

MAGYAR TELEKOM

QUARTERLY FINANCIAL REPORT

**ANALYSIS OF THE FINANCIAL STATEMENTS FOR THE
FOURTH QUARTER ENDED DECEMBER 31, 2022**



Budapest – February 22, 2023 – 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 2022, in accordance with International Financial Reporting Standards (IFRS) as endorsed 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.....	9
2.1.4	Related party transactions	10
2.1.5	Contingencies and commitments.....	10
2.1.6	Significant events.....	10
2.2.	Segment reports	10
2.2.1	MT-Hungary	11
2.2.2	North Macedonia.....	13
3.	APPENDIX	15
3.1.	Basis of preparation	15
3.2.	Consolidated Statement of Profit or Loss and Other Comprehensive Income – quarterly year-on-year comparison	18
3.3.	Consolidated Statement of Profit or Loss and Other Comprehensive Income – year-to-date comparison.....	19
3.4.	Revenue breakdown – quarterly year-on-year comparison	20
3.5.	Revenue breakdown – year-to-date comparison.....	20
3.6.	Operating expenses breakdown – quarterly year-on-year comparison	21
3.7.	Operating expenses breakdown – year-to-date comparison	21
3.8.	Consolidated Statement of Financial Position - Assets	22
3.9.	Consolidated Statement of Financial Position – Liabilities and Equity	23
3.10.	Consolidated Statement of Cash Flows.....	24
3.11.	Net debt reconciliation to changes in Statement of Cash Flows.....	25
3.12.	Consolidated Statement of Changes in Equity.....	26
3.13.	Exchange rate information	27
3.14.	Segment information.....	27
3.15.	Fair value of financial instruments – financial assets.....	28
3.16.	Fair value of financial instruments – financial liabilities	28
3.17.	EBITDA reconciliation	29
3.18.	Capex from Consolidated Statement of Cash Flows	29
3.19.	Capex from Consolidated Statement of Financial Position	29
4.	DECLARATION.....	30



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	+36-1-481-7676	varkonyi.diana.annamaria@telekom.hu
Rita Walfisch	Investor Relations manager	+36-1-457-6084	walfisch.rita@telekom.hu
Gabriella Pászti	Investor Relations manager	+36-1-458-0332	paszti.gabriella@telekom.hu

1. HIGHLIGHTS

Financial highlights:

(HUF millions, except ratios)	Q4 2021 (restated*)	Q4 2022	Change (%)	1-12 months 2021 (restated*)	1-12 months 2022	Change (%)
Revenue	192,284	199,203	3.6%	692,849	746,669	7.8%
Operating profit	25,666	28,409	10.7%	92,809	109,178	17.6%
Profit attributable to:						
Owners of the parent	18,718	16,869	(9.9%)	58,997	62,954	6.7%
Non-controlling interests	122	647	430.3%	3,850	4,120	7.0%
	18,840	17,516	(7.0%)	62,847	67,074	6.7%
Gross profit	97,151	105,800	8.9%	388,429	422,518	8.8%
EBITDA	64,931	62,699	(3.4%)	240,771	247,946	3.0%
EBITDA AL	58,581	55,725	(4.9%)	216,263	221,513	2.4%
Free cash flow				55,168	3,559	(93.5%)
Free cash flow excl. spectrum licenses				56,245	50,931	(9.4%)
Capex after lease	38,943	43,653	12.1%	193,432	129,745	(32.9%)
Capex after lease excl. spectrum licenses	37,866	43,653	15.3%	109,280	126,653	15.9%
Number of employees (closing full equivalent)				6,786	6,711	(1.1%)
				Dec 31, 2021	Dec 31, 2022	Change (%)
Net debt				472,886	476,918	0.9%
Net debt / EBITDA				1.96	1.92	n.a.

*2021 revenue restated due to change in the accounting policy; See Note 3.1 Accounting policy change for details

- **Group revenue grew by 3.6% year-on-year in Q4 2022, thanks to continued strong demand for mobile data coupled with further increases in broadband revenues**
- **Gross profit strongly improved in line with the revenue trend, growing by 8.9% year-on-year in Q4 2022**
- **EBITDA AL declined by 4.9% year-on-year to HUF 55.7 billion in Q4 2022, as the supplementary telecommunication tax coupled with inflationary pressure on other costs offset the improvement in gross profit**
- **Net income was 9.9% lower year-on-year, at HUF 16.9 billion in Q4 2022, primarily driven by lower EBITDA coupled with deteriorating net financial results**
- **Capex after leases excluding spectrum licenses rose to HUF 126.7 billion in 2022, driven by the strong progress in mobile network development in both countries of operation, higher spending related to fiber provisioning and installation in Hungary and temporarily higher TV content capitalization expenses in North Macedonia**
- **Free cash flow, excluding spectrum license fees, was lower year-on-year at HUF 50.9 billion in 2022, as higher capex payments and the payment of the supplementary telecommunication tax in Q4 2022 offset the positive underlying results**
- **The Board of Directors proposes a total dividend payment of HUF 29.46 billion for the 2022 financial year for approval to the Company's Annual General Meeting and envisages the value of the buyback to be up to HUF 14.6 billion resulting in a total annual shareholder remuneration of up to HUF 44.06 billion after the 2022 results**



Operational highlights

- Network development continued at pace; thanks to the 370 thousand new access points covered during 2022 fixed gigabit coverage reached over 3.4 million across Hungary by the year end
- Considerable progress was made in the mobile RAN modernization program in both countries; in Hungary 60% of base stations were modernized by the end of 2022 providing excess capacities that are in high demand with 25% year-on-year growth in average mobile data usage; at the same time, the program was fully completed in North Macedonia.
- Successful penetration of the fiber network and monetization of investments was evident in dynamic customer base expansion in Hungary: fixed broadband subscriptions rose by 6.9%, TV customers increased by 4.8%, and the mobile postpaid base expanded by 5.1%
- Magyar Telekom's ESG rating was upgraded to the highest category of "AAA" by MSCI

Tibor Rékasi, Magyar Telekom CEO, commented:

"Despite the increasingly turbulent external environment, we have maintained our strong commercial momentum with increased demand for both mobile data and gigabit broadband in 2022. By the end of the year, more than 1.2 million customers were connected through gigabit capable technology to our fixed network. Our continued focus on providing seamless connectivity and outstanding user experience to our customers has reinforced our position in the market, helping us grow our revenues by 7.8% in 2022.

Our EBITDA AL grew by 2.4% year-on-year in 2022. This growth was achieved despite the inflationary pressure on our costs and the recently introduced supplementary telecommunication tax and demonstrates the strong commercial performance achieved by the Group.

