

MAGYAR TELEKOM

QUARTERLY FINANCIAL REPORT

**ANALYSIS OF THE FINANCIAL STATEMENTS FOR THE
FOURTH QUARTER ENDED DECEMBER 31, 2024**



Budapest – February 25, 2025 – Magyar Telekom (Reuters: MTEL.BU and Bloomberg: MTELEKOM HB, hereinafter: Company), the leading Hungarian telecommunications service provider, today reported its Consolidated financial results for the fourth quarter and full year of 2024, in accordance with IFRS Accounting Standards as adopted by the EU (hereinafter: quarterly financial report). The quarterly financial report contains unaudited figures for each reporting period.

TABLE OF CONTENTS

1.	HIGHLIGHTS	3
2.	MANAGEMENT REPORT	5
2.1.	Consolidated IFRS Group Results	5
2.1.1	Group Profit and Loss.....	5
2.1.2	Group Cash Flows	7
2.1.3	Consolidated Statements of Financial Position	8
2.1.4	Related party transactions.....	9
2.1.5	Contingencies and commitments	9
2.1.6	Material events.....	9
2.2.	Segment reports.....	10
2.2.1	MT-Hungary.....	10
2.2.2	North Macedonia	12
3.	APPENDIX	13
3.1.	Basis of preparation and initial application, interpretations and amendments of IFRS Accounting Standards	13
3.2.	Macroeconomic environment and critical accounting estimates, climate disclosures	13
3.3.	Consolidated Statement of Profit or Loss and Other Comprehensive Income – quarterly year-on-year comparison.....	15
3.4.	Consolidated Statement of Profit or Loss and Other Comprehensive Income – year-to-date comparison	16
3.5.	Revenue breakdown – quarterly year-on-year comparison	17
3.6.	Revenue breakdown – year-to-date comparison	17
3.7.	Operating expenses breakdown – quarterly year-on-year comparison.....	18
3.8.	Operating expenses breakdown – year-to-date comparison.....	18
3.9.	Consolidated Statement of Financial Position - Assets.....	19
3.10.	Consolidated Statement of Financial Position – Liabilities and Equity	20
3.11.	Consolidated Statement of Cash Flows	21
3.12.	Net debt reconciliation to changes in Statement of Cash Flows	22
3.13.	Consolidated Statement of Changes in Equity.....	23
3.14.	Exchange rate information	24
3.15.	Segment information	24
3.16.	Fair value of financial instruments – financial assets.....	25
3.17.	Fair value of financial instruments – financial liabilities	25
3.18.	EBITDA reconciliation	26
3.19.	Adjusted profit attributable to owners of the parent reconciliation	26
3.20.	Capex from Consolidated Statement of Cash Flows.....	26
3.21.	Capex from Consolidated Statement of Financial Position	27
4.	DECLARATION	28



Company name:	Magyar Telekom Plc.	Company address:	H-1097 Budapest Könyves Kálmán krt. 36.
IR contacts:	Position:	E-mail address:	investor.relations@telekom.hu
Diána Párkányi-Várkonyi	Capital Market Relations Hub Lead	Telephone:	E-mail address:
Rita Walfisch	Investor Relations manager	+36-1-481-7676	varkonyi.diana.annamaria@telekom.hu
Gabriella Pászti	Investor Relations manager	+36-1-457-6084	walfisch.rita@telekom.hu
		+36-1-458-0332	paszti.gabriella@telekom.hu

1. HIGHLIGHTS

(HUF millions, except ratios)	Q4 2023	Q4 2024	Change (%)	1-12 months 2023	1-12 months 2024	Change (%)
Revenue	229,187	256,510	11.9%	849,372	967,478	13.9%
Operating profit	36,810	50,687	37.7%	147,996	223,459	51.0%
Profit attributable to:						
Owners of the parent	23,227	36,253	56.1%	78,951	157,797	99.9%
Non-controlling interests	1,074	1,542	43.6%	5,453	5,599	2.7%
	24,301	37,795	55.5%	84,404	163,396	93.6%
Adjusted profit attributable to owners of the parent	25,791	34,586	34.1%	93,618	162,632	73.7%
Gross profit	122,480	148,980	21.6%	493,053	587,668	19.2%
EBITDA	72,762	85,484	17.5%	287,164	363,401	26.5%
EBITDA AL	65,397	77,641	18.7%	257,941	333,077	29.1%
Free cash flow				86,516	166,324	92.2%
Free cash flow excl. spectrum licenses				86,829	165,101	90.1%
Capex after lease	32,267	43,526	34.9%	105,700	113,303	7.2%
Capex after lease excl. spectrum licenses	32,267	43,526	34.9%	105,114	113,303	7.8%
Number of employees (closing full equivalent)				6,797	6,704	(1.4%)
				Dec 31, 2023	Dec 31, 2024	Change (%)
Net debt				430,640	335,681	(22.1%)
Net debt / EBITDA				1.50	0.92	n.a.

- Group revenue rose 11.9% year-on-year (YoY) in Q4 2024, reflecting continued service revenue growth driven by strong demand for data and connectivity, and supported by the inflation-based fee adjustment across the Group's Hungarian operations.
- Gross profit improved in line with revenue growth, increasing by 21.6% YoY in Q4 2024.
- EBITDA AL increased by 18.7% year-on-year in Q4 2024, due to improvements in gross profit which offset increases in indirect costs.
- Net income rose to HUF 36.3 billion (+56.1% YoY), while adjusted net income reached HUF 34.6 billion in Q4 2024, with underlying growth primarily driven by higher EBITDA contribution.
- Capex after lease excluding spectrum licenses increased by 7.8% year-on-year to HUF 113.3 billion in full year 2024, driven primarily by increased investment in Hungarian fixed gigabit network rollout.
- Free cash flow, excluding spectrum license fees, increased to HUF 165.1 billion for the full year of 2024 (2023: HUF 86.8 billion), reflecting strong improvement in profitability.
- The Board of Directors proposes a dividend payment of HUF 90.9 billion for the 2024 financial year, subject to approval at the Company's Annual General Meeting on April 15, 2025. Additionally, the Board envisages a share buyback of up to HUF 39.1 billion, which, together with dividends, implies a payout ratio of up to 80% of the Group's adjusted net income.



Tibor Rékasi, Magyar Telekom CEO, commented:

“2024 was a remarkable year for Magyar Telekom. Our steadfast commitment to digital transformation, customer-centric focus, and resilience enabled us to exceed 3.8 million gigabit-capable access points by year-end. We also successfully completed the multi-year radio network modernization project and full upgrade of our CRM system architecture.

Our dedication to meeting the sustained strong demand for data and connectivity, combined with the positive effects of inflation-based fee adjustments, drove a notable revenue increase of 13.9% compared to 2023. Strong operational performance and disciplined cost management contributed to a year-on-year EBITDA AL growth of 29.1% and a Group adjusted net income increase of 73.7% year-on-year.

Driven by this strong performance, the Board has proposed a record-high total annual shareholder remuneration for FY24, comprising a total dividend payment of HUF 90.9 billion and a share buyback of up to HUF 39.1 billion.

Looking ahead to 2025, our strategic priorities remain unchanged. The success achieved in digital transformation lays a strong foundation for the future. Combined with further inflation-based fee adjustments, this will support our goal of achieving revenue growth of 1%-3% in FY25. Furthermore, with the positive impact from the elimination of the supplementary telecommunication tax from 2025, we expect EBITDA AL to grow 12-15%. Our guidance for adjusted net income is approximately HUF 190 billion, with projected free cashflow generation of around HUF 180 billion.”

