

A low-angle photograph of a white wind turbine and a tall, red and white telecommunication tower against a clear blue sky. Two workers in safety gear are visible climbing the tower. A green fence and a small tree are in the foreground.

BUILDING EUROPE'S DIGITAL INFRA STRUCTURE

Annual Financial
Report 2024

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CFO Lars Mosdorf

CEO Ivo Ivanovski

DEAR SHAREHOLDERS!

As we reflect on our first full year as a listed company on the Vienna Stock Exchange, we are filled with gratitude and pride, looking back on a year of growth, development, and transformation. It was a year in which we built not just infrastructure, but also reputation, resilience, and teamwork.

In 2024, our share price increased by more than 29%, adding approximately mEUR 178 to our market capitalization. This positive trajectory has been reinforced by the recent confirmation of our investment-grade ratings from Moody's and Fitch, along with analyst reports recognizing our growth potential and increased target price evaluations. To strengthen shareholder engagement, we actively participated in roadshows across Europe, including London, Vienna, Madrid, Frankfurt, and Zurich.

Since our listing, we successfully expanded our portfolio to over 13,550 towers and onboarded more than 300 additional third-party tenants. This accomplishment was achieved on schedule, and over mEUR 270 in revenues were generated, showcasing the resilience of our business strategy and the growing need for reliable mobile infrastructure.

The past 12 months have presented both challenges and opportunities for the European economy. Geopolitical tensions and the ongoing energy transition shaped the macro-economic landscape, while inflation rates in the Eurozone stabilized after previous highs. Although economic recovery remained moderate, businesses, including EuroTeleSites, demonstrated resilience in navigating these uncertainties.

Telecom operators in the CEE region face significant headwinds, including shrinking margins from heightened competition, regulatory pressures to reduce consumer prices, and the increasing costs associated with network upgrades. These challenges also affect tower companies, as telecom operators may delay or reduce spending on new tower rollouts and upgrades. Inflation and currency fluctuations compound these difficulties, increasing material and labor costs and adding complexity to our operating environment.

Despite these headwinds, we successfully laid the groundwork for sustainable growth. Tower infrastructure remains critical to supporting the exponential growth of mobile data traffic, driven by advancements in video streaming, cloud-based services, remote work, and innovations. These trends ensure that companies like EuroTeleSites play an indispensable role in Europe's digital transformation, meeting the increasing demand for robust and reliable connectivity while enabling digital solutions across industries.

Digitalization continues to be a cornerstone of our strategy. While we specialize in managing passive infrastructure, we recognize the importance of digitalizing processes to optimize operational efficiency. Our partnership with Sitracker, a software company, exemplifies this approach, helping us better manage mobile antennas and towers. By focusing on scalability, efficiency, and sustainability, we contribute to the broader goals of economic growth and environmental responsibility.

Looking ahead, the opportunities for tower companies are immense. As data consumption continues to rise, driven by advancements in 5G, IoT, and AI technologies, the demand for telecom infrastructure will only grow. Tower companies like EuroTeleSites will be at the heart of this digital transformation, enabling seamless connectivity and supporting the data-intensive applications that power industries, smart cities, and everyday communication.

Our mission – Building Europe's Digital Infrastructure – drives everything we do. It is supported by our talented teams operating across six countries, whose expertise and dedication have been instrumental in our success.

Despite challenges, we are confident in our sustainable and transparent business model, positioning EuroTeleSites as a reliable partner for the digital transformation of Europe. This report offers insights into our strategic approaches, achievements, and goals for the coming years.

On behalf of our entire team, we extend our heartfelt thanks for your trust and investment in our company. Your continued support plays a vital role in our success!

We invite you to explore this report and join us on EuroTeleSites' exciting journey as we continue building Europe's digital infrastructure.

Best regards!



CEO Ivo Ivanovski



CFO Lars Mosdorf

Every milestone we reached came from our collective dedication to build something enduring and visionary!

CEO Ivo Ivanovski



Since the start of 2024, our share price has increased by more than 29%, adding approximately mEUR 178 to our market capitalization.

CFO Lars Mosdorf



GROUP MANAGEMENT REPORT

Key Financial Data of EuroTeleSites

	31 December 2023	31 December 2024
Number of sites	13,465	13,637
Number of tenants	16,521	16,917
Average number of tenants per site (Tenancy Ratio)	1.23	1.24

in tEUR	22 September – 31 December 2023	2024
Revenues	71,916	270,158
Earnings before Interest, Tax, Depreciation and Amortization – EBITDA	60,431	227,299
EBITDA Margin	84.0%	84.1%
Total Leases (depreciation of right-of-use assets)	15,862	60,712
Interest on leases	4,485	15,237
EBITDAaL – after lease	40,084	151,350
EBITDAaL Margin	55.7%	56.0%
Depreciation and Amortisation	14,112	60,579
EBIT	30,457	106,008
Net cashflow from operating activities - CAPEX	17,219	153,728
CAPEX	27,273	55,210

Business Environment

The global economic landscape in 2024 continued to be defined by persistent challenges, including geopolitical tensions and inflationary pressures, which impacted on economic activity. According to the Autumn 2024 Economic Forecast by the European Commission, the real GDP growth in the Eurozone is projected to be 0.8%. Inflation is expected to stabilize at 2.4%, though it remains above pre-pandemic levels. Central and Eastern Europe, key regions for EuroTeleSites, experienced mixed economic developments. While some countries benefited from relative stabilization, others recorded slower growth.¹

Interest Rate Development

In 2024, the European Central Bank lowered key interest rates by 25 basis points in October, bringing the deposit facility rate to 3.25%. This adjustment reflected progress in disinflation and a gradual easing of labor cost pressures, while financing conditions remained restrictive. The ECB also reduced its asset purchase portfolios, with PEPP (Pandemic Emergency Purchase Program) reinvestments set to end by 2024. These measures aimed to stabilize inflation at the 2% target, impacting borrowing costs and investment activities in EuroTeleSites markets.²

In the telecommunications sector, robust demand for data and the rapid adoption of 5G technology characterized the year. Mobile data traffic surged by approximately 20% year-over-year, fueled by increased digital activity and the expansion of high-speed internet services. Against this backdrop, EuroTeleSites continued its strategy of expanding and modernizing its infrastructure to meet the evolving needs of its customers and support the digital transformation of the regions it serves.³

In Austria, EuroTeleSites supported 5G expansion through site rollouts and upgrades, aligning with regulatory coverage obligations. Strategic cost management offsets inflationary pressures, ensuring steady performance.

In Bulgaria, EuroTeleSites strengthened its position as the second-largest tower company. The rollout and the completion of mandatory upgrades demonstrated the company's commitment to supporting its anchor tenant, which continued to lead the market with awards for network quality and speed.

In Croatia, growth opportunities were driven by demand for mobile data and network densification. EuroTeleSites expanded its infrastructure through new site rollouts, upgrades, and collaborations with major tenants to support future projects.

In North Macedonia, the year was marked by significant developments, including new rollout and upgrade initiatives. These efforts were complemented by enhanced cooperation with A1 Macedonia. A notable achievement was the successful implementation of Mega-Billboards, which became operational by the end of the year.

In Serbia, where the 5G rollout is anticipated to progress in 2025, EuroTeleSites concentrated on site expansions and explored innovative, sustainable energy solutions, including solar and hybrid power systems.

¹ <https://ec.europa.eu/eurostat/web/products-euro-indicators/w/2-17012025-ap>;
<https://ec.europa.eu/eurostat/web/products-euro-indicators/w/2-30102024-ap>.

² <https://www.ecb.europa.eu/press/pr/date/2024/html/ecb.mp241017~aa366eaf20.en.html>.

³ <https://www.ericsson.com/en/reports-and-papers/mobility-report/dataforecasts/mobile-traffic-forecast>.

In Slovenia, the year saw EuroTeleSites expanding its passive infrastructure portfolio, contributing to steady revenue growth. The company successfully maintained its strong relationships with mobile network operators, supporting their 5G rollout initiatives.

In conclusion, EuroTeleSites infrastructure investments and innovative approaches across its markets underline its pivotal role in enabling digital connectivity in the regions it operates. With technological advancement, the company successfully navigated the challenges of 2024 while positioning itself for continued growth.

Gross Domestic Product (GDP) Growth and Inflation in the Operating Markets⁴

	2023		2024		2025 estimate	
	GDP	Inflation	GDP	Inflation	GDP	Inflation
Austria	-0.80%	7.70%	-0.60%	2.90%	1.10%	2.10%
Bulgaria	1.80%	8.60%	2.30%	2.50%	2.50%	2.30%
Croatia	3.10%	8.40%	3.40%	4.00%	2.90%	3.40%
North Macedonia	1.00%	9.00%	2.20%	3.30%	3.60%	2.30%
Serbia	2.50%	12.10%	3.90%	4.50%	4.10%	3.60%
Slovenia	2.10%	7.20%	1.50%	2.10%	2.60%	3.20%

Inhabitants and GDP per Capita⁵

	Inhabitants in thousand	GDP/capita in USD (2023)
Austria	9,132	56,033
Bulgaria	6,447	15,885
Croatia	3,860	21,865
North Macedonia	2,120	8,624
Serbia	6,623	12,281
Slovenia	1,828	32,610

Revenues and Earnings Performance in 2024

In 2024, EuroTeleSites continued to deliver robust financial performance, driven by a strong demand for telecommunications infrastructure across its six operating countries. The company's revenues were supported by consistent growth in site numbers, an improved tenancy ratio, and efficient cost management.

Quarterly Highlights

Q1/2024: Revenues amounted to mEUR 63.9, with an EBITDA margin of 85.1% and an EBITDAaL margin of 56.6%. CAPEX totaled mEUR 12.6, primarily allocated to mandatory upgrades and new site rollouts. The company added 49 sites and onboarded 84 new tenants, bringing the total site count to 13,496.

⁴ <https://www.imf.org/en/Publications/WEO/Issues/2024/10/22/world-economic-outlook-october-2024>;
<https://www.wko.at/statistik/eu/europa-inflationsraten.pdf>.

⁵ <https://data.worldbank.org/?locations=AT-BG-HR-SI-RS-MK>.

Q2/2024: Revenues increased to mEUR 66.8, representing a 4.5% quarter-over-quarter growth. EBITDAaL improved to mEUR 38.1, with a margin of 57.0%. CAPEX stood at mEUR 9.8, focusing on 5G upgrades and selective modifications. The site count increased to 13,552, supported by the addition of 79 new third-party tenants.

Q3/2024: Revenues climbed further to mEUR 68.0, bolstered by a one-time effect in Austria by the completion of projects. The EBITDA margin expanded to 86%, with an EBITDAaL margin of 58%. CAPEX rose to mEUR 13.7, reflecting higher investments in mandatory upgrades and new site constructions. By the end of Q3, the total site count reached 13,568, with 53 new third-party tenants onboarded.

Q4/2024: Revenues amounted to mEUR 71.4 with an EBITDA margin of 81% and an EBITDAaL margin of 53%. CAPEX totaled mEUR 19.2, focusing on finalizing mandatory upgrades and completing new site rollouts. The total site count reached 13,637, with 69 new tenants this quarter.

Annual Performance

EuroTeleSites achieved cumulative revenues exceeding mEUR 270.2 for 2024, surpassing initial projections and solidifying its position as a leading provider of telecommunications infrastructure in Central and Eastern Europe. The company successfully increased its tenancy ratio from 1.23 to 1.24, reflecting efficient utilization of its asset portfolio.

EBITDA margins consistently remained above 83%, underscoring operational efficiency and effective cost control. The EBITDAaL margin keeps on a high level, ending the year at approximately 56%, supported by revenue growth and disciplined expense management.

CAPEX for 2024 was aligned with the strategic focus on site expansions and upgrades, accounting for around 20% of annual revenues. Investments were targeted at enhancing 5G capabilities and meeting the evolving demands of anchor- and third-party tenants across all markets.

The breakdown of sites by country as of the reporting date was as follows:

Total sites at 31 December	2023	2024	Change
Austria	6,094	6,134	40
Bulgaria	2,741	2,771	30
Croatia	1,573	1,598	25
North Macedonia	573	587	14
Serbia	1,702	1,751	49
Slovenia	782	796	14
Total sites	13,465	13,637	172
Total Greenfield sites	6,076	6,162	86
Total Rooftop sites	7,389	7,475	86

Tenancy Ratio* at 31 December	2023	2024
Austria	1.28	1.28
Bulgaria	1.18	1.21
Croatia	1.15	1.18
North Macedonia	1.05	1.07
Serbia	1.23	1.25
Slovenia	1.22	1.26
Group Tenancy Ratio	1.23	1.24

*Number of tenants divided by the number of locations

As of 31 December 2024, EuroTeleSites also had the following ratings:

- Moody's: Baa2
- Fitch Ratings: BBB-

Further key ratios	2023	2024
Earnings per share (in EUR)	0.18	0.64
Free cash flow per share (in EUR)	0.10	0.93

Net Assets and Financial Position

The most significant changes to the balance sheet items in the 2024 financial year were the repayment of non-current liabilities in the amount of mEUR 30 from the surplus generated in the year. There was also an increase in equity (revaluation reserve) due to the revaluation carried out in the year, which is mainly attributable to changes in interest and inflation expectations.

As expected, there was a decrease in right-of-use assets and non-current lease liabilities.

The changes in working capital remained stable with minor fluctuations in individual items. Overall, EuroTeleSites succeeded in reducing its gearing ratio and thus strengthening its financial situation.

Balance Sheet Structure

in tEUR	31 December 2023	As % of the balance sheet	31 December 2024	As % of the balancesheet
Current assets	56,153	3%	68,457	3%
Property, plant and equipment, net	1,303,444	66%	1,405,908	68%
Goodwill	209,076	11%	209,076	10%
Intangibles, net	565	0%	1,619	0%
Deferred income tax assets	0	0%	0	0%
Other assets, net	393,977	20%	378,633	18%
Total assets	1,963,215	100%	2,063,693	100%
Short-term debt	120,189	6%	126,485	6%
Long-term debt	994,895	51%	965,955	47%
Lease liabilities long-term	336,971	17%	324,672	16%
Employee benefits	1,983	0%	2,066	0%
Accrued long-term liabilities	61,772	3%	76,829	4%
Deferred tax liabilities	213,331	11%	224,798	11%
Stockholders' equity	234,073	12%	342,887	17%
Total liabilities and stockholders' equity	1,963,215	100%	2,063,693	100%

Cash Flow

in tEUR	22 September – 31 December 2023	2024
Net cash flow operating activities	51,715	210,795
Net cash flow investing activities	-9,299	-56,971
Net cash flow financing activities	-1,054,268	-152,902
Adjustment to cash flows due to exchange rate fluctuations, net	-2	16
Net change in cash and cash equivalents	-1,011,854	939

Key Performance Indicators

Net Debt

in tEUR	31 December 2023	31 December 2024
Long-term debt	994,895	965,955
Lease liability long-term	336,971	324,672
Short-term debt	0	0
Lease liability short-term	49,378	55,092
Cash and cash equivalents	21,026	21,965
Net debt (including Leases)	1,360,219	1,323,755
Net debt (excluding Leases)	973,869	943,990

Free Cash Flow

in tEUR	22 September – 31 December 2023	2024
Earnings before income tax - EBIT	10,227	35,551
Non cash and other reconciliation items	50,629	192,264
Change working capital and other changes	-7,862	-8,606
Interest received	601	309
Income taxes paid	-1,879	-8,721
Net cash flow from operating activities	51,715	210,795
Capital expenditures (CAPEX)	-34,496	-57,067
Net cash flow from operating activities - CAPEX	17,219	153,728

CAPEX

in tEUR	22 September – 31 December 2023	As % of the total CAPEX	2024	As % of the total CAPEX
Austria	13,322	49%	34,789	63%
Bulgaria	2,185	8%	6,055	11%
Croatia	3,695	14%	4,642	8%
North Macedonia	3,647	13%	1,248	2%
Serbia	2,489	9%	5,007	9%
Slovenia	1,934	7%	3,469	6%
Corporate & Other, Eliminations	0	0%	0	0%
Total CAPEX	27,273	100%	55,210	100%

Segment Development

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	22 September – 31 December 2023	As % of the total revenues	2024	As % of the total revenues
Austria	44,119	61%	161,935	60%
Bulgaria	8,186	11%	31,005	11%
Croatia	7,659	11%	29,749	11%
North Macedonia	1,498	2%	6,610	2%
Serbia	7,314	10%	28,738	11%
Slovenia	3,140	4%	12,122	5%
Corporate & Other, Eliminations	-1	0%	-1	0%
Total revenues	71,916	100%	270,158	100%

EBITDA

in tEUR	22 September – 31 December 2023	As % of the total EBITDA*	2024	As % of the total EBITDA*
Austria	38,838	64%	135,015	59%
Bulgaria	7,069	12%	26,975	12%
Croatia	6,703	11%	25,865	11%
North Macedonia	1,105	2%	5,237	2%
Serbia	6,580	11%	26,412	12%
Slovenia	2,239	4%	10,456	5%
Corporate & Other, Eliminations	-2,101	-3%	-2,660	-1%
Total EBITDA	60,431	100%	227,299	100%

*Corporate & Other, Eliminations are included in segment Austria.

EBITDAaL

in tEUR	22 September – 31 December 2023	As % of the total EBITDAaL*	2024	As % of the total EBITDAaL*
Austria	27,700	69%	93,141	62%
Bulgaria	4,206	10%	16,093	10%
Croatia	4,168	10%	16,724	11%
North Macedonia	796	2%	4,113	3%
Serbia	3,793	9%	16,272	11%
Slovenia	1,524	4%	7,668	5%
Corporate & Other, Eliminations	-2,101	-5%	-2,660	-2%
Total EBITDAaL	40,084	100%	151,350	100%

*Corporate & Other, Eliminations are included in segment Austria.

Lease Expenses

in tEUR	22 September – 31 December 2023	2024
Austria	-8,946	-34,355
Bulgaria	-2,125	-8,646
Croatia	-2,020	-7,288
North Macedonia	-202	-752
Serbia	-1,964	-7,316
Slovenia	-604	-2,355
Total Leases (depreciation of right-of-use assets)	-15,862	-60,712

Lease Interest

in tEUR	22 September – 31 December 2023	2024
Austria	-2,192	-7,519
Bulgaria	-738	-2,236
Croatia	-514	-1,854
North Macedonia	-106	-372
Serbia	-823	-2,824
Slovenia	-111	-433
Total leases interest	-4,485	-15,237

EBIT

in tEUR	22 September – 31 December 2023	As % of the total EBIT*	2024	As % of the total EBIT*
Austria	20,316	67%	62,720	60%
Bulgaria	4,213	14%	11,023	10%
Croatia	3,247	11%	12,710	12%
North Macedonia	624	2%	3,247	3%
Serbia	3,296	11%	13,782	13%
Slovenia	863	3%	5,187	5%
Corporate & Other, Eliminations	-2,101	-7%	-2,660	-3%
Total EBIT	30,457	100%	106,008	100%

*Corporate & Other, Eliminations are included in segment Austria.

Austria

Revenues in Austria amounted to tEUR 161,935 in 2024, representing 60% of total EuroTeleSites revenues. Growth was driven by the fulfillment of the Master Lease Agreement (MLA) with the anchor tenant A1 Austria and the successful completion of new Built-to-suit projects. Additional revenues were generated through contractual inflation adjustments and expanded business relationships with third-party tenants. These developments contributed to the steady increase in tenancy ratio, which rose to 1.28x by the end of 2024.

EuroTeleSites operated 6,094 sites in Austria as of 31 December 2023. By the end of 2024, this number had increased to 6,134, reflecting investments in new rollouts and upgrades.

The Austrian market is competitive, with three independent tower companies. Demand for mobile data in Austria continues to grow, driven by high customer expectations and the increasing adoption of 5G services, alongside government-mandated coverage obligations that encourage network densification.

Operationally, 2024 was characterized by the rollout of 5G upgrades and the completion of several new sites. The year also included one-time revenue effects from projects initiated before the spin-off, with final billing and delivery completed in 2024. Additionally, EuroTeleSites implemented inflation adjustments in rental agreements, stabilizing revenues despite rising costs.

CAPEX totaled tEUR 34,789 in 2024, primarily allocated to 5G upgrades and ongoing rollouts under the MLA. EBITDAaL stood at tEUR 93,141, benefiting from higher revenues but partially offset by increased lease costs and inflation-driven personnel expenses.

Bulgaria

Revenues in Bulgaria amounted to tEUR 31,005, representing 11% of total EuroTeleSites revenues in 2024. This growth was driven by stable demand for 5G services and a continued focus on site upgrades and tenant acquisition. The anchor tenant A1 Bulgaria maintained its position as the market leader, with awards such as the Fastest Mobile Network, reinforcing the quality of EuroTeleSites infrastructure. Additional revenues were generated through successful onboarding of new tenants, including third-party mobile network operators.

The Bulgarian telecommunications market is competitive, with three key players. Despite this, EuroTeleSites retained its position as the second-largest tower operator in the country with a portfolio of 2,771 sites. The tenancy ratio improved from 1.18x in 2023 to 1.21x in 2024, reflecting the success of tenant acquisition initiatives.

EuroTeleSites operated 2,741 sites in Bulgaria as of 31 December 2023. By the end of 2024, this number had risen to 2,771, driven by mandatory 5G upgrades and the completion of 30 new sites. This growth reflects the company's efforts to meet increasing demand for telecommunications infrastructure while supporting the anchor tenant A1 Bulgaria.

EBITDAaL remained strong, with costs controlled despite inflationary pressure at tEUR 16,093. CAPEX was primarily allocated to mandatory upgrades, new site rollouts, and selective modifications to accommodate additional tenants and totaled tEUR 6,055. EuroTeleSites continues to solidify its position in Bulgaria by combining operational excellence with a focus on sustainable development.

Croatia

Revenues in Croatia amounted to tEUR 29,749 in 2024, representing 11% of total EuroTeleSites revenues. EuroTeleSites operated 1,573 sites in Croatia as of 31 December 2023. By the end of 2024, this number increased to 1,598, with the addition of 25 new sites. The tenancy ratio rose from 1.15x to 1.18x, underpinned by robust tenant acquisition strategies and mandatory upgrades.

In 2024, EuroTeleSites Croatia rolled out 25 new sites and completed the contractually agreed mandatory upgrades under the MLA with A1 Croatia. The company also expanded its services by introducing advertising solutions on towers in urban centers and key roadways, laying the groundwork for future revenue streams.

CAPEX was driven by investments in new sites and modernization efforts, totaling tEUR 4,642. EBITDAaL stood at tEUR 16,724, supported by robust revenue development but impacted by rising lease costs and inflation-related pressure. Through effective cost management, EuroTeleSites continues to strengthen its market position while preparing for future growth opportunities.

North Macedonia

Revenues in North Macedonia amounted to tEUR 6,610, representing 2% of total EuroTeleSites revenues in 2024. Growth was driven by the rollout of 14 additional new sites leading to a total of 587 sites in North Macedonia.

North Macedonia remains a developing mobile market with two major operators. EuroTeleSites is the second-largest tower company in North Macedonia.

Additionally, a mega billboard project was initiated, highlighting the expansion of the service portfolio and initial steps toward a broader business orientation.

CAPEX was directed toward infrastructure expansion and upgrades at tEUR 1,248, while OPEX adjustments accounted for property deed transfers of acquired sites. EBITDAaL remained stable at tEUR 4,113, supported by strategic cost management and revenue growth. EuroTeleSites continues to lead infrastructure development in North Macedonia, preparing the market for future opportunities.

Serbia

Revenues in Serbia amounted to tEUR 28,738, representing 11% of total EuroTeleSites revenues in 2024. Growth was driven by steady contributions from anchor tenant and increasing revenues from third-party tenants. The successful onboarding of new tenants and site expansions contributed to the segment's positive performance.

EuroTeleSites operated 1,702 sites in Serbia as of 31 December 2023. By the end of 2024, the site count had risen to 1,751, reflecting the addition of new sites and upgrades. The tenancy ratio improved to 1,25x, supported by steady contributions from anchor tenant and increasing revenues from third-party tenants.

In 2024, EuroTeleSites supported the anchor tenant with new site rollouts, modernization of existing sites, and innovative energy solutions like solar and hybrid systems. These initiatives are aligned with the company's sustainability goals and contributed to enhanced site efficiency.

CAPEX were targeted at infrastructure expansion and upgrades at tEUR 5,007, while OPEX was managed effectively to ensure stable EBITDAaL margins. EuroTeleSites proactive strategies position it to capitalize on Serbia's evolving telecommunications market.

Slovenia

Revenues in Slovenia amounted to tEUR 12,122, representing 4% of total EuroTeleSites revenues in 2024. Growth was supported by contracts with anchor tenants and additional contributions from third-party tenants. Demand for higher data transfer rates and government initiatives to improve internet speeds continued to drive the mobile infrastructure sector.

EuroTeleSites operated 782 sites in Slovenia as of 31 December 2023. By the end of 2024, this number grew to 796, reflecting strategic site expansions and the onboarding of new tenants. These efforts align with Slovenia's gigabit infrastructure goals, ensuring continued growth in the segment.

In 2024, EuroTeleSites completed mandatory 5G upgrades, modernized sites, and onboarded new tenants, including non-MNO entities. Operational efficiencies, such as a revised billing method, mitigated rising workforce costs, ensuring stable EBITDAaL performance at tEUR 7,668.

CAPEX was allocated to site modernization and upgrades at tEUR 3,469, aligning with Slovenia's gigabit infrastructure goals. EuroTeleSites continues to strengthen its position in Slovenia, driving growth through innovation and efficient asset management.

Outlook for the Financial Year 2025

In 2025, EuroTeleSites AG will continue to provide services to its group companies, while the EuroTeleSites Group will remain focused on its core business, namely the leasing of passive infrastructure, the construction of new telecom towers, the execution of mandatory upgrades, and the integration of third-party tenants to enhance the tenancy ratio positively. Growth will be driven by the rollout of 5G and increased data usage, with leases adjusted annually for inflation. The maximum inflation adjustment for the anchor tenant is 3%.

Management expects revenue growth of approximately 4%.

As in 2024, around 20% of revenues are allocated for CAPEX. According to the latest announcement, the auction for the allocation of 5G spectrum licenses in Serbia is expected to take place in the fourth quarter of 2025.

Positive cash flow will be used to reduce debt, benefiting from lower key interest rates and reduced interest payments. The implementation of the group-wide transformation project 'Sitetracker' is expected to be completed in the first half of 2025, enabling seamless and efficient management and marketing of passive infrastructure through Salesforce software for EuroTeleSites.

Risk and Opportunity Management

Principles and Methods

EuroTeleSites pursues a systematic risk management system in which opportunities and risks are analysed and evaluated, and measures to avoid and eliminate risks are implemented and improved on an ongoing basis.

