

BUILDING EUROPE'S DIGITAL INFRASTRUCTURE

Half-Year Report Financial 2024

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GROUP MANAGEMENT REPORT

Key financial data of EuroTeleSites

	June 30, 2024 unaudited
Number of sites	13,552
Number of tenants	16,740
Average number of tenants per site (Tenancy Ratio)	1.24

	Six months ended June 30, 2024 unaudited
in TEUR	
Revenues	130,721
Earnings before interest, tax, depreciation and amortization – EBITDA	111,062
EBITDA Margin	85.0%
Total Leases (depreciation of right-of-use assets)	29,229
Interest on leases	7,561
EBITDAaL – after lease	74,272
EBITDAaL Margin	56.8%
Depreciation and amortisation	29,481
EBIT	52,352
CAPEX	22,357

Summary of the results for the first half year of 2024

In the first half of 2024, EuroTeleSites recorded revenue of TEUR 130,721. With regard to revenue with the anchor tenant A1, EuroTeleSites benefited from a 3 % rent increase due to inflation on April 1, 2024 in all of the company's operating countries. In addition, 219 new rental agreements were concluded, 87 of which were with the anchor tenant and 132 with third party tenants. In terms of costs, there was an increase in costs for individual rental agreements.

EuroTeleSites continues to see growth opportunities due to the sharp increase in data volumes. Capex of TEUR 22,357 was therefore invested in 87 new sites, mandatory upgrades and maintenance in the first half of 2024.

To slightly optimize the interest burden, the loan of TEUR 500,000 was reduced or rescheduled early by TEUR 30,000 in April. This was made possible by free liquidity and the partial and prompt use of the working capital loan. In addition, the European Central Bank lowered the key interest rate in June 2024, which should result in lower interest expenses in the third quarter of 2024.

The following factors should be taken into account when analyzing the operating results of EuroTeleSites in the first half of 2024.

- Total costs and expenses amounted to TEUR 19,659, resulting in EBITDA of TEUR 111,062.
- The number of locations increased to a total of 13,552 in the reporting period.

Forecast for the full year 2024

The outlook of the EuroTeleSites management board remains unchanged. The results for the first half of 2024 confirm the revenue forecast for 2024 as a whole, with revenue growth of around 5 % still being targeted. The guidance for capital expenses, which are expected to account for around 20 % of revenue, also remains unchanged. EuroTeleSites is therefore sticking to its strategic outlook and is well positioned to achieve its annual targets for 2024.

Key performance indicators

Net debt

in TEUR	June 30, 2024 unaudited
Long-term debt	965,456
Lease liability long-term	312,758
Short-term debt	0
Lease liability short-term	52,061
Cash and cash equivalents	17,455
Net debt (including Leases)	1,312,821
Net debt (excluding Leases)	948,001

Net cash from operating activities

in TEUR	Six months ended June 30, 2024 unaudited
Earnings before income tax - EBT	16,712
Non cash and other reconciliation items	94,619
Change working capital and other changes	563
Interest received	56
Income taxes paid	-4,611
Net cashflow from operating activities	107,340

CAPEX

in TEUR	Six months ended June 30, 2024 unaudited	As % of the total CAPEX
Austria	15,605	70%
Bulgaria	2,215	10%
Croatia	1,331	6%
North Macedonia	282	1%
Serbia	1,876	8%
Slovenia	1,047	5%
Corporate & Other, Eliminations	-	0%
Total additions to fixed assets	22,357	100%

Segment development HY1/2024

EuroTeleSites reports in six business segments: Austria, Bulgaria, Croatia, North Macedonia, Serbia, and Slovenia. The “Holding & Other, Eliminations” division is comprised mainly of holding companies.