Guidance:

	2024 Actual	Guidance for 2025
Revenue	HUF 967.5 billion	1% - 3% growth
EBITDA AL	HUF 333.1 billion	12% -15% growth
Adjusted net income	HUF 162.6 billion	ca. HUF 190 billion
FCF¹	HUF 165.1 billion	ca. HUF 180 billion

¹ Excluding spectrum licenses



2. MANAGEMENT REPORT

2.1. Consolidated IFRS Group Results

2.1.1 Group Profit and Loss

(HUF millions)	Q4 2023	Q4 2024	Change	Change (%)	1-12 months 2023	1-12 months 2024	Change	Change (%)
Mobile revenue	131,702	148,903	17,201	13.1%	491,322	565,480	74,158	15.1%
Fixed line revenue	72,227	80,777	8,550	11.8%	271,915	307,603	35,688	13.1%
SI/IT revenue	25,258	26,830	1,572	6.2%	86,135	94,395	8,260	9.6%
Revenue	229,187	256,510	27,323	11.9%	849,372	967,478	118,106	13.9%
Direct costs	(106,707)	(107,530)	(823)	(0.8%)	(356,319)	(379,810)	(23,491)	(6.6%)
Gross profit	122,480	148,980	26,500	21.6%	493,053	587,668	94,615	19.2%
Indirect costs	(49,718)	(63,496)	(13,778)	(27.7%)	(205,889)	(224,267)	(18,378)	(8.9%)
EBITDA	72,762	85,484	12,722	17.5%	287,164	363,401	76,237	26.5%
Depreciation and amortization	(35,952)	(34,797)	1,155	3.2%	(139,168)	(139,942)	(774)	(0.6%)
Operating profit	36,810	50,687	13,877	37.7%	147,996	223,459	75,463	51.0%
Net financial result	(8,053)	(5,121)	2,932	36.4%	(44,040)	(29,236)	14,804	33.6%
Share of associates' and joint ventures' results	-	-	-	-	-	-	-	n.a.
Profit before income tax	28,757	45,566	16,809	58.5%	103,956	194,223	90,267	86.8%
Income tax	(4,456)	(7,771)	(3,315)	(74.4%)	(19,552)	(30,827)	(11,275)	(57.7%)
Profit for the period	24,301	37,795	13,494	55.5%	84,404	163,396	78,992	93.6%
Profit attributable to non-controlling interests	1,074	1,542	468	43.6%	5,453	5,599	146	2.7%
Profit attributable to owners of the parent	23,227	36,253	13,026	56.1%	78,951	157,797	78,846	99.9%

Total revenue increased by 11.9% year-on-year to HUF 256.5 billion in Q4 2024. This improvement was primarily attributable to the combined impact of continued strong demand for mobile data and fixed broadband services and the positive impact of the implemented inflation-based fee adjustment in Hungary.

- **Mobile revenue rose by 13.1% year-on-year to HUF 148.9 billion in Q4 2024,** driven by the continued growth in mobile data usage as well as the favorable impacts of the inflation-based fee adjustment.
 - **Voice retail** revenue increased by 14.1% year-on-year to HUF 35.4 billion in Q4 2024, reflecting primarily the positive impact of the inflation-based fee adjustment in Hungary.
 - **Voice wholesale** revenue decreased by 32.0% year-on-year to HUF 1.9 billion in Q4 2024, as a result of the reduction in the Hungarian mobile termination rates effective from January 1, 2024.
 - **Data** revenue rose by 21.8% year-on-year to HUF 59.3 billion in Q4 2024, as the continued growth in subscriber numbers and usage levels were further amplified by the Hungarian fee adjustment impacts.
 - **SMS** revenue was higher by 11.0% year-on-year, amounting to HUF 7.6 billion in Q4 2024, thanks to increasing revenue from mass SMS services and the positive effect of the inflation-based fee adjustment.
 - **Mobile equipment** revenue rose by 6.4% year-on-year, amounting to HUF 39.0 billion in Q4 2024, reflecting higher revenue from third party export sales and the lower installment sales related present value discount in Hungary in the current period.
 - **Other mobile** revenue remained broadly unchanged year-on-year at HUF 5.6 billion in Q4 2024.
- **Fixed line revenue increased by 11.8% year-on-year, to HUF 80.8 billion in Q4 2024,** reflecting the increases in fixed broadband and TV revenue driven by the customer base expansions as well as the favorable impact of the inflation-based fee adjustment applied to the Hungarian subscription fees.
 - **Voice retail** revenue was up by 2.6% year-on-year to HUF 9.0 billion in Q4 2024, as the impact of the decline in the Hungarian customer base and usage level was offset by the fee adjustment effects.
 - **Broadband retail** revenue increased by 22.7% year-on-year to HUF 29.5 billion in Q4 2024, driven by the positive impact of continued customer base expansion coupled with further increases in the ARPU levels at both operations.



- **TV** revenue rose by 11.2% year-on-year to HUF 20.6 billion in Q4 2024, attributable primarily to the fee adjustment impacts.
 - **Fixed equipment** revenue was broadly unchanged year-on-year, amounting to HUF 7.3 billion in Q4 2024.
 - **Data retail** revenue was up by 13.5% year-on-year, amounting to HUF 4.1 billion in Q4 2024, reflecting the continued increase in leased line fixed internet service revenue and the positive impacts of the fee adjustment.
 - **Wholesale** revenue increased by 10.6% year-on-year to HUF 6.1 billion in Q4 2024, driven by higher IP and data revenues.
 - **Other fixed line** revenue was down by 4.6% year-on-year, amounting to HUF 4.2 billion in Q4 2024, reflecting lower interest income in relation to earlier periods' equipment sale on installment.
- **System Integration and IT ('SI/IT') revenue rose by 6.2% year-on-year, amounting to HUF 26.8 billion in Q4 2024**, thanks to higher revenue from major projects at the Hungarian operation.

Direct costs were broadly stable year-on-year, amounting to HUF 107.5 billion in Q4 2024, as higher equipment costs were mitigated by the absence of the one-off forward-looking bad debt related impairment recognized in the base period.

- **Interconnect costs** declined by 13.8% year-on-year to HUF 5.0 billion in Q4 2024, reflecting primarily the cut in the Hungarian mobile termination rates, effective from January 1, 2024.
- **SI/IT service-related costs** were up by 11.2% year-on-year, amounting to HUF 20.6 billion in Q4 2024, in line with the year-on-year higher project volumes.
- **Impairment losses and gains on financial assets and contract assets (bad debt expenses)** declined by HUF 3.3 billion, amounting to HUF 3.6 billion in Q4 2024 as increases driven by the higher revenue base was offset by the absence of the one-off HUF 3.5 billion forward-looking impairment recognized in Q4 2023.
- **Telecom tax** declined by 3.0% year-on-year, amounting to HUF 6.2 billion in Q4 2024, driven by the overall decline in fixed voice usage coupled with reduction in mobile voice traffic generated by business customers.
- **Other direct costs** were up by 4.4% year-on-year at HUF 72.2 billion in Q4 2024, as a combined result of higher equipment costs, in line with higher related sales and increase in TV content fees.

Gross profit improved by 21.6% year-on-year to HUF 149.0 billion in Q4 2024, thanks to improvement in service revenue that was coupled with broadly unchanged direct costs.

Indirect costs were up by 27.7% year-on-year, at HUF 63.5 billion in Q4 2024, driven by increase along most major cost lines.

- **Employee-related expenses** increased by 30.7% year-on-year, amounting to HUF 29.7 billion in Q4 2024, as a result of the wage increase in effect from May 1, 2024 at the Hungarian operation and from January 1, 2024 at the North Macedonian operation, as well as the one-off bonus expenses at the Hungarian operation.
- **Supplementary telecommunication tax** was up by HUF 1.5 billion, amounting to HUF 9.2 billion in Q4 2024, in line with the corresponding revenue increase.
- **Other operating expenses** (excluding supplementary telecommunication tax) increased by 28.2% year-on-year to HUF 28.0 billion in Q4 2024, as a result of higher marketing expenses and increase in maintenance and repair costs that was coupled with the unfavorable impacts from the weakening of the forint.
- **Other operating income** increased by HUF 0.8 billion year-on-year, amounting to HUF 3.4 billion in Q4 2024, driven by higher income received for relocation and reconstruction of own network and a legal case related one-off income.

EBITDA increased by 17.5% year-on-year to HUF 85.5 billion in Q4 2024, driven by the improvement in gross profit. **EBITDA AL was up by 18.7% year-on-year to HUF 77.6 billion in Q4 2024**.

Depreciation and amortization ('D&A') expenses were lower by 3.2% year-on-year, amounting to HUF 34.8 billion in Q4 2024, driven by increases in the useful life of different asset classes.

Profit for the period rose by 55.5% year-on-year to HUF 37.8 billion in Q4 2024, driven primarily by the growth in EBITDA.

- **Net financial result** improved from a loss of HUF 8.1 billion in Q4 2023 to a loss of HUF 5.1 billion in Q4 2024. Year-on-year lower net interest expense was primarily attributable to a reduction in the overall debt levels as well as to lower average interest rates. The favorable change in other finance expense year-on-year reflects the more favorable results on the measurement of derivatives at fair value that offset the majority of the FX-losses related to the forint weakening during the fourth quarter of 2024.
- **Income tax expenses** were up by 74.4% year-on-year at HUF 7.8 billion in Q4 2024, primarily driven by year-on-year higher profit levels.



