



EuroTeleSites

**Report of the
Supervisory Board**

REPORT OF THE SUPERVISORY BOARD

Dear shareholders,

since its spin-off from A1 Group and its listing on the Vienna stock exchange on September 22, 2023, EuroTeleSites AG has embarked on a journey of transformation, evolving into an independent tower company within a short period of time. Despite navigating a challenging macro-economic landscape, EuroTeleSites Group has swiftly established itself as a prominent provider of passive mobile infrastructure across six countries.

During the reporting period from September 22 to December 31, 2023, EuroTeleSites Group demonstrated admirable performance, reporting revenues of 71.9 mEUR. At 61 %, the majority of revenues come from the Austrian segment. This underscores a strong presence and operational efficiency in EuroTeleSites' home market. Additionally, the EBITDAaL margin stood at an impressive 56 %, reflecting EuroTeleSites' commitment to cost discipline and operational excellence.



Barbara Potisk-Eibensteiner
Chairperson of the Supervisory Board

Furthermore, EuroTeleSites Group exhibited robust growth in the tower infrastructure, expanding to encompass more than 13,400 macro sites across the Central and Eastern European (CEE) region by the end of the reporting period. This expansion, coupled with strategic initiatives such as the integration of 118 towers acquired from EuroTeleSites' anchor tenant A1 Group, positions EuroTeleSites favorably for continued growth and market leadership.

EuroTeleSites' prime locations, spanning from Bodensee to the expanse of the Black Sea, and therefore serve as a vital component of Europe's digital landscape. As data volumes soar and innovative applications proliferate, EuroTeleSites' passive infrastructure plays a pivotal role in ensuring seamless connectivity and accessibility for businesses and individuals alike. By providing the passive tower infrastructure and services and supporting the use of advanced technologies, EuroTeleSites is making an important contribution to the digital transformation that is taking place across the continent.

Behind the success of EuroTeleSites stands a diverse and dedicated team, committed to driving innovation and delivering value to our shareholders. With their expertise and collective efforts, we are confident in our ability to navigate the evolving telecommunications landscape.

As we look ahead, EuroTeleSites remains steadfast in its commitment to driving shareholder value and advancing the digitalization agenda across Europe. With a solid foundation laid during EuroTeleSites' first period of operations, the Group is prepared to deliver sustainable growth in the years to come.

The establishment of the Supervisory Board

The members of the Supervisory Board of EuroTeleSites AG were appointed by Telekom Austria AG as founder in the course of the spin-off plan. The appointment was made in accordance with the terms of the shareholders' agreement between the core shareholders América Movil and Österreichische Beteiligungs AG (OeBAG). The members of the Supervisory Board are Elisabetta Castiglioni, Santiago Dawson Lemus, Roxana Alexandra Flores Alexanderson, Daniel Hajj Slim, Edith Hlawati, Ernesto Leyva Pedrosa, Elisabeth Muhr, Barbara Potisk-Eibensteiner, Ana Simic and Oscar Von Hauske Solís. In the constitutive meeting on 1 August 2023, I was elected as Chairperson of the Supervisory Board and Oscar Von Hauske Solís was elected as Vice-Chairperson.

To increase efficiency and effectiveness, the Supervisory Board has set up three committees that are responsible for preparing specific tasks and requests for the full Supervisory Board: the Audit Committee, the Remuneration Committee and the Staff and Nomination Committee.

The activities of the Supervisory Board

In the 2023 year, the Supervisory Board addressed the strategic direction of EuroTeleSites and its business performance in detail in four Supervisory Board meetings and five committee meetings.

In its first meetings the Supervisory Board ensured the necessary corporate, organizational and financial set-up for the company in foundation: The first members of the management board were appointed and the Supervisory Board dealt, inter alia, with the listing at the Vienna Stock Exchange and various financing measures. In December 2023, the budget for 2024 was approved after a detailed discussion of strategic opportunities and challenges.

At two meetings in 2023, the Audit Committee dealt primarily with the implementation of the monitoring of the accounting process and the effectiveness of the internal control system, the internal audit system and the risk management system. The Audit Committee was also engaged in the preparation of a tender process for the appointment of the auditor for 2024.

In 2023, the Remuneration Committee held three meetings and dealt in particular with the determination of the target criteria for the variable Management Board remuneration components in 2023 and 2024-2026.

The Staff and Nomination Committee did not hold any meetings in the 2023 financial year.

The Supervisory Board of EuroTeleSites AG is committed to complying with the Austrian Code of Corporate Governance (ÖCGK) and to responsible corporate governance and control in the interests of sustainable value creation. All ten shareholder representatives have declared their independence within the meaning of Rule 53 of the Austrian Code of Corporate Governance.

In accordance with Rule 62 of the Austrian Code of Corporate Governance, EuroTeleSites' compliance with the provisions of the Austrian Code of Corporate Governance and the accuracy of its public reporting in association with this are evaluated externally every three years. The first evaluation will cover the 2024 financial year and will be carried out in the first half of 2025.

Consolidated and Annual Financial Statements 2023

Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. was appointed as auditor of the annual financial statements and consolidated annual financial statements for the financial year 2023 by Telekom Austria AG as founder in the course of the spin-off plan.

The annual financial statements and consolidated annual financial statements of EuroTeleSites AG for the fiscal year 2023 were audited by Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. and an unqualified opinion was issued. The consolidated financial statements prepared in accordance with IFRS fulfill the requirements of Section 245a Austrian Commercial Code (*Unternehmensgesetzbuch*, UGB). The management report and the group management report are consistent with the annual financial statements and consolidated financial statements. All documentation in relation to the annual financial statements and the Corporate Governance Report were thoroughly discussed in the Audit Committee with the auditors and subsequently presented to the Supervisory Board.

The Supervisory Board examined all the documents in accordance with Section 96 of the Austrian Stock Corporation Act (*Aktiengesetz*, AktG) and did not discover any inconsistencies or objections. As a result, the Supervisory Board approved the annual financial statements and the management report of EuroTeleSites AG for the fiscal year 2023 in accordance with Section 96 para. 4 AktG and the consolidated financial statements and the group management report, prepared pursuant to Section 245a UGB in compliance with IFRS. The Supervisory Board took due note of the consolidated Corporate Governance Report 2023.

From September 22 to December 31, 2023, EuroTeleSites Group started in line with the economic planning and generated a consolidated net result of 7.931 mEUR. EuroTeleSites AG as the top consolidation level bears the Group cost and is financed by the net results of the individual companies. As EuroTeleSites AG does not generate any external revenue, it did not generate a positive net result in the unconsolidated annual financial statements according to UGB for the financial year 2023. The reason is that in 2023 no dividends from its subsidiaries have been distributed to EuroTeleSites AG. The Supervisory Board has noted with approval that the net loss in the unconsolidated annual financial statements of EuroTeleSites AG according to UGB is covered by the capital reserve and therefore no distribution of profits is resolved.

As Chairperson of the Supervisory Board, I would like to thank the management and all employees of EuroTeleSites on behalf of the Supervisory Board. The dedication and hard work of our employees stand as the cornerstone of our success.

Finally, I express profound appreciation to our esteemed customers and shareholders for their unwavering trust, which fuels our ongoing efforts toward continued excellence.

Vienna, May 2024

Barbara Potisk-Eibensteiner
Chairperson of the Supervisory Board