Looking ahead to 2023, we expect continued pressure on our profitability from the challenging economic environment, particularly from energy cost pressures and increasing vendor costs. Based on the strong commercial performance and the previously communicated fee adjustment across our contracts, we are targeting 5%-10% revenue and EBITDA AL growth in 2023. We expect moderate year-over-year growth in adjusted net income and free cashflow generation of circa HUF 60 billion.

Looking beyond 2023, we are committed to delivering dynamic growth in our operational performance and profitability, leveraging our experience and strong market position to navigate any further volatility in our market conditions."

Public targets

	2022 Actual	Public guidance for 2023	Outlook for 2024
Revenue	HUF 746.7 billion	5%-10% growth	mid-single digit growth
EBITDA AL	HUF 221.5 billion	5%-10% growth	dynamic growth
Adjusted net income	HUF 63.0 billion	moderate growth	dynamic growth
FCF ¹	HUF 50.9 billion	ca. HUF 60 billion	dynamic growth

¹ Excluding spectrum licenses



2. MANAGEMENT REPORT

2.1. Consolidated IFRS Group Results

2.1.1 Group Profit and Loss

(HUF millions)	Q4 2021 (restated*)	Q4 2022	Change	Change (%)	1-12 months 2021 (restated*)	1-12 months 2022	Change	Change (%)
Mobile revenue	106,972	114,745	7,773	7.3%	389,000	433,178	44,178	11.4%
Fixed line revenue	58,432	62,273	3,841	6.6%	223,115	237,019	13,904	6.2%
SI/IT revenue	26,880	22,185	(4,695)	(17.5%)	80,734	76,472	(4,262)	(5.3%)
Revenue	192,284	199,203	6,919	3.6%	692,849	746,669	53,820	7.8%
Direct costs	(95,133)	(93,403)	1,730	1.8%	(304,420)	(324,151)	(19,731)	(6.5%)
Gross profit	97,151	105,800	8,649	8.9%	388,429	422,518	34,089	8.8%
Indirect costs	(32,220)	(43,101)	(10,881)	(33.8%)	(147,658)	(174,572)	(26,914)	(18.2%)
EBITDA	64,931	62,699	(2,232)	(3.4%)	240,771	247,946	7,175	3.0%
Depreciation and amortization	(39,265)	(34,290)	4,975	12.7%	(147,962)	(138,768)	9,194	6.2%
Operating profit	25,666	28,409	2,743	10.7%	92,809	109,178	16,369	17.6%
Net financial result	(2,526)	(7,193)	(4,667)	(184.8%)	(13,696)	(24,809)	(11,113)	(81.1%)
Share of associates' and joint ventures' results	-	-	-	-	-	26	26	n.a.
Profit before income tax	23,140	21,216	(1,924)	(8.3%)	79,113	84,395	5,282	6.7%
Income tax	(4,300)	(3,700)	600	14.0%	(16,266)	(17,321)	(1,055)	(6.5%)
Profit for the period	18,840	17,516	(1,324)	(7.0%)	62,847	67,074	4,227	6.7%
Profit attributable to non-controlling interests	122	647	525	430.3%	3,850	4,120	270	7.0%
Profit attributable to owners of the parent	18,718	16,869	(1,849)	(9.9%)	58,997	62,954	3,957	6.7%

* See Note 3.1 Accounting policy change for details regarding the restatement

Total revenue increased by 3.6% year-on-year to HUF 199.2 billion in Q4 2022 and by 7.8% year-on-year to HUF 746.7 billion for the full year. This improvement was primarily driven by the strong growth in mobile data and increase in fixed broadband revenues whilst the weakening of the Hungarian forint against the Macedonian denar amplified the North Macedonian subsidiary's contribution.

- **Mobile revenue rose by 7.3% year-on-year to HUF 114.7 billion in Q4 2022**, driven by the continued strong growth in mobile data revenue which offset lower voice and third party equipment export sales revenues.
 - **Voice retail** revenue declined by 1.8% year-on-year to HUF 28.7 billion in Q4 2022 reflecting competition-driven price erosion and lower usage levels at both countries of operation which offset the positive impact of further customer base expansion.
 - **Voice wholesale** revenue decreased by 3.3% year-on-year to HUF 3.1 billion in Q4 2022, primarily driven by lower related revenues at the Hungarian operation.
 - **Data** revenue rose by 24.9% year-on-year to HUF 39.2 billion in Q4 2022, driven primarily by continued growth in subscriber numbers as well as higher usage levels in both Hungary and North Macedonia.
 - **SMS** revenue declined moderately year-on-year to HUF 6.2 billion in Q4 2022, driven by somewhat lower revenues from mass messaging in Hungary which offset increases driven by the higher customer base.
 - **Mobile equipment** revenue overall was lower by 4.8% year-on-year, amounting to HUF 32.9 billion in Q4 2022. Although revenue from customer sales transactions increased further, driven by higher average handset prices at both countries of operation, it was offset by strong rise in the installment sales related present value discount driven by the sharp increase in the Hungarian base rate year-on-year as well as by lower revenue from third party export sales at the Hungarian operation.
 - **Other mobile** revenue rose from HUF 2.2 billion in Q4 2021 to HUF 4.7 billion in Q4 2022, reflecting the increased interest revenue component in relation to the equipment instalment sales related present value discount driven by the sharp increase in the Hungarian base rate year-on-year as well as higher visitor revenues.



- **Fixed line revenue increased by 6.6% year-on-year, to HUF 62.3 billion in Q4 2022**, thanks primarily to increases in fixed broadband and TV revenues driven by the customer base expansion at both countries of operation.
 - **Voice retail** revenue declined by 5.5% year-on-year to HUF 8.6 billion in Q4 2022, reflecting the continued slow decline in the Hungarian fixed voice customer base and the significantly lower usage levels.
 - **Broadband retail** revenue increased by 15.1% year-on-year to HUF 19.5 billion in Q4 2022, driven by the positive impact of continued customer base expansion in both countries of operation, migration to higher bandwidth packages in Hungary and price increase measures in North Macedonia.
 - **TV** revenue was up by 7.9% year-on-year to HUF 15.7 billion in Q4 2022, thanks to further expansion of the IPTV subscriber base in both countries coupled with the positive impact of the targeted price increase measures in Hungary.
 - **Fixed equipment** revenue declined by 11.1% year-on-year to HUF 5.3 billion in Q4 2022, driven by lower sales volumes in Hungary.
 - **Data retail** revenue was up by 4.8% year-on-year, amounting to HUF 3.4 billion in Q4 2022 thanks to higher contribution from leased line fixed internet services.
 - **Wholesale** revenues were up by 6.6% year-on-year, amounting to HUF 5.4 billion in Q4 2022, driven by higher wholesale internet and infrastructure revenues in Hungary.
 - **Other fixed** line revenues rose by HUF 0.8 billion year-on-year to HUF 4.5 billion in Q4 2022, reflecting the increased interest in relation to the equipment installment sales related present value discount.
- **System Integration (SI) and IT ('SI/IT') revenues were down by 17.5%, at HUF 22.2 billion in Q4 2022**, as fiscal tightening in both countries of operation resulted in fewer public sector project deliveries whilst the absence of revenues formerly generated by the Hungarian healthcare business unit including Pan-Inform LLC also contributed to the decline.

