

MAGYAR TELEKOM

QUARTERLY FINANCIAL REPORT

**ANALYSIS OF THE FINANCIAL STATEMENTS FOR THE
FOURTH QUARTER ENDED DECEMBER 31, 2023**



Budapest – February 22, 2024 – Magyar Telekom (Reuters: MTEL.BU and Bloomberg: MTELEKOM HB, hereinafter: Company), the leading Hungarian telecommunications service provider, today reported its consolidated financial results for the fourth quarter and full year of 2023, in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU (hereinafter: quarterly financial report). The quarterly financial report contains unaudited figures for each reporting period.

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1. HIGHLIGHTS

Financial highlights:

(HUF millions, except ratios)	Q4 2022	Q4 2023	Change (%)	1-12 months 2022	1-12 months 2023	Change (%)
Revenue	199,203	229,187	15.1%	746,669	849,372	13.8%
Operating profit	28,409	36,810	29.6%	109,178	147,996	35.6%
Profit attributable to:						
Owners of the parent	16,869	23,227	37.7%	62,954	78,951	25.4%
Non-controlling interests	647	1,074	66.0%	4,120	5,453	32.4%
	17,516	24,301	38.7%	67,074	84,404	25.8%
Adjusted profit attributable to owners of the parent	17,137	25,791	50.5%	62,967	93,618	48.7%
Gross profit	105,800	122,480	15.8%	422,518	493,053	16.7%
EBITDA	62,699	72,762	16.0%	247,946	287,164	15.8%
EBITDA AL	55,725	65,397	17.4%	221,513	257,941	16.4%
Free cash flow				3,559	86,516	n.m.
Free cash flow excl. spectrum licenses				50,931	86,829	70.5%
Capex after lease	43,653	32,267	(26.1%)	129,745	105,700	(18.5%)
Capex after lease excl. spectrum licenses	43,653	32,267	(26.1%)	126,653	105,114	(17.0%)
Number of employees (closing full equivalent)				6,711	6,797	1.3%
				Dec 31, 2022	Dec 31, 2023	Change (%)
Net debt				476,918	430,640	(9.7%)
Net debt / EBITDA				1.92	1.50	n.a.

- Group revenue increased by 15.1% year-on-year in Q4 2023 and by 13.8% for the full year 2023. This expansion was primarily driven by the continued strong demand for mobile data and fixed broadband services, coupled with the positive effects of inflation-based fee adjustments in Hungary.
- Gross profit improved by 15.8% year-on-year in Q4 2023 and registered a 16.7% increase for the full year 2023, attributable to the growth in service revenues.
- EBITDA AL increased by 17.4% year-on-year in Q4 2023 and by 16.4% for the full year 2023, as the growth in gross profit offset the rise in indirect costs.
- Adjusted net income for Q4 2023 amounted to HUF 25.8 billion and reached HUF 93.6 billion for the full year 2023, reflecting the improvement in operational performance.
- Capex after leases, excluding spectrum licenses, decreased by 17.0% year-on-year in 2023, amounting to HUF 105.1 billion. This reduction was a result of lower network-related investments in both countries.
- Free cash flow, excluding spectrum license fees, amounted to HUF 86.8 billion in 2023, representing a year-on-year increase of HUF 35.9 billion. This growth was driven by a combination of operational result improvements and reduced Capex levels.
- The Board of Directors proposes a dividend payment of HUF 41.56 billion for the 2023 financial year, for approval to the Company's Annual General Meeting. Additionally, the Board envisages a share buyback of up to HUF 24.0 billion resulting in a total annual shareholder remuneration of up to HUF 65.56 billion after the 2023 results.



Operational highlights:

- The rollout of the gigabit network in Hungary continued throughout 2023, reaching 200 thousand new access points and achieving 80% coverage of gigabit-capable access points within our fixed network by year-end.
- The expanded gigabit coverage contributed to the growth in the Hungarian fixed broadband customer base and ARPU, which increased by 5.1% and 19.0% year-on-year in 2023, respectively.
- The mobile network modernization in Hungary reached an advanced stage of 80%, with outdoor population-based 5G coverage reaching 65%.
- Mobile network enhancement facilitated an over 20% increase in our customers' average mobile data usage in 2023, reflected in the 17.7% year-on-year growth in Hungarian mobile postpaid ARPU.

Tibor Rékasi, Magyar Telekom CEO, commented:

"I am delighted to report that despite the significant macroeconomic challenges we faced in 2023, we maintained strong commercial momentum, experiencing increased demand for both mobile data and gigabit broadband services. In line with our strategic priorities, we further advanced the digital transformation of Hungary through the continued roll-out of the gigabit network. By the end of the year, we surpassed 3.6 million access points, with approximately 50% of our customers opting for gigabit broadband speeds nationwide. Our unwavering commitment remained centered on delivering seamless connectivity and outstanding user experiences to our customers.

Reflecting our dedication and the implementation of an inflation-based fee adjustment effective 1st March, our revenue saw a notable increase of 13.8% in 2023. Despite facing higher electricity costs which were four-fold higher year-on-year, and inflationary pressures on our cost base, particularly vendor expenses, we achieved robust year-on-year growth of 16.4% in EBITDA AL.

I am pleased to announce that due to our strong underlying performance, the Group's adjusted net income increased by 48.7% to HUF 93.6 billion. Consequently, the Board is proposing a total annual shareholder remuneration of up to HUF 65.56 billion, comprising a total dividend payment of HUF 41.56 billion for the 2023 financial year and a share buyback of up to HUF 24.0 billion. This represents approximately 70% of the adjusted net income generated during 2023.

Looking ahead to 2024, we expect some further pressure on profitability stemming from the challenging economic landscape. However, thanks to our strong commercial performance and the positive impacts of the previously communicated fee adjustments across our contracts, we are targeting revenue growth of 5%-10%. Furthermore, with the termination of the utility tax in 2024 and more favorable energy costs, we anticipate EBITDA AL to grow 20%-25% in 2024. Our guidance for adjusted net income is approximately HUF 130 billion, with a projected free cashflow generation of circa HUF 120 billion."

Financial targets

	2023 Actual	Guidance for 2024
Revenue	HUF 849.4 billion	5%-10% growth
EBITDA AL	HUF 257.9 billion	20%-25% growth
Adjusted net income	HUF 93.6 billion	ca. HUF 130 billion
FCF ¹	HUF 86.8 billion	ca. HUF 120 billion

¹ Excluding spectrum licenses



2. MANAGEMENT REPORT

2.1. Consolidated IFRS Group Results

2.1.1 Group Profit and Loss

(HUF millions)	Q4 2022	Q4 2023	Change	Change (%)	1-12 months 2022	1-12 months 2023	Change	Change (%)
Mobile revenue	114,745	131,702	16,957	14.8%	433,178	491,322	58,144	13.4%
Fixed line revenue	62,273	72,227	9,954	16.0%	237,019	271,915	34,896	14.7%
SI/IT revenue	22,185	25,258	3,073	13.9%	76,472	86,135	9,663	12.6%
Revenue	199,203	229,187	29,984	15.1%	746,669	849,372	102,703	13.8%
Direct costs	(93,403)	(106,707)	(13,304)	(14.2%)	(324,151)	(356,319)	(32,168)	(9.9%)
Gross profit	105,800	122,480	16,680	15.8%	422,518	493,053	70,535	16.7%
Indirect costs	(43,101)	(49,718)	(6,617)	(15.4%)	(174,572)	(205,889)	(31,317)	(17.9%)
EBITDA	62,699	72,762	10,063	16.0%	247,946	287,164	39,218	15.8%
Depreciation and amortization	(34,290)	(35,952)	(1,662)	(4.8%)	(138,768)	(139,168)	(400)	(0.3%)
Operating profit	28,409	36,810	8,401	29.6%	109,178	147,996	38,818	35.6%
Net financial result	(7,193)	(8,053)	(860)	(12.0%)	(24,809)	(44,040)	(19,231)	(77.5%)
Share of associates' and joint ventures' results	-	-	-	-	26	-	(26)	(100.0%)
Profit before income tax	21,216	28,757	7,541	35.5%	84,395	103,956	19,561	23.2%
Income tax	(3,700)	(4,456)	(756)	(20.4%)	(17,321)	(19,552)	(2,231)	(12.9%)
Profit for the period	17,516	24,301	6,785	38.7%	67,074	84,404	17,330	25.8%
Profit attributable to non-controlling interests	647	1,074	427	66.0%	4,120	5,453	1,333	32.4%
Profit attributable to owners of the parent	16,869	23,227	6,358	37.7%	62,954	78,951	15,997	25.4%

Total revenue increased by 15.1% year-on-year to HUF 229.2 billion in Q4 2023, primarily driven by continued growth in mobile data and fixed broadband revenue, reflecting the underlying business growth as well as the positive impact of the inflation-based fee adjustment implemented to the Hungarian subscription fees from March 1, 2023. These increases were coupled with year-on-year higher equipment sales and SI/IT revenues at the Hungarian operation that more than offset the lower contribution from North Macedonia due to the weakening of the Macedonian denar vs the Hungarian forint.