Total revenues

in TEUR	Six months ended June 30, 2024 unaudited	As % of the total revenues
Austria	77,458	59%
Bulgaria	15,466	12%
Croatia	14,541	11%
North Macedonia	3,253	2%
Serbia	14,062	11%
Slovenia	5,941	5%
Corporate & Other, Eliminations	-1	-0%
Total revenues	130,721	100%

EBITDA

in TEUR	Six months ended June 30, 2024 unaudited	As % of the total EBITDA
Austria	67,449	61%
Bulgaria	13,460	12%
Croatia	12,618	11%
North Macedonia	2,614	2%
Serbia	12,896	12%
Slovenia	5,258	5%
Corporate & Other, Eliminations	-3,231	-3%
Total EBITDA	111,062	100%

EBITDAaL

in TEUR	Six months ended June 30, 2024 unaudited	As % of the total EBITDA
Austria	47,366	64%
Bulgaria	8,164	11%
Croatia	8,096	11%
North Macedonia	2,060	3%
Serbia	7,867	11%
Slovenia	3,951	5%
Corporate & Other, Eliminations	-3,231	-4%
Total EBITDAaL	74,272	100%

Lease expenses

in TEUR	Six months ended June 30, 2024 unaudited
Austria	-16,425
Bulgaria	-4,153
Croatia	-3,586
North Macedonia	-369
Serbia	-3,594
Slovenia	-1,103
Total Leases (depreciation of right-of-use assets)	-29,229

Lease interest

in TEUR	Six months ended June 30, 2024 unaudited
Austria	-3,657
Bulgaria	-1,143
Croatia	-937
North Macedonia	-184
Serbia	-1,435
Slovenia	-204
Total leases interest	-7,561

EBIT

in TEUR	Six months ended June 30, 2024 unaudited	As % of the total EBIT
Austria	32,344	62%
Bulgaria	5,877	11%
Croatia	6,243	12%
North Macedonia	1,650	3%
Serbia	6,794	13%
Slovenia	2,677	5%
Corporate & Other, Eliminations	-3,231	-6%
Total EBIT	52,353	100%

Total sites at June 30,	2024
Austria	6,112
Bulgaria	2,764
Croatia	1,580
North Macedonia	577
Serbia	1,737
Slovenia	782
Total sites	13,552

Austria

Revenue in the Austria segment amounted to TEUR 77,458 in the first half of 2024. This corresponds to 59 % of the EuroTeleSites Group's total revenue. A total of 38 new rental agreements were concluded, 18 of which were with the anchor tenant and 20 with third party tenants.

Revenue from leases was also increased by the contractually agreed inflation adjustments, as well as by the fulfilment and settlement of outstanding orders in the third-party customer business.

CAPEX amounted to TEUR 15,605 in the reporting period and were heavily influenced by 5G upgrades and the ongoing rollout, as well as by selective conversions on behalf of third-party customers. A total of 18 new sites were built in Austria during the reporting period.

EBITDAaL amounted to TEUR 47,366 in the first six months of 2024. This was the result of increased rental rates and strict cost control, which was particularly necessary in view of the high inflation - which had an impact on tenant rents and personnel costs.

Bulgaria

Revenues in the Bulgaria segment amounted to TEUR 15,466, in the first half of 2024, representing 12 % of total EuroTeleSites revenues. The number of tenancy agreements increased by 50 during the reporting period, of which 23 were with the anchor tenant and 27 with third party tenants. On April 1, 2024, the rental agreements were adjusted for inflation effectively.

EuroTeleSites Bulgaria focused its investments on the expansion of its infrastructure, achieving a total rollout of 23 new sites during the first six months of 2024. CAPEX in the reporting period amounted to TEUR 2,215.

EBITDAaL was TEUR 8,164 in the first half of 2024.

Croatia

Revenues in the Croatia segment amounted to TEUR 14,541, in the first half of 2024, representing 11 % of total revenues. The cooperation with our anchor tenant, as well as with third-party tenants, remains robust. EuroTeleSites experienced an increase of 27 new tenants during the reporting period, of which seven were with the anchor tenant and 20 with third party tenants.

On April 1, 2024, the rental agreements were adjusted for inflation effectively.

The quantity of rollouts has been committed. Overall, 7 new sites were constructed, resulting in a CAPEX of TEUR 1,331.

EBITDAaL was TEUR 8,096, driven by the indexation, the construction of new sites and new third-party tenants.

North Macedonia

Revenues in the North Macedonia segment amounted to TEUR 3,253 in the first half of 2024 reporting period, representing 2 % of the EuroTeleSites Group's total revenue. EuroTeleSites had in total an increase of 14 new tenants, of which four were with the anchor tenant and 10 with third party tenants.

On April 1, 2024, the rental agreements were adjusted for inflation effectively.