Direct costs were lower by 1.8% year-on-year at HUF 93.4 billion in Q4 2022, as revenue driven increases were offset by lower bad debt impairment.

- **Interconnect costs** decreased by 2.7% year-on-year to HUF 6.2 billion in Q4 2022, reflecting lower payments at the Hungarian operation to domestic mobile operators.
- **SI/IT service-related costs** decreased by 17.3% year-on-year to HUF 15.9 billion in Q4 2022, in line with lower revenues.
- **Impairment losses and gains on financial assets and contract assets (bad debt expenses)** were lower by HUF 1.3 billion year-on-year, amounting to HUF 3.9 billion in Q4 2022 driven by lower amount of additional forward-looking impairment recognized at the Hungarian operation, reflecting a possible deterioration of the solvency of customers, driven by unfavorable macroeconomic tendencies partly counterbalanced by higher contract asset impairments. This was partly offset by higher bad debt expenses at the North Macedonian operation that was driven by annual write-offs and the effect from the annual unfavorable change in the impairment rates.
- **Telecom tax** decreased by 4.1% year-on-year to HUF 6.5 billion in Q4 2022, reflecting lower mobile voice usage among business customers.
- **Other direct costs** were up by 5.8% year-on-year to HUF 61.0 billion in Q4 2022, driven by higher equipment costs and increase in roaming outpayments.

Gross profit improved by 8.9% year-on-year to HUF 105.8 billion in Q4 2022, thanks primarily to a higher contribution from telecommunication services.

Indirect costs rose by HUF 10.9 billion year-on-year, to HUF 43.1 billion in Q4 2022, due mainly to the recently introduced supplementary telecommunication tax coupled with higher other expenses.

- **Employee-related expenses** increased by HUF 3.2 billion year-on-year, amounting to HUF 19.2 billion in Q4 2022, driven by 2022 wage increase coupled with higher bonus expenses, reflecting different timing of related bookings within the year.
- **Supplementary telecommunication tax**, imposed by the Government of Hungary with its decree issued on June 4, is levied on the actual business year's annual net sales of electronic telecommunication services as defined by the law on local taxes and is payable for the full years 2022 and 2023. As a consequence, a HUF 5.7 billion expense was booked in Q4 2022, in relation to the fourth quarter 2022 supplementary tax charge.
- **Other operating expenses** (excluding the supplementary telecommunication tax) rose by 17.0% year-on-year to HUF 20.5 billion in Q4 2022, reflecting the negative impact of cost pressure stemming from high general inflation, the weakening of the Hungarian forint as well as from higher energy costs, with respect to fuel, gas and electricity as well.
- **Other operating income** rose by HUF 1.0 billion year-on-year, amounting to HUF 2.4 billion in Q4 2022, mainly reflecting reversal of accruals over 5-years.

EBITDA declined by 3.4% year-on-year to HUF 62.7 billion in Q4 2022 as the improvement in gross profit was offset by higher indirect costs, including the supplementary telecommunication tax. **EBITDA AL was down by 4.9% year-on-year to HUF 55.7 billion**



in Q4 2022, due to aforementioned drivers coupled with higher IFRS 16 lease liability related depreciation and interest expenses, in line with the increasing volume of the related lease liabilities. For the full year, EBITDA rose by 3.0%, and EBITDA AL by 2.4% year-on-year. These improvements were primarily driven by the increase in service revenue coupled with the one-off gain on the sale of an IT subsidiary in Q1 2022.

Depreciation and amortization ('D&A') expenses declined by 12.7% year-on-year to HUF 34.3 billion in Q4 2022. In Hungary the decline was driven by lower depreciation expenses attributable to full copper network retirement in some areas of Hungary, lower software related depreciation expenses thanks to the optimization of the IT infrastructure and the proportionally lower amortization of the spectrum licenses that expired in April 2022 and were since reacquired. In North Macedonia, the lower D&A was reflecting the absence of one-off increases related to shortened useful life and accelerated depreciation in relation to RAN modernization in Q4 2021.

Profit for the period decreased by 7.0% year-on-year to HUF 17.5 billion in Q4 2022, as lower EBITDA and increasing financial expenses offset the positive impact stemming from the lower D&A. For the full year 2022, profit increased by 6.7% to HUF 67.1 billion as improvements in EBITDA and lower D&A could counterbalance higher financial expenses.

- **Net financial result** deteriorated from a loss of HUF 2.5 billion in Q4 2021 to a loss of HUF 7.2 billion in Q4 2022. Interest expense increased driven by higher interest related to lease liabilities and higher average interest costs. The unfavorable change in other finance expense reflects less favorable results on measurement of derivatives at fair value reflecting the different shifts in the relevant yield curves resulting in a year-on-year deterioration.
- **Income tax expenses** were lower by 14.0% year-on-year at HUF 3.7 billion in Q4 2022, reflecting the year-on-year lower level of the profit before tax.

Profit attributable to non-controlling interests increased by HUF 0.5 billion year-on-year to HUF 0.6 billion in Q4 2022, as higher EBITDA was coupled with a sharp decline in D&A at the North Macedonian subsidiary.

2.1.2 Group Cash Flows

HUF millions	1-12 months 2021	1-12 months 2022	Change
Net cash generated from operating activities	194,770	195,763	993
Net cash used in investing activities	(101,402)	(105,256)	(3,854)
Less: (Payments for) / Proceeds from other financial assets	(9,228)	(9,340)	(112)
Investing cash flow excluding Payments for / Proceeds from other financial assets - net	(110,630)	(114,596)	(3,966)
Repayment of lease and other financial liabilities	(28,972)	(77,608)	(48,636)
Free cash flow	55,168	3,559	(51,609)
(Payments for) / Proceeds from other financial assets - net	9,228	9,340	112
Proceeds from / Repayment of loans and other borrowings - net	(36,737)	19,844	56,581
Dividends paid to Owners of the parent and Non-controlling interests	(18,788)	(19,486)	(698)
Treasury share purchase	(10,215)	(14,609)	(4,394)
Exchange differences on cash and cash equivalents	118	750	632
Change in cash and cash equivalents	(1,226)	(602)	624

Free cash flow (FCF) amounted to HUF 3.6 billion cash inflow in 2022 (2021: HUF 55.2 billion cash inflow), mainly due to the reasons described below.