- **Mobile revenue rose by 14.8% year-on-year to HUF 131.7 billion in Q4 2023**, thanks to the increase in service revenues coupled with higher equipment sales.
 - **Voice retail** revenue increased by 8.3% year-on-year to HUF 31.0 billion in Q4 2023 reflecting the positive impact of further customer base expansion in both countries and the Hungarian fee adjustment which offset reductions stemming from lower usage levels.
 - **Voice wholesale** revenue decreased by 8.7% year-on-year to HUF 2.9 billion in Q4 2023, driven by lower related incoming traffic volumes in both countries of operation.
 - **Data** revenue rose by 24.3% year-on-year to HUF 48.7 billion in Q4 2023, as the continued growth in subscriber numbers and usage levels in both Hungary and North Macedonia were further amplified by the Hungarian fee adjustment impacts.
 - **SMS** revenue was higher by 11.4% year-on-year, amounting to HUF 6.9 billion in Q4 2023, primarily reflecting the effect of the inflation-based fee adjustment.
 - **Mobile equipment** revenue rose by 11.3% year-on-year, amounting to HUF 36.6 billion in Q4 2023 as seasonal promotional offers at the Hungarian operation resulted in higher sales volumes.
 - **Other mobile** revenue rose by 19.4% year-on-year to HUF 5.6 billion in Q4 2023, driven by the increased interest revenue component in relation to the equipment installment sales related present value discount.
- **Fixed line revenue increased by 16.0% year-on-year, to HUF 72.2 billion in Q4 2023.** This improvement was primarily driven by increases in fixed broadband and TV revenues that were also coupled with higher equipment sales revenues.



- **Voice retail** revenue rose by 2.0% year-on-year to HUF 8.8 billion in Q4 2023, as the decline in the Hungarian customer base and usage levels were offset by the fee adjustment effects.
 - **Broadband retail** revenue increased by 23.7% year-on-year to HUF 24.1 billion in Q4 2023, driven by the positive impact of continued customer base expansion coupled with further increases in the ARPU levels.
 - **TV** revenue was up by 14.7% year-on-year to HUF 18.5 billion in Q4 2023, thanks to the further expansion of the Hungarian IPTV subscriber base coupled with the fee adjustment.
 - **Fixed equipment** revenue was higher by HUF 2.1 billion year-on-year and amounted to HUF 7.3 billion in Q4 2023, reflecting the increase in overall sales volumes thanks to the introduced year-end promotions.
 - **Data retail** revenue was up by 8.3% year-on-year, amounting to HUF 3.6 billion in Q4 2023, thanks to higher contribution from leased line fixed internet services.
 - **Wholesale** revenue increased by 1.8% year-on-year, amounting to HUF 5.5 billion in Q4 2023, driven by higher infrastructure service revenues in Hungary.
 - **Other fixed** line revenue rose by 8.6% year-on-year to HUF 4.4 billion in Q4 2023, reflecting higher interest income in relation to the equipment installment sales related present value discount.
- **System Integration and IT ('SI/IT') revenue increased by 13.9% to HUF 25.3 billion in Q4 2023**, as a result of higher revenue at the Hungarian operation thanks to increased revenue from high value projects.

Direct costs were up by 14.2% year-on-year at HUF 106.7 billion in Q4 2023, driven by higher bad debt expenses and other direct costs.

- **Interconnect costs** were lower by 6.5% year-on-year, at HUF 5.8 billion in Q4 2023, reflecting lower outgoing traffic volumes, especially at the Hungarian operation.
- **SI/IT service-related costs** were up by 16.4% year-on-year at HUF 18.5 billion in Q4 2023, in line with the higher revenue.
- **Impairment losses and gains on financial assets and contract assets (bad debt expenses)** was up by HUF 3.0 billion year-on-year, amounting to HUF 6.9 billion in Q4 2023 reflecting partly the higher revenue base as well as the HUF 3.5 billion additional forward-looking impairment recognized at the Hungarian operation in relation to the outstanding installment sales receivables due to the increased probability of deteriorating recovery rates. This was partly offset by lower bad debt expenses at the North Macedonian operation driven by favorable change in the local impairment rates.
- **Telecom tax** was lower moderately year-on-year, amounting to HUF 6.4 billion in Q4 2023, reflecting the declining mobile voice usage.
- **Other direct costs** were up by 13.5% year-on-year to HUF 69.2 billion in Q4 2023, driven by higher equipment costs and TV content fees.

Gross profit improved by 15.8% year-on-year to HUF 122.5 billion in Q4 2023, thanks primarily to a higher contribution from telecommunication services.

Indirect costs rose by 15.4% year-on-year, to HUF 49.7 billion in Q4 2023, reflecting higher employee-related expenses, energy costs and supplementary telecommunication tax expense at the Hungarian operations.

- **Employee-related expenses** amounted to HUF 22.7 billion in Q4 2023, representing a 17.9% increase year-on-year. This was the combined result of the wage increases implemented at the Hungarian operation and the higher expenses at the North Macedonian operation following the insource of certain maintenance functions.
- **Supplementary telecommunication tax** was recognized in the amount of HUF 7.7 billion in Q4 2023, reflecting the annual revenue development.
- **Other operating expenses** (excluding the utility tax and the supplementary telecommunication tax) rose by 6.5% year-on-year to HUF 21.9 billion in Q4 2023, reflecting higher energy costs and further inflation-driven cost pressures at the Hungarian operation partly mitigated by cost efficiency measures and favorable year-on-year development in the North Macedonian energy costs.
- **Other operating income** increased by 8.4% year-on-year to HUF 2.6 billion in Q4 2023, reflecting accrual reversals as well as earned income of the energy saving certificates from the energy efficiency obligation system in relation to the Company's energy efficiency projects.

EBITDA increased by 16.0% year-on-year to HUF 72.8 billion and EBITDA AL was up by 17.4% year-on-year to HUF 65.4 billion in Q4 2023 driven by the improvement in gross profit that offset higher indirect costs.

Depreciation and amortization ('D&A') expenses were 4.8% higher year-on-year, amounting to HUF 36.0 billion in Q4 2023, reflecting higher software fee and IFRS 16 lease liability related depreciation expenses.



Profit for the period rose by 38.7% year-on-year to HUF 24.3 billion in Q4 2023 driven by the higher EBITDA.

- **Net financial result** deteriorated from a loss of HUF 7.2 billion in Q4 2022 to a loss of HUF 8.1 billion in Q4 2023. Net interest expense decreased driven by a legal case related provision reversal and lower interest related to installment sales transactions. At the same time, other finance expense was higher year-on-year primarily reflecting less favorable results related to derivatives mostly attributable to the different shifts in the relevant yield curves.
- **Income tax expenses** were up by 20.4% year-on-year at HUF 4.5 billion in Q4 2023, reflecting the year-on-year increase in the profit before tax partly mitigated by higher amount of tax credits booked.

Profit attributable to non-controlling interests increased by 66.0% year-on-year to HUF 1.1 billion in Q4 2023, driven by year-on-year decline of D&A expenses at the North Macedonian subsidiary.

Adjusted net income (profit attributable to owners of the parent) was HUF 25.8 billion in Q4 2023 and amounted to HUF 93.6 billion for the full year 2023. **Adjustments** to reported net income of **HUF 14.7 billion** in 2023 are primarily attributable to unrealized losses related to measurement of derivatives at fair value.

2.1.2 Group Cash Flows

HUF millions	1-12 months 2022	1-12 months 2023	Change
Net cash generated from operating activities	195,763	222,750	26,987
Net cash used in investing activities	(105,256)	(114,837)	(9,581)
Less: (Payments for) / Proceeds from other financial assets	(9,340)	15,225	24,565
Investing cash flow excluding Payments for / Proceeds from other financial assets - net	(114,596)	(99,612)	14,984
Repayment of lease and other financial liabilities	(77,608)	(36,622)	40,986
Free cash flow	3,559	86,516	82,957
(Payments for) / Proceeds from other financial assets - net	9,340	(15,225)	(24,565)
Proceeds from / (Repayment of) loans and other borrowings - net	19,844	(21,625)	(41,469)
Dividends paid to Owners of the parent and Non-controlling interests	(19,486)	(33,942)	(14,456)
Treasury share purchase	(14,609)	(14,609)	-
Exchange differences on cash and cash equivalents	750	(462)	(1,212)
Change in cash and cash equivalents	(602)	653	1,255

Free cash flow (FCF) amounted to HUF 86.5 billion cash inflow in 2023 (2022: HUF 3.6 billion cash inflow) mainly due to the reasons described below.

Operating cash flow

Net cash generated from operating activities significantly improved to a cash inflow of HUF 222.8 billion in 2023, compared to cash inflow of HUF 195.8 billion in 2022, attributable to the reasons outlined as follows:

- HUF 39.2 billion **positive impact due to higher EBITDA** in 2023.
- HUF 8.3 billion **negative change in active working capital**, mainly as a result of:
 - unfavorable change in the balance of telecommunication customer related trade receivables in Hungary (negative impact: ca. HUF 19.9 billion) driven by overall higher sales volume and the impact of the inflation-based fee adjustment, implemented in March 2023, some deterioration in the ageing of receivables,
 - higher increase in net portfolio of installment receivables in 2023 compared to 2022 (negative impact ca. HUF 4.6 billion) as a result of higher handset related sales volume at year-end seasonality,
 - unfavorable change in handset inventory balances (negative impact: ca. HUF 2.4 billion) mainly due to different within-year procurement dynamics,
 - favorable change in the trade receivables balances in North Macedonia (positive impact: ca. HUF 6.6 billion) mainly caused by different SI/IT project seasonality,
 - different project seasonality led to favorable changes in SI/IT inventory and trade receivables balances in Hungary (positive impact: ca. HUF 5.8 billion),



- improvement in prepaid expenses in 2023 compared to a deterioration in 2022 (positive impact: ca. 5.4 billion) due to change of different services related payments.
- HUF 1.4 billion **positive change in provisions**, mainly reflecting lower utilization of provisions for different incentives and the absence of reversal of provisions for risks arising from inaccuracies in tax calculations in 2023 compared to 2022.
- HUF 5.3 billion **negative change in passive working capital**, primarily driven by:
 - unfavorable change in the balances of invoiced and non-invoiced trade creditors in Hungary and in North Macedonia in 2023 compared to 2022 (negative impact: ca. HUF 8.2 billion) due to different outpayment timing,
 - unfavorable change of liabilities to employees (negative impact: ca. HUF 1.5 billion),
 - higher increase in handset suppliers (positive impact: ca. HUF 6.4 billion) in line with higher inventories.
- HUF 10.0 billion **negative change in interest and other financial charges paid** in 2023 compared to 2022, mainly reflecting the higher interest payment related to the loan portfolio due to change of interest rates and higher bank charges.
- HUF 1.7 billion **positive change in interest received** in 2023 compared to 2022 due to changing market environment.
- HUF 7.5 billion **positive change in other non-cash items**, mainly due to more significant foreign exchange rate movements leading to FX gains in 2023 versus losses in 2022, supplemented with the sale of Pan-Inform LLC in 2022.