The starting point for EuroTeleSites Enterprise Risk Management (ERM) are strategic discussions with the Supervisory Board and the Audit Committee. In these discussions, the Management Board presents business risks and their relevance to EuroTeleSites as well as mitigating activities. It also presents planning assumptions (strategic orientation for the coming business plan period, priority setting, and planned measures for realizing opportunities).

Subsequently, the Business Plan maps out the expectations for business success (and necessary costs and investments) and evaluates assumed risks of higher-level goals. Risks and opportunities are then evaluated by assessing two dimensions:

1. the potential impact; and
2. the likelihood that this impact materializes.

For risk management, the development of effective risk awareness and risk reduction measures is critical. Updates are made, among other things, on the basis of monthly performance calls or leadership meetings with the Management Board and following analysis of critical deviations from the targets set or the effectiveness of countermeasures taken.

The risk management system is divided into four risk categories:

1. Risks and opportunities related to the business strategy.
2. Risks and opportunities related to the operation of the business.
3. Risks and opportunities related to the financial performance or general economic conditions.
4. Risks and opportunities related to ESG, laws and regulations.

EuroTeleSites is active in Austria and five other countries, this means a geographical diversification. The risks in the respective markets vary, which is why risk management (and above all the mitigation of risks) is the responsibility of the local operating units. Risk management is coordinated by EuroTeleSites AG and monitored by the Audit Committee of the Supervisory Board.

Internal Control System for Financial Reporting

EuroTeleSites has an internal control system (ICS) for financial reporting in accordance with applicable legal requirements. The listing of the (indirect) majority owner América Móvil on the New York Stock Exchange (NYSE) requires compliance with the Sarbanes-Oxley Act (SOX). The internal control system is designed to provide reasonable assurance regarding the reliability and accuracy of external financial reporting in accordance with international and national standards. Regular internal reporting to management as well as audits of the internal control system by Internal Audit also ensure that weaknesses are identified in good time and communicated and remedied accordingly. The most important contents and principles apply to all companies of EuroTeleSites.

The effectiveness of the internal control system is analyzed and evaluated at periodic intervals. At the end of each year, an evaluation of the internal control system is carried out by the management for relevant Group companies with the involvement of the responsible specialist departments. Based on the findings of this assessment and the defined criteria, management has assessed the internal control system over financial reporting to be effective.

Risks and Opportunities

From all the risks identified for EuroTeleSites, the most important risk categories and single risks that could have a significant impact on net assets, financial position and results of operations are explained below.

1. Risks and Opportunities Related to the Business Strategy

Revenue and Tenancy Growth

EuroTeleSites expects to grow its business by increasing tenancies on its sites, building new sites, developing new infrastructure and services to serve the growth of its customers.

EuroTeleSites is also exploring growth through investments based on an ambitious Business Plan to increase the number of sites. Key drivers of growth are the following: growing mobile data volumes, acceleration of 5G rollout; change in user profiles, regulatory requirements and investments as well as the densification of networks. EuroTeleSites mission will be to power the digital transformation, and the company believes its site portfolio is a key enabler for a sustainable, digital society in Austria and CEE.

Despite the experienced management's focus on growth, EuroTeleSites may face challenges in remaining competitive in its markets or in increasing the tenancy ratio and expanding its customer base as planned. Additionally, there is a risk of losing tenants from the A1 Group due to weaker-than-expected performance or a decline in demand. These factors could negatively impact revenue, profitability, and cash flow.

Another risk is the company's dependence on a small number of customers, generating a large part of the revenue. For that reason, EuroTeleSites, with a stable and highly skilled team is dedicated to work on monitoring and analyzing the results of its growth, strategically positioning itself through vigilant monitoring of market trends and timely communication with key stakeholders.

Market/Competitors

To achieve its target, EuroTeleSites will need to add further tenancies in addition to those for which it already has commitments. EuroTeleSites success will depend on its ability to compete against a variety of other telecommunications infrastructure companies which are active in the markets in which EuroTeleSites operates. In recent years, an increase in the number of European tower companies and corresponding number of available passive infrastructure on which active equipment is mounted has resulted in more intense competition for mobile network operators as customers while tower companies seek to increase their tenancy ratios, which may lead to downward pressure on prices for hosting services.

EuroTeleSites ability to compete for market tenancies and increase the number of tenancies on its sites may be affected by a number of factors beyond its control. These factors could include a slowdown in the growth of demand for mobile communications services, an inability to effectively compete with other participants in the European telecommunications infrastructure industry, or the emergence of new technologies, such as satellite internet (including satellite-based 5G) and Radio Access Network (“RAN”) sharing, that might reduce the use and need for tower-based mobile service transmission. Additionally, customer churn due to mergers or consolidations among mobile network operators could decrease the tenancy requirements of those consolidated companies.

EuroTeleSites is developing a hybrid solution for alternative power to support the active equipment of its customers. The system will use solar panels as the main energy source, complemented by a battery field to store excess electricity. A diesel generator will act as a backup power source, ensuring an uninterrupted power supply to the radio towers. The company remains dedicated to increasing the tenancy ratio by focusing on a strategy that delivers clear benefits to customers and the anchor tenant. This includes offering options like advance payment plans or land purchases to enhance customer value.

A decision by the A1 Group to reduce the demand for new towers could also result in a lack of infrastructure for other tenants in the future.

Cooperations between MNOs regarding national roaming/active sharing as well as frequency pooling may reduce EuroTeleSites market share and availability of additional tenancies. In Austria, one such cooperation with regional scope received regulatory approval in 2023.

Last but not least some or more mobile network operators might take a strategic decision to again build more towers or particularly smaller form factors like microsites and indoor sites themselves.

Business Plan/Budget

In addition to regular management meetings and strategic discussions, EuroTeleSites has a multi-year plan. The close integration of the multi-year plan with risk management ensures adequate risk management.

Lease Contracts

Leases are EuroTeleSites single largest cost. The renewal of a large proportion of EuroTeleSites lease contracts within a particular year could require significant upfront rent payments to be made upon such renewal, which can result in additional legacy liabilities, which in turn could decrease EuroTeleSites operating cash flow for that particular year.

EuroTeleSites could face the risk of having agreements with landlords that are shorter in duration than the Master Lease Agreements with A1 Group. This scenario may require EuroTeleSites to either enter into new leases or pursue term extensions, which might not be achieved or could incur higher costs.

Landlord concentration also poses a risk to EuroTeleSites ability to manage site leases. Although the overall landlord landscape across all markets is not very concentrated, landlords with 3%-10% of total site leases exist in some markets. If these landlords were to abuse their market power or if an agreement cannot be reached for any reason, this could negatively impact EuroTeleSites by necessitating either higher payments or the replacement of a large number of sites within a short timeframe.

In addition, companies of EuroTeleSites may in the future become involved in disputes with their landlords, which could interfere with EuroTeleSites operation of a given infrastructure site or force EuroTeleSites to construct new infrastructure sites in order to continue providing services to its customers. This could result in unforeseen costs and thereby putting ongoing/future projects at risk.

Due to the integrated approach to risk management, the company takes into account all identified risks and carefully assesses their possible consequences. This holistic approach allows us to proactively develop and implement appropriate measures to minimize potential negative impacts, thereby contributing to the stability and resilience of the business.

Maintenance Costs

EuroTeleSites ability to maintain a high level of service depends on its ability to develop, maintain and expand its passive infrastructure. This requires significant amounts of capital and other long-term expenditures and will depend on EuroTeleSites ability to assess the condition of its passive infrastructure assets and obtain sufficient financing for these projects.

Capital expenditure amounts related to the maintenance of EuroTeleSites passive infrastructure assets are expected to be relatively stable but may nevertheless vary from time to time based on factors such as the cost of machinery, construction works and connections to electricity networks.

2. Risks and Opportunities Related to the Operation of the Business

Macroeconomic Risks/Inflation Risk

Any increases exceeding the limits of the inflation-indexed fee escalators under the Master Lease Agreements with companies of A1 Group (which allow for an increase of up to 3% per year) or other customer contracts could reduce EuroTeleSites operating margins and cash flows and may have a material adverse effect on its financial condition and results of operations.

EuroTeleSites needs to upgrade its sites. Higher inflation on construction leads to higher capital expenditures to meet future requirements.

Low levels of inflation could adversely affect EuroTeleSites revenues growth, as annual revenues are subject to inflation indexing under the Master Lease Agreement with the A1 Group. To mitigate the risks associated with inflation, it is essential to adopt a strategic price optimization approach. This involves adjusting prices to reflect the increased costs that are incurring, while simultaneously considering market conditions and consumer price sensitivity. The goal is to maintain profitability without significantly affecting demand or alienating the customer base. By leveraging data-driven insights and market analysis, EuroTeleSites can optimize pricing structures to protect the margins while remaining competitive.

Natural disasters, force majeure events, physical attacks or other unforeseen events or damage

EuroTeleSites sites and other facilities as well as the network operation center (“NOC”) and the shared services center maintained by companies of A1 Group under service agreements with EuroTeleSites, are subject to risks associated with natural disasters such as earthquakes, extreme weather (such as on-going heatwaves caused by climate change), storms or floods (in each case, when damaging or disabling EuroTeleSites sites and other facilities, the NOC or shared service center), acts of terrorism (when threatening, damaging or disabling EuroTeleSites sites and other facilities, the NOC or shared service center) and other unexpected events or damage such as power outages, telecommunication failures, network software failures, acts of vandalism, theft or fuel shortages. While insurance for assets is in place and adequate service levels are agreed with partners, due to the nature of such events there is no guarantee that EuroTeleSites insurance coverage will adequately cover all costs of repairs or that its recovery plans will be sufficiently effective. However, it can be assumed that such events typically affect only individual locations in specific regions rather than having widespread impacts.

Computer system failure, cyber risks and data security

A computer system failure, security breach, human error or cyberattack could significantly disrupt EuroTeleSites ability to operate its business. EuroTeleSites is exposed to the risk that third parties or malicious insiders may attempt to use cybercrime techniques, including distributed denial of service attacks, to disrupt the availability, confidentiality and integrity of the information technology (“IT”) systems on which EuroTeleSites relies which could damage assets and cause financial burdens. Any such disruption could have a material adverse impact on EuroTeleSites current and/or future business.

The strategy of EuroTeleSites to relocate its IT services to the cloud, could also have an impact on EuroTeleSites financial state and/or its ability to operate its business. Migrating IT services to the cloud can cause additional costs (e.g. during setup, for maintenance, malware prevention, etc.) and/or could result in limitations to EuroTeleSites business operations in case of failure.

Due to process changes and changing personnel, some processes have a backlog. This might have financial impact above the planned expenses. EuroTeleSites conduct regular IT security training to increase employee awareness and reduce risks associated with cyber threats such as phishing and malware. Regular backups of key IT services (such as MS365, and Active Directory) ensure quick recovery from system failures, cyberattacks, or data loss incidents. A step-by-step approach to IT planning will ensure that projects are well-structured and resources are allocated efficiently.

3. Risks and Opportunities Related to the Financial Performance or General Economic Conditions

Repayment of Outstanding Debt

EuroTeleSites has incurred significant liabilities as a result of the spin-off of the tower business and may face challenges in reducing its debt and maintaining its investment-grade rating. In July 2023, EuroTeleSites, through its wholly owned subsidiary A1 Towers Holding, issued promissory notes amounting to TEUR 500,000 and, in June 2023, agreed to a term loan also amounting to TEUR 500,000. Additionally, in June 2023, A1 Towers Holding GmbH entered into a revolving credit facility agreement, which provides a revolving credit line of TEUR 75,000. In 2024, a total of TEUR 210,000 was repaid. The funds for this repayment came from TEUR 180,000 raised through a private placement and TEUR 30,000 from free cash flow.

The strategy of EuroTeleSites is to deleverage further and to keep investment grade rating. This strategy, which entails no dividend distributions in the near term, could face challenges if EuroTeleSites invests during periods of low revenue. Such actions might lead to reduced free cash flow, potentially resulting in additional financial and material challenges.

Interest Rate, Refinancing and Liquidity Risk

Fluctuations in interest rates may affect EuroTeleSites future growth and investment strategy and could increase EuroTeleSites financing costs because a rise in interest rates may force EuroTeleSites to finance acquisitions or investments or refinance existing debt at a higher cost in the future.

In the event of a general shift from a low interest rate environment to the interest levels contemplated by the European Central Bank (and potentially other central banks in jurisdictions where EuroTeleSites operates), EuroTeleSites will be subject to the risk that refinancing might only be obtainable at less favorable terms. As a result of deteriorating capital markets or an increased interest rate environment, EuroTeleSites debt and the terms and conditions of its existing and future financing arrangements could deteriorate. This could increase its borrowing costs and associated expenses, potentially limiting EuroTeleSites ability to refinance its existing and future liabilities and/or continue ongoing or future projects.

4. Risks and Opportunities Related to ESG, Laws and Regulations

Failure to Comply with Environmental, Social and Governance (“ESG”) Standards and Expectations

EuroTeleSites will have to increasingly observe ESG standards and expectations regarding environmental concerns, such as climate change and sustainability, social concerns, such as diversity and human rights, and corporate governance concerns. EuroTeleSites expects the Corporate Sustainability Reporting Directive (CSRD) to apply to EuroTeleSites for the first time in the financial year 2025 (for reports published in 2026).

In 2024, EuroTeleSites (as a supplier of the A1 Group) contributed to the climate risk assessment related to the radio tower infrastructure, categorized into macro- (Greenfield, Rooftop) and microsites. During the analysis, no significant risks were identified that could materialize in the short term and lead to operational disruptions.

EuroTeleSites strives to be more and more environmentally friendly, new risks could arise from this very effort. The increasing costs of materials such as steel, cement (or generally materials needed for the construction of buildings/towers), mineral components needed for the assembly of tower heads as well as the rising CO₂e-price, could affect EuroTeleSites return on investment.

If certain ESG standards are not met properly or as expected by investors, it could lead to investor withdrawal, potentially resulting in financial difficulties for the company.

Regulation

EuroTeleSites business, and that of its customers, is subject to laws, regulations, administrative and judicial decisions, both on national as well as European level. EuroTeleSites costs could increase, and its revenues could decrease due to changes thereto, that could restrict its ability to operate our business as we currently do or impact our or our customers' competitive landscape. In particular, access regulations coupled with price regulations may have a negative impact on EuroTeleSites.

Government disagreements or refusals to grant EuroTeleSites permits to continue or expand its business could have material effects on EuroTeleSites ability to grow or continue its business operations as planned.

Shortage of Skilled Workers

A lack of qualified employees at all levels and positions could destabilize the company's future operational security. This may force the company to assign additional work to the current workforce, potentially negatively impacting their performance and that of the company. Alternatively, the company might need to hire unqualified staff and invest heavily in training, which could be both time-consuming and costly. Furthermore, the civil servant status of some employees could pose an additional risk, as these individuals may not offer the same level of flexibility or availability required in a dynamic business environment, potentially leading to long-term negative effects on EuroTeleSites operational efficiency and competitiveness.

Compliance with Safety Standards

Adhering to the necessary safety requirements and standards to prevent accidents during the maintenance of communication towers is critical to preserving EuroTeleSites credibility. Such risks could also arise from unforeseen actions or interventions by third parties. To mitigate legal risks from such external factors, EuroTeleSites must ensure that its own actions and operations are clearly structured and well-documented.

Tax Risk

Changes in tax laws, regulations or treaties or adverse determinations by tax authorities could increase EuroTeleSites tax burden or otherwise affect its financial condition and results of operations. EuroTeleSites tax calculations and its interpretation of laws will be reviewed by tax authorities which may disagree with EuroTeleSites tax estimates or judgments and challenge EuroTeleSites assessments in relation to tax filings or other tax-related documentation and their compliance with applicable tax laws.

Although EuroTeleSites believes that those tax estimates are reasonable, any additional tax liabilities resulting from these risks or any interest or any penalties or any regulatory, administrative, or other sanctions relating thereto could have a material adverse effect on EuroTeleSites business, financial condition and results of operations. EuroTeleSites aims to ensure timely preparation of all necessary documentation for tax purposes, investigations, and consultancy, adopting a proactive approach in our dealings with authorities to maintain compliance and address potential issues before they escalate.

Compliance Risks

EuroTeleSites has compliance and risk management systems in place to observe all applicable legal regulations on an ongoing and sustainable basis. Therefore, EuroTeleSites has implemented a compliance system which includes, inter alia, anti-corruption, anti-money laundering, antitrust regulations, and data protection in order to prevent, detect and respond to potential violations. EuroTeleSites risk management system operates group-wide and is a fundamental part of its corporate governance system.

There are inherent limitations on the effectiveness of any risk management system, which could have material adverse effects on EuroTeleSites business prospects and financial standing.

Other Information

Disclosure in Accordance with Section 243a of the Austrian Commercial Code (UGB): Shareholder Structure and Capital Disclosures

The share capital of EuroTeleSites AG remains at EUR 166,125,000 and is divided into 166,125,000 no-par value bearer shares. The share capital was paid in full in the form of a contribution in kind. At the end of 2024, 56.96% or 94,630,948 shares of EuroTeleSites were held by América Móvil B.V., Netherlands ("América Móvil B.V."), a wholly owned subsidiary of América Móvil, S.A.B. de C.V. ("América Móvil"). The Republic of Austria held 28.42% of the shares via Oesterreichische Beteiligungs AG ("OeBAG"). The remaining 14.62% of the shares were in free float. This included 1,131 employee shares that were held in a collective custody account.

The company's main financing agreements include market-standard "change of control"-clauses that provide for termination rights of the financing parties in the event of a change of control. None of these clauses became effective in the 2024 financial year or up to the reporting date.

The following information concerning the shareholders' agreement is based solely on publicly available information. The company does not have any additional information. On 6 February 2023, América Móvil, América Móvil B.V. and OeBAG agreed to extend their shareholders' agreement from 2014 regarding Telekom Austria AG for further ten years. As part of this extension, agreements were also reached regarding EuroTeleSites AG (subject to its subsequent formation). Accordingly, América Móvil, América Móvil B.V. and OeBAG have concluded a shareholders' agreement with rules for the joint exercise of voting rights in the company's bodies, for the election of Supervisory Board and Management Board members and for restrictions on the sale of shares. The company's Supervisory Board shall consist of ten members, of which eight are nominated by América Móvil and two by OeBAG. The company's Management Board shall consist of at least two and no more than three members. At least one member of the Management Board with the function of CEO (Chief Executive Officer) shall be nominated by América Móvil; one member of the Management Board, namely the CFO (Chief Financial Officer), shall be nominated by OeBAG. América Móvil shall nominate a possible third member of the Management Board. The company's Articles of Association stipulate that as long as the Republic of Austria directly or indirectly holds at least 25% plus one share of the company's share capital, resolutions on capital increases and the issue of instruments containing a conversion right or a conversion obligation for shares of the company, as well as amendments to these provisions of the Articles of Association, shall require a majority of at least three quarters of the share capital represented at the vote on the respective resolution. As long as OeBAG holds more than 25% plus one share of the share capital of EuroTeleSites, OeBAG shall be entitled, inter alia, to the following rights of codetermination under the shareholders' agreement: the right to veto capital increases of EuroTeleSites and its subsidiaries, the issue of certain convertible instruments, the appointment of the auditor, the conclusion of related party transactions, the relocation of the company's headquarters and core business functions, including research and development, changes to the dividend policy. In addition, OeBAG receives the veto rights of a minority shareholder holding 25% plus one share according to mandatory applicable law. Even if OeBAG's shareholding falls below 25% but remains above 10%, OeBAG shall retain certain veto rights.

Diversity of Employees

EuroTeleSites values diversity and inclusion, recognizing that employees from different backgrounds, religions, and educational paths bring unique perspectives and skills. Operating across six countries, the company employs 182 individuals (FTE) representing 12 nationalities. These employees contribute to a wide range of roles, reflecting the company's commitment to fostering a dynamic and inclusive workforce.

Employee Distribution FTEs (Full-Time Equivalents):

- Group: 20 FTEs
- Austria: 55 FTEs
- Bulgaria: 36 FTEs
- Croatia: 25 FTEs
- North Macedonia: 13 FTEs
- Serbia: 24 FTEs
- Slovenia: 9 FTEs

EuroTeleSites actively promotes diversity at all organizational levels. Among its management team, the company currently has eight female and 23 male managers, with women representing 26% of leadership positions. This underscores EuroTeleSites ambition to enhance gender diversity and achieve a balanced, inclusive management structure.

Goals for Gender Diversity and Inclusion

EuroTeleSites is committed to significantly increasing the proportion of women in leadership positions, particularly in technical roles, by 2030. Through initiatives such as flexible work models, mentoring programs, and support for women's networks, the company fosters an environment that actively supports female talent and promotes sustainable diversity.

Employee Development and Training

To support the growth and development of its workforce, EuroTeleSites provides individual development opportunities alongside mandatory training sessions for all employees. These trainings cover critical topics such as compliance and workplace safety, ensuring a strong foundation for both professional and operational excellence.

Focus on Health, Safety, and Wellbeing

The wellbeing and safety of employees are top priorities at EuroTeleSites. Regular safety assessments, a culture of open communication about safety concerns, and on-going reviews of emergency plans are integral to maintaining a secure workplace. These measures, combined with a focus on employee wellbeing, reflect the company's dedication to creating a positive and supportive work environment.

Corporate Governance Report

According to C-Rule 61 of the Austrian Corporate Governance Code, please note that the Consolidated Corporate Governance Report can be accessed on the internet at eurotelesites.com/investor-relations.

Non-financial Statement

EuroTeleSites employed fewer than 200 employees on average in 2024, so a non-financial statement pursuant to Section 243 (5) UGB is not to be included. For EuroTeleSites, the most important non-financial indicator is the tenancy ratio. This has already been explained in detail in the segment reporting. Other non-financial performance indicators are currently not relevant to EuroTeleSites business performance. For the 2025 financial year, EuroTeleSites will prepare a non-financial statement in accordance with European sustainability standards for the first time.

Research and Development

In the reporting period, no research and development projects were carried out on a scale that is material for EuroTeleSites.

Glossary of Alternative Performance Measures

Key Performance Indicators	Definition
Anchor Tenant	Major customer from EuroTeleSites
Build-to-suit Program	Sites characterized by the construction of a new tower for an anchor tenant for which there is a "Built-to-suit" Program
CAPEX - Capital Expenditures	Total additions to intangible assets + total additional to property plant and equipment (excluding right of use additional according to IFRS 16)
EBIT	Earnings Before Interest and Tax. EBITD equals the operating income according to IFRS
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization. EBIT + Depreciation and Amortization
EBITDA Margin	EBITDA / Total Revenues
EBITDAaL (EBITDA after Leases)	EBITDA - depreciation of lease assets and interest expenses pursuant to IFRS16 (EBITDA after Leaser)
EBITDAaL Margin	EBITDAaL / Total Revenues
Net debt	Debt (long- and short term) + lease liability (long- and short term) - cash and cash equivalents
Site / Radio Tower	The passive infrastructure on which active equipment is mounted as well as its physical location
Greenfield Site	Greenfield Sites are towers erected on the ground that are suitable to host Active Equipment
Rooftop Site	Rooftop Sites are antenna structures, including steel structures, masts installed on various types of buildings or constructions, typically on the roof and/or roofing pavement
Tenancy Ratio	Number of tenants divided by the number of locations

Vienna, 10 February, 2025

The Management Board of EuroTeleSites AG

Ivo Ivanovski
Chief Executive Officer

Lars Mosdorf
Chief Financial Officer

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Consolidated Statement of Equity

Consolidated Statement of Comprehensive Income

in tEUR	Notes	22 September - 31 December 2023	2024
Revenues from contract with customers	6	71,297	262,996
Other operating income	6	619	7,162
Total revenue		71,916	270,158
Cost of service	7	-9,023	-29,859
Selling, general & administrative expenses	7	-2,302	-11,942
Other expenses	7	-159	-1,058
Total cost and expenses	7	-11,485	-42,859
Earnings before interest, tax, depreciation and amortization – EBITDA		60,431	227,299
Leases (Depreciation of right-of-use assets)	23	-15,862	-60,712
Depreciation and amortization	13, 14	-14,112	-60,579
Operating income – EBIT		30,457	106,008
Interest on leases	8	-4,485	-15,237
Interest income	8	601	309
Interest expense	8	-15,919	-54,248
Other financial result	8	-426	-1,305
Foreign currency exchange differences, net	8	-1	23
Financial result	8	-20,230	-70,458
Earnings before income tax – EBT		10,227	35,551
Income tax	22	-2,296	-5,900
Net result		7,931	29,650
Thereof attributable to:			
Equity holders of the parent		7,931	29,650
Basic and diluted earnings per share (EPS) attributable to equity holders of the parent in Euro		0.05	0.18
Weighted-average number of ordinary shares outstanding		166,125,000	166,125,000
Other comprehensive income, net of tax			
Items that may be reclassified to profit or loss			
Effect of translation of foreign entities		4	121
Items that will not be reclassified to profit or loss			
Revaluation of assets and change in revaluation reserve (net of tax)		868,663	79,039
Remeasurement of defined benefit obligations, net of tax		-100	4
Total other comprehensive income, net of tax		868,567	79,164
Total comprehensive income		876,498	108,814
Thereof attributable to:			
Equity holders of the parent		876,498	108,814

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

Consolidated Statement of Financial Position

in tEUR	Notes	31 December 2023	31 December 2024
Current assets			
Cash and cash equivalents	9	21,026	21,965
Accounts receivable (net)	10	9,627	8,086
Receivables due from related parties		23,295	35,984
Income tax receivable	22	119	0
Other current assets, net	12	2,085	2,421
Total current assets		56,153	68,457
Non-current assets			
Property, plant and equipment, net	13	1,303,444	1,405,908
Right-of-use assets, net	23	392,166	377,318
Intangibles, net	14	565	1,619
Goodwill	15	209,076	209,076
Other non-current assets	16	1,811	1,315
Total non-current assets		1,907,062	1,995,236
TOTAL ASSETS		1,963,215	2,063,693
Current liabilities			
Lease liabilities short-term	23	49,378	55,092
Accounts payable	17	47,472	50,533
Accrued liabilities and current provisions	18	862	1,184
Income tax payable	22	2,755	5,825
Payables due to related parties		19,721	13,851
Total current liabilities		120,189	126,485
Non-current liabilities			
Long-term debt	19	994,895	965,955
Lease liabilities long-term	23	336,971	324,672
Deferred income tax liabilities	22	213,331	224,798
Asset retirement obligation	18	61,772	76,829
Employee benefits	20	1,983	2,066
Total non-current liabilities		1,608,953	1,594,320
Stockholders' equity			
Common stock	21	166,125	166,125
Capital reserves	21	-808,550	-808,550
Retained earnings		16,799	83,239
Other comprehensive income (loss) items		859,699	902,073
Total stockholders' equity		234,073	342,887
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		1,963,215	2,063,693

