provided on a proforma basis for 2024 to provide comparability.

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Key financial data

in EUR million	Q2 2025	Q2 2024	Δ	H1 2025	H1 2024	Δ
Total revenues	1,370	1,316	4.1%	2,685	2,583	3.9%
Service revenues	1,145	1,124	1.8%	2,253	2,195	2.6%
Equipment revenues	201	168	19.3%	389	344	13.0%
Other operating income	25	24	4.9%	43	44	-1.6%
Wireless revenues	810	774	4.7%	1,587	1,525	4.0%
Service revenues	642	627	2.4%	1,257	1,223	2.8%
Equipment revenues	168	147	14.4%	330	303	9.0%
Wireline revenues	536	519	3.3%	1,055	1,013	4.1%
Service revenues	503	497	1.1%	996	972	2.4%
Equipment revenues	33	22	52.5%	59	41	41.9%
EBITDA ¹⁾	521	504	3.4%	999	959	4.2%
EBITDA margin	38.0%	38.3%	-0.3pp	37.2%	37.1%	0.1pp
EBITDAaL ²⁾	433	400	8.2%	785	753	4.3%
EBITDAaL margin	31.6%	30.4%	1.2pp	29.2%	29.1%	0.1pp
Depreciation, amortization, impairments	304	286	6.4%	599	563	6.4%
EBIT ³⁾	217	218	-0.6%	401	396	1.2%
EBIT margin	15.8%	16.6%	-0.7pp	14.9%	15.3%	-0.4pp
Net result	151	146	3.4%	277	263	5.1%
Net margin	11.1%	11.1%	-0.1pp	10.3%	10.2%	0.1pp
Capital expenditures	166	247	-32.9%	387	480	-19.3%
Tangible	145	180	-19.8%	326	377	-13.4%
Intangible	21	66	-68.5%	61	103	-40.7%
Free cash flow	179	123	45.9%	333	175	90.6%

	Jun. 30, 2025	Dec. 31, 2024	Δ
Net debt / EBITDA (12 months)	1.0	1.1	-0.07x
Net debt (excl. leases) / EBITDAaL (12 months)	0.2	0.2	-0.03x

Customer indicators (thousand)	Jun. 30, 2025	Jun. 30, 2024	Δ
Mobile subscribers	28,306	25,949	9.1%
Postpaid	24,701	22,233	11.1%
Prepaid	3,605	3,716	-3.0%
RGUs ⁴⁾	6,395	6,283	1.8%

	Q2 2025	Q2 2024	Δ	H1 2025	H1 2024	Δ
ARPU (in EUR) ⁵⁾	7.6	8.1	-6.2%	7.6	8.0	-5.3%
ARPL (in EUR) ⁶⁾	26.5	27.4	-3.5%	26.6	26.8	-0.5%
Mobile churn	1.0%	1.2%	-0.1pp	1.1%	1.2%	-0.1pp

	Jun. 30, 2025	Jun. 30, 2024	Δ
Employees (full-time equivalent)	16,825	17,491	-3.8%

¹⁾ Earnings Before Interest, Tax, Depreciation and Amortization

²⁾ EBITDA after Leases: EBITDA – depreciation of lease assets according to IFRS 16 – interest expenses pursuant to IFRS 16

³⁾ Operating income according to IFRS

⁴⁾ Revenue Generating Unit

⁵⁾ Average Revenue Per User incl. M2M Subscriber

⁶⁾ Average Revenue Per Line

Q2 2025 in a nutshell

In Q2 2025, total revenues increased on the back of higher service and equipment revenues. Service revenue growth was mainly driven by upselling and value-protecting measures as well as growth in fixed-line RGUs in the international business. All CEE markets contributed to service revenue growth. In Austria total revenues declined slightly due to lower service revenues which were partly mitigated by higher equipment revenues.

Effects impacting Q2 and H1 results:

- ✓ Total operating expenses included one-off effects totalling negative EUR 21 mn in Q2 2024, thereof EUR 24 mn negative effect in Belarus and EUR 3 mn positive net effect in Austria.
- ✓ Restructuring charges amounted to EUR 18 mn in both Q2 2025 and Q2 2024.

Total OPEX increased to a large extent driven by higher equipment costs. Operationally, excluding the above-mentioned one-off effects, the increase in core OPEX was driven by higher advertising costs, as well as product-related costs like licences and software for resale as well as commissions. Total workforce costs increased slightly. A certain tailwind came from lower costs for network maintenance and electricity. The equipment margin weighed negatively on EBITDA mainly as result of high subsidies in Austria.

EBITDA increased by 3.4% on a reported basis. Excluding one-off effects and restructuring, EBITDA decreased by 0.8%. EBITDA increased in all markets except for Austria and Slovenia.

CAPEX decreased by 33% both due to savings and due to lower CAPEX for spectrum.

The Serbian regulator (RATEL) has officially published for public discussion the draft of auction bylaw for the allocation of existing spectrum and 5G frequencies. The Serbian spectrum auction covers the 700 MHz, 2.6 GHz, and 3.5 GHz bands for new 5G deployment, along with renewals in the 900 MHz, 1800 MHz and 2100 MHz bands. The minimum package value is set at the amount of minimum EUR 100 mn and the licenses are valid until March 2047. The tender is expected to take place in Q4 2025.

