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Annual Financial Report 2025

Telekom Austria AG

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Group Management Report

Group overview and market environment

Business environment

In 2025, the mild economic recovery observed in the previous year is expected to continue. While inflation is trending down globally, regional differences persist. The monetary policy easing—interest rate cuts by the US Federal Reserve and the European Central Bank—has taken effect, resulting in lower financing costs, which support both investment activity and consumer demand.

For 2026, the outlook remains cautiously positive, with moderate but slightly increasing global economic growth projected. Growth in our markets is expected to remain moderate, with most economies recording a slight increase in gross domestic product (GDP). Inflation is noticeably decreasing but is only gradually approaching the central banks' target levels.¹

After a substantial decline in inflation throughout 2024, the disinflationary trend continued in 2025: In December 2025, inflation in the United States decreased to around 2.7%². In the Eurozone, average inflation declined from 2.4% in 2024 to an average of 1.9% in 2025³.

Based on estimates from January 2026, the International Monetary Fund (IMF) continues to forecast stable global economic growth for the coming years. After an increase of 3.2% in global gross domestic product (GDP) in 2024, growth of 3.3% is projected for both 2025 and 2026.

For advanced economies, the IMF expects growth of 1.9% in 2025 and 1.8% in 2026. In the United States, growth is forecast at 2.7% in 2025 and 2.1% in 2026. In the euro area, growth is estimated at 1.0% for 2025 and is expected to rise to 1.4% in 2026.

Momentum remains strong in emerging market and developing economies: growth of 4.2% is forecast for 2025, increasing further to 4.3% in 2026. Growth in Asia is particularly robust – China's GDP is forecast to rise by 4.6% in 2025 and 4.5% in 2026, while India is expected to maintain constant growth of 6.5% per year.⁴

Based on the latest forecast of the IMF in January 2026, the A1 Group's markets are showing overall positive real GDP growth, while inflation is expected to decline in most of our operating countries. Even though Austria is expected to see slight growth of 0.3% in 2025 and 0.8% in 2026 after years of decline, the growth rates will nevertheless remain below those of the euro area.⁵

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.imf.org/-/media/files/publications/weo/2025/update/january/english/text.pdf>

⁵ Source: <https://www.imf.org/en/publications/weo/issues/2025/10/14/world-economic-outlook-october-2025>

Development of real GDP and inflation in the markets of the A1 Group¹

in %	2024		2025e		2026e	
	GDP	Inflation	GDP	Inflation	GDP	Inflation
Austria	-1.0	2.9	0.3	3.6	0.8	2.3
Bulgaria	2.8	2.6	3.1	3.6	3.1	3.4
Croatia	3.9	4.0	3.1	4.4	2.7	2.8
Belarus	4.0	5.8	2.1	7.0	1.4	7.5
Slovenia	1.7	2.0	1.1	2.5	2.3	2.4
Serbia	3.9	4.7	2.4	4.6	3.6	4.0
North Macedonia	2.8	3.5	3.4	3.9	3.2	3.0

Industry trends and competition

As part of its strategic process, the A1 Group has identified the following trends:

The rapid advancement of artificial intelligence (AI) and real-time data analytics is transforming business operations, making real-time decision-making the new standard. With increasing data traffic driven by digitalization and over-the-top (OTT) content, and the continuous expansion of broadband infrastructure (fiber and 5G), telecommunications companies are at the heart of this digital evolution.

To differentiate themselves in the market, enhancing end-to-end customer experiences is crucial—particularly through anticipating customer needs and delivering personalized services.

As ecosystems of interconnected companies, services, and technologies drive future economic growth, telecommunications firms must redefine their role and actively shape platforms and partnerships.

Telecoms remain central to digitalization, with software playing a critical role in boosting business efficiency through network design, automation, virtualization, and cloud services. This software foundation also unlocks new business opportunities in the area of digital services.

Cyber security continues to gain importance, both due to stricter regulations such as the EU NIS2 directive and the growing number of cyber attacks, presenting both challenges and business opportunities for telecom companies.

In addition, there is a rising demand for solutions that ensure data sovereignty and compliance with national and European legal frameworks. Regulatory requirements and increasing security needs will further heighten the relevance of local data storage.

Cloud computing and edge computing are also becoming increasingly popular due to their advantages in innovation, mobility, flexibility, cost efficiency, and enhanced data security.

Furthermore, ESG aspects have become mandatory for maintaining market competitiveness. The competitive landscape is also expanding to include satellite-based internet companies.

¹ Source: <https://www.imf.org/en/publications/weo/issues/2025/10/14/world-economic-outlook-october-2025>, data on inflation based on average consumer prices

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	in USD	in million	market position ³⁾	in million	market position ³⁾
Austria	9.2	71,600	5.2	#1	2.6	#1		
Bulgaria	6.4	41,500	3.9	#2	1.5	#2		
Croatia	3.9	48,800	2.2	#2	0.7	#2		
Belarus	9.1	33,000	5.0	#2	1.1	#2		
Slovenia	2.1	56,500	0.8	#3	0.2	#3		
Serbia	6.6	32,200	2.4	#3	0.0	n.m.		
North Macedonia	1.8	26,500	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: 2024, 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: 2024, 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 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 harmonized conditions within the EU.

Significant developments are currently taking place at the European level, where a potential realignment of telecommunications law is being discussed, as well as ongoing adjustments regarding roaming and national access regulations.

European Regulatory Reform Debate

The European Commission has presented a proposal for a Digital Networks Act (DNA), which aims to comprehensively modernize the existing European legal framework for electronic communications. The objective is to create a more harmonized and investment-friendly environment that facilitates the roll-out of gigabit-capable networks, promotes cross-border economies of scale, and enables a more consistent European spectrum policy.

The reform approach is subject to controversial debate and is not far-reaching enough for many operators, while several member states critically assess individual proposals—especially in cases where existing national competences or established regulatory models would be affected. The impact on market structure and regulation will ultimately depend on the final version of the legislation.

For A1 Group, the initiative brings both opportunities and uncertainties: a clearer and more harmonized framework could create better long-term investment conditions, but the actual effects will largely depend on how the balance between investment incentives, competition, and consumer interests is defined.

Fixed-line regulation

Market regulation in Austria

In Austria, the broadband wholesale markets were largely deregulated in 2022. Since then, most market relationships have been based on commercial agreements, which have been positively assessed from a regulatory perspective and have created a more stable environment for investments in very high-capacity networks (VHCN).

For high-quality access products—particularly Ethernet services and dark fiber—regulatory obligations remain in place in rural areas. These obligations ensure access and price caps for alternative operators, while deregulation measures have been implemented in many other regions.

Mobile communication regulation

Roaming

EU roaming regulations remain a key element of the European telecommunications framework. Starting in January 2026, the regulated roaming area has been expanded to include Ukraine and Moldova.

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. In Serbia, national mobile termination rates are set at 0.50 RSD (approximately EUR 0.0043) for all operators. In North Macedonia, the regulated rate for all operators is 0.63 MKD (approximately EUR 0.0102). In Belarus, termination rates also remain regulated and vary depending on the operator and time of day.

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.

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.

Business development and economic situation

Business performance in financial year 2025

The trends observed in previous years continued in the 2025 financial year. The A1 Group held its ground in a challenging market environment, underlining the resilience of its business model. Key drivers of this development included ongoing digitalization, steadfast customer orientation, and a high level of service quality throughout the customer journey. The customer base expanded both in the fixed-line and mobile segments, supported by targeted customer acquisition and effective churn prevention measures.

Already in 2024, inflation rates in our markets decreased compared to prior years. As a result, price adjustment measures linked to the previous year's CPI index were of a lower magnitude in 2025. These adjustments became effective from April 1, 2025, at 2.9% in Austria and 3.0% in Croatia.

Nevertheless, the economic environment—especially in Austria—remained demanding. The core retail business continued to see pronounced price sensitivity among customers, and the restrained economic situation was also felt in the B2B segment. The overall situation was more encouraging in the CEE markets, with persistently strong demand for digital B2B services.

In addition to the described growth levers, efficiency remained a clear focus in 2025, supporting a slight margin increase at group level on an operational basis. At the same time, the company was positioned for the future and maintained financial flexibility for growth opportunities.

The Competence Delivery Center represented a major milestone in our transformation: Certain activities are now performed once at group level rather than multiple times in each market, aiming for harmonization of tools, systems, and processes. As of year-end 2025, the Competence Delivery Center concept launched in 2024 already comprised 20 delivery centers, such as Finance, HR, and Network Operations Center. Reducing the share of indirect costs helps address inflation-driven personnel cost pressure and strengthens our ability to invest in the market.

To fully leverage opportunities in B2B digital services, we launched a dedicated Business Delivery Center in 2025. The focus is on simplifying and harmonizing B2B digital services, accelerating time-to-market, and broadening the service portfolio for B2B customers both within and outside our footprint.

As in previous years, A1 Group pursued a disciplined investment approach: With reduced investments excluding spectrum, we consistently continued to expand broadband infrastructure in both fixed-line and mobile in Austria and CEE markets, while focusing on monetizing existing investments.

A1 Group made significant progress in spectrum acquisition in 2025. In November 2025, A1 Serbia acquired frequencies in several key bands with validity until March 2047 in a 5G auction – 700, 900, 1,800, 2,100, 2,600, and 3,400–3,800 MHz – for a total of EUR 100 million. Payment is made in two installments, with the first in November 2025 and the second due at the latest by June 30, 2026. With official license allocation in early December 2025, A1 Serbia immediately launched the Ultra-5G network. These investments lay the foundation for further 5G infrastructure expansion and underscore the A1 Group's long-term growth strategy.

In the first quarter of 2025, A1 Bulgaria acquired spectrum totaling EUR 10 million, the majority for the extension of 2 × 20 MHz in the 2,100 MHz band. In addition, 2 × 0.4 MHz was acquired in the 900 MHz band.

In 2025, S&P and Fitch both reaffirmed their A- (stable outlook) rating for A1 Group, and Moody's maintained its A3 (stable outlook) rating. This kept A1 Group among the best-rated European telecommunications companies and underscored its financial solidity.

Operational and financial performance of the A1 Group

For the operational year-on-year comparison at EBITDA level in 2025, non-operating effects and restructuring are taken into consideration:

Negative one-off effects in EBITDA of EUR 17 mn in 2025 contrasted with positive one-off effects of EUR 13 mn in 2024.

- In the fourth quarter of 2025, provisions of EUR 17 mn were booked in Austria in connection with a legal case.
- In 2024, positive one-off effects totaling EUR 13 mn contributed to EBITDA: EUR 9 mn from other operating income in Austria (EUR 5 mn) and Croatia (EUR 4 mn), and EUR 4 mn in total costs and expenses (Austria EUR 1 mn, Croatia EUR 3 mn).

Restructuring expenses in Austria increased to EUR 96 million in 2025 compared to EUR 89 million the previous year.

The Belarusian ruble remained broadly stable against the euro during the 2025 financial year, showing an appreciation towards year-end. Currency effects at Group level were almost entirely attributable to Belarus and were positive: EUR 7 mn to total revenues, EUR 5 mn to service revenues, and EUR 3 mn to EBITDA.

Mobile subscribers

In the mobile communications business, we increased the number of total subscribers by 11% year-on-year to a total of 30.2 million. The main driver of this growth was once again the strong expansion in the M2M (machine-to-machine) segment. Excluding M2M, the number of customers rose by 1.3% thanks to growth in the contract customer segment, while the number of prepaid customers continued to decline in line with the trend of recent years. Both the increase in mobile WiFi routers and growth in the core mobile business contributed to the overall rise in customer numbers. The total number of mobile and contract customers increased in all countries.

Fixed RGUs

In the fixed-line business, the number of revenue-generating units (RGUs) rose by 1.7% compared to the previous year. Growth in international markets, particularly in Belarus and Bulgaria, more than offset the decline in Austria. In Austria, ongoing strong demand for broadband with higher bandwidths could not compensate for the decreases in broadband RGUs with lower bandwidths and voice RGUs.

Key figures

in EUR million	2025	2024	Δ
Total revenues	5,577	5,413	3.0%
Service revenues	4,588	4,502	1.9%
Equipment revenues	887	813	9.0%
Other operating income	103	98	5.6%
Wireless revenues	3,263	3,172	2.9%
Service revenues	2,553	2,500	2.1%
Equipment revenues	710	672	5.7%
Wireline revenues ¹⁾	2,211	2,143	3.2%
Service revenues	2,035	2,002	1.6%
Equipment revenues	177	141	24.8%
EBITDA ²⁾	2,062	2,021	2.0%
EBITDA margin	37.0%	37.3%	-0.4pp
EBITDAaL ³⁾	1,632	1,603	1.8%
EBITDAaL margin	29.3%	29.6%	-0.4pp
Depreciation, amortization, impairments	1,211	1,160	4.4%
EBIT ⁴⁾	852	861	-1.1%
EBIT margin	15.3%	15.9%	-0.6pp
Net result	613	627	-2.2%
Net margin	11.0%	11.6%	-0.6pp
Capital expenditures	889	865	2.8%
Tangible	666	653	1.9%
Intangible	223	211	5.7%
Free cash flow	596	575	3.7%
	Dec. 31, 2025	Dec. 31, 2024	Δ
Net debt / EBITDA (12 months) ⁵⁾	0.9	1.1	-0.18x
Net debt (excl. leases) / EBITDAaL (12 months) ⁵⁾	0.0	0.2	-0.18x
Customer indicators (thousand)	Dec. 31, 2025	Dec. 31, 2024	Δ
Mobile subscribers	30,179	27,122	11.3%
Postpaid	26,618	23,447	13.5%
Prepaid	3,561	3,676	-3.1%
RGUs ⁶⁾	6,460	6,352	1.7%
	2025	2024	Δ
ARPU (in EUR) ⁷⁾	7.5	8.0	-6.5%
ARPL (in EUR) ⁸⁾	26.4	27.0	-2.3%
Mobile churn	1.2%	1.3%	-0.1pp
	Dec. 31, 2025	Dec. 31, 2024	Δ
Employees (full-time equivalent)	16,628	17,298	-3.9%

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⁾ The definition of net debt was revised in 2025 and now includes both short-term and long-term marketable financial investments (previously only short-term).

⁶⁾ Revenue Generating Unit

⁷⁾ Average Revenue Per User incl. Machine-to-Machine (M2M) Subscriber

⁸⁾ Average Revenue Per Line

In the 2025 financial year, A1 Group's total revenues increased by 3.0%, attributable to both higher service revenues and increased equipment revenues. The largest contributions came from Belarus, Bulgaria, and Serbia. Equipment revenues increased across all markets. Service revenues grew in all markets except Austria.

The growth in service revenues was primarily driven by higher retail mobile service revenues as well as increased revenues in the Solutions and Connectivity business. For retail fixed-line service revenues, the growth seen in international markets could not offset the declines in Austria.

Overall, results benefited from strong demand in the ICT Solutions business, successful upselling, and, at the start of the year, from index-linked price adjustments. The solid development in mobile WLAN routers continued. In the retail fixed-line segment, robust demand persisted for broadband and TV products in international markets. Overall, that more than compensated for declines in interconnection revenues and the decrease in the fixed-line voice business.

Equipment revenues rose both as a result of higher sales of mobile handsets and ICT equipment.

Total costs and expenses were higher than in the previous year, primarily due to increased equipment costs. Total workforce costs, before restructuring, remained almost stable as a result of a lower full-time equivalent (FTE) count; including the higher restructuring expenses mentioned above, they increased. Savings were achieved in network maintenance, and energy costs were also lower. Overall, these savings partially offset increases in product-related costs—such as for licenses, software for resale, content costs, and higher advertising spending. The margin from equipment sales decreased.

Overall, EBITDA increased by 2.0%. The largest contributions to EBITDA growth came from Belarus, Bulgaria, and Croatia; all countries except Austria and Slovenia recorded EBITDA increases. On an operational level, EBITDA increased by 3.7% excluding one-off effects and restructuring.

Depreciation and amortization rose year-on-year due to higher depreciation on rights of use asset and a changed asset mix. As a result, operating profit was 1.1% below the previous year's level.

In 2025, A1 Group recorded a financial result of EUR -76 million (2024: EUR -98 million).

Income tax expense increased to EUR 163 million year-on-year, partly because the previous year's comparative figure of EUR 137 million included a deferred tax gain that reduced tax expense.

Net profit for the 2025 financial year amounted to EUR 613 million (2024: EUR 627 million).

	2025	2024	Δ
Earnings per share (in EUR)	0.92	0.94	-2.2%
Dividend per share, paid (in EUR)	0.40	0.36	11.1%
Free cash flow per share (in EUR)	0.90	0.87	3.7%
ROE	11.8%	13.1%	-1.3pp
Operating ROIC	11.0%	11.2%	-0.2pp

Net assets and financial position

As of December 31, 2025, total assets amounted to EUR 10,228 million, representing an increase of 3.8% compared to December 31, 2024. On the asset side, this rise was primarily due to higher marketable, short-term investments. In addition, trade receivables increased. Long-term assets remained largely stable, as additions to property, plant and equipment were offset by a decrease in right-of-use assets and intangible assets.

The EUR 750 million bond maturing in December 2026 was reclassified from non-current to current liabilities. This explains the significant increase in current financial liabilities, while there are no longer any non-current financial liabilities. Other current liabilities mainly increased due to higher trade payables. Non-current liabilities decreased not only due to the reclassification of the bond, but also because of lower lease liabilities.

Equity was further strengthened, increasing by 7.3% to EUR 5,353 million.

Balance sheet structure

in EUR million	Dec. 31, 2025	As % of the balance sheet total	Dec. 31, 2024	As % of the balance sheet total
Current assets	2,283	22.3%	1,828	18.6%
Property, plant and equipment	3,213	31.4%	3,116	31.6%
Goodwill	1,092	10.7%	1,089	11.1%
Intangible assets, net	1,509	14.8%	1,604	16.3%
Other assets	2,131	20.8%	2,217	22.5%
Total assets	10,228	100.0%	9,854	100.0%
Current liabilities	-2,766	27.0%	-1,889	19.2%
Long-term debt	0	0.0%	-749	7.6%
Lease liabilities long term	-1,513	14.8%	-1,585	16.1%
Employee benefit obligation	-155	1.5%	-166	1.7%
Non-current provisions	-366	3.6%	-398	4.0%
Other long-term liabilities	-75	0.7%	-78	0.8%
Stockholders' equity	-5,353	52.3%	-4,989	50.6%
Liabilities and stockholders' equity	-10,228	100.0%	-9,854	100.0%

Cash flow

in EUR million	2025	2024	Δ
Net cash flow from operating activities	1,844	1,814	1.6%
Net cash flow from investing activities	-1,162	-909	27.9%
Net cash flow from financing activities	-689	-707	-2.5%
Adjustment to cash flows due to exchange rate fluctuations, net	2	-0	n.m.
Net change in cash and cash equivalents	-5	198	-102.7%

In the reporting year, cash flow from operating activities increased slightly. This was mainly driven by the continued solid operating result and higher interest received.

Cash flow from investing activities was mainly characterized by the investments in marketable financial investments described above. Payments for property, plant and equipment and intangible assets were somewhat lower.

In terms of financing activities, the inflow and repayment of short-term financial liabilities largely offset each other. Additionally, more lease payments and a higher dividend payout were made this year. Interest paid was at the same level as the previous year.

Net debt

	Dec 31, 2025	Dec 31, 2024	Δ
Long-term debt	0	749	-100.0%
Lease liability long-term	1,513	1,585	-4.6%
Short-term debt	754	0	n.m.
Lease liability short-term	342	316	8.3%
Cash and cash equivalents	-362	-367	-1.4%
Investments marketable ¹⁾	-318	-25	n.m.
Net debt (incl. leases)	1,928	2,257	-14.6%
Net debt (incl. leases) / EBITDA	0.9	1.1	-0.18x
Net debt (excl. leasing)	74	357	-79.4%
Net debt excl leasing / EBITDAaL	0.0	0.2	-0.18x

¹⁾ The definition of net debt was revised in 2025 and now includes both short-term and long-term marketable financial investments (previously only short-term).

In the 2025 financial year, net debt was further reduced. While the aforementioned marketable investments increased (please see Note 19 in the consolidated financial statements), financial liabilities remained almost unchanged. In addition, lease liabilities declined, which further contributed to an improved debt structure.

As a result of these developments, the net debt to EBITDA ratio improved: including lease liabilities, the ratio decreased from 1.1 to 0.9. Excluding lease liabilities, the ratio to EBITDA after leasing decreased from 0.2 to nearly 0.0.

Free cash flow

	2025	2024	Δ
EBITDA	2,062	2,021	2.0%
Restructuring charges and cost of labor obligations	102	91	12.4%
Lease paid (principal, interest and prepayments)	-412	-389	6.1%
Income taxes paid	-152	-156	-2.4%
Net interest paid	10	2	n.m.
Change working capital and other changes	-52	-67	-23.5%
Capital expenditures	-889	-865	2.8%
Social plans new funded ¹⁾	-72	-63	15.2%
FCF after social plans new	596	575	3.7%

¹⁾ Cost for social plans granted in the respective period

During the reporting period, A1 Group's free cash flow amounted to EUR 596 mn, representing an increase of 3.7% year-on-year. This increase was primarily attributable to a slightly improved operating result, lower investments (CAPEX) excluding spectrum, and favorable developments in working capital. These positive effects more than compensated for the rise in spectrum investments (EUR 110 mn in 2025 vs. EUR 39 mn in 2024) as well as higher lease payments.

The changes in working capital and other items were mainly driven by a positive development in receivables. Payables also contributed positively, as EUR 50 million in spectrum investments as described will be paid in 2026. These effects more than offset higher effects from installment sales. Overall, the working capital development in the reporting year contributed to the improvement in free cash flow.

Capital expenditures ("CAPEX")

In the 2025 financial year, total capital expenditures (CAPEX) of the A1 Group amounted to EUR 889 million, representing an increase of 2.8% compared to the previous year. Particularly noteworthy is the significantly higher CAPEX for frequency spectrum. In November 2025, A1 Serbia acquired frequencies in several key bands—including 700, 900, 1800, 2100, 2600, and 3400–3800 MHz—in the context of the 5G auction, for a total of EUR 100 mnn. Additionally, in the first quarter of 2025, A1 Bulgaria acquired spectrum with a total value of EUR 10 mn. The majority of this was used to extend 2 × 20 MHz in the 2100 MHz band; furthermore, 2 × 0.4 MHz in the 900 MHz band were added. By comparison, spectrum investments in the 2024 financial year amounted to EUR 39 mnn, mainly attributable to Bulgaria and Austria. In 2025, total spectrum investments were EUR 110 mn. At the same time, capital expenditures continued to be strategically allocated to the expansion of fiber and further development of the 5G network. Excluding spectrum, CAPEX amounted to EUR 779 mn, which is 5.6% below the previous year's level of EUR 825 million. Only Serbia saw a significant increase in CAPEX (excluding spectrum), while investments in Austria declined.

A1 Group underlying performance

in EUR million	2025	2024	Δ
Total revenues	5,577	5,413	3.0%
One-off effects ¹⁾	0	-9	-
Total revenues adjusted for one-off effects	5,577	5,404	3.2%
EBITDA	2,062	2,021	2.0%
One-off effects ¹⁾	17	-13	-231.4%
Restructuring ¹⁾	96	89	7.7%
EBITDA adjusted for one-off effects and restructuring	2,175	2,097	3.7%

¹⁾ A negative value means a positive impact and vice versa.

Total revenues (incl. other operating income)

in EUR million	2025	2024	Δ
Austria	2,745	2,807	-2.2%
Bulgaria	895	821	9.1%
Croatia	592	570	3.8%
Belarus	530	449	18.0%
Slovenia	234	230	1.5%
Serbia	422	398	6.0%
North Macedonia	178	164	8.8%
Corporate & other, eliminations	-18	-26	-30.8%
Total revenues (incl. other operating income)	5,577	5,413	3.0%

Service revenues

in EUR million	2025	2024	Δ
Austria	2,415	2,487	-2.9%
Bulgaria	676	625	8.2%
Croatia	490	466	5.1%
Belarus	370	327	13.2%
Slovenia	179	177	0.7%
Serbia	326	309	5.5%
North Macedonia	145	135	7.6%
Corporate & other, eliminations	-13	-24	-45.3%
Service revenues	4,588	4,502	1.9%

EBITDA

in EUR million	2025	2024	Δ
Austria	988	1,039	-4.9%
Bulgaria	371	341	8.9%
Croatia	239	224	6.7%
Belarus	231	196	17.9%
Slovenia	49	52	-4.8%
Serbia	152	146	3.7%
North Macedonia	62	57	9.1%
Corporate & other, eliminations	-30	-33	-10.1%
EBITDA	2,062	2,021	2.0%
Restructuring charges	-96	-89	7.7%
EBITDA before restructuring	2,158	2,110	2.3%

EBITDA after leases

in EUR million	2025	2024	Δ
Austria	754	811	-7.1%
Bulgaria	314	286	9.9%
Croatia	199	186	6.9%
Belarus	220	186	18.2%
Slovenia	17	20	-13.4%
Serbia	110	105	4.7%
North Macedonia	49	44	12.9%
Corporate & other, eliminations	-31	-34	-8.7%
EBITDA after leases	1,632	1,603	1.8%

EBIT

in EUR million	2025	2024	Δ
Austria	305	387	-21.1%
Bulgaria	211	187	12.9%
Croatia	109	100	9.5%
Belarus	190	155	22.4%
Slovenia	-18	-14	-28.8%
Serbia	63	62	1.4%
North Macedonia	28	24	19.2%
Corporate & other, eliminations	-36	-39	-5.4%
EBIT	852	861	-1.1%

Capital expenditures (CAPEX)

in EUR million	2025	2024	Δ
Austria	445	524	-15.1%
Bulgaria	113	121	-6.9%
Croatia	80	79	1.2%
Belarus	30	54	-44.1%
Slovenia	21	21	-1.0%
Serbia	169	33	o.A.
North Macedonia	20	21	-5.6%
Corporate & other, eliminations	10	10	5.1%
CAPEX	889	865	2.8%

Rationale for discontinuing disclosure of average revenue per user and fixed-line (ARPU, ARPL), as well as mobile and fixed-line service revenues:

As our business model continues to transform and with the increasing integration of new product and service categories within A1 Group, the requirements for reporting have also evolved. Key performance indicators such as average revenue per user (ARPU), mobile and fixed-line service revenues now reflect only a limited part of our company's technology, product, and service landscape. This is because a clear separation—especially for newer services—is, in many cases, no longer possible.

Disclosing these individual metrics would neither adequately represent the new market and customer structures nor the presentation of bundled products, IoT solutions, digital services, and other fields of innovation. Moreover, a detailed disclosure of such metrics would reveal competition-sensitive information about our business development. Against this background, we focus on the key management indicators that allow us to provide a transparent, comprehensible, and targeted representation of our company's performance for our stakeholders.

Segment development

Segment Austria

in EUR million	2025	2024	Δ
Total revenues	2,745	2,807	-2.2%
Service revenues	2,415	2,487	-2.9%
Equipment revenues	266	255	4.2%
Other operating income	64	65	-2.4%
Total revenues excl. international business ¹⁾	2,590	2,657	-2.5%
Service revenues excl. international business ¹⁾	2,260	2,337	-3.3%
EBITDA	988	1,039	-4.9%
EBITDA margin	36.0%	37.0%	-1.0pp
EBITDAaL	754	811	-7.1%
EBITDAaL margin	27.5%	28.9%	-1.4pp
EBIT	305	387	-21.1%
EBIT margin	11.1%	13.8%	-2.7pp
Customer indicators (thousand)	Dec 31, 2025	Dec 31, 2024	Δ
Mobile subscribers	5,202	5,131	1.4%
RGUs	2,583	2,727	-5.3%
	2025	2024	Δ
Mobile churn	1.3%	1.3%	-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 49% of A1 Group's total revenues.

The Austrian telecommunications market remained highly competitive throughout 2025. In mobile communications, certain segments—notably the low-price segment—showed initial signs of stabilization, but overall competitive pressure remained intense. We responded with targeted market investments and a focused multi-brand strategy. Higher-value customers were addressed via the A1 brand, with an emphasis on household offers, customer journey initiatives, and loyalty programs. New campaigns under the "YESSS" brand were launched for price-sensitive customers.

The fixed-line market also continued to be characterized by intensive promotional activities and market investments. To defend its position in the Internet@home market, A1 pursues a technology-agnostic approach to flexibly meet customer needs, and drove forward fiber expansion to support upselling. Entertainment offerings and cybersecurity remained central components of the A1 brand's value proposition. Demand in the ICT sector also remained strong.

In Austria, the number of mobile customers increased by 1.4% year-on-year, driven by growth in both mobile core customers and mobile WIFI routers. This was a result of higher gross additions and lower churn. Fixed-line RGUs decreased by 5.3%, mainly due to losses in voice. Broadband RGUs also declined, as gains in high-speed connections did not fully offset losses in the lower bandwidth products.

Total revenues in Austria decreased compared to the previous year, primarily due to declines in service revenues, while equipment revenues increased. The positive effects of price adjustment measures moderated due to lower inflation.

In the mobile business, service revenues declined despite higher customer numbers. In addition to weaker indexation effects, promotions and a lower incoming ARPU had a dampening impact. In fixed-line, a reduction in the customer base and price discounts led to lower service revenues; here, too, the weaker indexation effect reduced momentum. The decrease in voice revenues further weighed on results. Solutions and Connectivity revenues increased. Interconnection revenues declined, mainly due to lower transit revenues.

Total costs and expenses in Austria decreased year-on-year, especially core OPEX—despite the negative impact of one-off effects in a year-on-year comparison. This was primarily attributable to lower total workforce costs before restructuring, due to a reduced FTE count; lower network maintenance costs also contributed positively. These effects offset increases in product-related costs; additionally, core OPEX was affected by high advertising expenditures. Restructuring expenses amounted to EUR 96 mn in 2025 (2024: EUR 89 mn). Equipment costs rose over the course of the year; the device margin was significantly lower compared to the previous year due to higher subsidies.

EBITDA declined by 4.9% in 2025, and by 1.9% excluding the aforementioned one-off effects (negative EUR 17 mn in 2025 and positive EUR 6 mn in 2024, of which EUR 5 mn was in total revenues) and restructuring. The negative one-off effects in 2025 result from a legal dispute (please see “Risk and Opportunity Management”). The reduction in core OPEX achieved through efficiency measures could not offset the decline in service revenues and the weaker equipment margin. Higher depreciation and amortization weighed on operating profit, which declined by 21.1% year-on-year.

International

“International” comprises Bulgaria, Croatia, Belarus, Slovenia, Serbia, and North Macedonia, and, since the first quarter of 2025, also includes A1 Digital. The figures for 2024 and the subsequent analysis for “International” were provided on a pro forma basis to ensure comparability.

International

in EUR million	2025	2024 (pro forma)	Δ	2024 (as reported in 2024)
Total revenues	2,900	2,666	8.8%	2,623
Service revenues	2,233	2,072	7.7%	2,031
Equipment revenues	621	558	11.2%	557
Other operating income	46	35	30.8%	35
EBITDA	1,106	1,016	8.8%	1,016
EBITDA margin	38.1%	38.1%	0.0pp	38.7%
EBITDAaL	909	826	10.1%	826
EBITDAaL margin	31.4%	31.0%	0.4pp	31.5%
EBIT	578	509	13.6%	513
EBIT margin	19.9%	19.1%	0.8pp	19.6%
Customer indicators (thousand)	Dec 31, 2025	Dec 31, 2024	Δ	Dec 31, 2024
Mobile subscribers	24,977	21,992	13.6%	15,159
RGUs	3,878	3,625	7.0%	3,625
	2025	2024 (pro forma)	Δ	2024 (as reported in 2024)
Mobile churn	1.2%	1.3%	-0.1pp	1.8%

Bulgaria accounted for 16% of Group revenues, followed by Croatia with 11% and Belarus with 10%. All international markets recorded growth in service revenues, with the highest growth rates in Belarus, Bulgaria, and North Macedonia. EBITDA increased in all international markets except Slovenia.

For the full year 2025, the A1 Group delivered a very strong performance in its international segments. Revenues rose by around 8.8% year-on-year, mainly driven by higher service revenues. Equipment revenues also increased.

Particularly noteworthy were Bulgaria and Belarus, which made significant contributions to growth. In both countries, upselling, strong demand for high-speed broadband, and the expansion of ICT and Solutions & Connectivity offerings drove revenues. These factors also led to substantial revenue increases in the other international markets.

Equipment revenues continued to rise in the 2025 financial year, with the largest contributions again coming from Bulgaria and Belarus. In the first half of the year, the international segments benefited from value protecting measures, which provided additional growth support. The higher total costs and expenses in the international markets were mainly driven by increased equipment costs. The rise in core OPEX was primarily due to higher total personnel costs and product-related costs such as licenses and software for resale.

Despite the increase in costs, EBITDA in the international markets rose significantly in 2025—up by 8.8%, or 9.5% excluding one-off effects. This positive development was supported by the growth in service revenues in all CEE markets and strict cost management. Foreign exchange effects, almost entirely attributable to Belarus, amounted to a positive EUR 7 mn in total revenues and EUR 3 mn in EBITDA.

Segment Bulgaria

in EUR million	2025	2024	Δ
Total revenues	895	821	9.1%
Service Revenues	676	625	8.2%
EBITDA	371	341	8.9%
EBITDA margin	41.5%	41.5%	-0.0pp

A1 Bulgaria achieved strong results in 2025 by consistently executing its strategy to grow the customer base with attractive entertainment offers, successful upselling, and broadband monetization. The number of mobile subscribers increased, both in mobile core and mobile WiFi routers, while RGU growth was driven by TV and broadband.

Total revenues increased by 9.1%, driven by higher service revenues in both retail mobile and fixed-line as well as a solid ICT business. Equipment revenues also increased, especially due to ICT equipment. In mobile, customer growth and upselling fueled service revenues. In fixed-line, higher bandwidths, attractive TV content, and an increased number of TV and broadband RGUs drove revenues. Solutions & Connectivity revenues benefited from ICT projects and strong demand for IT and cybersecurity. The higher total costs and expenses—mainly for equipment, product-related costs as well as increased personnel costs as a result of the CDC expansion—were more than offset by stronger revenue growth. As a result, EBITDA increased by 8.9%. Together with a higher depreciation and amortization this led to an increase of EBIT by 12.9% year-on-year.

Segment Croatia

in EUR million	2025	2024	Δ
Total revenues	592	570	3.8%
Service Revenues	490	466	5.1%
EBITDA	239	224	6.7%
EBITDA margin	40.4%	39.3%	1.1pp

In Croatia, we operated in 2025 in a stable yet highly competitive market characterized by moderate macroeconomic growth and strong demand for digital solutions. We particularly benefited from targeted upselling in mobile communications as well as the monetization of the 5G network and the expanded fixed-line broadband footprint. Value-protection measures based on the previous year's inflation rate amounted to 6.9% as of 1 June 2024 and 3.0% as of 1 April 2025, providing additional support for the overall development.

The number of mobile customers increased over the year solely due to growth in the postpaid segment. Fixed-line RGUs declined slightly, as the increase in high-speed broadband products did not fully offset the decreases in voice and TV RGUs.

Revenue grew by 3.8%, driven primarily by higher service revenues; in addition to retail mobile, the strong increase in the ICT segment was particularly noteworthy, and retail fixed-line also contributed to growth. Other operating income and total costs and expenses included positive one-off effects in 2024. Total costs and expenses rose. Core OPEX increased mainly due to higher personnel expenses, and product-related costs also went up.

EBITDA increased by 6.7% (+1.0% excluding one-offs); despite higher depreciation, EBIT rose by 9.5% year-on-year.

Segment Belarus

in EUR million	2025	2024	Δ
Total revenues	530	449	18.0%
Service Revenues	370	327	13.2%
EBITDA	231	196	17.9%
EBITDA margin	43.6%	43.6%	-0.0pp

in BYN million	2025	2024	Δ
Total revenues	1,835	1,578	16.3%
Service Revenues	1,280	1,147	11.6%
EBITDA	799	688	16.2%
EBITDA margin	43.6%	43.6%	0.0 pp

In 2025, we continued to operate in a challenging environment in Belarus. Sanctions and restrictions required adaptations to supply chains and strategy, and the dividend payment restrictions in place since April 2024 remained effective. The Belarusian ruble was largely stable, appreciating by 1.5% on average against the euro during the year, while inflation increased to 6.8% in December 2025 (IMF estimate, see "Business Environment"). Despite these conditions, A1 Belarus achieved growth, driven by unlimited data volume offerings and consistent "more-for-more" upselling, even under price regulation. The number of mobile customers excluding M2M declined slightly, while fixed-line RGUs increased by 12%, supported by growth in TV and broadband. Revenues grew by 18.0% in euro terms, primarily due to higher service revenues; equipment revenues also increased. Service revenues benefited from increased retail revenues in fixed-line and mobile as well as ICT service revenues. The equipment margin improved, while core OPEX increased due to higher energy and infrastructure costs. EBITDA rose by 17.9%, and with slightly lower depreciation, EBIT increased by 22.4% year-on-year.