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

Consolidated Statement of Cash Flows

in tEUR	Notes	22 September - 31 December 2023	2024
Earnings before income tax – EBT		10,227	35,551
Depreciation and amortization	13	14,109	60,522
Amortization of intangible assets	14	4	57
Depreciation of right-of-use assets	23	15,862	60,712
Result on sale of property, plant and equipment		152	915
Net period employee benefit obligations		330	107
Foreign currency exchange differences, net	8	1	-23
Interest income	8	-601	-309
Interest expense	8	20,815	70,752
Other adjustments		-42	-470
Non-cash and other reconciliation items		50,629	192,264
Accounts receivable, net		-6,734	1,514
Prepaid expenses		-89	308
Due from related parties		-8,767	-12,689
Other assets		-213	-148
Accounts payable and accrued liabilities		9,263	3,466
Due to related parties		-1,883	-1,831
Deferred rental revenues		560	773
Working capital changes		-7,862	-8,606
Interest received		601	309
Income taxes paid		-1,879	-8,721
Net cash flow from operating activities		51,715	210,795
Capital expenditures paid		-34,496	-57,067
Proceeds from sale of plant, property and equipment		77	97
Repayment of loans made to related parties		25,120	0
Net cash flow from investing activities		-9,299	-56,971
Proceeds from issuance of long-term debt		0	180,000
Repayments of long-term debt		0	-210,000
Interest paid		-5,878	-67,556
Redemption of finance liability due to related parties		-1,039,681	0
Lease principal paid		-8,709	-55,346
Net cash flow from financing activities		-1,054,268	-152,902
Adjustment to cash flows due to exchange rate fluctuations, net		-2	16
Net change in cash and cash equivalents		-1,011,854	939
Cash and cash equivalents at beginning of period		1,032,880	21,026
Cash and cash equivalents at end of period		21,026	21,965

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

Consolidated Statement of Equity

in tEUR	Notes	Common stock	Additional paid-in capital	Retained earnings	IAS 19 reserve	Revaluation reserve	Translation reserve	Total stockholders' equity
At 22 September 2023		166,125	-808,550	0	0	0	0	-642,425
Net result				7,931				7,931
Revaluation of Assets and change in estimate asset retirement obligation (net of tax)	13					868,663		868,663
Other comprehensive income (loss)					-100		4	-96
Total comprehensive income		0	0	7,931	-100	868,663	4	876,498
Reclassification of revaluation reserve	13			8,868		-8,868		0
At 31 December 2023		166,125	-808,550	16,799	-100	859,795	4	234,073
Net result				29,650				29,650
Revaluation of Assets and change in estimate asset retirement obligation (net of tax)	13					79,039		79,039
Other comprehensive income (loss)					4		121	125
Total comprehensive income		0	0	29,650	4	79,039	121	108,814
Reclassification of revaluation reserve	13			36,790		-36,790		0
At 31 December 2024		166,125	-808,550	83,239	-95	902,044	125	342,887

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

EUROTELESITES AG – NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1| Segment Reporting

	2024			
in TEUR	Austria	Bulgaria	Croatia	North Macedonia
Total revenues (incl. Other operating income)	161,935	31,005	29,749	6,610
Segment expenses	-26,920	-4,030	-3,884	-1,373
EBITDA	135,015	26,975	25,865	5,237
Depreciation of right-of-use assets	-34,355	-8,646	-7,288	-752
Depreciation and amortization	-37,940	-7,306	-5,868	-1,238
Operating income - EBIT	62,720	11,023	12,710	3,247
Interest income	329	344	-77	0
Interest expense Lease Liability	-7,519	-2,236	-1,854	-372
Interest expense	-54,873	-247	140	-42
Other financial result	21,048	-39	1	1
Earnings before income tax - EBT	21,705	8,845	10,921	2,835
Income Tax	166	-1,620	-1,441	-466
Net result	21,871	7,226	9,479	2,369
EBITDAaL	93,141	16,093	16,724	4,113
Capital expenditures - tangible and intangible	34,789	6,055	4,642	1,248
Addition to right-of-use assets	39,678	11,508	6,164	617
Assets by segment	1,771,372	199,262	230,135	41,765
Property, plant and equipment	900,073	113,639	155,701	30,164
Right-of-use assets, net	219,461	51,158	40,950	5,927
Goodwill	120,958	20,606	24,908	4,266
Other intangible assets	1,591	0	9	1
Liabilities by segment	1,512,345	71,942	74,665	10,679

	2023			
in tEUR	Austria	Bulgaria	Croatia	North Macedonia
Total revenues (incl. Other operating income)	44,119	8,186	7,659	1,498
Segment expenses	-5,281	-1,117	-957	-393
EBITDA	38,838	7,069	6,703	1,105
Depreciation of right-of-use assets	-8,946	-2,125	-2,020	-202
Depreciation and amortization	-9,576	-731	-1,435	-279
Operating income - EBIT	20,316	4,213	3,247	624
Interest income	594	152	120	0
Interest expense Lease Liability	-2,192	-738	-514	-106
Interest expense	-16,083	-64	-47	-14
Other financial result	-249	-9	0	-0
Earnings before income tax - EBT	2,387	3,554	2,805	503
Income Tax	-1,256	-348	-537	-57
Net result	1,131	3,206	2,268	446
EBITDAaL	27,700	4,206	4,168	796
Capital expenditures - tangible and intangible	13,322	2,185	3,695	3,647
Addition to right-of-use assets	4,377	2,437	1,028	67
Assets by segment	1,731,753	205,561	208,291	38,921
Property, plant and equipment	869,462	109,468	131,450	25,630
Right-of-use assets, net	221,402	59,660	42,466	6,143
Goodwill	120,958	20,606	24,908	4,266
Other intangible assets	358	186	8	2
Liabilities by segment	1,514,584	78,012	72,256	10,579

in tEUR	2024				Consolidated
	Serbia	Slovenia	Corporate & Other	Eliminations	
Total revenues (incl. Other operating income)	28,738	12,122	0	-1	270,158
Segment expenses	-2,326	-1,666	-2,660	-0	-42,859
EBITDA	26,412	10,456	-2,660	-1	227,299
Depreciation of Right of Use	-7,316	-2,355	0	0	-60,712
Depreciation and amortization other PPE	-5,314	-2,914	0	0	-60,579
Operating income – EBIT	13,782	5,187	-2,660	-1	106,008
Interest income	88	0	830	-1,207	309
Interest expense Lease Liability	-2,824	-433	0	0	-15,237
Other Interest expense	-119	-217	-98	1,207	-54,248
Other financial result	58	-1	30,114	-52,464	-1,282
Earnings before income tax – EBT	10,985	4,537	28,187	-52,464	35,551
Income Tax	-1,934	-1,438	833	0	-5,900
Net result	9,051	3,099	29,020	-52,464	29,650
EBITDAaL	16,272	7,668	-2,660	-1	151,350
Capital expenditures – tangible and intangible	5,007	3,469	0	0	55,210
Addition to right-of-use assets	2,888	4,628	0	0	65,483
Assets by segment	197,932	125,938	1,460,341	-1,963,053	2,063,693
Property, plant and equipment	138,678	67,653	0	0	1,405,908
Right-of-use assets, net	46,113	13,710	0	0	377,318
Goodwill	0	38,338	0	0	209,076
Other intangible assets	0	18	0	0	1,619
Liabilities by segment	71,813	30,012	10,874	-61,526	1,720,806

in tEUR	2023				Consolidated
	Serbia	Slovenia	Corporate & Other	Eliminations	
Total revenues (incl. Other operating income)	7,314	3,140	0	-1	71,916
Segment expenses	-734	-901	-2,101	1	-11,485
EBITDA	6,580	2,239	-2,101	-0	60,431
Depreciation of Right of Use	-1,964	-604	0	0	-15,862
Depreciation and amortization other PPE	-1,319	-772	0	0	-14,112
Operating income - EBIT	3,296	863	-2,101	-0	30,457
Interest income	9	0	81	-355	601
Interest expense Lease Liability	-823	-111	0	0	-4,485
Other Interest expense	-42	-21	-2	355	-15,919
Other financial result	10	-0	22,118	-22,296	-426
Earnings before income tax - EBT	2,450	730	20,094	-22,296	10,227
Income Tax	-728	635	-4	0	-2,296
Net result	1,721	1,366	20,090	-22,296	7,931
EBITDAaL	3,793	1,524	-2,101	-0	40,084
Capital expenditures - tangible and intangible	2,489	1,934	0	0	27,273
Addition to right-of-use assets	1,175	452	0	0	9,536
Assets by segment	169,357	111,067	1,445,703	-1,947,439	1,963,215
Property, plant and equipment	109,140	58,293	0	0	1,303,444
Right-of-use assets, net	50,662	11,833	0	0	392,166
Goodwill	0	38,338	0	0	209,076
Other intangible assets	0	11	0	0	565
Liabilities by segment	71,932	24,783	2,907	-45,913	1,729,142

EuroTeleSites Group has aligned its management structure and the resulting segment reporting on geographical markets and based on these reports its six operating segments: Austria, Bulgaria, Croatia, North Macedonia, Serbia and Slovenia. The segments offer the services disclosed in Note (6) and operate in their local markets under the common brand name „EuroTeleSites“.

The Management Board of EuroTeleSites AG, which regularly meets in Management Board meetings, acts as the chief operational decision maker. Members of the Management Board are the Group CEO and the Group CFO (see Note (29)). The Management Board focuses on revenue, EBITDA, EBITDAaL (= EBITDA after leases), capital expenditures (CAPEX), reduction of debt, tenancy ratio and cash flow as main KPIs.

The accounting policies of the segments are the same as those of EuroTeleSites Group. Segment revenues, segment expenses and segment results include services between operating segments. Such services are accounted for at transfer prices that are constantly monitored and documented to ensure that pricing is at arm's length. These intersegmental transactions are eliminated in consolidation. The column Corporate & Other comprises mainly holding companies. Other financial result reported in the column Corporate & Other relates mostly to dividends from consolidated subsidiaries. The column Corporate & Other is reported in addition to the column Eliminations for reasons of clarity.

The Eliminations column contains intersegment consolidation entries and the reconciliation of segment assets and liabilities to consolidated total assets and liabilities.

The share of revenue attributed to the A1 Group is 83% –97% (2023: 85%-96%) depending on the segment and 93% (2023: 90%) when calculated across the entire Group. The change in revenue share in favor of A1 Group is mainly related to one-time effects with third parties in 2023. Depreciation and amortization relate to property, plant and equipment, other intangible assets and right-of-use assets (see Notes (13), (14) and (23)). The item “other financial result” in the segment reporting includes interest on employee benefits, the other financial result as well as foreign exchange differences (see Note (8)).

EBITDA is defined as net income excluding income taxes, net financial income/expense, depreciation and amortization and, if applicable, impairment charges and reversal of impairment charges. The EBITDA margin is calculated by dividing EBITDA by total revenues (including other operating income).

Capital expenditures include additions to tangible and intangible assets (see Notes (13) and (14)), but neither do include additions related to asset retirement obligations nor additions to right-of-use assets according to IFRS 16 (see Notes (18) and (23)).

2| Foundation of the Group

On 22 September 2023, Telekom Austria AG spun off its radio tower business ("Tower Business") on a proportionate basis and listed it on the Vienna Stock Exchange under the newly founded EuroTeleSites AG. The companies transferred from Telekom Austria AG, which form the EuroTeleSites Group, are reported in the table of Group companies in Note (27) in the column "Method of consolidation" with the designation "FC".

In preparation for the spin-off, parts of the passive infrastructure of the mobile communications sites of the operating companies ("A1 companies") were transferred into separate legal entities ("tower companies") in the segments Bulgaria, Croatia, North Macedonia, Serbia and Slovenia in previous years. This passive infrastructure of the sites includes components that are not directly attributable to the mobile communications network, such as the foundations and metal structures, containers, air conditioning units, power supply and other supporting systems. In the segments Bulgaria and Croatia, the corresponding sites and the provision for related asset retirement obligations, as well as the right of use assets and the lease liabilities, were already transferred to the tower companies in 2021. In the segments Slovenia, Serbia and North Macedonia, the transfer was effected in 2022. With the transfer of the passive infrastructure (sites) lease agreements (master lease agreements – "MLAs") were concluded between the A1 companies and the tower companies. See Note (6) for a description of the MLAs.

In Austria, in 2021 a business unit ("Austrian tower business unit") was established in A1 Telekom Austria AG, which comprised the assets and liabilities and related expenses of the Austrian Tower Business. Until 30 June 2023, the business unit was not separated legally, and no MLA was in force. On 1 July 2023, the Austrian Tower Business unit was transferred from A1 Telekom Austria AG to Telekom Austria AG by way of upstream spin-off (Section 17 of the Austrian Demerger Act). This transaction was registered in the Company Register on 4 July 2023 and the MLA came into force.

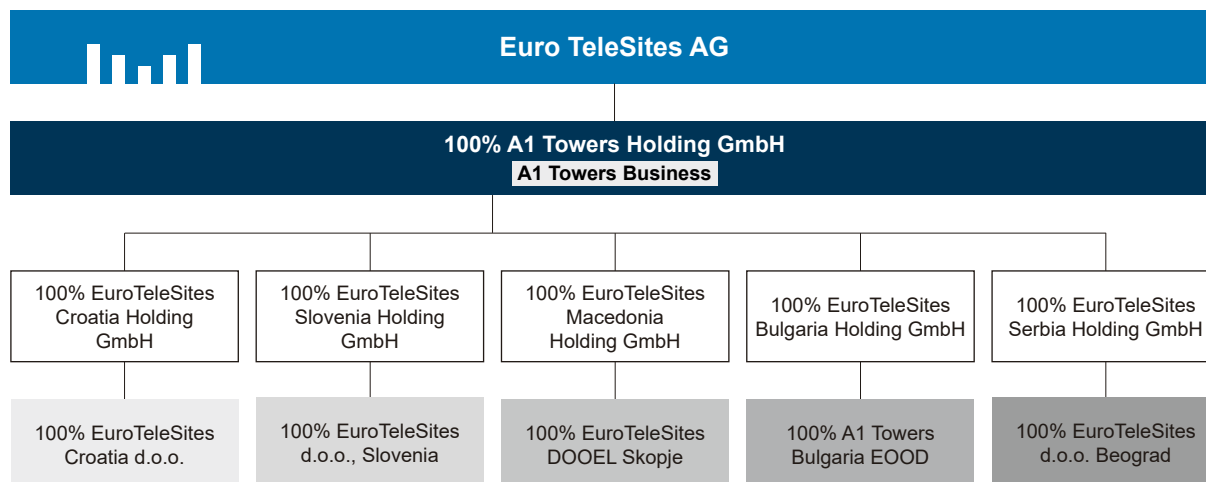
In preparation of the spin-off, A1 Towers Holding GmbH issued a tEUR 500,000 bond in July 2023 and took out a bank loan in the amount of tEUR 500,000 (see Note (19)). The funds from these financing activities were used to redeem the debt transferred described below.

The two other transfers described below were approved by the shareholders of Telekom Austria AG at the Extraordinary General Meeting on 1 August 2023:

- Downstream spin-off of the Austrian tower business unit, the indirect shareholdings in the tower companies and a debt in the amount of tEUR 1,031,000 (plus the related interest liabilities) from Telekom Austria AG into the subsidiary A1 Towers Holding GmbH.
- Transfer of the shareholdings in A1 Towers Holding GmbH by Telekom Austria AG to EuroTeleSites AG by means of a side-stream spin-off by formation of EuroTeleSites AG.

On 22 September 2023, the shares in EuroTeleSites AG were distributed to the shareholders of Telekom Austria AG on a pro rata basis. The shareholders of Telekom Austria AG received one share in EuroTeleSites AG for every four Telekom Austria AG shares held. Thus, América Móvil is the ultimate parent company of both the EuroTeleSites Group and the A1 Group.

The following Organization Chart represents the current ownership structure within EuroTeleSites Group:



Financing transactions with A1 Group after the spin-off

The following financing transactions with A1 Group occurred after the spin-off on 22 September 2023 and are presented in the Consolidated Statement of Cash flows:

- The repayment of loans to related parties in the cash flow from financing activities includes the repayment of the debt transferred in the spin-off and the associated accrued interest by EuroTeleSites Group on 26 September 2023.
- Financing with related parties in cash flow from investing activities includes the settlement of the EuroTeleSites Group's cash pooling balances by the A1 Group.
- On 22 July 2024 EuroTeleSites Group issued a bond in a private placement with a face value of tEUR 180,000, a maturity until July 2028 and variable interest rate equal to 3-months EURIBOR plus a margin of 1.05 base points. The private placement was assumed in full by A1 Group.

3| 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. EuroTeleSites AG and its subsidiaries ("EuroTeleSites Group") provide the services listed in revenues (Note (6)) in Austria, Bulgaria, Croatia, North Macedonia, Serbia and Slovenia under the common brand name „EuroTeleSites“.

The shares in EuroTeleSites AG have been listed on the Vienna Stock Exchange since 22 September 2023. The ultimate parent company of EuroTeleSites Group is América Móvil, S.A.B. de C.V. („América Móvil“) which is located in Mexico. The Federal Republic of Austria, through Oesterreichische Beteiligungs AG („OeBAG“) is the second significant shareholder of EuroTeleSites Group. América Móvil's and OeBAG's stakes in EuroTeleSites Group are disclosed in Note (21). The remaining shares are free float. The Republic of Austria holds the tax sovereignty over the domestic business activities of EuroTeleSites Group and therefore the right to levy taxes such as corporate income tax and value-added taxes.

4| Basis of Presentation

Basis of presentation

EuroTeleSites Group prepared the Consolidated Financial Statements as of 31 December 2024 and 31 December 2023 on the basis of the going concern assumption and in compliance with the International Financial Reporting Standards (IFRS/IAS), issued by the International Accounting Standards Board (IASB), the interpretations of the IFRS Interpretations Committee (IFRIC) and the interpretation of the former Standards Interpretation Committee (SIC), effective as of 31 December 2024 and 31 December 2023 and as endorsed by the European Union, as well as in accordance with the supplemental regulations of Section 245a of the Austrian Commercial Code (UGB).

EuroTeleSites AG was founded on 22 September 2023, therefore the comparative amounts in the Consolidated Statement of Comprehensive income and the Consolidated Statement of Cashflows, as well as in the related Notes, only cover the period from 22 September 2023 to 31 December 2023.

Spin-off of EuroTeleSites Group

In the presentation of the Consolidated Financial Statements of EuroTeleSites AG as of 31 December 2023, Management Board has considered the guidance in IFRS 10 “Consolidated Financial Statements” (“IFRS 10”) relating to individual transactions. The Management Board has considered that the commercial purpose of separating certain parts of A1 Group’s tower infrastructure assets into a standalone tower infrastructure business, and the related legal steps undertaken to achieve this, have taken place in contemplation of each other solely to achieve a single purpose, being the public listing of the shares of EuroTeleSites AG. The Management Board has therefore concluded that the various steps undertaken should be accounted for as a single transaction. As the single transaction comprises the combination of the separate European tower businesses, the reorganization of the Tower companies and Tower holding companies under A1 Towers Holding GmbH meets the definition of a business combination. However, as the transaction is under common control, the accounting does not fall in the scope of any existing IFRS. Consequently, in accordance with IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors”, the Management Board must employ judgement to develop and apply an appropriate accounting policy.

Accordingly, the Management Board has concluded that it is appropriate to account for the combination of the European tower assets that make up A1 Towers Holding GmbH Group (A1 Towers Holding GmbH and its subsidiaries) by applying the pooling of interests method based on historical carrying values as though the current structure had always been in place, a method of accounting for business combinations. These historical carrying values are determined by reference to the carrying amounts recorded under the A1 Group accounting policies immediately preceding the transaction in accordance with the pooling of interests approach. In applying the pooling of interests method, the Management Board has considered the requirements of IFRS 10 which, in the absence of specific IFRS guidance, is considered to be analogous and relevant for the purposes of accounting for the combination.

As is generally accepted under the pooling method to apply it either retrospectively or prospectively the Management Board decided to apply it prospectively. This results in presenting the Tower Business in the consolidated financial statements from the date of their contribution into EuroTeleSites Group (22 September 2023) onwards. The assets and liabilities included in the consolidated financial statements correspond to the amounts reported in the IFRS consolidated financial statements of Telekom Austria AG immediately before that date.

As the different transaction steps qualify as one linked transaction, the final contribution of A1 Towers Holding GmbH into EuroTeleSites AG represents a continuation of the A1 Towers Holding GmbH Group which was established by the bringing together of the different tower businesses into A1 Towers Holding GmbH. Therefore the transaction is accounted for in the consolidated financial statements of the legal parent/accounting acquiree (EuroTeleSites AG) as a continuation of the financial statements of the legal subsidiary (A1 Towers Holding GmbH).

As described above and set out in the basis of preparation, in determining the presentation basis of the consolidated financial statements, the Management Board is required to apply various judgements and has concluded that:

- The legal steps undertaken in combining the European tower businesses should be accounted for as a single transaction.
- In applying a pooling of interests method for the business combination under common control to apply it prospectively.
- The spin-off of EuroTeleSites Group represents a continuation and was therefore effected at carrying amounts, which represent the opening balance for EuroTeleSites Group.
- Goodwill included in the Consolidated Financial Statements was allocated between the EuroTeleSites Group and A1 Group using a relative value approach as required by IAS 36 “Impairment of Assets” on the basis of the respective cash-generating units of the A1 Group and the EuroTeleSites Group as of 22 September 2023.

Basis of consolidation

The consolidated financial statements have been prepared on a historical cost basis, except for property, plant and equipment that have been measured at fair value. The consolidated financial statements are presented in euros and all values are rounded to the nearest thousand (tEUR), except when otherwise indicated. The use of automated calculation systems may result in rounding differences.

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee;
- the ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. Consolidation of a subsidiary begins when EuroTeleSites Group obtains control over the subsidiary and ceases when EuroTeleSites Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of EuroTeleSites Group. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resulting gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

Functional currency

The consolidated financial statements of EuroTeleSites Group are prepared in Euros, which is also the parent company's functional currency.

Financial statements of subsidiaries where the functional currency is a currency other than the Euro are translated using the functional currency principle. For these entities, assets and liabilities are translated at consolidation using the year-end exchange rates, while revenues and expenses are translated using the average exchange rates prevailing during the year. The resulting foreign currency translation is recognized in other comprehensive income (OCI) and until the disposal of the respective subsidiary presented in the translation reserve in stockholders' equity.

Transactions realized in foreign currencies are translated to the local currency using the exchange rate prevailing at the transaction dates. Transaction gains and losses that arise from exchange-rate fluctuations on transactions denominated in a currency other than the functional currency are generally included in other operating income or other operating expenses and, if they relate to the translation of financial assets or liabilities, in financial income or expenses.

The following table provides the exchange rates for the currencies in which EuroTeleSites Group mainly conducts its transactions:

	Exchange rates at 31 December 2023	Average exchange rates for the year 2023	Exchange rates at 31 December 2024	Average exchange rates for the year 2024
Bulgarian lev (BGN)	1.956	1.956	1.956	1.956
Macedonian denar (MKD)	61.495	61.557	61.495	61.532
Serbian dinar (RSD)	117.174	117.253	117.015	117.086
US dollar (USD)	1.105	1.082	1.039	1.082

Significant accounting policies

The general accounting policies are presented in the respective Notes to the Statement of Comprehensive Income and the Statement of Financial Position.

Changes in accounting policies

The following amendments are effective as of 1 January 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
IAS 7 and IFRS 7	Amendments: Disclosure: Supplier Finance Arrangements

The initial application of the amendments to the standards (IAS, IFRS) mentioned above had an insignificant impact on the Consolidated Financial Statements since the amendments were only partially applicable.

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

		Effective ¹	Effective ²
IAS 21	Amendments: Lack of Exchangeability	1 January 2025	1 January 2025
IFRS 10, IFRS 9, IFRS 1, IAS 7, IFRS 7	Annual Improvements to IFRS Accounting Standards—Volume 11	1 January 2026	not endorsed
IFRS 9 and IFRS 7	Amendments: Classification and Measurement of Financial Instruments	1 January 2026	not endorsed
IFRS 9 and IFRS 7	Amendments: Contracts Referencing Nature-dependent Electricity	1 January 2026	not endorsed
IFRS 19	IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027	not endorsed
IFRS 18	IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027	not endorsed

¹ This standard/interpretation is effective for annual periods beginning on or after the presented date (in accordance with IASB).

² This standard/interpretation is effective for annual periods beginning on or after the presented date (in accordance with EU endorsement).

EuroTeleSites Group has not early adopted these standards and interpretations and is evaluating the impact of these standards and interpretations on the Consolidated Financial Statements.

5| Use of Estimates and Judgements

The preparation of the Consolidated Financial Statements requires the Management Board to make estimates and assumptions in the course of applying EuroTeleSites Group's accounting policies that affect assets and liabilities recognized and contingent liabilities reported at the end of any given period, and revenues and expenses for that reported period. Actual results may differ from these estimates.

Additionally, at the reporting date, the Management Board has to make key assumptions and judgements concerning the future and has to identify other key sources of estimation uncertainty that are subject to the risk of a material change in the carrying amounts of assets and liabilities in the next financial year. For all sensitivity analyses, the remaining parameters of the original calculation remain unchanged, thus no possible correlation effects are taken into account.

- a) Revaluation of property, plant and equipment: The valuation was based on assumptions regarding the development of interest rates, inflation, expected term of lease agreements and amount of future income and expenses for the sites. Changes in these parameters can result in higher or lower values. A reassessment is performed each year, if there are significant unexpected changes in any of the parameters (see Note (13) for the initial revaluation on 1 October 2023 and for revaluation on 1 November 2024).
- b) Recoverability of assets: The recoverability of goodwill, other intangible assets, right-of-use assets and property, plant and equipment is generally based upon discounted estimated future net cash flows from the continuing use and ultimate disposal of the assets. Changes in the discount rates used, in the development of revenues, in cost drivers as well as in capital expenditures could lead to impairments or, to the extent permitted, to reversals of impairments (see Note (15)). For more information on the carrying amounts of goodwill, other intangible assets, right-of-use assets and property, plant and equipment, see Notes (13), (14), (15) and (23).
- c) The estimated useful lives of property, plant and equipment and intangible assets subject to depreciation and amortization represent the estimated periods during which the assets will be in use.
- d) Asset retirement obligation: The calculation of the provision is based on parameters such as estimated decommissioning costs, estimated term until dismantling, discount rate and inflation rate. Changes in these parameters may result in higher or lower provisions (see Note (18)).
- e) Leases as a lessee: IFRS 16 requires estimates that affect the measurement of right-of-use assets as well as lease liabilities. These include mainly the effects on the term of the leases from any options to extend or to terminate a lease contract and the incremental borrowing rate applied to discount the future payment obligations (see Note (23)).
- f) Leases as a lessor requires judgement, whether the lease is classified as operate lease.