CAPEX in the reporting period amounted to TEUR 282 and mainly comprises of the expansion of four new sites and mandatory upgrades.

EBITDAaL was TEUR 2,060 in the first six month of 2024.

Serbia

Revenues in the Serbia segment amounted to TEUR 14,062 in the reporting period, representing 11% of the EuroTeleSites Group's total revenue. This development mainly reflects the constant monthly contribution of the anchor tenant and increasing revenues from third parties. EuroTeleSites experienced in total an increase of 62 new tenants during this reporting period, of which 35 were with the anchor tenant and 27 with third party tenants.

The regular rollout activities are expected to coincide with network densification after the auction and present an opportunity for telecom tower companies to additionally increase the tenancy ratio. In total 35 new sites were constructed during the first half of 2024.

On April 1, 2024, the rental agreements were adjusted for inflation effectively.

CAPEX in the first six months of 2024 was TEUR 1,876.

EBITDAaL reflects improved income and amounted to TEUR 7,867.

Slovenia

Revenues in the Slovenia segment amounted to TEUR 5,941 in the first six month of 2024, representing 5 % of total EuroTeleSites revenues. EuroTeleSites has in total an increase of 28 new third parties tenants.

EuroTeleSites supports the anchor tenant with new sites and the modernization of existing sites. Furthermore, EuroTeleSites also supporting Telemach nextwork coverage, as the company withdrawn from national roaming with Telekom Slovenije. At the end of the reporting period EuroTeleSites operated a total of 782 sites across Slovenia.

On April 1, 2024, the rental agreements were adjusted for inflation effectively.

CAPEX was TEUR 1,047 in the reporting period.

Higher revenues and lower OPEX positively impacted EBITDAaL. In the first half of 2024 EBITDAaL was TEUR 3,951.

Financial calendar

October 15, 2024: Results Q3/2024 and Q1-3/2024

Risks and uncertainties

EuroTeleSites faces various risks and uncertainties that could affect its results. For further details about these risks and uncertainties, please refer to the latest EuroTeleSites AG Annual Financial Report 2023

Contact information for investors

Moritz Palmi
Head of Investor Relations & ESG
E-mail: Investor.relations@eurotelesites.com

Glossary of alternative performance measures

CAPEX	Capital Expenditures	Total additions to intangible assets + total additional to property plant and equipment (excluding right of use additional according to IFRS 16)
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization	EBIT + depreciation + amortization
EBITDA Margin		EBITDA / total revenues
EBITDAaL		EBITDA - depreciation of lease assets according to IFRS 16 - interest expenses pursuant (EBITDA after Leases) to IFRS 16
EBITDAaL Margin		EBITDA aL / total revenues
EBIT	Earnings Before Interest and Tax	EBIT equals the operating income according to IFRS
Net debt		Debt (long-term and short-term) + lease liability (long-term and short-term) - cash and cash equivalents
Site		The Passive Infrastructure on which Active Equipment is mounted as well as its physical location
Tenancy Ratio		The tenancy ratio defines the number of tenants divided by the number of sites
Third party revenues		Third party revenues are revenues from tenants other than the anchor tenant

Vienna, July 16, 2024

The Management Board of EuroTeleSites AG

Ivo Ivanovski
Chief Executive Officer

Lars Mosdorf
Chief Financial Officer

UNAUDITED
INTERIM CONDENSED
CONSOLIDATED
FINANCIAL STATEMENTS

Interim Condensed Consolidated Statement of Comprehensive Income

in TEUR	Six months ended June 30, 2024 unaudited
Revenues from contract with customers	129,186
Other operating income	1,535
Total revenue	130,721
Cost of service	-12,969
Selling, general & administrative expenses	-6,103
Other expenses	-587
Total cost and expenses	-19,659
Earnings before interest, tax, depreciation and amortization – EBITDA	111,062
Leases (Depreciation of right-of-use assets)	-29,229
Depreciation and amortization	-29,481
Operating income – EBIT	52,352
Interest on leases	-7,561
Interest income	56
Interest expense	-27,503
Other financial result	-670
Foreign currency exchange differences, net	38
Financial result	-35,640
Earnings before income tax – EBT	16,712
Income tax	-2,612
Net result	14,100
Earnings per share (EPS) attributable to equity holders of the parent in Euro	0.08
Weighted-average number of ordinary shares outstanding	166,125,000
Thereof attributable to:	
Equity holders of the parent	14,100
Other comprehensive income, net of tax	
Items that may be reclassified to profit or loss	
Effect of translation of foreign entities	84
Items that will not be reclassified to profit or loss	
Revaluation of assets and change in revaluation reserve (net of tax)	502
Remeasurement of defined benefit obligations, net of tax	-5
Total other comprehensive income, net of tax	581
Total comprehensive income	14,681
Thereof attributable to:	
Equity holders of the parent	14,681