Segment Slovenia

in EUR million	2025	2024	Δ
Total revenues	234	230	1.5%
Service Revenues	179	177	0.7%
EBITDA	49	52	-4.8%
EBITDA margin	21.1%	22.5%	-1.4pp

The Slovenian market continued to be characterized by intense competition in the 2025 reporting year. Competitors focused primarily on low-priced tariffs with unlimited data volumes. A1 Slovenia responded to this pressure with attractive offers to secure its existing customer base and to acquire new customers. Total revenues rose by 1.5%, driven by higher service revenues and increased equipment revenues. Service revenues benefited from higher ICT sales, while retail service revenues declined. The number of mobile customers increased due to growth in contract customers. In fixed-line, the customer base declined. Total costs and expenses increased, i.a. due to higher equipment costs. Core OPEX was above the previous year's level due to increased personnel and content costs, while lower electricity and advertising expenses provided some relief. Overall, EBITDA decreased by 4.8%. Depreciation and amortization remained nearly unchanged, so operating profit declined year-on-year by 28.8%.

Segment Serbia

in EUR million	2025	2024	Δ
Total revenues	422	398	6.0%
Service Revenues	326	309	5.5%
EBITDA	152	146	3.7%
EBITDA margin	35.9%	36.8%	-0.8pp

In the 2025 financial year, A1 achieved two groundbreaking milestones in Serbia. Following the completion of the acquisition of Conexio Metro d.o.o., A1 successfully launched fixed-line products at the beginning of the year and pushed ahead with the expansion of its own fixed-line infrastructure. The market launch of Ultra-5G following the 5G auction in the fourth quarter marked another important step toward a digital future at the end of 2025. Competitive dynamics in the mobile segment remained largely unchanged, with a continued focus on upselling within the existing customer base. At the beginning of December 2025, A1 Serbia introduced 5G tariffs. Total revenues increased by 6.0% year-on-year, driven by higher service revenues and equipment revenues. Service revenues rose due to successful upselling and a higher number of mobile customers, more than compensating for the significant decline in interconnection revenues. Growing demand for mobile WLAN routers as well as gains

in the core mobile business also supported growth. The Solutions & Connectivity business likewise recorded growth. Equipment costs were the main driver of the overall rise in total costs and expenses. Core OPEX increased primarily due to higher personnel expenses. Overall, EBITDA grew by 3.7%. Despite higher depreciation, operating profit improved by 1.4% compared to the previous year.

Segment North Macedonia

in EUR million	2025	2024	Δ
Total revenues	178	164	8.8%
Service Revenues	145	135	7.6%
EBITDA	62	57	9.1%
EBITDA margin	34.8%	34.7%	0.1pp

In 2025, A1 achieved revenue growth of 8.8% in North Macedonia in the full year 2025. The main driver for this development was higher service revenues. Equipment revenues also increased. In the mobile segment, service revenues rose due to growth in the postpaid customer base. This enabled the company to monetize demand for attractive 5G tariffs with unlimited data in the premium segment.

In the fixed-line segment, service revenues increased, primarily as a result of a higher RGU base. Growth in the Solutions & Connectivity business also contributed to the overall increase.

The equipment margin worsened compared to the previous year. The rise in core OPEX was mainly attributable to higher personnel expenses. Overall, this resulted in EBITDA growth of 9.1% in the 2025 the full year 2025. Depreciation increased slightly. Operating profit improved by 19.2% year-on-year.

Outlook for the financial year 2026

The A1 Group expects the continuation of existing trends in the 2026 financial year. Revenue growth in international markets will remain the main driver. In Austria, we anticipate a persistently challenging competitive environment, with economic recovery likely to be slow.

Overall, the main growth drivers are expected to be upselling in the mobile consumer segment, strong demand for connectivity and ICT solutions in the business segment, as well as growth in the fixed-line business in international markets. Against these positive factors stand declining revenues from the voice business and lower interconnection revenues.

For the 2026 financial year, we anticipate overall revenue growth of 2-3%, with the majority of this growth expected to come from an increase in service revenues.

The Belarusian ruble remained largely stable against the euro in 2025, appreciating in the fourth quarter. For 2026, we expect the Belarusian ruble to depreciate against the euro.

On the cost side, we will maintain efficiency and transformation initiatives, leverage our competence delivery center (CDC) and focus on stringent cost control in order to repurpose costs and mitigate increases related to revenue growth.

Capital expenditures before spectrum are expected to total around EUR 750 mn. The A1 Group will continue with the expansion of its fiber and 5G networks, both in Austria and internationally.

With regard to frequencies, spectrum auctions are expected in Austria, where auctions for 2,300 MHz (new) and 2,600 MHz (renewal) are scheduled for 2026. In Slovenia, renewals of the 800, 900, 1,800 and 2,600 MHz bands are foreseen for earliest Q4 2026. This list is not exhaustive and does not imply the execution of these auctions or the A1 Group's intention to participate.

Subject to the approval of the Supervisory Board, the Management Board intends to propose a dividend of EUR 0.42 per share to the 2026 Annual General Meeting for the 2025 financial year (2025 for the 2024 financial year: EUR 0.40).

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, and through A1 Digital is also active in Germany, Switzerland, and, since 2025, in Spain. The Group thus benefits from geographical diversification.

To directly address the respective market-specific risks, risk management on site is the responsibility of the operating units, while central management is handled by the holding company. Company-wide risk management is performed by Group Enterprise Risk Management (ERM), which is structurally independent of the business areas and falls within the responsibility of the Group CFO.

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. In addition, a risk committee has been established 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

- 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 connection with the conflict in Ukraine, both Belarus and the sanctioning countries and economic regions are affected by mutual sanctions. The A1 Group ensures strict compliance with applicable 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 in other countries classified as “unfriendly.” The A1 Group is affected by these restrictions. We are currently working on mitigating measures. The situation in Belarus is closely monitored by the Group’s Management Board and Enterprise Risk Management.

Although inflationary pressures have eased significantly compared to 2022 and 2023, the issue remains important for the A1 Group. During the reporting period, inflation did not stabilize; in some countries, it even rose again, exceeding the previous year’s level. The A1 Group is exposed to the risk of sustainably increased costs, which cannot be compensated for on the revenue side due to price competition. As a mitigating measure, the A1 Group relies on strict cost management, increasing efficiencies, harmonizing processes, tools, and systems, as well as centralization.

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 in 2023 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” in the Group Management Report 2024).

The A1 Group is confronted with rising prices and delayed delivery times for modems, set-top boxes, storage, servers, and laptops due to more expensive memory chips—a situation that will persist in 2026. This risk arises from the shift of production capacities to the manufacture of HBM (High-Bandwidth Memory) driven by AI-related demand, which is restricting the production of standard chips.

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. Highly professional communication and appropriate expertise are essential prerequisites for preventing negative effects.

(2) ESG risks and opportunities

ERM conducts an annual review of the double materiality assessment (DMA) in collaboration with the responsible departments, in accordance with the requirements of the ESRS. The aim is to achieve the greatest possible consistency with established risk management processes, for example by using identical assessment scales. Differences exist, among other things, in the gross assessment of risks for the DMA compared to the net assessment within ERM, as well as in the time horizon, since the DMA also requires an evaluation from a long-term perspective (30 years). All topics identified as material in the double materiality assessment based on their risk and opportunity evaluation are incorporated into ERM. 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 risk 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 Chapter E1 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 limited extent, but risks are expected to increase in the long term. To mitigate these risks, 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. 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 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 (see Chapter S4 in the sustainability statement). 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, data analysis and AI competences, 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, sanction regulations, 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 if necessary, additional 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 2024, 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

The risk associated with sanctions is non-compliance. This can result in financial penalties, jeopardize contracts with suppliers, customers, and banks, and lead to reputation damage. The process that has been established in the A1 Group for reviewing and reliably implementing sanction regulations 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

Liquidity risk refers to the possibility that A1 Group may not be able to meet its financial obligations at maturity. The objective of A1 Group's risk management is to ensure sufficient liquidity to settle liabilities both under normal and stressed conditions. For this purpose, a consolidated liquidity plan is prepared on a rolling monthly basis to determine liquidity requirements. In addition, a liquidity reserve is maintained in the form of committed credit lines.

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 of good credit standing.

In Belarus, the availability of international banks is limited due to current economic challenges. Owing to the current restrictions on dividend payments, the A1 Group holds cash and financial investments in Belarus with local credit institutions (see notes (9) and (19) to the consolidated financial statements). The credit risk assessments of these financial investments are based on locally available information.

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.

In addition, a risk arises from the temporary restrictions on dividend payments to foreign investors in Belarus, as described above under macroeconomic risks. As previously mentioned, we are currently working on mitigating measures, and the situation in Belarus is being closely monitored by the Group Executive Board as well as within the framework of 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, as well as the ongoing deleveraging.

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 2025.

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. 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.

As described in detail in our 2024 results report, the Association for Consumer Information (VKI) filed a lawsuit against A1 Austria. The subject of the case was the indexation clause in customer contracts, with VKI arguing that referencing the previous year's index prior to the contract's commencement was not permitted.

The Commercial Court, as the court of first instance, issued a ruling in favor of A1 Austria on September 29, 2025. The decision confirms the admissibility of the clause and is in line with prior rulings of the Supreme Court (OGH) as well as similar cases involving other market participants. VKI has filed an appeal against this decision; the company is confident that the outcome will be favorable.

Furthermore, in the 2024 financial year, both the Association for Consumer Information (VKI) and the Federal Chamber of Labor filed multiple legal challenges against clauses in consumer contracts in connection with one-off charges. Settlements were reached with both institutions; in the case of VKI, all clauses in dispute were settled, and with the Chamber of Labor, all except two clauses were included in the settlement. The Chamber of Labor continued litigation concerning the clauses not covered by the settlement. After winning the case at first instance in January 2025, the Higher Regional Court (OLG) confirmed the admissibility of the clause for the fixed-line segment in August 2025 but ruled against A1 Austria in the mobile segment. The case is currently with the Supreme Court (OGH); a decision is expected in the first half of 2026. Should the Supreme Court unexpectedly rule in favor of the VKI, this could have a significant impact on results.

The Federal Chamber of Labor (BAK) filed a class action lawsuit in January 2024 in connection with recurring charges, demanding that A1 no longer use certain clauses or rely on them; BAK has since withdrawn its claims for automatic reimbursement. The first-instance judgment in favor of BAK is not yet legally binding. A1 continues to seek to convince the courts, up to the Supreme Court, of the legality of these clauses, especially as the telecommunications regulatory authority has regularly reviewed and accepted these clauses since 2011. In addition, there are specific legal provisions in the telecommunications sector, including those arising from European law, which support the use of such clauses. Since February 2024, these clauses have no longer been agreed with customers. In this context, provisions have been booked.

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, generative artificial intelligence (genAI) and 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.

Fundamental market changes

The growing availability of alternative telecommunications solutions, such as satellite internet, presents a strategic risk for market structure in the countries where the A1 Group operates. These technologies are independent of local infrastructure and country-specific supply boundaries, enabling new competitors to enter the market. Furthermore, potential competitors offering the same services may, in some cases, be subject to different or deviating regulatory requirements, resulting in market distortions and making it more difficult for established providers to maintain equal market conditions. These developments may lead to negative price dynamics and a decline in the customer base. To proactively address this emerging risk, the A1 Group closely monitors technical and regulatory developments and actively fosters partnerships and collaborations to strengthen its market position.

EU Corporate Sustainability Due Diligence Directive

The EU's initiative to simplify regulatory requirements in the area of sustainability and strengthen competitiveness was implemented in 2025 through comprehensive legislative changes ("Omnibus Package"). Within this framework, the EU Supply Chain Act was postponed by one year and the substantive requirements were reduced. Member states now have until mid-2028 to transpose the amended directive into national law.

The A1 Group has already been actively assuming responsibility for supply chain due diligence for several years. The measures 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 Responsible 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.

We are therefore already prepared for the EU Supply Chain Act, are mitigating the associated risks, and will continue our related activities without interruption despite the postponement of the legislation.

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, 2025.

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 2025, 60.9% 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 AG ("ÖBAG"), the remainder is in free float. This includes 415,159 treasury shares and 369,500 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 this consolidated 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 2025 financial year. However, certain subsidiaries, which were assessed according to ESRS as not material due to their business activities, corporate size, or number of employees – and therefore do not present significant impacts, risks, or opportunities – are fully or partially excluded from providing data according to ESRS (European Sustainability Reporting Standards) disclosure requirements.

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.

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:

- 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.

In the reporting year, it was observed that the availability of data from direct sources has increased, but is still not at the desired level. The A1 Group therefore continues to implement actions in cooperation with its suppliers and industry associations to gradually improve the accuracy of information from the value chain.

Changes in preparation or presentation of sustainability information

The national implementation of the Corporate Sustainability Reporting Directive (CSRD), the Sustainability Reporting Act (NaBeG), was not yet in force as of the reporting date. Therefore, the Sustainability and Diversity Improvement Act (NaDiVeG) remains applicable. The A1 Group already submitted a sustainability statement in accordance with ESRS/CSRD for 2024. In the interest of continuity, the A1 Group is therefore also voluntarily reporting for the 2025 financial year in accordance with ESRS, while also taking into account the requirements of the NaDiVeG.

According to the transitional provisions of the NaBeG, companies whose reporting date falls before the NaBeG enters into force, or if the NaBeG has not been promulgated at the time of preparation, may voluntarily apply the provisions of the NaBeG but are not required to do so (§ 908 (2) Austrian Commercial Code – UGB). The A1 Group is making use of this transitional option. The reporting is carried out fully in accordance with ESRS/CSRD, however, external assurance is performed only for a part of the sustainability statement, specifically for disclosure requirements E1-1 to E1-6 of the chapter E1 Climate change. Therefore, the requirements of the NaBeG are not fully met. Thus, the present report constitutes a consolidated non-financial statement. In line with continuity from the previous year and in light of the effects resulting from the NaBeG for the 2026 financial year, the term sustainability statement will continue to be used herein.

The initial application of the ESRS in the 2024 financial year led in part to changed definitions for the calculation of key figures and to the disclosure of new indicators. In cases where definitions were changed, comparative figures from prior periods were omitted in 2024 due to a lack of comparability. For the 2025 financial year, comparative values are now available for all key figures. The KPI on the Consumption from fossil sources in E1-5, as well as the KPIs on Work-related accidents and Work-related ill health and injuries in S1-14, were updated for the year 2024.

The following table shows how the required information under the NaDiVeG is covered in the present sustainability statement in accordance with ESRS.

Coverage of the NaDiVeG in the sustainability statement according to ESRS

Matters pursuant to the NaDiVeG	Coverage in the section of the sustainability statement in accordance with ESRS/material topics 2025
Business activities	S4: Entity-specific topic: (Critical) infrastructure and resilience S4: Entity-specific topic: Information security G1: Entity-specific topic: Data privacy S2
Environmental matters	E1, E5
Social matters	S4: Entity-specific topic: Digital competences
Employee matters	S1
Respect of human rights	S1, S2, G1
Combating corruption and bribery	G1

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. 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 task of the Management Board is to conduct the day-to-day business and represent the company externally. At the end of 2025, the Management Board consisted of Alejandro Plater (born 1967), Chief Executive Officer (CEO), and Thomas Arnoldner (born 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-Wöhler	Stefan Fürnsinn	Peter Hagen	Carlos M. Jarque	Peter F. Kollmann	Daniela Lecuona Torres	Oscar Von Hauske Solis	Gerhard Bayer	Gottfried Kehrer	Renate Richter	Alexander Sollak	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-Wöhler			
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 2025, 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 10 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. In addition, the following topics were addressed in the Audit Committee: developments in enterprise risk management, implementation and regulatory developments of the CSRD, the climate transition plan, and compliance.

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 Sustainability Reporting 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. In the 2025 reporting year, the Supervisory Board was informed about the following matters: developments of the Enterprise Risk Management, progress on the implementation and regulatory development of the CSRD, the transition plan for climate change mitigation 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 2025, STI targets were set for the matters relating to sustainability in supply chain management, employee satisfaction and to promote women in leadership positions.

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 2023 to 2025, LTI targets were set for the members of the Management Board of Telekom Austria AG to reduce the gender pay gap as well as the equal pay gap (see S1) and CO₂ emissions. For the period from 2024 to 2026 and 2025 to 2027, LTI targets have been set to reduce the gender pay gap and CO₂ 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 2025 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 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)
- LTI 2025 (2025-2027): Reduce carbon emissions by the end of 2027 in line with the emissions reduction curve approved by the Science Based Targets initiative (SBTi)

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:

- 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
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, assessed 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 sustainability 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).

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 Sustainability Reporting 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 double materiality assessment is carried out at least every three years. Based on the completed assessment, the ICS Competence Center determines the scope of the ICS for 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 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

In the reporting year, controls related to sustainability reporting were further strengthened. Currently, 20 controls are executed at Group level and 9 controls are executed for each subsidiary. The Process Level Controls and the Entity Level Controls are an integral part of the framework for Internal Control systems and SOX. The control execution and documentation is supported by the company's own IT application. The report on the successful implementation of the controls is addressed to the Head of Sustainability Reporting and to the staff responsible for sustainability reporting at local and Group level.

The internal controls for sustainability reporting are continuously revised, improved, and expanded in order to gradually cover the full scope of disclosure requirements in accordance with the ESRS. 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.

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 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).

Sustainability Reporting (reporting directly to the Group CFO) is responsible for the sustainability reporting and regularly informs the Management Board in steering meetings 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, cloud, 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, Switzerland and Spain. 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 and IPTV. Mobile communication services

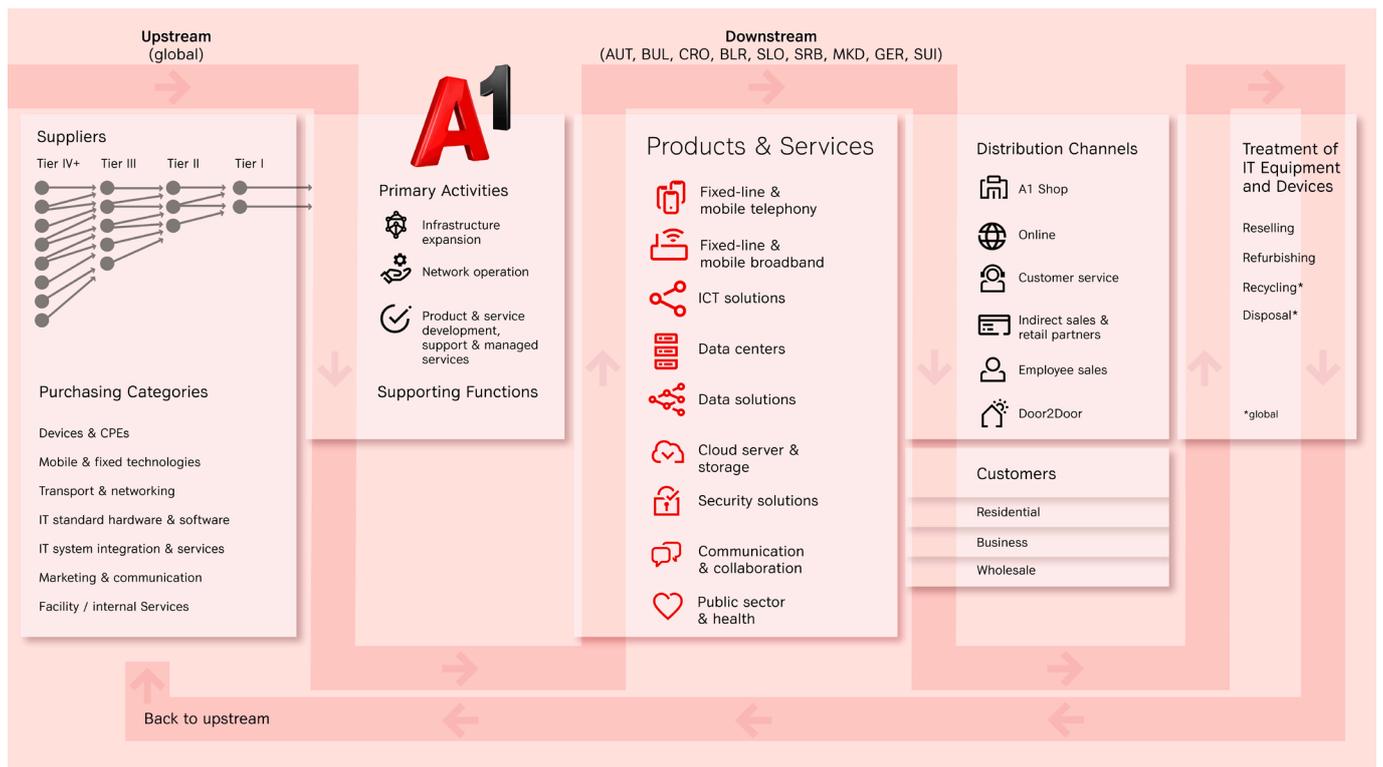
include mobile data and voice services, information and entertainment services (for example mobile television), and roaming. In the 2025 financial year, the company generated EUR 2.2 bn in the fixed-line segment (J.61.10) and EUR 3.3 bn in the mobile services segment (J.61.20).

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 and can also directly support sustainability, for example, by enabling specific products to optimize resource use, reduce energy consumption, and lower carbon emissions. At the same time, however, telecommunication services can also be energy-intensive. For this reason, increasing energy efficiency and continuously expanding the proportion of electricity generated from renewable energy sources is of major importance. Due to digitalization the promotion of digital education is also essential – it enables people of different target 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 employees 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 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 a best-in-class customer 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.

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. The relevance of information security (see S4 Entity-specific topic: Information security) and data privacy (see G1 Entity-specific topic: Data privacy) has increased due to increasing threats, the resulting higher customer expectations and legal requirements. 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.

In our sustainability strategy, we set ourselves ambitious targets: Our greatest environmental challenge is to continuously improve energy efficiency and keep electricity consumption as low as possible while expanding increasingly high-performance infrastructure. Another lever to achieve this is sourcing clean electricity to operate our networks or producing renewable electricity ourselves in order to continuously reduce CO₂ emissions and meet our SBTi-validated CO₂ reduction targets (see E1 Climate change). In addition to climate protection, the circular economy plays an important role for us: infrastructure and network components as well as end devices contain critical raw materials such as copper, rare earths and conflict minerals. Even though we do not manufacture these products ourselves, we consider it our responsibility – through their use and sale – to keep the materials they contain in the cycle for as long as possible (see E5 Resource use and circular economy).

In the social sphere, we focus on promoting digital competences in society (see S4 Entity-specific topic: Digital competences), on further training for our employees, as well as on equality and reducing the gender pay gap. As a technology company, we face the challenge of increasing the overall proportion of women and the share of women in leadership positions (see S1 Own workforce). We also see it as our social responsibility to support non profit organizations through corporate volunteering (see S1 Own workforce).

Our ESG focus in the area of governance lies, on the one hand, in shaping our supply chain in a sustainable and responsible way (see S2 Workers in the value chain). Together with our suppliers and business partners, we place particular importance on transparency in complex supplier structures, the protection of human rights, and fair working conditions throughout the entire supply chain. On the other hand, we ensure compliance with legal requirements and internal standards through our best-practice compliance management system (see G1 Business conduct). In addition, we have set ourselves the goal of integrating ESG objectives into executive remuneration every year until 2030 – so that the achievement of our sustainability goals directly influences the remuneration of the Management Board.

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.

ESG targets until 2030

E	S	G
<p>CO₂ emissions</p> <p>Goal by 2030: Reduction of Scope 1 and Scope 2 (market-based) CO₂ emissions by 90% and reduction of Scope 3 CO₂ emissions by 60% (BY 2019)</p> <p>Status: -63 % Scope 1 and Scope 2 (market-based), -22 % Scope 3</p> <p>See E1 Climate change</p>	<p>Digital competences</p> <p>Goal by 2030: We want to enable people to participate in our Digital competence programs, thereby reaching 1 million participations (BY 2021)</p> <p>Status: 570,398 participations</p> <p>See S4 Digital competences</p>	<p>Compliance management</p> <p>Goal until 2030: Maintain the externally certified Best-Practice Compliance Management System (CMS)</p> <p>Status: Successful recertification (2022/2023) of the CMS</p> <p>See G1 Governance</p>
<p>Energy efficiency</p> <p>Goal by 2030: Increase energy efficiency by 80% (BY 2019)</p> <p>Status: Improvement of 66 %</p> <p>See E1 Climate change</p>	<p>Volunteering</p> <p>Goal until 2030: The A1 Group offers its employees at least four corporate volunteering options annually until 2030</p> <p>Status: Offered in all countries</p> <p>See S1 Own workforce</p>	<p>Board remuneration</p> <p>Goal until 2030: Implementation of ESG goals in the management board remuneration plan in all years until 2030</p> <p>Status: ESG goals included in Short-Term and Long-Term Incentives</p> <p>See General information GOV-3, S1-5 and S2-5</p>
<p>Circular economy</p> <p>Goal by 2030: The takeback of devices is increased up to 50% compared to the volume distributed yearly by 2030</p> <p>Status: Take-back of 28 % of devices brought to market in 2025</p> <p>See E5 Resource use and circular economy</p>	<p>Diversity</p> <p>Goal by 2030: Increase the share of women in the company and women in leadership positions to 40%</p> <p>Status: 40% women in the company, 37% in leadership positions</p> <p>See S1 Own workforce</p>	<p>Supply chain</p> <p>Goal by 2030: Conduct five on-site inspections of suppliers each year until 2030 to ensure high supplier standards along the supply chain</p> <p>Status: Five on-site audits conducted</p> <p>See S2 Workers in the value chain</p>
<p>E-waste</p> <p>Goal by 2030: We aim for the sustainable processing of 100% of CPEs (modems, routers, TV receivers, etc.)</p> <p>Status: 100% of the CPEs have undergone sustainable processing</p> <p>See E5 Resource use and circular economy</p>	<p>Gender pay gap</p> <p>Goal by 2030: Reduce the adjusted income gap to 1% or less and continue efforts to reduce the unadjusted income gap</p> <p>Status: The adjusted income gap is 1.6%</p> <p>See S1 Own workforce</p>	<p>Training*</p> <p>Goal by 2030: We want to achieve/maintain an average of 40 training hours per employee (FTE) per year.</p> <p>Status: 41 hours per FTE/year</p> <p>See S1 Own workforce</p>

BY = Base Year; CPE = Customer Premises Equipment; *Training = S Goal

ESG ratings

Our sustainable activities are evaluated annually by rating agencies. The results confirm our leading position as a sustainable company and ESG frontrunner. Sustainalytics, a Morningstar company, is a leading independent research, rating and data company in the field of ESG, and has recognized the A1 Group as a Sustainalytics ESG Top Industry Rated Company. With 12.9 points, we are classified as low risk, putting us among the best telecommunications companies worldwide. CDP awarded the A1 Group with an A rating. In addition, in 2025, the A1 Group achieved the gold medal in the [EcoVadis](#) Sustainability Rating. The rating covers a wide range of non-financial indicators in the areas of environment, labor, and human rights, ethics and sustainable procurement. Additionally, Telekom Austria shares are listed in sustainability indices, such as the FTSE4Good Index series since 2001 and the Austrian Sustainability Index (VÖNIX) since 2005. The VÖNIX is a sustainability benchmark, comprising those publicly listed Austrian companies that are leaders in social and environmental performance.

ESG ratings

	2025	Percentile	Category
CDP	A		Leadership
Sustainalytics	12.9	Top 2%	Low risk
ISS ESG	B-	Top 10%	Prime
EcoVadis	79	Top 5%	Gold

SBM-2 – Interests and views of stakeholders

Actively working together with stakeholders and making sure they are involved is 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, we better understand their interests, concerns, and expectations. 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 table Stakeholder involvement) are invited. This event enables direct feedback from our stakeholders. In addition, the roundtable strengthens the relationship between stakeholders and our company, and promotes transparency and collaboration.

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 informed and involved in company activities through the intranet, e-mails, personal meetings, employee surveys (e. g. Great Place to Work). 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>Sales, Marketing</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 - 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	<p>Institutional investors, private investors, analysts, financial media</p>	<p>Investor Relations</p>	<p>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.</p>	<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 Compliance</p>	<p>We communicate with suppliers via the digital procurement platform, e-mails, phone calls, meetings, and events (e.g. roundtables) - 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 thetell.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	<p>Journalists (editors-in-chief, authors), publishers, publishing houses</p>	<p>Corporate Communications</p>	<p>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.</p>	<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>	<p>Regulatory, European, and Public Affairs; ESG; C-Level</p>	<p>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.</p>	<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>	<p>Regulatory, European, and Public Affairs ESG</p>	<p>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.</p>	<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, 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 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 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)	long-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 as well as our own operations contribute to climate change.
Risk (OO)	long-term	Higher carbon taxes may lead to higher prices for raw materials and supplies.
Energy		
Actual negative impact (OO, VC)	short-term	Telecommunication products and services contribute to higher production and intensive use of devices and infrastructure, which leads in turn to higher electricity consumption and thus contributes to climate change

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. Devices contain critical raw materials that are often mined under precarious conditions and are in limited supply.

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 regulated working hours, which improves work-life balance and helps to maintain health.
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	The A1 Group creates conditions that contribute to a good work-life balance and thus also to the prevention of physical and mental stress.
Health and safety		
Actual negative impact (OO)	short-term	Depending on the job function, work can negatively affect mental and physical health. Accident risks are particularly high for employees working in construction and maintenance.
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 negative impact (OO)	short-term	If equal opportunities and fair wages are not ensured, this leads to discrimination and negative impacts on satisfaction and career opportunities. In the long term, unequal pay increases the risk of poverty among women in old age.
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	Continuous training increases employee satisfaction, improves career opportunities, and promotes equal opportunities.
Opportunity (OO)	medium-term	The continuous development of skills is a prerequisite for innovation and productivity and increases competitiveness.
Diversity		
Actual positive impact (OO)	short-term	Diversity in the company strengthens employees' sense of belonging and self-confidence. It also promotes equal opportunities for personal and professional development.

OO = Own Operation
VC = Value Chain

S2 Workers in the value chain

The following material topics have potential negative impact on the workers in the value chain:

- **Working conditions:** Secure employment, Working time, Adequate wages, Freedom of association, including the existence of work councils, Health and safety
- **Equal treatment and opportunities for all:** Gender equality and equal pay for work of equal value, The employment and inclusion of persons with disabilities, Measures against violence and harassment in the workplace, Diversity
- **Other work-related rights:** Child labor, Forced labor

Sustainability matter	Time horizon	Description
Working conditions		
Potential negative impact (VC)	short-term	Suppliers' failure to comply with standards on secure employment, working time, adequate wages, freedom of association, and health and safety can lead to negative impacts on workers, including increased occupational accidents, health problems, poverty and exploitation.
Equal treatment and opportunities for all		
Potential negative impact (VC)	short-term	Lack of equal treatment and equal opportunities, lack of inclusion and diversity, as well as inadequate measures against violence and harassment, may lead to negative impacts on the employees of suppliers, e.g. to lower quality of life, restricted career opportunities, economic insecurity, poverty, or health problems.
Other work-related rights		
Potential negative impact (VC)	short-term	The exploitation associated with child labour or forced labour often leads to a lack of educational opportunities, long-term health problems, poverty and overall worsened future prospects.

OO = Own Operation
VC = Value Chain

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

Sustainability matter	Time horizon	Description
Information security		
Actual negative impact (OO, VC)	short-term	Insufficient information security can lead to data misuse and service disruptions. For those being affected, this results in loss of trust, psychological stress, and risks from the misuse of personal information.
Opportunity (OO)	short-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	As provider of digital services and devices, A1 Group might indirectly contribute to consumers' unintentionally taking risks as well as experiencing misuse caused by a lack of digital skills, potentially resulting in serious consequences including health problems, adverse impacts on personal safety, and financial losses.
Actual positive impact (OO, VC)	short-term	The A1 Group promotes digital inclusion through free training courses, thereby helping to reduce educational inequalities, empowering disadvantaged groups, and improving career prospects in an increasingly digital world of work. At the same time, digital competences protect from online abuse and violence, reduce the risk of cyberbullying, and help prevent financial losses.

OO = Own Operation
VC = Value Chain

G1 Business conduct

Sustainability matter	Time horizon	Description
Corporate culture		
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, this increases the willingness and likelihood to report incidents and thus contributes to higher transparency and ethical behavior.
Corruption and bribery – prevention and detection including training		
Risk (OO)	short-term	Corruption and bribery can lead to loss of reputation, fines, license revocation, exclusion from public contracts, jeopardized investments, and investigative costs. Violations of laws such as the Foreign Corrupt Practices Act (FCPA) or EU competition law also carry substantial civil and criminal liability risks.
Data privacy (Entity-specific 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.
Risk (OO)	short-term	Data privacy violations can lead to penalties, loss of trust, and loss of reputation.

OO = Own Operation
VC = Value Chain

In the area of information security, there is a growing customer demand for specific products. However, for A1 Group as a whole, neither the material risks nor opportunities have resulted in any significant financial effects in 2025. From today's perspective, no adjustment of assets due to material risks is required for the year 2026, either.

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 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). In 2024 and 2025, the materiality assessment was reviewed and, where necessary, the assessment of material topics was adjusted.

Analysis of the scope of consolidation and disaggregation

As part of the preparation for the double materiality assessment and the reviews, an analysis of the scope of consolidation was conducted. 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 of the financial materiality 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 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 recommendations of 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) – are used to assess impacts on the environment and/or society:

- The scale of the impact on the environment or society is taken into account in the assessment.
- When assessing the scope, the extent of the impact is 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 is estimated.

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

- Continuation of use of resources: Metrics such as the availability of resources, raw materials or own workforce for example, are 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 are used for the assessment of risks and opportunities, the scale with the highest assessment is applied.

Threshold

The threshold was set for the top third. A topic is identified as material if at least one impact, risk or opportunity exceed 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 until 2022. 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 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 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. Current trends or results from surveys such as Great Place to Work are also included in the assessment. Additionally, expert interviews will be conducted if the company lacks sufficient specialized knowledge on the respective topic.

Approach double materiality assessment 2023

The A1 Group has defined following process steps for carrying out the 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

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 ESRS standard and for entity-specific topics. Experts from various fields were invited in order to incorporate a broad spectrum of perspectives and specialist knowledge. At least one representative from each of the areas of Enterprise Risk Management, Sustainability Reporting, 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, although quantified risks and opportunities from the risk inventory were included in the assessment. For the ESRS 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.

Annual review of the results and basis for reporting 2025

The A1 Group conducts an annual review of the results – most recently in spring 2025. The review of risks and opportunities was combined with the semi-annual risk review of the Enterprise Risk Management.

All ESRS topics – regardless of whether they had previously been assessed as material in the double materiality assessment – were subject to a review. In total, 32 topics (2024: 35 topics) were assessed as material: The entity-specific topics Product devices and Product Infrastructure were integrated into the sub-topic "energy" due to thematic overlaps. In 2025, the sub-topic "Management of relationships with suppliers" was no longer considered material, as supplier relationship management is an integral part of day-to-day operations, but the A1 Group does not generate an increased positive impact on society, suppliers, or the environment through it.

The standards E2 Pollution, E3 Water and Marine Resources, and E4 Biodiversity and Ecosystems were identified as not material. The A1 Group has no relevant points of interaction with the topics covered by Standard S3 Affected communities; therefore, this standard is not relevant to the business model and was identified as not material and excluded from the assessment. The topics covered by standard S4 Consumers and end users were also considered as not material; however, the entity-specific topics Information security, Digital Competences, and (Critical) infrastructure and resilience were assigned to Standard S4. The entity-specific topic Data privacy was assigned to G1 Governance.

The results of the double materiality assessment in detail see SBM-3.

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.

In July 2025, the European Commission presented a Delegated Regulation⁹⁾ to simplify the EU Taxonomy as part of the Omnibus package. However, due to an extended scrutiny period resulting from ongoing political discussions, it was unclear for a long time whether the planned simplifications could already be applied for the 2025 reporting year. Although a Commission Notice/FAQ¹⁰⁾ from the EU Commission in December provided confirmation that this is allowed, the A1 Group decided – due to preparations already underway and the unclear legal situation – to continue to base the 2025 reporting on the regulations in force up to now.

Thus, for the 2025 financial year, for all six environmental objectives the share of capital and operating expenditure (CAPEX and OPEX) and turnover from taxonomy-eligible, non-taxonomy-eligible and taxonomy-aligned activities is disclosed. The simplifications will only be taken into account in the 2026 reporting year.

Approach 2025

The A1 Group's economic activities were reviewed at Group level in regard to their taxonomy eligibility for 2025. 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 2025 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 2024 reporting year. In 2025, an assessment was conducted for all six environmental targets to evaluate how the fulfillment of the technical screening criteria had changed 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.

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](#), [Commission Notice C/2024/6691](#)

⁹⁾[Commission Delegated Regulation C\(2025\) 4568 final](#)

¹⁰⁾[Draft Commission Notice 2025 12 17](#)

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 – is currently not assessed as taxonomy-eligible 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.