Profit attributable to non-controlling interests increased by 43.6% year-on-year to HUF 1.5 billion in Q4 2024, reflecting the improvement in the operational results at the North Macedonian subsidiary.

Adjusted net income (profit attributable to owners of the parent) was HUF 34.6 billion in Q4 2024 vs HUF 25.8 billion in Q4 2023, reflecting the improvements in underlying profitability. **Negative adjustments** to the reported net income of **HUF 1.7 billion** in Q4 2024 are reflecting unrealized gains related to measurement of derivatives at fair value.

2.1.2 Group Cash Flows

HUF millions	1-12 months 2023	1-12 months 2024	Change
Net cash generated from operating activities	222,750	302,311	79,561
Net cash used in investing activities	(114,837)	(86,415)	28,422
Less: (Payments for) / Proceeds from other financial assets	15,225	(15,605)	(30,830)
Investing cash flow excluding Payments for / Proceeds from other financial assets - net	(99,612)	(102,020)	(2,408)
Repayment of lease and other financial liabilities	(36,622)	(33,967)	2,655
Free cash flow	86,516	166,324	79,808
(Payments for) / Proceeds from other financial assets - net	(15,225)	15,605	30,830
Proceeds from / (Repayment of) loans and other borrowings - net	(21,625)	(108,075)	(86,450)
Dividends paid to Owners of the parent and Non-controlling interests	(33,942)	(47,955)	(14,013)
Treasury share purchase	(14,609)	(22,363)	(7,754)
Exchange differences on cash and cash equivalents	(462)	960	1,422
Change in cash and cash equivalents	653	4,496	3,843

Free cash flow (FCF) amounted to HUF 166.3 billion cash inflow in 2024 (2023: HUF 86.5 billion cash inflow) mainly due to the reasons described below.

Operating cash flow

Net cash generated from operating activities significantly improved to a cash inflow of HUF 302.3 billion in 2024, compared to cash inflow of HUF 222.8 billion in 2023, attributable to the reasons outlined as follows:

- HUF 76.2 billion **positive impact due to higher EBITDA** in 2024.
- HUF 22.2 billion **positive change in active working capital**, mainly as a result of:
 - favorable change in the development of balances of telecommunication customer related trade receivables in Hungary (positive impact: ca. HUF 16.3 billion) thanks to some one-off improvements in receivables and some improvement in the ageing of receivables,
 - favorable change in handset inventory balances in Hungary in 2024 compared to 2023 (positive impact: ca. HUF 12.4 billion) primarily due to enhancements in inventory control processes and different within-year procurement dynamics.
- HUF 3.7 billion **positive change in provisions**, mainly reflecting to employee related provisions in 2024 compared to 2023.
- HUF 21.9 billion **negative change in passive working capital**, primarily driven by:
 - higher decrease in handset supplier balances (negative impact: ca. HUF 12.4 billion) in line with lower inventories and higher outpayments,
 - unfavorable change in the balances of invoiced and non-invoiced trade creditors mainly in Hungary in 2024 compared to 2023 (negative impact: ca. HUF 7.2 billion) due to different outpayment timing.
- HUF 4.1 billion **negative change in income taxes paid** in 2024 compared to 2023, mainly reflecting higher local business tax and higher corporate income tax payment due to improving profit levels.
- HUF 5.4 billion **positive change in interest and other financial charges paid** in 2024 compared to 2023, mainly reflecting the lower interest rates and lower level of the loan portfolio.



- HUF 1.2 billion **positive change in interest received** in 2024 compared to 2023 due to changing liquidity positions.
- HUF 3.2 billion **negative change in other non-cash items**, mainly due to different foreign exchange rate movements leading to FX losses in 2024 versus gains in 2023.

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

Net cash used in investing activities amounted to HUF 102.0 billion in 2024, compared to HUF 99.6 billion in 2023 reflecting higher investments in fiber rollout and lower payments for PPE mainly driven by the lower level of CPE procurement dynamics in Hungary.

Repayment of lease and other financial liabilities

Repayment of lease and other financial liabilities improved to HUF 34.0 billion in 2024 from HUF 36.6 billion in 2023, primarily driven by HUF 2.3 billion lower outflow related to trade payables with extended payment term in 2024.

Cash and cash equivalents improved by HUF 3.8 billion in 2024 compared to 2023. Besides the favorable change in FCF the improvement in Cash and cash equivalents is attributable to the followings:

- **Proceeds from loans and other borrowings** improved by HUF 50.5 billion due to combined effect of the higher drawdown of DT Group loans and the increase of proceeds from inhouse DT Group funds in 2024 compared to 2023.
- **Repayments of loans and other borrowings** deteriorated by HUF 136.9 billion due to the combined effect of the increase of repayments of DT Group loans and increase of repayments of inhouse DT Group funds in 2024 compared to 2023.
- HUF 14.0 billion higher **dividend** was **paid** in 2024 versus 2023.
- HUF 7.8 billion higher cash outflow related to **treasury share purchase** in 2024 compared to 2023.
- **Exchange differences on cash and cash equivalents** improved by HUF 1.4 billion due to the MKD/HUF foreign exchange rate movement during 2024.

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

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

2.1.3 Consolidated Statements of Financial Position

The most significant changes in the balances of the Consolidated Statements of Financial Position from December 31, 2023 to December 31, 2024 (see Appendix 3.9 and 3.10) can be observed in the following lines:

- Trade receivables within one year
- Derivative financial instruments contracted with related parties (current and non-current assets combined)
- Other financial assets (current and non-current combined)
- Assets held for sale
- Property, plant and equipment
- Other intangible assets
- Financial liabilities to related parties (current and non-current liabilities combined)
- Common stock
- Treasury stock

Trade receivables within one year increased by HUF 12.2 billion from December 31, 2023 to December 31, 2024 mainly driven by higher sales volume in addition to the impact of the inflation-based fee adjustment implemented in 2024, and the increase of installment receivables due to year-end seasonality.

Derivative financial instruments contracted with related parties (current and non-current combined) decreased by HUF 8.8 billion from December 31, 2023 to December 31, 2024 mainly related to accumulated fair value realized earlier on cross-currency swaps where the underlying loans were repaid in 2024.

Other financial assets (current and non-current combined) increased by HUF 48.5 billion from December 31, 2023 to December 31, 2024 mainly as a result of HUF 46.2 billion increase in cash pool receivables.

Assets held for sale increased by HUF 2.4 billion from December 31, 2023 to December 31, 2024 mainly due to a transfer agreement on transferring the usage right of 2x5 MHz frequency block in the 2100 MHz band to Yettel Hungary Ltd. The sale took place in January, 2025.



Property, plant and equipment increased by HUF 20.8 billion from December 31, 2023 to December 31, 2024 mainly due to fixed network development through optical rollout, mobile network modernization (upgrading all its mobile base stations, implementing capacity expansion and 5G rollout), and upgrading and greening the infrastructure of technological buildings.

Other intangible assets declined by HUF 21.0 billion from December 31, 2023 to December 31, 2024, as the annual depreciation of the assets and transferring of the usage right of 2x5 MHz frequency block to assets held for sale significantly exceeded the increases to this asset category from new investments.

Financial liabilities to related parties (current and non-current combined) decreased by HUF 54.7 billion from December 31, 2023 to December 31, 2024 due to the combined effect of repayment and re-financing of DT Group loans.

Common stock decreased by HUF 3.3 billion from December 31, 2023 to December 31, 2024 as a result of the cancellation of 32,941,370 pieces of dematerialized series "A" ordinary shares, owned by the Company (treasury shares), each with the face value of HUF 100.

Treasury stock increased from December 31, 2023 to December 31, 2024 primarily as a result of HUF 22.3 billion purchase of total of 21,200,065 Magyar Telekom ordinary shares and capital decrease through cancellation of treasury shares in HUF 14.6 billion.

There has not been any other material change in the items of the Consolidated Statement of Financial Position in the period from December 31, 2023 to December 31, 2024. The less significant changes in balances of the Consolidated Statements of Financial Position are largely explained by the items of the Consolidated Statement of Cash Flows for 2024 and the related explanations provided above in section 2.1.2 Group Cash Flows. The changes in Equity are disclosed in the Equity movement table in section 3.13 Consolidated Statements of Changes in Equity.

2.1.4 Related party transactions

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

2.1.5 Contingencies and commitments

Contingent assets

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

Contingent liabilities

No provision has been recognized for these cases as management estimates that it is unlikely that these claims originating from past events would result in any material economic outflows from the Group, or the amount of the obligation cannot be measured with sufficient reliability. The Group has no contingencies where the outflow of economic benefits would be probable and material.