The use of automated calculation systems may result in rounding differences.

Interim Condensed Consolidated Statement of Financial Position

in TEUR	December 31, 2023 audited	June 30, 2024 unaudited
Current assets		
Cash and cash equivalents	21,026	17,455
Accounts receivable (net)	9,627	8,390
Receivables due from related parties	23,295	26,620
Income tax receivable	119	789
Other current assets, net	2,085	1,880
Total current assets	56,153	55,134
Non-current assets		
Property, plant and equipment, net	1,303,444	1,296,364
Right-of-use assets, net	392,166	374,467
Intangibles, net	565	454
Goodwill	209,076	209,073
Other non-current assets	1,811	1,612
Total non-current assets	1,907,062	1,881,969
TOTAL ASSETS	1,963,215	1,937,103
Current liabilities		
Lease liabilities short-term	49,378	52,061
Accounts payable	47,472	63,457
Accrued liabilities and current provisions	862	701
Income tax payable	2,755	3,014
Payables due to related parties	19,721	14,538
Total current liabilities	120,189	133,771
Non-current liabilities		
Long-term debt	994,895	965,456
Lease liabilities long-term	336,971	312,758
Deferred income tax liabilities	213,331	212,124
Asset retirement obligation	61,772	62,142
Employee benefits	1,983	2,098
Total non-current liabilities	1,608,953	1,554,579
Stockholders' equity		
Common stock	166,125	166,125
Capital reserves	-808,550	-808,550
Retained earnings	16,799	48,289
Other comprehensive income (loss) items	859,699	842,890
Total stockholders' equity	234,073	248,753
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	1,963,215	1,937,103

The use of automated calculation systems may result in rounding differences.

Interim Condensed Consolidated Statement of Cash Flows

in TEUR	Six months ended June 30, 2024 unaudited
Earnings before income tax – EBT	16,712
Depreciation and amortization	29,465
Amortization of intangible assets	16
Depreciation of right-of-use assets	29,229
Result on sale of property, plant and equipment	544
Net period employee benefit obligations	60
Foreign currency exchange differences, net	-38
Interest income	-56
Interest expense	35,701
Other adjustments	-302
Non-cash and other reconciliation items	94,619
Accounts receivable, net	1,228
Prepaid expenses	-127
Due from related parties	-3,325
Other assets	532
Accounts payable and accrued liabilities	2,463
Due to related parties	-425
Deferred rental revenues	218
Working capital changes	563
Interest received	56
Income taxes paid	-4,611
Net cash flow from operating activities	107,340
Capital expenditures paid	-22,359
Proceeds from sale of plant, property and equipment	55
Net cash flow from investing activities	-22,304
Repayments of long-term debt	-30,000
Interest paid	-21,715
Lease principal paid	-36,903
Net cash flow from financing activities	-88,618
Adjustment to cash flows due to exchange rate fluctuations, net	11
Net change in cash and cash equivalents	-3,571
Cash and cash equivalents at beginning of period	21,026
Cash and cash equivalents at end of period	17,455

The use of automated calculation systems may result in rounding differences.

Interim Condensed Consolidated Statement of Equity

in TEUR	Common stock	Additional paid-in capital	Retained earnings	IAS 19 reserve	Revaluation reserve	Translation reserve	Total stockholders' equity
At December 31, 2023	166,125	-808,550	16,799	-100	859,795	4	234,073
Net result			14,100				14,100
Other comprehensive income (loss)				-5	502	84	581
Total comprehensive income	0	0	14,100	-5	502	84	14,681
Reclassification of revaluation reserve			17,390		-17,390		0
At June 30, 2024	166,125	-808,550	48,289	-105	842,907	88	248,753

The use of automated calculation systems may result in rounding differences.