Operating cash flow

Net cash generated from operating activities slightly improved to a cash inflow of HUF 195.8 billion in 2022, compared to cash inflow of HUF 194.8 billion in 2021, attributable to the reasons outlined as follows:

- HUF 7.2 billion **positive impact due to higher EBITDA** in 2022
- HUF 19.0 billion **negative change in active working capital**, mainly as a result of:
 - unfavorable change in handset inventory balances (negative impact: ca. HUF 6.0 billion) mainly due to different within-year procurement dynamics,



- higher increase in net portfolio of installment receivables in 2022 versus 2021 (negative impact: ca. HUF 5.7 billion) as a result of lower sales volume due to the lockdown caused by COVID-19 in 2021,
 - different project seasonality led to unfavorable changes in SI/IT receivable and inventory balances in Hungary as well as in trade balances in North Macedonia (negative impact: ca. HUF 12.2 billion)
 - favorable change in the balance of telecommunication customer related trade receivables in Hungary (positive impact: ca. HUF 4.7 billion) mainly caused by favorable ageing of receivables.
- HUF 3.7 billion **negative change in provisions**, mainly reflecting a lower addition and higher utilization for litigation risks and penalties and risks arising from inaccuracies in tax calculations related provisions together with the unfavorable change of provisions for different incentives more than offset by the lower payment of the provision for severance in 2022 compared to 2021
 - HUF 25.1 billion **positive change in passive working capital**, primarily driven by
 - favorable change in the balances of invoiced and non-invoiced trade creditors in Hungary and in North Macedonia in 2022 compared to 2021 (positive impact: ca. HUF 20.0 billion) due to different outpayment timing,
 - lower payment for SI/IT services in Hungary in 2022 compared to 2021 (positive impact: ca. HUF 5.1 billion) due to different project seasonality.
 - HUF 4.1 billion **negative change in income tax paid** mainly driven by the higher amount of corporate income tax and local business tax levels in 2022 and the one-off energy efficiency tax credit disclosed under cash flows from investing activities. Accordingly, the utilized tax credit reduced the amount of actually paid tax by an additional HUF 2.0 billion in 2022 compared to 2021
 - HUF 1.3 billion **negative change in interest and other financial charges paid** in 2022 compared to 2021, reflecting the combined effect of higher interest payment related to the outpayment of the one-time spectrum fee, supplemented with the higher interest rate discount effect related to the VAT component of the installment receivables in 2022 and lower interest payment due to the maturity of a loan in 2021
 - HUF 4.3 billion **negative change in other non-cash items**, mainly due to the booking of one-off gain on sale of subsidiary Pan-Inform LLC (the support and development operations provided for central digital healthcare services in Hungary and for the related hospital information system) during Q1 2022 supplemented with the more significant foreign exchange rate movements leading to FX losses during 2022

Investing cash flow excluding proceeds from other financial assets – net

Net cash used in investing activities amounted to HUF 114.6 billion 2022, compared to HUF 110.6 billion in 2021, with a higher cash outflow driven mainly by the following:

- HUF 10.3 billion **negative effect in Payments for PPE and intangible assets** mainly driven by the following:
 - HUF 18.4 billion negative change due to higher investment in different areas (e.g. mobile network modernization in Hungary: HUF 4.7 billion negative effect, investment in CPE and provisioning: HUF 3.3 billion negative effect, network technology, including RAN modernization in North Macedonia: HUF 3.1 billion negative effect, investment in TV content in North Macedonia: HUF 2.7 billion negative effect, other network technology in Hungary: HUF 2.2 billion negative effect)
 - HUF 2.0 billion positive effect of the corporate income tax settlement due to higher energy efficiency tax credit utilization in 2022,
 - HUF 6.1 billion positive change reflecting lower payments to Capex creditors due to different seasonality.
- HUF 5.5 billion **positive effect in Proceeds from disposal of subsidiaries and business units** related to the income realized on the sale of Pan-Inform LLC during Q1 2022
- HUF 1.7 billion **positive effect in Payments for subsidiaries and business units** mainly due to the higher volume of acquisitions of cable TV businesses in 2021

Repayment of lease and other financial liabilities

Repayment of lease and other financial liabilities deteriorated to HUF 77.6 billion in 2022 from HUF 29.0 billion in 2021, primarily driven by the HUF 43.5 billion outpayment the principal part of the one-time spectrum fee for spectrum licenses and by 5.9 billion due to the higher lease payments – mainly as a result of the formerly announced leased optical network acquisition mid 2022 – against the lower payment of different long-term supplier invoices.

Cash and cash equivalents improved by HUF 0.6 billion in 2022 compared to 2021. Besides the changes in FCF the deterioration is attributable to the followings:



- **Proceeds from loans and other borrowings** decreased by HUF 28.9 billion due to combined effect of the periodic decrease of proceeds from inhouse DT Group funds and the higher drawdown of DT Group loans in 2022 compared to 2021.
- **Repayments of loans and other borrowings** improved by HUF 85.5 billion due the lower repayment of DT Group loans and the decrease of repayments of inhouse DT Group funds in 2022 compared to 2021.
- **Treasury share purchase** increased by HUF 4.4 billion due to the higher repurchase in 2022.

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, 2021 to December 31, 2022 (see Appendix 3.8 and 3.9) 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)
- Property, plant and equipment
- Other intangible assets
- Financial liabilities to related parties (current and non-current combined)
- Trade payables
- Other financial liabilities (current and non-current combined)
- Common stock

Trade receivables within one year increased by HUF 13.4 billion from December 31, 2021 to December 31, 2022 mainly driven by the increase of SI/IT receivables due to the different project seasonality and the increase of installment receivables reflecting the change in sales volume.

Derivative financial instruments contracted with related parties (current and non-current assets combined) increased by HUF 15.0 billion from December 31, 2021 to December 31, 2022 mainly as a result of HUF 13.9 billion increase of the fair value of derivative financial instruments contracted with related parties.

Property, plant and equipment increased by HUF 38.3 billion from December 31, 2021 to December 31, 2022 mainly due to high level of capital expenditures related to the mobile base stations and fiber rollout.

Other intangible assets decreased by HUF 14.0 billion from December 31, 2021 to December 31, 2022 reflecting a change of concessions and licenses.

Financial liabilities to related parties (current and non-current combined) increased by HUF 35.3 billion from December 31, 2021 to December 31, 2022 due to the combined result of drawdowns, repayments and FX translation effect of DT Group loans supplemented by the increase in cash pool liabilities.

Trade payables increased by HUF 16.8 billion from December 31, 2021 to December 31, 2022, reflecting an increase in outstanding balances to handset, SI/IT, Capex and OPEX suppliers.

Other financial liabilities (current and non-current combined) decreased by HUF 49.0 billion from December 31, 2021 to December 31, 2022, mainly due to the HUF 44.3 billion outpayment of the one-time spectrum fee for spectrum licenses.