6| Revenues

Revenue includes all revenue that results from the ordinary business activities of EuroTeleSites Group. The vast majority of revenue comes from long-term leasing contracts for site locations with A1 Group and other mobile network operators (MNOs). Such sites are the physical passive infrastructure installed either at ground levels or on buildings and to which communication equipment is attached to establish a cell in a cellular network. Revenue from site locations represents revenue generated from leasing space and providing services to customers at site locations. Revenue is reported excluding sales tax and any other taxes and duties levied on customers and paid to the tax authorities or relevant bodies.

The following table shows the disaggregated revenues per segment:

in TEUR	2024							Consolidated
	Austria	Bulgaria	Croatia	North Macedonia	Serbia	Slovenia	Other ¹	
Leases	156,413	30,298	28,975	6,475	28,716	12,118	0	262,996
Other operating income (OOI)	5,522	707	773	135	22	4	-1	7,162
Total revenues (incl. OOI)	161,935	31,005	29,749	6,610	28,738	12,122	-1	270,158

¹ Other includes Corporate & Other and Eliminations.

2023								Consolidated
in tEUR	Austria	Bulgaria	Croatia	North Macedonia	Serbia	Slovenia	Other ¹	
Leases	43,780	8,100	7,516	1,471	7,314	3,116	0	71,297
Other operating income (OOI)	338	86	143	27	0	25	-1	619
Total revenues (incl. OOI)	44,118	8,186	7,659	1,498	7,314	3,140	-1	71,916

¹ Other includes Corporate & Other and Eliminations.

With regard to the revenues realized with related parties, see Note (11).

Master Lease Agreement (MLA) with A1 Group:

In June and July 2023, MLAs were concluded between the six tower companies later included in EuroTeleSites Group and the "A1 companies" as defined term in Note (2).

The MLAs cover the lease of the lease object which is defined as the passive equipment at any site where active equipment of A1 Group

- is located at the time the contract was concluded,
- will be located following the completion of the mandatory upgrade modifications,
- or will be located following the completion of a new site or site replacements.

Passive equipment means the entirety of the infrastructure in the form of antenna supports (e.g. masts and other devices) and any structural and technical installation required to support active equipment.

Each MLA has an unlimited duration and may be terminated by the respective A1 Group company after 8, 16 and 24 years, whereas the respective EuroTeleSites Group company may terminate the MLA the earliest after 24 years. After 24 years each party to the contract may terminate the MLA with a notice period of 36 months.

The following services are provided by EuroTeleSites Group:

- Space for the installation of radio equipment from the A1 Group companies including installation of microwave link for the existing configuration as well as air conditioning and access systems.
- Contract management including collocation for all existing and future contracts with landlords.
- Maintenance of the passive infrastructure, which concerns the structure, the air conditioning systems, the security system and the energy supply (external power supply and generators).
- EuroTeleSites Group must upgrade for new technologies (e.g. 5G or another upgrade if required by A1 Group companies).

Additional services:

- New sites are built based on the customers' orders (encompassing the entire process from acquisition to the actual commissioning of the site).
- Aviation security and lighting expenses are borne by EuroTeleSites Group. Electricity for active equipment and cooling is pass through.

The lease was classified as an operating lease, due to the following reasons:

- The lease contract (MLA) does not transfer ownership of the underlying asset to the lessee by the end of the lease term.
- No option to purchase the underlying assets at a price much lower than the fair value at the time the option becomes exercisable is included in the MLA.
- The lease term of the MLA (non-cancellable lease term is 8 years) is not for the major part of the economic life of the underlying asset (which is 24 years).
- The present value of the lease payments does not amount to at least substantially all of the fair value of the underlying asset,
- The underlying asset is not of such specialized nature that only the lessee can use it. Sites are also leased to other telecommunication companies.

The other indicators given in IFRS 16.64 that could lead to a lease being classified as a finance lease are also not met, as the MLAs do not contain any regulations that fulfil these criteria.

Rental fees are monthly based and are billed in advance. These revenues are settled within 30 days by A1 Group members. Revenue resulting from the lease to third parties is billed and paid monthly, quarterly or annually. Lease payments are recorded monthly as revenue recognised on a straight-line basis over the contract term.

In Serbia the EuroTeleSites Group leases solar panels to A1 Group. The lease is classified as an operating lease.

There are no significant warranty obligations that go beyond the statutory warranty obligations.

The other operating income essentially includes the profit from the disposal of property, plant and equipment and certain expenses invoiced to A1 Group.

7 | Cost and expenses

The following table shows cost and expenses according to their nature:

in tEUR	22 September - 31 December 2023	2024
Employee expenses, including benefits and taxes	3,874	12,301
Network maintenance	2,852	10,133
Site rent	629	6,330
Various related party costs	724	6,261
Loss retirement of equipment	159	1,058
Other operating expenses	3,246	6,775
Total cost and expenses	11,485	42,859

Employee expenses, including social benefits and taxes, comprise all benefits to employees net of own work capitalized:

in tEUR	22 September - 31 December 2023	2024
Own work capitalized	237	631

Own work capitalized represents the work performed for own purposes consisting mainly of employee costs and direct overheads capitalized primarily as part of property, plant and equipment.

Impairment losses of accounts receivable, classified at amortized cost, are reported in bad debt expense in the line item "selling, general and administrative expenses" and amount to:

in tEUR	22 September - 31 December 2023	2024
Impairment losses	49	260

Group Auditor's fees

Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H., Vienna, was elected as auditor of the annual financial statements of EuroTeleSites AG and consolidated financial statements of EuroTeleSites Group for the 2024 financial year by the Annual General Assembly of EuroTeleSites AG on 25 June 2024. The fees related to the group auditor amount to:

in tEUR	22 September - 31 December 2023	2024
Audit fees EY	225	384
Other assurance services		5
Other services	14	65
Total fees	239	454

8 | Financial result

in tEUR	22 September - 31 December 2023	2024
Interest income on financial assets at amortized cost	601	309
Interest income	601	309

in tEUR	22 September - 31 December 2023	2024
Interest expense on financial liabilities at amortized cost	15,358	52,202
Interest expense on lease liabilities	4,485	15,237
Interest capitalized	-13	-109
Interest expense on asset retirement obligations	573	2,154
Interest expense	20,404	69,484

Interest is recognized using the effective interest method. Interest expense on financial liabilities at amortized cost is primarily due to the issued bonds and the bank loan (see Notes (19) and (25)). Regarding the interest expense from lease liabilities and from asset retirement obligations, see Notes (23) and (18).

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the asset. A qualifying asset is an asset that requires a substantial period of time to be prepared for its intended use. In 2024 and 2023, interest capitalized related to qualifying assets of property, plant and equipment. As a capitalization rate EuroTeleSites Group uses the weighted average interest rate incurred on outstanding long-term debt of the EuroTeleSites Group. This average interest rate is calculated every quarter due to the fact that the variable interest rates on the long-term loan and the private placement are based on 3-months EURIBOR.

in tEUR	22 September - 31 December 2023	2024
Interest expense on employee benefit obligations	15	37
Fees for unused credit lines	411	1,267
Other financial result	426	1,305

For information on the interest rate for employee benefit obligations, see Notes (20).

in tEUR	22 September - 31 December 2023	2024
Foreign exchange gains	7	117
Foreign exchange losses	-8	-94
Foreign exchange differences	-1	23

Foreign exchange gains and losses arise from exchange rate fluctuations between the recognition of the transaction and payment date respectively from the measurement of receivables and payables at the reporting date. The foreign exchange rates are disclosed in Note (4).

9| Cash and cash equivalents

Cash and cash equivalents comprise cash in banks with remaining maturities of up to three months from the date of acquisition. The financial resource fund in the Consolidated Statement of Cash Flows is equal to cash and cash equivalents reported in the Consolidated Statement of Financial Position.

EuroTeleSites Group invests its cash with various financial institutions with impeccable credit ratings. Therefore the calculation of expected credit losses for cash and cash equivalents resulted in an insignificant amount, which was not recognized (see also "Credit risk" in Note (25)).

10| Accounts Receivable, Net

Accounts receivable represent amounts owed by customers where the right to payment is conditional only on the passage of time. All accounts receivable are recorded at amortised cost. The carrying value of all accounts receivable at amortised cost is reduced by allowances for lifetime estimated credit losses.

in tEUR	22 September - 31 December 2023	31 December 2024
Accounts receivable, gross	9,832	8,552
Loss allowances	-205	-466
Accounts receivable, net	9,627	8,086

The development of the loss allowance for accounts receivable due from customers as well as their age structure is disclosed in "Credit risk" in Note (25).

11| 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 the subsidiaries of América Móvil. 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.

All business transactions with related parties are continuously monitored and documented to ensure that pricing is at arm's length. With the exception of fully consolidated subsidiaries, whose transactions are eliminated in consolidation, and the private placement assumed by A1 Group on 22 July 2024, there are no financing activities with related parties. However, prior to the spin-off, A1 Towers Holding GmbH (see Note (2)) took out a bond and a bank loan amounting to tEUR 500.000 each. In the spin-off a liability in the amount of tEUR 1,031,000 due to A1 Group was allocated to A1 Towers Holding GmbH, which was paid on 26 September 2023.

The revenues from and expenses charged to related parties are the following:

in tEUR	22 September - 31 December 2023	2024
Revenues (incl. other operating income)	64,365	250,495
Expenses	-1,853	-6,904

In 2024 and 2023, revenue generated with A1 Group included the entire range of EuroTeleSites services. Revenue disaggregated per segment is reported in Notes (1) and (6). Expenses with the A1 Group concern mainly expenses for services provided and electricity.

As of 31 December 2024 and 2023, the accounts receivable due from related parties and accounts payable due to related parties reported in the consolidated statement of financial positions exclusively relate to A1 Group.

The bond issued in a private placement amounting to tEUR 180,000 was assumed in full by A1 Group and is reported in long-term debt and not liabilities due to related parties (see Note (19)).

Maturity analysis of related party lease liabilities is presented in Note (23) and relates solely to A1 Group.

The following table shows the compensation of key management personnel as well as the expenses for pensions and severance for other employees. Key management personnel is defined as the members of the management boards and the managing directors of all significant operating companies of EuroTeleSites Group registered in the Company Register as well as the members of the Management Board of EuroTeleSites AG (see Note (29)).

in tEUR	22 September - 31 December 2023	2024
Short-term employee benefits	344	1,234
Other long-term benefits		
Termination benefits		
Share-based payments	0	100
Total compensation of key management	344	1,334
Expenses for pensions and severance for other employees	71	177
Expenses for pensions and severance for Management Board	20	45

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

12 | Other Current Assets

Other current assets are as follows:

in tEUR	31 December 2023	31 December 2024
Prepaid expenses	1,382	1,074
Other current assets	703	1,347
Total	2,085	2,421

Prepaid expenses:

in tEUR	31 December 2023	31 December 2024
Advances to employees	121	69
Advance rent payments	299	272
Other	962	733
Prepaid expenses	1,382	1,074

The other prepaid expenses at 31 December 2024 and 2023 mainly relate to payments for insurance.

in tEUR	31 December 2023	31 December 2024
Other financial assets	9	8
Financial assets	9	8
Fiscal authorities	593	9
Employees ST	2	5
Advance payments	26	450
VAT receivable	72	875
Non-financial assets	694	1,340
Other current assets	703	1,347

The advance payments refer to deposits for rents as well as payments for rents for which invoice is not yet received.

Other non-financial assets represent VAT receivable.

13 | Property, Plant and Equipment

The acquisition and production costs of property, plant and equipment include certain costs that are capitalized during the installation and expansion of the assets, for example material, payroll, direct overhead and interest costs as well as the present value of estimated decommissioning and restoration obligations (see Note (18)). Value added tax (VAT), which is charged by suppliers and refunded by the tax authorities, is not included in cost.

Maintenance and repairs are expensed as incurred, while replacements and improvements are capitalized. The cost and accumulated depreciation of assets sold or retired are removed from the accounts, and any resulting gain or loss is recognized in other operating expenses or other operating income. Auxiliary and operating materials are used primarily in the expansion of sites and are reported under property, plant and equipment in accordance with IAS 16.8 as they are expected to be used in more than one period.

EuroTeleSites Group re-assessed its accounting for property, plant and equipment with respect to measurement of a certain class of property, plant and equipment (sites) after initial recognition. EuroTeleSites Group had previously measured all property, plant and equipment using the cost model whereby, after initial recognition the assets were carried at cost less accumulated depreciation and accumulated impairment losses.

After the spin-off from the A1 Group, the Management Board concluded that the fair value of the sites can be measured reliably and they shall be carried at a revalued amount in accordance with IAS 16.31 considering the new accounting policy as more relevant. With the change in accounting policy, the sites are no longer recognized at historical cost, but measured under the revaluation model after initial recognition.

EuroTeleSites Group considers that the revaluation model represents the actual conditions of the industry of these assets and improves its financial position, which allows its shareholders and stakeholders to have the necessary financial information associated with market expectations about these assets. The revaluation was performed and initially recorded as of 1 October 2023. The Group applied the revaluation model prospectively.

The Management Board has decided to use the method of net present values of the expected cash flows over the anticipated term of the lease agreements (which corresponds to the useful life) to determine the fair value of the

sites for revaluation purposes. All expected cash inflows and cash outflows over the anticipated term of the lease contracts were considered for the revaluation. These amounts have been adjusted for the estimated inflation and discounted based on a risk-free rate, which was risk-adjusted. The calculation of the fair value was calculated for the entire network on a per country level (i.e. highest and best use) and then allocated with two thirds to the individual site on the basis of different site types and with one third on the basis of the carrying amount of each site according to the cost model of each site.

Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value. After the initial revaluation as of 1 October 2023, in accordance with the group accounting policy, a new revaluation was performed as of 1 November 2024 and is presented in the table below:

Changes to Statement of financial position as of 1 November 2024 in tEUR	Notes	Fair Value	Carrying amount at cost	Change fixed assets (IAS 16)	Tax Rate	Deferred Tax	Other comprehensive income
Revaluation							
Austria		886,626	191,259	35,482	23%	8,161	27,321
Bulgaria		110,014	12,747	5,227	10%	523	4,704
Croatia		148,834	19,235	25,437	18%	4,579	20,858
North Macedonia		29,517	6,195	4,505	10%	450	4,054
Serbia		63,731	11,689	29,703	15%	4,435	25,268
Slovenia		129,139	14,803	8,775	22%	1,930	6,844
		1,367,861	255,928	109,127		20,078	89,049

Changes to Statement of financial position as of 1 October 2023 in tEUR	Notes	Fair Value	Carrying amount at cost	Change fixed assets (IAS 16)	Tax Rate	Deferred Tax	Other comprehensive income
Revaluation							
Austria		861,001	168,937	692,065	23%	159,175	532,890
Bulgaria		106,129	9,672	96,457	10%	9,646	86,811
Croatia		127,504	18,344	109,160	18%	19,649	89,511
North Macedonia		21,951	2,239	19,712	10%	1,971	17,741
Serbia		100,686	12,120	88,565	15%	13,285	75,280
Slovenia		55,183	9,840	45,343	19%	8,615	36,728
		1,272,454	221,153	1,051,301		212,340	838,961

The difference between the change in fixed assets due to revaluation, the change in estimate of ARO, and the revaluation reserve in equity is due to exchange rate differences.

Regarding the recognition of the revaluation amount, EuroTeleSites Group applies the net method, which is why the revaluation amount is presented as the new carrying amount and the accumulated depreciation is eliminated against the gross carrying amount of the asset.

The revaluation surplus is recorded in OCI and credited to the revaluation reserve in equity. However, to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation decrease is recognised in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation surplus.

An annual transfer from the asset revaluation surplus to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to retained earnings.

In the current financial year, depreciation of tEUR 60,579 (2023: tEUR 14,112) was recognized in profit or loss. The depreciation less related income taxes attributable to the revaluation, amounting to tEUR 36,790 (2023: tEUR 8,868), was transferred from the revaluation reserve to retained earnings. The revaluation of the assets was

performed internally. The carrying amount of the sites as of 31 December 2024 would have been tEUR 260,870 (2023:tEUR 232,448) if no revaluation had been performed.

Based on property, plant and equipment at 31 December 2024 and 2023, the revaluation will lead in the following years to monthly depreciation expense and deferred tax income, as provided in the following table:

2024			
Changes to Consolidated Statement of Comprehensive Income	Depreciation per month	Deferred tax per month	Effect on Profit or Loss per month
Revaluation			
Austria	2,547	586	1,961
Bulgaria	358	36	322
Croatia	476	86	391
North Macedonia	86	9	77
Serbia	420	63	358
Slovenia	191	42	149
Total	4,079	821	3,258

2023			
Changes to Consolidated Statement of Comprehensive Income	Depreciation per month	Deferred tax per month	Effect on Profit or Loss per month
Revaluation			
Austria	2,428	559	1,870
Bulgaria	340	34	306
Croatia	384	69	315
North Macedonia	69	7	62
Serbia	312	47	265
Slovenia	160	35	125
Total	3,693	751	2,943

in tEUR	Sites	Other assets	Construction in progress	Inventories for operation of the plant	Total
Cost at 22 September 2023	1,379,893	7,916	12,194	879	1,400,882
Additions	15,101	346	11,288	939	27,674
Disposals	-1,381	-1	0	-2	-1,384
Transfers	2,404	2	-1,790	-617	0
Translation adjustment	36	1	1	0	37
Revaluation	-106,883	0	0	0	-106,883
At 31 December 2023	1,289,169	8,264	21,693	1,200	1,320,327
Additions	32,435	316	20,301	1,410	54,461
Disposals	-2,361	-83	0	-7	-2,450
Transfers	14,007	-405	-11,776	-1,412	415
Translation adjustment	166	6	4	-0	176
Revaluation	65,181	0	0	0	65,181
At 31 December 2024	1,398,597	8,098	30,222	1,191	1,438,110
Accumulated depreciation at 22 September 2023	-1,156,677	-4,675	0	0	-1,161,352
Additions	-13,995	-113	0	0	-14,109
Disposals	401	1	0	0	402
Transfers	0	0	0	0	0
Translation adjustment	51	-0	0	0	51
Revaluation	1,158,126	-4,788	0	0	1,158,126
At 31 December 2023	-12,095	-4,788	0	0	-16,882
Additions	-60,053	-469	0	0	-60,522
Disposals	1,356	63	0	0	1,420
Transfers	-747	609	0	0	-138
Translation adjustment	-6	-2	0	0	-7
Revaluation	43,928	0	0	0	43,928
At 31 December 2024	-27,616	-4,586	0	0	-32,201
Carrying amount at 31 December 2023	1,277,074	3,477	21,693	1,200	1,303,444
Carrying amount at 31 December 2024	1,370,981	3,512	30,222	1,191	1,405,909

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

Depreciation on property, plant and equipment is calculated using the straight-line method. If an event or circumstance indicates that the assets may be impaired, they are tested for impairment (see Impairment test in Note (15)). The useful lives are:

in years	2023	2024
Sites (excl. airconditioners and containers)	24	24
Other assets (incl. airconditioners and containers)	2-10	2-10

Sensitivity analysis

The estimated useful lives of property, plant and equipment represent the periods in which the assets are estimated to be used by EuroTeleSites Group. A change in the useful lives by one year would lead to the following changes in depreciation:

in tEUR	22 September - 31 December 2023	2024
Decrease due to extension by one year	2,043	2,581
Increase due to reduction by one year	5,155	11,527

As of 31 December 2024, the contractual commitments for the acquisition of property, plant and equipment amounted to tEUR 16,808 (2023: tEUR 9,980).

14 | Intangibles

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

in tEUR	Licenses and other rights	Patents	Software	Construction in progress	Total
Cost at 22 September 2023	854	324	6	347	1,531
Additions	0	0	9	0	9
Disposals	0	0	0	-24	-24
Transfers	0	0	0	0	0
Translation adjustment	0	0	-0	0	0
At 31 December 2023	854	324	15	323	1,516
Additions	0	0	1,367	21	1,388
Disposals	0	0	0	0	0
Transfers	0	-324	1	-92	-415
Translation adjustment	0	0	0	0	0
At 31 December 2024	854	0	1,383	252	2,489
Accumulated amortization and impairment at 22 September 2023	-804	-141	-1	0	-947
Additions	-6	4	-1	0	-4
Disposals	0	0	0	0	0
Transfers	0	0	0	0	0
Translation adjustment	0	0	0	0	0
At 31 December 2023	-811	-138	-2	0	-950
Additions	-25	0	-33	0	-57
Disposals	0	0	0	0	0
Transfers	0	0	0	0	0
Translation adjustment	0	138	0	0	138
At 31 December 2024	-836	-0	-35	0	-869
Carrying amount at 31 December 2023	43	186	13	323	566
Carrying amount at 31 December 2024	18	-0	1,349	252	1,620

If there is an indication of impairment, intangible assets are tested for impairment (see Impairment test).

Intangible assets are amortized applying the straight-line method and is based on the following useful lives in years

in years	2023	2024
Patents	7	7
Software	5-4	5-4

Expected amortization for future periods and the effects of a change in the useful lives is not reported, due to insignificant effects.

Software

Certain direct and indirect development costs associated with internally developed software are capitalized once the project has reached the development phase. Development costs are generally amortized using the straight-line method over a period that does not exceed four years from the time when the asset is essentially ready for use. Development costs requiring capitalization include direct costs of materials and purchased services as well as payroll costs and interest costs. Costs incurred during the preliminary project stage, maintenance and training costs as well as research and development costs (with the exception of the above-mentioned capitalisable development costs) are expensed as incurred.

In 2024, EuroTeleSites Group capitalised license and implementation cost in accordance with IAS 38 for software that will serve as the central solution to manage its site infrastructure. This is presented in the following table:

in tEUR	31 December 2023	31 December 2024
Cost of production	15	1,383
Accumulated amortization	-2	-35
Carrying amount	13	1,349
Additions	0	1,367

Contractual commitments

At 31 December 2024, contractual commitments for the acquisition of intangible assets amounted to tEUR 622 (2023: tEUR 602).

Impairment test

Property, plant and equipment and intangible assets with finite useful lives are tested for impairment if facts or changes in circumstances indicate that the carrying amount of an asset could be above its recoverable amount. The impairment test is performed for all property, plant and equipment, right-of-use assets and intangible assets, regardless of whether they are intended for sale or not. In accordance with IAS 36, an impairment loss is recognized when an asset's carrying amount exceeds the higher of its fair value less costs to sell or its value in use. Fair value is the amount obtainable from the sale of the asset in an arm's length transaction. Value in use is based on the discounted cash flows expected to arise from the continued use of the asset and from its disposal at the end of its useful life. Impairment charges are recorded separately in the Consolidated Statement of Comprehensive Income. If there is any indication that the impairment recognized in prior periods no longer exists, EuroTeleSites Group will consider the need to reverse all or a portion of the impairment charge.

In 2024 and 2023 no impairment loss was recognised.

15| Goodwill

The goodwill results from business combinations of A1 Group in the past, which were allocated to EuroTeleSites Group proportionally to the spun-off assets based on the relative values of the respective cash generating units of the A1 Group and the EuroTeleSites Group as of 22 September 2023.

Goodwill is recognized in the course of business combinations and is measured as the difference between the aggregate of the fair value of the consideration transferred and the amount of any non-controlling interest in the acquired company less the fair value of the identifiable assets acquired and the liabilities assumed.

The following table shows the changes in the carrying amounts of goodwill allocated to the individual cash-generating units:

in tEUR	Austria	Bulgaria	Croatia	North Macedonia	Slovenia	Total
At 22 September 2023	120,958	20,606	24,908	4,265	38,338	209,075
Translation adjustment	0	0	0	1	0	1
At 31 December 2023	120,958	20,606	24,908	4,266	38,338	209,076
Translation adjustment	0	-0	0	0	0	-0
At 31 December 2024	120,958	20,606	24,908	4,266	38,338	209,076

Impairment test

Goodwill and other intangible assets with indefinite useful lives and other intangible assets that are not yet available for use are not amortized, but are tested for impairment in accordance with IAS 36 at least once a year in the fourth quarter, irrespective of whether there is any indication of impairment, by comparing their carrying amounts with their recoverable amounts. If an event or circumstance indicates that an asset may be impaired, impairment tests are also carried out.

For the purpose of impairment testing, assets are allocated in cash-generating units, which are the smallest identifiable group of assets that generate cash inflows and that are largely independent of the cash inflows from other assets or groups of assets. Goodwill acquired in a business combination is allocated to each of the cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units or groups of units, starting from the acquisition date. Each unit or group of units to which goodwill is allocated shall: (a) represent the lowest level within the entity at which goodwill is monitored for internal management purposes; and (b) not be larger than an operating segment. Cash-generating units to which goodwill has been allocated shall be tested for impairment annually by comparing the carrying amount of the unit, including its assigned goodwill, with the recoverable amount of the cash-generating unit. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use.

The segments of EuroTeleSites Group are representing the cash-generating units.

EuroTeleSites Group performs these impairment tests by calculating the fair value less costs of disposal based on capital-market-oriented valuation methodology which is based on detailed planning of future cash flows of revenue and costs less capital expenditure for maintenance and replacement of assets as well as working capital changes for a planning period of twenty years and a perpetual annuity for the years following the detailed planning period. The detailed planning is based on business plans approved by the management and is also used for internal management purposes. Significant planning assumptions comprise the development of revenues, the profit margin in the detailed planning period as well as the growth in the perpetual annuity for the years following the detailed planning period.

Significant assumptions to determine the fair value less costs of disposal comprise the development of revenues, cost drivers, working capital changes, capital expenditure for maintenance and replacement of assets, growth rate and discount rate, as well as costs of disposal. Historical performance and past experience and expectations also consider knowledge acquired while being part of A1 Group.

- ▮ Assumptions regarding development of revenues are based on historical performance, industry forecasts and external market data such as the development of gross domestic product (GDP), inflation rates, currency rates, population and other parameters.
- ▮ Cost drivers and capital expenditure for maintenance and replacement of assets are based on past experience and internal expectations.
- ▮ Growth rates applied to the perpetual annuity consider country-specific growth rates as well as company-specific revenue growth rates of prior periods and those used in detailed planning, respectively.
- ▮ Detailed planning is based on developments of the past and expectations regarding future market developments.

The resulting cash flows are discounted at the weighted average cost of capital, which is determined separately for each cash-generating unit, to determine the fair value less costs of disposal of the cash-generating units. The cost of capital used for discounting the cash flows is determined based on the “capital asset pricing model” and corresponds to the weighted average interest rate of equity and debt capital of the peer group. The determination of the cost of equity is based on a risk-free borrowing rate, adjusted for market and country-specific risks. The cost of debt is based on a risk-free borrowing rate, adjusted for risk. The cost of debt as well as beta factors and capital structure of the peer group are derived from publicly available market data. The beta factor used on the reporting date is the average of the 5-year beta of the last twelve months. The costs of disposal are based on experience from M&A projects while being part of A1 Group.