Investing cash flow excluding payments for / proceeds from other financial assets – net

Net cash used in investing activities amounted to HUF 99.6 billion in 2023, compared to HUF 114.6 billion in 2022, with the lower cash outflow driven mainly by the following:

- HUF 21.1 billion **positive change in payments for PPE and intangible assets** mainly driven by the following:
 - HUF 2.8 billion positive change driven by HUF 3.1 billion spectrum fee payment in North Macedonia in 2022 versus HUF 0.3 billion spectrum payment at the Hungarian operation in 2023,
 - HUF 23.5 billion positive change mainly driven by lower investments in fixed access rollout in both Hungary and North Macedonia and mobile network modernization in the Hungarian operation,
 - HUF 1.7 billion negative change related to higher real estate investments,
 - HUF 2.9 billion negative change reflecting to higher outpayments to Capex creditors due to different seasonality.
- HUF 5.5 billion **negative effect in proceeds from disposal of subsidiaries and business units** reflecting the absence of the income realized on the sale of Pan-Inform LLC in 2022.

Repayment of lease and other financial liabilities

Repayment of lease and other financial liabilities improved to HUF 36.6 billion in 2023 from HUF 77.6 billion in 2022, primarily driven by HUF 3.8 billion higher outflow related to trade payables with extended payment term in 2023 and absence of HUF 44.3 billion outpayment in 2022 for the principal part of the frequency usage right acquired in 2021.

Cash and cash equivalents improved by HUF 1.3 billion in 2023 compared to 2022. Besides the changes in FCF the improvement is attributable to the followings:

- **Proceeds from loans and other borrowings** deteriorated by HUF 34.2 billion due to combined effect of the lower drawdown of DT Group loans and the decrease of proceeds from inhouse DT Group funds in 2023 compared to 2022.
- **Repayments of loans and other borrowings** deteriorated by HUF 7.3 billion due the increase of repayments of DT Group loans and inhouse DT Group funds in 2023 compared to 2022.
- HUF 14.5 billion higher **dividend** was **paid** in 2023 versus 2022.
- **Exchange differences on cash and cash equivalents** deteriorated by HUF 1.2 billion due to the MKD/HUF foreign exchange rate movement during 2023.

The financial and operating statistics are available on the following website:

http://www.telekom.hu/about_us/investor_relations/financial



2.1.3 Consolidated Statements of Financial Position

The most significant changes in the balances of the Consolidated Statements of Financial Position from December 31, 2022 to December 31, 2023 (see Appendix 3.8 and 3.9) can be observed in the following lines:

- Trade receivables within one year
- Derivative financial instruments contracted with related parties (current and non-current assets combined)
- Other intangible assets
- Financial liabilities to related parties (current and non-current liabilities combined)

Trade receivables within one year increased by HUF 27.7 billion from December 31, 2022 to December 31, 2023 mainly driven by higher sales volume in addition to the impact of the inflation-based fee adjustment implemented in March 2023 and the increase of installment receivables reflecting the sales volume change and partially offset by the decrease of SI/IT receivables due to the different project seasonality.

Derivative financial instruments contracted with related parties (current and non-current assets combined) decreased by HUF 14.4 billion from December 31, 2022 to December 31, 2023 mainly as a result of HUF 22.1 billion decrease of the fair value of long term derivative financial instruments contracted with related parties which was partially offset by HUF 7.7 billion increase of the fair value of short term derivative financial instruments contracted with related parties.

Other intangible assets decreased by HUF 17.5 billion from December 31, 2022 to December 31, 2023 reflecting a change in concessions, licenses and software.

Financial liabilities to related parties (current and non-current combined) decreased by HUF 22.3 billion from December 31, 2022 to December 31, 2023 due to the combined result of repayment of DT Group loans and the decrease in cash pool liabilities.

There has not been any other material change in the items of the Consolidated Statement of Financial Position in the period from December 31, 2022 to December 31, 2023. The less significant changes in balances of the Consolidated Statements of Financial Position are largely explained by the items of the Consolidated Statement of Cash Flows for 2023 and the related explanations provided above in section 2.1.2 Group Cash Flows. The changes in Equity are disclosed in the Equity movement table in section 3.12 Consolidated Statements of Changes in Equity.

2.1.4 Related party transactions

The significant changes in the volume of related party transactions have been disclosed in sections 2.1.2 Group Cash Flows and 2.1.3 Consolidated Statement of Financial Position. There have not been any other significant changes in related party transactions since the most recent annual financial report.

2.1.5 Contingencies and commitments

Contingent assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence of uncertain future events not within the control of the Group. These assets are not recognized in the statement of financial position. The Group has no contingencies where the inflow of economic benefits would be probable and material.

Contingent liabilities

No provision has been recognized for these cases as management estimates that it is unlikely that these claims originating from past events would result in any material economic outflows from the Group, or the amount of the obligation cannot be measured with sufficient reliability. Makedonski Telekom has a contingent liability in the amount of MKD 240.0 million (claimed amount) in respect to a court case for damage compensation against Makedonski Telekom for alleged abuse of the dominant position on the market for access to data transfer networks. Based on legal advice and strong legal arguments presented in the court procedure, management believes that it is not probable that the court procedure will result in liability of the claimed size.

Guarantees

Magyar Telekom is also exposed to risks that arise from the possible drawdown of guarantees that in aggregation amounted to a nominal amount of HUF 16.1 billion as at December 31, 2023. The guarantees were issued by banks on behalf of Magyar Telekom as collateral to secure the fulfillment of the Group's certain contractual or tender related obligations.

The Group has been doing its best to deliver on its contractual obligations and expects to continue to do so in the future. Even so disputes may emerge from time to time with our partners and sometimes these can result in the drawdown of the guarantees. These utilizations of the bank guarantees are not related and have no significant effect on the solvency of the Group.

Commitments

There has been no material change in the nature and amount of our commitments in 2023.



2.1.6 Material events

For any material event that occurred between the end of the quarter (December 31, 2023) and the date publishing of this quarterly financial report, please see our Investor Relations website:

http://www.telekom.hu/about_us/investor_relations/investor_news

2.2. Segment reports

The Group's segments are reported in a manner consistent with the internal reporting provided to the CODMs, the key management of Magyar Telekom Plc. From 2020 the Chief Executive Officer (CEO) and the other Chief Officers together (Chief Officers) fulfill the chief operating decision maker (CODM) function in the Group. The Chief Officers assess the performance of the Group and make their decisions. Magyar Telekom's operating segments are: MT-Hungary and North Macedonia.

The MT-Hungary segment operates in Hungary, providing mobile and fixed line telecommunications, TV distribution, information communication and system integration services to millions of residential and business customers under the Telekom brand. Residential, Small and Medium sized business as well as business customers (corporate and public sector customers) are now served by the unified Telekom brand. The MT-Hungary segment is also responsible for the wholesale of mobile and fixed line services within Hungary, and performs strategic and cross-divisional management, as well as support functions on behalf of the Group, including Procurement, Treasury, Real Estate, Accounting, Tax, Legal and Internal Audit. This segment is also responsible for the Group's points of presence in Bulgaria and Romania, where it primarily provides wholesale services to local companies and operators.

The North Macedonia segment is responsible for the Group's full-scale mobile and fixed line telecommunications operations in North Macedonia.

The following tables present financial information related to these reportable segments. Such information is regularly provided to the Company's Management and reconciled with the corresponding Group numbers. This information includes several key indicators of profitability that are considered for the purposes of assessing performance and allocating resources. It is the Management's belief that Revenue, EBITDA, EBITDA AL and Capex, Capex AL are the most appropriate indicators for monitoring each segment's performance and are most consistent with how the Group's results are reported in the statutory financial statements.