Guarantees

Magyar Telekom is also exposed to risks that arise from the possible drawdown of guarantees that in aggregation amounted to a nominal amount of HUF 17.7 billion as at December 31, 2024. The guarantees were issued as collateral to secure the fulfillment of the Group's certain contractual or tender-related obligations.

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

Commitments

There has been no material change in the nature and amount of our commitments in 2024.

2.1.6 Material events

For any material event that occurred between the end of the quarter (December 31, 2024) and the date of publishing this quarterly financial report, please see our Investor Relations website:

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



2.2. Segment reports

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

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

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

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

2.2.1 MT-Hungary

	Q4 2023	Q4 2024	Change	Change (%)	1-12 months 2023	1-12 months 2024	Change	Change (%)
HUF millions								
Voice	31,356	33,406	2,050	6.5%	122,815	131,118	8,303	6.8%
Non-voice	51,102	61,798	10,696	20.9%	193,620	237,241	43,621	22.5%
Equipment	32,969	35,273	2,304	7.0%	109,414	125,096	15,682	14.3%
Other mobile revenue	4,995	4,912	(83)	(1.7%)	18,559	20,020	1,461	7.9%
Mobile revenue	120,422	135,389	14,967	12.4%	444,408	513,475	69,067	15.5%
Voice retail	7,546	7,696	150	2.0%	30,431	31,276	845	2.8%
Broadband retail	22,468	27,636	5,168	23.0%	85,405	105,704	20,299	23.8%
TV	17,161	19,093	1,932	11.3%	66,476	75,771	9,295	14.0%
Equipment	7,322	7,227	(95)	(1.3%)	19,828	22,164	2,336	11.8%
Other	11,125	11,599	474	4.3%	43,986	44,796	810	1.8%
Fixed line revenue	65,622	73,251	7,629	11.6%	246,126	279,711	33,585	13.6%
SI/IT revenue	24,731	26,089	1,358	5.5%	84,283	92,450	8,167	9.7%
Revenue	210,775	234,729	23,954	11.4%	774,817	885,636	110,819	14.3%
Direct costs	(99,880)	(100,417)	(537)	(0.5%)	(333,530)	(355,420)	(21,890)	(6.6%)
Gross profit	110,895	134,312	23,417	21.1%	441,287	530,216	88,929	20.2%
Indirect costs	(36,987)	(47,978)	(10,991)	(29.7%)	(156,088)	(163,847)	(7,759)	(5.0%)
Supplementary telecommunication tax	(7,732)	(9,246)	(1,514)	(19.6%)	(29,946)	(36,390)	(6,444)	(21.5%)
EBITDA	66,176	77,088	10,912	16.5%	255,253	329,979	74,726	29.3%
EBITDA AL	59,029	69,547	10,518	17.8%	227,100	300,865	73,765	32.5%
Segment Capex AL excl. spectrum licenses	24,910	36,321	11,411	45.8%	89,636	99,490	9,854	11.0%
Spectrum licenses	-	-	-	-	586	-	(586)	-



Operational statistics – access numbers	December 31 2023	December 31 2024	Change (%)
Number of SIM cards	6,246,285	6,454,319	3.3%
Postpaid share in total	61.0%	58.5%	n.a.
Total fixed voice access	1,272,581	1,197,345	(5.9%)
Total retail fixed broadband customers	1,591,710	1,653,562	3.9%
Total TV customers	1,424,421	1,438,353	1.0%

Operational statistics – ARPU (HUF)	Q4 2023	Q4 2024	Change (%)	1-12 months 2023	1-12 months 2024	Change (%)
Blended mobile ARPU	4,430	4,935	11.4%	4,328	4,813	11.2%
Postpaid ARPU	6,649	7,816	17.6%	6,420	7,506	16.9%
Prepaid ARPU	1,427	1,421	(0.4%)	1,329	1,389	4.5%
M2M ARPU	258	250	(3.2%)	275	251	(8.6%)
Blended fixed voice ARPU	1,968	2,123	7.9%	1,963	2,111	7.6%
Blended fixed broadband ARPU	4,694	5,542	18.1%	4,544	5,374	18.3%
Blended TV ARPU	4,032	4,420	9.6%	3,946	4,400	11.5%

Total revenue for the MT-Hungary segment rose by 11.4% year-on-year to HUF 234.7 billion in Q4 2024, driven by continued increase in mobile data and broadband usage as well as the implemented inflation-based fee adjustment leading to increases in subscription fees.

- **Mobile revenue** was up by 12.4% year-on-year in Q4 2024, thanks primarily to increasing service revenue coupled with higher revenue from equipment sales. Service revenue growth was continued to be driven by the increases in mobile data usage that was coupled with the positive impacts from the implemented fee adjustment. At the same time, the continued growth in the number of SIM cards was driven by increases in M2M usage whilst both postpaid and prepaid SIM numbers recorded some declines year-on-year. Increases in the residential postpaid base were offset by reduction in public sector subscribers, also negatively impacting mobile data subscriber trends. Equipment sales revenue increase reflects higher revenue from third party export sales and lower installment sales related present value discount.
- **Fixed line revenue** grew by 11.6% year-on-year in Q4 2024, with improvement led by continued increase in broadband revenues as further expansion of the customer base was coupled with strong ARPU growth. At the same time, though TV revenues continued to increase thanks to the inflation-based fee adjustment, customer base development reflected the unfavorable impact of the satellite TV phase out with the related subscriber base dropping sharply by year-end.
- **SI/IT revenue** was up by 5.5% year-on-year in Q4 2024, thanks to higher revenue from major projects.

Gross profit rose by 21.1% year-on-year in Q4 2024, in line with the positive revenue trends.

EBITDA increased by 16.5% year-on-year and **EBITDA AL** was up by 17.8% year-on-year in Q4 2024, thanks to the improvement in underlying profitability.

Capex AL excluding spectrum licenses was up by 11.0% year-on-year for the full year 2024, as result of higher investments toward the fiber network and some one-off increases in the asset retirement obligations.

Outlook: Economic, business and competitive developments in Hungary have raised many challenges in the past years. Magyar Telekom closely monitors the development of its external environment to take proactive steps, leverage opportunities and mitigate risks arising from any change in the environment.



2.2.2 North Macedonia

	Q4 2023	Q4 2024	Change	Change (%)	1-12 months 2023	1-12 months 2024	Change	Change (%)
HUF millions								
Voice	3,272	3,945	673	20.6%	14,815	15,807	992	6.7%
Non-voice	4,442	5,123	681	15.3%	17,747	19,540	1,793	10.1%
Equipment	3,668	3,718	50	1.4%	11,909	12,845	936	7.9%
Other mobile revenue	623	730	107	17.2%	3,170	3,096	(74)	(2.3%)
Mobile revenue	12,005	13,516	1,511	12.6%	47,641	51,288	3,647	7.7%
Voice retail	1,285	1,352	67	5.2%	5,113	5,269	156	3.1%
Broadband retail	1,654	1,912	258	15.6%	6,453	7,230	777	12.0%
TV	1,354	1,458	104	7.7%	5,518	5,548	30	0.5%
Equipment	27	28	1	3.7%	125	110	(15)	(12.0%)
Other	1,777	1,865	88	5.0%	7,415	7,371	(44)	(0.6%)
Fixed line revenue	6,097	6,615	518	8.5%	24,624	25,528	904	3.7%
SI/IT revenue	527	565	38	7.2%	1,852	1,769	(83)	(4.5%)
Revenue	18,629	20,696	2,067	11.1%	74,117	78,585	4,468	6.0%
Direct costs	(6,871)	(7,058)	(187)	(2.7%)	(23,752)	(24,450)	(698)	(2.9%)
Gross profit	11,758	13,638	1,880	16.0%	50,365	54,135	3,770	7.5%
Indirect costs	(4,803)	(5,484)	(681)	(14.2%)	(18,876)	(21,338)	(2,462)	(13.0%)
Supplementary telecommunication tax	-	-	-	-	-	-	-	-
EBITDA	6,955	8,154	1,199	17.2%	31,489	32,797	1,308	4.2%
EBITDA AL	6,737	7,852	1,115	16.6%	30,419	31,587	1,168	3.8%
Segment Capex AL excl. spectrum licenses	7,357	7,325	(32)	(0.4%)	15,441	13,613	(1,828)	(11.8%)
Spectrum licenses	-	-	-	-	-	-	-	-
Operational statistics – access numbers								
	December 31 2023	December 31 2024	Change (%)					
Number of mobile SIMs	1,280,564	1,281,667	0.1%					
Postpaid share in total	45.7%	47.1%	n.a.					
Total fixed voice access	228,350	233,297	2.2%					
Total fixed retail broadband customers	210,480	217,881	3.5%					
Total TV customers	150,415	158,750	5.5%					

Total revenue in North Macedonia was up by 11.1% year-on-year to HUF 20.7 billion in Q4 2024 in forint terms, driven increasing service revenue, especially in the mobile data segment.