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 2025:

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 2025 consolidated financial statements.

Assessment of taxonomy alignment

For the 2024 reporting year, for the first time, taxonomy alignment was assessed for all environmental objectives. In 2025, the relevant taxonomy-eligible activities were therefore reviewed in terms of their taxonomy alignment, i.e. whether the technical screening criteria are still met:

Economic activities in connection with the environmental objective of climate change mitigation: As part of the preparation for the CSRD, a climate risk analysis for all approximately 25,000 A1 Group sites was conducted in 2024. The results are used as proof for taxonomy alignment of economic activities 7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings) and 7.6 Installation, maintenance, and repair of renewable energy technologies. The extent to which the criteria for taxonomy alignment are 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. The climate risk analysis covers all A1 Group sites, including those where economic activities 7.4 and 7.6 are carried out. Therefore, the criterion is met.
- 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. Article 18 requires companies to establish appropriate procedures to fulfill their due diligence obligations. The A1 Group has comprehensively implemented these procedures. 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 (see references in GOV-4). The requirements regarding taxation are met by the A1 Group's Tax Policy²⁾. Furthermore, no proceedings for violations of tax laws were ongoing in 2025.

As a result, the economic activities 7.4. and 7.6. fulfill all technical screening criteria in 2025 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 2025. They are therefore not material for the business model. In accordance with the answer to question 13 of the FAQ 2023 of the EU Commission³⁾ FAQ Art. 8 20.10.2023, it is not 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 2025: 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 2025 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.

Turnover 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	2025	2024
Service revenues	4,587.8	4,501.6
Total equipment revenues	886.5	813.4
Total revenue	5,474.3	5,315.0

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	2025	2024
Intangibles (Note 16)	223.4	211.4
Property, plant, and equipment without asset retirement obligations (Note 15)	671.4	662.2
Right-of-use assets in accordance with IFRS 16 (Note 30)	318.3	300.9
Total additions	1,213.1	1,174.6

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 2025

FINANCIAL YEAR	2025		SUBSTANTIAL CONTRIBUTION CRITERIA							DNSH CRITERIA ("Does Not Significantly Harm")						Minimum safeguards	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) Turnover, 2024	Category enabling activity	Category transitional activity							
	ECONOMIC ACTIVITIES	CODE(s)	Turnover in EUR million	Proportion of Turnover, 2025 %	Climate Change Mitigation ^(a) ^(b)	Climate Change Adaptation ^(a) ^(b)	Water ^(a) ^(b)	Pollution ^(a) ^(b)	Circular Economy ^(a) ^(b)	Biodiversity ^(a) ^(b)	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy					Biodiversity	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N
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% N N N N N N N N 0.0%																										
Of which Enabling 0.0 0.0% E																										
Of which Transitional 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 83.5 1.5% EL N/EL N/EL N/EL N/EL N/EL 1.4%																										
8.2 Data-driven solutions for GHG emissions reductions CCM 8.2 5.9 0.1% EL N/EL N/EL N/EL N/EL N/EL 0.3%																										
4.1 Provision of IT/OT data-driven solutions and software CE 4.1 1.7 0.0% N/EL N/EL N/EL N/EL EL N/EL 0.0%																										
5.4 Sale of second-hand goods CE 5.4 1.3 0.0% 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 34.0 0.6% 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)																										
126.4 2.3% 70.7% 0.0% 0.0% 0.0% 29.3% 0.0% 2.3%																										
Turnover of Taxonomy-eligible activities (A.1 + A.2)																										
126.4 2.3% 70.7% 0.0% 0.0% 0.0% 29.3% 0.0% 2.3%																										
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																										
Turnover of Taxonomy non-eligible activities (B)																										
5,348.0 97.7%																										
TOTAL Turnover																										
5,474.3 100.0%																										

^(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 3: Proportion of OPEX from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2025

FINANCIAL YEAR	2025		SUBSTANTIAL CONTRIBUTION CRITERIA							DNSH CRITERIA ("Does Not Significantly Harm")						Minimum safeguards	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) OPEX, 2024	Category enabling activity	Category transitional activity											
	ECONOMIC ACTIVITIES	CODE(s)	OPEX in EUR million	Proportion of OPEX, 2025	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy					Biodiversity	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)																														
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%	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%	E					
	Of which Transitional	0.0	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														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														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														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														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														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														0.0%						
	8.1 Data processing, hosting and related activities	CCM 8.1. / CCA 8.1.	5.5	3.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL														2.9%						
	8.2 Data-driven solutions for GHG emissions reductions	CCM 8.2.	0.4	0.2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL														0.1%						
	OPEX of Taxonomy-eligible, but not environmentally sustainable activities (not Taxonomy-aligned) (A.2)		5.8	3.3%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%														3.0%						
	OPEX of Taxonomy-eligible activities (A.1 + A.2)		5.8	3.3%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%														3.0%						
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																														
	OPEX of Taxonomy non-eligible activities (B)		173.1	96.7%																										
	TOTAL OPEX		178.9	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%	1.6%	0.1%	3.9%	0.0%	3.3%
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%	1.1%	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%

Nuclear and fossil gas related activities

Nuclear energy related activities

1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No

Fossil gas related activities

4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

E1 Climate change

Strategy

E1-1 – Transition plan for climate change mitigation

The telecommunication sector, while contributing to greenhouse gas emissions (GHG), also holds a key role in mitigating climate change through innovation and technology. We are committed to tackling climate change by embedding sustainability into our operations and overall business strategy. As a leading telecommunications provider, we recognize our responsibility to cut GHG emissions and support advancing a low-carbon economy.

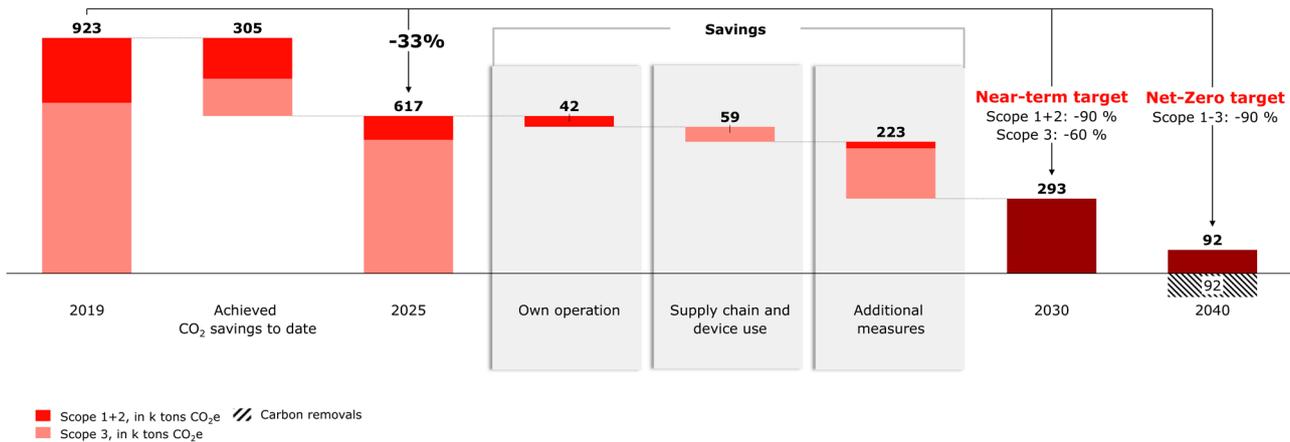
Our Climate Transition Plan (CTP) is aligned with the Paris Agreement and follows the information and communication technology (ICT) sector pathway set out in ITU-T L.1470, supporting efforts to limit global warming to 1.5°C. In 2024, our science-based Net-Zero targets were validated by the Science Based Targets initiative (SBTi). We aim to reduce our operational emissions by at least 90% by 2030 (near-term target) and to achieve Net-Zero across our entire value chain by 2040 (Net-Zero target). This means cutting emissions in line with the 1.5°C pathway and permanently removing any residual emissions that remain after a 90% reduction.

Our ambition is reflected in our targets:

- **Scope 1 and 2:** Reduce Scope 1 and Scope 2 CO₂e emissions by 90% by 2030 (base year 2019)
- **Scope 3:** Reduce Scope 3 CO₂e emissions by 60%¹⁾ by 2030 (base year 2019)

These near-term targets put us on a clear path to reach Net-Zero across our entire value chain by 2040, achieving a 90% reduction in emissions.

Our carbon performance, targets, and decarbonization levers



Performance 2019-2025

- The share of renewable electricity was increased from 42% to 79%.
- The share of Non-ICE vehicles was increased from 2% to 27%.
- Fleet efficiency increased by 15%.
- Increase of self-produced electricity from renewables by twenty-twofold.
- Energy efficiency improved by 66%.

Key decarbonization levers

- Expanding **renewable electricity** procurement and on-site generation
- Electrifying and **transitioning our vehicle fleet** to low-carbon options
- Modernizing network and infrastructure systems to enhance **energy efficiency**
- Improving **heating and cooling systems**
- Implementing concrete, actionable building blocks to **decarbonize our value chain**

¹⁾Includes the Scope 3 categories 1 (Purchased goods and services), category 2 (Capital goods), category 3 (Fuel- and energy-related activities) and category 11 (Use of sold products). These categories represent 90% of the company's total scope 3 emissions.

The target boundary includes land-related emissions and removals from bioenergy feedstocks. Scope 2 is calculated using the market-based approach. Our decarbonization pathway follows sector-specific SBTi trajectories for ICT, consistent with the IPCC 1.5°C scenario. We are not excluded from the EU Paris-aligned Benchmarks.

The Climate Transition Plan was jointly developed by Group ESG, Group Controlling together with the Controlling departments and the business units. The planned investments for this purpose are integrated into the budgets of the respective subsidiaries and approved in line with operational processes. This ensures that the CTP is embedded in the corporate strategy and financial planning. Therefore investments supporting the Climate Transition Plan are integrated into regular CAPEX and OPEX positions within our consolidated financial statements. We plan to invest approximately 90 EUR million of CAPEX and OPEX until 2030 to achieve the Net-Zero-target for Scope 1 and Scope 2 emissions.

The A1 Group Management Board approved the Climate Transition Plan and oversees its implementation within the Group's Empowering Digital Life strategy. The plan was acknowledged by the Supervisory Board and its execution is incorporated in the governance structures supported by ongoing process reviews. Operational responsibility is decentralized across business units, coordinated by Group ESG, and linked to management incentive schemes of the top management both on Group level and in the subsidiaries (see GOV-3).

The EU Taxonomy Regulation currently covers only a limited part of our activities. Core services such as mobile and broadband telecommunications are outside its current scope. Consequently, major investments in 5G and fiber infrastructure, while environmentally beneficial, are not Taxonomy-eligible. Thus the investments for the CTP are not reflected in the low CAPEX KPI disclosed under Article 8 of the Regulation.

Progress is assessed based on our reduction of GHG emissions in line with our climate targets. Since 2019, we have reduced Scope 1, 2 and 3 emissions by 33%, keeping us on track for our Net-Zero trajectory.

Related to ESRS 2 SBM-3 – E1 Climate change

In 2024, a comprehensive risk analysis for physical and transition risks was carried out. Based on the results, mitigation and adaptation measures were defined. The physical climate risk analysis is carried out at least every three years or on an ad hoc basis (e.g. in the context of location decisions), the transition risks are updated annually.

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 performed in 2024 and remain valid for 2025:

- Temperature change and heat stress
- Heatwaves
- Cold spell/frost
- Landslides
- 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 vulnerability of the assets can be quantified by the number of climate events over time (> 10% of sites are potentially affected) as determined in the climate risk analysis, as well as the assessment of potential damage incurred.

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 regionally limited 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 by 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 critical 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

A1 Group has established a set of policies that address the material topics of climate change and energy and apply across all subsidiaries. The Environmental Policy also extends to the full upstream and downstream value chain. All policies are publicly available on the A1 Group website and accessible to internal and external stakeholders. Oversight of implementation rests with the Head of Group ESG.

Environmental Policy

- **Content:** Our Environmental Policy sets the foundation for integrating environmental protection into our operations and supply chain. It commits the Group to reducing emissions, improving energy efficiency, and promoting responsible sourcing in line with the Paris Agreement. The policy emphasizes transparency, stakeholder engagement, and continuous improvement. Progress is monitored through regular reporting of the relevant environmental KPIs.
- **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:** The Clean Energy Strategy provides the framework for the energy transition across our operations. It focuses on increasing energy efficiency, reducing electricity consumption, and maximizing the share of renewables in our energy mix. The strategy prioritizes renewable energy sources such as wind, solar, and green hydrogen, while excluding new hydropower and grey hydrogen due to their environmental impacts. Renewable electricity is sourced through on-site generation, Power Purchase Agreements (PPAs), and Guarantees of Origin (GOs). The approach is tailored to local market conditions and supported by transparent reporting on energy use, emissions, and renewable energy share. Regular reviews ensure continued relevance and alignment with evolving market and regulatory frameworks.

Sustainable Business Travel Guideline

- **Content:** The Sustainable Business Travel Guideline targets emission reductions by promoting low-carbon travel practices. It encourages employees to prioritize virtual meetings, reduce travel frequency, and favour public transport. Air travel is limited to routes over 500 km, with domestic flights requiring prior approval. The guideline is integrated into local travel policies and subject to ongoing monitoring as well as periodic reviews to ensure its effectiveness in minimizing environmental impact.

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

To achieve our Net-Zero ambition, A1 Group is committed to reducing greenhouse gas (GHG) emissions across all scopes by 90% by 2040, using 2019 as the baseline year. This target underscores our commitment to addressing climate risks and aligning with global sustainability standards. Our climate strategy covers the full value chain, targeting Scope 1 (direct emissions), Scope 2 (indirect emissions from energy use), and Scope 3 (other indirect emissions). Focused actions and dedicated resources support our efforts to transform operations, enhance energy efficiency, and strengthen collaboration with stakeholders. These measures to reduce Scope 1, 2 and 3 emissions are already in place and will be continued until 2030 (Scope 1 and 2) until 2040 (Scope 3).

Emission reduction of our own operation

Our approach to reducing Scope 1 and Scope 2 greenhouse gas emissions is driven by a comprehensive Climate Transition Plan, centered on five focus areas: boosting energy efficiency, increasing the use of renewable energy, transitioning our fleet to low-carbon vehicles, modernizing our network, and optimizing other energy-consuming assets. These actions are implemented across the entire A1 Group.

These initiatives will continue to drive progress toward our Net-Zero targets, significantly cutting Scope 1 and Scope 2 emissions. By 2025, we achieved a 63% reduction compared to the 2019 baseline, keeping us ahead of the trajectory toward a 90% reduction by 2030.

Energy efficiency

- **Content and timeframe:** A1 Group consumes around 1 TWh of energy annually, with roughly 77% used to operate our fixed and mobile access networks. We target reductions in Scope 1 and 2 emissions by improving energy efficiency and optimizing energy use across the network. This approach also helps to mitigate exposure to rising energy costs and future price volatility, allowing us to meet growing data demand without proportionally increasing energy consumption. Progress is measured using the Energy Efficiency Indicator (MWh/TB). Key initiatives include:

- Continuing our network modernization, rolling out energy-efficient 5G technology and fiber by 2030 while gradually phasing out legacy systems.
- Prioritizing energy-efficient network equipment to minimize operational electricity consumption.
- Optimizing energy use through network configuration improvements and deploying digital tools, AI, and smart features like 5G sleep mode.
- Consolidating mobile and fixed network and data center assets, leveraging virtualization and cloud technologies to further reduce energy consumption.

On-site renewable energy production and renewable electricity procurement

- **Content and timeframe:** Our approach focuses on two main areas. First, we aim to expand the number of mobile base stations with on-site renewable energy generation and storage, reducing dependence on fossil fuel-powered generators. Second, we seek to match more of our electricity consumption with renewable energy certificates and, where feasible, Power Purchase Agreements (PPAs). We acknowledge that procuring renewable electricity can be challenging in markets with less developed renewable energy infrastructure. Nevertheless, our goal is to support the transition from fossil fuels to renewable energy, adapting our procurement practices as the market evolves. Progress is tracked using the share of renewables in electricity (%). Key initiatives include:
 - Continuing to implement our renewable electricity procurement strategy to match consumption with renewable sources through the grid or PPAs, aiming for 100% renewable electricity.
 - Monitoring renewable energy market developments and participating in innovation projects to accelerate the energy transition through improved procurement practices or innovative partnerships.
 - Expanding on-site renewable generation by installing photovoltaic systems and small wind turbines at sites, and, where feasible, larger photovoltaic installations to increase self-produced renewable electricity.

Increasing the share of low-carbon vehicles in the fleet

- **Content and timeframe:** Our goal is to shift from internal combustion engine (ICE) vehicles to electric vehicles (EVs) powered by renewable electricity, as well as hybrid (HEV) and plug-in hybrid (PHEV) models. This transition will account for vehicle availability, government incentives, tax benefits, and operational requirements. Progress is measured by the Share of Non-ICE Vehicles (%). Key initiatives include:
 - Reduce fleet emissions by decreasing the share of internal combustion engine (ICE) vehicles by 2030.
 - Support EV adoption through the installation of charging infrastructure at company sites.
 - Raise awareness and provide training for employees on the benefits of low-carbon vehicles and efficient driving practices.
 - Optimize fleet operations to maximize the use and efficiency of low-carbon vehicles.

Modernization of heating, ventilation, and air conditioning systems across our networks, data centers, and other assets

- **Content and timeframe:** We are modernizing HVAC systems across our networks, data centers, and other assets by upgrading to energy-efficient models, implementing free cooling, optimizing hot and cold aisles in data centers, and enhancing heat recovery where feasible. Progress is measured by absolute electricity savings (MWh). Key initiatives include:
 - Gradually replacing outdated, energy-inefficient HVAC and fossil fuel heating systems with modern, energy-efficient alternatives to reduce energy use and enhance operational sustainability.
 - Maximizing the use of free cooling in locations with suitable climate conditions by leveraging natural airflow to decrease energy consumption.
 - Implementing advanced cooling solutions in data centers, including optimized hot and cold aisle containment and upgraded cooling infrastructure to increase efficiency and lower energy use.

Emission reduction of our value chain operation

We aim to reduce scope 3 emissions by 90% by 2040 from our 2019 baseline. Regarding our progress in 2025, 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. 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 2025, we achieved a decrease of 22% compared to our 2019 baseline, putting us close to 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. All purchased materials are assessed regarding potential impacts, risks, and relevance. On this basis, material groups are clustered and assigned to suppliers. Subsequently, suppliers are categorized into three risk groups – low, medium, and high. Our collaboration focuses on suppliers with medium and high risk. The activities are defined within our Group Responsible Sourcing Policy and Group Responsible Sourcing Program (see S2-1).

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. For all our further engagement activities, a key lever is our membership in the Joint Alliance for CSR (JAC) and activities implemented in collaboration with our peers. Through our activities, we continue to engage tier 2 and tier 3 suppliers by communicating our climate goals and to encourage emissions reductions. Our actions include:

- Enhancing our Supplier Engagement Program to keep suppliers informed about our climate action plans and set clear expectations for climate action and disclosure in our supply chain. Together with our industry peers in JAC, in 2025, we assessed the maturity of 734 vendors, 46 of whom have collectively taken 490 environmental pledges. As a continuation of this program, we have also awarded the most committed vendors with recognition badges to honor suppliers taking meaningful action on managing GHG emissions in 2025. Participation in this program is expected by all our medium- and high-risk vendors. The supplier engagement program ensures that our suppliers are informed about our climate action plans and our expectations for climate action and disclosure.
- Continuous collaboration with industry peers and JAC to engage key equipment and service suppliers in the telecommunications sector, aligning on climate ambitions and emissions reduction opportunities. Through our Carbon Reduction Program, we have worked directly with 39 suppliers who have the biggest impact on our Scope 3 carbon footprint, focusing on core ICT products and products with an expected large impact on our industry emissions. These activities are targeting our high-risk vendors.
- 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.
- For TierN suppliers, we co-organized, with our peers, the 11th JAC supplier Forum in Hong Kong, addressing the largest sustainability risks in global ICT supply chains, climate change and energy decarbonization.

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. Our actions include:
 - We strive to enhance our refurbishment programs to lower emissions by decreasing spending on new equipment procurement.
 - We continue to explore potential emission reductions through active network sharing, which should help us to partially decouple network growth from business growth.
 - In addition, we have continued improving tools, processes, and knowledge for procurement teams to integrate climate considerations into supplier selection and buying decisions. In 2025, we started with a series of Responsible Buyers Training, targeting internal buyers, enabling them to recognize the biggest levers for supplier engagement and impacts across our Group carbon footprint.

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. The targets were defined by Group ESG together with the subsidiaries, approved by the Management Board and Supervisory Board, and aligned with our key shareholders, América Móvil and ÖBAG.

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 the 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 2025, we achieved a reduction of 12% compared to the previous year and 63% compared to our 2019 baseline.

Scope 3 greenhouse emissions reduction by 90% until 2040

- **Target definition and time horizon:** Reduction of Scope 3 CO₂e emissions by 60%¹⁾ until 2030 and a 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 2025, Scope 3 emissions increased by 6% compared to the previous year. Compared to the 2019 base year, emissions decreased by 22%.

Increase energy efficiency by 80% until 2030

- **Target definition and time horizon:** Recognizing the importance of energy efficiency in telecommunications, particularly in mobile and fixed networks, we have set a target to improve energy efficiency by 80% by 2030 compared to the 2019 baseline. This target covers electricity used for data transmission across both mobile and fixed networks and is measured in MWh per terabyte (TB). As data traffic grows, enhancing energy efficiency is key not only for meeting our sustainability goals but also for ensuring long-term operational efficiency. Our approach follows industry best practices, aiming to reduce the energy intensity of data transmission while maintaining high network performance and reliability. Investments in network modernization – including 5G deployment, fiber rollout, and upgrading to more efficient equipment – help lower power consumption, improve service quality, and reduce operational costs. These efforts demonstrate our commitment to minimizing environmental impact while supporting the increasing demand for digital services.
- **Target performance and review:** Target evaluation occurs twice a year. In 2025, we achieved an increase in energy efficiency of 16% compared to the previous year and of 66% compared to our 2019 baseline.

GHG emission reduction targets and decarbonization levers

in t CO ₂ e	Base year	Milestones and target years ¹⁾			
	2019	2028	2030	2035	up to 2040
Scope 1 and 2	253,929	68,642	47,957	25,393	25,393
Use of renewable energy	-	55,050	36,079	22,145	22,145
Energy efficiency and consumption reduction	-	6,371	5,072	1,868	1,868
Fleet transformation	-	7,222	6,806	1,380	1,380
Other areas (e. g. buildings)	-				
Expected Scope 3 emissions	668,734	410,794	353,474	210,174	66,873
Total GHG emissions	922,663	479,436	401,431	235,566	92,266

¹⁾ The milestones for 2028, 2030, and 2035 are defined based on the measures set out in the CTP and the expected reductions across the value chain.

¹⁾ Includes the Scope 3 categories 1 (Purchased goods and services), category 2 (Capital goods), category 3 (Fuel- and energy-related activities) and category 11 (Use of sold products). These categories represent 90% of the company's total scope 3 emissions.

E1-5 – Energy consumption and mix

Accounting principles

A1 Group calculates energy consumption following internationally recognized principles to ensure accuracy, transparency, and consistency. Direct energy use is based primarily on data from energy supplier invoices. When direct data is unavailable — due to differing billing cycles or situations where A1 Group is not directly invoiced, such as tenant arrangements — consumption is estimated using historical data, expert judgment, and comparison periods.

For energy billed in volume or mass units, standardized conversion factors from the International Energy Agency (IEA) and aligned with IPCC AR5 guidelines are applied to normalize data. Self-produced energy is measured directly through installed monitoring systems to capture actual production.

In certain countries, diesel and petrol used in internal combustion engine (ICE) and hybrid vehicles include a mandated share of biofuels. The resulting biogenic emissions are reported separately in line with the GHG Protocol alongside Scope 1 emissions.

Calorific conversion factors from IEA and BEIS databases are applied for gaseous and liquid energy sources to ensure consistent emission calculations. This methodology ensures that energy consumption reporting is accurate, complete, and aligned with best practices, forming the foundation for calculating Scope 1 and Scope 2 greenhouse gas emissions.

Energy consumption and mix

	2025	2024	Δ
Consumption from fossil sources (in MWh) ¹⁾	271,744	280,009	-3%
Consumption from renewable sources (in MWh)	721,418	696,493	4%
thereof fuel consumption for renewable sources including biomass, biofuels, biogas, hydrogen from renewable sources, etc. (in MWh)	2,596	3,652	-29%
thereof consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (in MWh)	708,442	684,086	4%
thereof consumption of self-generated non-fuel renewable energy (in MWh)	10,380	8,755	19%
Total energy consumption (in MWh)¹⁾	993,162	976,502	2%
thereof share of fossil sources (in %)	27.4	28.7	-1 pp
thereof share of renewable sources (in %)	72.6	71.3	1 pp

¹⁾ Due to improved data quality, the figure for 2024 has been updated.

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

Accounting principles

A1 Group calculates its greenhouse gas (GHG) emissions in accordance with the GHG Protocol Corporate Accounting and Reporting Standard, developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD). The methodology covers all greenhouse gases listed under the Kyoto Protocol and ensures consistency, transparency, and comparability across all emission scopes.

Emission factors are sourced from internationally recognized databases such as the International Energy Agency (IEA), DESNZ, and RE-DISS, with all emissions reported in CO₂ equivalents (CO₂e). These factors are selected for their scientific robustness and regional relevance to accurately reflect A1 Group's operational context. The operational control approach defines A1 Group's reporting boundary, focusing on emissions that the company can directly influence. Wherever possible, primary data is used to enhance accuracy, and all GHG data is calculated and managed using a third-party, independently verified cloud-based system.

Biogenic emissions and, for the first time in 2025, HCFCs (hydrochlorofluorocarbons) are excluded from Scope 1 and from the total. This adjustment is applied retroactively to 2024 data and is aligned with the Kyoto Protocol and the GHG Protocol.

The accounting of Scope 3 emissions follows the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard and sector-specific guidance from ITU-T, GeSI, and GSMA (Guidance for Assessment of Scope 3 Emissions for Operators). For Purchased goods and services and Capital goods (categories 1 and 2), A1 Group collects supplier-specific data, including life-cycle assessments (LCA), to calculate emissions. When such data is unavailable, a hybrid method is applied, multiplying the supplier's emissions intensity by the spending amount, as defined in the GHG Protocol. If neither dataset is available, an Environmentally Extended Input-Output (EEIO) spend-based method is used.

Two approaches are applied for Use of sold products (category 11). First, for mobile devices (e.g. smartphones and tablets), emissions are calculated by multiplying the number of devices sold by their use-phase LCA emissions when available. Data sources include supplier LCAs and the Eco Rating initiative. Second, for the customer-premises equipment and other energy-consuming equipment (e.g. routers and set-top boxes) emissions are calculated based on the number of units, their annual electricity consumption and expected lifetime, and the country-specific electricity emission factors from the same source as used for Scope 2 (location-based) calculations.

The reported Scope 3 categories represent over 90% of total Scope 3 emissions, in line with the SBTi Net-Zero Standard. These categories are prioritized in A1 Group's reporting and emissions management process. All 15 Scope 3 categories are screened every three to four years, most recently in spring 2024, with 30% of the underlying data derived from primary sources.

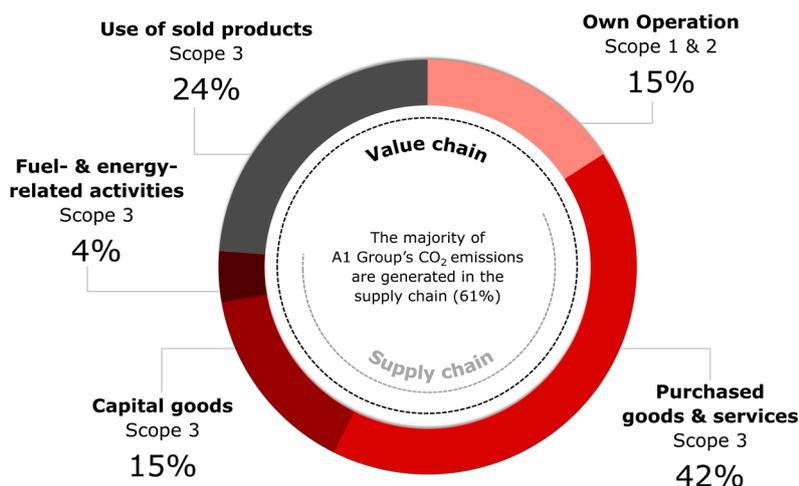
In line with best practices under the GHG Protocol and SBTi standards, A1 Group recalculates historical GHG data, including the base year, whenever a methodological update or a significant change in activities results in a variation of 5% or more in total Scope 1, 2, and 3 emissions. This approach ensures the continued accuracy and representativeness of the base year used to track progress toward A1 Group's GHG reduction targets. In the event of such changes, A1 Group communicates the adjustments transparently in its sustainability reporting.

Direct and indirect GHG emissions

	Retrospective				Milestones und target years ²⁾			
	2025	2024	Δ	Base year 2019	2028	2030	Target year 2040	Annual emission reduction % target / Base year ³⁾
Scope 1¹⁾								
Gross Scope 1 GHG emissions (in t CO ₂ eq)	17,234	18,801	-8%	26,951	13,592	11,878	2,695	-5%
Share of Scope 1 GHG emissions from regulated emission trading schemes (in %)	-	-	-	-	-	-	-	-
Scope 2 (in t CO₂eq)								
Gross location-based Scope 2 GHG emissions	217,147	265,117	-18%	248,559	-	-	-	-
Gross market-based Scope 2 GHG emissions	76,586	87,264	-12%	226,979	55,050	36,079	22,698	-8%
Significant Scope 3 emissions (in t CO₂eq)⁴⁾								
Gross Scope 3 GHG emissions	523,252	492,687	6%	668,734	410,794	353,474	66,873	-4%
1 Purchased goods and services	257,602	240,838	7%	321,350	197,401	169,857	32,135	-4%
2 Capital goods	91,691	104,645	-12%	152,652	93,772	80,687	15,265	-4%
3 Fuel and energy-related activities	25,467	25,670	-1%	50,584	31,073	26,737	5,058	-4%
11 Use of sold products	148,491	121,534	22%	144,148	88,548	76,193	14,415	-4%
Total GHG emissions (in t CO₂eq)								
Total GHG emissions (location-based)	757,633	776,606	-2%	944,243	424,386	365,352	69,568	-4%
Total GHG emissions (market-based)	617,071	598,753	3%	922,663	479,436	401,431	92,266	-4%

¹⁾ Biogenic emissions 2025: 676 t CO₂eq (2024: 960 t CO₂eq).
²⁾ The milestones for 2028, 2030, and 2035 are defined based on the measures set out in the CTP and the expected reductions across the value chain.
³⁾ 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).
⁴⁾ Due to improved data quality, the figure for 2024 has been updated.

Total carbon emissions 2025



Direct and indirect GHG emissions per country

in tCO ₂ eq	Scope 1			Scope 2						Scope 3		
	2025	2024	Δ	location-based			market-based			2025	2024	Δ
				2025	2024	Δ	2025	2024	Δ			
Austria ¹⁾	6,900	8,765	-21%	40,634	49,305	-18%	2,341	2,504	-7%	144,521	173,234	-17%
Bulgaria	2,970	3,341	-11%	54,802	77,813	-30%	15,761	16,876	-7%	132,421	101,245	31%
Croatia	2,504	2,170	15%	12,388	15,375	-19%	3,674	4,410	-17%	51,250	56,706	-10%
Belarus	1,190	1,691	-30%	25,915	28,756	-10%	25,915	28,756	-10%	86,810	61,857	40%
Slovenia	331	375	-12%	8,788	9,670	-9%	53	55	-2%	18,403	22,031	-16%
Serbia	2,072	1,377	51%	54,500	60,538	-10%	19,656	22,700	-13%	56,560	45,178	25%
North Macedonia	1,229	1,043	18%	19,862	23,389	-15%	9,184	11,963	-23%	33,275	32,425	3%
A1 Digital ²⁾	39	40	-3%	259	271	-4%	1	1	59%	12	11	8%

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).

GHG intensity per net revenue

in t CO ₂ eq/EUR	2025	2024	Δ
Total GHG emissions (location-based) per net revenue	0.0001384	0.0001461	-5%
Total GHG emissions (market-based) per net revenue	0.0001127	0.0001127	0%

Connectivity of GHG intensity based on revenue with financial reporting information

in TEUR	2025	2024
Net revenue used to calculate GHG intensity	5,474,348	5,315,033
Net revenue (other)	-	-
Total net revenue	5,474,348	5,315,033

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

A1 Group's climate strategy prioritizes direct greenhouse gas (GHG) emission reductions within our operations (Scopes 1 and 2) and in collaboration with stakeholders across our value chain (Scope 3). While we recognize the potential contribution of GHG removals and carbon credit-financed mitigation projects to achieving Net-Zero, these measures are currently not part of our strategy. We consider them supplementary tools to be used only after achieving substantial direct emission reductions.

At present, A1 Group does not engage in GHG removal activities or finance offset projects through carbon credits. Our efforts are focused on reducing emissions at source – by improving energy efficiency, transitioning to renewable electricity, and optimizing network operations. We believe that direct reductions represent the most credible and impactful path to mitigating climate change.

A1 Group acknowledges that reaching Net-Zero may ultimately require some level of GHG removal. If pursued in the future, our approach will be guided by the following principles:

- **Emission reduction first:** We aim to achieve at least a 90% reduction in emissions from our baseline before considering any GHG removals. This ensures our focus remains on eliminating emissions within our operations and supply chain.
- **Technological maturity and credibility:** We will only adopt GHG removal solutions that are scientifically proven, transparent, verifiable, and aligned with recognized standards. Ensuring credibility and integrity will be a prerequisite for any future engagement.
- **Alignment with Net-Zero goals:** Any future use of removals or carbon credits will support, not replace, direct emission reduction efforts and will be fully consistent with our long-term Net-Zero strategy.

A1 Group remains committed to transparency and continuous evaluation. Although we are currently not involved in GHG removals or offset mechanisms, we will:

- Monitor advancements in removal technologies and the evolving carbon credit market.
- Align with emerging standards and best practices under international frameworks.
- Provide transparent reporting on our position, progress, and any future considerations related to GHG removals and carbon credits.

E1-8 – Internal carbon pricing

A1 Group is committed to reducing greenhouse gas (GHG) emissions through direct actions. We acknowledge the potential of internal carbon pricing as a tool to drive emission reductions and guide sustainable decisions. While we do not currently apply an internal carbon price, we are evaluating its introduction to assess whether it could further strengthen our GHG reduction efforts. Our current focus remains on the effectiveness of existing sustainability strategies and direct emission reduction measures. If implemented, our approach will be guided by the following principles:

- **Monitoring and evaluation:** A1 Group continuously tracks global best practices and emerging trends related to internal carbon pricing. We regularly assess its potential advantages and limitations within our operational context, considering regulatory developments, industry benchmarks, and our sustainability performance.
- **Alignment with emission reduction goals:** Any future adoption of internal carbon pricing would be aligned with our climate targets. We would consider introducing it if it could create stronger incentives for emission reductions, enhance the cost-effectiveness of sustainability initiatives, or improve resilience to evolving carbon regulations and market dynamics.
- **Flexibility and responsiveness:** Our position on internal carbon pricing remains flexible. We will revisit this topic as needed and may integrate such a mechanism into our sustainability framework in response to market developments, regulatory shifts, or opportunities to further strengthen our environmental performance.
- **Transparency:** Even without an internal carbon price in place, we remain committed to transparency and accountability. We will continue to inform stakeholders about our position, disclose our emission reduction strategies, and communicate any future plans related to internal carbon pricing in line with our broader sustainability commitments and business objectives.

E5 Resource use and circular economy

Digital communication solutions are often environmentally friendly, as they can significantly reduce the consumption of energy and resources. However, this requires increasingly powerful devices and components, which — due to constant technological progress and customer behavior — are replaced at ever shorter intervals. 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 manufacturer of hardware, we procure ICT components and electronic devices from a global supply chain — products that often contain critical raw materials whose extraction is associated with precarious conditions and limited availability. Against this background, we are increasingly focusing on the supply chain and on closer cooperation with all actors within the supply chain in order to ensure long-term resilience.