The analysis of climate scenarios has been a part of risk management, analysing the determined impacts in the field of flood risk, carbon taxation and electricity costs. The analysis of risks in the first two fields did not lead to significant impacts on the results. Due to this fact, no explicit adjustments were made in the impairment testing. Regarding the electricity costs short-term price increases have already been included in the business plan and were already part of the impairment test, no new effects from transitional risks (e.g. CO₂ taxation) come from the scenario analysis, and thus no valuation-relevant changes.

Effects of external sources such as market capitalization and market yields are reflected in the weighted average cost of capital, as disclosed in the following table.

The following parameters were used to calculate the fair value less cost of disposal:

	Growth rates perpetual annuity 2023	Pre-tax discount rates 2023	Growth rates perpetual annuity 2024	Pre-tax discount rates 2024
Segment Austria	0.0%	6.2%	0.0%	6.8%
Segment Bulgaria	0.0%	8.0%	0.0%	8.5%
Segment Croatia	0.0%	8.3%	0.0%	7.8%
Segment North Macedonia	0.0%	10.9%	0.0%	10.8%
Segment Slovenia	0.0%	7.3%	0.0%	7.7%

If the fair value less costs of disposal of the cash-generating unit exceeds its carrying amount, the cash-generating unit and the goodwill allocated to that cash-generating unit shall be regarded as not impaired.

If the fair value less costs of disposal is lower than the carrying amount of the cash-generating unit, an impairment charge is recognized in profit or loss for goodwill and those assets not carried at revaluation amount. The impairment loss shall first be allocated to the carrying amount of any goodwill allocated to the cash-generating unit, and then to the other assets of the cash-generating unit pro rata on the basis of the carrying amount of each asset in the cash-generating unit, provided that the recoverable amount is less than the carrying amount of the cash-generating unit. These reductions in the carrying amounts represent impairment losses on individual assets. Impairment losses (revaluation) relating to revalued assets (sites) shall be recognized in other comprehensive income to the extent of any credit balance existing in the revaluation reserve in respect of that asset.

At 31 December 2024 and 2023, the fair value less costs of disposal of all cash-generating units exceeded the carrying amounts. Thus, no impairment charges had to be recognized.

16| Other Non-current Assets

in tEUR	31 December 2023	31 December 2024
Other financial assets	70	58
Financial assets	70	58
Other non-financial assets	1,741	1,257
Other non-current assets, gross	1,811	1,315
Less loss allowance for financial assets	0	0
Other non-current assets, net	1,811	1,315

Other non-financial assets include essentially fund raising costs and bank charges.

17| Accounts Payable

Accounts payable consist of the following items:

in tEUR	31 December 2023	31 December 2024
Fiscal authorities	5,050	5,988
Social security	141	137
Deferred rental revenues	1,767	2,540
Other non-financial liabilities	63	26
Current non-financial liabilities	7,021	8,691
Suppliers	22,549	24,949
Accrued interest	17,345	16,253
Employees	553	640
Other current financial liabilities	3	0
Current financial liabilities	40,451	41,842
Accounts payable	47,472	50,533

Liabilities due to fiscal authorities include mainly value-added taxes and payroll taxes. Liabilities regarding social security relate to statutory contributions to the social security system.

Accrued interest relates to interest on the bonds and bank debt.

Liabilities due to employees relate mainly to salaries payable (including overtime and travel allowances) and unused vacation days.

18| Accrued Liabilities and Provisions, Asset Retirement Obligation

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

in tEUR	Employees	Asset retirement obligation	Other	Total
At 22 September 2023	298	98,978	182	99,459
Additions	399	1,143	7	1,549
Changes in estimate	0	-38,908	0	-38,908
Used	-16	-11	-8	-35
Released	0	-1	0	-1
Accretion expense	0	573	0	573
Translation adjustment	-0	-3	0	-3
At 31 December 2023	681	61,772	181	62,635
Additions	915	379	267	1,560
Changes in estimate	0	12,651	0	12,651
Used	-732	-130	-40	-901
Released	0	0	-88	-88
Accretion expense	0	2,154	0	2,154
Translation adjustment	0	3	0	3
At 31 December 2024	864	76,829	320	78,014
thereof long-term portion	0	76,829	0	76,829
thereof short-term portion	864	0	320	1,184

In measuring provisions, the Management Board must assess if there are obligations to third parties that will probably lead to a cash outflow for EuroTeleSites Group and that can be estimated reliably. Provisions are recognized in the amount of the probable utilization.

Even though the provision is not expected to be paid in the following financial year, provisions are reported under short-term provisions, with the exception of the asset retirement obligation, since EuroTeleSites Group has no influence on the timing of the utilization.

Asset retirement obligation

EuroTeleSites Group accounts for assets retirement obligations arising from the disposal and decommissioning of sites and leased business premises.

Liabilities for asset retirement obligations are measured at their net present value in accordance with IAS 37, the increase in the liability that reflects the passage of time is recognized in profit or loss (see Note (8)). The effects of changes in the measurement from existing provisions are accounted for in accordance with IFRIC 1.

Since the revaluation model is used for sites, changes in valuation for existing provisions are recorded in the revaluation reserve recognized for this asset, so that

- a) a decrease in the provision is recognized in other comprehensive income, unless it is recognized in profit or loss to the extent that it reverses revaluation deficit of the same asset that was previously recognised in profit or loss,
- b) an increase in the provision is recognized in profit or loss, unless it is recognized in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

In the event that a decrease in the provision exceeds the carrying amount that would have been recognized had the asset been carried using the cost model, the excess must be recognized immediately in profit or loss.

EuroTeleSites Group operates sites on land, rooftops and on other premises under various types of lease contracts. In estimating the fair value of the retirement obligation for its sites, EuroTeleSites Group has made a number of assumptions such as the time of retirement or an early cancellation, the development of technology and the cost of remediating the sites.

The following table provides the parameters used for the measurement of the obligation:

	31 December 2023	31 December 2024
Discount rate	4.2% - 10.4%	3.5% - 8.4%
Rate of compensation increase	2.1% - 3.1%	2.1% - 3.1%

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

The discount rate applied to the calculation reflects current market expectations with regard to interest effects as well as specific risks of the obligation. The discount rate in the non-eurozone is based on the interest rate of German federal bonds with a term of 30 years, adjusted by a risk premium for each country. For those countries whose currencies are not tied to the Euro, the respective inflation delta according to the OECD is taken into account as well. In the eurozone, the discount rate is based on government bonds with matching maturities. The inflation rates applied to the calculation reflect the general development in the individual countries.

In June and December 2024 and in November and December 2023 changes in estimate occurred as the Incremental borrowing rate for long term financing changed. This change in estimate amounted to an increase of tEUR 12,651(2023: tEUR 7,778) in the asset retirement obligation, a decrease of tEUR 2,640 (2023: tEUR 1,621) of deferred tax liabilities and a change to the revaluation reserve of the Other Comprehensive Income in the amount of tEUR 10,011(2023: tEUR 6,157).

Sensitivity analysis

A change of one percentage point in the discount rate or in the inflation rate would lead to the following changes in provisions (negative values indicate a reduction in provisions):

in tEUR, at 31 December 2024	1 percentage point increase	1 percentage point decrease
Change in discount rate	-14,879	18,652
Change in inflation rate	18,807	-15,241
in tEUR, at 31 December 2023	1 percentage point increase	1 percentage point decrease
Change in discount rate	-12,066	15,207
Change in inflation rate	15,427	-12,386

Other provisions

Other provisions relate mainly to permits for existing sites and legal advice.

Employees' provision

The employee provisions include mainly incentive and performance bonuses.

19 | Long-term Debt

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

	Maturity		Nominal interest rate	Face value December 31, 2023 (tEUR)	Face value 31 December 2024 (tEUR)	Carrying amount 31 December 2023 (tEUR)	Carrying amount 31 December 2024 (tEUR)
Bond	2028	fix	5.25%	500,000	500,000	494,895	496,023
Private placement with A1 Group	2028	variable	3-months Euribor + 1,05	0	180,000	0	179,931
Bank debt	2028	variable	3-months Euribor + 1,30	500,000	290,000	500,000	290,000
Financial debt				1,000,000	970,000	994,895	965,955
Long-term financial debt				1,000,000	970,000	994,895	965,955

Bonds

Bonds are recognized at the actual amount received. Discount and issue costs are amortized over the related term using the effective interest rate method.

On 13 July 2023, A1 Towers Holding GmbH (then part of the A1 Group) issued a bond with a face value of tEUR 500,000, discount and issue costs of tEUR 5,635, maturity in 2028 and a fixed interest coupon of 5.25%.

On 22 July 2024 EuroTeleSites Group issued a private placement with a face value of tEUR 180,000, a maturity in July 2028 and variable interest rate equal to 3-months EURIBOR plus a margin of 1.05 base points. The private placement was assumed in full by A1 Group. The proceeds were used to repay part of the bank debt.

Bank loans

Furthermore, a bank loan of tEUR 500,000 was taken out in 2023, which is due on 9 June 2028 and has a variable interest rate linked to the 3-months Euribor with a fixed margin of 1.30 base points. In 2024 tEUR 210,000 were paid by using the proceeds of tEUR 180,000 from the private placement and tEUR 30,000 from free cashflow.

20 | Employee Benefits

EuroTeleSites Group records employee benefit obligations under defined contribution and defined benefit plans.

In the case of defined contribution plans, EuroTeleSites Group pays contributions to publicly or privately administered pension or severance insurance plans on a mandatory or contractual basis. Other than payment contributions, which are recognized in employee expenses in the respective functional area in the respective period, there are no further obligations.

All other obligations are unfunded defined benefit plans and are measured using the projected unit credit method in accordance with IAS 19:

in tEUR	31 December 2023	31 December 2024
Service awards	387	293
Severance	1,596	1,673
Other	0	100
Long-term employee benefit obligations	1,983	2,066

According to IAS 19.133, EuroTeleSites Group chooses to distinguish between current and non-current liabilities arising from employee benefit obligations. At 31 December 2024 there are no current liabilities arising from employee benefit obligations.

For severance, EuroTeleSites Group recognizes remeasurement gains and losses in other comprehensive income (OCI), whereas remeasurement gains and losses for service awards are immediately recognized in profit or loss. The remeasurement of defined benefit plans relates to actuarial gains and losses only, as EuroTeleSites Group holds no

plan assets. Accrued interest on employee benefit obligations is reported in the financial result, while service cost is reported in employee expenses in the respective functional area.

Actuarial assumptions

The key actuarial assumptions used to measure the obligations for service awards and severance are as follows:

	31 December 2023	31 December 2024
Discount rate service awards	3.25%	3.00%
Discount rate severance	3.25%	3,00%-3,50%
Rate of compensation increase – civil servants	6.0%	4.20%
Rate of compensation increase – employees	3,50%-5,40%	3,10%-3,80%
Employee turnover rate ¹	0,0%-0,91%	0,00%-1,00%

¹ Depending on years of service, including previous service periods with A1 Group.

The discount rates are determined on the basis of the yields of senior, fixed-interest industry bonds and a duration corresponding to the expected maturities of the defined benefit obligations.

When determining the compensation increase to be applied in 2024, expected future increases in salaries were included because of the current economic situation. Based on the current high inflation, higher compensation increases are expected in the short term, which will in the long term develop into average amounts of the past. Due to the different durations of the provisions, the rates of compensation increase were determined individually for each provision.

Life expectancy in Austria is based on “AVOe 2018-P – Rechnungsgrundlagen für die Pensionsversicherung – Pagler & Pagler”. The obligations related to the international subsidiaries were measured on the same actuarial basis due to their insignificant proportion.

Duration

The weighted average duration of the obligations is as follows in years:

	31 December 2023	31 December 2024
Service awards	4.2	3.2
Severance	10.0	9.0

Service awards

Civil servants and certain employees (in the following “employees”) are eligible to receive service awards. In accordance with the legal regulations, eligible employees receive a cash bonus of two months salary after 25 years of service and four months salary after 40 years of service. Employees with at least 35 years of service when retiring (at the age of 65) or who are retiring based on specific legal regulations are also eligible to receive the service award of four monthly salaries. The obligation is accrued over the period of service, taking into account the employee turnover rate for employees who leave employment prematurely. The main risk that EuroTeleSites Group is exposed to is the risk of development of salary increases and changes of interest rates.

At 31 December 2024 less than 2% (2023: 1%) of the non-current defined benefit obligation for service awards relate to foreign subsidiaries.

Severance

Defined contribution plan

Employees who started to work for A1 Group in Austria on or after 1 January 2003 and were then transferred to EuroTeleSites Group or who started directly to work for EuroTeleSites Group in Austria are covered by a defined contribution plan. In 2024, EuroTeleSites Group paid 1.53% (2023: 1.53%) of the salary or wage, amounting to tEUR 222 (2023: tEUR 20), into this defined contribution plan (BAWAG Allianz Mitarbeitervorsorgekasse AG).

Defined benefit plans

Severance benefit obligations for employees whose employment commenced with A1 Group in Austria before 1 January 2003 and were then transferred to EuroTeleSites Group, excluding civil servants, are covered by defined benefit plans. Upon termination of employment by EuroTeleSites Group or upon retirement, eligible employees receive severance payments. Depending on their time in service, their severance amounts to a multiple of their monthly basic compensation plus variable components such as overtime or bonuses, up to a maximum of twelve-monthly salaries. In case of death, the heirs of eligible employees receive 50% of the severance benefits. The primary risks to EuroTeleSites Group are salary increases and changes of interest rates.

The following table shows the components and a reconciliation of the changes in the obligation for severance:

in tEUR	2023	2024
At 22 September 2023 / 1 January 2024	1,460	1,596
Service cost	10	30
Interest cost	11	52
Recognized in profit or loss	21	82
Actuarial gain/loss from experience adjustment	115	78
Actuarial gain/loss from changes in demographic assumptions	0	-3
Actuarial gain/loss from changes in financial assumptions	0	-91
Recognized in other comprehensive income	115	-16
Foreign currency adjustments	0	11
Obligation at 31 December	1,596	1,673
Less short-term portion	0	0
Non-current obligation	1,596	1,673

At 31 December 2024, approximately 8% (2023: 7%) of the non-current defined benefit obligation for severance relate to foreign subsidiaries.

Pensions

Defined contributions pensions plans

In Austria, pension benefits are generally provided by the social security system for employees, and by the government for civil servants. The contributions of 12,55% (2023: 12.55%) of gross salaries that EuroTeleSites Group made in 2024 to the social security system and the government in Austria amounted to tEUR 625 (2023: tEUR 408). In 2024, contributions of the foreign subsidiaries into the respective systems ranged between 9.00% and 25.00% (2023: between 8.85% and 24.00%) of gross salaries and amounted to tEUR 425 (2023: tEUR 362).

Additionally, EuroTeleSites Group offers a defined contribution plan for employees of its Austrian subsidiaries, who were employed by A1 Group in Austria on or before 31 December 2011 and were then transferred to EuroTeleSites Group (in total 28 employees). EuroTeleSites Group's contributions to this plan are based on a percentage of the compensation not exceeding 5.00% (2023: 5.00%). In 2024, the annual expenses for this plan amounted to tEUR 114 (2023: tEUR 62).

Sensitivity analysis

A change in the discount rate of half a percentage point would lead to the following changes in obligations (negative values indicate a reduction in obligations):

in tEUR as at 31 December 2024	0.5 percentage point decrease	0.5 percentage point increase
Service awards	5	-5
Severance	77	-72

A change in the rate of compensation of one percentage point would lead to the following changes in obligations (negative values indicate a reduction in obligations):

in tEUR as at 31 December 2024	1 percentage point decrease	1 percentage point increase
Service awards	-8	9
Severance	-139	155

A change in the employee turnover rate of half a percentage point would lead to the following changes in obligations (negative values indicate a reduction in obligations):

in tEUR as at 31 December 2024	0.5 percentage point decrease	0.5 percentage point increase
Service awards	0	-2
Severance	18	-33

* The calculation of a 0.5% decrease is limited to a maximum of 0.0% of the employee turnover rate.

In 2023 a change in the discount rate of half a percentage, a change in the rate of compensation of one percent as well a change in employee turnover rate of half a percentage would each had lead to a change in the provision of less than tEUR 163.

21 | 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).

The capital management of EuroTeleSites Group focuses primarily on maintaining and improving the capital basis. This shall continue to be documented by solid investment grade ratings from renowned rating agencies. With the target to further deleverage, EuroTeleSites plans not to pay dividends in the near future.

Share capital

At 31 December 2024 and 2023, the common stock of EuroTeleSites AG amounts to tEUR 166,125 and is divided into 166.125 million bearer shares. At 31 December 2024 and 2023, América Móvil indirectly holds a stake of 56.96% through its 100% subsidiary América Móvil B.V., Netherlands, while OeBAG holds a stake of 28.42%. The remaining shares are free float. The shares have no par value.

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

The annual loss of EuroTeleSites AG according to the Austrian GAAP (UGB) amounts to tEUR 1,598 (2023: tEUR 2,292).

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. The Management Board plans, subject to approval from the Supervisory Board, to propose to the shareholders at the Annual General Meeting not to distribute dividends for 2024.

No dilutive Instruments existed at 31 December 2024 and 2023, therefore this had no effect on the calculation of EPS.

Capital reserves

When EuroTeleSites Group was spun-off from A1 Group the difference between assets, liabilities and share capital was recognised as capital reserve, which resulted in a negative amount of tEUR 808,550.

Other comprehensive income (OCI)

The revaluation reserve results from the revaluation of the sites (see Note (13)) and the respective adjustment of the Asset Retirement Obligations and related deferred taxes.

The IAS 19 reserve contains the remeasurement of severance obligations (see Note (20)). The translation reserve relates mainly to the consolidation of subsidiaries in the Republic of Serbia and North Macedonia.

The development of the individual OCI items is presented in the Consolidated Statement of Comprehensive Income and the Consolidated Statement of Changes in Stockholders' Equity.

22 | Income Taxes

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period in the countries where the Group operates and generates taxable income.

Deferred tax assets and liabilities are measured using the tax rates (and tax laws) that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by end the reporting period. Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date and tax loss carry forwards. The effect on deferred tax assets and liabilities of a change in

tax rates is recognized in the period the tax rate is effectively enacted. Investment tax credits are recognized as a reduction in income taxes in the period in which these credits are granted.

Current and deferred income tax relating to items recognised in other comprehensive income or directly in equity is recognised in other comprehensive income or equity and not in profit or loss.

In accordance with IFRIC 23, management regularly reviews certain tax issues for uncertainties regarding the treatment under effective tax regulations by the relevant tax authorities. Correspondingly, income tax liabilities were recognized for possibly existing tax risks based on all information available including interpretations of tax law and experience.

Starting January 1, 2024, EuroTeleSites Group is subject to the global minimum taxation under Pillar II. The concept of the so-called Pillar Two regulations, drawn up by the OECD and implemented by the EU via a directive, provides for a global minimum level of income tax of 15% and aims at containing tax competition. The mandatory exception of IAS 12 under which a company does not recognize deferred tax assets and liabilities related to the introduction of the "International Tax Reform - Pillar Two Model Rules" was applied in these consolidated financial statements.

The ultimate parent of EuroTeleSites Group and thus the Ultimate Parent Entity ("UPE") for Pillar Two is América Móvil (see Note (2)).

Telekom Austria AG was assigned by its ultimate parent entity to be the party liable to pay taxes according to Section 76 (2) no. 1 of the Minimum Taxation Act. In this respect, a tax group contract was concluded between Telekom Austria AG and EuroTeleSites AG, which guarantees among other things a source-based distribution in the event of any possible top up taxes.

The top-up tax recognised in the financial statements relates to the subsidiaries EuroTeleSites Bulgaria and EuroTeleSites North Macedonia, where the statutory tax rates are 10% each. In both countries, a domestic top-up tax was implemented, which was determined on the basis of national regulations and is recognized in current tax expense in 2024. The total amount of the top-up tax recognized is presented in the following table. In none of the other tax jurisdictions of EuroTeleSites Group further taxes had to be recognized at December 31, 2024 with respect to Pillar II, mainly due to the application of the safe harbour provisions.

Income tax attributable to income before income taxes consists of the following (negative values indicate an income tax benefit):

in tEUR	22 September - 31 December 2023	2024
Current income tax	1,961	10,769
Top-up tax		884
Withholding taxes		257
Deferred income tax	334	-6,010
Income tax	2,296	5,900

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

in tEUR	22 September - 31 December 2023	2024
Continuing operations	2,296	5,900
Income tax on remeasurement of defined benefit obligations ¹	-25	2
Income tax on revaluation of tower sites ¹	221,574	17,437
Total income tax	223,844	23,340

¹ Recognised in other comprehensive income (OCI).

In 2023 the income tax on revaluation of tower sites includes the effect of the change in tax rate in Slovenia from 2024 onwards.

In 2024, current corporate income tax is calculated by applying the tax rate of 23% (2023: 24%). The following table shows the major reconciling items between the reported income taxes and the amount of income taxes that would have resulted by applying the Austrian statutory income tax rate of 23% (2023: 24%) to earnings before income tax:

in tEUR	22 September - 31 December 2023	2024
Income tax expense at statutory rate	2,454	8,177
Foreign tax rate differential	-975	-2,989
Non-tax-deductible expenses	174	774
Tax incentives and tax-exempted income	167	-1,079
Change in tax rate	-838	0
Tax benefit/expense previous years	781	767
Changes in deferred tax assets not recognised	535	465
Other	-1	-214
Income tax	2,296	5,900
Effective income tax rate	22.45%	16.60%

In 2024 and 2023, non-deductible expenses consist mainly of various expenses not deductible for tax purposes in the individual countries.

In 2024 and 2023, tax incentives and tax-exempted income relate mainly to investments and other tax incentives in the individual countries.

At 31 December 2024 current and deferred taxes are measured by applying the tax rate of 23% and at 31 December 2023 current taxes were measured using the tax rate of 24% while deferred taxes were measured using 23% as the temporary differences reverses in 2024 or later and the tax rate of 23% applies from 2024 onwards. The change in tax rates in 2024 relates to the increase of Slovenian income taxes. Triggered by the excessive floods in 2023, a special and temporary increase of the income tax rate was introduced in Slovenia (from 19% to 22%). This will be valid for the next 5 years, applicable as of 2024.

The tax effects of temporary differences that give rise to deferred tax assets and liabilities are set out below:

in tEUR	Deferred tax assets 31 December 2023	Deferred tax liabilities 31 December 2023	Deferred tax assets 31 December 2024	Deferred tax liabilities 31 December 2024
Loss carry-forwards	3,656	0	0	0
Property, plant and equipment	0	-216,469	0	-227,945
Right-of-use assets, net	0	-57,503	0	-56,184
Other intangible assets	0	-2	0	-76
Accounts receivable	3	0	0	0
Lease liabilities	55,791	0	56,065	0
Provisions, long-term	953	-2,929	1,248	-150
Employee benefit obligations	194	0	191	0
Accrued liabilities and accounts payable	56	0	59	0
Other	2,917	0	1,994	-0
Total	63,571	-276,903	59,557	-284,356
Offsetting	-63,571	63,571	-59,557	59,557
Deferred tax assets/liabilities	0	-213,331	0	-224,798

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 was accepted by the tax authorities in February 2024 with retroactive effect from 22 September 2023.

Deferred tax liabilities on property, plant and equipment are mostly due to revaluation of the sites, which may not be recognized for tax purposes (see Notes (13)).

Right-of-use assets and lease liabilities according to IFRS 16 may not be recognized for tax purposes in some countries, resulting in deferred tax assets and liabilities.

Deferred tax assets on long-term provisions relate mostly to the provision for the asset retirement obligation, which may only be partly recognized for tax purposes.

Deferred tax assets on employee benefit obligations result from the difference between the amount recognized in accordance with Section 14 of the Austrian Income Tax Act (EStG) and the amount of the projected unit credit method in accordance with IAS 19).

23 | 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.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Additionally, the estimated cost to be incurred for restoring the site (ARO) are recognised. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

The lease term is generally equal to the non-cancellable term of the contract. In addition, options to extend or terminate a contract are taken into account. For lease contracts containing options to extend or terminate a lease, EuroTeleSites Group assesses at lease commencement date whether it is reasonably certain to exercise the options. EuroTeleSites Group reassesses whether it is reasonably certain to exercise the option to extend or terminate the lease if there is a significant event or significant changes in circumstances within its control.

For cancellable contracts with an indefinite term relating to sites, EuroTeleSites Group determined a contract term of eight years which takes into account the planning period, technology, business strategy and probability of cancellation of lease contracts. Within this period options to extend lease contracts are considered as exercised respectively options to terminate lease contracts are considered as not exercised. Apart from this EuroTeleSites Group has no other lease contracts with significant options in its portfolio.

Some lease contracts are subject to restrictions, as the approval of the lessor is needed to sublease the leased asset or to extend an existing lease asset. However, this has no impact on current business operations.

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

in tEUR	RoU Sites	RoU other facilities	RoU buildings	Total
Cost				
At 22 September 2023	399,986	776	356	401,118
Additions	9,457	63	17	9,536
Disposals	-3,950	-3	0	-3,953
Translation adjustment	14	-0	-0	14
As at 31 December 2023	405,507	835	372	406,714
Additions	64,578	389	517	65,483
Disposals	-27,682	-23	0	-27,705
Translation adjustment	114	0	1	115
As at 31 December 2024	442,516	1,201	890	444,607
Accumulated amortisation and impairment				
At 22 September 2023	0	0	0	0
Additions	-15,755	-90	-17	-15,862
Disposals	1,319	2	0	1,321
Translation adjustment	-8	-0	-0	-8
As at 31 December 2023	-14,444	-88	-17	-14,548
Additions	-60,199	-386	-127	-60,712
Disposals	7,998	23	0	8,021
Translation adjustment	-49	0	-0	-50
As at 31 December 2024	-66,694	-451	-144	-67,289
Carrying amount at 31 December 2023	391,063	747	355	392,166
Carrying amount at 31 December 2024	375,822	750	746	377,318

Other facilities contain mainly vehicles.

In addition to new contracts, additions to right-of-use assets contain modifications and renewals of contracts as well as index adjustments.

