



Report of the Supervisory Board 2025

A1 Group

Dear shareholders,

In the 2025 financial year, the A1 Group delivered a solid overall performance despite a persistently challenging economic environment and intense competitive conditions. The reporting year was characterised by geopolitical uncertainties, sustained competitive pressure—particularly in the Austrian market—and increasing efficiency requirements. Against this backdrop, the resilience of the A1 Group’s business model and its strategic focus on digital and innovative services, reliable connectivity and operational excellence were once again confirmed. Furthermore, digital sovereignty emerged as a key strategic field of action during the reporting year. With its European, sovereign cloud solution Exoscale, the A1 Group is well positioned in this important future-oriented area.

Group revenues increased by 3.0% to EUR 5.6 billion, driven primarily by the strong performance of the international business and the continued dynamic growth in the ICT segment. In particular, the Cloud, Security and IT Solutions businesses once again recorded very positive development, underlining the successful transformation of the A1 Group from a traditional telecommunications operator into an integrated provider of digital services. EBITDA rose by 2.0% to EUR 2.1 billion; adjusted for one-off effects and restructuring measures, EBITDA increased by 3.7%. These results reflect the progress achieved in operational development as well as the effectiveness of the consistently implemented efficiency and transformation initiatives.

Net profit for the period amounted to EUR 613 million in the 2025 financial year and was therefore slightly below the prior-year level. Despite higher capital expenditure, free cash flow increased by 3.7% to EUR 596 million.

Digital infrastructure represents the foundation for the A1 Group’s performance capability, innovative strength and sustainable development. Accordingly, the Group consistently continued its investment programme in the 2025 financial year. Total Group investments amounted to EUR 889 million, with the majority allocated to the further expansion of fibre and 5G networks in Austria. In addition, the A1 Group implemented important expansion measures in its international markets, in particular through the successful acquisition of 5G spectrum in Serbia and the commencement of 5G operations in December 2025. These measures sustainably strengthen the basis for future growth, high service quality and digital capabilities across the Group’s markets.

The A1 Group’s asset, financial and earnings position was further strengthened during the reporting year. The net debt to EBITDA ratio stood at 0.9x at year-end 2025; excluding lease liabilities, net debt was almost fully reduced. The confirmation of the “A3 / A-” ratings by all three leading international credit rating agencies underscores this development. As a result, the A1 Group ranks among the highest-rated companies in the sector in Europe. This robust balance sheet structure provides a sound basis for future investments and a sustainable dividend policy.

The A1 Group also consistently advanced its sustainability agenda in 2025. The relevant strategies and measures continue to receive broad recognition. CDP (Carbon Disclosure Project), a leading global non-profit organisation assessing corporate environmental transparency, once again awarded the A1 Group an excellent rating (“A-List”), particularly reflecting the progress achieved in reducing CO₂ emissions.

With regard to the composition of the Supervisory Board, the mandates of Alejandro Cantu, Daniela Lecuonna-Torras and Carlos Jarque were extended at the Annual General Meeting held on 3 June 2025.

During the 2025 financial year, the Supervisory Board addressed the Group’s strategic orientation, investment and financing decisions, and business performance in depth in five Supervisory Board meetings—including one strategy meeting—as well as in various committee meetings, consistently taking sustainability aspects into consideration. Particular emphasis was placed on the development of new growth areas and the further enhancement of efficiency.

In 2025, the Audit Committee performed its monitoring duties in five meetings, focusing on the effectiveness of the internal control system, the risk management system and internal audit. In addition, the 2024 annual financial statements and their audit were discussed in detail in the presence of the auditors.

The Remuneration Committee of the Supervisory Board convened three meetings to address the remuneration of the Management Board and the contractual arrangements of Management Board members.

The Supervisory Board of Telekom Austria AG is fully committed to compliance with the Austrian Code of Corporate Governance (ÖCGK) and to responsible corporate governance and supervision aimed at sustainable value creation. All ten shareholder representatives have declared their independence in accordance with C-Rule 53 of the ÖCGK.

As stipulated in Rule 62 of the ÖCGK, the A1 Group arranges for an external evaluation of compliance with the Code and the accuracy of the related public reporting every three years. The most recent evaluation, conducted in 2023 by Ernst & Young Wirt-

schaftsprüfung GmbH, identified no indications of deviations from the declaration of compliance with the “comply-or-explain” rules or the recommendations of the ÖCGK for the 2022 financial year. The next evaluation is scheduled for the 2025 financial year and will be carried out in the first half of 2026.

The Supervisory Board concurs with the Management Board’s proposal for the appropriation of profit, according to which a dividend of EUR 0.42 per dividend-entitled share is to be distributed for the 2025 financial year, with the remaining amount to be carried forward.

As Chairwoman of the Supervisory Board, I would like to express my sincere thanks, on behalf of the Supervisory Board, to the Management Board and all employees for their dedication and commitment. Their efforts make a significant contribution to the sustainable continuation of the A1 Group’s successful development.

I would also like to extend my special thanks to the customers and shareholders of the A1 Group for the trust they have placed in the Company. The Supervisory Board will continue to engage intensively with the strategic and long-term positioning and further development of the A1 Group and will actively support this process.

Dr. Edith Hlawati m.p.

Chairperson of the Supervisory Board

Vienna, May 2025