The A1 Group promotes the transformation from a linear to a circular economy in order to reduce resource consumption. 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 of our company. To this end, we are committed to keeping materials, components, and products in circulation for as long as possible.
- **Responsibility:** Head of Group ESG

Responsible Sourcing Policy

- **Content:** The policy on responsible sourcing is based on our Code of Conduct (see G1). Within the scope of this policy, suppliers are required to comply with our ESG standards. These include, among others, the following environmental standards: our suppliers are called on to take action to promote the circular economy and reduce waste (see also 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

Supplier Code of Conduct

- **Content:** Our Supplier Code of Conduct sets out ethical, environmental, and social standards. Suppliers must comply with the respective environmental laws, minimize their ecological footprint, and promote sustainable practices. For example, we encourage our suppliers to integrate the principles of the circular economy (e.g. the 9R model) into the entire product life cycle – from development and production to use and end-of-life (see also S2-1).
- **Responsibility:** Director of Group Technology and Transformation
- **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)

Sustainable Packaging Guideline

- **Content:** The procurement and use of packaging make a significant contribution to our negative environmental impacts. To minimize these, the guideline for sustainable packaging defines quality criteria for procurement. These include, among other things, 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. Another focus is on the use of reusable or recyclable packaging material in order to reduce the consumption of raw materials. Particular attention is paid to paper and cardboard packaging, while the use of plastic is to be largely avoided.
- **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

The following measures describe our activities to increase the collection volume of waste electrical and electronic equipment.

Take-back and 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 and the demand for primary raw materials.
- **Scope:** A1 Austria, A1 Bulgaria

Take-back, refurbishment and recycling of mobile phones

- **Content and time horizon:** All of our subsidiaries offer various take-back options for 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

eSIM transition

- **Content and time horizon:** All our subsidiaries enable their customers to seamlessly switch from a physical plastic SIM card to an eSIM (embedded SIM). The eSIM performs the same functions as a conventional SIM card. This measure will continue to be implemented.
- **Expected result and progress:** By switching to eSIMs, the need for plastic, packaging, and transportation is reduced, which in turn reduces the demand for primary raw materials.
- **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:** The takeback of devices is increased up to 50% compared to the volume distributed yearly by 2030.
- **Target measurement and review:** The target is measured once a year. In 2025, around 28% of devices were taken back (in proportion to the quantity put on the market in 2025).
- **Scope:** All subsidiaries of the A1 Group

E-Waste

- **Target definition and time horizon:** We aim for 100% sustainable processing of CPEs (modems, routers, TV receivers, etc.) by 2030.
- **Target measurement and review:** The target is measured once a year. In 2025, 100% of returned CPEs 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 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 purchases 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 2025 financial year. The weight of the packaging material is determined locally by the subsidiaries. Life cycle assessments (LCA) are used to extrapolate weights in the mobile devices product group (see table Total weight of resource inflows).

Accounting principles

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. For mobile phones for which a life-cycle assessment (LCA) is available, the weight was taken directly from this analysis. For devices without an LCA, the average weight was determined based on existing LCAs.

Total weight of resource inflows

in t	2025	2024	Δ
Mobile devices	354	353	0%
Packaging material	445	513	-13%

The amount of packaging material placed on the market decreased by 13% compared to the previous year, as existing stock was increasingly utilized in 2025.

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 Guideline was implemented in order to make this resource outflow as environmental-friendly as possible (see E5-1). In addition, all subsidiaries are certified in accordance with ISO 14001 (certification for environmental management systems), A1 Slovenia and A1 Austria are also EMAS-validated. This ensures that every subsidiary has implemented an operational waste management system.

Accounting principles

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 2025, 445 tons of packaging material were put into circulation by the A1 Group, of which 100% of the packaging was made from recyclable materials.

Social information

Human Rights

As a member of the UN Global Compact, the A1 Group is committed to adhering to international standards in the areas of human rights, labour, environment, and anti-corruption. These requirements are incorporated, among other elements, into the Code of Conduct, the Group-wide purchasing conditions and the Supplier Code of Conduct.

The Code of Conduct (see G1-1) contains a clear commitment to the protection and respect of human rights. In countries with differing legal frameworks, the A1 Group strives to uphold higher human rights standards, with the protection of employees being the top priority. In the event of a conflict, the company complies with national law while also seeking to uphold its human rights obligations to the greatest extent possible.

As one of the largest communications providers in the CEE region, the A1 Group also takes responsibility for upholding freedom of opinion and expression. It advocates for open access to the Internet and enables users to exchange, access, and share information and content freely, within the framework of applicable laws.

With the group-wide Human Rights Policy revised in August 2025, the company reaffirms and clarifies this commitment. The policy covers the human rights of A1 Group employees but also extends to customers, business partners, and the entire supply chain. Any human rights related incidents may be reported via the whistleblowing system tell.me, which is accessible to both internal and external stakeholders and supports anonymous submissions (for more information about the grievance mechanism see G1-1).

Human Rights Policy

- **Content:** The Human Rights Policy aims to promote and safeguard human rights, including compliance with and the implementation of international standards. We focus on:
 - The obligations to respect human rights as an employer
 - Human rights in the supply chain (self-declaration and audits; see S2)
 - Our responsibility and role in the digitalization of society
 - Data privacy and information security
 - Our governance structure for human rights
 - Human rights-related due diligence in Mergers & Acquisitions

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

In 2025, the governance structure for human rights was revised, a Human Rights Officer appointed, and a Human Rights Advisory Board established. The Human Rights Officer holds primary responsibility for engaging with external stakeholders such as authorities, NGOs, and supplier employees, leads the public dialogue on human rights issues within the A1 Group, and reports directly to the Management Board. The Human Rights Advisory Board, led by the Human Rights Officer, is composed of representatives from Compliance, Communications, ESG, Human Resources, and Purchasing. It supports the identification and assessment of human rights-related issues and serves as a structured forum for internal coordination and stakeholder dialogue.

Together, the Human Rights Officer and the Advisory Board are responsible for implementing and continuously developing the Human Rights Policy. They meet at least once a year to review current developments and strengthen awareness of human rights issues across the relevant business areas. Human rights topics are also an integral part of the regular compliance training (see G1-1).

Focus: A1 Engagement in Belarus

The A1 Group is fully aware of the political framework and the human rights challenges in Belarus. At the same time, the Group places particular emphasis on providing all people in the country with stable and high-quality services, ensuring access to information under any circumstances. A1 Belarus is the largest alternative telecommunications provider, makes a significant contribution to Internet connectivity, and acts as a driver of digitalization in the country. As an employer, A1 Belarus is highly valued. While the A1 Group does not engage in political matters, it actively supports the rights of its employees, including the right to freedom of expression and the right to peaceful assembly.

S1 Own workforce

Our market environment and business fields are constantly changing. Technologies are developing at an enormous pace, and customer needs are changing just as 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

Behind every development and every innovation are the people who make them possible. That is why we place them at the center 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 set suitable framework conditions to enable the desired behaviors to be put into practice. Human@Center comprises 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 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, and by supporting employee interest groups such as the part-time, ESG, or LGBT+ communities at A1 Austria or the FemCircle at A1 Bulgaria.
- **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 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. To remain competitive as a company, we have established a Competence Delivery Center, a Group-wide organization in which experts from all countries work together to leverage synergies and increase efficiency. The aim is not to carry out activities separately in each country, but to organize them Group-wide and make them available to the entire company. By bundling resources and expertise in a multinational Business Delivery Center, we provide our business customers with faster and higher-quality ICT services while remaining locally present.

The material topics for S1 are closely linked to our corporate and HR strategy: Human@Center stands for a strong focus on fair and secure working conditions. This includes 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. Beyond this, Human@Center covers additional 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 forms the basis for our strategic focus on further training and skills development, which contributes to personal and professional development through a wide variety of actions.

The material topic of Gender equality and equal pay for work of equal value entails negative impacts on our workforce—particularly on women—but also opportunities for the A1 Group. The opportunities arising are essential to strengthening our market position, securing our innovative strength and competitiveness, and retaining qualified and well-trained employees as well as attracting new talents. The topics of Working time and Work-life balance have a positive impact on our workforce, especially women: we implement numerous initiatives to prevent discrimination and inadequate wages and to promote greater work-life balance.

We have set ourselves 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.

Ensuring physical safety and creating health-promoting working conditions have a positive impact on the well-being of our workforce. Nevertheless, work can also have negative effects on mental and physical health. Diversity within the company strengthens employees' sense of belonging and self-confidence and additionally promotes equal opportunities for personal and professional development.

Impacts, risks and opportunities management

S1-1 — Policies related to own workforce

The policies apply to the workforce of A1 Group, including all subsidiaries. For A1 Group the following third party standards or initiative are relevant: International Bill of Human Rights, ILO Declaration on Fundamental Principles and Rights at Work, UN Global Compact, Guiding Principles on Business and Human Rights The Human Rights Policy (see Human Rights), the Diversity, Equity & Inclusion Policy, and the Health, Safety and Well-Being 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, fair and accepting work culture
 - 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
 - Fostering of fair and objective HR processes
 - Use of inclusive 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.

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. The financial and human resources are provided in accordance with the national legal framework.

In addition, a European Works Council (EWC) was established in 2015. This consists of the Works Council of the subsidiaries in EU member states. The number of Works Councils representatives 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

In 2025, we implemented a new Employee Listening Strategy where the opinions and needs of the workforce are recorded at regular intervals. The surveys are conducted Group-wide on a quarterly basis. The core element is the so-called Engagement Index, which is derived from questions on the overall job satisfaction and the willingness to recommend the company as an employer. The pulse surveys in the first three quarters serve as a barometer of employee sentiment throughout the year. The comprehensive survey in the fourth quarter includes additional questions on the organization, the immediate working environment, and the direct line manager. Responsibility for the surveys lies with Group HR, while the derivation of actions rests with the managers of the respective business areas. The company provides the human resources required 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. In addition to surveys, discussions between employees and managers have long been an integral part of our corporate culture, with a strong focus on feedback alongside development and performance.

The Group-wide Memorandum of Understanding on employee rights and working conditions was concluded with the European 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 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. After a report is received, it is first qualified and categorized, and the facts are reviewed. 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 incidents. 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. They provide insight into the A1 Group as an employer and have a positive impact on employee retention.

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 next step towards a management career. 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 2030 (see S1-5). Since 2021, more than 120 women have successfully completed the FEP. 20 participants took part in the program in 2025.
- **Scope:** All female employees of A1 Austria

Pay Equity Maßnahmen

- **Content and time horizon:** We have been implementing actions for years to counteract the pay gap. An internal analysis showed that the pay gap within the A1 Group is largely structural, meaning it is driven by a higher proportion of men than women in higher-paying positions. Initiatives that can help reduce this structurally driven gap include the Female Empowerment Program (see S1-4), MINTChanger in Austria, STEMfemme in Croatia and Bulgaria, A1 Slovenia's participation in Engineer of the Year – Women in Engineering, and A1 Serbia's involvement in Her Cyber: Empowering Women and Girls in Cyber.
- **Expected result and progress:** The aim is to mitigate the structural conditions that contribute, among other factors, to the gender pay gap and to increase the proportion of women in higher-paying positions.
- **Scope:** All subsidiaries of the A1 Group

Learning opportunities

- **Content and time horizon:** Since 2018, we have been offering our workforce a comprehensive and continuous group-wide learning and development program through the Learning Hub, in addition to local development measures and offerings. The Learning Hub offers learning opportunities addressed to target groups in a variety of format and additionally includes the use of external digital learning platforms. Furthermore, special programs for managers are provided, such as trainings on Change Management, AI4Leaders, leading international teams, as well as essential topics like ESG, and programs for selected talents, such as the Empowering Potentials program. In 2025, a key focus was on the Experimentation Journeys, where employees and managers reflect on behaviours in a workshop format. Another focus was on trainings for AI applications, such as Copilot and A1 Chat.
- **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 the initiative 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. We announced our commitment to the UN Women's Empowerment Principles in 2024. In 2025, the Group-wide initiative Let's Talk Money was launched, aiming to empower female employees with financial knowledge and motivate them to actively manage their financial future.
- **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.

Mentoring

- **Content and time horizon:** In line with the Team up beyond Limits dimension of Human@Center, mentoring exists both as a standalone action and as an integral part of many other activities. Examples include Austria (MINT and parental leave mentoring, as well as part of the Female Empowerment Program), Belarus (mentoring for new colleagues, mentoring as part of the Sales Academy), Slovenia (AI & Data mentoring, MINT mentoring for interns), Bulgaria (A1 Mentor the Young, mentoring program Lead Forward), Serbia (Her Cyber: Empowering Women and Girls in Cyber), and Croatia (Lead.You).
- **Expected result and progress:** Mentoring activities strengthen diversity, collaboration, and the cohesion of our employees.
- **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 and supports our workforce with work, life, health, family, and financial issues through confidential counseling 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 2025, the EAP was contacted 114 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, Slovenia, North Macedonia and Croatia. The occupational health department in Austria offers comprehensive medical examinations and vaccinations. In addition, training programs improve safety awareness, and sports initiatives, such as "Skupina za šport" in Slovenia, 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:** At the beginning of the year, the Group CEO and Group Deputy CEO present the latest strategic developments live and online during the kick-off to all A1 Group employees. Throughout the year, regular live updates cover topics such as ESG, telco trends, and learning. Strategy Tuesdays provide in-depth insights into focus areas like Human@Center in Action and B2B Digital Services. In addition, events such as Coffee & Connect or Run & Connect, as well as the new video series Innovation Checks, which showcases innovative projects every three to four weeks, take place. We support transformation processes with interactive formats in collaboration with the competence centers. Every two to three months, the Strategy newsletter keeps all interested employees informed.
- **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. In 2025, the Career Hub was launched. Employees can use it to showcase their skills, capabilities, and career plans. Based on this information, the AI-powered Career Hub suggests suitable job openings as well as learning opportunities, and enables internal recruiters to identify suitable candidates for open positions.
- **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, the Flying Nannies program provides childcare during the vacations. Kindergartens are available close to the workplace in Serbia, Croatia, and Bulgaria. A1 Slovenia supports employees by partially covering the costs of childcare services for children of primary school age.
- **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 an information package, coaching sessions, virtual events, and other services that parents can use as and when they need them. In addition, parents receive financial support 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 employees of A1 Austria

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 once 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 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:** We have set the target of increasing both the overall proportion of women and the share of female managers to 40% by 2030. 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 2025, the overall proportion of women was 40% (2024: 40%) and the proportion of female managers was 37% (2024: 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) are part of the Management Board remuneration:

- **Target definition and time horizon in line with the Management Board remuneration (LTI):**
 - 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 calculated in accordance with the ESRS definition. The equal pay gap is based on a definition of equal or equivalent work derived from our internal job architecture. The gender pay gap is assessed semi-annually (see S1-16), while the equal pay gap is assessed on a quarterly basis. Compared to the base year 2022 (as defined in the 2023 LTI), the gender pay gap was reduced by 7% and the equal pay gap by 62%. The LTI 2023 was therefore not achieved. The target assessment for the LTI 2024 will take place at the end of 2026.

- **Target definition and time horizon in line with the ESG strategy:** Reduction of the adjusted pay gap (equal pay gap) to 1 % or less, and continuation of our efforts to further reduce the unadjusted pay gap (gender pay gap, as defined by ESRS) by 2030.
- **Target measurement and review:** In 2025, the equal pay gap is 1.6%, and the gender pay gap is 15.9%.

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 (in FTE) by the end of 2030. This target is part of the boards remuneration and the ESG strategy. This targeted promotion of individual potential contributes to employee satisfaction and is crucial to our business success.
- **Target measurement and review:** Targets are measured once per quarter. In 2025, the average number of training hours per employee (in full-time equivalents) was 41 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 2025, 1,035 participants used a total of 5,059 hours for corporate volunteering.

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, 2025 is taken into account. The gender information is based on the self-declaration of the employees. The total number of employees in headcount (17,224) corresponds to 16,628 full-time equivalents (FTE).

Employees by gender as of December 31

in HC	2025	2024	Δ
Male	10,393	10,873	-4%
Female	6,831	7,102	-4%
Other	-	-	-
Not reported	-	-	-
Total employees	17,224	17,975	-4%

Employees by country as of December 31

in HC	2025	2024	Δ
Austria	6,138	6,910	-11%
Bulgaria	3,978	3,905	2%
Croatia	1,865	1,934	-4%
Belarus	2,166	2,180	-1%
Slovenia	598	611	-2%
Serbia	1,612	1,591	1%
North Macedonia	781	770	1%
Germany	33	29	14%
Switzerland	53	45	18%

Employees per contract and gender as of December 31

in HC	Permanent employees			Temporary employees			Full-time employees			Part-time employees		
	2025	2024	Δ	2025	2024	Δ	2025	2024	Δ	2025	2024	Δ
Male	9,983	10,418	-4%	410	455	-10%	10,021	10,426	-4%	372	447	-17%
Female	6,473	6,665	-3%	358	437	-18%	6,234	6,414	-3%	597	688	-13%
Other	-	-	-	-	-	-	-	-	-	-	-	-
Not reported	-	-	-	-	-	-	-	-	-	-	-	-

Employees per contract and country as of December 31¹⁾

in HC	Permanent employees			Temporary employees			Full-time employees			Part-time employees		
	2025	2024	Δ	2025	2024	Δ	2025	2024	Δ	2025	2024	Δ
Austria	5,894	6,643	-11%	244	267	-9%	5,274	5,940	-11%	864	970	-11%
Bulgaria	3,932	3,858	2%	46	47	-2%	3,905	3,768	4%	73	137	-47%
Croatia	1,728	1,661	4%	137	273	-50%	1,861	1,933	-4%	4	1	300%
Belarus	2,166	2,180	-1%	0	0	n. m.	2,166	2,180	-1%	0	0	n. m.
Slovenia	571	582	-2%	27	29	-7%	577	590	-2%	21	21	0%
Serbia	1,385	1,386	-0%	227	205	11%	1,611	1,591	1%	1	0	100%
North Macedonia	694	700	-1%	87	70	24%	781	770	1%	0	0	n. m.
Germany	33	28	18%	0	1	-100%	32	28	14%	1	1	0%
Switzerland	53	45	18%	0	0	0%	48	40	20%	5	5	0%

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.

Employee turnover¹⁾

	2025	2024	Δ
Employee turnover (in HC)	2,768	2,619	6%
Employee turnover (in %)	16	14	2pp

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). Full-time equivalent (FTE) means that the working hours of all employees are converted into comparable full-time positions; a part-time employee working 50% therefore corresponds to 0.5 FTE. Everyone working for the A1 Group as of December 31, 2025 is taken into account. The gender information is based on the self-declaration.

Non-employee workers as of December 31

in FTE	2025	2024	Δ
Number of self-employed people	70	57	24%
Number of external workforce (=EWF) ¹⁾	1,382	1,450	-5%
Total number of non-employees in own workforce	1,452	1,506	-4%

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)			Gender distribution (in %)		
	2025	2024	Δ	2025	2024	Δ
Male	34	35	-3%	76	74	2pp
Female	11	12	-8%	24	26	-2pp
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)			Age distribution (in %)		
	2025	2024	Δ	2025	2024	Δ
Below 30	2,822	2,992	-6%	16	17	-1pp
30-50	10,330	10,853	-5%	60	60	0pp
Above 50	4,072	4,130	-1%	24	23	1pp

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 %	2025	2024	Δ
Male	61	61	0pp
Female	39	39	0pp
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 hours¹⁾ by gender per person

	2025	2024	Δ
Male	27	31	-14%
Female	34	37	-8%
Other	-	-	-
Not reported	-	-	-

¹⁾ Calculation based on headcount

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

in %	2025	2024	Δ
Employees	100	100	0pp
Non-employees	97	98	-1pp

Health and safety information

	2025	2024 ²⁾	Δ
Number of fatalities			
Employees	0	1	-100%
Non-employees	0	0	n. m.
Other workers	1	0	n. m.
Number of work-related accidents			
Employees	75	83	-10%
Non-employees	0	2	-100%
Rate of work-related accidents ¹⁾			
Employees	2.2	2.4	-6%
Non-employees	0	0.6	-100%
Work-related ill health and injuries			
Number of work related, recordable ill health of employees	64	63	2%
Days lost due to work-related injuries and ill health of employees	1,918	1,327	45%

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

²⁾ The KPI Work-related accidents and Work-related ill health and injuries was adjusted.

S1-15 – Work-life balance metrics**Entitlement to family-related leave**

in %	2025	2024	Δ
Employees entitlement to take family-related leave	100	100	0pp
Employees that took family-related leave per gender			
Male	36	33	3pp
Female	64	67	-3pp
Other	-	-	-
Not reported	-	-	-

S1-16 – Compensation metrics (pay gap and total compensation)**Gender pay gap among employees as of December 31**

in %	2025	2024	Δ
Gender Pay Gap ¹⁾	16	16	0pp

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

Total remuneration ratio

	2025	2024	Δ
Ratio	1:32	1:36	-11%

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⁾**

	2025	2024	Δ
Number of discrimination incidents	0	1	-100%
Number of complaints filed through channels for own workforce	5	11	-55%
Number of complaints filed through national contact points for multinational enterprises of the OECD	0	0	n. m.

¹⁾ Incl. harassment and mobbing

Human rights incidents

	2025	2024	Δ
Total number of human rights incidents	0	0	n. m.
thereof cases of non respect of UN Guiding Principles, ILO Declaration on Fundamental Principles and OECD Guidelines for Multinational Enterprises	0	0	n. m.

Payments related to incidents of discrimination and human rights incidents

in TEUR	2025	2024
Payments as result of human rights incidents	0	0
Payments as result of incidents of discrimination ¹⁾	0	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 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 minimize negative impacts for the workers and ensure compliance with our standards. Furthermore, our suppliers 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 via our tell.me whistleblower portal

With these actions and our constant commitment to monitoring and improving our value chain, we aim to prevent or reduce potential negative impacts on the workers within our value chain.

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, refer 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 Human Rights), 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 partner 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, and 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 our connection to conflict minerals exists only indirectly through our suppliers. We are aware of 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 Human Rights), 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 workers 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 more than 31 member companies, this results in an annual total of above 150 audits. 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. In the closing meeting 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 an independent external audit company. 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 currently not mandatory for suppliers to communicate the procedure to their employees or provide relevant training, so it cannot be verified whether the workers are aware of the tell.me system. 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 2025. 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, in 2022 we developed a comprehensive due diligence form for our suppliers. 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.
 - The main section is subdivided into compliance, social responsibility, data protection, quality management, environmental responsibility, due diligence, and financial responsibility.
 - Authorization to use data: Clarification is given 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 those 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. 144 suppliers have completed the form in total. As of the end of 2025, 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).

Joint Alliance for CSR (JAC)

- **Content and time horizon:** We are a member of the Joint Alliance for CSR (JAC), an association of currently more than 30 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 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 – an approach that was further reinforced this year through the JAC Supplier Forum in Hong Kong. To achieve impactful change in the supply chain, Tier-2 and Tier-3 suppliers were invited to join the dialogue. It was agreed, among other things, that training in local languages is essential to address the issues identified in audits.
- **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. Conducting joint audits and assessments with suppliers – so-called independent third-party audits, consisting of 150 questions – enables systematic monitoring of compliance with these standards in the environmental and social areas. By collaborating with other telecommunications companies, we strengthen the effective implementation of sustainability principles in the industry and reinforce 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.
- **Scope:** Suppliers of the A1 Group

As in 2024, one of this year's audits identified that, for some of the surveyed workers, weekly working hours and overtime exceeded legal requirements and the standards such as SA8000 (the certification standard for social accountability in the workplace) were exceeded. In addition, some workers were found to have no rest day after seven consecutive working days. A Corrective Action Plan was developed and successfully implemented to address these violations.

At another production site, a hydrogeological risk was identified that could potentially have serious impacts on workers' well-being and business continuity. The supplier was instructed to implement appropriate mitigation measures, including the construction and maintenance of infrastructure such as effective drainage systems and soil stabilization techniques. Additionally, the supplier is expected to develop and regularly update emergency plans to respond quickly and effectively to natural events. Implementation of these measures is still pending.

Save the Children

- **Content and time horizon:** As a telecommunications company, we are part of global battery supply chains. Many of our devices and network components use lithium-ion batteries containing the critical raw material cobalt. Up to 30% of the world's cobalt comes from the Kolwezi region in the Democratic Republic of the Congo, an area heavily impacted by mining and considered high-risk in terms of children's rights. It is estimated that one in six children there works in hazardous conditions in the mines. To improve the situation, we support Save the Children Switzerland and the Centre for Child Rights and Business, which provide affected children with monthly allowances, school fee coverage, and access to healthcare.

- **Expected result and progress:** The program aims to lead out children from cobalt mining and provide them with a safe alternative by ensuring access to safe living conditions and education. In 2025, 75 individuals, including 20 children and other family members, received support.
- **Scope:** Children and adolescents in the Kolwezi region

Metrics and targets

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

ESG risk assessment of suppliers (Board remuneration, STI 2025)

- **Target definition and time horizon:**
 - Expansion of the ESG risk assessment to include country risks and consideration of JAC audit results
 - Extension of ESG risk-related activities (from maturity assessment to measures) in the areas of emissions, human rights, and raw materials.
 - Integration of ESG criteria into tender processes.
- **Target measurement and review: Scope:** The target achievement is measured once a year and is published in the A1 Group's remuneration report.

Audits performed under 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

Entity-specific topic: 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 the perception of A1 Group as a secure company.

Impact, risk and opportunity management

Policies related to Information security

Information Security Policy

- **Content:** Since 2024, a group-wide Information Security Management System (ISMS) has been in place. 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.
- **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

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 117,500 reporting date December 31, 2025). There were no security incidents of this kind in 2025.

Entity-specific topic: (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 Guideline (BCM)

- **Content:** The focus of the Business Continuity Management Guideline 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:** All subsidiaries of the A1 Group
- **Responsibility:** CEOs of the subsidiaries
- **Third party standards or initiative relevant for the A1 Group:** BSI Standard 200-4, ISO 22301
- **Availability for stakeholders:** The guideline 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 Guideline 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 services 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 as well as 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 outages 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.

Entity-specific topic: 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 lead to social, professional, economic, and health disadvantages, as digital technologies now permeate nearly all areas of life. Those affected are more vulnerable to exclusion, precarization, and manipulation risks online. In addition, financial losses can occur if individuals become victims of fraud or data misuse.

As a telecommunications company, we are not only a provider of digital infrastructure and an enabler of digitalization, but we also actively promote 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. In doing so, we enable these groups to make best possible use of the opportunities of the digital world while raising awareness of risks such as online abuse and cyberbullying. This includes partnerships with organizations and associations, advocacy groups, school partnerships, digital learning platforms, training programs, as well as dedicated learning apps, games, and tools that help build digital competences.

Impact, risk and opportunity management

Policies related to Digital competences

Digital competences as part of the ESG strategy

- **Content:** Digital competences fall under S (social) as part our ESG strategy. 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 and navigate them safely.
- **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, 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.
- **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 important 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 – on-site at A1 locations, in schools, and also online or as video-on-demand. The workshops cover a wide range of subjects and 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 shall above all 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, promoting equal opportunities, critical thinking, and responsible online behavior, while also protecting against disinformation and fake news.
Scope: All subsidiaries of the A1 Group

Action: Cyber Guard Conference for the target group of parents and teachers

- **Content and time horizon:** The Cyber Guard Conference, organized by A1 Croatia in collaboration with the Center for Safer Internet Croatia, addressed the question of how to better protect against growing online threats. The focus was particularly on knowledge exchange and the presentation of best practices. Local and international experts from online safety, cybersecurity, child and youth protection, education, tech regulation, civil society, and business security solutions came together to discuss current cyber threats, protecting companies from complex attacks, child online safety, cyberbullying, digital education, as well as regulatory issues such as NIS2 and Croatia's future cybersecurity strategy. Opportunities and risks of AI in the context of cyberattacks and defense were also covered
- **Expected result and progress:** The new elective subject Digitale Pismenost / Digital Competence was introduced at I. Gymnazija Zagreb starting in the 2025/26 school year, focusing on topics such as cyberbullying, manipulative content, and empathetic online communication. It is recommended to implement this subject nationwide. In addition, discussions were held on strengthening prevention and awareness efforts for children, parents, and educators to detect online violence early and provide affected individuals with support. There was a call for close cooperation between civil society, the education sector, business, and government to create a resilient digital ecosystem.
- **Scope:** A1 Croatia

Action: Trainings and workshops 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 may better support students' learning progress, identify problems early on, and provide targeted help. That is why we focus the contents of the trainings for teachers on tips and tricks suitable for everyday school life that can be integrated in lessons and thus support teachers. Apps, games 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, either directly at schools through parent associations or online. 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 app installation and use, digital ID (ID Austria), secure online shopping, as well as email phishing and internet scams. Starting this year, we are also offering a two-part course on the topic of Artificial Intelligence (AI). The courses are designed to alleviate participants' initial fears and give them the confidence to navigate the internet independently and safely.
- **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:** Achieving 1,000,000 participations in our digital competences initiatives between 2021 and 2030
- **Target measurement and review:** The target is reviewed once a year. A total of 570,398 participations registered in the period from 2021 to 2025.
- **Scope:** All subsidiaries of the A1 Group

Metrics for Digital competences

Participations in Digital competence trainings

	2025	2024	Δ
Austria	91,752	131,637	-30%
Bulgaria	12,492	13,057	-4%
Croatia	10,712	14,199	-25%
Belarus	178	1,369	-87%
Slovenia	11,782	5,033	134%
Serbia	3,410	4,420	-23%
North Macedonia	2,546	1,667	53%
Total number	132,872	171,382	-22%

The year 2024 was characterized by exceptionally high demand for training in Digital competences. The adjustment of the training portfolio in 2025 reflects a return to a balanced, long-term, and needs-based scope.

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.

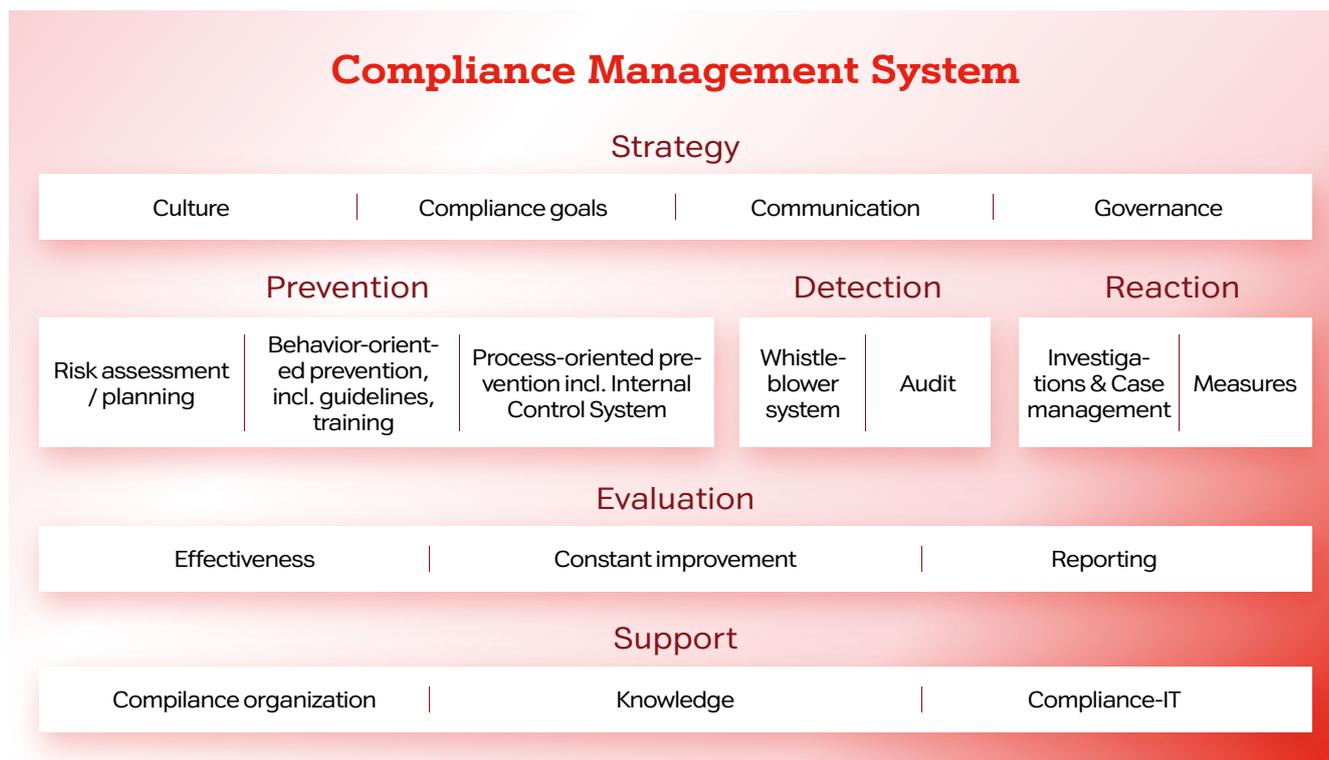
Moreover, treating each other with respect and appreciation is also an important part of our corporate culture. Teamwork, trust, and agility are the A1 Group's values that guide the company as it implements its vision of Empowering Digital Life. The A1 Group's corporate culture promotes diversity, equity, 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 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. 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 Engage 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 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 2025, reports on 35 material issues (of which 1 related to corruption, 1 to antitrust law, 6 to data privacy, 5 to human rights, and 22 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 38 times as a result of reports that were received and confirmed in 2025. 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 (UNGP).

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.

G1-3 – 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. To assess corruption risk, relevant international regulations, including the U.S. Foreign Corrupt Practices Act and the UK Bribery Act, together with applicable national anti-corruption criminal provisions and the potential penalties arising therefrom, as well as Transparency International's Corruption Perceptions Index, are considered. 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 2025 is 95% (2024: 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.

Entity-specific topic: 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 that 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:** CEO
- **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 subsidiary has the responsibility to comply with its 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 process. The application of the rules, documentation and steps described here is mandatory when a 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:** CEO
- **Availability for stakeholders:** The guideline is internally available.

Data Privacy Internal Control Guidelines

- **Content:** The objective of the guideline is to establish and harmonize data privacy controls in order to strengthen our commitment of data protection for our customers across most of our subsidiaries. These controls are identified as representatives for privacy and are evaluated for design and operating effectiveness. Such controls additionally help strengthen existing processes and requirements, while setting a minimum baseline of requirements.
- **Responsibility:** Group Data Protection Officer
- **Availability for stakeholders:** The guideline is internally available.

Standard for data privacy requirements for Artificial Intelligence (AI) and automated decision-making

- **Content:** The objective of this standard is to set out privacy requirements for the use of AI systems and the implementation of automated decision-making systems. The standard is divided into four components consisting of: (i) general privacy requirements for AI systems, (ii) specific privacy requirements for GenAI, (iii) guidance for automated decision-making and (iv) requirements for compatibility assessments.
- **Responsibility:** Group Data Protection Officer
- **Availability for stakeholders:** The guideline is internally available.

Actions related to Data privacy

All actions described have been implemented and will be continued.

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.
- **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 provide 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.
- **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.
- **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 are checked on plausibility and consolidated on group level by Group Compliance.
- **Scope:** All subsidiaries of A1 Group

Data Protection Officers

- **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 once 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 177,500 EUR, as of December 31, 2025) paid during the financial year. In 2025, no complaints from regulatory bodies and 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	34
GOV-1 Percentage of board members who are independent, paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		Material	34
GOV-4 Statement on due diligence, paragraph 30	Indicator number 10 Table #3 of Annex 1				Material	37
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	62
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	
E1-5 Energy consumption and mix, paragraph 37	Indicator number 5 Table #1 of Annex 1				Material	70
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	

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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
E1-6 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	70-73
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	
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	

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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
E3-4 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	78, 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
S1-1 Processes and measures for preventing trafficking in human beings, paragraph 22	Indicator number 11 Table #3 of Annex I				Material	78
S1-1 Workplace accident prevention policy or management system, paragraph 23	Indicator number 1 Table #3 of Annex I				Material	81
S1-3 Grievance/complaints handling mechanisms, paragraph 32 (c)	Indicator number 5 Table #3 of Annex I				Material	82
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	89
S1-14 Number of days lost to injuries, accidents, fatalities or illness, paragraph 88 (e)	Indicator number 3 Table #3 of Annex I				Material	89

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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
S1-16 Unadjusted gender pay gap, paragraph 97 (a)	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Material	90
S1-16 Excessive CEO pay ratio, paragraph 97 (b)	Indicator number 8 Table #3 of Annex I				Material	90
S1-17 Incidents of discrimination, paragraph 103 (a)	Indicator number 7 Table #3 of Annex I				Material	90
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	90
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	78, 91
S2-1 Policies related to value chain workers, paragraph 18	Indicator number 11 and n. 4 Table #3 of Annex 1				Material	92
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	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	94
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	

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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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GROUP MANAGEMENT REPORT

Vienna, February 9, 2026

The Management Board of Telekom Austria AG

Alejandro Plater m.p.
CEO

Thomas Arnoldner m.p.
Deputy CEO

Glossary

ARPL (Average Revenue Per Line)	ARPL-relevant revenues / average fixed access lines ARPL-relevant revenues = fixed retail revenues + fixed interconnection revenues Average fixed access lines = average of the average monthly fixed access lines in a financial year
ARPU (Average Revenue Per User)	ARPU-relevant revenues / average number of subscribers 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. Average number of subscribers = average of the average monthly subscribers in a financial year
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 transpose the EU Corporate Sustainability Reporting Directive (CSRD) into national law.
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".