The Annual General Meeting on June 3, 2025 approved a dividend of EUR 0.40 per share. Mid of June, Telekom Austria AG paid a total dividend of EUR 266 mn to its shareholders. (For more information please see <https://a1.group/investor-relations/shareholders-meetings/>)

In May 2025, S&P confirmed its credit rating for Telekom Austria AG with 'A-'. (For more information please see <https://a1.group/investor-relations/debt/>)

Mobile subscribers and fixed-line RGUs

In mobile communications, the number of subscribers rose by 9.1% to a total of around 28.3 million. As in previous quarters, the growth was driven by the strong increase in the M2M business. Excluding M2M customers, the number of subscribers increased slightly (+0.6%).

In the fixed-line business, the number of revenue generating units (RGUs) increased by 1.2% year-on-year. While the number of voice RGUs decreased, the number of broadband RGUs and TV RGUs increased. The RGU growth in international operations, especially in Belarus and Bulgaria, more than compensated for the decline in Austria.

The internet@home postpaid customer base increased by 4% to 3.9 million in the Group, driven both by the increase in broadband RGUs and mobile WiFi routers. Broadband RGUs increased in all markets except for Austria and Slovenia, while the number of mobile WiFi routers rose in all markets except for Croatia and North Macedonia.

Outlook for the financial year 2025

The management board confirms the guidance for the financial year 2025 (total revenues +2-3% year-on-year, CAPEX excluding frequencies and M&A of around EUR 800 mn).

Group results (Q2 and First Half 2025)

Macroeconomic and Competitive Environment

After two years of recession in 2023 and 2024, the **Austrian economy** remained under pressure in the first half of 2025. While the IMF outlook in April 2025 posts an expected decline of 0.3% for the full year 2025, recent forecasts suggest a tentative shift toward stabilization in 2025¹⁾. According to the Austrian National Bank (OeNB), the real GDP growth forecast for 2025 is 0.2%, with an expected increase of 0.9% in 2026. Inflation stood at 3.3%²⁾ in June after easing significantly in 2024, dropping to 2.9% in 2024 from 7.8% in 2023, which has reduced the impact of value-protecting measures on service revenues. At the same time, however, this limited the potential for further upselling.

The telecommunications market continues to be highly competitive in **Austria**. However, the mobile market showed signs of stabilization in certain segments, i.e. in the low-value mobile market, but competition remained strong overall. We responded to ongoing competitive pressure with strategic investments in the market and a focused multi-brand strategy—targeting high-value customers through A1 with loyalty programs, household bundles, and subsidies, while addressing price-sensitive segments via bob and YESSS!. To defend our position in the internet@home market, we maintained promotional activity, kept our technology-agnostic approach, and continued the fiber roll-out to support upselling, while also differentiating ourselves through additional services like entertainment and security.

In contrast, **CEE markets**—including Bulgaria, Croatia, Belarus, Slovenia, Serbia, and North Macedonia—are experiencing a more favourable economic climate. Growth expectations across the region are generally positive. At the same time, the competitive environment remained largely unchanged in the major CEE markets. International markets, while diverse in dynamics, generally benefited from solid demand for high-speed broadband, ICT solutions, and additional services, supporting revenue growth.

In Q2 and H1 2025, the Belarusian Ruble remained largely stable against the euro, with an period average exchange rate of 3.46 in H1 2025 (H1 2024: 3.48).

There have been no new major developments regarding the lawsuits filed by the Austrian Federal Chamber of Labor against A1 Austria. A1 Group remains confident in the legality of its service fee; no provisions were booked as of June 30, 2025. (for more details please see Q4 2024 and Q1 2025 results reports)

Revenue development

Group total revenues increased by 4.1% in Q2 and 3.9% in H1, driven by growth in both service and equipment revenues. Service revenue growth was supported by value-protecting measures, broadband and TV demand in international markets, and solutions and connectivity services, which offset declines in fixed voice and interconnection revenues. All markets contributed positively to service revenue growth both in Q2 and H1 — except Austria. The positive effects from value-protecting measures were lower in Q2 compared to previous quarters due to declining inflation rates in 2024. Equipment revenues rose in all markets except Slovenia, with high contributions from Belarus, Bulgaria and Austria, the latter driven by increases in Q2.

Total revenues in **Austria** declined by 1.1% in Q2 and 0.8% in H1, entirely due to lower service revenues (- 2.5% in Q2 2025). Overall, especially in Q2 but also in H1 2025, service revenues were impacted from a lower positive effect from value-protecting mentioned above. In the retail mobile market, service revenues declined despite a higher number of subscribers and were impacted by promotions but also lower incoming ARPU. As a result, ARPU also declined in Q2 2025. In addition to lower indexation effect, in the retail fixed-line market, service revenues declined both due to a lower number of customers but also due to discounts. Solutions and connectivity revenues increased supported by ICT connectivity, IT services, security and value added services. Interconnection revenues declined due to lower transit.

