



Investor Release

Magyar Telekom

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Magyar Telekom to launch a share buyback auction

Budapest – June 12, 2020 – Magyar Telekom (Reuters: MTEL.BU and Bloomberg: MTELEKOM HB, hereinafter the “Company”), the leading Hungarian telecommunications service provider announces that in accordance with its extraordinary announcement on February 18, 2020, it is initiating a share buyback auction through which the Company intends to repurchase own shares with a maximum total value of HUF 5.2 billion (“Maximum Amount”) for the purpose of shareholders’ remuneration (“Transaction”). On April 24, 2020, the Company’s Board of Directors, based on the authorization set out in Section 9 (2) of Government Decree 102/2020. (IV. 10.), approved the authorization necessary for the carrying out of the Transaction. The Transaction is scheduled for June 25, 2020.

Anyone holding ordinary Magyar Telekom shares (ISIN number: HU0000073507) (“Shareholder”) and complying with the terms set out herein may participate in the Transaction. Participation in the Transaction is voluntary. The number of shares offered by a Shareholder and the offer price are solely at the Shareholder’s discretion. Shareholders may offer their shares in multiple portions, at different share prices. Shares will be purchased starting from the lowest price offered with total overall value less or equal to the Maximum Amount. The Transaction is scheduled for June 25, 2020. Order-collection will take place between 10.00 CET and 13.00 CET with the transaction period being between 13.00 CET and 15.30 CET on the day. The Company will request the suspension of stock exchange trading of its shares on the day of the Auction from the start of the order-collection period.

The Transaction will be carried out via the trading system defined in the Budapest Stock Exchange (“BSE”) resolution “the trading rules regarding the auction board in the MMTS1 trading system” (“Rules”), via a multiple-price trade-matching algorithm auction consisting of order-collection and transaction periods (“Auction”). Terms governing participation in the auction are set out by the Rules, accessible at: <https://bse.hu/Products-and-Services/Rules-and-Regulations/BSE-Rules>.

The Transaction is classified as an over-the-counter transaction (“OTC”).

The Transaction will be carried out with the participation of UniCredit Bank Ltd (“UniCredit”), an investment service provider acting as the Company’s mandated auctioneer as defined in the Rules.

Tick size on the auction will be HUF 1, which differs from the regular tick size on the BSE regulated market. Order books will not be made public.

The equivalent value per share paid by the Company shall not be more than 5% above the equilibrium market price of the share determined by the BSE operated secondary market opening auction (opening



price) on the trading day (if applicable), and above the value of total capital per share of the Company based on the 2019 audited financial statements, i.e. HUF 567.

Competitively priced sell counter offers entered into the auction system will be sorted by price in an ascending order (by the multiple-price trade-matching algorithm defined in the Rules), to be followed by the Company's decision in its sole discretion on the highest accepted price level that will be made taking into account the received counter-offers and the limits regarding the maximum purchase price per share. All accepted offers will be fulfilled at the price indicated in the particular counter offer with total overall value less or equal to the Maximum Amount. Counter offers made at a lower price will be accepted before counter offers made at higher prices. If, on the highest accepted price level, not all counter offers can be fulfilled then fulfilment will be done in a pro-rata allocation basis, meaning counter offers will be proportionately fulfilled according to their relative weight to the total volume of the counter offers at that price level. Counter offers submitted at higher prices will not be accepted.

After determining the number of shares to be repurchased and the corresponding purchase prices, the Company shall submit its buying offer through UniCredit. Settlement date is the second trading day following the Transaction date (T+2).

Shareholders may submit counter offers through providers ("**Provider**") with access to the auction system of the BSE stock section as defined in the Rules. For this, Shareholders must hold a securities account with a Provider in compliance with the Rules and must make a binding order to the Provider to submit sell counter offers at the auction, in line with the terms established by the given Provider. It is the Providers' duty and responsibility to ensure that the Shareholder obtains the necessary securities for the offer to be submitted.

To participate, shareholders interested in the Transaction are encouraged to contact their Provider in a timely manner to clarify whether their Provider has access to the above referenced MMTS1 Trading System, and whether the Shareholder would be able to submit a counter offer as described above.

The Company reserves the right to cancel the Transaction or stop the execution thereof at any time prior to the conclusion of the Transaction, including the possibility of stopping the Transaction during the Auction.

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

Forward-looking statements involve inherent risks and uncertainties. We caution you that a number of important factors could cause actual results to differ materially from those contained in any forward-looking statement. Such factors are described in, among other things, our Annual Reports for the year ended December 31, 2019 available on our website at <http://www.telekom.hu>.