<p>PPA (power purchase agreements)</p>	<p>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.</p>
<p>RCPs (representative concentration pathways)</p>	<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.
<p>RGU (Revenue Generating Unit)</p>	<p>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.</p>
<p>ROE (Return On Equity)</p>	<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>
<p>SBTi (Science Based Targets initiative)</p>	<p>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.</p>

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Telekom Austria AG – Consolidated Statement of Comprehensive Income

in TEUR	Note	2025	2024
Service revenues		4,587,835	4,501,611
Equipment revenues		886,514	813,422
Other operating income		103,057	97,637
Total revenues (incl. other operating income)	(5)	5,577,405	5,412,670
Cost of service		-1,458,555	-1,487,266
Cost of equipment		-887,432	-806,820
Selling, general & administrative expenses		-1,134,369	-1,087,717
Other expenses		-34,610	-9,466
Total cost and expenses	(6)	-3,514,966	-3,391,269
Earnings before interest, tax, depreciation and amortization – EBITDA		2,062,439	2,021,401
Depreciation and amortization	(15) (16)	-853,624	-825,198
Depreciation of right-of-use assets	(30)	-357,091	-337,586
Reversal of impairment	(15)	0	2,820
Operating income – EBIT		851,724	861,437
Interest income		36,819	20,215
Interest expense		-99,511	-100,169
Interest on employee benefits and restructuring and other financial items, net		-15,748	-17,626
Foreign currency exchange differences, net		1,129	-1,837
Equity interest in net income of associated companies	(18)	1,228	1,116
Financial result	(7)	-76,083	-98,302
Earnings before income tax – EBT		775,641	763,135
Income tax	(29)	-162,840	-136,563
Net result		612,801	626,572
Attributable to:			
Equity holders of the parent		612,127	625,880
Non-controlling interests	(34)	674	692
Basic and diluted earnings per share attributable to equity holders of the parent in euro	(8)	0.92	0.94
Other comprehensive income items:			
Items that may be reclassified to profit or loss:			
Effect of translation of foreign entities	(3) (28)	17,087	-6,435
Unrealized result on debt instruments at fair value, net of tax	(19)	836	680
Realized result on debt instruments at fair value, net of tax	(7)	-32	-237
Items that will not be reclassified to profit or loss:			
Remeasurement of defined benefit obligations, net of tax	(27)	2,452	6,985
Total other comprehensive income (loss)		20,342	994
Total comprehensive income (loss)		633,143	627,566
Attributable to:			
Equity holders of the parent		632,469	626,874
Non-controlling interests	(34)	674	692

Telekom Austria AG – Consolidated Statement of Financial Position

in TEUR	Note	31.12.2025	31.12.2024
ASSETS			
Cash and cash equivalents	(9)	361,684	366,991
Short-term investments	(19)	397,949	62,523
Accounts receivable: Subscribers, distributors and other, net	(10)	1,021,247	949,613
Receivables due from related parties	(11)	11,414	16,405
Inventories, net	(12)	119,307	101,807
Income tax receivable	(29)	1,625	198
Other current assets, net	(13)	276,350	247,421
Contract assets	(14)	93,325	83,138
Current assets		2,282,900	1,828,095
Property, plant and equipment, net	(15)	3,213,105	3,116,000
Right-of-use assets, net	(30)	1,819,616	1,880,203
Intangibles, net	(16)	1,509,342	1,604,272
Goodwill	(17)	1,092,023	1,088,878
Investments in associated companies	(18)	3,264	2,036
Long-term investments	(19)	215,255	253,685
Deferred income tax assets	(29)	62,176	53,497
Other non-current assets, net	(20)	30,512	27,189
Non-current assets		7,945,293	8,025,759
TOTAL ASSETS		10,228,193	9,853,854
LIABILITIES AND STOCKHOLDERS' EQUITY			
Short-term debt	(21)	753,756	82
Lease liabilities short-term	(30)	341,744	315,583
Accounts payable	(22)	1,022,846	966,985
Accrued liabilities and current provisions	(23)	273,817	245,155
Income tax payable	(29)	73,049	83,629
Payables due to related parties	(11)	45,846	36,800
Contract liabilities	(24)	254,793	240,735
Current liabilities		2,765,852	1,888,969
Long-term debt	(25)	0	748,630
Lease liabilities long-term	(30)	1,512,613	1,584,835
Deferred income tax liabilities	(29)	65,606	34,221
Other non-current liabilities	(26)	9,731	44,182
Asset retirement obligation and restructuring	(23)	365,715	398,233
Employee benefits	(27)	155,230	166,258
Non-current liabilities		2,108,895	2,976,358
TOTAL LIABILITIES		4,874,747	4,865,327
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		3,551,932	3,207,662
Other comprehensive income (loss) items		-742,700	-763,043
Equity attributable to equity holders of the parent	(28)	5,350,851	4,986,238
Non-controlling interests		2,595	2,288
TOTAL STOCKHOLDERS' EQUITY		5,353,446	4,988,527
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		10,228,193	9,853,854

Telekom Austria AG – Consolidated Statement of Cash Flows

in TEUR	Note	2025	2024
Earnings before income tax – EBT		775,641	763,135
Depreciation	(15)	562,490	553,199
Amortization of intangible assets	(16)	291,134	271,999
Depreciation of right-of-use assets	(30)	357,091	337,586
Reversal of impairment / impairment	(15)	0	-2,820
Equity interest in net income of associated companies	(18)	-1,228	-1,116
Result on sale / measurement of investments	(7)	164	570
Result on sale of property, plant and equipment	(5) (6)	-816	600
Net period cost of labor obligations and restructuring	(7) (23) (27)	115,228	106,161
Foreign currency exchange differences, net	(7)	-1,129	1,837
Interest income	(7)	-36,819	-20,215
Interest expense	(7)	102,220	102,073
Other adjustments	(32)	-7,253	-4,900
Non-cash and other reconciliation items		1,381,081	1,344,975
Accounts receivable: Subscribers, distributors and other, net	(10)	-60,126	-104,821
Prepaid expenses	(13)	-2,636	8,902
Due from related parties	(11)	1,100	1,298
Inventories	(12)	-16,492	6,097
Other assets	(13) (20)	-14,248	-39,755
Contract assets	(14)	-10,232	5,300
Accounts payable and accrued liabilities	(22) (23)	33,948	72,822
Due to related parties	(11)	9,092	12,353
Contract liabilities	(24)	13,883	16,681
Working capital changes		-45,712	-21,123
Employee benefits and restructuring paid	(23) (27)	-146,782	-135,872
Interest received	(7)	31,605	19,114
Income taxes paid	(29)	-152,275	-156,096
Net cash flow from operating activities		1,843,559	1,814,132
Capital expenditures paid	(32)	-866,069	-890,371
Proceeds from sale of property, plant and equipment	(15)	8,062	9,582
Purchase of investments	(19)	-531,193	-251,214
Proceeds from sale of investments	(19)	237,074	227,727
Acquisition of businesses, net of cash acquired	(34)	-10,081	-4,291
Net cash flow from investing activities		-1,162,207	-908,567
Interest paid	(7)	-96,215	-98,863
Repayments of short-term debt	(21) (32)	-500,000	-301,129
Issuance of short-term debt	(21) (32)	505,045	240,737
Dividends paid	(28)	-266,001	-239,618
Deferred consideration paid for business combinations	(32) (34)	-675	-6,519
Lease principal paid	(30)	-331,102	-301,341
Net cash flow from financing activities		-688,948	-706,734
Adjustment to cash flows due to exchange rate fluctuations, net	(3)	2,289	-385
Net change in cash and cash equivalents		-5,307	198,446
Cash and cash equivalents beginning of the year	(9)	366,991	168,545
Cash and cash equivalents end of the year	(9)	361,684	366,991

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

in TEUR	Common stock	Treasury shares	Additional paid-in capital	Retained earnings	IAS 19 reserve	FVOCI reserve	Translation reserve	Total	Non-controlling interests	Total stockholders' equity
At January 1, 2024	1,449,275	-7,803	1,100,148	2,820,852	-29,841	-729	-733,467	4,598,435	2,144	4,600,579
Net Result	0	0	0	625,880	0	0	0	625,880	692	626,572
Other comprehensive income (loss)	0	0	0	0	6,985	443	-6,435	994	0	994
Total comprehensive income	0	0	0	625,880	6,985	443	-6,435	626,874	692	627,566
Distribution of dividends	0	0	0	-239,071	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	-739,901	4,986,238	2,288	4,988,527
Net Result	0	0	0	612,127	0	0	0	612,127	674	612,801
Other comprehensive income (loss)	0	0	0	0	2,452	804	17,087	20,342	-0	20,342
Total comprehensive income	0	0	0	612,127	2,452	804	17,087	632,469	674	633,143
Distribution of dividends	0	0	0	-265,634	0	0	0	-265,634	-367	-266,001
Addition in common control transactions	0	0	0	-2,222	0	0	0	-2,222	0	-2,222
At December 31, 2025	1,449,275	-7,803	1,100,148	3,551,932	-20,404	518	-722,815	5,350,851	2,595	5,353,446

Telekom Austria AG – Notes to the Consolidated Financial Statements

(1) Segment Reporting

in TEUR	Austria	Bulgaria	Croatia	Belarus	Slovenia
2025					
External revenues	2,735,321	885,292	584,523	530,229	231,506
Intersegmental revenues	9,711	9,853	6,983	9	2,122
Total revenues (incl. other operating income)	2,745,032	895,146	591,506	530,238	233,628
Segment expenses	-1,756,794	-524,050	-352,301	-299,270	-184,276
EBITDA	988,238	371,096	239,205	230,968	49,352
Depreciation and amortization	-682,924	-160,122	-129,914	-41,035	-67,662
Operating income – EBIT	305,314	210,974	109,291	189,933	-18,309
Interest income	13,669	15,063	6,052	7,972	233
Interest expense	-78,395	-9,819	-10,904	-13,896	-4,019
Other financial result	-12,223	438	272	-1,754	-114
Equity interest in net income of associated companies	1,228	0	0	0	0
Earnings before income tax – EBT	229,592	216,656	104,711	182,254	-22,210
Income taxes	-56,708	-37,199	-19,387	-49,567	4,626
Net result	172,885	179,457	85,324	132,687	-17,584
EBITDA margin	36.0%	41.5%	40.4%	43.6%	21.1%
Capital expenditures	445,327	112,960	80,014	30,440	20,930
Addition to right-of-use assets	166,780	30,521	33,617	9,951	43,248
Assets by segment	6,113,415	1,697,901	874,633	506,402	502,807
Investments in associated companies	3,264	0	0	0	0
Liabilities by segment	3,957,834	530,310	391,170	84,076	216,870
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	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
Investments in associated companies	2,036	0	0	0	0
Liabilities by segment	3,978,779	516,246	514,906	115,697	193,002

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in TEUR	Serbia	North Macedonia	Corporate & Other	Eliminations	Consolidated
2025					
External revenues	414,555	172,066	23,913	0	5,577,405
Intersegmental revenues	7,170	6,297	39,534	-81,680	0
Total revenues (incl. other operating income)	421,726	178,363	63,448	-81,680	5,577,405
Segment expenses	-270,161	-116,341	-93,190	81,415	-3,514,966
EBITDA	151,565	62,022	-29,742	-265	2,062,439
Depreciation and amortization	-88,653	-33,913	-6,514	22	-1,210,715
Operating income - EBIT	62,912	28,109	-36,256	-243	851,724
Interest income	3,325	1,765	50,489	-61,749	36,819
Interest expense	-9,381	-3,414	-31,435	61,753	-99,511
Other financial result	-250	-555	319,950	-320,381	-14,618
Equity interest in net income of associated companies	0	0	0	0	1,228
Earnings before income tax - EBT	56,605	25,904	302,747	-320,619	775,641
Income taxes	-8,151	-2,597	6,147	-5	-162,840
Net result	48,454	23,307	308,894	-320,624	612,801
EBITDA margin	35.9%	34.8%	-46.9%	0.3%	37.0%
Total capital expenditures	169,165	20,053	10,202	0	889,092
Addition to right-of-use assets	28,005	4,125	2,051	0	318,298
Assets by segment	677,822	335,270	8,453,350	-8,933,406	10,228,193
Investments in associated companies	0	0	0	0	3,264
Liabilities by segment	309,419	106,212	1,562,431	-2,283,575	4,874,747
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%
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
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

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.

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 and, since 2025, on Spain.

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

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.

(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	
	2025	2024	2025	2024
Belarusian ruble (BYN)	3.4170	3.6246	3.4610	3.5131
Bulgarian lev (BGN) *	1.9558	1.9558	1.9558	1.9558
Macedonian denar (MKD)	61.4950	61.4950	61.5876	61.5319
Swiss franc (CHF)	0.9314	0.9412	0.9369	0.9527
Serbian dinar (RSD)	117.2820	117.0149	117.2002	117.0861
US dollar (USD)	1.1750	1.0389	1.1300	1.0821

* On January 1, 2026, the euro will be introduced in Bulgaria. The exchange rate for one euro was set at 1.95583 Bulgarian leva (see Note (38)).

Accounting

A1 Group prepared the Consolidated Financial Statements as of December 31, 2025 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, 2025 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, 2025:

IAS 21	Amendments: Lack of Exchangeability
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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. It is not applicable to the Belarusian subsidiaries, as in Belarus there are no restrictions for converting the Belarusian ruble into foreign currency.

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

		Effective*	Effective**
IFRS 18	Presentation and Disclosure in Financial Statements	Jan. 1, 2027	not endorsed
IFRS 19	Reduced Disclosure Requirements	Jan. 1, 2027	not endorsed
IAS 21	Amendments: Translation to a Hyperinflationary Presentation Currency	Jan. 1, 2027	not endorsed
IFRS 7 and 9	Amendments: Contracts Referencing Nature-dependent Electricity	Jan. 1, 2026	Jun. 30, 2025
IFRS 7 and 9	Amendments: Classification and Measurement of Financial Instruments	Jan. 1, 2026	May. 27, 2025
IFRS 1 ; 7; 9; 10 and IAS 7	Annual Improvements - Volume 11	Jan. 1, 2026	Jul. 9, 2025

* 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)).
- 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)).
- 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 (15), (16), (17) and (30).

- 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.

Service revenues comprise 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 as well as information and communication technology ("ICT") solutions, television services and IPTV.
- Mobile communication services include mobile data and voice services, information and entertainment services (for example mobile television) and roaming.

The following table shows the disaggregated revenues per segment:

2025 (in TEUR)	Austria	Bulgaria	Croatia	Belarus	Slovenia	Serbia	North Macedonia	Other*	Consolidated
Service revenues	2,415,490	675,932	489,875	369,815	178,622	326,155	145,051	-13,105	4,587,835
Equipment revenues	266,032	204,856	95,589	139,631	52,887	93,718	32,281	1,519	886,514
Other operating income	63,510	14,357	6,042	20,792	2,118	1,853	1,031	-6,647	103,057
Total revenues (incl. OOI)	2,745,032	895,146	591,506	530,238	233,628	421,726	178,363	-18,233	5,577,405

2024 (in TEUR)	Austria	Bulgaria	Croatia	Belarus	Slovenia	Serbia	North Macedonia	Other*	Consolidated
Service revenues	2,486,952	624,587	466,029	326,582	177,330	309,247	134,850	-23,965	4,501,611
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

* Other includes Corporate & Other and Eliminations

The following table shows revenues from customer contracts and from other sources:

in TEUR	2025	2024
Service revenues	4,559,980	4,476,310
Equipment revenues	885,457	812,452
Total customer contract revenues	5,445,437	5,288,762
Other service revenues	27,854	25,300
Other equipment revenues	1,057	970
Other operating income	103,057	97,637
Total revenues from other sources	131,968	123,908
Total revenues (incl. other operating income)	5,577,405	5,412,670

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 16,022 (2024: TEUR 14,163), 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 318 (2024: TEUR 1,042). 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 of A1 ICT 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 2025, an accretion effect of TEUR 7,183 was recognized in equipment revenues in Belarus and in Serbia (2024: TEUR 4,973).

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 and the service contract. For fixed-line, these arrangements typically include Internet and fixed-line services including installation as well as 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 a fixed amount per bonus point according to contractual conditions. 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, 2025, the total transaction price of the unfulfilled (or partly unfulfilled) performance obligations relating to multiple-element arrangements amounted to TEUR 870,775 (2024: TEUR 755,376) 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	2025	2024
Cost of equipment	887,432	806,820
Employee expenses, including benefits and taxes	1,042,200	1,021,355
Other operating expenses	1,585,334	1,563,095
Total cost and expenses	3,514,966	3,391,269

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	2025	2024
Own work capitalized	80,537	86,794

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	2025	2024
Impairment losses	43,038	45,518

The line item "depreciation and amortization" in the Consolidated Statement of Comprehensive Income is allocated as follows:

in TEUR	2025	2024
Cost of service	1,062,221	1,026,327
Cost of equipment	22,160	20,645
Selling, general & administrative expenses	126,334	115,812
Depreciation and amortization	1,210,715	1,162,784

The increase in depreciation and amortization related to cost of service is due basically to the addition of right-of-use assets related to the lease contracts with ETS Group (see Note 30) and the addition of software and telecommunication equipment.

Group auditor's fees

At the Annual General Meeting, Deloitte Audit Wirtschaftsprüfungs GmbH, Wien („Deloitte“) was appointed as group auditor for Telekom Austria AG for 2025 (2024: Ernst&Young Wirtschaftsprüfungsgesellschaft m.b.H.). The fees related to the group auditor amount to:

in TEUR	2025	2024
Audit fees	1,380	1,661
Other reviews	0	124
Other services	0	93
Fees Group Auditor	1,380	1,878

The amounts in 2025 relate to the Deloitte, those of 2024 to Ernst&Young.

In 2024, other reviews and other services by Ernst&Young 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").

(7) Financial Result

in TEUR	2025	2024
Interest income on financial assets at amortized cost	35,817	18,472
Interest income on investments at fair value through profit or loss	308	841
Interest income on investments at fair value through other comprehensive income	489	723
Interest income on finance lease	205	179
Interest income	36,819	20,215

in TEUR	2025	2024
Interest expense on financial liabilities at amortized cost	21,074	17,762
Interest expense on lease liabilities	73,486	80,570
Interest capitalized	-1,287	-3,290
Interest expense on asset retirement obligations	6,178	5,100
Interest expense on deferred consideration	60	28
Interest expense	99,511	100,169

Interest is recognized using the effective interest method, except for equity instruments at fair value through profit or loss. Interest income on financial assets at amortized cost is primarily due to higher financial investments (see Note (19)). Interest expense on financial liabilities at amortized cost relates mainly to the issued bond (see Notes (21), (25) and (33)). 2025 includes furthermore the accretion effect of the liability related to the acquisition of the LTE license in Belarus in the fourth quarter 2024 (see Notes (16) and (26)). For the interest expense on lease liabilities, see Notes (11) and (30). For the interest expense on asset retirement obligations, see Note (23). For the interest expense on deferred consideration, see Notes (22) and (26).

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% (2024: 1.5%).

in TEUR	2025	2024
Interest result on employee benefit obligations	5,747	6,243
Interest expense on restructuring provisions	7,679	9,367
Fees for unused credit lines	1,729	2,210
Dividends received	-552	-458
Income on disposal of debt instruments at fair value through other comprehensive income	-42	-313
Loss on disposal of debt instruments at fair value through other comprehensive income	0	6
Loss from the premature sale of financial assets at amortized cost	5	207
Change of expected credit loss	739	1,829
Interest on taxes	980	-306
Income from measurement of financial instruments at fair value through profit or loss	-796	-2,345
Loss from measurement of financial instruments at fair value through profit or loss	258	1,185
Interest on employee benefits and restructuring and other financial items, net	15,748	17,626

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). The expected credit loss relates to financial investments (see Note (19)). In 2025, the interest on taxes mainly relates to tax audits in Austria and in Bulgaria, the interest gain on taxes in 2024 relates to Bulgaria. Net gains or net losses of financial instruments at fair value through profit or loss do not include dividends or interest.

in TEUR	2025	2024
Foreign exchange gains	9,189	6,638
Foreign exchange losses	-8,059	-8,475
Foreign exchange differences	1,129	-1,837

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:

	2025	2024
Net result attributable to owners of the parent in TEUR	612,127	625,880
Weighted average number of common shares outstanding	664,084,841	664,084,841
Basic and diluted earnings per share in euro	0.92	0.94

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, 2025 and 2024.

(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, 2025 cash and cash equivalents of the Belarusian subsidiaries amounted to TEUR 91,882 (2024: 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	2025	2024
Accounts receivable, gross	1,302,236	1,225,274
Loss allowances	-280,990	-275,661
Accounts receivable, net	1,021,247	949,613
Thereof remaining term of more than one year	104,050	85,610

At December 31, 2025 and 2024, 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.

The related parties include among others ETS Group, which was spun off from A1 Group on September 22, 2023 and is a subsidiary of América Móvil. Revenues and expenses relating to other service charges between A1 Group and ETS Group are included in the revenues and expenses disclosed below. In 2025, the related party transactions include revenues of TEUR 9,193 (2024: TEUR 9,395) and expenses of TEUR 4,496 (2024: TEUR 6,178) with ETS Group. 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	2025	2024
Revenues (incl. other operating income)	155,268	142,799
Expenses	90,757	99,895
Interest income	11,674	3,965
Interest expense on lease liabilities	53,501	60,175
Depreciation of right-of-use assets	217,099	206,042

In 2025 and 2024, revenues generated with Austrian related parties comprise the entire service portfolio of A1 Group. The increase in revenues is mainly due to the increase of investments in information and communication networks in the public sector. In 2025 and 2024, services received from Austrian related parties include mainly energy, postage fees, transportation, commissions and fees to RTR. The expenses decreased due to subsequent chargings which were included in 2024.

In 2025, transactions with related parties include revenues of TEUR 1 (2024: TEUR 4) and expenses of TEUR 3,182 (2024: TEUR 4,227) with Canal+, which is accounted for using the equity method. The expenses relate to TV and video content (see Note (18)).

On April 22, 2025, A1 Group acquired a bond issued by ETS Group as a private placement with a face value of TEUR 255,000, a term until November 26, 2026 and a fixed interest rate of 3.029%. 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. Both bonds are not disclosed in receivables due from related parties, but in investments (see Note (19)). The interest income relates to these bonds.

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 2025, the total reimbursement recorded as revenue in the service period and including a charging related to previous years amounted to TEUR 7,112 (2024: TEUR 5,601).

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, 2025 and 2024, 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.
- Payables to fully consolidated subsidiaries of América Móvil relating to the groupwide purchasing of cloud and software licenses.
- A payable of TEUR 3,101 (2024: receivable of TEUR 729) due to 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	2025	2024
Short-term employee benefits	11,065	10,981
Pensions	441	430
Termination benefits	643	148
Share-based payments	1,610	935
Compensation of key management	13,759	12,493
Expenses for pensions and severance for other employees	17,513	19,139
Expenses for pensions and severance for Management Board	313	315

Expenses for pensions and severance consist of statutory and voluntary severance expenses, contributions to pension plans and other pension payments.

(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	2025	2024
Write-down/ reversals of write-down of inventories	1,202	3,529

Impairment loss: negative values; reversal of impairment loss: positive values

The reversal of write-down in 2025 is mainly due to the fixed net business in Austria as well as the mobile and fixed net business in Croatia (2024: fixed net business in Austria), 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	2025	2024
Prepaid expenses	72,295	69,422
Other current assets	148,274	128,227
Contract costs	55,781	49,772
Total	276,350	247,421

Prepaid expenses

in TEUR, at December 31	2025	2024
Advances to employees	11,687	13,534
Concession fees	30,850	21,329
Maintenance	9,505	10,192
Other	20,253	24,367
Prepaid expenses	72,295	69,422

Other current assets

in TEUR, at December 31	2025	2024
Finance lease receivables	1,848	1,479
Accrued interest	8,001	3,063
Other financial assets	37,721	21,032
Financial assets	47,571	25,574
Fiscal authorities	2,592	1,341
Advance payments	18,611	25,912
Government grants	22,361	13,483
Refund salary increments reference date	19,998	26,497
Other non-financial assets	44,323	44,454
Non-financial assets	107,884	111,687
Other current assets, gross	155,455	137,261
Less loss allowance for financial assets	-3,176	-4,528
Less loss allowance for non-financial assets	-4,006	-4,507
Other current assets	148,274	128,227

- 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.

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	2025	2024
Contract costs, gross	57,071	50,900
Loss allowance contract costs	-1,291	-1,128
Contract costs, net	55,781	49,772
Thereof remaining term of more than one year	27,937	20,709

Contract costs are expensed over the expected duration of the underlying contract using the straight-line method. In 2025, the amortization of TEUR 38,981 (2024: TEUR 36,395) 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	2025	2024
At January 1	1,128	1,066
Reversed	-890	-847
Charged to expenses	1,053	909
At December 31	1,291	1,128

(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, 2025, contract liabilities from customer loyalty programs and discounts granted for hardware amounting to TEUR 100,232 (2024: TEUR 100,420) 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:

in TEUR	2025	2024
At January 1	85,780	91,137
Increases	243,443	203,093
Transfers to receivables	-233,554	-209,274
Accretion	651	807
Foreign currency adjustments	10	17
At December 31	96,330	85,780
Loss allowances	-3,004	-2,642
Contract assets, net	93,325	83,138
Davon mit einer Restlaufzeit von mehr als einem Jahr	49,762	51,440

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, 2025, the carrying amount of land amounted to TEUR 60,612 (2024: TEUR 60,665).

in TEUR	Telephonic plant in operation and equipment	Land and build- ings & leasehold improvements	Other assets	Construction in progress	Inventories for operation of the plant	Total
Cost						
At January 1, 2024	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
Additions	294,700	12,029	24,189	206,162	134,313	671,393
Disposals	-274,845	-11,800	-34,308	-727	-5,540	-327,221
Transfers	317,509	14,072	4,677	-187,332	-152,890	-3,964
Translation adjustment	15,192	1,277	2,857	897	66	20,289
Changes in reporting entities	6,033	336	-2	9	0	6,375
At December 31, 2025	11,112,393	1,062,186	356,614	465,790	85,888	13,082,870
Accumulated depreciation and impairment						
At January 1, 2024	-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
Additions	-510,415	-23,968	-30,614	0	2,507	-562,490
Disposals	260,078	10,171	33,968	0	4,345	308,562
Transfers	-146	-7	0	0	0	-153
Translation adjustment	-11,501	-476	-2,423	0	-33	-14,432
Changes in reporting entities	-1,027	-170	-57	0	0	-1,254
At December 31, 2025	-8,675,017	-864,982	-305,498	0	-24,268	-9,869,765
Carrying amount at						
December 31, 2025	2,437,376	197,204	51,116	465,790	61,620	3,213,105
December 31, 2024	2,341,798	195,741	52,829	446,781	78,852	3,116,000

Other assets include mainly office and business equipment as well as motor vehicles.
For possible changes in reporting entities, see Note (34).

The reclassifications of telephonic plant in operation and building and leasehold improvements in 2024 relate to a group harmonization of accounts.

The reversal of the impairment in 2024 relates mainly to the amortized carrying amount of a solar plant in Belarus which had been fully impaired previously.

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:

	2025	2024
Telephonic plant in operation and equipment	2-25	2-25
Buildings and leasehold improvements	2-50	2-50
Other assets	2-10	2-10

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	2025	2024
Decrease due to extension by one year	112,944	114,635
Increase due to reduction by one year	145,102	181,798

In 2025, the useful life of technical equipment of solar plants in Belarus was increased from four to twelve years based on the estimations of technical experts, which resulted in a decrease in depreciation of TEUR 2,569. Furthermore, the useful life of certain test and measuring instruments in Croatia was decreased from three to two years due to intensive use and based on the estimations of technical experts, which resulted in an increase in depreciation of TEUR 1,442. 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 2025, government grants for assets amounting to TEUR 42,765 (2024: TEUR 44,432) were deducted from acquisition cost. The other grants relate essentially to the expansion of the broadband network in Austria and since 2025 in Bulgaria.

At December 31, 2025, contractual commitments for the acquisition of property, plant and equipment amounted to TEUR 177,668 (2024: TEUR 224,250).

(16) Intangibles

in TEUR	Licenses and other rights	Brand names and patents	Software	Customer base	Construction in progress	Total
Cost						
At January 1, 2024	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
Additions	110,908	0	66,868	179	45,450	223,406
Disposals	-84,997	-3	-25,986	-658	-3,024	-114,668
Transfers	37,408	-1	60,960	0	-93,647	4,720
Translation adjustment	4,425	2,477	2,203	9,293	1,902	20,299
Changes in reporting entities	0	0	0	826	0	826
At December 31, 2025	2,319,103	556,954	1,651,069	1,024,508	89,475	5,641,109

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in TEUR	Licenses and other rights	Brand names and patents	Software	Customer base	Construction in progress	Total
Accumulated amortization and impairment						
At January 1, 2024	-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
Additions	-121,648	-2,712	-159,090	-7,684	0	-291,134
Disposals	53,409	2	25,886	343	0	79,640
Translation adjustment	-4,243	-2,461	-2,043	-9,272	0	-18,019
At December 31, 2025	-1,411,436	-388,951	-1,322,577	-1,008,804	0	-4,131,767
Carrying amount at						
December 31, 2025	907,668	168,003	328,492	15,704	89,475	1,509,342
December 31, 2024	912,405	170,700	359,695	22,677	138,795	1,604,272

For possible changes in reporting entities, see Note (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:

	2025	2024
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

In 2025, the useful life of certain software in Croatia was decreased from five to three years based on the estimations of technical experts and due to the technological progress and changes in business processes, which resulted in an increase in depreciation of TEUR 6,799.

The following table shows expected amortization expense related to intangible assets with a finite useful life for each of the following periods:

in TEUR	2025	2024
2025	n.a.*	286,094
2026	283,759	257,231
2027	232,053	211,825
2028	180,079	164,587
2029	137,453	109,076
2030	75,705	n.a.*
Thereafter	437,077	412,268
Total	1,346,125	1,441,080

* 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	2025	2024
Decrease due to extension by one year	50,315	44,647
Increase due to reduction by one year	90,528	64,026

Licenses and other rights

Other rights with useful lives of more than 20 years relate to infeasible 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, 2025, the total cost incurred for the major license agreements, which will expire between 2026 and 2047 (2024: 2026 and 2044), amounted to TEUR 2,167,022 (2024: TEUR 2,054,994).

In March 2025, A1 Bulgaria acquired concessions for cellular network licenses in the 900 MHz and 2100 MHz range for a total of TEUR 9,581 and a period of ten years.

In November 2025, A1 Serbia acquired frequencies for TEUR 100,155 and a useful life until March 2047. The licences in the 700 MHz, 2600 MHz and 3400-3800 MHz frequency bands were put into service in December 2025. In December 2026, the frequencies in the 900 MHz and the 2100 MHz bands will be put into service. In March 2027 the licences in the 1800 MHz frequency band will be put into operation. The payment is effected in two installments of which the first one was paid in November 2025 and the second will become due in June 2026.

In December 2025, the right-of-use contract for exclusive frequency blocks for A1 Belarus in the 4 G/LTE spectrum was cancelled by the Belarusian infrastructure provider beCloud. Starting 2026, the new contract between the provider beCloud and A1 Belarus, as well as the other market participants, is exclusively based on used capacities in the 4G network and will be recognized in operating expenses. Accordingly, the previously capitalized right to use exclusive frequency blocks and the respective liability were released resulting in a gain of TEUR 2,530 recognized in other operating income in 2025.

In June 2024, A1 Bulgaria acquired frequencies for TEUR 30,623 in the 900 MHz and 1800 MHz frequency bands for a period of ten 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 equaled the discounted future cash flows of the following five years (see Note (26)) and was derecognized as described above.

Brand names

The following table shows the changes in the net carrying amounts of brand names by segment:

in TEUR	Austria	Bulgaria	Corporate & Other	Total
At January 1, 2024	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
Translation adjustment	0	-0	25	25
At December 31, 2025	158,351	2,010	2,855	163,216

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	2025	2024
A1	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	2,396	2,371
Invenium	459	459
Total Corporate & Other	2,855	2,830
Total brand names	163,216	163,191

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" of the asset table:

in TEUR, at December 31	2025	2024
Cost of production	135,771	131,771
Accumulated amortization	-98,597	-85,674
Carrying amount	37,174	46,097
Additions	8,699	24,116

Customer base

The addition in 2024 relates to the acquisition of the Austrian company NTT (see Note (34)).

Contractual commitments

At December 31, 2025, contractual commitments for the acquisition of intangible assets amounted to TEUR 40,327 (2024: TEUR 52,300).

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	Serbia	North Macedonia	Corporate & Other	Total
At January 1, 2024	587,254	236,023	100,785	9,603	112,385	0	25,794	17,419	1,089,265
Translation adjustment	0	0	0	-232	0	0	0	-154	-387
At December 31, 2024	587,254	236,023	100,785	9,371	112,385	0	25,794	17,265	1,088,878
Translation adjustment	0	-3	0	566	0	0	0	99	662
Acquisitions	0	0	0	0	2,473	10	0	0	2,483
At December 31, 2025	587,254	236,020	100,785	9,936	114,858	10	25,794	17,364	1,092,023

For possible changes in reporting entities, see Note (34).

The acquisition cost as well as cumulative impairment charges of goodwill amount to:

in TEUR, at December 31	2025	2024
Segment Austria	591,274	591,274
Segment Bulgaria	636,014	636,023
Segment Croatia	105,809	105,809
Segment Belarus	316,835	298,692
Segment Slovenia	142,782	140,309
Segment Serbia	10	0
Segment North Macedonia	30,905	30,905
Corporate & Other	17,364	17,265
Total cost	1,840,993	1,820,277

in TEUR, at December 31	2025	2024
Segment Austria	4,020	4,020
Segment Bulgaria	399,994	400,000
Segment Croatia	5,024	5,024
Segment Belarus	306,899	289,321
Segment Slovenia	27,924	27,924
Segment North Macedonia	5,111	5,111
Accumulated impairment	748,971	731,399

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 14 months.

The climate risk analysis has been a part of risk management since 2021 and is updated every three years, for the last time in 2024, according to the requirements of the European Sustainability Reporting Standards. It investigates the effects of long-term climate scenarios on the business model of A1 Group by analyzing and evaluating physical risks (e.g. floods, heat waves) and, on a yearly basis, 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	
	2025	2024	2025	2024
Segment Austria	1.3%	1.4%	6.2%	6.0%
Segment Bulgaria	2.4%	2.0%	7.6%	7.3%
Segment Croatia	2.4%	2.2%	7.1%	7.5%
Segment Belarus	5.2%	5.3%	44.9%	38.1%
Segment Slovenia	1.1%	2.1%	7.4%	6.6%
Segment Serbia	3.0%	3.0%	11.1%	10.0%
Segment North Macedonia	2.0%	2.0%	11.0%	9.4%
Corporate & Other	2.1%	2.1%	5.8%	5.6%

If the value in use of the cash-generating unit exceeds its carrying amount, neither the cash-generating unit nor the goodwill and brand name 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, 2025 and 2024, 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	2025	2024
At January 1	2,036	921
Recognized income	1,228	1,116
At December 31	3,264	2,036

The difference between the investment in associates and its proportionate equity is disclosed in the following table:

in TEUR, at December 31	2025	2024
Proportionate equity	3,435	2,378
Intercompany elimination	-171	-342
Investments in associates	3,264	2,036

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	2025	2024
Investments at amortized cost	565,044	274,491
Debt instruments at fair value through other comprehensive income*	41,162	22,226
Debt instruments at fair value through profit or loss*	4,220	15,826
Equity instruments at fair value through profit or loss*	2,778	3,664
Short- and long-term investments	613,204	316,207
Thereof		
Short-term investments	397,949	62,523
Long-term investments	215,255	253,685

* 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, 2025, investments at amortized cost (business model "hold to collect") include quoted bonds of TEUR 541,388 (2024: TEUR 272,639), which are held to generate contractual cash flows as well as fixed-term deposits of TEUR 23,656 (2024: TEUR 1,852). For details regarding the bonds with a face value of TEUR 255,000 and TEUR 180,000 issued by ETS Group, see Note (11). At December 31, 2025, bonds held by the subsidiary A1 in Belarus with a face value of TEUR 63,676 (2024: 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, 2025, bonds in the amount of TEUR 29,160 (2024: TEUR 8,344) 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, 2025, TEUR 1,225 (2024: TEUR 1,181) 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	2025	2024
Finance lease receivables	2,348	2,073
Other financial assets	2,675	2,231
Financial assets	5,023	4,304
Other non-financial assets	25,515	22,938
Other non-current assets, gross	30,537	27,242
Less loss allowance for financial assets	-25	-53
Other non-current assets, net	30,512	27,189

- For finance lease receivables as well as the loss allowance recognized that is included in the loss allowance for financial assets, see Note (30).
- Other non-financial assets include essentially prepayments for license fees and maintenance agreements.

(21) Short-term Debt

in TEUR, at December 31	2025	2024
Current portion of long-term debt	749,339	0
Short-term bank debt	4,417	82
Short-term debt	753,756	82

The current portion of long-term debt relates to a bond due in December 2026 (see Note (25)). The short-term bank debt at December 31, 2025 relates to a delay in the transfer of cash pooling funds from Austria to Croatia. For further funding sources, see Note (33).