In the first half of 2025, A1 Group's **international operations** delivered a strong financial performance, with total revenues increasing by 10.3% in Q2 and 9.4% in H1. This growth was primarily driven by higher service revenues across all markets, supported by continued upselling, strong demand for high-speed broadband, and the expansion of ICT and connectivity services. Service revenues increased by 7.2% and 7.7% in Q2 and H1 respectively. The highest contributions came from Belarus, Bulgaria and Croatia. Belarus posted a particularly strong performance despite a price increase ban in the mobile sector. The company

¹⁾<https://www.wko.at/oe/news/konjunkturadar-oesterreichische-wirtschaft>;
<https://www.oenb.at/Publikationen/Volkswirtschaft/reports/2025/report-2025-11-prognose/html-version.html>
²⁾<https://www.statistik.at/fileadmin/announcement/2025/06/20250701VPIFlashEstimateJuni2025EN.pdf>

achieved revenue growth through targeted upselling strategies and attractive offers, driven by strong demand for unlimited data plans, high-speed internet, and bundled TV services.

Group equipment revenues rose in Q2 and H1 2025, with the highest contributions stemming from Bulgaria and Belarus.

OPEX and EBITDA

At **Group** level, total operating expenses increased in both Q2 and H1 2025, primarily driven by higher equipment costs in line with rising equipment revenues. Excluding the above-mentioned one-off effects, core OPEX rose due to increased advertising expenses, as well as higher product-related costs such as software licenses for resale and commissions. Total workforce costs excluding restructuring increased slightly in Q2. They were stable in H1 2025 on the back of a strong focus on efficiency measures and ongoing transformation efforts. Restructuring increased from EUR 39 mn in H1 2024 to EUR 53 mn in H1 2025 due to intensified measures in Q1 2025. In Q2, they were stable at EUR 18 mn in both 2024 and 2025. On the positive side, the Group benefited from stringent cost control, lower electricity costs and network maintenance costs were reduced, which helped partially offset the overall cost increase.

In **Austria**, total OPEX increased due to higher equipment costs following the higher subsidies. Core OPEX without the above-mentioned one-off effect remained stable in Q2 and declined in H1 despite the strategic investments in the market in H1 2025. Those are reflected in an increase in advertising expenses, particularly in Q2, due to intensified marketing communication campaigns. Additionally, product-related costs – including licenses, software for resale, and commissions – rose in both periods, reflecting commercial activity and customer acquisition efforts. On the other hand, workforce costs decreased in Q2, supported by a lower number of FTEs and reduced external workforce expenses. Electricity and network maintenance costs also declined, providing some relief to the cost base. However, the equipment margin remained negative, due to higher subsidy levels and increased volumes.

The development in operating expenses in **international markets** were heavily impacted by the negative one-off effect in Belarus in Q2 2024. Excluding this effect, core OPEX increased in both periods mainly due to higher total workforce costs as well as product-related costs.

Group EBITDA grew by 3.4% in Q2 2025 and 4.2% in H1 2025. Excluding restructuring and one-off effects, EBITDA decreased by 0.8% in Q2 and increased by 3.3% in H1 2025 respectively. The EBITDA development was impacted by the above-mentioned strategic investments into long-term customer retention and strengthening the market position, mainly in Austria. In Q2, both on reported and operational level, Belarus posted the highest contribution on the back of strong service revenue growth and cost control. EBITDA grew in all markets except for Austria in Slovenia.

In **Austria**, EBITDA excluding restructuring and one-off effects declined by 7.3% and 2.7% in Q2 and H1 2025 (reported: -8.7% and -6.3%). This was the result of service revenue decline, a negative impact from equipment margin and a less favourable core OPEX development in Q2 2025. In **international markets**, EBITDA excluding one-off effects increased by 7.1% and 10.0% in Q2 and H1 2025 (reported +18% and +15.7%), both thanks to service revenues increase in all CEE markets and a diligent approach on cost control.

Below EBITDA

Depreciation and amortization increased due to higher D&A resulting from a different asset mix. In Q2, **EBIT** remained largely stable while it rose by 1.2% in the first half of 2025. The **financial result** improved due to higher interest income. Consequently, the **period result** rose by 3.4% in Q2 and 5.1% in H1 2025.

Capital Expenditures

A1 Group focused on expanding its fiber roll-out and 5G networks both in Austria and internationally. In H1 2025, capital expenditures ('CAPEX') decreased by 19.3% to EUR 387 mn. The decrease was mostly attributable to lower CAPEX in Austria. CAPEX for spectrum was also lower: In Bulgaria, spectrum investments in Q1 2025 amounted to a total of EUR 9.6 mn, with the majority being attributable to the frequency prolongation of 2 x 20 MHz on 2100 MHz. Spectrum was acquired in the 900 Mhz band with 2 x 0.4 MHz. In H1 2024, spectrum investments amounted to EUR 38 mn in total (thereof EUR 7 mn in Austria and EUR 31 mn in Bulgaria). CAPEX excluding spectrum decreased by 14.4% to 378 mn in H1 2025. Investments in the fiber roll-out in Austria remained at a high level, although they were lower than in the same period last year.