- **Mobile revenue** rose by 12.6% year-on-year in Q4 2024 in forint terms, mostly reflecting the further increase in mobile data revenue also in relation to the expansion of the postpaid customer base, whilst other revenue growth is attributable to higher visitor revenues.
- **Fixed line revenue** was up by 8.5% year-on-year in Q4 2024 in forint terms, whilst remained broadly stable in local currency, as increases in broadband and data retail revenues were offset by a decline in TV-content resale revenue.
- **SI/IT revenue** was up by 7.2% year-on-year in Q4 2024 in forint terms, whereas remained on the same level year-on-year in local currency.

Gross profit increased by 16.0% year-on-year in Q4 2024, reflecting the increase in service revenue.

EBITDA grew by 17.2% year-on-year and **EBITDA AL** was up by 16.6% year-on-year in Q4 2024, as improvement in gross profit more than offset the increase in indirect costs.

CAPEX AL declined by 11.8% year-on-year to HUF 13.6 billion for the full year of 2024 as a result of lower network related investments.

Outlook: Looking ahead, competition is expected to intensify further with the possible entrance of a new operator to the North Macedonian telecommunication market and which may exert pressure on the profitability.



3. APPENDIX

3.1. Basis of preparation and initial application, interpretations and amendments of IFRS Accounting Standards

This condensed consolidated financial information was prepared in accordance with IAS 34 (Interim Financial Reporting) and should be read in conjunction with the Consolidated financial statements for the year ended December 31, 2023, which were prepared in accordance with IFRS Accounting Standards as adopted by the European Union. This consolidated interim financial information has not been audited.

The Consolidated and Separate financial statements of Magyar Telekom for December 31, 2023 were audited and the audit reports were unqualified. They were approved by the shareholders at the Annual General Meeting on April 16, 2024 and have been published electronically on the sites required by the relevant laws and regulations.

Initial application of IFRS Accounting Standards, interpretations, and amendments in the financial year

The principal accounting policies followed by the Group and the critical accounting estimates in applying accounting policies are consistent with those disclosed in the Consolidated financial statements for the year ended December 31, 2023, with the following exception:

Pronouncement	Title	Applied by Magyar Telekom from	Changes	Impact on the presentation of Magyar Telekom's results of operations and financial position
IFRS Accounting Standards adopted by the EU				
Amendments to IAS 1	Presentation of Financial Statements	01.01.2024	Classification of Liabilities as Current or Non-current and Deferral of Effective Date. Non-current liabilities with covenants.	No material impact.
Amendments to IFRS 16 Leases	Lease Liability in a Sale and Leaseback	01.01.2024	The amendments add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 Revenue from Contracts with Customers to be accounted for as a sale.	No material impact.
Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures	Disclosures: Supplier Finance Arrangements	01.01.2024	The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enable users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, IFRS 7 was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk	No material impact.

3.2. Macroeconomic environment and critical accounting estimates, climate disclosures

Management continuously monitors the progress in the Hungarian economic environment and the effect of the war, particularly on the macroeconomic tendencies and current market conditions. Currently, the war does not have a significant direct impact on the Group's operations. The associated risks are monitored and assessed by the Group through the quarterly risk reporting process with risk owners.



The impact of inflation and the persistent weakness with the increasing trend in the forint exchange rate still put pressure on the Group's costs. The management pays special attention to the changes in energy prices and looks for the possibilities for the provision of cost-effective energy supply, such as concluding long-term power purchase agreements (PPA).

Considering the general economic factors and the solvency of customers, based on forward-looking information the management concluded that one-time impairment on installment receivables recognized in 2023 has to be partially reversed and besides further impairment has to be recognized on the service-related receivables, resulting in a decrease of HUF 340 million in bad debt expenses. The annual revision also revealed that no other financial assets have been impacted materially.

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

Altogether, the Group continues to meet the increased demand for connectivity through its network and has not identified any events which could jeopardize the going concern of its operation, furthermore based on the management's assessment of future cashflows, no underperformance is expected in the long term.



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

	Q4 2023 (unaudited)	Q4 2024 (unaudited)	Change	Change (%)
(HUF millions, except per share amounts)				
Mobile revenue	131,702	148,903	17,201	13.1%
Fixed line revenue	72,227	80,777	8,550	11.8%
SI/IT revenue	25,258	26,830	1,572	6.2%
Revenue	229,187	256,510	27,323	11.9%
Interconnect costs	(5,752)	(4,957)	795	13.8%
SI/IT service related costs	(18,519)	(20,586)	(2,067)	(11.2%)
Impairment losses and gains on financial assets and contract assets	(6,877)	(3,572)	3,305	48.1%
Telecom tax	(6,358)	(6,167)	191	3.0%
Other direct costs	(69,201)	(72,248)	(3,047)	(4.4%)
Direct costs	(106,707)	(107,530)	(823)	(0.8%)
Employee-related expenses	(22,687)	(29,662)	(6,975)	(30.7%)
Depreciation and amortization	(35,952)	(34,797)	1,155	3.2%
Other operating expenses	(21,865)	(28,023)	(6,158)	(28.2%)
Supplementary telecommunication tax	(7,749)	(9,236)	(1,487)	(19.2%)
Operating expenses	(194,960)	(209,248)	(14,288)	(7.3%)
Other operating income	2,583	3,425	842	32.6%
Operating profit	36,810	50,687	13,877	37.7%
Interest income	1,693	1,160	(533)	(31.5%)
Interest expense	(5,977)	(4,738)	1,239	20.7%
Other finance expense - net	(3,769)	(1,543)	2,226	59.1%
Net financial result	(8,053)	(5,121)	2,932	36.4%
Share of associates' and joint ventures' results	-	-	-	-
Profit before income tax	28,757	45,566	16,809	58.5%
Income tax	(4,456)	(7,771)	(3,315)	(74.4%)
Profit for the period	24,301	37,795	13,494	55.5%
Other comprehensive income:				
Items to be reclassified to profit or loss in subsequent periods:				
Exchange differences on translating foreign operations	(2,462)	3,568	6,030	n.m.
Items not to be reclassified to profit or loss in subsequent periods:				
Revaluation of financial assets at FV OCI	179	457	278	155.3%
Other comprehensive income for the year, net of tax	(2,283)	4,025	6,308	n.m.
Total comprehensive income for the period	22,018	41,820	19,802	89.9%
Profit attributable to:				
Owners of the parent	23,227	36,253	13,026	56.1%
Non-controlling interests	1,074	1,542	468	43.6%
	24,301	37,795	13,494	55.5%
Total comprehensive income attributable to:				
Owners of the parent	21,817	38,740	16,923	77.6%
Non-controlling interests	201	3,080	2,879	n.m.
	22,018	41,820	19,802	89.9%
Earnings per share (EPS) information:				
Profit attributable to the owners of the Company	23,227	36,253		
Weighted average number of common stock outstanding used for basic/diluted EPS	929,781,149	908,581,084		
Basic / diluted earnings per share (HUF)	24.98	39.90	14.92	59.7%