2.2.1 MT-Hungary

	Q4 2022	Q4 2023	Change	Change (%)	1-12 months 2022	1-12 months 2023	Change	Change (%)
HUF millions								
Voice	28,214	31,356	3,142	11.1%	112,596	122,815	10,219	9.1%
Non-voice	40,685	51,102	10,417	25.6%	153,959	193,620	39,661	25.8%
Equipment	29,209	32,969	3,760	12.9%	106,438	109,414	2,976	2.8%
Other mobile revenue	3,995	4,995	1,000	25.0%	13,295	18,559	5,264	39.6%
Mobile revenue	102,103	120,422	18,319	17.9%	386,288	444,408	58,120	15.0%
Voice retail	7,260	7,546	286	3.9%	29,688	30,431	743	2.5%
Broadband retail	17,828	22,468	4,640	26.0%	67,716	85,405	17,689	26.1%
TV*	14,650	17,161	2,511	17.1%	57,129	66,476	9,347	16.4%
Equipment	5,219	7,322	2,103	40.3%	16,717	19,828	3,111	18.6%
Other*	10,658	11,125	467	4.4%	40,402	43,986	3,584	8.9%
Fixed line revenue	55,615	65,622	10,007	18.0%	211,652	246,126	34,474	16.3%
SI/IT revenue	21,632	24,731	3,099	14.3%	72,570	84,283	11,713	16.1%
Revenue	179,350	210,775	31,425	17.5%	670,510	774,817	104,307	15.6%
Direct costs	(85,366)	(99,880)	(14,514)	(17.0%)	(297,943)	(333,530)	(35,587)	(11.9%)
Gross profit	93,984	110,895	16,911	18.0%	372,567	441,287	68,720	18.4%
Indirect costs	(31,815)	(36,987)	(5,172)	(16.3%)	(129,010)	(156,088)	(27,078)	(21.0%)
Supplementary telecommunication tax	(5,709)	(7,732)	(2,023)	(35.4%)	(24,583)	(29,946)	(5,363)	(21.8%)
EBITDA	56,460	66,176	9,716	17.2%	218,974	255,253	36,279	16.6%
EBITDA AL	49,739	59,029	9,290	18.7%	193,578	227,100	33,522	17.3%
Segment Capex AL excl. spectrum licenses	33,256	24,910	(8,346)	(25.1%)	104,122	89,636	(14,486)	(13.9%)
Spectrum licenses	-	-	-	-	-	586	586	n.m.

* 2022 values are represented as revenue from video-on-demand services is now included in TV revenue instead of fixed other revenue to better reflect operational performance

Operational statistics – access numbers	December 31 2022	December 31 2023	Change (%)
Number of SIM cards	5,950,457	6,246,285	5.0%
Postpaid share in total	63.7%	61.0%	n.a.
Total fixed voice access	1,308,071	1,272,581	(2.7%)
Total retail fixed broadband customers	1,514,160	1,591,710	5.1%
Total TV customers	1,378,608	1,424,421	3.3%

Operational statistics – ARPU (HUF)	Q4 2022	Q4 2023	Change (%)	1-12 months 2022	1-12 months 2023	Change (%)
Blended mobile ARPU	3,870	4,430	14.5%	3,815	4,328	13.4%
Postpaid ARPU	5,562	6,649	19.5%	5,457	6,420	17.7%
Prepaid ARPU	1,234	1,427	15.6%	1,253	1,329	6.1%
M2M ARPU	308	258	(16.3%)	322	275	(14.6%)
Blended fixed voice ARPU	1,844	1,968	6.7%	1,874	1,963	4.7%
Blended fixed broadband ARPU	3,926	4,694	19.6%	3,817	4,544	19.0%
Blended TV ARPU*	3,569	4,032	13.0%	3,538	3,946	11.5%

* 2022 values are represented as revenue from video-on-demand services is now included in TV revenue to better reflect operational performance

Total revenue for the MT-Hungary segment rose by 17.5% year-on-year to HUF 210.8 billion in Q4 2023, driven by continued increase in service revenues, that also reflects the inflation-based fee adjustment implemented from March 2023, and year-on-year higher equipment sales and SI/IT revenue contribution.

- **Mobile revenue** was up 17.9% year-on-year in Q4 2023 reflecting the continued increase in service revenue coupled with higher equipment sales. Both customer base expansion and favorable ARPU developments contributed to the increase, the



latter equally benefitting from the sustained growth in mobile data usage, the different scale of the year-end promotional usage offers and the fee adjustment measures. At the same time, equipment sales revenue also increased year-on-year in Q4 2023 which reflects the appeal of the year-end promotional offers introduced to secure long-term customer contracts.

- **Fixed line revenue** grew by 18.0% year-on-year in Q4 2023, thanks to an increase in all service categories as well as of equipment sales. The positive effects of the inflation-based fee adjustment were coupled with further increases of the broadband and TV customer base, leading to sustained dynamic growth in these driven service categories whilst limiting erosion of the voice revenues despite decline in usage. At the same time, recorded increase in equipment revenue was the result of the introduced seasonal promotional offers.
- **SI/IT revenue** increased by 14.3% year-on-year, as revenues from a number of high value projects were successfully increased.

Gross profit rose by 18.0% year-on-year in Q4 2023, as the favorable revenue trends offset the increase in bad debt expenses.

EBITDA increased by 17.2% year-on-year and **EBITDA AL** was up by 18.7% year-on-year in Q4 2023, reflecting the favorable operational trends partly offset by the increase in indirect costs.

Capex AL excluding spectrum licenses was lower by 13.9% year-on-year, amounting to HUF 89.6 billion for the full year 2023, reflecting a reduction in network, especially fiber roll-out related investments.

Outlook: Looking ahead, Magyar Telekom continuously monitors developments in its external environment and takes proactive steps to leverage opportunities and mitigate risks arising from changes in the environment.

2.2.2 North Macedonia

	Q4 2022	Q4 2023	Change	Change (%)	1-12 months 2022	1-12 months 2023	Change	Change (%)
HUF millions								
Voice	3,593	3,272	(321)	(8.9%)	14,889	14,815	(74)	(0.5%)
Non-voice	4,637	4,442	(195)	(4.2%)	17,583	17,747	164	0.9%
Equipment	3,704	3,668	(36)	(1.0%)	11,733	11,909	176	1.5%
Other mobile revenue	710	623	(87)	(12.3%)	2,692	3,170	478	17.8%
Mobile revenue	12,644	12,005	(639)	(5.1%)	46,897	47,641	744	1.6%
Voice retail	1,383	1,285	(98)	(7.1%)	5,258	5,113	(145)	(2.8%)
Broadband retail	1,630	1,654	24	1.5%	5,829	6,453	624	10.7%
TV	1,470	1,354	(116)	(7.9%)	6,016	5,518	(498)	(8.3%)
Equipment	55	27	(28)	(50.9%)	183	125	(58)	(31.7%)
Other	1,955	1,777	(178)	(9.1%)	7,244	7,415	171	2.4%
Fixed line revenue	6,493	6,097	(396)	(6.1%)	24,530	24,624	94	0.4%
SI/IT revenue	553	527	(26)	(4.7%)	3,902	1,852	(2,050)	(52.5%)
Revenue	19,690	18,629	(1,061)	(5.4%)	75,329	74,117	(1,212)	(1.6%)
Direct costs	(7,264)	(6,871)	393	5.4%	(25,548)	(23,752)	1,796	7.0%
Gross profit	12,426	11,758	(668)	(5.4%)	49,781	50,365	584	1.2%
Indirect costs	(5,372)	(4,803)	569	10.6%	(20,469)	(18,876)	1,593	7.8%
Supplementary telecommunication tax	-	-	-	-	-	-	-	-
EBITDA	7,054	6,955	(99)	(1.4%)	29,312	31,489	2,177	7.4%
EBITDA AL	6,801	6,737	(64)	(0.9%)	28,275	30,419	2,144	7.6%
Segment Capex AL excl. spectrum licenses	10,396	7,357	(3,039)	(29.2%)	22,530	15,441	(7,089)	(31.5%)
Spectrum licenses	-	-	-	n.m.	3,092	-	(3,092)	n.m.



Operational statistics – access numbers	December 31 2022	December 31 2023	Change (%)
Number of mobile SIMs	1,268,098	1,280,564	1.0%
Postpaid share in total	44.6%	45.7%	n.a.
Total fixed voice access	224,577	228,350	1.7%
Total fixed retail broadband customers	203,337	210,480	3.5%
Total TV customers	147,702	150,415	1.8%

Total revenue in North Macedonia declined by 5.4% year-on-year to HUF 18.6 billion in Q4 2023 primarily reflecting the unfavorable effect of the 6.4% year-on-year strengthening of the forint against the denar; underlying revenue trends in local currency showed moderate improvement year-on-year.

- **Mobile revenue** was down by 5.1% year-on-year in forint terms in Q4 2023 whereas in local currency terms showed some improvement. The customer base continued to expand year-on-year however the decline in international incoming traffic led to an erosion of wholesale voice revenues.
- **Fixed line revenue** was down by 6.1% year-on-year in forint terms in Q4 2023 whilst showed improvement in local currency. The underlying increases in service revenue was primarily the result of further customer base expansions. The shift within service revenue from TV towards broadband retail is driven by the repricing of services in the frame of general price revision measure implemented at the beginning of 2023.
- **SI/IT revenue** was lower moderately year-on-year in Q4 2023 in forint terms whilst remained broadly unchanged in underlying currency.

Gross profit was down by 5.4% year-on-year in Q4 2023, driven by the above trends.

EBITDA showed a decline of 1.4% year-on-year and **EBITDA AL** was down by 0.9% year-on-year in Q4 2023 in forint terms. In local currency terms, profitability improved thanks primarily to year-on-year lower electricity expenses.

CAPEX AL excluding spectrum licenses declined by HUF 7.1 billion year-on-year to HUF 15.4 billion for the full year of 2023 reflecting the absence of accelerated investments into RAN modernization as well as seasonally lower TV content capitalization costs.

Outlook: Looking ahead, the challenging economic environment and intensifying competition may exert pressure on the performance of the North Macedonian subsidiary.



3. APPENDIX

3.1. Basis of preparation

This condensed consolidated financial information was prepared in accordance with IAS 34 (Interim Financial Reporting) and should be read in conjunction with the consolidated annual financial statements for the year ended December 31, 2022, which were prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and adopted by the European Union. This consolidated financial information has not been audited. The statutory financial statements for December 31, 2022 have been filed with the Budapest Stock Exchange and the National Bank of Hungary.