(22) Accounts Payable

Accounts payable consist of the following items:

in TEUR, at December 31	2025	2024
Fiscal authorities	54,952	74,618
Social security	11,322	14,083
Other non-financial liabilities	6,254	5,947
Current non-financial liabilities	72,527	94,648
Suppliers	783,051	708,520
Deferred consideration from business combinations	656	381
Accrued interest	682	740
Cash deposits received	20,048	17,796
Employees	44,710	46,943
Salary increments reference date	28,438	26,491
Long-term incentive program	1,281	1,334
Government grants	21,249	23,858
Other current financial liabilities	50,204	46,274
Current financial liabilities	950,319	872,337
Accounts payable	1,022,846	966,985

- 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, 2025, accounts payable – trade amounting to TEUR 5,479 (2024: TEUR 3,483) have a maturity of more than twelve months.
- At December 31, 2025 and 2024, deferred consideration from business combinations includes the consideration for A1 ICT Service GmbH not yet paid (see Notes (26) and (34) as well as the development of the deferred consideration in the table "Total liabilities from financing activities" in Note (32)).
- 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 and in Bulgaria.
- In 2025 and 2024, 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, 2025	340,048	73,482	157,917	18,939	53,002	643,388
Additions	92,892	63,776	1,998	21,929	17,726	198,321
Changes in estimate	-9,537	0	-13,481	0	0	-23,018
Used	-110,243	-68,110	-4,383	-4,099	-6,595	-193,430
Released	-2,625	-9,177	-1,180	-3,167	-4,663	-20,811
Accretion expense	7,679	0	6,178	0	0	13,858
Reclassifications*	0	20,388	0	0	0	20,388
Translation adjustment	0	86	539	0	32	657
Changes in reporting entities	0	1	0	0	178	179
At December 31, 2025	318,215	80,447	147,589	33,602	59,681	639,532
Thereof long-term						
December 31, 2025	218,127	0	147,589	0	0	365,715
December 31, 2024	240,316	0	157,917	0	0	398,233

* 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, 2025, the corresponding provision amounts to TEUR 314,966 (2024: TEUR 336,060) and includes 1,551 (2024: 1,631) employees.

Provisions for restructuring are recorded at their present value. The following table presents the parameters used for calculating the provisions:

	2025	2024
Discount rate:		
Employees permanently leaving the service process	3.00%	3.00%
Social plans	2.75%	2.75%
Civil servants transferred to the government	3.00%	3.00%
Rate of compensation increase	2,40%-3,10%	3,40%-4,20%

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, 2025, the provision for the transfer of civil servants to the government amounts to TEUR 3,249 (2024: TEUR 3,988) and comprises 84 (2024: 90) employees.

Duration

The following table discloses the restructuring obligations' weighted average duration in years:

	2025	2024
Employees permanently leaving the service process	4.4	4.5
Social plans	2.8	3.0
Civil servants transferred to the government	3.6	3.9

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
2025		
Change in discount rate	-13,655	14,450
Change in rate of compensation	7,992	-7,775
2024		
Change in discount rate	-13,123	13,864
Change in rate of compensation	9,247	-8,966

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, 2025, a provision of TEUR 8,497 (2024: TEUR 7,751) 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:

	2025	2024
Discount rate	3,5%-25,0%	3,0%-23,9%
Inflation rate	2,1%-6,1%	2,1%-5,8%

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 2025, TEUR 6,062 (2024: TEUR 810) 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
2025		
Change in discount rate	-11,531	13,844
Change in inflation rate	14,170	-12,005
2024		
Change in discount rate	-12,590	15,202
Change in inflation rate	15,393	-12,990

Legal

Provisions relate mainly to expenses for legal advice and litigation.

The increase in the litigation provision is essentially due to the lawsuit received from the Austrian Federal Chamber of Labor (Bundesarbeitskammer) in January 2024 with respect to recurring fees. The Chamber of Labor requests that in future certain A1 Group must not use clauses anymore and that it may not refer to them. It has meanwhile retracted its claims for automatic repayment. The judgement of the first instance in favor of the Chamber of Labor is not legally binding. A1 Group continues to convince the court up to the Supreme Court that the clauses are in accordance with the law, especially as the regulatory authority for telecommunications has regularly checked and accepted the clauses since 2011. Furthermore, there are special legal regulations in the telecommunications industry, also due to European law, that allow the use of these clauses. Since February 2024, these clauses have not been agreed with customers anymore.

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 spin-off and lease of radio towers from ETS Group (see Notes (11) and (30)). The fees for the lease contract 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.

(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	2025	2024
At January 1	240,735	216,285
Increase due to payments received	1,203,999	1,450,642
Revenues recognized in the current period from:		
Amounts included in the contract liability at beginning of the period	-189,586	-183,447
Decrease due to payments received in current period	-1,000,530	-1,250,511
Change in reporting entities	77	7,806
Foreign currency adjustments	99	-39
At December 31	254,793	240,735
Thereof remaining term of more than one year	32,034	29,811

In 2025 and 2024, the increase in the contract liability is due to prepayments for ICT projects in Bulgaria.

At December 31, 2025 and 2024, 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.

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. The face value of the bond amounts to TEUR 750.000, the carrying amount at December 31, 2025 amounts to TEUR 749,339 (2024: TEUR 748,630). As the bond is due in December 2026, it is disclosed in short-term financial liabilities (see Note (21)).

(26) Other Non-current Liabilities

in TEUR, at December 31	2025	2024
Cash deposits received	141	141
Deferred consideration from business combinations	0	1,173
Sundry other non-current financial liabilities	9,000	42,867
Other non-current financial liabilities	9,141	44,182
Sundry other non-current non-financial liabilities	590	0
Other non-current non-financial liabilities	590	0

- At December 31, 2024, the deferred consideration from business combinations includes the purchase price not yet paid of A1 ICT Services GmbH (see Notes (22) and (34) as well as the development of the deferred consideration in the 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 decrease in 2025 is due to the cancellation of the license agreement with beCloud in Belarus (see 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	2025	2024
Service awards	23,412	30,685
Severance	121,938	130,285
Pensions	2,199	2,587
Long-term incentive program	1,518	1,203
Other	6,163	1,497
Long-term employee benefit obligations	155,230	166,258

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:

	2025	2024
Discount rate service awards	2.75%	2.75%
Discount rate severance	3.75%	3.50%
Discount rate pensions	3.50%	3.25%
Rate of compensation increase - civil servants	3.20%	3,80%-4,40%
Rate of compensation increase - employees	2,60%-2,80%	2,90%-3,80%
Rate of increase of pensions	1.60%	1.70%
Employee turnover rate*	0,0%-0,87%	0,0%-0,90%

* 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.

While compensation increase in 2025 is based on a regular future development, in 2024, due to the economic situation expected future salary increases were considered when determining the compensation increases to be applied. 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:

	2025	2024
Service awards	2.6	3.1
Severance	9.9	9.8
Pensions	6.9	7.1

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	2025	2024
At January 1	36,864	43,040
Service cost	962	1,142
Interest cost	957	1,315
Actuarial gain/loss from experience adjustment	-339	-199
Actuarial gain/loss from changes in demographic assumptions	27	0
Actuarial gain/loss from changes in financial assumptions	-972	-1,165
Recognized in profit or loss	634	1,092
Benefits paid	-6,508	-7,785
Change in reporting entities	0	517
Obligation at December 31	30,990	36,864
Less short-term portion	-7,578	-6,179
Non-current obligation	23,412	30,685

At December 31, 2025 and 2024, approximately 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 2025, A1 Group paid TEUR 4,915 (2024: TEUR 4,410), 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	2025	2024
At January 1	138,058	150,901
Service cost	2,082	2,918
Interest cost	4,679	4,795
Curtailment loss/settlement	-1,834	-1,971
Recognized in profit or loss	4,927	5,742
Actuarial gain/loss from experience adjustment	5,179	3,372
Actuarial gain/loss from changes in demographic assumptions	-1,139	-345
Actuarial gain/loss from changes in financial assumptions	-6,942	-11,735
Recognized in other comprehensive income	-2,902	-8,708
Benefits paid	-12,348	-11,356
Change in reporting entities	0	1,478
Foreign currency adjustments	-2	1
Total obligation at December 31	127,733	138,058
Less short-term portion	-5,795	-7,773
Non-current obligation	121,938	130,285

The curtailment loss/settlement relates to transfers from defined benefit plans to defined contribution plans.

At December 31, 2025, approximately 7% (2024: 6%) 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 2025 to the social security system and the government in Austria amount to TEUR 58,243 (2024: TEUR 59,046). In 2025, contributions of the foreign subsidiaries into the respective systems range between 8.85% and 28% of gross salaries in the current year and amount to TEUR 36,686 (2024: TEUR 32,906).

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 2025, the annual expenses for this plan amount to TEUR 10,792 (2024: TEUR 10,693).

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	2025	2024
At January 1	2,886	3,319
Interest cost	79	102
Recognized in profit or loss	79	102
Actuarial gain/loss from experience adjustment	-116	-119
Actuarial gain/loss from changes in financial assumptions	-59	-150
Recognized in other comprehensive income	-175	-269
Benefits paid	-293	-265
Total obligation at December 31	2,498	2,886
Less short-term portion	-299	-299
Non-current obligation	2,199	2,587

Sensitivity analysis

The following table summarizes the short and long-term obligations recorded:

in TEUR, at December 31	2025	2024
Service awards	30,990	36,864
Severance	127,732	138,058
Pensions	2,498	2,886

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
2025		
Service awards	401	-391
Severance	6,311	-5,904
Pensions	85	-80
2024		
Service awards	561	-546
Severance	6,806	-6,365
Pensions	108	-117

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):

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in TEUR, at December 31	1 percentage point decrease	1 percentage point increase
2025		
Service awards	-772	795
Severance	-11,568	12,972
Pensions	-160	178
2024		
Service awards	-1,050	1,084
Severance	-12,402	13,911
Pensions	-195	175

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
2025		
Service awards	10	-67
Severance	983	-2,397
2024		
Service awards	6	-109
Severance	1,471	-2,790

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, 2025 and 2024, 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, 2025, América Móvil indirectly holds a stake of 60.94% (2024: 60.60%) through its 100% subsidiary América Móvil B.V., Netherlands, while ÖBAG holds a stake of 28.42% (2024: 28.42%) and free floated shares including treasury shares amount to 10.64% (2024: 10.98%). 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, 2025 and 2024, these requirements were fulfilled.

The number of authorized, issued and outstanding shares and treasury shares is presented in the table below:

At December 31	2025	2024
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:

	2025	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 TEUR	265,634	239,071
Date of payment	Jun. 11, 2025	Jul. 4, 2024

The net income of Telekom Austria AG according to Austrian GAAP amounts to:

in TEUR	2025	2024
Net income	475,068	204,408
Release of reserves reported in retained earnings	0	15,353
Allocation to reserves reported in retained earnings	-223,205	0
Profit carried forward from prior year	360,938	406,810
Unappropriated retained earnings	612,801	626,572

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 0.42 (2024: euro 0.40) 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	2025	2024
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 2025 is due to the transaction under common control, disclosed in Note (34).

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)). 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, 2025, 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. 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, 2025 and 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	2025	2024
Current income tax	127,672	157,925
Top-up tax	12,367	11,201
Deferred income tax	22,801	-32,563
Income tax	162,840	136,563

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The table below provides information about the allocation of total income tax in the Consolidated Financial Statements:

in TEUR	2025	2024
Continuing operations	162,840	136,563
Income tax on result of debt instruments*	240	132
Income tax on remeasurement of defined benefit obligations*	627	1,988
Total income tax	163,707	138,683

* 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	2025	2024
Earnings before income tax - EBT	775,641	763,135
Austrian statutory income tax rate	23.00%	23.00%
Income tax expense at statutory rate	178,397	175,521
Foreign tax rate differential	-29,399	-26,219
Top-up tax	12,367	11,201
Non-tax-deductible expenses	11,177	15,586
Tax incentives and tax-exempted income	-9,197	-12,647
Tax-free income (loss) from investments	-142	-103
Tax benefit/expense previous years	-12,942	2,229
Changes in deferred tax assets not recognized	10,616	-26,408
Impairments (reversals of impairments) of investments in subsidiaries	-212	0
Other	2,174	-2,598
Income tax	162,840	136,563
Effective income tax rate	20.99%	17.89%

The increase in the effective tax rate is mainly attributable to tax income resulting from the recognition of deferred tax assets in Austria in the previous year.

In 2025 and 2024, non-deductible expenses include in particular non-deductible personnel expense, representation expense, expense for company cars, non-deductible withholding tax on interest payments as well as various non deductible expenses in the respective tax jurisdictions. In 2024, they include furthermore withholding taxes on dividend income from Belarus.

In 2025 and 2024, 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.

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.

The tax benefit previous years relates mainly to adjustments resulting from finalized tax audits 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	Deferred tax assets	Deferred tax liabilities	Deferred tax liabilities
	2025	2024	2025	2024
Loss carry-forwards	15,478	41,042	0	0
Property, plant and equipment	15,451	12,372	-22,833	-24,273
Right-of-use assets, net	772	0	-278,128	-292,798
Other intangible assets	2,405	800	-56,470	-70,663
Accounts receivable: Subscribers, distributors and other	11,874	12,739	-194	-71
Contract cost	0	0	-8,179	-7,998
Lease liabilities	286,135	298,715	-153	0
Provisions, long-term	6,595	12,019	-700	0
Employee benefit obligations	13,423	16,442	0	0
Accrued liabilities and accounts payable	9,823	20,968	-17	-94
Other	6,314	7,191	-5,025	-7,117
Total	368,270	422,289	-371,699	-403,013
Set off	-306,094	-368,792	306,094	368,792
Deferred tax assets/liabilities	62,176	53,497	-65,606	-34,221
Net deferred tax assets/liabilities	-3,429	19,276		

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. Positive as well as negative taxable results are charged on the basis of the legal corporate tax rate less half a percentage point. 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, Slovenian and Swiss 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. Loss carry-forwards in Slovenia can be carried forward for five years, those in Switzerland for seven years.

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	2025	2024
Net operating loss carry-forwards	295,251	284,844

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, 2025, no deferred tax liabilities were recognized on temporary differences related to investments in subsidiaries amounting to TEUR 95,278 (2024: TEUR 102,662) 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 "Lease contracts with ETS Group".

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, 2024	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
Additions	45,142	203,980	26,635	42,542	318,298
Disposals	-12,405	-24,476	-12,831	-9,556	-59,268
Transfers	0	0	-755	0	-755
Translation adjustment	649	1,663	95	-1	2,407
At December 31, 2025	519,969	2,235,264	83,862	235,679	3,074,774
Accumulated amortization and impairment					
At January 1, 2024	-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
Additions	-49,404	-258,128	-18,582	-30,977	-357,091
Disposals	7,615	8,609	12,074	9,009	37,308
Transfers	0	0	153	0	153
Translation adjustment	-384	-1,211	-34	-9	-1,638
At December 31, 2025	-285,088	-801,194	-41,837	-127,038	-1,255,158
Carrying amount at					
December 31, 2025	234,881	1,434,070	42,025	108,640	1,819,616
December 31, 2024	243,668	1,503,633	35,270	97,632	1,880,203

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.

Lease contracts with ETS Group

With respect to the transfer of parts of the passive infrastructure of the base stations into the ETS companies, Master Lease Agreements ("MLAs") were concluded between the A1 companies and the ETS companies in 2023. The A1 companies record right-of-use assets as well as lease liabilities for these MLAs.

in TEUR, at December 31	2025	2024
Right-of-use assets, net	1,210,238	1,362,450
Lease liabilities short-term	219,633	202,267
Lease liabilities long-term	1,055,614	1,209,475

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 ETS companies were determined based on a term of eight years.

The following services are provided by the ETS 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	2025	2024
Lease principal paid	331,102	301,341
Lease interest paid	74,224	82,057
Prepaid right-of-use assets	7,074	5,218
Operating lease expense	2,333	4,643
Total cash outflow for leases	414,733	393,259
Thereof ETS-Group		
Lease principal paid	200,972	182,051
Lease interest paid	54,561	62,151

The following table provides a maturity analysis of lease liabilities:

in TEUR at December 31	2025	2024
2025	n.a.*	383,326
2026	414,961	345,539
2027	386,422	330,565
2028	361,376	318,636
2029	342,098	303,432
2030	326,927	n.a.*
Thereafter	231,098	475,771
Total minimum lease payments	2,062,881	2,157,269
Less amount representing interest	-208,524	-256,851
Present value of lease payments	1,854,357	1,900,418
thereof short-term portion	341,744	315,583
thereof long-term portion	1,512,613	1,584,835

* 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	2025	2024
Short-term leases	169	40
Leases of low-value assets	336	109
Variable lease payments	1,828	4,494

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, 2025, the carrying amount of assets held exclusively under finance leases amounts to TEUR 37,575 (2024: TEUR 40,920). 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	2025	2024
2025	n.a.*	25,271
2026	25,003	17,208
2027	16,779	13,731
2028	12,724	11,205
2029	9,954	6,205
2030	4,832	n.a.*
Thereafter	26,733	20,171
Total minimum lease payments	96,024	93,792

* 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	2025	2024
2025	n.a.*	1,636
2026	2,013	1,200
2027	1,414	658
2028	695	266
2029	290	90
2030	86	n.a.*
Thereafter	26	28
Total minimum lease payments	4,525	3,878
Less amount representing interest	-329	-325
Present value of finance lease receivables	4,196	3,553
thereof short-term portion	1,848	1,479
thereof long-term portion	2,348	2,073
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.

On April 1, 2025, the 16th tranche of the long-term incentive program (LTI 2025) was granted. 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 footprint, each weighted at 15%

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) 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 under a green bond or another sustainable finance certificate, weighted at 33%)

Since 2024, LTI 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 and LTI 2025 is 0% -200% (for all previous LIT programs 0% -175%).

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The following table summarizes the significant terms and conditions for each tranche not yet settled in the current year:

	LTI 2025	LTI 2024	LTI 2023
Grant date	Apr. 1, 2025	Jun. 1, 2024	Jun. 1, 2023
Start of the program	Jan. 1, 2025	Jan. 1, 2024	Jan. 1, 2023
End of vesting period	Dec. 31, 2027	Dec. 31, 2026	Dec. 31, 2025
Vesting date	Apr. 1, 2028	Jun. 1, 2027	Jun. 1, 2026
Bonus shares at grant date	154,982	179,487	121,628
Adjustment ETS share split	n.a. *	n.a. *	23,916
Bonus shares after ETS share split	n.a. *	n.a. *	164,598
Expected performance	100.00%	100.00%	100.00%
Expected bonus shares	154,982	179,487	142,305
Maximum bonus shares	309,964	358,974	249,033
Fair value of program in TEUR	1,361	1,596	1,281

* not applicable

In the course of the spin-off of ETS Group in 2023, the shares 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 2022	LTI 2021
Grant date	Jun. 1, 2022	Jun. 1, 2021
Start of the program	Jan. 1, 2022	Jan. 1, 2021
End of vesting period	Dec. 31, 2024	Dec. 31, 2023
Vesting date	Jun. 1, 2025	Jun. 1, 2024
Bonus shares at grant date	140,682	162,774
Adjustment ETS share split	23,916	27,672
Bonus shares at the end of the vesting period	164,598	190,446
Actual performance	116.70%	112.60%
Allocated bonus shares	192,086	214,442
Average stock price at end of vesting period in euro	8.13	7.02
Share-based compensation in TEUR	1,349	1,455

The remuneration related to LTI 2021 and LTI 2022 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	2025	2024
Personnel expense LTI	1,610	935

(32) Cash Flow Statement

The other adjustments in the non-cash and other reconciliation items in the Consolidated Statement of Cash Flows in 2025 and 2024 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 Note (5)).

The dividends received in 2025 and 2024 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 2025 and 2024 to the non-controlling interests of subsidiaries (see Note (34)) are disclosed in the Consolidated Statement of Changes in Stockholders' Equity.

In 2025, cash and cash equivalents of TEUR 539 (2024: TEUR 2,271) were acquired in business combinations (see Note (34)).

The following table provides a reconciliation of capital expenditures paid to total capital expenditures:

in TEUR	2025	2024
Capital expenditures paid	866,069	890,371
Reconciliation of additions in accounts payable	36,365	-48,706
Reconciliation of liabilities of government grants	2,609	17,008
Reconciliation of assets of government grants	-8,878	11,140
Reconciliation of right-of-use assets paid	-7,074	-5,218
Total capital expenditures	889,092	864,595

For the definition of capital expenditures, see Note (1). At December 31, 2025, TEUR 176,601 (2024: TEUR 133,825) 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 (21), (25) and (30)):

in TEUR, at December 31	2025	Cash flow	Foreign exchange differences	Non-cash changes			2024
				Accretion expense	Lease*	Additions/ Disposals	
Debt	753,756	5,045	0	0	0	0	748,712
Lease liabilities	1,854,357	-405,326	1,173	73,486	285,462	-856	1,900,418
Deferred consideration from business combinations	656	-675	0	60	0	-283	1,554
Total liabilities from financing activities	2,608,770	-400,956	1,173	73,546	285,462	-1,139	2,650,684
in TEUR, at December 31	2024						2023
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

* Includes additions to new lease contracts as well as terminations or modifications of existing lease contracts.

The cash flow from lease liabilities includes lease principal paid and interest, the latter being reported in the line item “interest paid”.

The cash flow for deferred consideration from business combinations relates to:

- In 2025, the payment for the Austrian company A1 ICT Services GmbH acquired in 2024 (see Note (34)) as well as to the release of the portion of the liability exceeding the payment, which is reported in additions/disposals (see Notes (22) and (26)).
- In 2024, 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)).

(33) Financial Instruments

Classification of financial instruments

Financial assets and financial liabilities are classified at initial recognition and 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		Fair value	
	2025	2025	2024	2024
Cash and cash equivalents	361,684	n.a.	366,991	n.a.
Accounts receivable: Subscribers, distributors and other	1,021,247	n.a.	949,613	n.a.
Receivables due from related parties	11,414	n.a.	16,405	n.a.
Other current financial assets	44,395	n.a.	21,047	n.a.
Other non-current financial assets	4,997	n.a.	4,251	n.a.
Investments at amortized cost	565,044	567,636	274,491	275,761
Financial assets at amortized cost	2,008,781	n.a.	1,632,797	n.a.
Equity instruments at fair value through profit or loss*	2,778	2,778	3,664	3,664
Debt instruments at fair value through other comprehensive income*	41,162	41,162	22,226	22,226
Debt instruments at fair value through profit or loss*	4,220	4,220	15,826	15,826
Financial assets at fair value	48,159	48,159	41,717	41,717

* mandatory

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

For further information on other current financial assets, see Note (13). For other non-current financial assets, see Note (20). For investments at amortized cost, see Note (19).

The following table discloses the fair values of investments at amortized cost and their fair value hierarchy levels:

in TEUR, at December 31	2025	2024
Bonds Level 1	44,441	68,209
Bonds Level 2	499,539	205,700
Fixed-term deposits	23,656	1,852
Investments at amortized cost	567,636	275,761

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, 2025 and 2024, this applies to the bonds of ETS Group disclosed in Note (11) and bonds held in Belarus (see Note (19)).

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, 2025	47,041	1,118	0	48,159
December 31, 2024	40,596	1,120	0	41,717

Financial liabilities

in TEUR at December 31	Carrying amount		Fair value	
	2025	2025	2024	2024
Short-term bank debt	4,417	4,411	82	82
Bonds	749,339	744,465	748,630	735,623
Payables due to related parties	45,846	n.a.	36,800	n.a.
Current financial liabilities	950,319	n.a.	872,337	n.a.
Other non-current financial liabilities	9,141	9,141	44,182	44,182
Financial liabilities at amortized cost	1,759,062	n.a.	1,702,031	n.a.
Lease liabilities	1,854,357	n.a.	1,900,418	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.

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 Note (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. Both external and internal credit risk assessment criteria are applied in selecting the credit institutions. Financial investments are generally made only with counterparties of good credit standing. In Belarus, the availability of international banks is limited due to current economic challenges. Owing to the current restrictions on dividend payments, A1 Group holds cash and financial investments in Belarus with local credit institutions (see Notes (9) and (19)). The credit risk assessments of these financial investments are based on locally available information.

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).

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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	2025	2024
Short- and long-term investments	613,204	316,207
Cash and cash equivalents	361,684	366,991
Carrying amount	974,888	683,198

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), (14) and (20)):

in TEUR, at December 31	2025	2024
Accounts receivable: Subscribers, distributors and other	1,021,247	949,613
Receivables due from related parties	11,414	16,405
Financial assets	49,392	25,298
Contract assets	93,325	83,138
Carrying amount	1,175,378	1,074,453

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	2025	2024
Cash deposits	20,190	17,937
Bank guarantees	4,665	3,886

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		ECL	
	2025	2025	2024	2024
Unbilled & billed, not yet due	886,307	21,943	806,524	21,130
Past due 0-30 days	80,968	4,385	87,348	5,286
Past due 31-60 days	23,737	4,843	27,583	5,539
Past due 61-90 days	10,765	3,937	13,802	4,534
More than 90 days	300,461	245,882	290,017	239,173
Total	1,302,236	280,990	1,225,274	275,661

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	2025	2024
At January 1	275,661	284,479
Foreign currency adjustment	684	-253
Change in reporting entities	126	65
Reversed	-4,117	-4,677
Charged to expenses	47,155	50,195
Amounts written-off	-38,519	-54,147
At December 31	280,990	275,661

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	2025	2024
Domestic	1,244,038	1,153,335
Foreign	58,199	71,939
Loss allowances	-280,990	-275,661
Accounts receivable: Subscribers, distributors and other	1,021,247	949,613
Thereof		
Specific loss allowance	4,850	6,977
General loss allowance	276,139	268,684

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 2025, income from collections of impaired receivables subject to enforcement activity amounted to TEUR 5,136 (2024: TEUR 3,569) and was recognized in other operating income (see Note (5)).

At December 31, 2025, accounts receivable: subscribers, distributors and other from A1 Group's customer with the highest turnover amount to TEUR 5,923 (2024: TEUR 3,266). 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	2025	2024
At January 1	2,642	2,746
Foreign currency adjustment	0	1
Reversed	-5,488	-4,608
Charged to expenses	5,851	4,504
At December 31	3,004	2,642

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, 2025, A1 Group disposes of unutilized committed credit lines of TEUR 1,315,000 (2024: TEUR 1,315,000).

- Credit lines of TEUR 1,000,000 have a term until December 2030 (2024: TEUR 1,000,000 until July 2026)
- TEUR 15,000 have a term until September 2026 (2024: TEUR 15,000 until September 2025)
- TEUR 300,000 with a term until March 2028 (2024: TEUR 300,000 until March 2025)

Furthermore, at December 31, 2025, A1 Group has a Commercial Paper Program with a maximum volume of TEUR 1,000,000 (2024: TEUR 1,000,000). At December 31, 2025 and 2024, 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, 2025						
Bonds	761,250	0	761,250	0	0	0
Bank debt	4,417	4,417	0	0	0	0
Accounts payable - trade	783,051	772,264	5,308	4,349	702	427
Lease obligations	2,062,881	221,098	193,863	386,422	1,030,401	231,098
Other financial liabilities	175,727	154,517	10,928	4,626	47	5,608
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

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, 2025 and 2024, 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 6 (2024: TEUR 70) and profit by TEUR 5 (2024: EUR 59), 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, 2025, were concluded with a fixed interest rate except for the bond of ETS Group acquired in 2024 and 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.

Exchange rate risk

At December 31, 2025 and 2024, 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 Denominated in	2025			2024		
	EUR	USD	Other	EUR	USD	Other
Accounts receivable: Subscribers, distributors and other	16,793	3,541	24,586	10,836	3,064	18,707
Accounts payable – trade	28,934	6,346	11,556	57,703	31,700	16,272

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	2025	2024
Serbian dinar (RSD)	1,584	806
Belarusian ruble (BYN)	-14	11
Macedonian denar (MKD)	338	83

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, 2025 in %	Method of consolidation*	Share in capital at December 31, 2024 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, 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 Open Fiber GmbH, Vienna	100.00	FC	100.00	FC
A1 ICT Services GmbH, Vienna	100.00	FC	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
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 sité 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
STEMO EOD, Gabrovo	100.00	FC	100.00	FC
Segment Croatia				
A1 Hrvatska d.o.o., Zagreb	100.00	FC	100.00	FC
Segment Belarus				
Unitary enterprise A1, Minsk	100.00	FC	100.00	FC
Unitary enterprise TA-Engineering, Minsk	-	LIQ	100.00	FC
A1 Digital 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
LEANWORX DOOEL, Skopje	100.00	FC	100.00	FC
Segment Serbia				
A1 Srbija d.o.o., Belgrade	100.00	FC	100.00	FC
Segment Slovenia				
A1 Slovenija d.d., Ljubljana	100.00	FC	100.00	FC
PETER-S TELEURH d.o.o., Ljubljana	100.00	FC	-	-
Corporate & Other				
Telekom Finanzmanagement GmbH, Vienna	100.00	FC	100.00	FC
Mobilkom Beteiligungsgesellschaft mbH, Vienna	100.00	FC	100.00	FC
mobilkom Bulgarien Beteiligungsverwaltung GmbH, Vienna	100.00	FC	100.00	FC
mobilkom CEE Beteiligungsverwaltung GmbH, Vienna	100.00	FC	100.00	FC
mobilkom Mazedonien Beteiligungsverwaltung GmbH, Vienna	100.00	FC	100.00	FC
mobilkom Belarus Beteiligungsverwaltung GmbH, Vienna	100.00	FC	100.00	FC
Kroatien Beteiligungsverwaltung GmbH, Vienna	100.00	FC	100.00	FC
SB Telecom Ltd., Dubai	100.00	FC	100.00	FC
A1 Business Development Telecommunication Services FZCO, Dubai	100.00	FC	-	-
A1 Digital International GmbH & Co KG, Vienna (2024: A1 Digital International GmbH, Vienna)	100.00	FC	100.00	FC
A1 Digital International Beteiligungsgesellschaft mbH, Vienna	100.00	FC	-	-
A1 Digital Deutschland GmbH, Munich	100.00	FC	100.00	FC
Akenes S.A., Lausanne	100.00	FC	100.00	FC

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Name and company domicile	Share in capital at December 31, 2025 in %	Method of consolidation*	Share in capital at December 31, 2024 in %	Method of consolidation*
Claro Enterprise Solutions Sociedad Limitada; Madrid	100.00	FC	-	-
Invenium Data Insights GmbH, Graz	100.00	FC	100.00	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.

The acquisition method according to IFRS 3 is not applicable to transactions under common control, which are recognized according to the pooling of interests method. The difference between consideration transferred and the carrying amounts of the assets acquired and the liabilities assumed is recognized directly in equity.

Transaction under common control

On September 1, 2025, A1 Group acquired 100% of Claro Enterprise Solutions S.L.U. („Claro“) via its Austrian subsidiary A1 Digital International GmbH & Co KG in a transaction under common control with Sercotel, S.A de C.V.. The transaction was determined to be under common control as both acquirer as well as seller are controlled by América Móvil. Claro offers essentially IT, cybersecurity and connectivity services which assist customers with a secure and scalable digital transformation.

The carrying amounts of assets acquired and liabilities assumed on the acquisition date are disclosed in the following table:

in TEUR	Book value on acquisition date
Property, plant and equipment	13
Accounts receivable: Subscribers, distributors and other	4,793
Other assets and receivables	195
Cash and cash equivalents	346
Accounts payable	-4,914
Other liabilities	-283
Net assets acquired	151
Cash and cash equivalents acquired	-346
Net cash outflow	2,027

The consideration transferred amounted to TEUR 2,374. The difference compared to net assets amounting to TEUR 2,222 was recognized directly in equity. There is no goodwill.

Claro is reported in the segment Holding & others and has contributed revenues of TEUR 6,721 and a profit of TEUR 29 since the acquisition date.

Business combinations

On February 27, 2025, A1 Group acquired 100% of Conexio Metro d.o.o. via its Serbian subsidiary A1 Srbija. The company operates particularly an extensive fiber optic network in Serbia.

On April 17, 2025, A1 Group acquired 100% of PETER-S TELEURH d.o.o. via its Slovenian subsidiary A1 Slovenija. The company operates among others fiber optic networks in Ljubljana as well as other cities and operates a data center of its own in Ljubljana.

In the following table the fair values of assets acquired and liabilities assumed on the acquisition date are disclosed in sum for both companies described above:

in TEUR	Fair values on acquisition date
Property, plant and equipment	5,195
Intangible assets	826
Accounts receivable: Subscribers, distributors and other	211
Other assets and receivables	329
Cash and cash equivalents	193
Deferred tax liabilities	-182
Accounts payable	-65
Other liabilities	-742
Net assets acquired	5,765
Goodwill	2,483
Total purchase consideration	8,248
Cash and cash equivalents acquired	-193
Net cash outflow	8,055

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)).

Conexio Metro d.o.o. was merged into A1 Srbija and is reported in the segment Serbia. PETER-S TELEURH d.o.o. is reported in the segment Slovenia and has contributed revenues of TEUR 602 and a profit of TEUR 171 since the acquisition.

Acquisition-related costs, which are reported in the line item "selling, general & administrative expenses", amount to TEUR 55. 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, 2025. 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 8,021. 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 8,850 for the years 2010 to 2025. As A1 Group expects with a high probability that the appeal will be granted, no tax liability was recognized.

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 first instance dismissed the lawsuit of VKI due to the binding effect or preliminary rulings. VKI lodged an appeal against the dismissal. The case is now pending in the court of the second instance and there is no verdict yet. In 2012, the VKI had 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 these processes unfold binding effects respectively 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. Especially since the ZIAG (Civil Law Indexation Adjustment Act) has been enacted in the meantime provides additional argumentation. Therefore, no provisions were made for this lawsuit as of December 31, 2025. 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 relating to one-time charges. 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 clauses relating to one-time charges. 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 Oberlandesgericht Vienna in its role as second instance classified the activation fee as grossly discriminatory in mobile communication and as permissible in fixed line communication. The decision is not yet legally binding. The parties filed an ordinary appeal with the Supreme Court. In Germany, the Federal Court of Justice (Bundesgerichtshof, BGH) ruled on the admissibility of the activation fee based on European regulations. Should the Austrian Supreme Court (OGH) intend to consider the activation fee inadmissible, it would have to refer the matter to the Court of Justice of the European Union (CJEU) to avoid divergent interpretations of the same EU-law-determined legal framework within Europe. In view of the BGH's jurisprudence and the history of the development of the relevant EU legal provisions, A1 Austria assumes that the CJEU, in preliminary ruling proceedings, would be more likely to support A1 Austria's position. Therefore, no provisions were recognized for this lawsuit as of December 31, 2025.

(36) Remuneration Paid to the Management Board and Supervisory Board

At December 31, 2025 and 2024, the Management Board of Telekom Austria AG consists of two members: Chief Executive Officer (CEO) Alejandro Plater and Deputy Chief Executive Officer (Deputy CEO) Thomas Arnoldner.

The following table summarizes the remuneration of members of the Management Board and the Supervisory Board:

in TEUR	2025	2024
Base salary (incl. remuneration in kind)	1,303	1,302
Variable yearly remuneration (Short Term Incentive - "STI")	1,254	1,476
Multi-year share-based remuneration (Long Term Incentive Program)*	1,084	1,048
Total	3,641	3,826
Remuneration to former member of the Management Board:		
Pro rata variable yearly remuneration STI 2023	0	420
LTI 2022 (2024: 2021)	265	407
Total remuneration to former member of the Management Board:	265	827
Compensation Supervisory Board	371	381

* In 2025, the remuneration relates to the payment of the tranche for LTI 2022 (2024: LTI 2021), 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 2022 (2024: LTI 2021 and STI 2023) paid to the resigned CFO Siegfried Mayrhofer in 2025 is based on his period in office until August 31, 2023 (see Note (31)).

(37) Employees

The average number of employees during the year 2025 was 16,904 (2024: 17,463). At December 31, 2025, A1 Group employed 16,628 (2024: 17,298) employees (full-time equivalents).

(38) Other Events

On January 1, 2026, Bulgaria adopted the euro, which replaced the Bulgarian lev as the functional currency of the Group's Bulgarian subsidiaries. The conversion rate was fixed at 1.95583 Bulgarian leva per euro.

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.

(39) Release for Publication

On February 9, 2026, 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 9, 2026

Alejandro Plater m.p.
CEO

Thomas Arnoldner m.p.
Deputy CEO

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 9, 2026

The Management Board of Telekom Austria AG

Alejandro Plater m.p.
CEO

Thomas Arnoldner m.p.
Deputy CEO

Assurance Statements

AUDITOR'S REPORT *)

Report on the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Telekom Austria Aktiengesellschaft, Vienna (the Company), and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statement of comprehensive income, the consolidated statement of changes in stockholders equity and the consolidated statement of cash flows for the financial year then ended, and notes to the consolidated financial statements.