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

(HUF millions, except per share amounts)	1-12 months 2023 (unaudited)	1-12 months 2024 (unaudited)	Change	Change (%)
Mobile revenue	491,322	565,480	74,158	15.1%
Fixed line revenue	271,915	307,603	35,688	13.1%
SI/IT revenue	86,135	94,395	8,260	9.6%
Revenue	849,372	967,478	118,106	13.9%
Interconnect costs	(22,930)	(19,198)	3,732	16.3%
SI/IT service related costs	(62,990)	(68,192)	(5,202)	(8.3%)
Impairment losses and gains on financial assets and contract assets	(14,033)	(13,743)	290	2.1%
Telecom tax	(25,460)	(25,077)	383	1.5%
Other direct costs	(230,906)	(253,600)	(22,694)	(9.8%)
Direct costs	(356,319)	(379,810)	(23,491)	(6.6%)
Employee-related expenses	(83,688)	(101,747)	(18,059)	(21.6%)
Depreciation and amortization	(139,168)	(139,942)	(774)	(0.6%)
Other operating expenses	(97,296)	(92,543)	4,753	4.9%
Supplementary telecommunication tax	(29,963)	(36,363)	(6,400)	(21.4%)
Operating expenses	(706,434)	(750,405)	(43,971)	(6.2%)
Other operating income	5,058	6,386	1,328	26.3%
Operating profit	147,996	223,459	75,463	51.0%
Interest income	4,128	4,600	472	11.4%
Interest expense	(25,002)	(20,753)	4,249	17.0%
Other finance expense - net	(23,166)	(13,083)	10,083	43.5%
Net financial result	(44,040)	(29,236)	14,804	33.6%
Share of associates' and joint ventures' results	-	-	-	n.a.
Profit before income tax	103,956	194,223	90,267	86.8%
Income tax	(19,552)	(30,827)	(11,275)	(57.7%)
Profit for the period	84,404	163,396	78,992	93.6%
Other comprehensive income:				
Items to be reclassified to profit or loss in subsequent periods:				
Exchange differences on translating foreign operations	(5,261)	7,997	13,258	n.m.
Items not to be reclassified to profit or loss in subsequent periods:				
Revaluation of financial assets at FV OCI	292	1,449	1,157	396.2%
Other comprehensive income for the year, net of tax	(4,969)	9,446	14,415	n.m.
Total comprehensive income for the period	79,435	172,842	93,407	117.6%
Profit attributable to:				
Owners of the parent	78,951	157,797	78,846	99.9%
Non-controlling interests	5,453	5,599	146	2.7%
	84,404	163,396	78,992	93.6%
Total comprehensive income attributable to:				
Owners of the parent	75,796	163,614	87,818	115.9%
Non-controlling interests	3,639	9,228	5,589	153.6%
	79,435	172,842	93,407	117.6%
Earnings per share (EPS) information:				
Profit attributable to the owners of the Company	78,951	157,797		
Weighted average number of common stock outstanding used for basic/diluted EPS	942,867,447	918,686,597		
Basic / diluted earnings per share (HUF)	83.73	171.76	88.03	105.1%



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

(HUF millions)	Q4 2023	Q4 2024	Change	Change (%)
Voice retail	31,040	35,404	4,364	14.1%
Voice wholesale	2,865	1,947	(918)	(32.0%)
Data	48,676	59,300	10,624	21.8%
SMS	6,868	7,621	753	11.0%
Equipment	36,637	38,991	2,354	6.4%
Other mobile revenue	5,616	5,640	24	0.4%
Mobile revenue	131,702	148,903	17,201	13.1%
Voice retail	8,820	9,048	228	2.6%
Broadband retail	24,077	29,548	5,471	22.7%
TV	18,483	20,551	2,068	11.2%
Equipment	7,349	7,255	(94)	(1.3%)
Data retail	3,634	4,126	492	13.5%
Wholesale (voice, broadband, data)	5,493	6,077	584	10.6%
Other fixed line revenue	4,371	4,172	(199)	(4.6%)
Fixed line revenue	72,227	80,777	8,550	11.8%
SI/IT revenue	25,258	26,830	1,572	6.2%
Revenue	229,187	256,510	27,323	11.9%

3.6. Revenue breakdown – year-to-date comparison

(HUF millions)	1-12 months 2023	1-12 months 2024	Change	Change (%)
Voice retail	125,307	140,075	14,768	11.8%
Voice wholesale	11,600	7,573	(4,027)	(34.7%)
Data	184,698	227,289	42,591	23.1%
SMS	26,669	29,492	2,823	10.6%
Equipment	121,323	137,941	16,618	13.7%
Other mobile revenue	21,725	23,110	1,385	6.4%
Mobile revenue	491,322	565,480	74,158	15.1%
Voice retail	35,533	36,556	1,023	2.9%
Broadband retail	91,813	112,979	21,166	23.1%
TV	71,962	81,351	9,389	13.0%
Equipment	19,953	22,274	2,321	11.6%
Data retail	14,099	15,847	1,748	12.4%
Wholesale (voice, broadband, data)	21,434	22,310	876	4.1%
Other fixed line revenue	17,121	16,286	(835)	(4.9%)
Fixed line revenue	271,915	307,603	35,688	13.1%
SI/IT revenue	86,135	94,395	8,260	9.6%
Revenue	849,372	967,478	118,106	13.9%



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

(HUF millions)	Q4 2023	Q4 2024	Change	Change (%)
Direct costs	(106,707)	(107,530)	(823)	(0.8%)
Employee-related expenses	(22,687)	(29,662)	(6,975)	(30.7%)
Depreciation and amortization	(35,952)	(34,797)	1,155	3.2%
Other operating expenses	(21,865)	(28,023)	(6,158)	(28.2%)
<i>Of which utility tax</i>	-	-	-	<i>n.a.</i>
Supplementary telecommunication tax	(7,749)	(9,236)	(1,487)	(19.2%)
Operating expenses	(194,960)	(209,248)	(14,288)	(7.3%)

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

(HUF millions)	1-12 months 2023	1-12 months 2024	Change	Change (%)
Direct costs	(356,319)	(379,810)	(23,491)	(6.6%)
Employee-related expenses	(83,688)	(101,747)	(18,059)	(21.6%)
Depreciation and amortization	(139,168)	(139,942)	(774)	(0.6%)
Other operating expenses	(97,296)	(92,543)	4,753	4.9%
<i>Of which utility tax</i>	(7,667)	-	7,667	<i>n.a.</i>
Supplementary telecommunication tax	(29,963)	(36,363)	(6,400)	(21.4%)
Operating expenses	(706,434)	(750,405)	(43,971)	(6.2%)



3.9. Consolidated Statement of Financial Position - Assets

(HUF millions)	Dec 31, 2023 (unaudited)	Dec 31, 2024 (unaudited)	Change	Change (%)
ASSETS				
Cash and cash equivalents	13,514	18,010	4,496	33.3%
Trade receivables within one year	199,249	211,411	12,162	6.1%
Other current assets	8,455	9,214	759	9.0%
Derivative financial instruments contracted with related parties	7,663	1,804	(5,859)	(76.5%)
Other current financial assets	6,132	52,092	45,960	n.m.
Contract assets	17,358	16,903	(455)	(2.6%)
Current income tax receivable	131	135	4	3.1%
Inventories	32,428	28,756	(3,672)	(11.3%)
	284,930	338,325	53,395	18.7%
Assets held for sale	346	2,788	2,442	n.m.
Total current assets	285,276	341,113	55,837	19.6%
Property, plant and equipment	476,892	497,728	20,836	4.4%
Right-of-use assets	121,960	129,733	7,773	6.4%
Goodwill	212,713	212,713	-	0.0%
Other intangible assets	314,659	293,626	(21,033)	(6.7%)
Deferred tax assets	123	114	(9)	(7.3%)
Trade receivables over one year	25,060	25,149	89	0.4%
Derivative financial instruments contracted with related parties	9,632	6,733	(2,899)	(30.1%)
Other non-current financial assets	4,381	6,907	2,526	57.7%
Contract assets	3,697	4,089	392	10.6%
Other non-current assets	9,438	12,168	2,730	28.9%
Total non-current assets	1,178,555	1,188,960	10,405	0.9%
Total assets	1,463,831	1,530,073	66,242	4.5%



3.10. Consolidated Statement of Financial Position – Liabilities and Equity

(HUF millions)	Dec 31, 2023 (unaudited)	Dec 31, 2024 (unaudited)	Change	Change (%)
LIABILITIES				
Financial liabilities to related parties	93,648	26,734	(66,914)	(71.5%)
Derivative financial instruments contracted with related parties	120	74	(46)	(38.3%)
Lease liabilities	26,940	27,866	926	3.4%
Trade payables	166,413	158,058	(8,355)	(5.0%)
Other financial liabilities	12,250	10,093	(2,157)	(17.6%)
Current income tax payable	2,753	5,942	3,189	115.8%
Provisions	2,808	5,922	3,114	110.9%
Contract liabilities	13,818	16,231	2,413	17.5%
Other current liabilities	28,434	29,212	778	2.7%
	347,184	280,132	(67,052)	(19.3%)
Liabilities held for sale	-	-	-	-
Total current liabilities	347,184	280,132	(67,052)	(19.3%)
Financial liabilities to related parties	47,847	60,059	12,212	25.5%
Lease liabilities	109,623	119,174	9,551	8.7%
Corporate bonds	68,854	69,183	329	0.5%
Other financial liabilities	98,667	94,404	(4,263)	(4.3%)
Deferred tax liabilities	11,714	17,669	5,955	50.8%
Provisions	12,329	19,470	7,141	57.9%
Contract liabilities	358	343	(15)	(4.2%)
Other non-current liabilities	1,586	1,129	(457)	(28.8%)
Total non-current liabilities	350,978	381,431	30,453	8.7%
Total liabilities	698,162	661,563	(36,599)	(5.2%)
EQUITY				
Common stock	97,156	93,862	(3,294)	(3.4%)
Capital reserves	25,509	24,644	(865)	(3.4%)
Treasury stock	(18,600)	(26,354)	(7,754)	(41.7%)
Retained earnings	585,866	691,652	105,786	18.1%
Accumulated other comprehensive income	33,536	39,353	5,817	17.3%
Total equity of the owners of the parent	723,467	823,157	99,690	13.8%
Non-controlling interests	42,202	45,353	3,151	7.5%
Total equity	765,669	868,510	102,841	13.4%
Total liabilities and equity	1,463,831	1,530,073	66,242	4.5%