The statutory financial statements for December 31, 2022 were audited and the audit reports were unqualified. It was approved by the shareholders at the Annual General Meeting on April 19, 2023.

Management continuously monitors the progress in the Hungarian economic environment and the effect of the wars, particularly the macroeconomic tendencies and current market conditions. The management pay special attention to the changes on energy prices and look for the possibilities for the provision of cost-effective energy supply. To secure renewable energy procurement has become an important task, thus a short-term physical power purchase agreement (PPA) was concluded in 2022, which, from 2023, partially replaces the purchase of renewable energy certificates that were previously considered a sole source. The Group remains committed to its environmental strategy and will continue its work by seeking new opportunities, such as concluding long-term PPAs.

The introduction of the supplementary telecommunication tax in 2022 put significant pressure on the profitability of the Group. The supplementary telecommunication tax is levied on the actual business year's annual net sales of telecommunication services using progressive rates, appropriately weighted based on the expected full year revenue. The amount of this tax is disclosed on a separate line of the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

In September 2023, the Magyar Telekom Plc. signed a Memorandum of Understanding with the Hungarian Government for the Digital Transformation of Hungary. The Government of Hungary intends to support fixed line gigabit internet network, 5G coverage developments and ICT investments, among other things, through the review of sector specific tax rules and the abolition of utility tax payment obligation of electronic telecommunication providers from January 2024, and the abolition of the supplementary telecommunication tax from January 2025. The Company is committed to build gigabit-capable fixed network covering an additional 1 million homes and businesses in 4 years, making the fixed gigabit-capable network infrastructure available to 4.5 million Hungarian homes and businesses by the end of 2027. Besides, the Company will also accelerate the rollout of 5G coverage, resulting in an increase to close to 99% population-based outdoor 5G coverage by 2026. In order to fulfill the above commitments, the Company intends to spend an overall HUF 123 billion on its fixed and mobile network development within the period of 2024-2027.

The inflationary environment and the fluctuation of the forint put increasing pressure on the Group's costs, while a potential economic downturn could negatively impact the Group's topline performance. Yet the Group remains committed to focusing on the delivery of its strategic objectives.

Considering the general economic factors, the solvency of customers has been assessed and management concluded that it may have a negative impact on the monetization of installment receivables and concluded that a further approximately HUF 3.5 billion impairment was required. The annual revision also revealed that no other asset classes have been impacted materially.

During the preparation of the annual financial report, management updated its goodwill impairment test taking into account the year-end book values, EUR/HUF exchange rate, and weighted average cost of capital and as a result of that, no impairment was needed to be recognized.

Altogether, the management has not identified any events which would threaten the going concern of the Group's operations, and no major adverse changes are expected in the long-term.



Initial application of standards, interpretations, and amendments in the financial year

The principal accounting policies followed by the Group and the critical accounting estimates in applying accounting policies are consistent with those disclosed in the consolidated financial statements for the year ended December 31, 2022 with the following exception:

Pronouncement	Title	Applied by Magyar Telekom from	Changes	Impact on the presentation of Magyar Telekom's results of operations and financial position
IFRS 17 and Amendments to IFRS 17	Insurance Contracts	Jan 1, 2023	IFRS 17 governs the accounting for insurance contracts and replaces IFRS 4. Deferral of first-time application of IFRS 17 to January 1, 2023. The amendments refer to specific topics helping entities to implement the standard and avoiding a significant loss of useful information.	No material impact.
Amendments to IAS 1	Presentation of Financial Statements	Jan 1, 2023	Disclosure of material accounting policy information instead of significant accounting policies. In addition, IFRS Practice Statement 2 has been amended.	No material impact.
Amendments to IAS 8	Accounting policies, Changes in Accounting Estimates and Errors	Jan 1, 2023	Introduced a definition of 'accounting estimates' and included other amendments to help entities distinguish changes in accounting policies from changes in accounting estimates.	No material impact.
Amendments to IAS 12	Income Taxes	Jan 1, 2023	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	No material impact.
Amendments to IFRS 17 Insurance contracts	Initial Application of IFRS 17 and IFRS 9 – Comparative Information	Jan 1, 2023	Transition option relating to comparative information about financial assets presented on initial application of IFRS 17, helping entities to avoid temporary accounting mismatches between financial assets and insurance contract liabilities, and therefore improve the usefulness of comparative information for users of financial statements.	Not applicable.
Amendments to IAS 12 Income taxes	International Tax Reform – Pillar Two Model Rules	Immediately and Jan 1, 2023	The amendments introduce a temporary exception to the accounting requirements for deferred taxes in IAS 12, so that an entity would neither recognize nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes. Magyar Telekom has applied the exception not to recognize and disclose information about deferred tax assets and liabilities related to the OECD pillar two income taxes.	Magyar Telekom is continuing to assess the impact of the Pillar Two income taxes legislation on its future financial performance.

Global minimum tax

Hungary has implemented a legislation that shall ensure a global minimum taxation according to the OECD's Pillar-II regulations and the corresponding EU directive. However, the legislation process has not been completed yet as further regulations are expected to be announced in 2024. Nevertheless, the legislation would be applicable for Magyar Telekom from 2024 onwards. Hence, no minimum tax is due at the reporting date. Furthermore, Magyar Telekom does apply the exception to recognizing and disclosing information about deferred taxes related to global minimum taxes in line with IAS 12. 88A and 4A.

Due to the complexity of the provisions and the fact that the legislative process has not been completed yet, it is not possible to give a reliable estimate of the future tax burden being related to this minimum tax legislation. Therefore, the potential tax burden has been assessed based on information available at the reporting date (historical information, planning data).

Based on this assessment, Magyar Telekom expects that it would not be subject to minimum taxation in Hungary itself in 2024. However, Magyar Telekom does also operate in jurisdictions in which the local corporate income tax rate is lower than the global 15% minimum tax rate (e.g. North Macedonia). Hence, Magyar Telekom expects that there will be an additional minimum tax burden to be borne in 2024, however it is assumed this tax burden to be smaller than HUF 100 million.



3.2. Consolidated Statement of Profit or Loss and Other Comprehensive Income – quarterly year-on-year comparison

	Q4 2022 (unaudited)	Q4 2023 (unaudited)	Change	Change (%)
(HUF millions, except per share amounts)				
Mobile revenue	114,745	131,702	16,957	14.8%
Fixed line revenue	62,273	72,227	9,954	16.0%
SI/IT revenue	22,185	25,258	3,073	13.9%
Revenue	199,203	229,187	29,984	15.1%
Interconnect costs	(6,151)	(5,752)	399	6.5%
SI/IT service related costs	(15,908)	(18,519)	(2,611)	(16.4%)
Impairment losses and gains on financial assets and contract assets	(3,902)	(6,877)	(2,975)	(76.2%)
Telecom tax	(6,457)	(6,358)	99	1.5%
Other direct costs	(60,985)	(69,201)	(8,216)	(13.5%)
Direct costs	(93,403)	(106,707)	(13,304)	(14.2%)
Employee-related expenses	(19,247)	(22,687)	(3,440)	(17.9%)
Depreciation and amortization	(34,290)	(35,952)	(1,662)	(4.8%)
Other operating expenses	(20,527)	(21,865)	(1,338)	(6.5%)
Supplementary telecommunication tax	(5,709)	(7,749)	(2,040)	(35.7%)
Operating expenses	(173,176)	(194,960)	(21,784)	(12.6%)
Other operating income	2,382	2,583	201	8.4%
Operating profit	28,409	36,810	8,401	29.6%
Interest income	1,054	1,693	639	60.6%
Interest expense	(6,635)	(5,977)	658	9.9%
Other finance expense - net	(1,612)	(3,769)	(2,157)	(133.8%)
Net financial result	(7,193)	(8,053)	(860)	(12.0%)
Share of associates' and joint ventures' results	-	-	-	-
Profit before income tax	21,216	28,757	7,541	35.5%
Income tax	(3,700)	(4,456)	(756)	(20.4%)
Profit for the period	17,516	24,301	6,785	38.7%
Other comprehensive income:				
Items to be reclassified to profit or loss in subsequent periods:				
Exchange differences on translating foreign operations	(5,926)	(2,462)	3,464	58.5%
Items not to be reclassified to profit or loss in subsequent periods:				
Revaluation of financial assets at FV OCI	89	179	90	101.1%
Other comprehensive income for the year, net of tax	(5,837)	(2,283)	3,554	60.9%
Total comprehensive income for the period	11,679	22,018	10,339	88.5%
Profit attributable to:				
Owners of the parent	16,869	23,227	6,358	37.7%
Non-controlling interests	647	1,074	427	66.0%
	17,516	24,301	6,785	38.7%
Total comprehensive income attributable to:				
Owners of the parent	13,315	21,817	8,502	63.9%
Non-controlling interests	(1,636)	201	1,837	n.m.
	11,679	22,018	10,339	88.5%
Earnings per share (EPS) information:				
Profit attributable to the owners of the Company	16,869	23,227		
Weighted average number of common stock outstanding used for basic/diluted EPS	962,722,519	929,781,149		
Basic / diluted earnings per share (HUF)	17.52	24.98	7.46	42.6%