Free Cashflow

In the first half of 2025, free cash flow increased by 91%. Besides the better operational result, the main driver was the substantially lower CAPEX both due to lower investments and lower spectrum payments compared to the same period last year (EUR 10 mn in H1 2025 versus EUR 39 mn (including interest) in H1 2024). Changes in working capital also showed a favourable development in accounts receivables and payables, overcompensating increased inventories and installment sales. That more than offset the higher leases paid.

	Q2 2025	Q2 2024	Δ	H1 2025	H1 2024	Δ
EBITDA	521	504	3.4%	999	959	4.2%
Restructuring charges and cost of labor obligations	18	19	-2.4%	55	41	33.8%
Lease paid (principal, interest and prepayments)	-101	-96	5.0%	-205	-193	6.3%
Income taxes paid	-33	-31	5.5%	-50	-54	-7.6%
Net interest paid	4	4	-0.2%	9	7	40.3%
Change working capital and other changes	-41	-11	277.8%	-51	-63	-19.5%
Capital expenditures	-166	-247	-32.9%	-387	-480	-19.3%
Social plans new funded ¹⁾	-24	-19	23.2%	-39	-42	-8.9%
FCF after social plans new	179	123	45.9%	333	175	90.6%

¹⁾ Cost for social plans granted in the respective period

Balance sheet and net debt

As of June 30, 2025, the total assets amounted to EUR 10,105 mn, 2.6% higher than at December 31, 2024. This was primarily driven by both higher short-term and long-term investments (marketable). Liabilities increased due to higher short-term debt. Total stockholders' equity remained stable as the net income generation offset the dividend payment of EUR 266 mn in June 2025. In the first half of 2025, the increase in marketable investments was higher than the issuance of short-term debt, leading to a decline in net debt. Additionally the long-term lease liabilities decreased. That led to a reduction both in the 'net debt/EBITDA'-ratio as well as in the 'net debt (excl. leases)/EBITDA after leases'-ratio.

in EUR million	Jun 30, 2025	Dec. 31, 2024	Δ
Long-term debt	749	749	0.0%
Lease liability long-term	1,530	1,585	-3.5%
Short-term debt	230	0	n.m.
Lease liability short-term	318	316	0.7%
Cash and cash equivalents	-355	-367	-3.3%
Investments marketable	-312	-25	n.m.
Net debt (incl. leases)	2,160	2,257	-4.3%
Net debt (incl. leases) / EBITDA	1.0x	1.1x	-0.07x
Net debt (excl. leasing)	312	357	-12.5%
Net debt excl leasing / EBITDAaL	0.2x	0.2x	-0.03x

Net debt definition changed in Q2 2025 and now includes both short-term and long-term marketable investments.

Underlying performance Group

in EUR million	Q2 2025	Q2 2024	Δ	H1 2025	H1 2024	Δ
Total revenues	1,370	1,316	4.1%	2,685	2,583	3.9%
One-off effects	0.0	0.0	n.m.	0.0	0.0	n.m.
Total revenues adjusted for one-off effects	1,370	1,316	4.1%	2,685	2,583	3.9%
Group EBITDA	521	504	3.4%	999	959	4.2%
One-off effects	0	21	n.m.	0	21	n.m.
Restructuring	18	18	-2.6%	53	39	36.7%
EBITDA adjusted for one-off effects and restructuring	539	543	-0.8%	1,053	1,019	3.3%

One-off effects and restructuring: A positive value in the table means a negative impact and vice versa

Underlying performance Austria

in EUR million	Q2 2025	Q2 2024	Δ	H1 2025	H1 2024	Δ
Total revenues	685	693	-1.1%	1,362	1,372	-0.8%
One-off effects	0	0.0	-	0.0	0.0	n.m.
Total revenues adjusted for one-off effects	685	693	-1.1%	1,362	1,372	-0.8%
EBITDA Austria	249	272	-8.7%	476	508	-6.3%
One-off effects	0	-3	n.m.	0	-3	n.m.
Restructuring	18	18	-2.6%	53	39	36.7%
EBITDA adjusted for one-off effects	266	288	-7.3%	530	545	-2.7%

Underlying performance international

in EUR million	Q2 2025	Q2 2024	Δ	H1 2025	H1 2024	Δ
Total revenues	702	636	10.3%	1,354	1,238	9.4%
One-off effects	0	0.0	n.m.	0.0	0.0	n.m.
Total revenues adjusted for one-off effects	702	636	10.3%	1,354	1,238	9.4%
EBITDA International	279	237	18.0%	538	465	15.7%
One-off effects	0	24	n.m.	0	24	n.m.
Restructuring	-	-	-	-	-	-
EBITDA adjusted for one-off effects	279	261	7.1%	538	489	10.0%