Common stock decreased by HUF 3.7 billion from December 31, 2021 to December 31, 2022 as a result of the cancellation of 36,941,191 pieces of Series "A" dematerialized ordinary shares (treasury shares) owned by the Company, each with the face value of HUF 100.

There have not been any other material changes in the items of the Consolidated Statement of Financial Position (excl. Equity) in the period from December 31, 2021 to December 31, 2022. 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 2022 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 the section 3.12 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 provisions have 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. Makedonski Telekom has a contingent liability in the amount of MKD 240.0 million (claimed amount) in respect of a court case for damage compensation against Makedonski Telekom for alleged abuse of the dominant position on the market for access to data transfer networks. Based on legal advice and strong legal arguments presented in the court procedure, management believes that it is not probable that the court procedure will result in liability of the claimed size.

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 16.4 billion as at December 31, 2022. The guarantees were issued by banks on behalf of Magyar Telekom 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 the drawdown of the guarantees. These utilizations of the bank 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 2022.

2.1.6 Significant events

For any significant events that occurred between the end of the quarter (December 31, 2022) and the date publishing of this quarterly financial report, please see our Investor Relations website:

<http://www.telekom.hu/about-us/investor-relations/investor-news>

2.2. Segment reports

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. 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 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 (as the earlier used T-Systems brand was ceased to be used in November 2022). 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

HUF millions	Q4 2021 (restated*)	Q4 2022	Change	Change (%)	1-12 months 2021 (restated*)	1-12 months 2022	Change	Change (%)
Voice	28,665	28,214	(451)	(1.6%)	114,793	112,596	(2,197)	(1.9%)
Non-voice	34,615	40,685	6,070	17.5%	131,182	153,959	22,777	17.4%
Equipment	31,704	29,209	(2,495)	(7.9%)	94,452	106,438	11,986	12.7%
Other mobile revenue	1,935	3,995	2,060	106.5%	9,283	13,295	4,012	43.2%
Mobile revenue	96,919	102,103	5,184	5.3%	349,710	386,288	36,578	10.5%
Voice retail	7,781	7,260	(521)	(6.7%)	32,062	29,688	(2,374)	(7.4%)
Broadband retail	15,596	17,828	2,232	14.3%	57,666	67,716	10,050	17.4%
TV	13,089	14,182	1,093	8.4%	51,046	55,271	4,225	8.3%
Equipment	5,871	5,219	(652)	(11.1%)	19,232	16,717	(2,515)	(13.1%)
Other	10,119	11,126	1,007	10.0%	39,661	42,260	2,599	6.6%
Fixed line revenue	52,456	55,615	3,159	6.0%	199,667	211,652	11,985	6.0%
SI/IT revenue	26,128	21,632	(4,496)	(17.2%)	78,306	72,570	(5,736)	(7.3%)
Revenue	175,503	179,350	3,847	2.2%	627,683	670,510	42,827	6.8%
Direct costs	(89,101)	(85,366)	3,735	4.2%	(283,909)	(297,943)	(14,034)	(4.9%)
Gross profit	86,402	93,984	7,582	8.8%	343,774	372,567	28,793	8.4%
Indirect costs	(27,868)	(31,815)	(3,947)	(14.2%)	(130,740)	(129,010)	1,730	1.3%
Supplementary telecommunication tax	-	(5,709)	(5,709)	n.a.	-	(24,583)	(24,583)	n.a.
EBITDA	58,534	56,460	(2,074)	(3.5%)	213,034	218,974	5,940	2.8%
EBITDA AL	52,405	49,739	(2,666)	(5.1%)	189,385	193,578	4,193	2.2%
Segment Capex AL excl. spectrum licenses	32,329	33,256	927	2.9%	94,128	104,122	9,994	10.6%
Spectrum licenses	-	-	-	-	83,075	-	(83,075)	n.m.

* See Note 3.1 Accounting policy change for details regarding the restatement

Operational statistics – access numbers	December 31 2021	December 31 2022	Change (%)
Number of SIM cards	5,633,817	5,950,457	5.6%
Postpaid share in total	64.0%	63.7%	n.a.
Total fixed voice access	1,326,219	1,308,071	(1.4%)
Total retail fixed broadband customers	1,416,740	1,514,160	6.9%
Total TV customers	1,315,839	1,378,608	4.8%

Operational statistics – ARPU (HUF)	Q4 2021	Q4 2022	Change (%)	1-12 months 2021	1-12 months 2022	Change (%)
Blended mobile ARPU*	3,752	3,870	3.1%	3,704	3,815	3.0%
Postpaid ARPU*	5,336	5,562	4.2%	5,253	5,457	3.9%
Prepaid ARPU	1,193	1,234	3.4%	1,156	1,253	8.4%
M2M ARPU	369	308	(16.6%)	389	322	(17.2%)
Blended fixed voice ARPU	1,952	1,844	(5.5%)	2,005	1,874	(6.5%)
Blended fixed broadband ARPU	3,702	3,926	6.1%	3,507	3,817	8.9%
Blended TV ARPU	3,360	3,455	2.8%	3,346	3,423	2.3%

*2021 values restated due to change in accounting policy

Total revenue for the MT-Hungary segment rose by 2.2% year-on-year to HUF 179.4 billion in Q4 2022, driven by continued strong customer demand for mobile data, broadband and TV services, that offset lower equipment and SI/IT revenues.

- **Mobile revenues** were up 5.3% year-on-year in Q4 2022 thanks to continued growth in mobile data revenues. This upward trend was continued to be driven by the further expansion of the customer base coupled with the significant rise in average mobile data usage. Although voice revenues declined further, due to lower usage levels, the strong mobile data increase



resulted in overall higher ARPUs among both prepaid and postpaid users. Equipment sales revenue showed some decline as the increase in revenue from customer sales transactions, driven by higher average handset prices was offset by strong rise in the installment sales related present value discount and the decline in third party export sales revenue.

- **Fixed line revenues** grew by 6.0% year-on-year in Q4 2022, reflecting that customers continue to appreciate the advantages our gigabit network provides; number of broadband customers grew by 6.9% and TV customer base expanded by 4.8%. With the majority of the new subscribers connecting to the gigabit network whilst more-and-more of the existing customer base is also migrating to higher bandwidth broadband packages, ARPU levels also continued to show positive developments.
- **SI/IT revenue** declined by 17.2% year-on-year, amounting to HUF 21.6 billion in Q4 2022, driven by fiscal tightening in Hungary that resulted in fewer public sector project deliveries whilst the absence of revenues formerly generated by the Hungarian healthcare business unit including Pan-Inform LLC also contributed to the decline.

Gross profit rose by 8.8% year-on-year in Q4 2022, in line with the favorable service revenue trends and also driven by lower bad debt impairment level.