3.3. Consolidated Statement of Profit or Loss and Other Comprehensive Income – year-to-date comparison

(HUF millions, except per share amounts)	1-12 months 2022 (unaudited)	1-12 months 2023 (unaudited)	Change	Change (%)
Mobile revenue	433,178	491,322	58,144	13.4%
Fixed line revenue	237,019	271,915	34,896	14.7%
SI/IT revenue	76,472	86,135	9,663	12.6%
Revenue	746,669	849,372	102,703	13.8%
Interconnect costs	(23,973)	(22,930)	1,043	4.4%
SI/IT service related costs	(54,336)	(62,990)	(8,654)	(15.9%)
Impairment losses and gains on financial assets and contract assets	(9,210)	(14,033)	(4,823)	(52.4%)
Telecom tax	(26,247)	(25,460)	787	3.0%
Other direct costs	(210,385)	(230,906)	(20,521)	(9.8%)
Direct costs	(324,151)	(356,319)	(32,168)	(9.9%)
Employee-related expenses	(77,289)	(83,688)	(6,399)	(8.3%)
Depreciation and amortization	(138,768)	(139,168)	(400)	(0.3%)
Other operating expenses	(80,921)	(97,296)	(16,375)	(20.2%)
Supplementary telecommunication tax	(24,583)	(29,963)	(5,380)	(21.9%)
Operating expenses	(645,712)	(706,434)	(60,722)	(9.4%)
Other operating income	8,221	5,058	(3,163)	(38.5%)
Operating profit	109,178	147,996	38,818	35.6%
Interest income	1,588	4,128	2,540	159.9%
Interest expense	(17,596)	(25,002)	(7,406)	(42.1%)
Other finance expense - net	(8,801)	(23,166)	(14,365)	(163.2%)
Net financial result	(24,809)	(44,040)	(19,231)	(77.5%)
Share of associates' and joint ventures' results	26	-	(26)	(100.0%)
Profit before income tax	84,395	103,956	19,561	23.2%
Income tax	(17,321)	(19,552)	(2,231)	(12.9%)
Profit for the period	67,074	84,404	17,330	25.8%
Other comprehensive income:				
Items to be reclassified to profit or loss in subsequent periods:				
Exchange differences on translating foreign operations	8,785	(5,261)	(14,046)	n.m.
Items not to be reclassified to profit or loss in subsequent periods:				
Revaluation of financial assets at FV OCI	43	292	249	n.m.
Other comprehensive income for the year, net of tax	8,828	(4,969)	(13,797)	n.m.
Total comprehensive income for the period	75,902	79,435	3,533	4.7%
Profit attributable to:				
Owners of the parent	62,954	78,951	15,997	25.4%
Non-controlling interests	4,120	5,453	1,333	32.4%
	67,074	84,404	17,330	25.8%
Total comprehensive income attributable to:				
Owners of the parent	68,453	75,796	7,343	10.7%
Non-controlling interests	7,449	3,639	(3,810)	(51.1%)
	75,902	79,435	3,533	4.7%
Earnings per share (EPS) information:				
Profit attributable to the owners of the Company	62,954	78,951		
Weighted average number of common stock outstanding used for basic/diluted EPS	975,575,178	942,867,447		
Basic / diluted earnings per share (HUF)	64.53	83.73	19.20	29.8%



3.4. Revenue breakdown – quarterly year-on-year comparison

(HUF millions)	Q4 2022	Q4 2023	Change	Change (%)
Voice retail	28,670	31,040	2,370	8.3%
Voice wholesale	3,137	2,865	(272)	(8.7%)
Data	39,157	48,676	9,519	24.3%
SMS	6,165	6,868	703	11.4%
Equipment	32,913	36,637	3,724	11.3%
Other mobile revenue	4,703	5,616	913	19.4%
Mobile revenue	114,745	131,702	16,957	14.8%
Voice retail	8,643	8,820	177	2.0%
Broadband retail	19,458	24,077	4,619	23.7%
TV*	16,120	18,483	2,363	14.7%
Equipment	5,274	7,349	2,075	39.3%
Data retail	3,357	3,634	277	8.3%
Wholesale (voice, broadband, data)	5,396	5,493	97	1.8%
Other fixed line revenue*	4,025	4,371	346	8.6%
Fixed line revenue	62,273	72,227	9,954	16.0%
SI/IT revenue	22,185	25,258	3,073	13.9%
Revenue	199,203	229,187	29,984	15.1%

* 2022 values are represented as revenue from video-on-demand services is now included in TV revenue instead of fixed other revenue to better reflect operational performance

3.5. Revenue breakdown – year-to-date comparison

(HUF millions)	1-12 months 2022	1-12 months 2023	Change	Change (%)
Voice retail	115,203	125,307	10,104	8.8%
Voice wholesale	12,282	11,600	(682)	(5.6%)
Data	147,060	184,698	37,638	25.6%
SMS	24,482	26,669	2,187	8.9%
Equipment	118,171	121,323	3,152	2.7%
Other mobile revenue	15,980	21,725	5,745	36.0%
Mobile revenue	433,178	491,322	58,144	13.4%
Voice retail	34,946	35,533	587	1.7%
Broadband retail	73,545	91,813	18,268	24.8%
TV*	63,145	71,962	8,817	14.0%
Equipment	16,900	19,953	3,053	18.1%
Data retail	13,226	14,099	873	6.6%
Wholesale (voice, broadband, data)	20,971	21,434	463	2.2%
Other fixed line revenue*	14,286	17,121	2,835	19.8%
Fixed line revenue	237,019	271,915	34,896	14.7%
SI/IT revenue	76,472	86,135	9,663	12.6%
Revenue	746,669	849,372	102,703	13.8%

* 2022 values are represented as revenue from video-on-demand services is now included in TV revenue instead of fixed other revenue to better reflect operational performance



3.6. Operating expenses breakdown – quarterly year-on-year comparison

(HUF millions)	Q4 2022	Q4 2023	Change	Change (%)
Direct costs	(93,403)	(106,707)	(13,304)	(14.2%)
Employee-related expenses	(19,247)	(22,687)	(3,440)	(17.9%)
Depreciation and amortization	(34,290)	(35,952)	(1,662)	(4.8%)
Other operating expenses	(20,527)	(21,865)	(1,338)	(6.5%)
<i>Of which utility tax</i>	-	-	-	<i>n.a.</i>
Supplementary telecommunication tax	(5,709)	(7,749)	(2,040)	(35.7%)
Operating expenses	(173,176)	(194,960)	(21,784)	(12.6%)

3.7. Operating expenses breakdown – year-to-date comparison

(HUF millions)	1-12 months 2022	1-12 months 2023	Change	Change (%)
Direct costs	(324,151)	(356,319)	(32,168)	(9.9%)
Employee-related expenses	(77,289)	(83,688)	(6,399)	(8.3%)
Depreciation and amortization	(138,768)	(139,168)	(400)	(0.3%)
Other operating expenses	(80,921)	(97,296)	(16,375)	(20.2%)
<i>Of which utility tax</i>	(7,447)	(7,667)	(220)	(3.0%)
Supplementary telecommunication tax	(24,583)	(29,963)	(5,380)	(21.9%)
Operating expenses	(645,712)	(706,434)	(60,722)	(9.4%)



3.8. Consolidated Statement of Financial Position - Assets

(HUF millions)	Dec 31, 2022 (unaudited)	Dec 31, 2023 (unaudited)	Change	Change (%)
ASSETS				
Cash and cash equivalents	12,861	13,514	653	5.1%
Trade receivables within one year	171,583	199,249	27,666	16.1%
Other current assets	11,025	8,455	(2,570)	(23.3%)
Derivative financial instruments contracted with related parties	-	7,663	7,663	n.a.
Other current financial assets	1,789	6,132	4,343	242.8%
Contract assets	18,586	17,358	(1,228)	(6.6%)
Current income tax receivable	137	131	(6)	(4.4%)
Inventories	25,344	32,428	7,084	28.0%
	241,325	284,930	43,605	18.1%
Assets held for sale	2	346	344	n.m.
Total current assets	241,327	285,276	43,949	18.2%
Property, plant and equipment	475,708	476,892	1,184	0.2%
Right-of-use assets	123,739	121,960	(1,779)	(1.4%)
Goodwill	212,713	212,713	0	0.0%
Other intangible assets	332,185	314,659	(17,526)	(5.3%)
Investments in associates and joint ventures	-	-	-	-
Deferred tax assets	742	123	(619)	(83.4%)
Trade receivables over one year	22,806	25,060	2,254	9.9%
Derivative financial instruments contracted with related parties	31,723	9,632	(22,091)	(69.6%)
Other non-current financial assets	3,796	4,381	585	15.4%
Contract assets	3,960	3,697	(263)	(6.6%)
Other non-current assets	7,718	9,438	1,720	22.3%
Total non-current assets	1,215,090	1,178,555	(36,535)	(3.0%)
Total assets	1,456,417	1,463,831	7,414	0.5%