Condensed Consolidated Interim Financial Statements

Condensed Consolidated Statement of Comprehensive Income

in EUR million, except per share information	Q2 2025 unaudited	Q2 2024 unaudited	H1 2025 unaudited	H1 2024 unaudited
Service revenues	1,145	1,124	2,253	2,195
Equipment revenues	201	168	389	344
Other operating income	25	24	43	44
Total revenues (incl. other operating income)	1,370	1,316	2,685	2,583
Cost of service	-363	-360	-717	-726
Cost of equipment	-198	-163	-391	-337
Selling, general & administrative expenses	-283	-264	-572	-534
Other expenses	-4	-25	-6	-27
Total cost and expenses	-849	-812	-1,685	-1,624
Earnings before interest, tax, depreciation and amortization – EBITDA	521	504	999	959
Depreciation and amortization	-216	-202	-422	-398
Depreciation of right-of-use assets	-89	-84	-177	-165
Operating income – EBIT	217	218	401	396
Interest income	9	4	16	8
Interest expense	-26	-25	-50	-49
Interest on employee benefits and restructuring and other financial items, net	-5	-4	-9	-9
Foreign currency exchange differences, net	2	0	2	-1
Equity interest in net income of associated companies	1	1	1	1
Financial result	-20	-23	-40	-49
Earnings before income tax – EBT	197	195	361	346
Income tax	-46	-49	-84	-83
Net result	151	146	277	263
Attributable to:				
Equity holders of the parent	151	146	276	263
Non-controlling interests	0	0	0	0
Earnings per share attributable to equity holders of the parent in euro*	0.23	0.22	0.42	0.40
Other comprehensive income items:				
Items that may be reclassified to profit or loss:				
Effect of translation of foreign entities	-11	7	10	8
Unrealized result on debt instruments at fair value, net of tax	0	0	0	0
Items that will not be reclassified to profit or loss:				
Remeasurement of defined benefit obligations, net of tax	-1	1	-2	-0
Total other comprehensive income (loss)	-11	8	9	8
Total comprehensive income (loss)	140	154	286	271
Attributable to:				
Equity holders of the parent	140	154	286	271
Non-controlling interests	0	0	0	0

* Basic and diluted, weighted-average number of ordinary shares outstanding was constantly 664,084,841

Condensed Consolidated Statement of Financial Position

in EUR million	Jun. 30, 2025 unaudited	Dec. 31, 2024 audited
Current assets		
Cash and cash equivalents	355	367
Short-term investments	147	63
Accounts receivable: Subscribers, distributors and other, net	941	950
Receivables due from related parties	12	16
Inventories, net	137	102
Income tax receivable	1	0
Other current assets, net	273	247
Contract assets	89	83
Total current assets	1,955	1,828
Non-current assets		
Property, plant and equipment, net	3,164	3,116
Right-of-use assets, net	1,822	1,880
Intangibles, net	1,525	1,604
Goodwill	1,089	1,089
Investments in associated companies	3	2
Long-term investments	460	254
Deferred income tax assets	58	53
Other non-current assets, net	29	27
Total non-current assets	8,150	8,026
TOTAL ASSETS	10,105	9,854
Current liabilities		
Short-term debt	230	0
Lease liabilities short-term	318	316
Accounts payable	1,004	967
Accrued liabilities and current provisions	223	245
Income tax payable	112	84
Payables due to related parties	36	37
Contract liabilities	250	241
Total current liabilities	2,174	1,889
Non-current liabilities		
Long-term debt	749	749
Lease liabilities long-term	1,530	1,585
Deferred income tax liabilities	45	34
Other non-current liabilities	46	44
Asset retirement obligation and restructuring	389	398
Employee benefits	165	166
Total non-current liabilities	2,923	2,976
TOTAL LIABILITIES	5,097	4,865
STOCKHOLDERS' EQUITY		
Common stock	1,449	1,449
Treasury shares	-8	-8
Additional paid-in capital	1,100	1,100
Retained earnings	3,219	3,208
Other comprehensive income (loss) items	-754	-763
Equity attributable to equity holders of the parent	5,006	4,986
Non-controlling interests	2	2
TOTAL STOCKHOLDERS' EQUITY	5,009	4,989
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	10,105	9,854