In our opinion, the consolidated financial statements comply with legal requirements and give a true and fair view of the consolidated financial position of the Group as at December 31, 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and the additional requirements under section 245a UGB.

Basis for the opinion

We conducted our audit in accordance with Regulation (EU) No. 537/2014 and with the Austrian Generally Accepted Auditing Standards. Those standards require the application of the International Standards on Auditing (ISAs). Our responsibilities under those 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 laws and regulations applicable in Austria, and we have fulfilled our other professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained up to the date of our report is sufficient and appropriate to provide a basis for our opinion as of that date.

*) This report is a translation of the audit report according to section 273 of the Austrian Commercial Code (UGB). The translation is presented for the convenience of the reader only. The German wording of the audit report is solely valid and is the only legally binding version. Section 281 (2) UGB applies.

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 current period. 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.

The following issues were most significant for our audit:

1. Revenue - Multiple element arrangements
2. Impairment of goodwill

1. Revenue - Multiple element arrangements

Description and Issue

The Telekom Austria Aktiengesellschaft Group realizes a significant part of its revenue through multiple element arrangements. In these contracts, the Telekom Austria Aktiengesellschaft Group undertakes to provide various services, the revenue recognition of which must take place at a point in time or over a period of time in accordance with IFRS 15. Payment by the customer is made within the framework of monthly fees over the contractual term.

In order to allocate the monthly fees to the individual contract components, the Telekom Austria Aktiengesellschaft Group makes material assumptions, estimates and judgements. Furthermore, the Telekom Austria Aktiengesellschaft Group must determine, on the basis of the provisions of IFRS 15, whether the revenues of the individual components are to be realised at a defined point in time or over a defined longer period of time.

For details on revenue recognition, in particular on multiple element arrangements, and the estimates and judgments incorporated into accounting for them, please refer to the notes under Note 4 "Use of Estimates and Judgments", Note 5 "Revenues" and Note 14 "Contract Assets" in the Notes to the Consolidated Financial Statements.

The assumptions or estimates and judgments made in the revenue recognition of multiple element arrangements can have a significant impact on the amount of sales in the individual financial years and thus on the annual result. For this reason, this issue was of particular importance in the context of our audit.

Audit procedure

During our audit, we gained an understanding of the revenue recognition process and assessed controls in terms of design and implementations as well as their operating effectiveness. The audit of controls also includes the general IT controls of the IT systems used to record revenue.

In order to assess the key judgments made by the management, such as the identification of multiple element arrangements, we have engaged our internal IFRS specialists. They also critically assessed the appropriateness of combining the contracts with similar characteristics into a portfolio and the method used to determine the transaction prices, which determine the recognition for the individual performance obligations.

We have, on a sample basis, evaluated whether the different performance obligations in arrangements have been correctly identified and whether the allocation of the transaction price to individual performance obligations is based on observable market data. We have evaluated that the transaction prices are based on the relative standalone selling price of the individual performance obligations.

We tested the completeness of multiple element arrangements included in the calculations of relative selling price across performance obligations.

In addition, we evaluated the completeness and accuracy of the disclosures required in accordance with IFRS 15 in the notes to the consolidated financial statements.

2. Impairment of goodwill

Description and Issue

Goodwill is reported in the consolidated financial statements of Telekom Austria Aktiengesellschaft at EUR 1,092 million. Goodwill is subject to impairment tests annually in the fourth quarter of the financial year or as needed. The segments of the Telekom Austria Aktiengesellschaft Group represent the cash-generating units. The impairment tests revealed no need for impairment in the 2025 financial year.

For details on how to conduct the impairment tests and the judgments and estimates that are taken into account, please refer to the explanations under Note 4 "Use of Estimates and Judgments" and Note 17 "Goodwill" in the Notes to the Consolidated Financial Statements.

The impairment assessment is based on forward-looking assumptions. The result of this valuation is highly dependent on the assessments, for example on future cash flows, in particular the assumptions on which the forecasts are based, as well as other valuation assumptions, and is therefore subject to considerable uncertainty. Changes in these assumptions may result in material changes in the results of the impairment tests.

For these reasons, this issue was of particular importance in the context of our audit.

Audit procedure

During our audit, we gained an understanding of the process for determining goodwill impairments and assessed controls in terms of design, implementation and operating effectiveness.

The appropriateness of the methodological approach (valuation model) for carrying out the impairment tests and the valuation assumptions were assessed with the involvement of our valuation specialists. Furthermore, the mathematical accuracy was assessed.

We have critically assessed the assumptions on which the cash flow planning is based and the judgments contained therein, and have evaluated them in detail with the Telekom Austria Aktiengesellschaft Group. We have used historical data to verify the reasonableness of the assumptions about future cash flows included in the calculation in connection with the planned revenue and earnings development.

In addition, we have carried out our own sensitivity analyses with the involvement of our valuation specialists in order to be able to assess a potential risk of change in value in the event of a change in material valuation assumptions.
In addition, our audit covered the completeness and accuracy of the disclosures required in accordance with IAS 36 in the notes to the consolidated financial statements.

Other Matter – Audit of the Consolidated Financial Statements of the Previous Year

The consolidated financial statements of the Group for the year ended December 31, 2024 were audited by another auditor who expressed an unmodified opinion on those statements on February 10, 2025.

Responsibilities of Management and the Audit Committee for the Consolidated Financial Statements

Management is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and the additional requirements under section 245a UGB, and for such internal control as management determines is 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 Regulation (EU) No 537/2014 and with Austrian Generally Accepted Auditing Standards, which require the application of the ISAs, will 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 consolidated financial statements.

As part of an audit in accordance with Regulation (EU) No 537/2014 and with Austrian Generally Accepted Auditing Standards, which require the application of the ISAs, we exercise professional judgment and maintain professional skepticism 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 the directors' 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 auditors' 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 gives a true and fair view.
- We plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an audit opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit activities conducted for the purposes

of 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 consolidated 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.

Other Legal and Regulatory Requirements

Report on the Audit of the Consolidated Management Report

Pursuant to statutory provisions, the consolidated management report is to be audited as to whether it is consistent with the consolidated financial statements and whether it has been prepared in accordance with the applicable legal requirements. With respect to the consolidated non-financial statement included in the consolidated management report, our responsibility is to determine whether it had been prepared, to read it and, in doing so, consider whether it is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Management is responsible for the preparation of the consolidated management report in accordance with the Austrian Commercial Code.

We conducted our audit in accordance with laws and regulations applicable with respect to the consolidated management report.

Opinion

In our opinion, the consolidated management report is prepared in accordance with the applicable legal requirements, includes appropriate disclosures according to section 243a UGB and is consistent with the consolidated financial statements.

Statement

In the light of the knowledge and understanding of the Group and its environment obtained in the course of our audit of the consolidated financial statements, we have not identified material misstatements in the consolidated management report.

Other Matters which we are required to address according to Article 10 of Regulation (EU) No 537/2014

We were appointed as auditors by the annual general meeting on June 3, 2025 and commissioned by the supervisory board to audit the consolidated financial statements for the financial year ending December 31, 2025. We have been auditing the Group since the financial year ending December 31, 2025.

We confirm that our opinion expressed in the section "Report on the Audit of the Consolidated Financial Statements" is consistent with the additional report to the audit committee referred to in Article 11 of Regulation (EU) No 537/2014.

We declare that we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 and that we remained independent of the Group in conducting the audit.

Engagement Partner

The engagement partner responsible for the audit is Dr. Christoph Waldeck.

Vienna
February 9th, 2026

Deloitte Audit Wirtschaftsprüfungs GmbH

(signed by:)
Dr. Christoph Waldeck
Certified Public Accountant

¹) This report is a translation of the audit report according to section 273 of the Austrian Commercial Code (UGB). The translation is presented for the convenience of the reader only. The German wording of the audit report is solely valid and is the only legally binding version. Section 281 (2) UGB applies.

Report on the independent assurance of the chapter E1 Climate change (disclosure requirements E1-1 to E1-6) of the consolidated non-financial statement for the financial year 2025¹⁾

Independent auditor's assurance report

We have performed a limited assurance engagement to determine whether the disclosure requirements E1-1, E1-2, E1-3, E1-4, E1-5, and E1-6 in the chapter E1 Climate change of the consolidated non-financial statement of Telekom Austria Aktiengesellschaft 2025 (the "Group") for the financial year ending December 31, 2025, have been prepared in accordance with the European Sustainability Reporting Standards (ESRS) as reporting criteria.

Limited assurance conclusion

Based on the procedures we performed and the evidence we obtained, nothing has come to our attention that causes us to believe that the disclosure requirements E1-1, E1-2, E1-3, E1-4, E1-5, and E1-6 in the chapter E1 Climate change of the consolidated non-financial statement for the financial year 2025 of the Group is not prepared, in all material respects, voluntarily in accordance with the European Sustainability Reporting Standards (ESRS).

Basis for conclusion

We conducted our limited assurance engagement in accordance with the legal provisions and the generally accepted standards for other assurance engagements as applied in Austria and supplementary statements, as well as the International Standard on Assurance Engagements (ISAE 3000 (Revised)) as applicable to such engagements. In a limited assurance engagement, the procedures performed are less extensive than those performed in an engagement to obtain reasonable assurance, so the level of assurance received is therefore lower.

Our responsibilities under these regulations and standards are further described in the section "Responsibilities of the auditor of the Disclosure Requirements E1-1, E1-2, E1-3, E1-4, E1-5, and E1-6 in the chapter E1 Climate change of the Consolidated Non-Financial Statement" of our assurance report.

We are independent of the Group in accordance with Austrian professional law and Art. 22 ff. AP Directive and have fulfilled our other professional obligations in line with these requirements.

Our audit firm is subject to the provisions of KSW-PRL 2022, which essentially meets the requirements of ISQM 1, and applies a comprehensive quality management system, including documented guidelines and procedures to ensure compliance with ethical requirements, professional standards as well as applicable legal and regulatory requirements.

We consider the evidence we have obtained up to the date of this assurance report to be sufficient and appropriate for providing a basis for our conclusion as of this date.

Indications of any other circumstance

We point out that comparative information from the previous year was not subject to our limited assurance engagement and is therefore not included in our summary assessment.

Other information

The legal representatives are responsible for the other information. The other information includes all information in the 2025 results report of the Group, excluding disclosure requirements E1-1, E1-2, E1-3, E1-4, E1-5, and E1-6 in the chapter E1 Climate change of the consolidated non-financial statement and our assurance report.

Our summary assessment of the disclosure requirements E1-1, E1-2, E1-3, E1-4, E1-5, and E1-6 in the chapter E1 Climate change of the consolidated non-financial statement does not extend to this other information, and we do not provide any assurance in this respect. In connection with our engagement, we have a responsibility to read this other information and consider whether it is materially inconsistent with the disclosure requirements E1-1, E1-2, E1-3, E1-4, E1-5, and E1-6 in the

¹⁾ 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.

chapter E1 Climate change of the consolidated non-financial statement or with the knowledge we obtained during our limited assurance engagement, or otherwise appears to be materially misstated. Should we conclude that a material misstatement of this other information exists, we are required to report that fact. We have nothing to report in this context.

Responsibilities of the legal representatives and the Supervisory Board

The legal representatives are responsible for preparing a consolidated non-financial statement (including disclosure requirements E1-1 to E1-6 in the chapter E1 Climate change) and for developing and conducting the materiality assessment in accordance with applicable requirements and voluntarily applied standards. This responsibility includes

- identifying actual and potential impacts, as well as risks and opportunities associated with sustainability matters, and assessing the materiality of these impacts, risks, and opportunities, and
- designing, implementing and maintaining internal controls that the legal representatives consider necessary to enable the preparation of a consolidated non-financial statement that is free from material misstatement, whether due
- to fraud or error, and to carry out the materiality assessment procedure in accordance with ESRS requirements.

This responsibility further includes the selection and application of suitable methods for consolidated non-financial reporting, as well as making assumptions and estimates regarding individual non-financial disclosures that are appropriate under the circumstances.

The Supervisory Board is responsible for overseeing the preparation of the consolidated non-financial statement (including disclosure requirements E1-1 to E1-6 of the chapter E1 Climate change).

Inherent limitations in preparing the consolidated non-financial statement

In reporting on forward-looking information, the Group is required to compile such forward-looking information based on disclosed assumptions about events that may occur in the future and possible future actions of the Group. It is likely that deviations will occur as expected events often do not take place as assumed.

Responsibilities of the auditor of the disclosure requirements E1-1, E1-2, E1-3, E1-4, E1-5 and E1-6 in the chapter E1 Climate change of the consolidated non-financial statement

Our objectives are to plan and perform an assurance engagement to obtain limited assurance about whether the disclosure requirements E1-1, E1-2, E1-3, E1-4, E1-5, and E1-6 in the chapter E1 Climate change of the consolidated non-financial statement are free from material misstatement, whether due to fraud or error, and to issue a report that includes our conclusion. Misstatements may result from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken based on the disclosure requirements E1-1, E1-2, E1-3, E1-4, E1-5, and E1-6 in the chapter E1 Climate change of the consolidated non-financial statement.

Throughout the engagement, we exercise professional judgment and maintain professional skepticism.

Our responsibilities include:

- performing risk-based audit procedures, including obtaining an understanding of the internal controls relevant to the engagement, in order to identify disclosures where material misstatements are likely to occur, whether due to fraud or error, but not for the purpose of expressing an overall opinion on the effectiveness of the Group's internal controls; and
- designing and performing audit procedures relating to the disclosure requirements E1-1, E1-2, E1-3, E1-4, E1-5 and E1-6 in the chapter E1 Climate change of the consolidated non-financial statement, where material misstatements are likely. The risk of not detecting material misstatements resulting from fraud is higher than for those resulting from error, as fraud may involve collusion, forgery, intentional omissions, misleading representations, or the override of internal controls.

Summary of work performed

A limited assurance engagement requires performing procedures to obtain evidence about the disclosure requirements E1-1, E1-2, E1-3, E1-4, E1-5, and E1-6 in the chapter E1 Climate change of the consolidated non-financial statement. The nature, timing, and extent of selected procedures depend on professional judgment, including the identification of disclosures where material misstatements could occur, whether due to fraud or error.

ASSURANCE STATEMENTS

In performing our limited assurance engagement with respect to the disclosure requirements E1-1, E1-2, E1-3, E1-4, E1-5 and E1-6 in the chapter E1 Climate change of the consolidated non-financial statement, we proceed as follows:

- We obtain an understanding of the Company's procedures that are relevant to the preparation of the disclosure requirements E1-1, E1-2, E1-3, E1-4, E1-5 and E1-6 of the chapter E1 Climate change of the consolidated non-financial statement.
- We assess whether the structure and presentation of the disclosure requirements E1-1, E1-2, E1-3, E1-4, E1-5 and E1-6 of the chapter E1 Climate change of the consolidated non-financial statement are in accordance with the ESRS.
- We conduct inquiries of relevant personnel and analytical audit procedures regarding selected disclosures of the disclosure requirements E1-1, E1-2, E1-3, E1-4, E1-5 and E1-6 in the chapter E1 Climate change of the consolidated non-financial statement.
- We perform sample-based substantive audit procedures on selected disclosures of the disclosure requirements E1-1, E1-2, E1-3, E1-4, E1-5 and E1-6 in the chapter E1 Climate change of the consolidated non-financial statement.
- We reconcile selected disclosures of the disclosure requirements E1-1, E1-2, E1-3, E1-4, E1-5 and E1-6 of the chapter E1 Climate change of the consolidated non-financial statement with the corresponding disclosures in the consolidated financial statements and the other sections of the Group management report.
- We obtain evidence regarding the methods presented for developing estimates and forward-looking information.
- We provide a confirmation in the form of a written report (CDP letter) and perform a reconciliation with the information reported in the disclosure requirements E1-1, E1-2, E1-3, E1-4, E1-5 and E1-6 of the chapter E1 Climate change of the consolidated non-financial statement.
- We confirm the consistency of the disclosures in accordance with E1-1.16 c) and e) with the disclosures made on the EU Taxonomy in accordance with Delegated Regulation (EU) 2021/2178.

Limitation of liability and publication

The limited assurance engagement on the disclosure requirements E1-1, E1-2, E1-3, E1-4, E1-5 and E1-6 in the chapter E1 Climate change of the consolidated non-financial statement is a voluntary assurance engagement.

We provide this assurance report based on the engagement agreement signed with the client, to which the General Terms and Conditions of Contract for the Public Accounting Professions ("Allgemeine Auftragsbedingungen für Wirtschaftstreuhandberufe": AAB 2018) also apply with effect towards third parties. These can be viewed online on the website of the Chamber of Tax Advisors and Certified Public Accountants on the Performance of Auditing Activities (currently under "Professional Law / Client Relationship").

With regard to our responsibility and liability arising from the engagement relationship, section 7 of the AAB 2018 applies. Accordingly, our liability for slight negligence is excluded. In the case of gross negligence, the maximum liability to the Group and also to third parties is limited to ten times the minimum amount of the professional indemnity insurance pursuant to § 11 of the Austrian Public Accounting Profession Act ("Wirtschaftstreuhandberufsgesetz") 2017 (WTBG 2017). This amount constitutes the maximum amount of liability, which can be exploited only once up to this maximum, even if there are several claimants or different legal bases for claims. Claims for damages are limited to actual loss. We are liable for loss of profit only in cases of intent or gross recklessness. We are not liable for unforeseeable or atypical damage that we could not have foreseen. This assurance report may only be made accessible to third parties together with the disclosure requirements E1-1, E1-2, E1-3, E1-4, E1-5 and E1-6 in the chapter E1 Climate change of the consolidated non-financial statement and only in full and unabridged form.

ASSURANCE STATEMENTS

Responsible auditor

The auditor responsible for the engagement regarding the assurance of the disclosure requirements E1-1, E1-2, E1-3, E1-4, E1-5 and E1-6 in the chapter E1 Climate change of the consolidated non-financial statement is Mag. Alfred Ripka.

Vienna

February 9, 2026

Deloitte Audit Wirtschaftsprüfungs GmbH

Mag. Alfred Ripka
Public Auditor

Dr. Christoph Waldeck
Public Auditor

Financial Statements 2025

Telekom Austria AG

Financial Statements according
to the Austrian Commercial Code – UGB

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Statement of Financial Position as of December, 31 2025

Annex I/1: Assets

	31.12.2025	31.12.2024
	EUR	TEUR
A. Long-term assets		
I. Financial assets		
1. Investments in affiliated companies	7,213,937,232.64	7,277,327
2. Other investments	1,057,097.41	1,057
	7,214,994,330.05	7,278,384
B. Current assets		
I. Stocks		
1. Work in progress	4,471,401.99	2,600
II. Receivables		
1. Accounts receivable - trade	8,795.37	9
thereof with a remaining maturity of > 1 year: EUR 0.00		
Previous year: TEUR 0		
2. Receivables - affiliated companies	1,175,194,523.07	929,040
thereof with a remaining maturity of > 1 year: EUR 0.00		
Previous year: TEUR 0		
3. Other accounts receivable	687,018.33	128
thereof with a remaining maturity of > 1 year: EUR 0.00		
Previous year: TEUR 0		
	1,175,890,336.77	929,177
III. Cash and cash equivalents	665.50	1
	1,180,362,404.26	931,778
C. Prepaid expenses	1,367,832.98	2,360
D. Deferred tax assets	1,255,932.09	861
	8,397,980,499.38	8,213,383

Annex I/2: Liabilities and Stockholders' Equity

	31.12.2025 EUR	31.12.2024 TEUR
A. Stockholders' equity		
I. Common stock issued		
Common stock	1,449,274,500.00	1,449,275
less Treasury shares	-905,461.78	-905
	1,448,369,038.22	1,448,369
II. Additional paid-in capital		
1. Appropriated	1,582,004,573.67	1,582,005
2. Appropriated for treasury shares	905,461.78	905
	1,582,910,035.45	1,582,910
III. Retained earnings		
1. Other reserves (unrestricted reserves)	3,924,570,895.50	3,701,366
IV. Net income	612,801,000.00	626,572
thereof carried forward: EUR 306,938,063.60		
Previous year: TEUR 406,810		
	7,568,650,969.17	7,359,217
B. Provisions		
1. Provisions for severance obligations	6,023,519.05	6,071
2. Tax provisions	32,286,772.32	58,680
3. Other provisions	11,347,199.13	10,748
	49,657,490.50	75,500
C. Liabilities		
1. Accounts payable - trade	1,615,554.77	1,706
thereof with a remaining maturity of < 1 year: EUR 1,615,554.77		
Previous year: TEUR 1,706		
thereof with a remaining maturity of > 1 year: EUR 0.00		
Previous year: TEUR 0		
2. Liabilities due to affiliated companies	776,236,815.56	774,889
thereof with a remaining maturity of < 1 year: EUR 776,236,815.56		
Previous year: TEUR 24,889		
thereof with a remaining maturity of > 1 year: EUR 0.00		
Previous year: TEUR 750,000		
3. Other liabilities	1,819,669.38	2,072
thereof with a remaining maturity of < 1 year: EUR 1,819,669.38		
Previous year: TEUR 2,072		
thereof with a remaining maturity of > 1 year: EUR 0.00		
Previous year: TEUR 0		
thereof from taxes:	547,224.16	608
thereof with a remaining maturity of < 1 year: EUR 547,224.16		
Previous year: TEUR 608		
thereof with a remaining maturity of > 1 year: EUR 0.00		
Previous year: TEUR 0		
thereof to social security:	775,709.84	748
thereof with a remaining maturity of < 1 year: EUR 775,709.84		
Previous year: TEUR 748		
thereof with a remaining maturity of > 1 year: EUR 0.00		
Previous year: TEUR 0		
	779,672,039.71	778,667
thereof with a remaining maturity of < 1 year: EUR 779,672,039.71		
Previous year: TEUR 29,274		
thereof with a remaining maturity of > 1 year: EUR 0.00		
Previous year: TEUR 750,000		
	8,397,980,499.38	8,213,383

Annex II: Statement of Profit or Loss for the Year 2025

	2025		2024	
	EUR	EUR	TEUR	TEUR
1. Revenues		44,721,905.90		45,178
2. Other operating income				
a) Income from the reversal of accruals	29,400.00		0	
b) Other	419,435.63	448,835.63	444	444
3. Personnel expenses				
a) Salaries	-40,719,234.96		-39,666	
b) Social security contributions	-10,658,534.96		-10,980	
thereof pension expense: EUR 971,602.08				
Previous year: TEUR 968				
aa) Expenses for severance payments and payments to staff contribution plans: EUR 1,078,213.33				
Previous year: TEUR 1,850				
bb) Expenses for statutory social security and payroll related taxes and contributions: EUR 8,530,504.45				
Previous year: TEUR 8,049				
		-51,377,769.92		-50,646
4. Other operating expenses		-26,288,843.93		-32,936
thereof from taxes: EUR -274,077.84				
Previous year: TEUR -104				
5. Subtotal from line 1 to 5 (operating result)		-32,495,872.32		-37,960
6. Income from investments		437,660,148.89		286,618
thereof from affiliated companies: EUR 437,136,828.89				
Previous year: TEUR 286,172				
7. Other interest income		19,322,639.85		22,526
thereof from affiliated companies: EUR 19,179,020.15				
Previous year: TEUR 22,526				
8. Income from the reversal of impairment losses of financial assets		33,900,000.00		0
thereof from affiliated companies: EUR 33,900,000.00				
Previous year: TEUR 0				
9. Expenses for financial assets		0.00		-61,100
thereof: a) impairment losses: EUR 0.00				
Previous year: TEUR -61,100				
thereof: b) expenses from affiliated companies: EUR 0,00				
Previous year: TEUR -61,100				
10. Interest and similar expenses		-11,756,869.11		-11,625
thereof from affiliated companies: EUR -11,598,790.13				
Previous year: TEUR -11,625				
11. Subtotal from line 7 to 10 (financial result)		479,125,919.63		236,418
12. Result before income taxes (Subtotal from line 6 and line 11)		446,630,047.31		198,458
13. Income taxes		28,437,757.04		5,950
thereof deferred taxes: EUR 395,063.04				
Previous year: TEUR -155				
thereof additional charges to group parent: EUR 47,483,241.04				
Previous year: TEUR 65,399				
14. Earnings after income taxes		475,067,804.35		204,408
15. Release to retained earnings		0.00		15,353
16. Transfer from net income to other reserves		-223,204,867.95		0
17. Profit carried forward from prior year		360,938,063.60		406,810
18. Retained Profit		612,801,000.00		626,572

Annex III:

Notes to the Financial Statements for the Year 2025

1. The Company

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 („AktG“). It is a company of public interest in accordance with Section 189a of the Austrian Commercial Code (“UGB”). Therefore, it is a large corporation in accordance with Section 221 UGB and a parent company required to prepare consolidated financial statements in accordance with Section 244 UGB. The consolidated financial statements and the group management report of Telekom Austria AG are filed with the commercial register at the Commercial Court in Vienna. For the non-financial report, see the consolidated non-financial report in the group management report that includes the Company as well as the exemption in accordance with Section 243b (7) of the Austrian Commercial Code (UGB).

Telekom Austria AG is part of the group of América Móvil, S.A.B. de C.V., Mexico City („América Móvil“), and is a related party to its subsidiaries. Since July 1, 2014, Telekom Austria AG is fully consolidated in América Móvil’s consolidated financial statements, which are the largest group of companies for which group financial statements are prepared. América Móvil Group is listed on the Mexican Stock Exchange and on the New York Stock Exchange. Consolidated financial statements of América Móvil are filed with the SEC (U.S. Securities and Exchange Commission) in Washington, D.C.

All business transactions with related parties are continually monitored and documented to ensure that pricing is at arm’s length.

Upon its registration in the commercial register on May 15, 2025, A1 Digital International Beteiligungsgesellschaft mbH was established as a 100% subsidiary of Telekom Austria Aktiengesellschaft with a share capital of EUR 10,000. On May 31, 2025, also upon registration in the commercial register, the 100% shareholding in A1 Digital International GmbH was transferred from Mobilkom Beteiligungsgesellschaft mbH, itself a 100% subsidiary of Telekom Austria Aktiengesellschaft, to Telekom Austria Aktiengesellschaft by way of a demerger for absorption. Upon registration in the commercial register on June 5, 2025, and based on the transformation agreement dated May 27, 2025, A1 Digital International GmbH was converted in accordance with Section 5 of the UmwG, by simultaneously establishing the partnership, into A1 Digital International GmbH & Co KG. Telekom Austria Aktiengesellschaft is the sole limited partner, and A1 Digital International Beteiligungsgesellschaft mbH is the general partner with unlimited liability.

2. Accounting Principles

2.1. General Principles

The financial statements have been prepared in accordance with the provisions of the Austrian Commercial Code, taking into account the generally accepted accounting principles of Austria and the general principle of providing a true and fair view of the net assets, financial position and result of operations of the Company.

The financial statements were prepared by adhering to the principle of completeness. The reporting date is December 31.

The principles of individual measurement and going concern were complied with in measuring assets and liabilities.

The principle of prudence was observed by recognizing only profits as of the reporting date. All identifiable risks and impending losses were taken into account.

The statement of profit or loss was prepared in accordance with the total cost format. The amounts presented in the notes to the financial statements are shown in thousands of euros (TEUR). The use of automated calculation systems may give rise to rounding differences.

2.2. Long-term Assets

Investments in affiliated companies and other investments are measured at acquisition cost respectively loans receivable at their nominal value. Impairment losses are recognized if the fair value at the reporting date is lower than the carrying amount of the asset and only if the impairment is expected to be permanent. Impairment losses are reversed if the reason for the impairment no longer exists.

Fair values are determined on the basis of the discounted cash flow method. Significant assumptions of the calculation are made for the development of revenues, cost drivers, working capital changes, capital expenditure for maintenance and replacement of assets, growth rate and discount rate. The applied discount rates before taxes range between 5.8% and 44.9% (previous year: 5.6% and 38.1%). These rates are based on market data for each cash-generating unit, taking into account risks related to the cash-generating unit. The growth rates applied for the perpetual annuity range between 1.1% and 5.2% (previous year: 1.4% and 5.3%) and are based on the general growth rate, the Company's historical revenue growth and detailed plans. Cash-Flow estimates are based on a five-year business plan.

2.3. Current Assets

Receivables are measured at their nominal value unless the lower realizable net value is recognized in the event of identifiable individual risks. Specific valuation allowances are recognized to account for risks of default. Receivables denominated in foreign currencies are measured at the euro reference rate of the European Central Bank at the date of recognition or at the lower rate of the euro reference rate of the European Central Bank at the reporting date. Work in progress is measured at cost.

2.4. Provisions

Provisions for severance obligations are recognized for legal and contractual obligations to members of the Management Board and for employees, whose employment with Telekom Austria AG started before January 1, 2003. The calculation is based on the principles of actuarial mathematics using the projected unit credit method according to the basis of actuarial calculation of retirement insurance for employees issued by the Austrian Actuarial Association (Tafelwerk AVÖ 2018 P Angestellte – Rechnungsgrundlagen für die Pensionsversicherung – Pagler & Pagler) applying the following parameters:

	2025	2024
Discount rate	3.75%	3.50%
Rate of compensation increase - employees	2.60%	2.90%
Employee turnover rate depending on years of service	0%-1,56%	0%-1,74%
Duration in years	8.26	7.91

The discount rates are determined on the basis of the yields of senior, fixed-interest corporate bonds. The retirement age is calculated in compliance with the retirement age according to the Austrian Ancilliary Budget Act (Budgetbegleitgesetz) 2015 (previous year: Austrian Ancilliary Budget Act (Budgetbegleitgesetz) 2011), using 63 years (previous year: 62 years) for female and male employees considering the transitional provisions. The service cost for severance related to retirement is distributed over the period from the entry into service until the earliest date of the calculated pension age and the 25th year of service.

As in the previous year, no long-term tax provisions were recognized.

Other provisions are recognized at the estimated amount of the obligation and take into account identifiable risks as well as uncertain amounts of liabilities incurred. As in the previous year, no long-term provisions were recorded except for the LTI Program (see 5.2).

Provisions for service awards are included in other provisions and are measured in the same way as the provision for severance obligations, calculated with the following parameters:

	2025	2024
Discount rate	2.75%	2.75%
Rate of compensation increase - employees	2.80%	3.80%
Rate of compensation increase - civil servants	3.20%	4.40%
Duration in years	7.80	8.40

2.5. Liabilities

Liabilities are recognized at the settlement amount taking into account the principle of prudence. Foreign currency liabilities are measured at the rate of the euro reference rate of the European Central Bank at the date of recognition or at the higher rate of the euro reference rate of the European Central Bank at the reporting date.

3. Notes to the Statement of Financial Position

3.1. Long-term Assets

The development of the individual items of financial assets is shown in the asset table (Appendix 1). The detail of investments in affiliated companies is shown in the investment table (Appendix 2).

Telekom Austria AG concluded a profit and loss exclusion agreement with its wholly owned subsidiary Telekom Finanzmanagement GmbH, which took effect on January 1, 2018. It can be terminated in writing by either party with effect from the end of a business year, subject to six months' notice.

3.2. Work in Progress

Due to internal projects concerning the entire A1 Group work in progress includes services not yet invoiced in the amount of TEUR 4.471 (previous year: TEUR 2.600).

3.3. Receivables

Receivables due from related parties comprise:

in TEUR, at December 31	2025	2024
Accounts receivable - trade	9,671	15,956
Financing receivables	1,096,157	831,550
Tax group receivables	69,367	81,534
Receivables - affiliated companies	1,175,195	929,040

Financing receivables include mainly short-term fixed deposits with Telekom Finanzmanagement GmbH of TEUR 900,000 (previous year: TEUR 650,000) and cash-pooling receivables of TEUR 132,947 (previous year: TEUR 163,247).

As in the previous year, other receivables do not include any material earnings for which payment will be received after the reporting date.

3.4. Prepaid Expenses

Prepaid expenses mainly comprise discounts for intra-company loans granted resulting from the issuance of bonds by Telekom Finanzmanagement GmbH (TFG).

3.5. Deferred Tax Assets

in TEUR, at December 31	2025	2024
Deferred tax asset Telekom Austria AG	1,256	861

According to Section 198 (9) of the Austrian Commercial Code (UGB) large corporations are obliged to recognize a deferred tax asset if differences between the carrying amount and its tax base arise. The main differences causing a deferred tax asset are costs for the procurement of funds, employee benefit obligations as well as tax-deductible write-downs on the lower fair value of investments, which are amortized over a period of seven years.

3.6. Share Capital

The share capital of Telekom Austria AG amounts to TEUR 1,449,275 and is divided into 664,500,000 bearer shares. The shares have no par value. ÖBAG holds 28.4% (previous year: 28.4%), América Móvil holds 60.9% (previous year: 60.6%) and 10.7% (previous year: 11.0%) of the shares are attributable to the free float and the remaining 0.06% are held as treasury shares. Treasury shares amount to TEUR 905 of the share capital, equal to 415,159 shares and were acquired in September 2007.

At the Annual General Meeting of Telekom Austria AG held on May 29, 2013, the Management Board was empowered to:

- (a) use these treasury shares to settle obligations under the share-based compensation plans disclosed in 5.2 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.

3.7. Distribution of Dividend

The unappropriated retained earnings of Telekom Austria AG according to Austrian GAAP are not subject to dividend limitations as the restrictions of Section 235 of the Austrian Commercial Code (UGB) do not apply (with the exception of the dividend limitation of Section 235 (2) in the amount of the deferred tax of TEUR 861). The Management Board plans to propose to the shareholders at the Annual General Meeting to distribute a dividend of euro EUR 0.42 per share (previous year: euro EUR 0.40) from unappropriated retained earnings.

3.8. Provisions

Other provisions include provisions for:

in TEUR, at December 31	2025	2024
Personnel	8,051	7,581
Long Term Incentive Program (LTI)	2,799	2,538
Other	497	629
Other provisions	11,347	10,748

3.9. Liabilities

In the reporting period as well as in the previous year no liabilities with a maturity of more than 5 years are recognized in neither accounts payable - trade nor in other liabilities.

Liabilities due to affiliated companies comprise:

in TEUR, at December 31	2025	2024
Accounts payable - trade	3,612	6,629
Financial liabilities	750,740	750,740
Tax group liabilities	21,883	16,135
Other liabilities	1	1,385
Liabilities due to affiliated companies	776,237	774,889

In both the current and the previous reporting period the financial liabilities do not include liabilities due to affiliated companies with a maturity of more than 5 years. As in the previous year, other liabilities do not include any material expenses for which payment is made after the reporting date.

On December 3, 2025, a syndicated committed credit line was concluded with a total volume of TEUR 1,000,000 and a maturity of five years (with the option to prolong twice for another year). At December 31, 2025, the committed credit lines were not utilized.

3.10. Contingent Liabilities

Guarantees related to issued bonds and liabilities to banks

Telekom Austria AG gave an unconditional and irrevocable guarantee in connection with the following bonds issued by TFG:

Interest rate	Maturity	2025	2024
		Face value in TEUR	
1.500%	2026	750,000	750,000
Guarantees related to issued bonds		750,000	750,000

Guarantees for other funding sources

Furthermore, Telekom Austria AG issued an unconditional and irrevocable guarantee with respect to the following committed credit lines and the Euro Commercial Paper Program:

- Committed credit line with a total volume of TEUR 15,000 (previous year: TEUR 15,000) and a term until September 2026 (previous year: September 2025) for A1 Bank AG (previously: paybox Bank AG)
- The committed credit line with a total volume of TEUR 300,000 at December 31, 2025 (previous year: TEUR 300,000) and a term until March 2028 (previous year: March 2025) for TFG.
- Euro Commercial Paper Program with a maximum volume of TEUR 1,000,000 (previous year: TEUR 1,000,000) for TFG.

At December 31, 2025 and 2024, the credit lines were not utilized and no Commercial Papers were issued.

Other guarantees

All other guarantees in the amount of TEUR 37,558 (previous year: TEUR 87,559) were, as in the previous year, issued for affiliated companies. On November 10, 2008, Telekom Austria AG signed a guarantee for Telekom Austria Personalmanagement GmbH (TAP), which ensures TAP that A1 Telekom Austria AG will fulfill its respective obligations according to the profit and loss elimination agreement. Furthermore, in the case of non-fulfillment of the duties of A1 Telekom Austria AG, Telekom Austria AG guarantees to provide Telekom Austria Personalmanagement GmbH with sufficient liquidity to meet all its financial liabilities.

4. Notes to the Statement of Profit or Loss

4.1. Revenues

Revenues of TEUR 44.722 (previous year: TEUR 45.178) relate mainly to services such as public relations and communications, coordination of product development and technical infrastructure, legal and tax advice as well as investment controlling, services in connection with personnel management and Civil Service Regulations (Beamtendienstrecht) together with salary and collective bargaining negotiations that are predominantly charged to A1 Telekom Austria AG, A1 Digital International GmbH & Co KG, Telekom Austria Personalmanagement GmbH, A1 Tower Holding GmbH, A1 Bulgaria EAD, A1 Slovenija d.d., A1 Srbija d.o.o., A1 Makedonija DOOEL, A1 Hrvatska d.o.o. and Unitary enterprise A1 on the basis of intercompany agreements.