At the commencement date of the lease, EuroTeleSites Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, EuroTeleSites Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification of the lease, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Total cash outflow for leases is disclosed in the following table (for the development of lease liabilities, please see the second table down below).

in tEUR	22 September - 31 December 2023	2024
Lease principal paid	8,709	55,346
Lease interest paid	2,926	14,459
Prepaid right-of-use assets	1,440	1,702
Operating lease expense	4	0
Total cash outflow for leases	13,079	71,507

The following table provides a maturity analysis of lease liabilities:

in tEUR, at 31 December 2024	Lease Li- ability related parties	Lease Liability third party	Total Lease Liability
2025	1,902	64,767	66,668
2026	1,927	60,612	62,539
2027	1,927	59,425	61,352
2028	1,927	58,498	60,425
2029	1,927	57,589	59,516
Thereafter	3,020	121,915	124,935
Total minimum lease payments	12,629	422,807	435,435
Less amount representing interest	-1,452	-54,219	-55,671
Present value of lease payments	11,177	368,588	379,765
thereof short-term portion	1,552	53,540	55,092
thereof long-term portion	9,625	315,048	324,672

in tEUR, at 31 December 2023	Lease Li- ability related parties	Lease Liability third party	Total Lease Liability
2024	1,886	59,605	61,491
2025	1,886	58,513	60,399
2026	1,886	56,938	58,824
2027	1,886	56,028	57,914
2028	1,886	55,308	57,194
Thereafter	4,828	153,020	157,849
Total minimum lease payments	14,258	439,413	453,671
Less amount representing interest	-1,855	-65,467	-67,322
Present value of lease payments	12,403	373,946	386,349
thereof short-term portion	1,465	47,913	49,378
thereof long-term portion	10,938	326,033	336,971

EuroTeleSites Group elected to apply the recognition exemptions for low-value assets and short-term leases for certain lease assets that are insignificant for its business operations. The recognition exemptions were not applied to sites, buildings and vehicles. Non-lease components in contracts such as electricity, maintenance, etc. are excluded from the right-of-use calculation.

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 IAS 16. At 31 December 2024, the carrying amount of the revalued

property, plant and equipment (see Note (13)) and RoU assets (please see the first table above) held exclusively to generate rental income amounts to tEUR 1,746,803 (2023: tEUR 1,668,137). These relate to sites only.

Payments under operating leases are recognized as revenue on a straight-line basis over the terms of the contracts. Future lease payments amount to:

in tEUR	Revenues Related Parties	Revenues 3rd parties
2025	227,930	12,387
2026	234,383	12,037
2027	240,782	12,187
2028	247,401	12,414
2029	252,764	12,672
Thereafter	587,557	26,007
Total minimum lease payments	1,790,816	87,705

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

24 | Cash Flow Statement

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

in tEUR	22 September - 31 December 2023	2024
Capital expenditures paid	34,496	57,067
Reconciliation of additions in accounts payable	-5,783	-156
Reconciliation of right-of-use assets paid	-1,440	-1,702
Total capital expenditures	27,273	55,210

For the definition of capital expenditures, see Note (13). At 31 December 2024, tEUR 8,318 (2023: tEUR 2,722) of the additions to intangible assets and property, plant and equipment in the current year have not yet been paid (see Notes (13) and (14)).

In accordance with IAS 7.43, the reconciliation of additions to accounts payable includes the adjustment of capital expenditures of the current period not yet paid as well as capital expenditures of prior periods paid in the current period. The reconciliation of right-of-use assets paid contains prepayments and other direct costs, which are paid up to the commencement date of the lease and are reported in the cash flow from investing activities.

The following table shows the development of the total liabilities from financing activities:

in tEUR	31 December 2024	Cash flow ²⁾	Non-cash changes			31 December 2023
			Foreign exchange differences	Accretion expense	Lease ¹⁾	
Short-term and long-term debt	965,955	-30,000	0	1,060	0	994,895
Payables due to related parties financing	0	0	0	0	0	0
Lease liabilities	379,765	-65,469	20	15,237	43,627	386,349
						0
Total liabilities from financing activities	1,345,719	-95,469	20	16,296	43,627	1,381,245

¹⁾ Includes additions to new lease contracts as well as terminations or modifications of existing lease contracts.

²⁾ The cash flow from lease liabilities includes lease principal paid and interest, the latter being reported in the line item "interest paid".

in tEUR	31 December 2023	Non-cash changes				22 September, 2023
		Cash flow ²⁾	Foreign exchange differences	Accretion expense	Lease ¹	
Short-term and long-term debt	994,895	0	0	308	0	994,587
Payables due to related parties financing	0	-1,039,681	0	0	0	1,039,681
Lease liabilities	386,349	-11,239	-11	4,485	5,422	387,691
Total liabilities from financing activities	1,381,245	-1,050,920	-11	4,793	5,422	2,421,959

¹ Includes additions to new lease contracts as well as terminations or modifications of existing lease contracts.

² The cash flow from lease liabilities includes lease principal paid and interest, the latter being reported in the line item "interest paid".

25 | Financial Instruments

Classification of financial instruments

Financial assets and financial liabilities are classified at initial recognition.

Financial assets and financial liabilities are recognized when EuroTeleSites Group becomes a party to a financial instrument. EuroTeleSites Group uses the settlement date for recording regular purchases and sales of financial assets. Financial assets and financial liabilities are initially recognized at the fair value of the consideration paid or received. Transaction costs are included in the initial measurement, except for financial instruments, which are recognized at their fair value through profit or loss.

Financial assets include in particular cash and cash equivalents, accounts receivable, net as well as other receivables and receivables due from related parties, which are measured at amortised cost less impairment. The contractual cash flows of non-derivative financial instruments consist mainly of principal and interest.

Financial liabilities include, in particular, accounts payable trade, issued bonds and bank loans, other financial liabilities and payables due to related parties and are recognized initially in the amount corresponding to the financial inflow. Differences between the amount received and the amount to be repaid are recognized over the term of the liability in the financial result (amortized cost) using the effective interest rate method. For financial liabilities carried at amortized cost, gains or losses are recognized in profit or loss when the financial liability is derecognised.

Financial assets and financial liabilities are offset and the net amount is presented in the Consolidated Statement of Financial Position only when EuroTeleSites Group has a contractual right to offset the recognized amounts and intends to settle on a net basis.

Fair value and fair value hierarchy of financial instruments

According to IFRS 13, the fair value is the price that would be received to sell an asset or paid to transfer a liability. A three-level hierarchy is to be applied. Level 1 contains financial assets and liabilities based on quoted prices in active markets for identical assets or liabilities. Financial assets and liabilities are allocated to level 2 if the input factors on which their fair value is based are observable, either directly or indirectly. Financial assets and liabilities are allocated to hierarchy level 3 if the fair value is not determined exclusively from observable input factors. When determining the fair value, the credit risk is taken into account as well.

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

Financial assets

in tEUR	Carrying amount 31 December 2023	Fair value 31 December 2023	Carrying amount 31 December 2024	Fair value 31 December 2024
Cash and cash equivalents	21,026	n.a. ¹	21,965	n.a. ¹
Accounts receivable	9,627	n.a. ¹	8,086	n.a. ¹
Receivables due from related parties	23,295	n.a. ¹	35,984	n.a. ¹
Other current financial assets	9	n.a. ¹	8	n.a. ¹
Other non-current financial assets	70	n.a. ¹	58	n.a. ¹
Financial assets at amortized cost	54,027	0	66,101	0

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

Financial liabilities

in tEUR	Carrying amount 31 December 2023	Fair value 31 December 2023	Carrying amount 31 December 2024	Fair value 31 December 2024
Bonds	494,895	529,825	675,955	713,235
Long-term bank debt	500,000	532,741	290,000	305,160
Payables due to related parties	19,721	19,721	13,851	13,851
Current financial liabilities	16,892	n.a. ¹	16,892	n.a. ¹
Financial liabilities at amortized cost	1,031,509	n.a. ¹	996,698	n.a. ¹
Lease liabilities	386,349	n.a. ¹	379,765	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 bond 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 private placement was classified as Level 2 as there is no active market for it and its fair value approximates its face value.

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

Financial Risk Management

Overview

EuroTeleSites Group is exposed to various financial risks with respect to its financial assets, liabilities and anticipated transactions, including credit risk, liquidity risk and the market risk which comprises interest rate and foreign currency exchange rate risk.

The financial risk management is centrally organized. The guideline establishing policies, responsibilities and competences is valid for both the Group Treasury and the financial departments of the subsidiaries. The existing risks are regularly monitored and, if necessary, EuroTeleSites Group responds to changes in market conditions. EuroTeleSites Group neither holds nor issues derivative financial instruments for trading, hedging or speculative purposes.

At the reporting dates, except for the business relations with A1 Group, EuroTeleSites Group did not have any significant concentration of business transacted with a particular supplier or customer or creditor which could, if suddenly eliminated, significantly impact operations. Furthermore, EuroTeleSites Group does not have any concentration of risk with respect to contractors, other services, franchises or other rights which could, if suddenly eliminated, severely impact operations.

EuroTeleSites Group operates in markets in the Central Eastern European (CEE) region. Operations in the CEE region involve uncertainties, including transfer, currency and tax uncertainties that may affect business activities. The accompanying Consolidated Financial Statements reflect the Management Board's risk assessment of the impact on the operations and the financial position of EuroTeleSites Group. The actual development of the future business environment may differ from this assessment.

Detailed explanations on further risks to which EuroTeleSites Group is exposed as well as their risk management are disclosed in the Management Report in the chapter "Risk and Opportunity Management".

Credit risk

Credit risk is the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from accounts receivable trade and investment activities.

Cash and cash equivalents

EuroTeleSites Group holds cash with various financial institutions with appropriate credit standings. If no external rating is available, an internal rating is performed on the basis of quantitative ratios. Therefore, neither was an exposure to a significant credit risk identified for cash and cash equivalents nor has the risk of default increased significantly since the initial recognition. EuroTeleSites Group applies external credit ratings to estimate expected credit losses and to determine if the credit risk has significantly increased.

Due to legal restrictions (not being part of EU) two of the subsidiaries (in North Macedonia and in Serbia) have restrictions in participating in the cash pooling of the Group. Nevertheless, the cash and cash equivalents in these two countries are held in financial institutions with appropriate credit ratings.

The carrying amount of cash and cash equivalents represents the maximum credit risk exposure (see Note (9)):

in tEUR	31 December 2023	31 December 2024
Cash and cash equivalents	21,026	21,965
Carrying amount	21,026	21,965

Accounts receivable: Customers and other financial assets

EuroTeleSites Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer or group of customers. Within the framework of the applicable legal regulations, each potential new customer is analysed individually for creditworthiness when placing an order. Credit risk or the risk of late payment by contractual partners is monitored via credit checks, credit limits and routine controls. Within EuroTeleSites Group, operative credit risk management functions are performed at the operating company level.

The maximum exposure to credit risk for accounts receivable, receivables due from related parties, net, as well as financial assets equals their carrying amounts (see Notes (10) and (16)):

in tEUR	31 December 2023	31 December 2024
Accounts receivable	9,627	8,086
Financial assets	70	58
Receivables due from Related Parties	23,295	35,984
Carrying amount	32,992	44,129

Impairment losses of accounts receivable from customers, related parties and other are measured at the expected lifetime credit loss. EuroTeleSites Group uses an allowance matrix to determine the lifetime expected credit losses on accounts receivable from customers and other. The following table shows the total gross carrying amounts ("Gross") and the average expected credit losses ("ECL") for accounts receivable from customers, related parties and other measured by using the allowance matrix:

in tEUR	Gross 31 December 2023	Expected Credit Loss 31 December 2023	Gross 31 December 2024	Expected Credit Loss 31 December 2024
Unbilled & billed, not yet due	32,250	139	41,725	430
Past due 0-30 days	253	0	925	4
Past due 31-60 days	109	4	618	1
Past due 61-90 days	446	6	793	1
More than 90 days	69	56	474	29
Total	33,127	205	44,534	466

EuroTeleSites Group has grouped accounts receivable according to similar default patterns based on past experience of A1 Group (before the spin-off) and the loss rates are based on days past due. The loss allowance matrix is based on historically observed (by A1 Group) default rates, which are updated annually.

The assessment of the correlation between historically observed default rates, forecast economic conditions and expected credit losses represents a significant estimate. Customers' actual default in the future may differ from these estimates due to changes in the circumstances.

The following table shows the development of the loss allowance for accounts receivable from customers, related parties and other (see Note (10)):

in tEUR	2023	2024
At 22 September / January 1	161	205
Foreign currency adjustment	0	0
Reversed	-140	0
Charged to expenses	184	323
Amounts written-off	0	-63
At 31 December	205	466

The maximum credit risk of accounts receivable from customers, related parties and other, net broken down by geographic region and the breakdown of the loss allowance was:

in tEUR	31 December 2023	31 December 2024
Domestic	33,095	44,486
Foreign	32	48
Loss allowances	-205	-466
Accounts receivable	32,922	44,069
Thereof		
Specific loss allowance	139	0
General loss allowance	66	466

If there is objective evidence that EuroTeleSites Group will not be able to collect all amounts due according to the original terms, a default in payment is expected and an impairment is recorded (specific loss allowance). Serious financial difficulties of the debtor, the probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered to be indicators that the receivable is impaired. A financial asset is impaired if the collection of contractual cash flows cannot be reasonably expected.

Liquidity risk

Liquidity risk is the risk that EuroTeleSites Group will not be able to meet its financial obligations as they fall due. EuroTeleSites Group's approach to managing liquidity is to ensure that EuroTeleSites Group will always have sufficient liquidity to meet liabilities when due, under both normal and stressed conditions. A weekly rolling consolidated liquidity planning is drawn up for this purpose and serves as the basis for determining the liquidity requirement. Furthermore, at 31 December 2024, there is a liquidity reserve in the form of a committed credit line in the amount of tEUR 75,000.

Funding sources

EuroTeleSites Group's Treasury department takes care of the financial management and makes optimum use of potential synergies in financing the operations of EuroTeleSites Group's subsidiaries. Its primary objective is to secure liquidity in a cost-effective manner by pooling the cash flows and clearing group accounts. This ensures the management of the cash position and loans at optimal interest rates with minimal administrative effort.

Cash flow from operations is the basis for securing sufficient liquidity of EuroTeleSites Group. Principal sources of external funding are bank loans and capital markets. For details of outstanding long-term debt and a description of the different types of debt as of the reporting date see Note (19).

At 31 December 2024, EuroTeleSites Group has unutilized committed credit lines of tEUR 75,000 with a term until July 2026.

Exposure to liquidity risk

The following table sets forth the contractual (undiscounted) interest and redemption payments of financial liabilities. Foreign currency amounts were translated at the rates valid on the reporting date.

in tEUR	Contractual cash flow	6 months or less	6 to 12 months	1 to 2 years	2 to 5 years	More than 5 years
At 31 December 2024						
Bonds	814,332	3,911	30,161	34,072	746,188	0
Bank debt	336,047	6,578	6,578	13,156	309,734	0
Accounts payable – trade	6,102	6,102	0	0	0	0
Payables due to related parties	13,851	13,851	0	0	0	0
Lease obligations	435,435	42,574	24,094	62,539	181,293	124,935
Other financial liabilities	-1,954	-1,954	0	0	0	0
At 31 December 2023						
Bonds	631,250	0	26,250	26,250	578,750	0
Bank debt	621,946	13,550	13,550	27,099	567,748	0
Accounts payable – trade	17,097	17,093	3	0	0	0
Payables due to related parties	19,721	19,721	0	0	0	0
Lease obligations	453,671	39,160	22,331	60,399	173,933	157,849
Other financial liabilities	386	334	52	0	0	0

¹ It is not expected that the cash flows of the financial liabilities included in the maturity analysis could occur significantly earlier or at significantly different amounts.

Market risk

Market risk is the risk of changes in market prices. EuroTeleSites Group faces the risk of market price changes in interest rates and foreign exchange rates.

Interest rate risk

Financial liabilities

As of 31 December 2024 and 2023, EuroTeleSites Group's long-term financial liabilities include a bond with a face value of tEUR 500,000 with a fixed interest coupon. During 2024 a private placement with a face value of tEUR 180,000 with variable interest coupon was issued. Additionally, at 31 December 2024, a bank loan with carrying value of tEUR 290,000 (2023: tEUR 500,000) was existing on the basis of variable interest rates. A change in the interest rate of 1% would lead to a future annual effect on profit or loss of tEUR 4,700 (2023: 5,000).

Exchange rate risk

At 31 December 2024 and 2023, accounts receivable from customers and other, net as well as trade accounts payable, denominated in a currency other than the functional currency of the reporting entities were insignificant and no further disclosure or sensitivity analysis is provided.

26| Share-based Compensation

Long Term Incentive (LTI) Program

In 2024, EuroTeleSites Group introduced a long-term incentive program (LTI). The members of the Management Board of EuroTeleSites AG receive a 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 virtual shares for the respective tranche are allocated for the first financial year of the three-year performance period. 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 at the beginning of the first financial year of the respective three-year performance period. The payout is limited to 140% of the individual target amount. In the event that the performance targets will not be reached, there will be no payout irrespective of the value of the virtual shares. At the end of the performance period, the value of the virtual shares will be paid out in cash. The right cannot be transferred.

The first tranche has a performance period from 1 January 2024 until 31 December 2026. For this first tranche, 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 defined as key performance indicators.

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 performance 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.

At 31 December 2024 a liability in the amount of tEUR 100 is recorded and reported in Employee benefits in Non-current liabilities in the Consolidated statement of financial position.

27 | Companies and Business Combinations

Name and company domicile	Share in capital at 31 December 2024 in %	Method of consolidation ¹
Segment Austria		
A1 Towers Holding GmbH, Vienna	100,00	FC
Segment Bulgaria		
A1 Towers Bulgaria EOOD, Sofia	100,00	FC
Segment Croatia		
EuroTeleSites Croatia d.o.o.	100,00	FC
Segment North Macedonia		
EuroTeleSites DOOEL Skopje	100,00	FC
Segment Serbia		
EuroTeleSites d.o.o. Beograd	100,00	FC
Segment Slovenia		
EuroTeleSites d.o.o., Ljubljana	100,00	FC
Holdings & Others		
EuroTeleSites Bulgaria Holding GmbH, Vienna	100,00	FC
EuroTeleSites Croatia Holding GmbH, Vienna	100,00	FC
EuroTeleSites Macedonia Holding GmbH, Vienna	100,00	FC
EuroTeleSites Serbia Holding GmbH, Vienna	100,00	FC
EuroTeleSites Slovenia Holding GmbH, Vienna	100,00	FC

¹ FC – full consolidation

All affiliated companies have 31 December as their reporting date.

The share capital and the method of consolidation for alle subsidiaries is unchanged compared to 2023 except for A1 Tower Austria GmbH, Vienna, which was liquidated in 2024.

According to IFRS 3, business combinations are accounted for using the acquisition method at the acquisition date, which is the date when the acquirer obtains control over the acquiree. Goodwill is measured as the difference between the aggregate of the fair value of the consideration transferred as of the acquisition date, the amount of any non-controlling interest, and, in a business combination achieved in stages, the fair value of the acquirer's previously held equity interest in the acquiree less the fair value of the identifiable assets acquired and the liabilities assumed. Non-controlling interests are not measured at fair value but at their share of the fair value of identified net assets of the acquiree. In accordance with IFRS 3.45, goodwill may be adjusted for subsequent changes in the estimated purchase price. If the fair value of the net assets acquired exceeds the consideration transferred, the gain resulting from a bargain purchase is immediately recognized in other operating income in profit or loss. Transaction costs are expensed as incurred. In case of an acquisition achieved in stages, the previously held interest is restated at fair value and any resulting difference is recognized in profit or loss. All transactions with non-controlling interest holders are recognized directly in stockholders' equity. No non-controlling interests are recognized for acquisitions where a put option is granted to the remaining non-controlling shareholders, as EuroTeleSites Group applies the anticipated acquisition method. In the course of the allocation of the consideration transferred, fair values of assets and liabilities acquired are determined based on state-of-the-art discounted cash flow methods. The input factors used are categorized as Level 3 of the fair value hierarchy defined by IFRS 13.

No business combinations occurred in 2024 and 2023.

28 | 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 31 December 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.

29 | Remuneration Paid to the Management Board and Supervisory Board

At 31 December 2024 and 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).

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

in tEUR	22 September - 31 December 2023	2024
Base salary (incl. remuneration in kind)	240	737
Variable yearly remuneration (Short Term Incentive – "STI")	114	240
Multi-year share-based remuneration (Long Term Incentive Program) ¹	0	100
Total	354	1,078
Compensation Supervisory Board	125	125

The Supervisory Board did not receive any compensation for 2024, however a provision in the amount of tEUR 125 was recognised.

30 | Employees

The average number of employees during the year 2024 was 175 (2023: 163). At 31 December 2024, EuroTeleSites Group employed 182 (2023: 165) employees (full-time equivalents).

31 | Subsequent Events

Management performed a review of events subsequent to the reporting 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.

32 | Release for Publication

On 31 January 2025, the Management Board of EuroTeleSites AG approved the Consolidated Financial Statements for submission to the Supervisory Board. The Supervisory Board will review the Consolidated Financial Statements and report its decision on approval.

Vienna, 31 January 2025

The Management Board of EuroTeleSites AG

Ivo Ivanovski
Chief Executive Officer

Lars Mosdorf
Chief Financial Officer

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, February 10, 2025

The Management Board of EuroTeleSites AG

Ivo Ivanovski
Chief Executive Officer

Lars Mosdorf
Chief Financial Officer

EuroTeleSites AG, Vienna

December 31, 2024

TRANSLATION**AUDITOR'S REPORT *)****Report on the Consolidated Financial Statements****Audit Opinion**

We have audited the consolidated financial statements of

EuroTeleSites AG, Vienna,

and of its subsidiaries (the Group) comprising the consolidated statement of financial position as of December 31, 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the fiscal year then ended and the notes to the consolidated financial statements.

Based on our audit the accompanying consolidated financial statements were prepared in accordance with the legal regulations and present fairly, in all material respects, the assets and the financial position of the Group as of December 31, 2024 and cashflows and its financial performance for the year then ended in accordance with the International Financial Reportings Standards (IFRS) as adopted by EU, and the additional requirements under Section 245a Austrian Company Code UGB.

Basis for Opinion

We conducted our audit in accordance with the regulation (EU) no. 537/2014 (in the following "EU regulation") and in accordance with Austrian Standards on Auditing. Those standards require that we comply with International Standards on Auditing (ISA). Our responsibilities under those regulations and standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the Austrian General Accepted Accounting Principles and professional requirements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained until the date of this auditor's report is sufficient and appropriate to provide a basis for our opinion by this date.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the fiscal year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

EuroTeleSites AG, Vienna

December 31, 2024

TRANSLATION***Title*** **Valuation of property, plant and equipment**

Description Following the reorganization of the A1 Group, the tower assets were spun-off to the EuroTeleSites Group with the carrying amounts at which they were previously recognized in the A1 Group at amortized cost.

EuroTeleSites management concluded that the tower sites' fair value can be measured reliably and they shall be carried at a revalued amount in accordance with IAS 16.31. The first revaluation took place on October 1, 2023. In the fiscal year 2024 a further revaluation was conducted on November 1, 2024. After revaluation EuroTeleSites Group reports property, plant and equipment in the amount of EUR 1.406 mn in the consolidated financial statements as of December 31, 2024, which presents the most important asset position.

The fair values were determined by using the method of net present values of the expected cash flows which is subject to significant assumptions and estimates. The principal risk exists in determining assumptions and estimates such as the discount rate and future cash flows from the tower business. A change in these assumptions and estimates can have a material impact on the valuation of property, plant and equipment.

The respective disclosures are shown in note 5 (Use of Estimates and Judgments) and 13 (Property, Plant and Equipment) in the consolidated financial statements.

Consideration in the audit To address this risk, we have critically assessed the assumptions and estimates made by management and performed, among others, the following procedures:

- Assessment of compliance with IAS16.31 and the design and implementation of the controls over the valuation process;
- Assessment of the future lease cash inflows with the master lease agreements with A1 Group;
- Involvement our valuation specialists for analyzing of the discount-, exchange- and growth rates, the planned cash flows and assessing the valuation model;
- Check of the mathematical accuracy of the valuation model; and
- Assessment of the adequacy of the disclosures in the financial statements.

EuroTeleSites AG, Vienna

December 31, 2024

TRANSLATION**Title Recoverability of goodwill**

Description The goodwill results from company acquisitions carried out by the A1 Group in the past and was allocated proportionately to the spun-off assets based on relative fair values of the respective cash generating units of A1 Group and EuroTeleSites Group. As of December 31, 2024, the carrying value of goodwill amounted to EUR 209 mn.

The principal risk relates to management's estimates of future cash flows and discount rates, which are used to test the recoverability of the goodwill.

Under IFRS, an annual impairment test for the goodwill is required. For the cash generating units to which goodwill has been allocated, management's performed impairment test did not require an impairment.

EuroTeleSites Group's disclosures about goodwill and related impairment testing are included in Note 5 (Use of Estimates and Judgements) and Note 15 (Goodwill) in the consolidated financial statements.

Consideration in the audit To address this risk, we have critically assessed the assumptions and estimates made by management and performed, among others, the following procedures:

- Assessment of the design and implementation of the controls over the valuation process;
- Evaluation of the composition of cash generating units (CGU's) and the assets allocated to each CGU
- Reconciliation of the assumptions used within the future cash flow model to the approved budgets and business plans by the supervisory board;
- Assessment of the plausibility of the underlying assumptions if available by means of comparison with market data;
- Involvement our valuation specialists for analyzing the discount-, exchange- and growth rates, the planned cash flows and assessing the valuation model;
- Check of the mathematical accuracy of the valuation model;
- Assessment of the adequacy of the disclosures in the financial statements.

EuroTeleSites AG, Vienna

December 31, 2024

TRANSLATION*Title* **Leases as a lessee**

Description EuroTeleSites Group is contractual partner in a large number of leases as lessee. The majority of the leases is based on lease agreements for telecommunication locations with the owners of land, rooftops or other premises. As of December 31, 2024, the Right-of-Use assets recognized on leasing contracts amounted to EUR 377 mn, the lease liabilities short- and long term amounted to EUR 380 mn.

EuroTeleSites Group's disclosures about Right-of-Use assets and lease liabilities are included in Note 23 (Leases) in the consolidated financial statements.

The principal risk relates to the assessment of the valuation of individual lease contracts and the scope of judgement applied by the management, especially regarding the lease terms and the borrowing rates.

Consideration in the audit To address this risk, we have critically assessed the assumptions and estimates made by management and performed, among others, the following procedures:

- Assessment whether the group accounting guideline in relation to IFRS 16 is a suitable basis for consolidated financial statements to be prepared in accordance with IFRS principles;
- Understanding of the process of recording leasing agreements with regards to the criteria of IFRS 16;
- Examination of the measurement of leasing agreements as a lessee on a sample basis with regard to estimations on agreed payment flows and contractually agreed option rights;
- Involvement our valuation specialists for analyzing the incremental borrowing rate;
- Assessment of the adequacy of the disclosures in the financial statements.

EuroTeleSites AG, Vienna

December 31, 2024

TRANSLATION**Other Information**

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the Group's management report and the auditor's report thereon. The annual report, is estimated to be provided to us after the date of the auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, as soon as it is available, and, in doing so, to consider whether - based on our knowledge obtained in the audit - the other information is materially inconsistent with the consolidated financial statements or otherwise appears to be materially misstated.