Condensed Consolidated Statement of Cash Flows

in EUR million	Q2 2025 unaudited	Q2 2024 unaudited	H1 2025 unaudited	H1 2024 unaudited
Earnings before income tax – EBT	197	195	361	346
Depreciation	141	135	278	265
Amortization of intangible assets	75	67	144	133
Depreciation of right-of-use assets	89	84	177	165
Equity interest in net income of associated companies	-1	-1	-1	-1
Result on sale/measurement of investments	1	-0	0	-0
Result on sale of property, plant and equipment	-1	2	-0	2
Net period cost of labor obligations and restructuring	22	23	62	50
Foreign currency exchange differences, net	-2	-0	-2	1
Interest income	-9	-4	-16	-8
Interest expense	27	25	52	50
Other adjustments	-1	-0	-1	-1
Non-cash and other reconciliation items	341	330	693	655
Accounts receivable: Subscribers, distributors and other, net	-2	-2	12	-21
Prepaid expenses	8	-12	4	-25
Due from related parties	-0	-1	0	1
Inventories	8	4	-34	-9
Other assets	-23	-2	-25	-3
Contract assets	-8	3	-6	6
Accounts payable and accrued liabilities	31	14	25	-7
Due to related parties	-0	2	-0	3
Contract liabilities	-10	-4	9	13
Working capital changes	2	1	-15	-42
Employee benefits and restructuring paid	-39	-28	-74	-57
Interest received	7	4	15	8
Income taxes paid	-33	-31	-50	-54
Net cash flow from operating activities	476	471	930	856
Capital expenditures paid	-200	-261	-410	-504
Proceeds from sale of property, plant and equipment	2	1	4	3
Purchase of investments	-329	-5	-364	-46
Proceeds from sale of investments	47	4	79	44
Acquisition of businesses, net of cash acquired	-4	-0	-8	-0
Net cash flow from investing activities	-485	-260	-699	-503
Interest paid	-22	-23	-43	-44
Repayments of short-term debt	0	0	0	-100
Issuance of short-term debt	230	0	230	40
Dividends paid	-266	-0	-266	-0
Lease principal paid	-81	-72	-165	-147
Net cash flow from financing activities	-139	-95	-244	-251
Adjustment to cash flows due to exchange rate fluctuations, net	-2	0	1	0
Net change in cash and cash equivalents	-150	116	-12	103
Cash and cash equivalents beginning of period	505	155	367	169
Cash and cash equivalents end of period	355	271	355	271

Condensed Consolidated Statement of Changes in Stockholders' Equity

in EUR million (unaudited)	Common stock	Treasury shares	Additional paid-in capital	Retained earnings	Other comprehensive items	Total	Non-controlling interests	Total stockholders' equity
At January 1, 2025	1,449	-8	1,100	3,208	-763	4,986	2	4,989
Net Result	0	0	0	276	0	276	0	277
Other comprehensive income (loss)	0	0	0	0	9	9	0	9
Total comprehensive income (loss)	0	0	0	276	9	286	0	286
Distribution of dividends	0	0	0	-266	0	-266	0	-266
At June 30, 2025	1,449	-8	1,100	3,219	-754	5,006	2	5,009
At January 1, 2024	1,449	-8	1,100	2,821	-764	4,598	2	4,601
Net Result	0	0	0	263	0	263	0	263
Other comprehensive income (loss)	0	0	0	0	8	8	0	8
Total comprehensive income (loss)	0	0	0	263	8	271	0	271
Distribution of dividends	0	0	0	-239	0	-239	0	-239
At June 30, 2024	1,449	-8	1,100	2,845	-756	4,630	2	4,633

Condensed Operating Segments

H1 2025									
in EUR million (unaudited)	Austria	Bulgaria	Croatia	Belarus	Slovenia	Serbia	North Macedonia	Other*	Consolidated
Total revenues (incl. OOI)	1,362	404	286	245	114	200	85	-11	2,685
EBITDA	476	178	120	110	23	77	31	-15	999
Earnings before income tax - EBT	98	101	53	85	-13	31	13	-7	361
Total capital expenditures	230	60	40	16	7	21	7	7	387

H1 2024									
in EUR million (unaudited)	Austria	Bulgaria	Croatia	Belarus	Slovenia	Serbia	North Macedonia	Other*	Consolidated
Total revenues (incl. OOI)	1,372	368	267	207	113	190	77	-12	2,583
EBITDA	508	165	108	69	27	70	27	-16	959
Earnings before income tax - EBT	142	96	42	44	-8	25	10	-4	346
Total capital expenditures	322	72	46	7	10	12	8	4	480

* Other includes: Corporate, Other & Eliminations

Selected Explanatory Notes to the Consolidated Interim Financial Statements

Basis of Presentation

The consolidated interim financial statements as of June 30, 2025 and for the first six months of 2025 ("H1 2025") include, in the opinion of Management, all adjustments necessary for a fair presentation of the financial position and performance and are not audited or reviewed and should be read in connection with the audited A1 Group's annual consolidated financial statements according to IFRS for the year ended December 31, 2024. The consolidated results for the interim periods are not necessarily indicative of results for the full year.

The use of automated calculation systems may give rise to rounding differences. Values of 0/-0 shown in tables may result from amounts lower than EUR 0.5/-0.5 million.

The preparation of the interim financial statements in conformity with IAS 34 "Interim Financial Reporting" requires making estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. The significant judgments and the key sources of estimation uncertainty are the same as those described in the latest annual financial statements. Actual results could differ from these estimates.

Compared to other economic sectors, the telecommunications industry is in general less cyclical. Within the telecommunication sector, the seasonality of the A1 Group's segments shows the same pattern as other European incumbents, having lower margins in the year-end quarter due to Christmas promotions and increases in sales commissions.

Changes in Accounting Policies

A1 Group has applied the same accounting policies and methods of computation in the interim financial statements as in the annual financial statements as of and for the year ended December 31, 2024, except the following standards respectively amendments to standards which are effective from January 1, 2025:

IAS 21	Amendments: Lack of Exchangeability
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The standard respectively the amendment to the standard does not have a material impact on the condensed consolidated interim financial statements. It is not applicable to the Belarusian subsidiaries, as in Belarus there are no restrictions for converting the Belarusian ruble into foreign currency.