4.2. Personnel Expenses and Employees

in TEUR	2025	2024
Salaries	40,719	39,666
Expenses for statutory social security and payroll related taxes and contributions	8,531	8,049
Severance expense	594	1,351
Pension expenses	972	968
Other social benefits	78	112
Payments to staff contributions plans	484	500
Personnel expenses	51,378	50,646

Salaries include an expense of TEUR 1 (previous year: income of TEUR 15) resulting from changes in the obligation for service awards.

Changes in provisions are presented in the statement of profit or loss in the following items:

- Other employee-related provisions in salaries
- Severance obligation in severance expenses and payments to staff contribution plans
- Pension expenses in other social benefits
- Payroll related expenses for other provisions in expenses for statutory social security and payroll related taxes and contributions

The average number of full-time employees was 304 (previous year: 313). The average number of full-time civil servants was 4 (previous year: 4).

4.3. Severance and Pension Expenses

Severance expense and payments to staff contribution plans as well as pension expense are allocated as follows:

in TEUR	2025	2024
Members of the Management Board	313	315
Senior staff	153	42
Other employees	1,584	2,461
Severance and pension expenses	2,050	2,819

4.4. Other Operating Expenses

in TEUR	2025	2024
Other operating taxes	274	104
Other charges	1,154	2,872
Legal and other consulting	1,454	2,526
Other expense	23,407	27,435
Other operating expenses	26,289	32,936

Other operating expenses include other charges, intercompany charges and other expenses related to services provided by A1 Telekom Austria AG amounting to TEUR 12.283 (previous year: TEUR 13.600).

In accordance with the last sentence of Section 238 (1) no. 18 of the Austria Commercial Code (UGB), the right not to disclose information on expenses for the auditor, which is included in legal and other consulting expense, is exercised.

4.5. Income from Investments

Income from investments of affiliated companies includes dividend income from the following companies (the contribution from TFG is due to the profit and loss elimination agreement):

in TEUR	2025	2024
A1 Telekom Austria Aktiengesellschaft	204,000	215,000
Telekom Finanzmanagement GmbH	8,137	11,172
Mobilkom Beteiligungsgesellschaft mbH	0	2,000
mobikom Belarus Beteiligungsverwaltung GmbH	25,000	58,000
mobikom Bulgarien BeteiligungsverwaltungsgmbH	200,000	0
Income from investments of affiliated companies	437,137	286,172

Income from other investments includes dividend income from Wiener Börse AG (Vienna Stock Exchange) amounting to TEUR 523 (previous year: TEUR 446).

4.6. Expenses for Long-Term Financial Assets

Pursuant to Section 208 (1) of the Austrian Commercial Code (UGB) and based on current impairment testing, the following impairment losses were recognized:

in TEUR	2025	2024
mobikom Belarus Beteiligungsverwaltung GmbH	0	61,100
Expenses for financial assets	0	61,100

4.7. Reversal of Impairment

Pursuant to Section 208 (1) of the Austrian Commercial Code (UGB) and based on current impairment testing, the following reversal of impairment was recognized:

in TEUR	2025	2024
mobikom Belarus Beteiligungsverwaltung GmbH	33,900	0
Income from the Reversal of Impairment Losses of financial assets	33,900	0

4.8. Income Taxes

Income tax consists of the following items (tax benefit: positive value; tax expense: negative value):

in TEUR	2025	2024
Corporate income tax (other) current	-29,861	-59,830
Corporate income tax (tax group allocation) current	47,483	65,399
Corporate income tax (other) previous periods	10,467	0
Total corporate income tax	28,089	5,569
Changes in deferred tax assets	395	-155
Withholding tax	-46	536
Income taxes	28,438	5,950

Telekom Austria AG is the head of a tax group as defined in Section 9 of the Austrian Corporate Tax Law (KStG) and concluded a group and tax allocation agreement with the following members of the tax group: A1 Telekom Austria Aktiengesellschaft, Telekom Austria Personalmanagement GmbH, Telekom Finanzmanagement GmbH (TFG), wedify GmbH, World-Direct eBusiness solutions Gesellschaft m.b.H., A1 Bank AG, mk Logistik GmbH, paybox Service GmbH, A1 Open Fiber GmbH and mobilkom Bulgarien BeteiligungsverwaltungsgmbH.

Positive as well as negative taxable results are charged on the basis of the legal corporate tax rate of 23% less half a percentage point.

On the basis of the tax group and tax compensation contract in force until 2022, tax group members transferring a tax loss to the head of the group received no compensation, but can carry forward this tax loss as an intra-group tax loss carry-forward and offset the entire amount with future taxable profit within the group. Existing tax group loss carry-forwards from years before 2023 can still be utilized.

Intragroup loss carry-forwards for which no provisions were recognized amount to TEUR 13,847 (previous year: TEUR 13,847).

In 2025, the tax loss carry forwards at the level of the head of the tax group were utilized, which were transferred to Telekom Austria AG in the course of the demerger and the transformation of A1 Digital International GmbH & Co KG.

The tax from prior periods recognized in 2025 relates to adjustments resulting from finalized tax audits.

Since January 1, 2024, Telekom Austria AG is subject to the Minimum Taxation Act, which implemented into Austrian law the OECD model regulations as well as the directive by the European Union to provide for a global minimum taxation for groups (Pillar Two).

Telekom Austria AG was assigned by its ultimate parent entity according to Section 2 no.14 of the Minimum Taxation Act (América Móvil, Sociedad Anónima Bursátil de Capital Variable) 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 others a source-based distribution in the event of any possible top-up taxes and clarifies further corporate law issues.

No current taxes were recognized in 2025 with respect to the implementation of the Austrian Minimum Taxation Act respectively comparable foreign tax laws.

Telekom Austria AG applied the mandatory recognition of deferred tax assets and liabilities related to the introduction of the minimum taxation respectively a comparable foreign taxation law, that has been newly introduced by Section 198 (10) no.4 of the Austrian Commercial Code (UGB).

5. Other Disclosures

5.1. Remuneration of the Management Board and Supervisory Board

The members of the Management Board and the Supervisory Board are disclosed in Note 6.

At December 31, 2025 and 2024, the Management Board of Telekom Austria AG consists of two members: Chief Executive Officer (CEO) Alejandro Plater and Deputy Chief Executive Officer (Deputy CEO) Thomas Arnoldner.

The following table summarizes the remuneration of members of the Management Board and the Supervisory Board:

The following table summarizes the remuneration of members of the Management Board and the Supervisory Board:

in TEUR	2025	2024
Base salary (incl. remuneration in kind)	1,303	1,302
Variable yearly remuneration (Short Term Incentive - "STI")	1,254	1,476
Multi-year share-based remuneration (Long Term Incentive Program)*	1,084	1,048
Remuneration Management Board	3,641	3,826
Remuneration to former member of the Management Board:		
Pro rata variable yearly remuneration 2023	0	420
LTI 2021	265	407
Total remuneration to former member of the Management Board	265	827
Remuneration Supervisory Board	371	381

* In 2025, the remuneration relates to the payment of the tranche for LTI 2022 (2024: LTI 2021).

** STI includes the variable yearly remuneration paid for the previous year

Remuneration to former member of the Management Board

The remuneration for LTI 2022 (2024: LTI 2021 and STI 2023) paid to the resigned CFO Siegfried Mayrhofer in 2025 is based on his period in office until August 31, 2023.

5.2. Long-Term Incentive (LTI) Program

A1 Group introduced a long-term incentive program (LTI) in 2010. 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 provision. The right cannot be transferred.

The members of the Management Board of Telekom Austria AG 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.

On April 1, 2025, the 16th tranche of the long-term incentive program (LTI 2025) was granted. 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 footprint, each weighted at 15%

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The target values for these 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) 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 under a green bond or another sustainable finance certificate, weighted at 33%)

Since 2024, LTI 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 2025 and 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 2025	LTI 2024	LTI 2023
Grant date	April 1, 2025	June 1, 2024	June 1, 2023
Start of the program	January 1, 2025	January 1, 2024	January 1, 2023
End of vesting period	December 31, 2027	December 31, 2026	December 31, 2025
Vesting date	April 1, 2028	June 1, 2027	June 1, 2026
Bonus shares at grant date	154,982	179,487	121,628
Adjustment ETS share split	n.a. *	n.a. *	23,916
Bonus shares at the end of the vesting period	n.a. *	n.a. *	164,598
Expected performance	100.00%	100.00%	100.00%
Expected bonus shares	154,982	179,487	142,305
Maximum bonus shares	309,964	358,974	249,033
Fair value of program in TEUR	1,361	1,596	1,281

* not applicable

In the course of the spin-off of ETS Group in 2023, the shares 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. 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.

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The personal investment held by the members of the Management Board at the grant date and at the end of the vesting period is presented in the following table:

	LTI 2025	LTI 2024	LTI 2023	at end of vesting period
	at grant date	at grant date	at grant date	
Alejandro Plater	81,181	94,017	58,029	67,894
Thomas Arnoldner	73,801	85,470	52,753	61,721
Siegfried Mayrhofer	0	0	10,846	12,690
Bonus shares	154,982	179,487	121,628	142,305

The following table summarizes the significant terms and conditions and the actual performance of the tranches settled in cash in the current and the previous reporting year.

	LTI 2022	LTI 2021
Grant date	June 1, 2022	1. Juni 2021
Start of the program	January 1, 2022	1. Jänner 2021
End of vesting period	December 31, 2024	31. Dezember 2023
Vesting date	June 1, 2025	1. Juni 2024
Bonus shares at grant date	140,682	162,774
Adjustment ETS share split	23,916	27,672
Bonus shares at the end of the vesting period	164,598	190,446
Actual performance	116.70%	112.60%
Allocated bonus shares	192,086	214,442
Average stock price at end of vesting period in euro	8.13	7.02
Share-based compensation in TEUR	1,349	1,455

The share-based compensation for LTI 2022 paid to the resigned CFO Siegfried Mayrhofer is based on his period in office until August 31, 2023.

The bonus shares held by the members of the Management Board at the end of the vesting period is presented in the following table:

	LTI 2022	LTI 2021
Alejandro Plater	59,849	69,421
Thomas Arnoldner	54,409	63,110
Siegfried Mayrhofer	50,340	57,915
Bonus shares at the end of the vesting period	164,598	190,446
Alejandro Plater	69,844	78,168
Thomas Arnoldner	63,495	71,062
Siegfried Mayrhofer	58,747	65,212
Allocated bonus shares	192,086	214,442

As of the reporting date, a provision, measured at fair value for the portion of the expected future expense of the LTI program that has already vested, was recognized. The fair value of the liability is measured based on the expected target achievement and the expected share price, as determined by applying a binomial calculation model generally used for share price analysis, taking into account expected dividends. The provision is recognized over the vesting period.

An expense of TEUR 1.610 (previous year: TEUR 935) was recognized in the income statement for the LTI program.

5.3. Subsequent Events

No significant events occurred after the balance sheet date that have an impact on the balance sheet or the income statement.

6. Members of the Management Board and Supervisory Board

Management Board

Alejandro Plater	Chairman of the Management Board
Thomas Arnoldner	Deputy Chairman

Supervisory Board

Edith Hlawati	Chair of the Supervisory Board
Carlos García Moreno Elizondo	Deputy Chairman
Karin Exner-Wöhrer	
Peter Hagen	
Carlos M. Jarque	
Alejandro Cantú Jiménez	
Peter F. Kollmann	
Oscar Von Hauske Solís	
Daniela Lecuona Torras	
Gottfried Kehrer	
Alexander Sollak	
Renate Richter	
Gerhard Bayer	
Stefan Fürnsinn	
Franz Valsky	

Vienna, February 9, 2026

The Management Board

Alejandro Plater m.p.
CEO

Thomas Arnoldner m.p.
Deputy CEO

Attachment 1 Movement Schedule of Investments of the financial year 2025

in TEUR	Acquisition cost				Accumulated depreciation				Carrying amount at	
	Balance at	Additions	Disposals	Transfers	Balance at	Balance at	Additions	Disposals	Balance at	Carrying amount at
	01.01.2025	01.01.2025	31.12.2025	01.01.2025	31.12.2025	01.01.2025	31.12.2025	31.12.2025	31.12.2025	31.12.2024
1. Shares in capital of affiliated companies										
A1 Telekom Austria Aktiengesellschaft	4,596,606	0	0	0	4,596,606	0	0	0	0	4,596,606
Telekom Finanzmanagement GmbH	5,571	0	0	0	5,571	2,766	0	0	2,766	2,805
Kroatien Beteiligungsverwaltung GmbH	545,056	0	0	0	545,056	0	0	0	0	545,056
Mobilkom Beteiligungsgesellschaft mbH	364,522	0	0	-146,973	217,549	0	0	0	0	217,549
mobilkom CEE Beteiligungsverwaltung GmbH	226,705	0	-50,000	0	176,705	0	0	0	0	226,705
mobilkom Belarus Beteiligungsverwaltung GmbH	822,700	0	0	0	822,700	415,300	0	-33,900	381,400	441,300
mobilkom Mazedonien Beteiligungsverwaltung GmbH	218,434	0	0	0	218,434	0	0	0	0	218,434
mobilkom Bulgarien BeteiligungsverwaltungsgmbH	915,800	0	-52,000	0	863,800	0	0	0	0	863,800
A1 Digital International Beteiligungs-gesellschaft mbH	0	10	0	0	10	0	0	0	0	10
A1 Digital International GmbH & Co KG	0	4,700	0	146,973	151,673	0	0	0	0	151,673
	7,695,394	4,710	-102,000	0	7,599,104	418,066	0	-33,900	384,166	7,213,937
2. Other investments										
Wiener Börse AG	543	0	0	0	543	0	0	0	0	543
EuroTeleSites AG	514	0	0	0	514	0	0	0	0	514
	1,057	0	0	0	1,057	0	0	0	0	1,057
	7,696,451	4,710	-102,000	0	7,599,161	418,066	0	-33,900	384,166	7,214,994
										7,278,385

Attachment 2

Table of Shares in Affiliated Companies as of December 31, 2025

Name and company domicile	Share in capital	Stockholders' equity	Net result for the year
	%	TEUR	TEUR
A1 Telekom Austria Aktiengesellschaft, Wien	100.0%	1,067,607	214,008
Telekom Finanzmanagement GmbH, Wien	100.0%	2,803	8,137
Kroatien Beteiligungsverwaltung GmbH, Wien	100.0%	468,121	-7
Mobilkom Beteiligungsgesellschaft mbH, Wien	100.0%	195,880	93
mobilkom CEE Beteiligungsverwaltung GmbH, Wien	100.0%	479,603	-121
mobilkom Belarus Beteiligungsverwaltung GmbH, Wien	100.0%	441,449	61,138
mobilkom Mazedonien Beteiligungsverwaltung GmbH, Wien	100.0%	199,338	-10
mobilkom Bulgarien BeteiligungsverwaltungsgmbH, Wien	100.0%	900,140	52,440
A1 Digital International Beteiligungsgesellschaft mbH	100.0%	32	22
A1 Digital International GmbH & Co KG	100.0%	9,843	-4,861

Management Report

of Telekom Austria AG

for the period of January 1 to December 31, 2025

Business environment

In 2025, the mild economic recovery observed in the previous year is expected to continue. While inflation is trending down globally, regional differences persist. The monetary policy easing—interest rate cuts by the US Federal Reserve and the European Central Bank—has taken effect, resulting in lower financing costs, which support both investment activity and consumer demand.

For 2026, the outlook remains cautiously positive, with moderate but slightly increasing global economic growth projected. Growth in our markets is expected to remain moderate, with most economies recording a slight increase in gross domestic product (GDP). Inflation is noticeably decreasing but is only gradually approaching the central banks' target levels.¹⁾

After a substantial decline in inflation throughout 2024, the disinflationary trend continued in 2025: In December 2025, inflation in the United States decreased to around 2.7%²⁾. In the Eurozone, average inflation declined from 2.4% in 2024 to an average of 1.9% in 2025³⁾.

Based on estimates from January 2026, the International Monetary Fund (IMF) continues to forecast stable global economic growth for the coming years. After an increase of 3.2% in global gross domestic product (GDP) in 2024, growth of 3.3% is projected for both 2025 and 2026.

For advanced economies, the IMF expects growth of 1.9% in 2025 and 1.8% in 2026. In the United States, growth is forecast at 2.7% in 2025 and 2.1% in 2026. In the euro area, growth is estimated at 1.0% for 2025 and is expected to rise to 1.4% in 2026.

Momentum remains strong in emerging market and developing economies: growth of 4.2% is forecast for 2025, increasing further to 4.3% in 2026. Growth in Asia is particularly robust – China's GDP is forecast to rise by 4.6% in 2025 and 4.5% in 2026, while India is expected to maintain constant growth of 6.5% per year.⁴⁾

Based on the latest forecast of the IMF in January 2026, the A1 Group's markets are showing overall positive real GDP growth, while inflation is expected to decline in most of our operating countries. Even though Austria is expected to see slight growth of 0.3% in 2025 and 0.8% in 2026 after years of decline, the growth rates will nevertheless remain below those of the euro area.⁵⁾

Development of real GDP and inflation in the markets of the A1 Group⁶⁾

in %	2024		2025e		2026e	
	GDP	Inflation	GDP	Inflation	GDP	Inflation
Austria	-1.0	2.9	0.3	3.6	0.8	2.3
Bulgaria	2.8	2.6	3.1	3.6	3.1	3.4
Croatia	3.9	4.0	3.1	4.4	2.7	2.8
Belarus	4.0	5.8	2.1	7.0	1.4	7.5
Slovenia	1.7	2.0	1.1	2.5	2.3	2.4
Serbia	3.9	4.7	2.4	4.6	3.6	4.0
North Macedonia	2.8	3.5	3.4	3.9	3.2	3.0

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.imf.org/-/media/files/publications/weo/2025/update/january/english/text.pdf>

⁵⁾ Source: <https://www.imf.org/en/publications/weo/issues/2025/10/14/world-economic-outlook-october-2025>

⁶⁾ Source: <https://www.imf.org/en/publications/weo/issues/2025/10/14/world-economic-outlook-october-2025>, data on inflation based on average consumer prices

Financial key performance indicators

As of December 31, 2025, total assets amounted to EUR 8,398 mn (previous year: EUR 8,213 mn). Non-current assets decreased in the 2025 financial year, primarily due to repayments of shareholder contributions, to EUR 7,215 mn (previous year: EUR 7,278 mn).

Current assets increased by EUR 247 mn to EUR 1,182 mn as of December 31, 2025. This was mainly due to higher receivables from affiliated companies, particularly from short-term investments in Telekom Finanzmanagement GmbH.

Revenue decreased slightly by 1.0% in the 2025 financial year to EUR 44.7 mn (previous year: EUR 45.2 mn).

The operating result improved in the 2025 financial year to EUR -32.5 mn (previous year: EUR -38.0 mn).

Income from investments rose to EUR 437.7 mn (previous year: EUR 286.6 mn). This increase is primarily attributable to the dividend payment of EUR 200 mn made by mobilkom Bulgarien BeteiligungsverwaltungsgmbH in 2025, which was partially offset by a lower dividend payment from mobilkom Belarus Beteiligungsverwaltung GmbH.

In 2024, the investment in mobilkom Belarus Beteiligungsverwaltung GmbH was written down by EUR 61.1 mn. Due to a reversal of impairment in the reporting year, this investment was recovered in value by EUR 33.9 mn. Interest expenses remained unchanged compared to the previous year, amounting to EUR 12 mn.

As a result of the factors described above, earnings before tax rose to EUR 446.6 mn (previous year: EUR 198.5 mn).

Income tax generated earnings of EUR 28.4 mn in 2025 (previous year: EUR 6.0 mn), mainly resulting from corporate tax of the tax group.

Net profit for the 2025 financial year amounted to EUR 475.1 mn (previous year: EUR 204.4 mn).

Subject to the approval of the Supervisory Board, the Management Board plans to propose to the Annual General Meeting a dividend payout of EUR 0.42 (previous year: EUR 0.40) per dividend-bearing share from distributable profits.

The following section highlights the most important financial and performance-related key figures for Telekom Austria AG:

- The equity ratio in accordance with § 23 URG amounted to 90.1% as of December 31, 2025 (previous year: 89.6%). This ratio is calculated as the sum of equity divided by total capital.
- The "notional debt repayment period" in accordance with § 24 URG amounted to 1.9 years as of December 31, 2025 (previous year: 3.2 years). This indicator shows how many years it would theoretically take to repay all debts based on earnings before tax.
- Return on equity (ratio of EBIT to equity) was 5.8% (previous year: 2.5%). Return on total capital (ratio of EBIT to total capital) was 5.2% (previous year: 2.3%).
- Net debt is calculated as the balance of interest-bearing liabilities and cash and cash equivalents. As of December 31, 2025, net debt amounted to EUR 622 mn (previous year: EUR 591 mn).
- Cash flow from operating activities in 2025 amounted to EUR -12.3 mn. In 2025, cash inflow from investing activities was EUR 259.4 mn, mainly attributable to dividends received from investments, partially offset by reduced investments in cash pooling. In 2025, the cash outflow from financing activities was EUR 277.4 mn, mainly resulting from dividend payments of EUR 265.6 mn and interest expenses of EUR 11.8 mn.

Equity investments

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⁾	in million	market position ³⁾
Austria	9.2	71,600	5.2	#1	2.6	#1		
Bulgaria	6.4	41,500	3.9	#2	1.5	#2		
Croatia	3.9	48,800	2.2	#2	0.7	#2		
Belarus	9.1	33,000	5.0	#2	1.1	#2		
Slovenia	2.1	56,500	0.8	#3	0.2	#3		
Serbia	6.6	32,200	2.4	#3	0.0	n.m.		
North Macedonia	1.8	26,500	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: 2024, 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: 2024, figures rounded

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

The number of mobile customers in the A1 Group increased by 11.3% to 30.2 mn (2024: 27.1 mn). Notably, there was strong growth in M2M (machine-to-machine) customers. Excluding M2M, Slovenia (+4.7% to 0.8 mn), Serbia (+3.1% to 2.4 mn), Bulgaria (+2.6% to 3.9 mn), Croatia (+2.3% to 2.2 mn), and Austria (+1.4% to 5.2 mn) each recorded customer growth. The customer base also increased in Belarus (+0.8% to 5.0 mn) and North Macedonia (+0.5% to 1.1 mn).

The total number of fixed-line RGUs rose by 1.7% to 6.5 mn. Significant growth came from Belarus (+12.1% to 1.1 mn) and Bulgaria (+8.5% to 1.5 mn). North Macedonia also reported an increase (+1.9% to 0.4 mn).

In Austria, there was a decline of 5.3% to 2.6 mn. Decreases were also recorded in Croatia (-1.4% to 0.7 mn) and Slovenia (-1.6% to 0.2 mn). Serbia, following the launch of its fixed-line business in 2025, reported 0.03 mn RGUs at year-end 2025.

Outlook for the financial year 2026

The A1 Group expects the continuation of existing trends in the 2026 financial year. Revenue growth in international markets will remain the main driver. In Austria, we anticipate a persistently challenging competitive environment, with economic recovery likely to be slow.

Overall, the main growth drivers are expected to be upselling in the mobile consumer segment, strong demand for connectivity and ICT solutions in the business segment, as well as growth in the fixed-line business in international markets. Against these positive factors stand declining revenues from the voice business and lower interconnection revenues.

For the 2026 financial year, we anticipate overall revenue growth of 2-3%, with the majority of this growth expected to come from an increase in service revenues.

The Belarusian ruble remained largely stable against the euro in 2025, appreciating in the fourth quarter. For 2026, we expect the Belarusian ruble to depreciate against the euro.

On the cost side, we will maintain efficiency and transformation initiatives, leverage our competence delivery center (CDC) and focus on stringent cost control in order to re-purpose costs and mitigate increases related to revenue growth.

Capital expenditures before spectrum are expected to total around EUR 750 mn. The A1 Group will continue with the expansion of its fiber and 5G networks, both in Austria and internationally.

With regard to frequencies, spectrum auctions are expected in Austria, where auctions for 2,300 MHz (new) and 2,600 MHz (renewal) are scheduled for 2026. In Slovenia, renewals of the 800, 900, 1,800 and 2,600 MHz bands are foreseen for earliest Q4 2026. This list is not exhaustive and does not imply the execution of these auctions or the A1 Group's intention to participate.

Subject to the approval of the Supervisory Board, the Management Board intends to propose a dividend of EUR 0.42 per share to the 2026 Annual General Meeting for the 2025 financial year (2025 for the 2024 financial year: EUR 0.40).

Risk and opportunity management

Principles and organization

As Telekom Austria AG operates solely as a holding company and does not conduct any operational business itself, its main risks and opportunities depend on its investments and the respective markets of its group companies. Accordingly, the risk profile of Telekom Austria AG is largely determined by their economic development and the risks presented in the group management report.

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, and through A1 Digital is also active in Germany, Switzerland, and, since 2025, in Spain. The Group thus benefits from geographical diversification.

To directly address the respective market-specific risks, risk management on site is the responsibility of the operating units, while central management is handled by the holding company. Company-wide risk management is performed by Group Enterprise Risk Management (ERM), which is structurally independent of the business areas and falls within the responsibility of the Group CFO.

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. In addition, a risk committee has been established 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

- 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 connection with the conflict in Ukraine, both Belarus and the sanctioning countries and economic regions are affected by mutual sanctions. The A1 Group ensures strict compliance with applicable 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 in other countries classified as “unfriendly.” The A1 Group is affected by these restrictions. We are currently working on mitigating measures. The situation in Belarus is closely monitored by the Group’s Management Board and Enterprise Risk Management.

Although inflationary pressures have eased significantly compared to 2022 and 2023, the issue remains important for the A1 Group. During the reporting period, inflation did not stabilize; in some countries, it even rose again, exceeding the previous year’s level. The A1 Group is exposed to the risk of sustainably increased costs, which cannot be compensated for on the revenue side due to price competition. As a mitigating measure, the A1 Group relies on strict cost management, increasing efficiencies, harmonizing processes, tools, and systems, as well as centralization.

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 in 2023 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” in the Group Management Report 2024).

The A1 Group is confronted with rising prices and delayed delivery times for modems, set-top boxes, storage, servers, and laptops due to more expensive memory chips—a situation that will persist in 2026. This risk arises from the shift of production capacities to the manufacture of HBM (High-Bandwidth Memory) driven by AI-related demand, which is restricting the production of standard chips.

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. Highly professional communication and appropriate expertise are essential prerequisites for preventing negative effects.

(2) ESG risks and opportunities

ERM conducts an annual review of the double materiality assessment (DMA) in collaboration with the responsible departments, in accordance with the requirements of the ESRS. The aim is to achieve the greatest possible consistency with established risk management processes, for example by using identical assessment scales. Differences exist, among other things, in the gross assessment of risks for the DMA compared to the net assessment within ERM, as well as in the time horizon, since the DMA also requires an evaluation from a long-term perspective (30 years). All topics identified as material in the double materiality assessment based on their risk and opportunity evaluation are incorporated into ERM. 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 risk 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 Chapter E1 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 limited extent, but risks are expected to increase in the long term. To mitigate these risks, 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. 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 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 (see Chapter S4 in the sustainability statement). 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, data analysis and AI competences, 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, sanction regulations, 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 if necessary, additional 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 2024, 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

The 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 sanction regulations 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

Liquidity risk refers to the possibility that A1 Group may not be able to meet its financial obligations at maturity. The objective of A1 Group’s risk management is to ensure sufficient liquidity to settle liabilities both under normal and stressed conditions. For this purpose, a consolidated liquidity plan is prepared on a rolling monthly basis to determine liquidity requirements. In addition, a liquidity reserve is maintained in the form of committed credit lines.

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 of good credit standing.

In Belarus, the availability of international banks is limited due to current economic challenges. Owing to the current restrictions on dividend payments, the A1 Group holds cash and financial investments in Belarus with local credit institutions (see notes (9) and (19) to the consolidated financial statements). The credit risk assessments of these financial investments are based on locally available information.

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.

In addition, a risk arises from the temporary restrictions on dividend payments to foreign investors in Belarus, as described above under macroeconomic risks. As previously mentioned, we are currently working on mitigating measures, and the situation in Belarus is being closely monitored by the Group Executive Board as well as within the framework of 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, as well as the ongoing deleveraging.

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 2025.

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. 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.

As described in detail in our 2024 results report, the Association for Consumer Information (VKI) filed a lawsuit against A1 Austria. The subject of the case was the indexation clause in customer contracts, with VKI arguing that referencing the previous year's index prior to the contract's commencement was not permitted.

The Commercial Court, as the court of first instance, issued a ruling in favor of A1 Austria on September 29, 2025. The decision confirms the admissibility of the clause and is in line with prior rulings of the Supreme Court (OGH) as well as similar cases involving other market participants. VKI has filed an appeal against this decision; the company is confident that the outcome will be favorable.

Furthermore, in the 2024 financial year, both the Association for Consumer Information (VKI) and the Federal Chamber of Labor filed multiple legal challenges against clauses in consumer contracts in connection with one-off charges. Settlements were reached with both institutions; in the case of VKI, all clauses in dispute were settled, and with the Chamber of Labor, all except two clauses were included in the settlement. The Chamber of Labor continued litigation concerning the clauses not covered by the settlement. After winning the case at first instance in January 2025, the Higher Regional Court (OLG) confirmed the admissibility of the clause for the fixed-line segment in August 2025 but ruled against A1 Austria in the mobile segment. The case is currently with the Supreme Court (OGH); a decision is expected in the first half of 2026. Should the Supreme Court unexpectedly rule in favor of the VKI, this could have a significant impact on results.

The Federal Chamber of Labor (BAK) filed a class action lawsuit in January 2024 in connection with recurring charges, demanding that A1 no longer use certain clauses or rely on them; BAK has since withdrawn its claims for automatic reimbursement. The first-instance judgment in favor of BAK is not yet legally binding. A1 continues to seek to convince the courts, up to the Supreme Court, of the legality of these clauses, especially as the telecommunications regulatory authority has regularly reviewed and accepted these clauses since 2011. In addition, there are specific legal provisions in the telecommunications sector, including those arising from European law, which support the use of such clauses. Since February 2024, these clauses have no longer been agreed with customers. In this context, provisions have been booked.

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, generative artificial intelligence (genAI) and 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.

Fundamental market changes

The growing availability of alternative telecommunications solutions, such as satellite internet, presents a strategic risk for market structure in the countries where the A1 Group operates. These technologies are independent of local infrastructure and country-specific supply boundaries, enabling new competitors to enter the market. Furthermore, potential competitors offering the same services may, in some cases, be subject to different or deviating regulatory requirements, resulting in market distortions and making it more difficult for established providers to maintain equal market conditions. These developments may lead to negative price dynamics and a decline in the customer base. To proactively address this emerging risk, the A1 Group closely monitors technical and regulatory developments and actively fosters partnerships and collaborations to strengthen its market position.

EU Corporate Sustainability Due Diligence Directive

The EU’s initiative to simplify regulatory requirements in the area of sustainability and strengthen competitiveness was implemented in 2025 through comprehensive legislative changes (“Omnibus Package”). Within this framework, the EU Supply Chain Act was postponed by one year and the substantive requirements were reduced. Member states now have until mid-2028 to transpose the amended directive into national law.

The A1 Group has already been actively assuming responsibility for supply chain due diligence for several years. The measures 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 Responsible 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.

We are therefore already prepared for the EU Supply Chain Act, are mitigating the associated risks, and will continue our related activities without interruption despite the postponement of the legislation.

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, 2025.

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 2025, 60.9% 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 AG ("ÖBAG"), the remainder is in free float. This includes 415,159 treasury shares and 369,500 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 company were carried out in the past financial year.

Vienna, February 9, 2026

The Management Board of Telekom Austria AG

Alejandro Plater m.p.
CEO

Thomas Arnoldner m.p.
Deputy CEO

Declaration of the Management Board

We confirm to the best of our knowledge that the 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 company and that the management report describes the development and performance of the business and the position of the company in a way that it gives a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the management report describes the principal risks and uncertainties of the company.

Vienna, February 9, 2026

The Management Board of Telekom Austria AG

Alejandro Plater m.p.
CEO

Thomas Arnoldner m.p.
Deputy CEO

Assurance Statement

AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Telekom Austria Aktiengesellschaft, Vienna (the Company), which comprise the statement of financial position as at December 31, 2025, and the statement of profit or loss for the financial year then ended, and notes to the financial statements.

In our opinion, the financial statements comply with legal requirements and give a true and fair view of the financial position of the Company as at December 31, 2025, and its financial performance for the year then ended in accordance with Austrian Generally Accepted Accounting Principles.

Basis for Opinion

We conducted our audit in accordance with Regulation (EU) No. 537/2014 and with the Austrian Generally Accepted Auditing Standards. Those standards require the application of the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with laws and regulations applicable in Austria, and we have fulfilled our other professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained up to the date of our report is sufficient and appropriate to provide a basis for our opinion as of that date.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment of shares in affiliated companies

Description and Issue

The annual financial statements as of December 31, 2025 of Telekom Austria Aktiengesellschaft show shares in affiliated companies in the amount of EUR 7,214 million. This corresponds to 86% of total assets.

Shares in affiliated companies are subject to impairment tests annually in the 4th quarter of the financial year. The impairment tests did not reveal any need for impairment in the 2025 financial year.

For details on investments in affiliated companies, please refer to the notes under Section 2.2 "Accounting Principles/Long-term Assets" and "Attachment 2 - Table of Shares in Affiliated Companies as of December 31, 2025" in the Notes. The impairment assessment is based on forward-looking assumptions. The result of this valuation is highly dependent on the assumptions, for example on future cash flows, in particular the assumptions on which their forecasts are based, as well as other valuation assumptions, and is therefore subject to considerable uncertainty. Minor changes in these assumptions may result in material changes in the results of the impairment tests.

For these reasons, this issue was of particular importance in the context of our audit.

Audit procedure

During our audit, we gained an understanding of the process for determining impairment of shares in affiliated companies and assessed controls in terms of design and implementation as well as their operating effectiveness.

The appropriateness of the methodological approach (valuation model) for carrying out the impairment test and the determination of the essential valuation assumptions was critically assessed with the involvement of our valuation specialists. Furthermore, the mathematical accuracy was assessed.

We have critically assessed the assumptions underlying the cash flow planning and the judgements contained therein, and have discussed and questioned them in detail with the Company. We have used historical data to verify the reasonableness of the assumptions about future cash flows included in the calculation in connection with the planned revenue and earnings development.

In addition, we have carried out our own sensitivity analyses with the involvement of our valuation specialists in order to be able to assess a potential risk of change in value in the event of a change in material valuation assumptions.

In addition, our audit covered the completeness and accuracy of the information required in the notes in accordance with the Austrian Generally Accepted Accounting Principles.

Other Matter – Audit of the Financial Statements of the Previous Year

The financial statements of the Company for the year ended December 31, 2024 were audited by another auditor who expressed an unmodified opinion on those statements on February 10, 2025.

Responsibilities of Management and the Audit Committee for the Financial Statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with Austrian Generally Accepted Accounting Principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

The audit committee is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 Regulation (EU) No 537/2014 and with Austrian Generally Accepted Auditing Standards, which require the application of the ISAs, will 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 Regulation (EU) No 537/2014 and with Austrian Generally Accepted Auditing Standards, which require the application of the ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the 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 Company'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 the directors' 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 Company'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 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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.

Other Legal and Regulatory Requirements

Report on the Audit of the Management Report

Pursuant to statutory provisions, the management report is to be audited as to whether it is consistent with the financial statements and whether it has been prepared in accordance with the applicable legal requirements.

Management is responsible for the preparation of the management report in accordance with the Austrian Commercial Code. We conducted our audit in accordance with laws and regulations applicable with respect to the management report.

Opinion

In our opinion, the management report is prepared in accordance with the applicable legal requirements, includes appropriate disclosures according to section 243a UGB and is consistent with the financial statements.

Statement

In the light of the knowledge and understanding of the Company and its environment obtained in the course of our audit of the financial statements, we have not identified material misstatements in the management report.

Other Matters which we are required to address according to Article 10 of Regulation (EU) No 537/2014

We were appointed as auditors by the annual general meeting on June 3, 2025 and commissioned by the supervisory board to audit the financial statements for the financial year ending December 31, 2025. We have been auditing the Company since the financial year ending December 31, 2025.

We confirm that our opinion expressed in the section "Report on the Audit of the Financial Statements" is consistent with the additional report to the audit committee referred to in Article 11 of Regulation (EU) No 537/2014.

We declare that we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 and that we remained independent of the Company in conducting the audit.

Engagement Partner

The engagement partner responsible for the audit is Dr. Christoph Waldeck.

Vienna
February 9, 2026

Deloitte Audit Wirtschaftsprüfungs GmbH

(signed by:)
Dr. Christoph Waldeck
Certified Public Accountant

This report is a translation of the audit report according to section 273 of the Austrian Commercial Code (UGB). The translation is presented for the convenience of the reader only. The German wording of the audit report is solely valid and is the only legally binding version. Section 281 (2) UGB applies.



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