3.11. Consolidated Statement of Cash Flows

(HUF millions)	1-12 months 2023 (unaudited)	1-12 months 2024 (unaudited)	Change	Change (%)
Cash flows from operating activities				
Profit for the period	84,404	163,396	78,992	93.6%
Depreciation and amortization	139,168	139,942	774	0.6%
Income tax expense	19,552	30,827	11,275	57.7%
Net financial result	44,040	29,236	(14,804)	(33.6%)
Change in assets carried as working capital	(34,318)	(12,160)	22,158	64.6%
Change in provisions	(825)	2,914	3,739	n.m.
Change in liabilities carried as working capital	14,157	(7,738)	(21,895)	n.m.
Income tax paid	(17,817)	(21,902)	(4,085)	(22.9%)
Dividend received	113	111	(2)	(1.8%)
Interest and other financial charges paid	(31,232)	(25,876)	5,356	17.1%
Interest received	3,229	4,478	1,249	38.7%
Other non-cash items	2,279	(917)	(3,196)	n.m.
Net cash generated from operating activities	222,750	302,311	79,561	35.7%
Cash flows from investing activities				
Payments for property plant and equipment (PPE) and intangible assets	(100,115)	(102,831)	(2,716)	(2.7%)
Proceeds from disposal of PPE and intangible assets	570	1,081	511	89.6%
Payments for subsidiaries and business units	(67)	(270)	(203)	(303.0%)
Payments for other financial assets	(15,264)	-	15,264	100.0%
Proceeds from other financial assets	39	15,605	15,566	n.m.
Net cash used in investing activities	(114,837)	(86,415)	28,422	24.7%
Cash flows from financing activities				
Dividends paid to Owners of the parent and Non-controlling interests	(33,942)	(47,955)	(14,013)	(41.3%)
Proceeds from loans and other borrowings	123,667	174,164	50,497	40.8%
Repayment of loans and other borrowings	(145,292)	(282,239)	(136,947)	(94.3%)
Repayment of lease and other financial liabilities	(36,622)	(33,967)	2,655	7.2%
Treasury share purchase	(14,609)	(22,363)	(7,754)	(53.1%)
Net cash used in financing activities	(106,798)	(212,360)	(105,562)	(98.8%)
Exchange differences on cash and cash equivalents	(462)	960	1,422	n.m.
Change in cash and cash equivalents	653	4,496	3,843	n.m.
Cash and cash equivalents, beginning of period	12,861	13,514	653	5.1%
Cash and cash equivalents, end of period	13,514	18,010	4,496	33.3%



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

HUF millions	Opening Balance at January 1, 2024	Changes in cash and cash equivalents	Changes affecting cash flows from operating activities	Changes in financial liabilities without cash movement	Changes affecting cash flows from investing activities	Changes affecting cash flows from financing activities				Closing Balance at Dec 31, 2024
						Proceeds from loans and borrowings	Repayment of loans and other borrowings	Repayment of lease and other financial liabilities	Other	
Related party loans	141,495	-	(2,649)	9,821	-	220,365	(282,239)	-	-	86,793
Derivatives from related parties	120	-	-	1,470	(1,516)	-	-	-	-	74
Spectrum fee payable	101,518	-	(3,967)	3,438	-	-	-	-	-	96,047
Bonds	68,854	-	(1,143)	1,472	-	-	-	-	(4,942)	69,183
Lease liabilities	136,563	-	(7,068)	41,583	-	-	-	-	(24,038)	147,040
Debtors overpayment	1,357	-	133	-	-	-	-	-	-	1,490
Contingent consideration	-	-	-	-	-	-	-	-	-	-
Other financial liabilities	8,042	-	(1,965)	5,460	-	-	-	-	(4,577)	6,960
- Less cash and cash equivalent	(13,514)	(4,496)	-	-	-	-	-	-	-	(18,010)
- Less other current financial assets and derivative financial instruments	(13,795)	-	278	(3,075)	9,307	(46,201)	-	-	(410)	(53,896)
Net debt	430,640	(4,496)	(16,381)	60,169	7,791	174,164	(282,239)	(33,967)	-	335,681
Treasury share purchase									(22,363)	
Dividends paid to Owners of the parent and Non-controlling interest									(47,955)	
Net Cash used in financing activities									(212,360)	



3.13. Consolidated Statement of Changes in Equity

	HUF millions										
	pieces	Shares of common stock	Common stock	Capital reserves	Treasury stock	Retained earnings	Cumulative translation adjustment	Revaluation reserve for FVOCI financial assets – net of tax	Equity of the owners of the parent	Non-controlling interests	Total Equity
Balance at January 1, 2023		1,005,801,352	100,580	26,409	(18,600)	546,659	36,236	455	691,739	43,037	734,776
Dividend declared to Owners of the parent		-	-	-	-	(29,459)	-	-	(29,459)	-	(29,459)
Dividend declared to Non-controlling interests		-	-	-	-	-	-	-	-	(4,474)	(4,474)
Treasury share purchase		-	-	-	(14,609)	-	-	-	(14,609)	-	(14,609)
Capital decrease with cancellation of treasury share		(34,242,485)	(3,424)	(900)	14,609	(10,285)	-	-	-	-	-
Transactions with owners in their capacity as owners		(34,242,485)	(3,424)	(900)	(900)	(39,744)	-	-	(44,068)	(4,474)	(48,542)
Other comprehensive income		-	-	-	-	-	(3,318)	163	(3,155)	(1,814)	(4,969)
Profit or loss		-	-	-	-	78,951	-	-	78,951	5,453	84,404
Total comprehensive income		-	-	-	-	78,951	(3,318)	163	75,796	3,639	79,435
Balance at December 31, 2023		971,558,867	97,156	25,509	(18,600)	585,866	32,918	618	723,467	42,202	765,669
Dividend declared to Owners of the parent		-	-	-	-	(41,561)	-	-	(41,561)	-	(41,561)
Dividend declared to Non-controlling interests		-	-	-	-	-	-	-	-	(6,077)	(6,077)
Treasury share purchase		-	-	-	(22,363)	-	-	-	(22,363)	-	(22,363)
Capital decrease with cancellation of treasury share		(32,941,370)	(3,294)	(865)	14,609	(10,450)	-	-	-	-	-
Transactions with owners in their capacity as owners		(32,941,370)	(3,294)	(865)	(7,754)	(52,011)	-	-	(63,924)	(6,077)	(70,001)
Other comprehensive income		-	-	-	-	-	4,997	820	5,817	3,629	9,446
Profit or loss		-	-	-	-	157,797	-	-	157,797	5,599	163,396
Total comprehensive income		-	-	-	-	157,797	4,997	820	163,614	9,228	172,842
Balance at December 31, 2024		938,617,497	93,862	24,644	(26,354)	691,652	37,915	1,438	823,157	45,353	868,510
Of which treasury stock		(30,036,413)	-	-	-	-	-	-	-	-	-
Shares of common stock outstanding		908,581,084									



3.14. Exchange rate information

	Q4 2023	Q4 2024	Change (%)	1-12 months 2023	1-12 months 2024	Change (%)
HUF/EUR beginning of period	391.25	397.56	1.6%	400.25	382.78	(4.4%)
HUF/EUR period-end	382.78	410.09	7.1%	382.78	410.09	7.1%
HUF/EUR cumulative monthly average	383.00	408.46	6.6%	381.26	396.20	3.9%
HUF/MKD beginning of period	6.36	6.47	1.7%	6.51	6.22	(4.5%)
HUF/MKD period-end	6.22	6.67	7.2%	6.22	6.67	7.2%
HUF/MKD cumulative monthly average	6.23	6.64	6.6%	6.19	6.44	4.0%