Related Party Transactions

The following lease payments were made to the EuroTeleSites ("ETS") Group:

in EUR million (unaudited)	H1 2025	H1 2024
Lease principal paid	93	82
Lease interest paid	28	33
Lease paid to ETS Group total	121	115

In addition to the ETS bond of EUR 180 million acquired in July 2024, a further bond issued by ETS Group as a private placement with a face value of EUR 255 million, a term until November 26, 2026 and a fixed interest rate of 3.029% was acquired by A1 Group on April 22, 2025. Both bonds are not disclosed in receivables due from related parties, but in long-term investments. In H1 2025, A1 Group recognized interest income of EUR 5 million relating to these bonds.

Revenues

The following table shows the revenues per segment:

in EUR million (unaudited)	Austria	Bulgaria	Croatia	Belarus	Slovenia	Serbia	North Macedonia	Other*	Consolidated
H1 2025									
Service revenues	1,210	321	238	178	88	157	69	-9	2,253
Equipment revenues	124	77	44	60	24	43	16	1	389
Other operating income	28	6	3	7	1	1	1	-3	43
Total revenues (incl. OOI)	1,362	404	286	245	114	200	85	-11	2,685
H1 2024									
Service revenues	1,227	301	221	159	87	147	65	-12	2,195
Equipment revenues	117	62	43	43	25	42	12	0	344
Other operating income	28	5	3	5	1	1	1	0	44
Total revenues (incl. OOI)	1,372	368	267	207	113	190	77	-12	2,583

* Other includes: Corporate, Other & Eliminations

Cost and Expenses

The cost of equipment corresponds to material expense. Employee expenses are shown in the following table:

in EUR million (unaudited)	H1 2025	H1 2024
Employee expenses, including benefits and taxes	-532	-510

Cash and Cash Equivalents and Investments

In Q2 2024, the Belarusian government imposed temporary restrictions on payment of dividends to foreign investors residing in European Union and other countries considered "unfriendly". As of June 30, 2025 cash and cash equivalents of the Belarusian subsidiaries amount to EUR 65 million (December 31, 2024: EUR 41 million). Furthermore, short-term investments in Belarus amounting to EUR 57 million are subject to these restrictions at June 30, 2025 (December 31, 2024: EUR 25 million).

For the acquisition of the bond issued by ETS, see „Related Party Transactions“.

Intangibles and Property, Plant and Equipment

In Q2 2025, A1 Bulgaria acquired concessions for cellular network licenses in the 2100 MHz range for a total of EUR 10 million.

In Q2 2024, A1 Bulgaria acquired frequencies for EUR 31 million in the 900 Mhz and 1800 Mhz band and A1 Austria acquired 400 MHz in the 26 GHz band as well as additional regional frequencies in the 3.5 GHz spectrum for a total of EUR 7 million.

Provisions and Accrued Liabilities

Restructuring

The provision for restructuring (employees who will no longer provide services) and social plans as well as for civil servants who voluntarily changed to the Austrian government to take on administrative tasks and the discount rates applied are disclosed in the following table:

	Jun. 30, 2025	Dec. 31, 2024
in EUR million	unaudited	audited
Restructuring and social plans	330	336
Civil servants transferred to the government	4	4
Total restructuring	333	340
Discount rate		
Employees permanently leaving the service process	2.75%	3.00%
Social plans	2.75%	2.75%
Civil servants transferred to the government	2.75%	3.00%

In H1 2025, the provision for restructuring was reduced by usage which was mostly offset by additions due to new social plans.

Employee benefit obligations

The following table discloses the discount rates applied to measure employee benefit obligations:

	Jun. 30, 2025	Dec. 31, 2024
Discount rate	unaudited	audited
Service awards	2.75%	2.75%
Severance	3.50%	3.50%
Pensions	3.25%	3.25%

Asset retirement obligation

In H1 2025, the parameters used for calculating the asset retirement obligation were adjusted to current market expectations in each operative segment and are summarized in the following table:

	Jun. 30, 2025	Dec. 31, 2024
	unaudited	audited
Discount rate	3,4%-23,7%	3,0%-23,9%
Inflation rate	2,2%-5,4%	2,1%-5,8%

In essence, the change in the specified parameters as well as the change in the estimated outflow of resources resulted in a decrease in the obligation with no impact on income due to an adjustment in the carrying amount of the related item of property, plant and equipment of EUR 3 million (H1 2024: decrease of EUR 6 million).

Income Taxes

	H1 2025	H1 2024
	unaudited	unaudited
Effective income tax rate	23.3%	24.0%

Stockholders' Equity

The following dividends were declared by the shareholders at the Annual General Meeting and distributed by Telekom Austria AG:

	H1 2025	H1 2024
Date of Annual General Meeting	Jun. 3, 2025	Jun. 27, 2024
Dividend per share in euro	0.40	0.36
Total dividend paid in Mio. EUR	266	239
Date of payment	Jun. 11, 2025	Jul. 4, 2024

Other comprehensive income (loss) items in the Condensed Consolidated Statements of Changes in Stockholders' Equity include the remeasurement of defined benefit obligations (IAS 19 reserve), remeasurement of investments at fair value through other comprehensive income (FVOCI reserve) and the translation reserve. In H1 2025, EUR 12 million of the effect of translation of foreign entities in other comprehensive income relate to the appreciation of the Belarusian ruble (H1 2024: appreciation of EUR 8 million).