EUROTELESITES AG – NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Segment Reporting

	1 - 6 M 2024			
in TEUR (unaudited)	Austria	Bulgaria	Croatia	North Macedonia
Total revenues (incl. Other operating income)	77,458	15,466	14,541	3,253
Net result	22,345	4,166	4,396	1,226
Assets by segment	1,709,566	203,243	202,995	40,048
Liabilities by segment	1,468,713	72,298	72,913	10,459

	1 - 6 M 2024				
in TEUR (unaudited)	Serbia	Slovenia	Corporate & Other	Eliminations	Consolidated
Total revenues (incl. Other operating income)	14,062	5,941	0	-1	130,721
Net result	4,588	1,907	8,170	-32,699	14,100
Assets by segment	171,848	113,317	1,435,127	-1,939,041	1,937,103
Liabilities by segment	69,847	25,123	6,511	-37,515	1,688,350

The Company

EuroTeleSites Aktiengesellschaft (“EuroTeleSites 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.

The shares in EuroTeleSites AG have been listed on the Vienna Stock Exchange since September 22, 2023. This is the reason for limited comparable information included in this report. The shareholder structure remains unchanged compared to December 31, 2023.

Basis of Presentation

Basis of preparation

The interim condensed consolidated financial statements for the six months ended June 30, 2024 and as of June 30, 2024 have been prepared in accordance with IAS 34 "Interim Financial Reporting". EuroTeleSites Group has prepared the financial statements on the basis that it will continue to operate as a going concern. The Management Board considers that there are no material uncertainties that may cast significant doubt over this assumption.

The interim condensed consolidated financial statements include, in the opinion of the Management Board, all adjustments necessary for a fair presentation of the financial position and performance. These are not audited or reviewed and do not include all the information and disclosures required in the annual financial statements. In that respect, they should be read in conjunction with the audited EuroTeleSites Group's annual consolidated financial statements as at December 31, 2023.

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

Compared to other economic sectors, the tower industry is in general less cyclical. Within the tower business, the seasonality of the EuroTeleSites Group's segments shows the same pattern as other European tower companies, having steady margins over a twelve-month period.

Changes in accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of EuroTeleSites Group's annual consolidated financial statements for the year ended December 31, 2023, except for the adoption of the following standards, respectively amendments to standards, effective as of January 1, 2024.

IAS 1 and IFRS 16	Amendments: Lease Liability in a Sale and Leaseback
IAS 1	Amendments: Classification of Liabilities as Current or Non-Current
IAS 1	Amendments regarding the classification of liabilities
IAS 1	Amendments regarding the classification of debt with covenant

The standards, respectively the amendments to standards, do not have a material impact on the condensed consolidated interim financial statements.

Revenues

The following table shows the disaggregated revenues per segment:

		1 - 6 M 2024						
in TEUR (unaudited)	Austria	Bulgaria	Croatia	North Macedonia	Serbia	Slovenia	Other ¹	Consoli- dated
Leases	76,770	14,969	14,250	3,201	14,056	5,940	0	129,186
Other operating income (OOI)	688	496	292	53	6	1	-1	1,535
Total revenues (incl. OOI)	77,458	15,466	14,541	3,253	14,062	5,941	-1	130,721

Other includes Corporate & Other and Eliminations.

Financial result

in TEUR	Six months ended June 30, 2024 unaudited
Interest income on financial assets at amortized cost	56
Interest income	56

in TEUR	Six months ended June 30, 2024 unaudited
Interest expense on financial liabilities at amortized cost	26,725
Interest expense on lease liabilities	7,561
Interest capitalized	-11
Interest expense on asset retirement obligations	790
Interest expense	35,064

Related Party Transactions

The shareholders América Móvil and OeBAG are considered related parties due to their stake in EuroTeleSites AG allowing them to exercise control or significant influence, respectively. Through its shareholders, América Móvil and OeBAG, EuroTeleSites Group is related to A1 Group. Through América Móvil, EuroTeleSites Group is also a related party to its subsidiaries. Through OeBAG, EuroTeleSites Group is a related party to the Republic of Austria and its subsidiaries (mainly OeBB 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 EuroTeleSites AG qualify as related parties.