EBITDA declined by 3.5% year-on-year and **EBITDA AL** was down by 5.1% year-on-year in Q4 2022, as the supplementary telecommunication tax expense coupled with higher employee related costs and inflationary pressure on other expenses offset the positive impacts of the favorable underlying performance.

Capex AL excluding spectrum licenses was up by 10.6% year-on-year in 2022, amounting to HUF 104.1 billion, reflecting strong progress in mobile network modernization and higher spending on customer premise equipment parallel to the elevated fiber provisioning. The increase in costs also reflects the weakening of the forint and strong inflationary pressure present throughout 2022.

Spectrum license acquisitions during Q1 2021 amounted to HUF 83.1 billion. These related to the 900 and 1800 MHz spectrum licenses awarded to Magyar Telekom at the auction held by the National Media and Infocommunications Authority in January 2021. This amount includes a HUF 44.3 billion spectrum fee paid at the beginning of April 2022.

Outlook: Looking ahead, there are significant uncertainties related to economic and business developments in Hungary, including the changes in the competitive landscape across the Hungarian telecommunication market. Magyar Telekom continuously monitors developments in its external environment and takes proactive steps to leverage opportunities and mitigate risks arising from such changes.



2.2.2 North Macedonia

HUF millions	Q4 2021 (restated*)	Q4 2022	Change	Change (%)	1-12 months 2021 (restated*)	1-12 months 2022	Change	Change (%)
Voice	3,774	3,593	(181)	(4.8%)	16,681	14,889	(1,792)	(10.7%)
Non-voice	3,118	4,637	1,519	48.7%	11,643	17,583	5,940	51.0%
Equipment	2,880	3,704	824	28.6%	9,407	11,733	2,326	24.7%
Other mobile revenue	284	710	426	150.0%	1,562	2,692	1,130	72.3%
Mobile revenue	10,056	12,644	2,588	25.7%	39,293	46,897	7,604	19.4%
Voice retail	1,369	1,383	14	1.0%	5,001	5,258	257	5.1%
Broadband retail	1,305	1,630	325	24.9%	5,130	5,829	699	13.6%
TV	1,423	1,470	47	3.3%	5,457	6,016	559	10.2%
Equipment	62	55	(7)	(11.3%)	221	183	(38)	(17.2%)
Other	1,806	1,955	149	8.3%	7,590	7,244	(346)	(4.6%)
Fixed line revenue	5,965	6,493	528	8.9%	23,399	24,530	1,131	4.8%
SI/IT revenue	752	553	(199)	(26.5%)	2,428	3,902	1,474	60.7%
Revenue	16,773	19,690	2,917	17.4%	65,120	75,329	10,209	15.7%
Direct costs	(6,072)	(7,264)	(1,192)	(19.6%)	(20,666)	(25,548)	(4,882)	(23.6%)
Gross profit	10,701	12,426	1,725	16.1%	44,454	49,781	5,327	12.0%
Indirect costs	(4,299)	(5,372)	(1,073)	(25.0%)	(16,676)	(20,469)	(3,793)	(22.7%)
Supplementary telecommunication tax	-	-	-	-	-	-	-	-
EBITDA	6,402	7,054	652	10.2%	27,778	29,312	1,534	5.5%
EBITDA AL	6,181	6,801	620	10.0%	26,919	28,275	1,356	5.0%
Segment Capex AL excl. spectrum licenses	5,532	10,396	4,864	87.9%	15,144	22,530	7,386	48.8%
Spectrum licenses	1,077	-	(1,077)	n.a.	1,077	3,092	2,015	187.1%

* See Note 3.1 Accounting policy change for details regarding the restatement

Operational statistics – access numbers	December 31 2021	December 31 2022	Change (%)
Number of mobile SIMs	1,215,086	1,268,098	4.4%
Postpaid share in total	42.4%	44.6%	n.a.
Total fixed voice access	223,996	224,577	0.3%
Total fixed retail broadband customers	197,340	203,337	3.0%
Total TV customers	145,894	147,702	1.2%

Total revenue in North Macedonia rose by 17.4% year-on-year to HUF 19.7 billion in Q4 2022 attributable to higher mobile data, mobile equipment and fixed broadband revenues whilst also amplified by the strengthening of the Macedonian denar against the Hungarian forint.

- **Mobile revenues** rose by 25.7% year-on-year in forint terms in Q4 2022 thanks to increase in mobile data revenues coupled with higher mobile equipment sales and stronger visitor revenues. These increases were partially offset by lower voice revenue driven by lower average usage levels. Furthermore, in line with the changing user habits towards higher data at the expense of voice usage, the way in which monthly subscription fees are recorded was revised, amplifying underlying changes in the impacted revenue lines.
- **Fixed line revenues** while were moderately lower year-on-year in local currency terms in Q4 2022, they showed an increase of 8.9% year-on-year in forint terms, that reflects Macedonian denar – forint exchange rate changes. In underlying trends, higher broadband revenues, driven by the higher customer base and price increases measures could not fully offset unfavorable impacts of the declining voice usage and lower equipment sales.
- **SI/IT revenues** were lower by 26.5% year-on-year in Q4 2022 reflecting fiscal tightening in North Macedonia that resulted in fewer public sector project deliveries.

Gross profit increased by 16.1% year-on-year in Q4 2022, reflecting the improvement in telecommunication service revenues.



EBITDA and **EBITDA AL** while declined year-on-year in local currency terms in Q4 2022, they showed moderate increase year-on-year in forint terms. In underlying trends, positive commercial performance was offset by higher energy costs, and the booking of a one-off legal fee at the North Macedonian operation.

CAPEX AL excluding spectrum licenses rose year-on-year by HUF 7.4 billion to HUF 22.5 billion for 2022 as a result of higher investments related to RAN modernization project and temporarily higher TV content capitalization costs.

Acquisition of 5G **spectrum licenses** were concluded in North Macedonia in July 2022, with Makedonski Telekom securing the right to use 1x100 MHz TDD on 3.6 GHz (TDD) band and 2x10 MHz on 700 MHz (FDD) band. Payment in the amount of HUF 3.1 billion was completed in July 2022.

Outlook: Looking ahead, unfavorable changes in the economic environment, including high inflation and surging energy prices may continue to put pressure on profitability. Competition is also expected to remain intense with Telekom Srbija's entrance to the North Macedonian mobile and internet market in October 2022.



3. APPENDIX

3.1. Basis of preparation

This condensed consolidated financial information was prepared in accordance with IAS 34 (Interim Financial Reporting) and should be read in conjunction with the consolidated annual financial statements for the year ended December 31, 2021, which were prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and adopted by the European Union. This consolidated interim financial information has not been audited. The statutory financial statements for December 31, 2021 have been filed with the Budapest Stock Exchange and the Central Bank of Hungary.