Share-based Compensation

On April 1, 2025, the 16th tranche of the long-term incentive program (LTI 2025) was granted. LTI 2025 has a performance period from January 1, 2025 to December 31, 2027 and a corridor for target achievement from 0% to 200%. The target values for the key indicators were determined by the Supervisory Board and are the following:

- EBITDA growth, weighted at 40%
- ICT business growth, weighted at 15%
- Revenue market share growth, weighted at 15%
- Two Environmental, Social & Corporate Governance ("ESG") goals: reduction of gender pay gap and reduction of carbon foot print, each weighted at 15%

Financial Instruments

The following tables show the classification as well as the carrying amounts and fair values of financial assets and financial liabilities (debt). Fair values are not disclosed in case the carrying amount is a reasonable approximation of the fair value:

	Jun. 30, 2025		Dec. 31, 2024	
	Carrying amount	Fair value	Carrying amount	Fair value
in EUR million	unaudited	unaudited	audited	audited
Cash and cash equivalents	355	n.a.	367	n.a.
Accounts receivable: Subscribers, distributors and other	941	n.a.	950	n.a.
Receivables due from related parties	12	n.a.	16	n.a.
Other current financial assets	49	n.a.	21	n.a.
Other non-current financial assets	4	n.a.	4	n.a.
Investments at amortized cost	563	565	274	276
Financial assets at amortized cost	1,925	n.a.	1,633	n.a.
Equity instruments at fair value through profit or loss*	7	7	4	4
Debt instruments at fair value through other comprehensive income*	26	26	22	22
Debt instruments at fair value through profit or loss*	10	10	16	16
Financial assets at fair value	44	44	42	42

* mandatory

n.a. - Not applicable as the practical expedient of IFRS 7.29 (a) was applied.

For the increase in investments at amortized cost, see “Related Party Transactions”.

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 June 30, 2025 and at December 31, 2024, this applies to the bonds issued by ETS Group and bonds held in Belarus. For fixed deposits, the carrying amount approximates the fair value.

	Jun. 30, 2025		Dec. 31, 2024	
	Carrying amount	Fair value	Carrying amount	Fair value
in EUR million	unaudited	unaudited	audited	audited
Short-term bank debt	230	230	0	0
Bonds	749	741	749	736
Payables due to related parties	36	n.a.	37	n.a.
Current financial liabilities	887	n.a.	872	n.a.
Other non-current financial liabilities	46	46	44	44
Financial liabilities at amortized cost	1,948	n.a.	1,702	n.a.
Lease liabilities	1,847	n.a.	1,900	n.a.

n.a. - Not applicable as the practical expedients of IFRS 7.29 (a) respectively IFRS 7.29 (d) for lease obligations were applied.

The fair value of the quoted bond equals the face value multiplied by the price quotation at the reporting date and is thus classified as level 1 of the fair value hierarchy. The fair values of the bank debt are measured at the present values of the cash flows associated with the debt, based on the applicable yield curve. The fair values of the other non-current financial liabilities are measured at the present values of the cash flows, discounted based on current interest rates, and are thus classified as level 2 of the fair value hierarchy.

Other Events

To further strengthen A1 Group's convergence strategy, fixed-line telecommunications providers were acquired in Serbia (Conxio Metro d.o.o.) and in Slovenia (Peter's Teleurh d.o.o.) in H1 2025.

As of June 30, 2025, A1 Bank AG ceased its credit card business. In May 2025, a contract for the sale of A1 Bank AG was signed. The closing of the transaction is pending the obtaining of all relevant regulatory approvals.

Vienna, July 22, 2025

The Management Board

Alejandro Plater m.p.
Chief Executive Officer

Thomas Arnoldner m.p.
Deputy Chief Executive Officer

Statement of All Legal Representatives

Declaration of the Management Board according to §125 Para 1 Stock Exchange Act

We confirm to the best of our knowledge that the condensed interim financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group as required by the International Financial Reporting Standards (IFRS) and that the group management report gives a true and fair view of important events that have occurred during the first six months of the financial year and their impact on the condensed interim financial statements and of the principal risks and uncertainties for the remaining six months of the financial year and of the major related party transactions to be disclosed.

Vienna, July, 22 2025

The Management Board

Alejandro Plater m.p.
Chief Executive Officer

Thomas Arnoldner m.p.
Deputy Chief Executive Officer

Financial calendar

Oct 14, 2025 Results Q3 / Q1-Q3 2025

Risks and uncertainties

A1 Group faces various risks and uncertainties that could affect its results. For further details about these risks and uncertainties, please refer to the latest A1 Group Annual Financial Report.

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Disclaimer

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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.

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