The following table provides the total revenue and expense generated with related parties. The receivables due from and payables due to related parties are reported separately in the statement of financial position.

in TEUR	Six months ended June 30, 2024 unaudited
Revenues (incl. other operating income)	120,555
Expenses	-1,967

Property, Plant and Equipment

in TEUR (unaudited)	Sites	Other assets	Construction in progress	Inventories for operation of the plant	Total
Cost at December 31, 2023	1,289,169	8,264	21,693	1,200	1,320,327
Additions	15,184	194	6,851	594	22,823
Disposals	-1,367	-42	0	-1	-1,410
Transfers	9,304	74	-8,464	-832	81
Translation adjustment	97	5	2	-0	104
Revaluation	0	0	0	0	0
At June 30, 2024	1,312,387	8,496	20,082	961	1,341,926
Accumulated depreciation at December 31, 2023	-12,095	-4,788	0	0	-16,882
Additions	-29,239	-226	0	0	-29,465
Disposals	760	32	0	0	792
Translation adjustment	-4	-1	0	0	-6
Revaluation	0	0	0	0	0
At June 30, 2024	-40,584	-4,977	0	0	-45,562
Carrying amount at December 31, 2023	1,277,074	3,477	21,693	1,200	1,303,444
Carrying amount at June 30, 2024	1,271,803	3,518	20,082	961	1,296,364

Other assets include mainly office and business equipment as well as motor vehicles.

Assets with a net book value of TEUR 1,410 were disposed by EuroTeleSites Group during the six months ended 30 June 2024, resulting in a net loss from disposal of TEUR 566.

Accrued Liabilities and Provisions, Asset Retirement Obligation

Asset retirement obligation

In the first half of 2024, the parameters used for calculating the asset retirement obligation were adjusted to current market expectations in each operative segment and are summarized in the following table:

	December 31, 2023	June 30, 2024
Discount rate	4.2% - 10.4%	4.4% - 9.9%
Rate of compensation increase	2.1% - 3.1%	2.0% - 3.1%

The range is due to different market situations in the respective segments.

In essence, the change in the specified parameters as well as the change in the estimated outflow of resources resulted in an increase in the obligation. This change in estimate amounted to an increase of TEUR 1,598 in the asset retirement obligation, a decrease of TEUR 369 of deferred tax liabilities and a change to the revaluation reserve of the Other Comprehensive Income in the amount of TEUR 1,229.

Long-term Debt

The terms and conditions of long-term debt and its current portion are summarized in the following table:

at December 31, 2023	Maturity		Nominal interest rate	Face value December 31, 2023 (TEUR) audited	Face value June 30, 2024 (TEUR) unaudited	Carrying amount December 31, 2023 (TEUR) audited	Carrying amount June 30, 2024 (TEUR) unaudited
Bonds	2028	fix	5.25%	500,000	500,000	494,895	495,456
Bank debt	2028	variable	5.30%	500,000	470,000	500,000	470,000
Financial debt				1,000,000	970,000	994,895	965,456
Long-term financial debt				1,000,000	970,000	994,895	965,456

Employee Benefits

The following table provides the parameters used for the measurement of the obligation and were unchanged to December 31, 2023 and are as follows:

	December 31, 2023	June 30, 2024
Discount rate service awards	3.25%	3.25%
Discount rate severance	3.25%	3.50%
Rate of compensation increase – civil servants	6.0%	6.0%
Rate of compensation increase – employees	3,50%-5,40%	3,50%-5,40%
Employee turnover rate ¹	0,0%-0,91%	0,0%-0,91%

Depending on years of service, including previous service periods with A1 Group.

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, additional paid-in capital, retained earnings and other comprehensive income (loss).

Share capital

At June 30, 2024 and December 31, 2023, the common stock of EuroTeleSites AG amounts to TEUR 166,125 and is divided into 166.125 million bearer shares.

The number of authorized, issued and outstanding shares is 166.125 million. The shares issued are fully paid.

The unappropriated retained earnings of EuroTeleSites AG according to Austrian GAAP would not be subject to a dividend limitation as the restrictions of Section 235 UGB do not apply.