The statutory financial statements for December 31, 2021 were audited and the audit report was unqualified. It was approved by the shareholders on the Annual General Meeting on April 12, 2022.

Management continuously monitors the progress in the Hungarian economic environment and the effect of the war, particularly the macroeconomic tendencies and current market conditions.

Russian-Ukrainian war has had a significant negative impact on the global economic outlook. Extensive sanctions have been imposed by the European Union on Russia. Hungary faces high inflation and weakening of the forint above than the average rate in the Central European Region. The National Bank of Hungary introduced interventions during 2022 including gradual increase of base rate in Hungary to protect the forint and limit the inflation.

In May 2022 the government declared state of energy emergency and initiated additional corrective actions to keep the Central Budget in balance. In response to the consequences of the war, the energy shortage and dramatic increase in energy prices across Europe, the government announced targeted measures such as fixing prices of basic consumption goods, cap on residential gasoline price, partial termination of caps on residential gas and electricity prices in case of usage above the average consumption level, further extension of loan moratorium and interest moratorium.

In addition to the above, the introduction of the supplementary telecommunication tax in 2022 is putting significant pressure on the profitability of the Group.

Considering the above factors, the solvency of customers has been assessed and management concluded that it may have a negative impact on the monetization of installment receivables and concluded that a further approximately HUF 0.8 billion impairment was required. The annual revision also revealed that no other asset classes have been impacted materially.

During the preparation of the annual financial report, management updated its goodwill impairment test and as a result of that, no impairment was needed to be recognized.

Altogether, the management has not identified any events which would threaten the going concern of the Group's operations, and no major adverse changes are expected in the long term.

Supplementary tax on telecommunication services

On June 4, 2022 the Government of Hungary issued a decree (Government Decree of 197/2022. (VI.4.)) imposing new tax on a number of industries, including telecommunications. The supplementary telecommunication tax is levied on the actual business year's annual net sales of telecommunication services as defined by the law on local taxes using progressive rates, appropriately weighted based on the expected full year revenue and is payable for the years 2022 and 2023.

The applicable tax rate is progressive: 0% for turnover below HUF 1 billion; 1% for turnover exceeding HUF 1 billion and below HUF 50 billion; 3% for turnover exceeding HUF 50 billion and below HUF 100 billion; and 7% for turnover exceeding HUF 100 billion. The major proportion of Magyar Telekom's telecommunication revenue is subject to 7% tax rate.

The supplementary telecommunication tax classification requires judgment. Management believes that this tax is not a tax on consumption of services by end customers but rather a tax on entities operating in selected industries and its fundamental aim is to support the corrective actions in relation to the economic crisis that Hungary is facing. The calculation of supplementary telecommunication tax ignores whether revenue is invoiced to and collected from customers or not. Altogether, management classified this tax as indirect operating expense and for transparency it is disclosed on a separate line of Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Initial application of 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, 2021 with the following exception:



Pronouncement	Title	To be applied by Magyar Telekom from	Changes	Expected impact on the presentation of Magyar Telekom's results of operations and financial position
Amendments to IFRS 3; IAS 16; IAS 37 and Annual Improvements 2018-2020	Business Combinations; Property, Plant and Equipment; Provisions; Contingent Liabilities and Contingent Assets	Jan 1, 2022	Package of narrow-scope amendments to three Standards as well as the Board's Annual Improvements, which are changes that clarify the wording or correct minor consequences, oversights or conflicts between requirements in the Standards.	No material impact.

Accounting policy change

Based on "Principal versus Agent: Software Reseller (IFRS 15 Revenue from Contracts with Customers)" agenda decision by IFRS Interpretation Committee, finalized on May 30, 2022 the Group had to reassess the control in reselling of another party's intangible goods or services with unlimited supply (e.g. software licenses, cloud services, streaming services). The Group determines that it only acts as a principal and thus recognizes revenues on a gross basis if the Group is the only party which the customer enters into a contract with, and the Group is primarily responsible towards the customer for product acceptability, providing support, handling complaints and rectifying product issues. The reassessment concluded that agent accounting should be adopted and resulted in accounting policy change and restatement in the presentation of reselling of another party's intangible goods or services with unlimited supply by decreasing accompanying Revenue and Direct cost, while EBITDA AL, Net income, Consolidated Statement of Financial Position and Free cash flow remained unchanged.



The table below shows the effects for the year 2021:

(HUF millions)	2021 as reported	Restatement	2021 restated
Mobile revenue	389,387	(387)	389,000
Fixed line revenue.....	223,865	(750)	223,115
SI/IT revenue	86,868	(6,134)	80,734
Revenue.....	700,120	(7,271)	692,849
SI/IT service related costs.....	(62,065)	6,135	(55,930)
Other direct costs.....	(186,829)	1,136	(185,693)
Direct costs.....	(311,691)	7,271	(304,420)

Restatement of Derivative financial instruments contracted with related parties, Other current and non-current financial assets and Financial liabilities contracted with related parties

In 2022, due to their level of magnitude, derivative financial instruments contracted with related parties are presented on separate lines in the Consolidated statement of financial position to ensure the reliable and fair presentation. In 2021 derivative financial instruments contracted with related parties were presented on the lines of current and non-current other financial assets and current financial liabilities to related parties.

Magyar Telekom represented the figures of Consolidated statement of financial position as of 2021 accordingly, the impacts of these changes are shown in the table below:

(HUF millions)	As of December 31,	
	2021 as reported	2021 restated
Derivative financial instruments (assets) contracted with related parties.....	-	300
Other current financial assets	9,419	9,119
Total	9,419	9,419
Derivative financial instruments contracted (assets) with related parties.....	-	16,415
Other non-current financial assets	20,183	3,768
Total	20,183	20,183
Financial liabilities to related parties (current).....	38,087	38,067
Derivative financial instruments (liabilities) contracted with related parties	-	20
Total	38,087	38,087