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

Management is responsible for the preparation of the consolidated financial statements in accordance with IFRS as adopted by the EU, and the additional requirements under Section 245a Austrian Company Code UGB for them to present a true and fair view of the assets, the financial position and the financial performance of the Group and for such internal controls as management determines are necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

EuroTeleSites AG, Vienna

December 31, 2024

TRANSLATION**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU regulation and in accordance with Austrian Standards on Auditing, which require the application of ISA, always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the EU regulation and in accordance with Austrian Standards on Auditing, which require the application of ISA, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

EuroTeleSites AG, Vienna

December 31, 2024

TRANSLATION

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- plan and conduct the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit procedures in respect to the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

EuroTeleSites AG, Vienna

December 31, 2024

TRANSLATION**Report on Other Legal and Regulatory Requirements****Comments on the Management Report for the Group**

Pursuant to Austrian Generally Accepted Accounting Principles, the management report for the Group is to be audited as to whether it is consistent with the consolidated financial statements and as to whether the management report for the Group was prepared in accordance with the applicable legal regulations.

Management is responsible for the preparation of the management report for the Group in accordance with Austrian Generally Accepted Accounting Principles.

We conducted our audit in accordance with Austrian Standards on Auditing for the audit of the management report for the Group.

Opinion

In our opinion, the management report for the group was prepared in accordance with the valid legal requirements, comprising the details in accordance with section 243a UGB (Austrian Company Code), and is consistent with the consolidated financial statements.

Statement

Based on the findings during the audit of the consolidated financial statements and due to the thus obtained understanding concerning the Group and its circumstances no material misstatements in the management report for the Group came to our attention.

Additional information in accordance with article 10 EU regulation

We were elected as auditor by the ordinary general meeting at June 25, 2024. We were appointed by the Supervisory Board on July 15, 2024. We are auditors without cease since 2023.

We confirm that the audit opinion in the Section "Report on the consolidated financial statements" is consistent with the additional report to the audit committee referred to in article 11 of the EU regulation.

We declare that no prohibited non-audit services (article 5 par. 1 of the EU regulation) were provided by us and that we remained independent of the audited company in conducting the audit.

EuroTeleSites AG, Vienna

December 31, 2024

TRANSLATION

Responsible Austrian Certified Public Accountant

The engagement partner is Mr. Erich Lehner, Certified Public Accountant.

Vienna, February 10, 2025

Ernst & Young
Wirtschaftsprüfungsgesellschaft m.b.H.

Mag. Erich Lehner mp
Wirtschaftsprüfer / Certified Public Accountant

Mag. Katharina Schrenk mp
Wirtschaftsprüferin / Certified Public Accountant

*) This report is a translation of the original report in German, which is solely valid.

Imprint

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EuroTeleSites 

MANAGEMENT REPORT EUROTELESITES AG

Business Environment

The global economic landscape in 2024 continued to be defined by persistent challenges, including geopolitical tensions and inflationary pressures, which impacted on economic activity. According to the Autumn 2024 Economic Forecast by the European Commission, the real GDP growth in the Eurozone is projected to be 0.8%. Inflation is expected to stabilize at 2.4%, though it remains above pre-pandemic levels. Central and Eastern Europe, key regions for EuroTeleSites, experienced mixed economic developments. While some countries benefited from relative stabilization, others recorded slower growth.¹

Interest Rate Development

In 2024, the European Central Bank lowered key interest rates by 25 basis points in October, bringing the deposit facility rate to 3.25%. This adjustment reflected progress in disinflation and a gradual easing of labor cost pressures, while financing conditions remained restrictive. The ECB also reduced its asset purchase portfolios, with PEPP (Pandemic Emergency Purchase Program) reinvestments set to end by 2024. These measures aimed to stabilize inflation at the 2% target, impacting borrowing costs and investment activities in EuroTeleSites markets.²

In the telecommunications sector, robust demand for data and the rapid adoption of 5G technology characterized the year. Mobile data traffic surged by approximately 20% year-over-year, fueled by increased digital activity and the expansion of high-speed internet services. Against this backdrop, EuroTeleSites continued its strategy of expanding and modernizing its infrastructure to meet the evolving needs of its customers and support the digital transformation of the regions it serves.³

In Austria, EuroTeleSites supported 5G expansion through site rollouts and upgrades, aligning with regulatory coverage obligations. Strategic cost management offsets inflationary pressures, ensuring steady performance.

¹ <https://ec.europa.eu/eurostat/web/products-euro-indicators/w/2-17012025-ap>; <https://ec.europa.eu/eurostat/web/products-euro-indicators/w/2-30102024-ap>.

² <https://www.ecb.europa.eu/press/pr/date/2024/html/ecb.mp241017~aa366eaf20.en.html>.

³ <https://www.ericsson.com/en/reports-and-papers/mobility-report/dataforecasts/mobile-traffic-forecast>.

In Bulgaria, EuroTeleSites strengthened its position as the second-largest tower company. The rollout and the completion of mandatory upgrades demonstrated the company's commitment to supporting its anchor tenant, which continued to lead the market with awards for network quality and speed.

In Croatia, growth opportunities were driven by demand for mobile data and network densification. EuroTeleSites expanded its infrastructure through new site rollouts, upgrades, and collaborations with major tenants to support future projects.

In North Macedonia, the year was marked by significant developments, including new rollout and upgrade initiatives. These efforts were complemented by enhanced cooperation with A1 Macedonia. A notable achievement was the successful implementation of Mega-Billboards, which became operational by the end of the year.

In Serbia, where the 5G rollout is anticipated to progress in 2025, EuroTeleSites concentrated on site expansions and explored innovative, sustainable energy solutions, including solar and hybrid power systems.

In Slovenia, the year saw EuroTeleSites expanding its passive infrastructure portfolio, contributing to steady revenue growth. The company successfully maintained its strong relationships with mobile network operators, supporting their 5G rollout initiatives.

In conclusion, EuroTeleSites infrastructure investments and innovative approaches across its markets underline its pivotal role in enabling digital connectivity in the regions it operates. With technological advancement, the company successfully navigated the challenges of 2024 while positioning itself for continued growth.

Gross Domestic Product (GDP) Growth and Inflation in the Operating Markets⁴

	2023		2024		2025 estimate	
	GDP	Inflation	GDP	Inflation	GDP	Inflation
Austria	-0.80%	7.70%	-0.60%	2.90%	1.10%	2.10%
Bulgaria	1.80%	8.60%	2.30%	2.50%	2.50%	2.30%
Croatia	3.10%	8.40%	3.40%	4.00%	2.90%	3.40%
North Macedonia	1.00%	9.00%	2.20%	3.30%	3.60%	2.30%
Serbia	2.50%	12.10%	3.90%	4.50%	4.10%	3.60%
Slovenia	2.10%	7.20%	1.50%	2.10%	2.60%	3.20%

Inhabitants and GDP per capita⁵

	Inhabitants in thousand	GDP/capita in USD (2023)
Austria	9,132	56,033
Bulgaria	6,447	15,885
Croatia	3,860	21,865
North Macedonia	2,120	8,624
Serbia	6,623	12,281
Slovenia	1,828	32,610

⁴ <https://www.imf.org/en/Publications/WEO/Issues/2024/10/22/world-economic-outlook-october-2024>; <https://www.wko.at/statistik/eu/europa-inflationsraten.pdf>.

⁵ <https://data.worldbank.org/?locations=AT-BG-HR-SI-RS-MK>.

Financial Performance Indicators

- Total assets as of December 31, 2024 amounted to tEUR 833,433 (Previous year: tEUR 821,930).
- Fixed assets as of December 31, 2024 amounted to tEUR 820,489 (Previous year: tEUR 820,489).
- Revenues in the 2024 financial year amounted to tEUR 3,995 (Previous year: tEUR 1,348) and was generated exclusively from revenues from services provided to EuroTeleSites Group companies.
- The operating result amounted to tEUR -2,644 in the 2024 financial year (Previous year: tEUR -2,290).
- As of December 27, 2023, an application was submitted to the tax office for the establishment of a tax group of companies, meaning that the group tax allocation will take place in EuroTeleSites AG for the following years.
- Income from the reversal of provisions amounted to 2024 tEUR 103 (Previous year: tEUR 0).
- The net loss for the 2024 financial year amounted to tEUR -1,598 (Previous year: tEUR -2,292).
- Subject to the approval of the Supervisory Board, the Executive Board plans to propose to the Annual General Meeting that no dividend be distributed per dividend-bearing share. This will enable EuroTeleSites Group to repay its financial debt in the future.

The most important financial and performance indicators of EuroTeleSites AG are discussed below:

- The equity ratio in accordance with Section 23 URG was 98% as of December 31, 2024 (Previous Year: 99.6%). The ratio is calculated by dividing total equity by total capital.
- The “notional debt repayment period” in accordance with Section 24 URG could not be calculated like the previous year for December 31, 2024, as there was no cash surplus in the 2024 financial year. The notional debt repayment period shows how many years it would theoretically take to repay the total debt on the basis of earnings before taxes.
- The return on equity (ratio of EBIT to equity) amounted to -0.3% (Previous year: -0.3%).
- The return on total capital (ratio of EBIT to total capital) amounted to -0.3% (Previous year: -0.3%).
- Cash flow from operating activities amounted to tEUR -961.8 (Previous year: tEUR 4.2).
- Cash flow from investing activities amounted to tEUR 0 (Previous year: tEUR 0).
- Cash Flow from financing activities amounted to tEUR -90.3 (Previous year: tEUR-2).

Equity Investments

EuroTeleSites AG holds a 100% stake in A1 Towers Holding GmbH as of December 31, 2024. A1 Towers Holding GmbH is a provider of passive infrastructure. It managed 13,637 sites (Previous year: 13,465) the sum of every country's number of sites at the end of the year.

Total sites at 31 December	2023	2024	Change
Austria	6,094	6,134	40
Bulgaria	2,741	2,771	30
Croatia	1,573	1,598	25
North Macedonia	573	587	14
Serbia	1,702	1,751	49
Slovenia	782	796	14
Total sites	13,465	13,637	172
Total Greenfield sites	6,076	6,162	86
Total Rooftop sites	7,389	7,475	86

Outlook for the Financial Year 2025

In 2025, EuroTeleSites AG will continue to provide services to its group companies, while the EuroTeleSites Group will remain focused on its core business, namely the leasing of passive infrastructure, the construction of new telecom towers, the execution of mandatory upgrades, and the integration of third-party tenants to enhance the tenancy ratio positively. Growth will be driven by the rollout of 5G and increased data usage. The maximum inflation adjustment for the anchor tenant is 3%.

Management expects revenue growth of approximately 4%.

As in 2024, around 20% of revenues are allocated for CAPEX. According to the latest announcement, the auction for the allocation of 5G spectrum licenses in Serbia is expected to take place in the fourth quarter of 2025.

Positive cash flow will be used to reduce debt, benefiting from lower key interest rates and reduced interest payments. The implementation of the group-wide transformation project 'Sitetracker' is expected to be completed in the first half of 2025, enabling seamless and efficient management and marketing of passive infrastructure through Salesforce software for EuroTeleSites.

Risk and Opportunity Management

Principles and Methods

EuroTeleSites pursues a systematic risk management system in which opportunities and risks are analysed and evaluated, and measures to avoid and eliminate risks are implemented and improved on an ongoing basis.

The starting point for EuroTeleSites Enterprise Risk Management (ERM) are strategic discussions with the Supervisory Board and the Audit Committee. In these discussions, the Management Board presents business risks and their relevance to EuroTeleSites as well as mitigating activities. It also presents planning assumptions (strategic orientation for the coming business plan period, priority setting, and planned measures for realizing opportunities).

Subsequently, the Business Plan maps out the expectations for business success (and necessary costs and investments) and evaluates assumed risks of higher-level goals. Risks and opportunities are then evaluated by assessing two dimensions:

1. the potential impact; and
2. the likelihood that this impact materializes.

For risk management, the development of effective risk awareness and risk reduction measures is critical. Updates are made, among other things, on the basis of monthly performance calls or leadership meetings with the Management Board and following analysis of critical deviations from the targets set or the effectiveness of countermeasures taken.

The risk management system is divided into four risk categories:

1. Risks and opportunities related to the business strategy.
2. Risks and opportunities related to the operation of the business.
3. Risks and opportunities related to the financial performance or general economic conditions.
4. Risks and opportunities related to ESG, laws and regulations.

EuroTeleSites is active in Austria and five other countries, this means a geographical diversification. The risks in the respective markets vary, which is why risk management (and above all the mitigation of risks) is the responsibility of the local operating units. Risk management is coordinated by EuroTeleSites AG and monitored by the Audit Committee of the Supervisory Board.

Internal Control System for Financial Reporting

EuroTeleSites has an internal control system (ICS) for financial reporting in accordance with applicable legal requirements. The listing of the (indirect) majority owner América Móvil on the New York Stock Exchange (NYSE) requires compliance with the Sarbanes-Oxley Act (SOX). The internal control system is designed to provide reasonable assurance regarding the reliability and accuracy of external financial reporting in accordance with international and national standards. Regular internal reporting to management as well as audits of the internal control system by Internal Audit also ensure that weaknesses are identified in good time and communicated and remedied accordingly. The most important contents and principles apply to all companies of EuroTeleSites.

The effectiveness of the internal control system is analyzed and evaluated at periodic intervals. At the end of each year, an evaluation of the internal control system is carried out by the management for relevant Group companies with the involvement of the responsible specialist departments. Based on the findings of this assessment and the defined criteria, management has assessed the internal control system over financial reporting to be effective.

Risks and Opportunities

From all the risks identified for EuroTeleSites, the most important risk categories and single risks that could have a significant impact on net assets, financial position and results of operations are explained below.

1. Risks and Opportunities Related to the Business Strategy

Revenue and Tenancy Growth

EuroTeleSites expects to grow its business by increasing tenancies on its sites, building new sites, developing new infrastructure and services to serve the growth of its customers.

EuroTeleSites is also exploring growth through investments based on an ambitious Business Plan to increase the number of sites. Key drivers of growth are the following: growing mobile data volumes, acceleration of 5G rollout; change in user profiles, regulatory requirements and investments as well as the densification of networks. EuroTeleSites mission will be to power the digital transformation, and the company believes its site portfolio is a key enabler for a sustainable, digital society in Austria and CEE.

Despite the experienced management's focus on growth, EuroTeleSites may face challenges in remaining competitive in its markets or in increasing the tenancy ratio and expanding its customer base as planned. Additionally, there is a risk of losing tenants from the A1 Group due to weaker-than-expected performance or a decline in demand. These factors could negatively impact revenue, profitability, and cash flow.

Another risk is the company's dependence on a small number of customers, generating a large part of the revenue. For that reason, EuroTeleSites, with a stable and highly skilled team is dedicated to work on monitoring and analyzing the results of its growth, strategically positioning itself through vigilant monitoring of market trends and timely communication with key stakeholders.

Market/Competitors

To achieve its target, EuroTeleSites will need to add further tenancies in addition to those for which it already has commitments. EuroTeleSites success will depend on its ability to compete against a variety of other telecommunications infrastructure companies which are active in the markets in which EuroTeleSites operates. In recent years, an increase in the number of European tower companies and corresponding number of available passive infrastructure on which active equipment is mounted has resulted in more intense competition for mobile network operators as customers while tower companies seek to increase their tenancy ratios, which may lead to downward pressure on prices for hosting services.

EuroTeleSites ability to compete for market tenancies and increase the number of tenancies on its sites may be affected by a number of factors beyond its control. These factors could include a slowdown in the growth of demand for mobile communications services, an inability to effectively compete with other participants in the European telecommunications infrastructure industry, or the emergence of new technologies, such as satellite internet (including satellite-based 5G) and Radio Access Network (“RAN”) sharing, that might reduce the use and need for tower-based mobile service transmission. Additionally, customer churn due to mergers or consolidations among mobile network operators could decrease the tenancy requirements of those consolidated companies.

EuroTeleSites is developing a hybrid solution for alternative power to support the active equipment of its customers. The system will use solar panels as the main energy source, complemented by a battery field to store excess electricity. A diesel generator will act as a backup power source, ensuring an uninterrupted power supply to the radio towers. The company remains dedicated to increasing the tenancy ratio by focusing on a strategy that delivers clear benefits to customers and the anchor tenant. This includes offering options like advance payment plans or land purchases to enhance customer value.

A decision by the A1 Group to reduce the demand for new towers could also result in a lack of infrastructure for other tenants in the future.

Cooperations between MNOs regarding national roaming/active sharing as well as frequency pooling may reduce EuroTeleSites market share and availability of additional tenancies. In Austria, one such cooperation with regional scope received regulatory approval in 2023.

Last but not least some or more mobile network operators might take a strategic decision to again build more towers or particularly smaller form factors like microsites and indoor sites themselves.

Business Plan/Budget

In addition to regular management meetings and strategic discussions, EuroTeleSites has a multi-year plan. The close integration of the multi-year plan with risk management ensures adequate risk management.

Lease Contracts

Leases are EuroTeleSites single largest cost. The renewal of a large proportion of EuroTeleSites lease contracts within a particular year could require significant upfront rent payments to be made upon such renewal, which can result in additional legacy liabilities, which in turn could decrease EuroTeleSites operating cash flow for that particular year.

EuroTeleSites could face the risk of having agreements with landlords that are shorter in duration than the Master Lease Agreements with A1 Group. This scenario may require EuroTeleSites to either enter into new leases or pursue term extensions, which might not be achieved or could incur higher costs.

Landlord concentration also poses a risk to EuroTeleSites ability to manage site leases. Although the overall landlord landscape across all markets is not very concentrated, landlords with 3%-10% of total site leases exist in some markets. If these landlords were to abuse their market power or if an agreement cannot be reached for any reason, this could negatively impact EuroTeleSites by necessitating either higher payments or the replacement of a large number of sites within a short timeframe.

In addition, companies of EuroTeleSites may in the future become involved in disputes with their landlords, which could interfere with EuroTeleSites operation of a given infrastructure site or force EuroTeleSites to construct new infrastructure sites in order to continue providing services to its customers. This could result in unforeseen costs and thereby putting ongoing/future projects at risk.

Due to the integrated approach to risk management, the company takes into account all identified risks and carefully assesses their possible consequences. This holistic approach allows us to proactively develop and implement appropriate measures to minimize potential negative impacts, thereby contributing to the stability and resilience of the business.

Maintenance Costs

EuroTeleSites ability to maintain a high level of service depends on its ability to develop, maintain and expand its passive infrastructure. This requires significant amounts of capital and other long-term expenditures and will depend on EuroTeleSites ability to assess the condition of its passive infrastructure assets and obtain sufficient financing for these projects.

Capital expenditure amounts related to the maintenance of EuroTeleSites passive infrastructure assets are expected to be relatively stable but may nevertheless vary from time to time based on factors such as the cost of machinery, construction works and connections to electricity networks.

2. Risks and Opportunities Related to the Operation of the Business

Macroeconomic Risks/Inflation Risk

Any increases exceeding the limits of the inflation-indexed fee escalators under the Master Lease Agreements with companies of A1 Group (which allow for an increase of up to 3% per year) or other customer contracts could reduce EuroTeleSites operating margins and cash flows and may have a material adverse effect on its financial condition and results of operations.

EuroTeleSites needs to upgrade its sites. Higher inflation on construction leads to higher capital expenditures to meet future requirements.

Low levels of inflation could adversely affect EuroTeleSites revenues growth, as annual revenues are subject to inflation indexing under the Master Lease Agreement with the A1 Group. To mitigate the risks associated with inflation, it is essential to adopt a strategic price optimization approach. This involves adjusting prices to reflect the increased costs that are incurring, while simultaneously considering market conditions and consumer price sensitivity. The goal is to maintain profitability without significantly affecting demand or alienating the customer base. By leveraging data-driven insights and market analysis, EuroTeleSites can optimize pricing structures to protect the margins while remaining competitive.

Natural disasters, force majeure events, physical attacks or other unforeseen events or damage

EuroTeleSites sites and other facilities as well as the network operation center (“NOC”) and the shared services center maintained by companies of A1 Group under service agreements with EuroTeleSites, are subject to risks associated with natural disasters such as earthquakes, extreme weather (such as on-going heatwaves caused by climate change), storms or floods (in each case, when damaging or disabling EuroTeleSites sites and other facilities, the NOC or shared service center), acts of terrorism (when threatening, damaging or disabling EuroTeleSites sites and other facilities, the NOC or shared service center) and other unexpected events or damage such as power outages, telecommunication failures, network software failures, acts of vandalism, theft or fuel shortages. While insurance for assets is in place and adequate service levels are agreed with partners, due to the nature of such events there is no guarantee that EuroTeleSites insurance coverage will adequately cover all costs of repairs or that its recovery plans will be sufficiently effective. However, it can be assumed that such events typically affect only individual locations in specific regions rather than having widespread impacts.

Computer system failure, cyber risks and data security

A computer system failure, security breach, human error or cyberattack could significantly disrupt EuroTeleSites ability to operate its business. EuroTeleSites is exposed to the risk that third parties or malicious insiders may attempt to use cybercrime techniques, including distributed denial of service attacks, to disrupt the availability, confidentiality and integrity of the information technology (“IT”) systems on which EuroTeleSites relies which could damage assets and cause financial burdens. Any such disruption could have a material adverse impact on EuroTeleSites current and/or future business.

The strategy of EuroTeleSites to relocate its IT services to the cloud, could also have an impact on EuroTeleSites financial state and/or its ability to operate its business. Migrating IT services to the cloud can cause additional costs (e.g. during setup, for maintenance, malware prevention, etc.) and/or could result in limitations to EuroTeleSites business operations in case of failure.

Due to process changes and changing personnel, some processes have a backlog. This might have financial impact above the planned expenses. EuroTeleSites conduct regular IT security training to increase employee awareness and reduce risks associated with cyber threats such as phishing and malware. Regular backups of key IT services (such as MS365, and Active Directory) ensure quick recovery from system failures, cyberattacks, or data loss incidents. A step-by-step approach to IT planning will ensure that projects are well-structured and resources are allocated efficiently.

3. Risks and Opportunities Related to the Financial Performance or General Economic Conditions

Repayment of Outstanding Debt

EuroTeleSites has incurred significant liabilities as a result of the spin-off of the tower business and may face challenges in reducing its debt and maintaining its investment-grade rating. In July 2023, EuroTeleSites, through its wholly owned subsidiary A1 Towers Holding, issued promissory notes amounting to TEUR 500,000 and, in June 2023, agreed to a term loan also amounting to TEUR 500,000. Additionally, in June 2023, A1 Towers Holding GmbH entered into a revolving credit facility agreement, which provides a revolving credit line of TEUR 75,000. In 2024, a total of TEUR 210,000 was repaid. The funds for this repayment came from TEUR 180,000 raised through a private placement and TEUR 30,000 from free cash flow.

The strategy of EuroTeleSites is to deleverage further and to keep investment grade rating. This strategy, which entails no dividend distributions in the near term, could face challenges if EuroTeleSites invests during periods of low revenue. Such actions might lead to reduced free cash flow, potentially resulting in additional financial and material challenges.

Interest Rate, Refinancing and Liquidity Risk

Fluctuations in interest rates may affect EuroTeleSites future growth and investment strategy and could increase EuroTeleSites financing costs because a rise in interest rates may force EuroTeleSites to finance acquisitions or investments or refinance existing debt at a higher cost in the future.

In the event of a general shift from a low interest rate environment to the interest levels contemplated by the European Central Bank (and potentially other central banks in jurisdictions where EuroTeleSites operates), EuroTeleSites will be subject to the risk that refinancing might only be obtainable at less favorable terms. As a result of deteriorating capital markets or an increased interest rate environment, EuroTeleSites debt and the terms and conditions of its existing and future financing arrangements could deteriorate. This could increase its borrowing costs and associated expenses, potentially limiting EuroTeleSites ability to refinance its existing and future liabilities and/or continue ongoing or future projects.

4. Risks and Opportunities Related to ESG, Laws and Regulations

Failure to Comply with Environmental, Social and Governance (“ESG”) Standards and Expectations

EuroTeleSites will have to increasingly observe ESG standards and expectations regarding environmental concerns, such as climate change and sustainability, social concerns, such as diversity and human rights, and corporate governance concerns. EuroTeleSites expects the Corporate Sustainability Reporting Directive (CSRD) to apply to EuroTeleSites for the first time in the financial year 2025 (for reports published in 2026).

In 2024, EuroTeleSites (as a supplier of the A1 Group) contributed to the climate risk assessment related to the radio tower infrastructure, categorized into macro- (Greenfield, Rooftop) and microsites. During the analysis, no significant risks were identified that could materialize in the short term and lead to operational disruptions.

EuroTeleSites strives to be more and more environmentally friendly, new risks could arise from this very effort. The increasing costs of materials such as steel, cement (or generally materials needed for the construction of buildings/towers), mineral components needed for the assembly of tower heads as well as the rising CO₂e-price, could affect EuroTeleSites return on investment.

If certain ESG standards are not met properly or as expected by investors, it could lead to investor withdrawal, potentially resulting in financial difficulties for the company.

Regulation

EuroTeleSites business, and that of its customers, is subject to laws, regulations, administrative and judicial decisions, both on national as well as European level. EuroTeleSites costs could increase, and its revenues could decrease due to changes thereto, that could restrict its ability to operate our business as we currently do or impact our or our customers' competitive landscape. In particular, access regulations coupled with price regulations may have a negative impact on EuroTeleSites.

Government disagreements or refusals to grant EuroTeleSites permits to continue or expand its business could have material effects on EuroTeleSites ability to grow or continue its business operations as planned.

Shortage of Skilled Workers

A lack of qualified employees at all levels and positions could destabilize the company's future operational security. This may force the company to assign additional work to the current workforce, potentially negatively impacting their performance and that of the company. Alternatively, the company might need to hire unqualified staff and invest heavily in training, which could be both time-consuming and costly. Furthermore, the civil servant status of some employees could pose an additional risk, as these individuals may not offer the same level of flexibility or availability required in a dynamic business environment, potentially leading to long-term negative effects on EuroTeleSites operational efficiency and competitiveness.

Compliance with Safety Standards

Adhering to the necessary safety requirements and standards to prevent accidents during the maintenance of communication towers is critical to preserving EuroTeleSites credibility. Such risks could also arise from unforeseen actions or interventions by third parties. To mitigate legal risks from such external factors, EuroTeleSites must ensure that its own actions and operations are clearly structured and well-documented.

Tax Risk

Changes in tax laws, regulations or treaties or adverse determinations by tax authorities could increase EuroTeleSites tax burden or otherwise affect its financial condition and results of operations. EuroTeleSites tax calculations and its interpretation of laws will be reviewed by tax authorities which may disagree with EuroTeleSites tax estimates or judgments and challenge EuroTeleSites assessments in relation to tax filings or other tax-related documentation and their compliance with applicable tax laws.

Although EuroTeleSites believes that those tax estimates are reasonable, any additional tax liabilities resulting from these risks or any interest or any penalties or any regulatory, administrative, or other sanctions relating thereto could have a material adverse effect on EuroTeleSites business, financial condition and results of operations. EuroTeleSites aims to ensure timely preparation of all necessary documentation for tax purposes, investigations, and consultancy, adopting a proactive approach in our dealings with authorities to maintain compliance and address potential issues before they escalate.