Other comprehensive income (OCI)

The revaluation reserve results from the revaluation of the sites and the respective adjustment of the Asset Retirement Obligations and related deferred taxes.

Income Taxes

EuroTeleSites Group has been affected by the International Tax Reform-Pillar Two Model Rules in these two countries.

- Bulgaria has applied the EU Global Minimum Tax Directive and implemented it in the Corporate Tax Law. As provided in the EU Directive, the law includes an income inclusion rule (IIR) and an under-taxed profits rule (UTPR). The IIR is effective from January 1, 2024, whilst the UTPR will generally apply from January 1, 2025.
- Macedonia is not applying the EU Global Minimum Tax Directive and the 5% top-up tax is applied on the taxable profits of the subsidiary on Group level.

Current income tax in Austria for the six months ended June 30, 2024 is calculated by applying 23% compared to 24% at December 31, 2023. The calculation of deferred taxes in Austria has already from 2023 onwards been based on 23% as the temporary differences will reverse in 2024 or later.

In Austria, EuroTeleSites Group established a tax group according to Section 9 of the Austrian Corporate Tax Act (KStG), with EuroTeleSites AG as the head of the tax group. The head of the tax group and its member (A1 Towers Holding GmbH) have agreed on tax compensation. Positive taxable results are subject to a tax rate of 23%. Negative taxable results are not reimbursed but netted with future positive results of the tax group members. Deferred tax assets and liabilities for the members of the tax group (currently one Austrian subsidiary) are reported on a net basis since the tax group is treated as one taxable entity. The formation of a tax group is accepted by the tax authorities in February 2024 with validity from September 22, 2023.

The effective income Tax rate is 16%.

Leases

Lessee

EuroTeleSites Group essentially leases locations for sites.

According to IFRS 16, a lessee recognizes a right-of-use asset and a lease liability upon lease commencement.

The following table provides a roll-forward of the right-of-use assets ("RoU") recognized, broken down into the respective asset classes:

in TEUR (unaudited)	RoU Sites	RoU other facilities	RoU buildings	Total
Cost				
At December 31, 2023	405,507	835	372	406,714
Additions	23,272	281	383	23,937
Disposals	-15,944	0	0	-15,944
Translation adjustment	83	0	0	83
As at June 30, 2024	412,918	1,116	756	414,790
Accumulated amortisation and impairment				
At December 31, 2023	-14,444	-88	-17	-14,548
Additions	-28,985	-184	-60	-29,229
Disposals	3,491	0	0	3,491
Translation adjustment	-36	0	-0	-36
As at June 30, 2024	-39,973	-272	-78	-40,323
Carrying amount at December 31, 2023	391,063	747	355	392,166
Carrying amount at June 30, 2024	372,945	844	679	374,467

Other facilities contain mainly vehicles.

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 EuroTeleSites Group. Measurement of the leased asset is then based on the accounting policies applicable to that asset in accordance with IFRS 16. At June 30, 2024, the book value of the revalued property, plant and equipment and RoU assets held exclusively to generate rental income amounts to TEUR 1,644,748 (as at December 31, 2023: TEUR 1,668,137). These relate to sites only.

Currently EuroTeleSites Group has no lease contracts that are classified as finance leases.

Share-based Compensation

Long Term Incentive (LTI) Programme

EuroTeleSites Group introduced a long-term incentive program (LTI) starting on January 1, 2024 and with a performance period until December 31, 2026.

The members of the Management Board of EuroTeleSites AG receive long-term variable remuneration (long-term incentive) in the form of a performance share plan with a three-year performance period, which is based on virtual shares in EuroTeleSites AG. To determine the conditional number of virtual shares, a target amount agreed individually for each Management Board member in the employment contract is divided by a starting share price. The respective tranche of the long-term incentive is allocated annually. The final number of virtual shares depends on the achievement of financial and non-financial performance targets, while the absolute share price performance determines the value of a virtual share. The performance targets of the respective tranche and their weighting are determined by the Remuneration Committee of the Supervisory Board before the beginning of the first financial year of the respective three-year performance period: The tenancy ratio and the accelerated deleveraging (each weighted with 30%) as well as the third party revenue growth and the decarbonization (each weighted with 20%) were hereby defined as key performance indicators. The payout is limited to 140 % of the individual target amount; in case of underperformance, no bonus shares will be allocated. At the vesting date (three years after the grant date), fictitious bonus shares will be allocated to the participants and will be settled in cash. The right cannot be transferred.