3.15. Segment information

HUF millions	Q4 2023	Q4 2024	1-12 months 2023	1-12 months 2024
Total MT-Hungary revenue	210,775	234,729	774,817	885,636
Less: MT-Hungary revenue from other segments	(26)	(36)	(93)	(114)
MT-Hungary revenue from external customers	210,749	234,693	774,724	885,522
Total North Macedonia revenue	18,629	20,696	74,117	78,585
Less: North Macedonia revenue from other segments	(15)	(13)	(59)	(54)
North Macedonia revenue from external customers	18,614	20,683	74,058	78,531
Total consolidated revenue of the segments	229,363	255,376	848,782	964,053
Measurement differences to Group revenue	(176)	1,134	590	3,425
Total revenue of the Group	229,187	256,510	849,372	967,478
Segment results (EBITDA)				
Hungary	66,176	77,088	255,253	329,979
North Macedonia	6,955	8,154	31,489	32,797
Total EBITDA of the segments	73,131	85,242	286,742	362,776
Measurement differences to Group EBITDA	(369)	242	422	625
Total EBITDA of the Group	72,762	85,484	287,164	363,401
Segment Capex AL excl. spectrum licenses				
Hungary	24,910	36,321	89,636	99,490
North Macedonia	7,357	7,325	15,441	13,613
Total Segment Capex AL excl. spectrum licenses	32,267	43,646	105,077	113,103
Measurement differences to Group Capex AL excl. spectrum licenses	-	(120)	37	200
Total Capex AL excl. spectrum licenses of the Group	32,267	43,526	105,114	113,303



3.16. Fair value of financial instruments – financial assets

December 31, 2024 HUF millions	Financial assets				Carrying amount	Fair value
	Amortized cost	FVOCI (Level 1)	FVTPL (Level 2)	FVTPL (Level 3)		
Cash and cash equivalents	18,010	-	-	-	18,010	18,010
Cash-pool receivables	51,170	-	-	-	51,170	51,170
Trade receivables within one year	211,411	-	-	-	211,411	211,411
Trade receivables over one year	25,149	-	-	-	25,149	23,281
Derivative financial instruments contracted with related parties	-	-	8,537	-	8,537	8,537
Finance lease receivable	1,181	-	-	-	1,181	1,113
Equity instruments	-	3,445	-	1,400	4,845	4,845
Other current receivables	576	-	-	-	576	576
Other non-current receivables	1,227	-	-	-	1,227	1,218
Total	308,724	3,445	8,537	1,400	322,106	320,161

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

3.17. Fair value of financial instruments – financial liabilities

December 31, 2024 HUF millions	Financial liabilities			Carrying amount	Fair value
	Measured at amortized cost	FVTPL (Level 2)	FVTPL (Level 3)		
Financial liabilities to related parties	86,793	-	-	86,793	91,830
Derivative financial instruments contracted with related parties	-	74	-	74	74
Trade payables	158,058	-	-	158,058	158,058
Frequency fee payable	96,047	-	-	96,047	72,278
Bonds	69,183	-	-	69,183	61,444
Lease liabilities	147,040	-	-	147,040	134,071
Debtors' overpayment	1,490	-	-	1,490	1,490
Other current liabilities	3,667	-	-	3,667	3,667
Other non-current liabilities	3,293	-	-	3,293	3,195
Total	565,571	74	-	565,645	526,107

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



3.18. EBITDA reconciliation

(HUF millions)	Q4 2023 MT Group	Q4 2023 MT-Hungary	Q4 2023 North Macedonia	Q4 2024 MT Group	Q4 2024 MT-Hungary	Q4 2024 North Macedonia
EBITDA	72,762	66,176	6,955	85,484	77,088	8,154
IFRS 16 related D&A	(5,586)	(5,405)	(181)	(5,986)	(5,728)	(258)
IFRS 16 related Interest	(1,779)	(1,742)	(37)	(1,857)	(1,813)	(44)
EBITDA after lease	65,397	59,029	6,737	77,641	69,547	7,852
Other D&A (unallocated)	(30,366)	n.a.	n.a.	(28,811)	n.a.	n.a.
Other Financial result (unallocated)	(6,274)	n.a.	n.a.	(3,264)	n.a.	n.a.
Profit before tax	28,757	n.a.	n.a.	45,566	n.a.	n.a.

(HUF millions)	1-12 months 2023 MT Group	1-12 months 2023 MT-Hungary	1-12 months 2023 North Macedonia	1-12 months 2024 MT Group	1-12 months 2024 MT-Hungary	1-12 months 2024 North Macedonia
EBITDA	287,164	255,253	31,489	363,401	329,979	32,797
IFRS 16 related D&A	(22,259)	(21,336)	(923)	(23,256)	(22,207)	(1,049)
IFRS 16 related Interest	(6,964)	(6,817)	(147)	(7,068)	(6,907)	(161)
EBITDA after lease	257,941	227,100	30,419	333,077	300,865	31,587
Other D&A (unallocated)	(116,909)	n.a.	n.a.	(116,686)	n.a.	n.a.
Other Financial result (unallocated)	(37,076)	n.a.	n.a.	(22,168)	n.a.	n.a.
Profit before tax	103,956	n.a.	n.a.	194,223	n.a.	n.a.

3.19. Adjusted profit attributable to owners of the parent reconciliation

(HUF millions)	Q4 2023	Q4 2024	Change	Change (%)	1-12 months 2023	1-12 months 2024	Change	Change (%)
Profit attributable to the owners of the parent	23,227	36,253	13,026	56.1%	78,951	157,797	78,846	99.9%
Changes in depreciation and amortization	-	-	-	-	-	-	-	-
Changes in net financial result*	2,564	(1,667)	(4,231)	n.m.	14,667	4,835	(9,832)	(67.0%)
Changes in income tax	-	-	-	-	-	-	-	-
Total adjusting factors	2,564	(1,667)	(4,231)	n.m.	14,667	4,835	(9,832)	(67.0%)
Adjusted profit attributable to owners of the parent	25,791	34,586	8,795	34.1%	93,618	162,632	69,014	73.7%

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

3.20. Capex from Consolidated Statement of Cash Flows

(HUF millions)	1-12 months 2023 MT Group	1-12 months 2024 MT Group
Payments for PPE and intangible assets	100,115	102,831
Less spectrum payments	(313)	-
Payments for PPE and intangible assets excl. spectrum payments	99,802	102,831
+/- Cash adjustments	5,312	10,472
Capex AL excl. spectrum	105,114	113,303
ROU capex	23,089	32,741
Spectrum capex	586	-
Capex	128,789	146,044



3.21. Capex from Consolidated Statement of Financial Position

(HUF millions)	Q4 2023 MT Group	Q4 2023 MT-Hungary*	Q4 2023 North Macedonia*	Q4 2024 MT Group	Q4 2024 MT-Hungary*	Q4 2024 North Macedonia*
Capex AL excl. spectrum licenses	32,267	24,910	7,357	43,526	36,199	7,327
ROU capex	5,775	5,526	249	11,405	11,048	357
Spectrum capex	-	-	-	-	-	-
Capex	38,042	30,436	7,606	54,931	47,247	7,684

(HUF millions)	1-12 months 2023 MT Group	1-12 months 2023 MT-Hungary*	1-12 months 2023 North Macedonia*	1-12 months 2024 MT Group	1-12 months 2024 MT-Hungary*	1-12 months 2024 North Macedonia*
Capex AL excl. spectrum licenses	105,114	89,673	15,441	113,303	99,435	13,868
ROU capex	23,089	22,262	827	32,741	31,828	913
Spectrum capex	586	586	-	-	-	-
Capex	128,789	112,521	16,268	146,044	131,263	14,781

*Deviation versus segment Capex values may occur due to measurement differences.



4. DECLARATION

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

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

Tibor Rékasi
Chief Executive Officer, member of the Board

Daria Aleksandrovna Dodonova
Chief Financial Officer, member of the Board

Budapest, February 25, 2025

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

Forward-looking statements involve inherent risks and uncertainties. We caution you that a number of important factors could cause actual results to differ materially from those contained in any forward-looking statement. Such factors are described in, among other things, our annual financial statements for the year ended December 31, 2023, available on our website at <http://www.telekom.hu> which have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and adopted by the European Union.