Compliance Risks

EuroTeleSites has compliance and risk management systems in place to observe all applicable legal regulations on an ongoing and sustainable basis. Therefore, EuroTeleSites has implemented a compliance system which includes, inter alia, anti-corruption, anti-money laundering, antitrust regulations, and data protection in order to prevent, detect and respond to potential violations. EuroTeleSites risk management system operates group-wide and is a fundamental part of its corporate governance system.

There are inherent limitations on the effectiveness of any risk management system, which could have material adverse effects on EuroTeleSites business prospects and financial standing.

Other Information

Disclosure in Accordance with Section 243a of the Austrian Commercial Code (UGB): Shareholder Structure and Capital Disclosures

The share capital of EuroTeleSites AG remains at EUR 166,125,000 and is divided into 166,125,000 no-par value bearer shares. The share capital was paid in full in the form of a contribution in kind. At the end of 2024, 56.96% or 94,630,948 shares of EuroTeleSites were held by América Móvil B.V., Netherlands ("América Móvil B.V."), a wholly owned subsidiary of América Móvil, S.A.B. de C.V. ("América Móvil"). The Republic of Austria held 28.42% of the shares via Oesterreichische Beteiligungs AG ("OeBAG"). The remaining 14.62% of the shares were in free float. This included 1,131 employee shares that were held in a collective custody account.

The company's main financing agreements include market-standard "change of control"-clauses that provide for termination rights of the financing parties in the event of a change of control. None of these clauses became effective in the 2024 financial year or up to the reporting date.

The following information concerning the shareholders' agreement is based solely on publicly available information. The company does not have any additional information. On 6 February 2023, América Móvil, América Móvil B.V. and OeBAG agreed to extend their shareholders' agreement from 2014 regarding Telekom Austria AG for further ten years. As part of this extension, agreements were also reached regarding EuroTeleSites AG (subject to its subsequent formation). Accordingly, América Móvil, América Móvil B.V. and OeBAG have concluded a shareholders' agreement with rules for the joint exercise of voting rights in the company's bodies, for the election of Supervisory Board and Management Board members and for restrictions on the sale of shares. The company's Supervisory Board shall consist of ten members, of which eight are nominated by América Móvil and two by OeBAG. The company's Management Board shall consist of at least two and no more than three members. At least one member of the Management Board with the function of CEO (Chief Executive Officer) shall be nominated by América Móvil; one member of the Management Board, namely the CFO (Chief Financial Officer), shall be nominated by OeBAG. América Móvil shall nominate a possible third member of the Management Board. The company's Articles of Association stipulate that as long as the Republic of Austria directly or indirectly holds at least 25% plus one share of the company's share capital, resolutions on capital increases and the issue of instruments containing a conversion right or a conversion obligation for shares of the company, as well as amendments to these provisions of the Articles of Association, shall require a majority of at least three quarters of the share capital represented at the vote on the respective resolution. As long as OeBAG holds more than 25% plus one share of the share capital of EuroTeleSites, OeBAG shall be entitled, inter alia, to the following rights of codetermination under the shareholders' agreement: the right to veto capital increases of EuroTeleSites and its subsidiaries, the issue of certain convertible instruments, the appointment of the auditor, the conclusion of related party transactions, the relocation of the company's headquarters and core business functions, including research and development, changes to the dividend policy. In addition, OeBAG receives the veto rights of a minority shareholder holding 25% plus one share according to mandatory applicable law. Even if OeBAG's shareholding falls below 25% but remains above 10%, OeBAG shall retain certain veto rights.

Vienna, 10 February, 2025

The Management Board of EuroTeleSites AG

Ivo Ivanovski
Chief Executive Officer

Lars Mosdorf
Chief Financial Officer

**FINANCIAL
STATEMENTS
EUROTELESITES AG**

Annex I

Statement of Financial Positions as of 31 December 2024

	in EUR	in tEUR
	31 December 2024	31 December 2023
Assets¹		
A. Long-term assets		
I. Financial assets		
1. Investments in affiliated companies	820,488,724	820,489
B. Current assets		
I. Receivables		
1. Receivables - affiliated companies	12,848,669	1,348
2. Other accounts receivable	0	6
	12,848,669	1,354
C. Prepaid expenses	95,416	87
	833,432,809	821,930
Liabilities and Stockholders' Equity		
A. Common stock issued		
I. Common stock	166,125,000	166,125
II. Additional paid-in capital		
1. Appropriated	650,472,857	652,071
	816,597,857	818,196
B. Provisions		
1. Provisions for taxes	2,311,122	0
2. Other provisions	612,968	320
	2,924,090	320
C. Liabilities		
1. Accounts payable trade	31,434	80
2. Liabilities due to affiliated companies	9,298,925	3,328
3. Other liabilities	4,580,503	5
thereof to social security EUR 5,482; previous year tEUR 5		
	13,910,862	3,413
	833,432,809	821,930

¹ The use of automated calculation systems may result in rounding differences.

Annex II

Statement of Profit or Loss for the Short Fiscal Year 1 January – 31 December 2024

	in EUR	in tEUR
	2024	1 April - 31 December 2023
1. Revenues ¹	3,995,099	1,348
2. Miscellaneous other operation income		
a) Income from reversal of reserves	103,142	0
3. Subtotal from line 1 to 2	4,098,241	1,348
4. Expenses for material and other purchased manufacturing services:		
a) Purchased services	-985,091	-1,505
5. Personnel expenses		
a) Salaries	-1,072,293	-337
b) Social security contributions,		
thereof pension expense EUR 0; previous year tEUR 0	-13,211	-2
aa) Expenses for statutory social security and payroll related taxes and contributions	-211,833	-79
	-1,297,337	-418
6. Other operating expenses		
thereof from taxes: EUR 58,230; previous year tEUR 0	-4,459,517	-1,716
7. Subtotal from line 3 to 6 (operating result)	-2,643,704	-2,290
8. Interest and similar income	512	0
thereof from affiliated companies: EUR 512; previous year tEUR 0		
9. Interest and similar expenses	-90,253	-2
thereof from affiliated companies: EUR -90,253; previous year tEUR -2		
10. Subtotal from line 8-9 (financial result)	-89,741	-2
11. Earnings before Taxes	-2,733,445	-2,292
12. Taxes on income and earnings	1,135,035	0
thereof from group taxation: EUR -3,446,781; previous year tEUR 0		
13. Earnings after income taxes	-1,598,410	-2,292
14. Release from appropriated additional paid-in capital	1,598,410	2,292
15. Retained Earnings	0	0

¹ The use of automated calculation systems may result in rounding differences.

EUROTELESITES AG – NOTES FOR THE FISCAL YEAR 2024

1| Accounting principles

1|1 General principles

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

The financial statements were prepared by adhering to the principle of completeness. The reporting date is December 31. The principles of individual measurement and going concern were complied with in measuring assets and liabilities.

The principle of prudence was observed in that only profits realized as of the reporting date were recognized. All identifiable risks and impending losses were taken into account.

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

1|2 Foundation of the company

On 22 September 2023, Telekom Austria Aktiengesellschaft spun off its radio tower business (“Tower Business”), retroactively as of 1 April 2023, on a proportionate basis and listed it on the Vienna Stock Exchange under the newly founded EuroTeleSites AG.

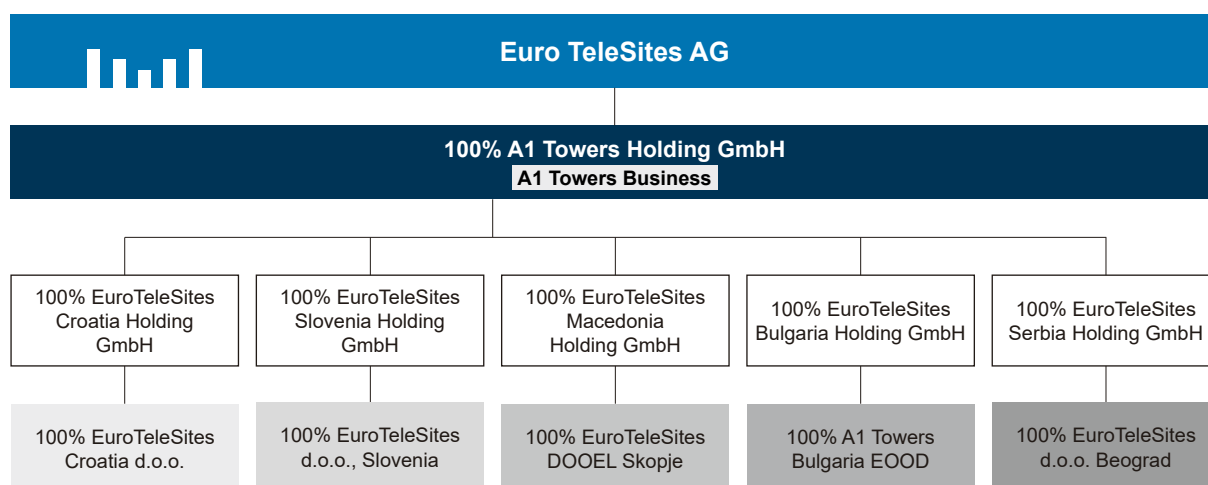
In preparation for the spin-off, parts of the passive infrastructure of the mobile communications sites of the operating companies (“A1 companies”) were transferred into separate legal entities (“tower companies”) in Bulgaria, Croatia, North Macedonia, Serbia, and Slovenia in previous years. This passive infrastructure of the sites includes components that are not directly attributable to the mobile communications network, such as the foundations and metal structures, containers, air conditioning units, power supply and other supporting systems. In Bulgaria and Croatia, the corresponding sites, and the provision for related asset retirement obligations, as well as the right of use assets and the lease liabilities, were already transferred to the tower companies in 2021. In Slovenia, Serbia and North Macedonia, the transfer was effected in 2022. With the transfer of the passive infrastructure (sites) lease agreements (Master Lease Agreements – “MLAs”) were concluded between the A1 companies and the tower companies.

In Austria, in 2021 a business unit (“Austrian tower business unit”) was established in A1 Telekom Austria Aktiengesellschaft, which comprised the assets and liabilities and related expenses of the tower business. The Austrian tower business was transferred from A1 Telekom Austria Aktiengesellschaft to Telekom Austria Aktiengesellschaft, by the demerger and takeover agreement dated 12 June 2023, by way of a spin-off for absorption (Section 17 of the Austrian Demerger Act (Spaltungsgesetz)), taking advantage of the benefits under Article VI of the Austrian Reorganization Tax Act (UmgrStG) without granting shares in accordance with Section 1 (2) 2 of the Austrian Demerger Act (Spaltungsgesetz) with retroactive effect from 31 December 2022. This transaction was registered in the Company Register on 4 July 2023, and the MLA came into force.

The two other transfers described below were approved by the shareholders of Telekom Austria Aktiengesellschaft at the Extraordinary General Meeting on 1 August 2023:

- I Downstream spin-off of the Austrian tower business unit, the indirect shareholdings in the tower companies and a debt in the amount of tEUR 1,031,000 (plus the related interest liabilities), as well a cash-pooling receivable in the amount of tEUR 27.500 from Telekom Austria Aktiengesellschaft into the subsidiary A1 Towers Holding GmbH.
- I Transfer of the shareholdings in A1 Towers Holding GmbH by Telekom Austria Aktiengesellschaft to EuroTeleSites AG by means of a side-stream spin-off by formation of EuroTeleSites AG retroactive with 31 March 2023.

The following Organization Chart represents the transferred companies, as well as the ownership structure as of 31 December 2024 within EuroTeleSites Group:



One of the transferred companies, A1 Towers Austria GmbH, was liquidated in 2024

1|3 Fiscal year

The fiscal year of EuroTeleSites AG ends on December 31 of the respective reporting period. The reported fiscal year covers the period from the spin-off of the company on 1 April 2023, to the balance sheet date of 31 December 2023. It represents the company’s first fiscal year, therefore, there is no comparison with the previous year’s figures in the Statement of Profit and Loss.

1|4 Long-term assets

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

1|5 Current assets

Receivables are measured at their nominal value unless the lower realizable net value is recognized in the event of identifiable individual risks. Specific valuation allowances are recognized to account for risks of default. Where necessary, the later maturity of receivables is taken into account by discounting the values to the net present value of the receivables.

Receivables denominated in foreign currencies are measured at the euro reference rate of the European Central Bank at the date of recognition or at the lower rate of the euro reference rate of the European Central Bank at the reporting date.

1|6 Provisions

Other provisions are recognized at the estimated amount of the obligation and take into account identifiable risks as well as uncertain amounts of liabilities incurred.

No non-current provisions for taxes are included in the current fiscal year.

1|7 Liabilities

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

2| Notes to the Statement of Financial Position

2|1 Long-term assets

The investment in A1 Towers Holding GmbH, Vienna, has been transferred to EuroTeleSites AG in the side-stream spin-off from Telekom Austria Aktiengesellschaft. There have been no impairment losses recognized, hence, the reported acquisition value also corresponds to the carrying amount.

A1 Towers Holding GmbH reports a preliminary net loss for 2024 tEUR 61,265 (previous year: tEUR 51,173). The company's preliminary equity amounts to tEUR 719.704 as of 31 December 2024 (previous year: tEUR 780,969).

2|2 Receivables

Receivable due from related parties comprise receivables from A1 Towers Holding GmbH resulting from VAT group amounting to tEUR 8,539 (previous year: tEUR 0), receivables related to ETS-fee (charging of centrally provided support services) amounting to tEUR 3,580 (previous year: tEUR 1,348) and expenses for a centrally procured software of tEUR 729 (previous year: tEUR 0).

Other accounts receivable in the amount of tEUR 0 (previous year: tEUR 6) relate to receivables from fiscal authorities and the city of Vienna that were not due on 31 December 2024.

All receivables have a remaining term of less than one year.

2|3 Prepaid expenses

Prepaid expenses of tEUR 95 (previous year: tEUR 87) comprise only short-term prepayments, including a prepayment for insurance of tEUR 68 (previous year: tEUR 74).

2|4 Share capital

The EuroTeleSites AG's share capital amounts to tEUR 166,125 and is divided into 166,125,000 bearer shares. The shares have no par value. On 31 December 2024, and 2023, América Móvil indirectly holds a stake of 56.96% through its 100% subsidiary América Móvil B.V., Netherlands, while OeBAG holds a stake of 28.42%. The remaining shares are free float.

2|5 Additional paid-in capital

The appropriated additional paid-in capital originates entirely from the transfer of the shares in A1 Towers Holding GmbH from Telekom Austria Aktiengesellschaft to EuroTeleSites AG in the side-stream spin-off to form the new company.

To cover the current financial year's net loss of tEUR 1,598 (previous year: tEUR 2,292) appropriated paid-in capital was released in the same amount, leaving an amount of tEUR 650.473 (previous year: tEUR 652,071) additional paid-in capital as of 31 December 2024.

2|6 Appropriation of earnings

In 2024 appropriated paid-in capital was released to offset the net loss of tEUR 1,598 (previous year: tEUR 2,292).

The capital management of EuroTeleSites Group focuses primarily on maintaining and improving the capital basis. This shall continue to be documented by solid investment grade ratings from renowned rating agencies. To do so EuroTeleSites Group plans not to pay dividends in the near future, as agreed between the major shareholders upon the decision to spin-off the EuroTeleSites from the A1 Group.

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.

2|7 Provisions

Other provisions include provisions for:

in tEUR	31 December 2024	31 December 2023
Personnel	346	130
Supervisory board compensation	202	125
Audit fees	65	65
	613	320

2|8 Liabilities

Liabilities include trade payables in the amount of tEUR 31 (previous year: tEUR 65) and provisions for outstanding invoices in the amount of tEUR 0 (previous year: tEUR 15).

Liabilities to affiliated companies include liabilities from the recharging of services amounting to tEUR 6,254 (previous year: tEUR 2,669) and liabilities from financing in the amount of tEUR 3,045 (previous year: tEUR 659), which relate to the cash pooling agreement. The relevant agreement was concluded with A1 Towers Holding GmbH and aims to balance and optimize short term liquidity within the Group. Interest is charged on a quarterly basis.

Other liabilities include liabilities to social security in the amount of tEUR 5 (previous year: tEUR 5).

Liabilities do not include any liabilities with a remaining term of more than one year.

2|9 Contingent liabilities

EuroTeleSites AG gave an unconditional and irrevocable guarantee in connection with the bond issued by A1 Towers Holding GmbH in an amount of tEUR 500,000 (previous year: tEUR 500,000).

Furthermore, EuroTeleSites AG is liable for the long-term bank loan of A1 Towers Holding GmbH amounting to tEUR 290,000 (previous year: tEUR 500,000).

Additionally, EuroTeleSites guarantees for the revolving credit facility of A1 Towers Holding GmbH in the amount of tEUR 75,000 (previous year: tEUR 75,000).

3| Notes to the Statement of Profit or Loss

3|1 Revenues

Revenues in the amount of tEUR 3,995 (previous year: tEUR 1,348) exclusively relate to service revenues from affiliated companies. These revenues were generated by the ETS-fee.

3|2 Purchased services

Expenses for purchased services in the amount of tEUR 985 (previous year: tEUR 1,505) exclusively relate to recharging with related and affiliated companies.

3|3 Personnel expenses and employees

In the fiscal year 2024 only the two directors were employed by EuroTeleSites AG.

Personnel expenses are comprised as follows:

in tEUR	2024	1 April - 31 December 2023
Salaries	1,072	337
Expenses for statutory social security and payroll related taxes and contributions	212	79
Other social benefits	13	2
	1,297	418

Other social benefits relate to a defined contribution plan. In 2024 EuroTeleSites AG paid 1.53% of the salary, into this defined contribution plan (BAWAG Allianz Mitarbeitervorsorgekasse AG).

3|4 Other operating expenses

Other operating expenses are comprised of the following items:

in tEUR	2024	1 April - 31 December 2023
Purchased services (group)	3,704	1,155
Supervisory board compensation	150	125
Legal and consulting cost	128	29
Insurances	123	36
Audit fees	71	65
Public relations	60	51
Fundraising costs	2	179
Sundry	163	14
Other operating taxes	58	62
	4,460	1,716

Audit fees exclusively relate to fees for the audit of the current fiscal year.

3|5 Remuneration of corporate bodies of the company

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

in tEUR	2024	1 April - 31 December 2023
Base salary (incl. remuneration in kind)	737	240
Variable yearly remuneration (Short Term Incentive - "STI")	240	114
Multi-year share-based remuneration (Long Term Incentive Program)	100	0
Remuneration Management Board	1,078	354
Remuneration Supervisory Board	125	125

For 2024 no supervisory board fees were paid, however, an amount of 125 tEUR (previous year: tEUR 125) was accrued.

4| Other information

4|1 Taxes

EuroTeleSites AG is the head of the tax group established in accordance with Section 9 of the Austrian Corporate Tax Act (KStG). 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. As the formation of a tax group is tied to the acceptance by the tax authorities, the existence of the tax group is currently pending. This has no impact on the consolidated income taxes recorded.

Starting January 1, 2024, EuroTeleSites Group is subject to the global minimum taxation under Pillar II. The concept of the so-called Pillar Two regulations, drawn up by the OECD and implemented by the EU via a directive, provides for a global minimum level of income tax of 15% and aims at containing tax competition. The mandatory exception of IAS 12 under which a company does not recognize deferred tax assets and liabilities related to the introduction of the "International Tax Reform - Pillar Two Model Rules" was applied in these consolidated financial statements.

The ultimate parent of EuroTeleSites Group and thus the Ultimate Parent Entity ("UPE") for Pillar Two is América Móvil (see Note (2)). Telekom Austria AG was assigned by its ultimate parent entity to be the party liable to pay taxes according to Section 76 (2) no. 1 of the Minimum Taxation Act. In this respect, a tax group contract was concluded between Telekom Austria AG and EuroTeleSites AG, which guarantees among other things a source-based distribution in the event of any possible top up taxes.

4|2 Other explanations

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

The company prepares the consolidated financial statements for the smallest group of companies (EuroTeleSites Group). The consolidated financial statements of EuroTeleSites AG are filed with the commercial register of the Commercial Court in Vienna under FN 611727z.

The main economic relationships with affiliated companies are with Telekom Austria Aktiengesellschaft (personnel services) and to A1 Towers Holding GmbH and its subsidiaries due to the reciprocal invoicing of personnel services and the Group charges.

The company is a large corporation in accordance with Section 221 UGB

4|3 Subsequent events

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

5| Members of the Management Board and Supervisory Board

Management Board

Ivo Ivanovski
Lars Mosdorf

Chief Executive Officer
Chief Financial Officer

Supervisory Board

Barbara Potisk-Eibensteiner
Oscar Von Hauske Solís
Elisabetta Castiglioni
Santiago Dawson Lemus
Roxana Flores Alexanderson
Daniel Hajj Slim
Edith Hlawati
Ernesto Leyva Pedrosa
Elisabeth Muhr
Ana Simic

Chair of the Supervisory Board
Deputy Chair

6| Declaration of the Management Board

We confirm to the best of our knowledge that the consolidated financial statements prepared according to the applicable accounting standards give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and that the management report describes the development and performance of the business and the position of the Group in a way that it gives a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and the management report describes the principal risks and uncertainties of the Group.

Vienna, 10 February 2025

The Management Board of EuroTeleSites AG

Regarding the signatures, please refer to the last page of the management report in the same document. The electronic signatures linked to the document cover the annual financial statements and management report and can be verified via the logo in the document. The legal effect is regulated by the eIDAS Regulation (Art 25 eIDAS Regulation) and the Austrian Signature and Trust Services Act (SVG).

Ivo Ivanovski
Chief Executive Officer

Lars Mosdorf
Chief Financial Officer

EuroTeleSites AG, Vienna

December 31, 2024

TRANSLATION**AUDITOR'S REPORT *)****Report on the Financial Statements****Audit Opinion**

We have audited the financial statements of

EuroTeleSites AG, Vienna,

These financial statements comprise the balance sheet as of December 31, 2024, the income statement for the short fiscal year then ended and the notes.

Based on our audit the accompanying financial statements were prepared in accordance with the legal regulations and present fairly, in all material respects, the assets and the financial position of the Company as of December 31, 2024 and its financial performance for the year then ended in accordance with Austrian Generally Accepted Accounting Principles and other legal or regulatory requirements.

Basis for Opinion

We conducted our audit in accordance with the regulation (EU) no. 537/2014 (in the following "EU regulation") and in accordance with Austrian Standards on Auditing. Those standards require that we comply with International Standards on Auditing (ISA). Our responsibilities under those regulations and standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the Austrian General Accepted Accounting Principles and professional requirements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained until the date of this auditor's report is sufficient and appropriate to provide a basis for our opinion by this date.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the fiscal year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

EuroTeleSites AG, Vienna

December 31, 2024

TRANSLATION

<i>Title</i>	Recoverability of the carrying value of shares in affiliated companies
<i>Description</i>	<p>In its annual financial statements as of December 31, 2024 EuroTeleSites AG reports shares in affiliated companies in A1 Towers Holding GmbH with a carrying amount of EUR 820 mn. The stake in the A1 Towers Holding GmbH has been transferred from Telekom Austria Aktiengesellschaft with a carrying amount of EUR 820 mn on April 1, 2023 as part of the spin off agreement.</p> <p>The assessment of the recoverability of the carrying value of shares in affiliated companies requires judgement whether there is an indication that an asset should be impaired and in measuring any such impairment. The valuation relates to management's assumption of future cash flows and the discount rate.</p> <p>Management's performed impairment test did not require an impairment.</p> <p>The disclosures of the company for shares in affiliated companies are included in note 1.4 and 2.1 (Long-term assets).</p>
<i>Consideration in the audit</i>	<p>To address this risk, we have critically assessed the assumptions and estimates made by management and performed, among others, the following procedures:</p> <ul style="list-style-type: none"> • Assessment of the design and implementation of the controls over the valuation process; • Reconciliation of the assumptions used within the cash flow model to the budget and business plans approved by the supervisory board; • Assessment of the plausibility of the underlying assumptions by means of comparison with market data (if available); • Involvement our valuation specialists for analyzing the discount-, exchange- and growth rates, the planned cash flows and assessing the valuation model; • Check of the mathematical accuracy of the valuation model; • Assessment of the adequacy of the disclosures in the financial statements.

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TRANSLATION**Other Information**

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements, the management report and the auditor's report thereon. The annual report is estimated to be provided to us after the date of the auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, as soon as it is available, and, in doing so, to consider whether - based on our knowledge obtained in the audit - the other information is materially inconsistent with the financial statements or otherwise appears to be materially misstated.

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

Management is responsible for the preparation of the financial statements in accordance with Austrian Generally Accepted Accounting Principles and other legal or regulatory requirements, for them to present a true and fair view of the assets, the financial position and the financial performance of the Company and for such internal controls as management determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Company's financial reporting process.

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December 31, 2024

TRANSLATION**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU regulation and in accordance with Austrian Standards on Auditing, which require the application of ISA, always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the EU regulation and in accordance with Austrian Standards on Auditing, which require the application of ISA, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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TRANSLATION

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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TRANSLATION**Report on Other Legal and Regulatory Requirements****Comments on the Management Report**

Pursuant to Austrian Generally Accepted Accounting Principles, the management report is to be audited as to whether it is consistent with the financial statements and as to whether the management report was prepared in accordance with the applicable legal regulations.

Management is responsible for the preparation of the management report in accordance with Austrian Generally Accepted Accounting Principles and other legal or regulatory requirements.

We conducted our audit in accordance with Austrian Standards on Auditing for the audit of the management report.

Opinion

In our opinion, the management report for the Company was prepared in accordance with the valid legal requirements, comprising the details in accordance with section 243a UGB (Austrian Company Code), and is consistent with the financial statements.

Statement

Based on the findings during the audit of the financial statements and due to the thus obtained understanding concerning the Company and its circumstances no material misstatements in the management report came to our attention.

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December 31, 2024

TRANSLATION**Additional information in accordance with Article 10 EU regulation**

We were elected as auditor by the ordinary general meeting on June 25, 2024. We were appointed by the Supervisory Board on July 15, 2024.

We confirm that the audit opinion in the Section "Report on the financial statements" is consistent with the additional report to the audit committee referred to in Article 11 of the EU regulation.

We declare that no prohibited non-audit services (article 5 par. 1 of the EU regulation) were provided by us and that we remained independent of the audited company in conducting the audit.

Responsible Austrian Certified Public Accountant

The engagement partner is Mr. Erich Lehner, Certified Public Accountant.

Vienna, February 10, 2025

Ernst & Young
Wirtschaftsprüfungsgesellschaft m.b.H.

Mag. Erich Lehner mp
Wirtschaftsprüfer / Certified Public Accountant

Mag. Katharina Schrenk mp
Wirtschaftsprüferin / Certified Public Accountant

*) This report is a translation of the original report in German, which is solely valid.

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