In accordance with IFRS 2, share-based payments are measured at fair value at the grant date and at every reporting balance sheet 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 long-term incentive program in cash, the share-based payments are recorded as a liability.

Financial Instruments

The following tables show the classification as well as the carrying amounts and fair values of financial assets and financial liabilities including information on their hierarchy level. Fair values are not disclosed if the carrying amount is a reasonable approximation of the fair value:

Financial assets

in TEUR	Carrying amount December 31, 2023 audited	Fair value December 31, 2023 audited	Carrying amount June 30, 2024 unaudited	Fair value June 30, 2024 unaudited
Cash and cash equivalents	21,026	n.a. ¹	17,455	n.a. ¹
Accounts receivable	9,627	n.a. ¹	8,390	n.a. ¹
Receivables due from related parties	23,295	n.a. ¹	26,620	n.a. ¹
Other current financial assets	9	n.a. ¹	86	n.a. ¹
Other non-current financial assets	70	n.a. ¹	1,612	n.a. ¹
Financial assets at amortized cost	54,027	0	54,163	0

¹ Not applicable as the practical expedient of IFRS 7.29 (a) was applied.

Financial liabilities

in TEUR	Carrying amount December 31, 2023 audited	Fair value December 31, 2023 audited	Carrying amount June 30, 2024 unaudited	Fair value June 30, 2024 unaudited
Short-term bank debt	0	0	10,532	10,532
Bonds	494,895	529,825	495,456	520,920
Long-term bank debt	500,000	532,741	470,000	497,674
Payables due to related parties	19,721	19,721	14,538	14,538
Current financial liabilities	33,192	n.a. ¹	42,061	n.a. ¹
Financial liabilities at amortized cost	1,047,809	n.a. ¹	1,032,587	n.a. ¹
Lease liabilities	386,349	n.a. ¹	364,819	n.a. ¹

¹ Not applicable as the practical expedients of IFRS 7.29 (a) respectively IFRS 7.29 (d) for lease obligations were applied.

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 long-term bank debt are measured at the present values of the cash flows associated with the long-term bank debt, based on the applicable yield curve. Thus, these financial liabilities are classified as Level 2 of the fair value hierarchy.

EuroTeleSites Group has used the option given in the long-term bank loan contract to repay it earlier without penalties. In April 2024 the Management Board decided to pay back an amount of TEUR 30,000.

Contingent Assets and Liabilities

In the normal course of business, EuroTeleSites AG and its subsidiaries are subject to proceedings, lawsuits and other claims. 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 EuroTeleSites Group with respect to these matters at June 30, 2024. 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 EuroTeleSites Group, beyond such provided for at year-end, would not be material to its Consolidated Financial Statements.

Management Board

At June 30, 2024 and December 31, 2023, the Management Board of EuroTeleSites AG consists of two members: Ivo Ivanovski as Chief Executive Officer (CEO) and Lars Mosdorf as Chief Financial Officer (CFO).

Subsequent Events

Management performed a review of events subsequent to the balance sheet date through the date the financial statements were issued and determined that there were no such events requiring recognition or disclosure in the financial statements.

Release for Publication

The interim condensed consolidated financial statements of EuroTeleSites Group for the six months ended June 30, 2024 were authorised for issue in accordance with a resolution of the Management Board on July 16, 2024.

Vienna, July 16, 2024

Ivo Ivanovski
Chief Executive Officer

Lars Mosdorf
Chief Financial Officer

EuroTeleSites AG

STATEMENT FROM THE BOARD OF DIRECTORS

We confirm to the best of our knowledge that the Group's consolidated financial statements, prepared in accordance with the applicable accounting standards, provide a true and fair view of the Group's net assets, financial position and results of operations, and that the management report gives a fair review of the performance of the business, the business results and position of the Group, and that the management report describes the main risks and uncertainties to which the Group is exposed.

Vienna, July 16, 2024

The Management Board of EuroTeleSites AG

Ivo Ivanovski
Chief Executive Officer

Lars Mosdorf
Chief Financial Officer