3.9. Consolidated Statement of Financial Position – Liabilities and Equity

(HUF millions)	Dec 31, 2022 (unaudited)	Dec 31, 2023 (unaudited)	Change	Change (%)
LIABILITIES				
Financial liabilities to related parties	65,700	93,648	27,948	42.5%
Derivative financial instruments contracted with related parties	2,035	120	(1,915)	(94.1%)
Lease liabilities	26,738	26,940	202	0.8%
Trade payables	158,786	166,413	7,627	4.8%
Other financial liabilities	11,720	12,250	530	4.5%
Current income tax payable	1,478	2,753	1,275	86.3%
Provisions	2,959	2,808	(151)	(5.1%)
Contract liabilities	13,153	13,818	665	5.1%
Other current liabilities	24,355	28,434	4,079	16.7%
	306,924	347,184	40,260	13.1%
Liabilities held for sale	-	-	-	-
Total current liabilities	306,924	347,184	40,260	13.1%
Financial liabilities to related parties	98,061	47,847	(50,214)	(51.2%)
Lease liabilities	114,865	109,623	(5,242)	(4.6%)
Corporate bonds	68,531	68,854	323	0.5%
Other financial liabilities	103,918	98,667	(5,251)	(5.1%)
Deferred tax liabilities	14,299	11,714	(2,585)	(18.1%)
Provisions	12,604	12,329	(275)	(2.2%)
Contract liabilities	405	358	(47)	(11.6%)
Other non-current liabilities	2,034	1,586	(448)	(22.0%)
Total non-current liabilities	414,717	350,978	(63,739)	(15.4%)
Total liabilities	721,641	698,162	(23,479)	(3.3%)
EQUITY				
Common stock	100,580	97,156	(3,424)	(3.4%)
Capital reserves	26,409	25,509	(900)	(3.4%)
Treasury stock	(18,600)	(18,600)	-	0.0%
Retained earnings	546,659	585,866	39,207	7.2%
Accumulated other comprehensive income	36,691	33,536	(3,155)	(8.6%)
Total equity of the owners of the parent	691,739	723,467	31,728	4.6%
Non-controlling interests	43,037	42,202	(835)	(1.9%)
Total equity	734,776	765,669	30,893	4.2%
Total liabilities and equity	1,456,417	1,463,831	7,414	0.5%



3.10. Consolidated Statement of Cash Flows

(HUF millions)	1-12 months 2022 (unaudited)	1-12 months 2023 (unaudited)	Change	Change (%)
Cash flows from operating activities				
Profit for the period	67,074	84,404	17,330	25.8%
Depreciation and amortization	138,768	139,168	400	0.3%
Income tax expense	17,321	19,552	2,231	12.9%
Net financial result	24,809	44,040	19,231	77.5%
Share of associates' and joint ventures' result	(26)	-	26	100.0%
Change in assets carried as working capital	(25,987)	(34,318)	(8,331)	(32.1%)
Change in provisions	(2,240)	(825)	1,415	63.2%
Change in liabilities carried as working capital	19,498	14,157	(5,341)	(27.4%)
Income tax paid	(18,615)	(17,817)	798	4.3%
Dividend received	76	113	37	48.7%
Interest and other financial charges paid	(21,229)	(31,232)	(10,003)	(47.1%)
Interest received	1,499	3,229	1,730	115.4%
Other non-cash items	(5,185)	2,279	7,464	n.m.
Net cash generated from operating activities	195,763	222,750	26,987	13.8%
Cash flows from investing activities				
Payments for property plant and equipment (PPE) and intangible assets	(121,217)	(100,115)	21,102	17.4%
Proceeds from disposal of PPE and intangible assets	1,121	570	(551)	(49.2%)
Payments for subsidiaries and business units	-	(67)	(67)	n.a.
Cash acquired through business combinations	-	-	-	-
Proceeds from disposal of subsidiaries and business units	5,500	-	(5,500)	(100.0%)
Payments for other financial assets	(2,488)	(15,264)	(12,776)	n.m.
Proceeds from other financial assets	11,828	39	(11,789)	(99.7%)
Payments for interests in associates and joint ventures	-	-	-	-
Net cash used in investing activities	(105,256)	(114,837)	(9,581)	(9.1%)
Cash flows from financing activities				
Dividends paid to Owners of the parent and Non-controlling interests	(19,486)	(33,942)	(14,456)	(74.2%)
Proceeds from loans and other borrowings	157,824	123,667	(34,157)	(21.6%)
Repayment of loans and other borrowings	(137,980)	(145,292)	(7,312)	(5.3%)
Proceeds from corporate bonds	-	-	-	-
Repayment of lease and other financial liabilities	(77,608)	(36,622)	40,986	52.8%
Treasury share purchase	(14,609)	(14,609)	-	0.0%
Net cash used in financing activities	(91,859)	(106,798)	(14,939)	(16.3%)
Exchange differences on cash and cash equivalents	750	(462)	(1,212)	n.m.
Change in cash and cash equivalents	(602)	653	1,255	n.m.
Cash and cash equivalents, beginning of period	13,463	12,861	(602)	(4.5%)
Cash and cash equivalents, end of period	12,861	13,514	653	5.1%



3.11. Net debt reconciliation to changes in Statement of Cash Flows

HUF millions	Opening Balance at January 1, 2023	Changes in cash and cash equivalents	Changes affecting cash flows from operating activities	Changes in financial liabilities without cash movement	Changes affecting cash flows from investing activities	Changes affecting cash flows from financing activities			Closing Balance at December 31, 2023
						Proceeds from loans and borrowings	Repayment of loans and other borrowings	Repayment of lease liabilities and other financial liabilities	
Related party loans	163,761	-	(8,398)	2,788	-	128,635	(145,291)	-	141,495
Derivatives from related parties	2,035	-	-	11,520	(13,435)	-	-	-	120
Spectrum fee payable	106,662	-	(4,923)	4,385	-	-	-	(4,606)	101,518
Bonds	68,531	-	(1,140)	1,463	-	-	-	-	68,854
Lease liabilities	141,603	-	(6,964)	26,655	-	-	-	(24,731)	136,563
Debtors overpayment	1,277	-	80	-	-	-	-	-	1,357
Contingent consideration	-	-	-	-	-	-	-	-	-
Other financial liabilities	7,699	-	(2,434)	10,062	-	-	-	(7,285)	8,042
- Less cash and cash equivalent	(12,861)	(653)	-	-	-	-	-	-	(13,514)
- Less other current financial assets and derivative financial instruments	(1,789)	-	(1,052)	(4,921)	(1,064)	(4,969)	-	-	(13,795)
Net debt	476,918	(653)	(24,831)	51,952	(14,499)	123,666	(145,291)	(36,622)	430,640
Treasury share purchase									(14,609)
Dividends paid to Owners of the parent and Non-controlling interest									(33,942)
Net Cash used in financing activities									(106,798)



3.12. Consolidated Statement of Changes in Equity

	HUF millions									
	pieces	HUF millions								
	Shares of common stock	Common stock	Capital reserves	Treasury stock	Retained earnings	Cumulative translation adjustment	Revaluation reserve for FVOCI financial assets – net of tax	Equity of the owners of the parent	Non-controlling interests	Total Equity
Balance at January 1, 2022	1,042,742,543	104,275	27,379	(19,424)	509,473	30,759	433	652,895	40,080	692,975
Dividend declared to Owners of the parent	-	-	-	-	(15,000)	-	-	(15,000)	-	(15,000)
Dividend declared to Non-controlling interests	-	-	-	-	-	-	-	-	(4,492)	(4,492)
Treasury share purchase	-	-	-	(14,609)	-	-	-	(14,609)	-	(14,609)
Capital decrease with cancellation of treasury share	(36,941,191)	(3,695)	(970)	15,433	(10,768)	-	-	-	-	-
Transactions with owners in their capacity as owners	(36,941,191)	(3,695)	(970)	824	(25,768)	-	-	(29,609)	(4,492)	(34,101)
Other comprehensive income	-	-	-	-	-	5,477	22	5,499	3,329	8,828
Profit or loss	-	-	-	-	62,954	-	-	62,954	4,120	67,074
Total comprehensive income	-	-	-	-	62,954	5,477	22	68,453	7,449	75,902
Balance at December 31, 2022	1,005,801,352	100,580	26,409	(18,600)	546,659	36,236	455	691,739	43,037	734,776
Dividend declared to Owners of the parent	-	-	-	-	(29,459)	-	-	(29,459)	-	(29,459)
Dividend declared to Non-controlling interests	-	-	-	-	-	-	-	-	(4,474)	(4,474)
Treasury share purchase	-	-	-	(14,609)	-	-	-	(14,609)	-	(14,609)
Capital decrease with cancellation of treasury share	(34,242,485)	(3,424)	(900)	14,609	(10,285)	-	-	-	-	-
Transactions with owners in their capacity as owners	(34,242,485)	(3,424)	(900)	-	(39,744)	-	-	(44,068)	(4,474)	(48,542)
Other comprehensive income	-	-	-	-	-	(3,318)	163	(3,155)	(1,814)	(4,969)
Profit or loss	-	-	-	-	78,951	-	-	78,951	5,453	84,404
Total comprehensive income	-	-	-	-	78,951	(3,318)	163	75,796	3,639	79,435
Balance at December 31, 2023	971,558,867	97,156	25,509	(18,600)	585,866	32,918	618	723,467	42,202	765,669
Of which treasury stock	(41,777,718)	-	-	-	-	-	-	-	-	-
Shares of common stock outstanding	929,781,149									



3.13. Exchange rate information

	Q4 2022	Q4 2023	Change (%)	1-12 months 2022	1-12 months 2023	Change (%)
HUF/EUR beginning of period	421.41	391.25	(7.2%)	369.00	400.25	8.5%
HUF/EUR period-end	400.25	382.78	(4.4%)	400.25	382.78	(4.4%)
HUF/EUR cumulative monthly average	410.17	383.00	(6.6%)	391.71	381.26	(2.7%)
HUF/MKD beginning of period	6.85	6.36	(7.2%)	5.99	6.51	8.7%
HUF/MKD period-end	6.51	6.22	(4.5%)	6.51	6.22	(4.5%)
HUF/MKD cumulative monthly average	6.66	6.23	(6.5%)	6.36	6.19	(2.7%)

3.14. Segment information

HUF millions	Q4 2022	Q4 2023	1-12 months 2022	1-12 months 2023
Total MT-Hungary revenue	179,350	210,775	670,510	774,817
Less: MT-Hungary revenue from other segments	(30)	(26)	(119)	(93)
MT-Hungary revenue from external customers	179,320	210,749	670,391	774,724
Total North Macedonia revenue	19,690	18,629	75,329	74,117
Less: North Macedonia revenue from other segments	(16)	(15)	(60)	(59)
North Macedonia revenue from external customers	19,674	18,614	75,269	74,058
Total consolidated revenue of the segments	198,994	229,363	745,660	848,782
Measurement differences to Group revenue	209	(176)	1,009	590
Total revenue of the Group	199,203	229,187	746,669	849,372
Segment results (EBITDA)				
Hungary	56,460	66,176	218,974	255,253
North Macedonia	7,054	6,955	29,312	31,489
Total EBITDA of the segments	63,514	73,131	248,286	286,742
Measurement differences to Group EBITDA	(815)	(369)	(340)	422
Total EBITDA of the Group	62,699	72,762	247,946	287,164



3.15. Fair value of financial instruments – financial assets

December 31, 2023 HUF millions	Financial assets				Carrying amount	Fair value
	Amortized cost	FVOCI (Level 1)	FVTPL (Level 2)	FVTPL (Level 3)		
Cash and cash equivalents	13,514	-	-	-	13,514	13,514
Cash-pool receivables	4,969	-	-	-	4,969	4,969
Trade receivables within one year	199,249	-	-	-	199,249	199,249
Trade receivables over one year	25,060	-	-	-	25,060	23,110
Derivative financial instruments contracted with related parties	-	-	17,295	-	17,295	17,295
Receivables from group companies	-	-	-	-	-	-
Finance lease receivable	955	-	-	-	955	803
Equity instruments	-	1,712	-	1,400	3,112	3,112
Receivables from asset-related grants	-	-	-	-	-	-
Other current receivables	1,077	-	-	-	1,077	1,077
Other non-current receivables	400	-	-	-	400	385
Total	245,224	1,712	17,295	1,400	265,631	263,514

December 31, 2022 HUF millions	Financial assets				Carrying amount	Fair value
	Amortized cost	FVOCI (Level 1)	FVTPL (Level 2)	FVTPL (Level 3)		
Cash and cash equivalents	12,861	-	-	-	12,861	12,861
Cash-pool receivables	-	-	-	-	-	-
Trade receivables within one year	171,583	-	-	-	171,583	171,583
Trade receivables over one year	22,806	-	-	-	22,806	19,619
Derivative financial instruments contracted with related parties	-	-	31,723	-	31,723	31,723
Receivables from group companies	1	-	-	-	1	1
Finance lease receivable	767	-	-	-	767	685
Equity instruments	-	1,452	-	1,288	2,740	2,740
Receivables from asset-related grants	838	-	-	-	838	838
Other current receivables	664	-	-	-	664	664
Other non-current receivables	575	-	-	-	575	494
Total	210,095	1,452	31,723	1,288	244,558	241,208

3.16. Fair value of financial instruments – financial liabilities

December 31, 2023 HUF millions	Financial liabilities			Carrying amount	Fair value
	Measured at amortized cost	FVTPL (Level 2)	FVTPL (Level 3)		
Financial liabilities to related parties	141,495	-	-	141,495	141,976
Derivative financial instruments contracted with related parties	-	120	-	120	120
Trade payables	166,413	-	-	166,413	166,413
Frequency fee payable	101,518	-	-	101,518	80,858
Bonds	68,854	-	-	68,854	59,379
Lease liabilities	136,563	-	-	136,563	125,973
Debtors' overpayment	1,357	-	-	1,357	1,357
Other current liabilities	5,952	-	-	5,952	5,952
Other non-current liabilities	2,090	-	-	2,090	2,000
Total	624,242	120	-	624,362	584,028

December 31, 2022 HUF millions	Financial liabilities			Carrying amount	Fair value
	Measured at amortized cost	FVTPL (Level 2)	FVTPL (Level 3)		
Financial liabilities to related parties	163,761	-	-	163,761	165,237
Derivative financial instruments contracted with related parties	-	2,035	-	2,035	2,035
Trade payables	158,786	-	-	158,786	158,786
Frequency fee payable	106,662	-	-	106,662	67,122
Bonds	68,531	-	-	68,531	45,622
Lease liabilities	141,603	-	-	141,603	116,539
Debtors' overpayment	1,277	-	-	1,277	1,277
Other current liabilities	4,888	-	135	5,023	5,023
Other non-current liabilities	2,676	-	-	2,676	2,412
Total	648,184	2,035	135	650,354	564,053



3.17. EBITDA reconciliation

(HUF millions)	Q4 2022 MT Group	Q4 2022 MT-Hungary	Q4 2022 North Macedonia	Q4 2023 MT Group	Q4 2023 MT-Hungary	Q4 2023 North Macedonia
EBITDA	62,699	56,460	7,054	72,762	66,176	6,955
IFRS 16 related D&A	(5,296)	(5,079)	(217)	(5,586)	(5,405)	(181)
IFRS 16 related Interest	(1,678)	(1,642)	(36)	(1,779)	(1,742)	(37)
EBITDA after lease	55,725	49,739	6,801	65,397	59,029	6,737

(HUF millions)	1-12 months 2022 MT Group	1-12 months 2022 MT-Hungary	1-12 months 2022 North Macedonia	1-12 months 2023 MT Group	1-12 months 2023 MT-Hungary	1-12 months 2023 North Macedonia
EBITDA	247,946	218,974	29,312	287,164	255,253	31,489
IFRS 16 related D&A	(20,319)	(19,415)	(904)	(22,259)	(21,336)	(923)
IFRS 16 related Interest	(6,114)	(5,981)	(133)	(6,964)	(6,817)	(147)
EBITDA after lease	221,513	193,578	28,275	257,941	227,100	30,419

3.18. Adjusted profit attributable to owners of the parent reconciliation

(HUF millions)	Q4 2022	Q4 2023	Change	Change (%)	1-12 months 2022	1-12 months 2023	Change	Change (%)
Profit attributable to the owners of the parent	16,869	23,227	6,358	37.7%	62,954	78,951	15,997	25.4%
Changes in depreciation and amortization	-	-	-	-	-	-	-	-
Changes in net financial result*	268	2,564	2,296	n.m.	13	14,667	14,654	n.m.
Changes in income tax	-	-	-	-	-	-	-	-
Total adjusting factors	268	2,564	2,296	n.m.	13	14,667	14,654	n.m.
Adjusted profit attributable to owners of the parent	17,137	25,791	8,654	50.5%	62,967	93,618	30,651	48.7%

* Related to unrealized FX gains and losses and derivative fair value changes

3.19. Capex from Consolidated Statement of Cash Flows

(HUF millions)	1-12 months 2022 MT Group	1-12 months 2023 MT Group
Payments for PPE and intangible assets	121,217	100,115
Less spectrum payments	(3,092)	(313)
Payments for PPE and intangible assets excl. spectrum payments	118,125	99,802
+/- Cash adjustments	8,528	5,312
Capex AL excl. spectrum	126,653	105,114
ROU capex	30,161	23,089
Spectrum capex	3,092	586
Capex	159,906	128,789



3.20. Capex from Consolidated Statement of Financial Position

(HUF millions)	Q4 2022 MT Group	Q4 2022 MT-Hungary	Q4 2022 North Macedonia	Q4 2023 MT Group	Q4 2023 MT-Hungary	Q4 2023 North Macedonia
Capex AL excl. spectrum licenses	43,653	33,257	10,396	32,267	24,910	7,357
ROU capex	7,507	7,283	224	5,775	5,526	249
Spectrum capex	-	-	0	-	-	-
Capex	51,160	40,540	10,620	38,042	30,436	7,606

(HUF millions)	1-12 months 2022 MT Group	1-12 months 2022 MT-Hungary	1-12 months 2022 North Macedonia	1-12 months 2023 MT Group	1-12 months 2023 MT-Hungary	1-12 months 2023 North Macedonia
Capex AL excl. spectrum licenses	126,653	104,123	22,530	105,114	89,673	15,441
ROU capex	30,161	29,296	865	23,089	22,262	827
Spectrum capex	3,092	-	3,092	586	586	-
Capex	159,906	133,419	26,487	128,789	112,521	16,268



4. DECLARATION

We the undersigned declare that to the best of our knowledge this report prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, gives a true and fair view of the assets, liabilities, financial position and profit or loss of Magyar Telekom Plc. and its consolidated undertakings. In addition, the report gives a fair view of the position, development and performance of Magyar Telekom Plc. and its consolidated undertakings and contains risk factors and uncertainties relating to future events.

Independent Auditor's Report was not prepared on the Quarterly financial report.

Tibor Rékasi
Chief Executive Officer, member of the Board

Daria Aleksandrovna Dodonova
Chief Financial Officer, member of the Board

Budapest, February 22, 2024

This investor news contains forward-looking statements. Statements that are not historical facts, including statements about our beliefs and expectations, are forward-looking statements. These statements are based on current plans, estimates and projections, and therefore should not have undue reliance placed upon them. Forward-looking statements speak only as of the date they are made, and we undertake no obligation to update publicly any of them in light of new information or future events.

Forward-looking statements involve inherent risks and uncertainties. We caution you that a number of important factors could cause actual results to differ materially from those contained in any forward-looking statement. Such factors are described in, among other things, our annual financial statements for the year ended December 31, 2022, available on our website at <http://www.telekom.hu> which have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and adopted by the European Union.