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

(HUF millions, except per share amounts)	Q4 2021 (unaudited, restated*)	Q4 2022 (unaudited)	Change	Change (%)
Mobile revenue	106,972	114,745	7,773	7.3%
Fixed line revenue	58,432	62,273	3,841	6.6%
SI/IT revenue	26,880	22,185	(4,695)	(17.5%)
Revenue	192,284	199,203	6,919	3.6%
Interconnect costs	(6,322)	(6,151)	171	2.7%
SI/IT service related costs	(19,245)	(15,908)	3,337	17.3%
Impairment losses and gains on financial assets and contract assets	(5,180)	(3,902)	1,278	24.7%
Telecom tax	(6,730)	(6,457)	273	4.1%
Other direct costs	(57,656)	(60,985)	(3,329)	(5.8%)
Direct costs	(95,133)	(93,403)	1,730	1.8%
Employee-related expenses	(16,024)	(19,247)	(3,223)	(20.1%)
Depreciation and amortization	(39,265)	(34,290)	4,975	12.7%
Other operating expenses	(17,539)	(20,527)	(2,988)	(17.0%)
Supplementary telecommunication tax	-	(5,709)	(5,709)	n.a.
Operating expenses	(167,961)	(173,176)	(5,215)	(3.1%)
Other operating income	1,343	2,382	1,039	77.4%
Operating profit	25,666	28,409	2,743	10.7%
Interest income	101	1,054	953	n.m.
Interest expense	(3,491)	(6,635)	(3,144)	(90.1%)
Other finance expense - net	864	(1,612)	(2,476)	n.m.
Net financial result	(2,526)	(7,193)	(4,667)	(184.8%)
Share of associates' and joint ventures' results	-	-	-	-
Profit before income tax	23,140	21,216	(1,924)	(8.3%)
Income tax	(4,300)	(3,700)	600	14.0%
Profit for the period	18,840	17,516	(1,324)	(7.0%)
Other comprehensive income:				
Items to be reclassified to profit or loss in subsequent periods:				
Exchange differences on translating foreign operations	2,470	(5,926)	(8,396)	n.m.
Items not to be reclassified to profit or loss in subsequent periods:				
Revaluation of financial assets at FV OCI	130	89	(41)	(31.5%)
Other comprehensive income for the year, net of tax	2,600	(5,837)	(8,437)	n.m.
Total comprehensive income for the period	21,440	11,679	(9,761)	(45.5%)
Profit attributable to:				
Owners of the parent	18,718	16,869	(1,849)	(9.9%)
Non-controlling interests	122	647	525	430.3%
	18,840	17,516	(1,324)	(7.0%)
Total comprehensive income attributable to:				
Owners of the parent	20,258	13,315	(6,943)	(34.3%)
Non-controlling interests	1,182	(1,636)	(2,818)	n.m.
	21,440	11,679	(9,761)	(45.5%)
Earnings per share (EPS) information:				
Profit attributable to the owners of the Company	18,718	16,869		
Weighted average number of common stock outstanding used for basic/diluted EPS	996,965,004	962,722,519		
Basic / diluted earnings per share (HUF)	18.77	17.52	(1.25)	(6.7%)

* See Note 3.1 Accounting policy change for details regarding the restatement



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

(HUF millions, except per share amounts)	1-12 months 2021 (unaudited, restated*)	1-12 months 2022 (unaudited)	Change	Change (%)
Mobile revenue	389,000	433,178	44,178	11.4%
Fixed line revenue	223,115	237,019	13,904	6.2%
SI/IT revenue	80,734	76,472	(4,262)	(5.3%)
Revenue	692,849	746,669	53,820	7.8%
Interconnect costs	(24,959)	(23,973)	986	4.0%
SI/IT service related costs	(55,930)	(54,336)	1,594	2.8%
Impairment losses and gains on financial assets and contract assets	(11,012)	(9,210)	1,802	16.4%
Telecom tax	(26,826)	(26,247)	579	2.2%
Other direct costs	(185,693)	(210,385)	(24,692)	(13.3%)
Direct costs	(304,420)	(324,151)	(19,731)	(6.5%)
Employee-related expenses	(75,880)	(77,289)	(1,409)	(1.9%)
Depreciation and amortization	(147,962)	(138,768)	9,194	6.2%
Other operating expenses	(75,739)	(80,921)	(5,182)	(6.8%)
Supplementary telecommunication tax	-	(24,583)	(24,583)	n.a.
Operating expenses	(604,001)	(645,712)	(41,711)	(6.9%)
Other operating income	3,961	8,221	4,260	107.5%
Operating profit	92,809	109,178	16,369	17.6%
Interest income	362	1,588	1,226	338.7%
Interest expense	(13,767)	(17,596)	(3,829)	(27.8%)
Other finance expense - net	(291)	(8,801)	(8,510)	(2,924.4%)
Net financial result	(13,696)	(24,809)	(11,113)	(81.1%)
Share of associates' and joint ventures' results	-	26	26	n.a.
Profit before income tax	79,113	84,395	5,282	6.7%
Income tax	(16,266)	(17,321)	(1,055)	(6.5%)
Profit for the period	62,847	67,074	4,227	6.7%
Other comprehensive income:				
Items to be reclassified to profit or loss in subsequent periods:				
Exchange differences on translating foreign operations	1,007	8,785	7,778	n.m.
Items not to be reclassified to profit or loss in subsequent periods:				
Revaluation of financial assets at FV OCI	399	43	(356)	(89.2%)
Other comprehensive income for the year, net of tax	1,406	8,828	7,422	n.m.
Total comprehensive income for the period	64,253	75,902	11,649	18.1%
Profit attributable to:				
Owners of the parent	58,997	62,954	3,957	6.7%
Non-controlling interests	3,850	4,120	270	7.0%
	62,847	67,074	4,227	6.7%
Total comprehensive income attributable to:				
Owners of the parent	59,737	68,453	8,716	14.6%
Non-controlling interests	4,516	7,449	2,933	64.9%
	64,253	75,902	11,649	18.1%
Earnings per share (EPS) information:				
Profit attributable to the owners of the Company	58,997	62,954		
Weighted average number of common stock outstanding used for basic/diluted EPS	1,007,460,789	975,575,178		
Basic / diluted earnings per share (HUF)	58.56	64.53	5.97	10.2%

* See Note 3.1 Accounting policy change for details regarding the restatement



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

(HUF millions)	Q4 2021 (restated*)	Q4 2022	Change	Change (%)
Voice retail	29,194	28,670	(524)	(1.8%)
Voice wholesale	3,245	3,137	(108)	(3.3%)
Data	31,345	39,157	7,812	24.9%
SMS	6,388	6,165	(223)	(3.5%)
Equipment	34,584	32,913	(1,671)	(4.8%)
Other mobile revenue	2,216	4,703	2,487	112.2%
Mobile revenue	106,972	114,745	7,773	7.3%
Voice retail	9,150	8,643	(507)	(5.5%)
Broadband retail	16,901	19,458	2,557	15.1%
TV	14,512	15,652	1,140	7.9%
Equipment	5,933	5,274	(659)	(11.1%)
Data retail	3,204	3,357	153	4.8%
Wholesale (voice, broadband, data)	5,062	5,396	334	6.6%
Other fixed line revenue	3,670	4,493	823	22.4%
Fixed line revenue	58,432	62,273	3,841	6.6%
SI/IT revenue	26,880	22,185	(4,695)	(17.5%)
Revenue	192,284	199,203	6,919	3.6%

* See Note 3.1 Accounting policy change for details regarding the restatement

3.5. Revenue breakdown – year-to-date comparison

(HUF millions)	1-12 months 2021 (restated*)	1-12 months 2022	Change	Change (%)
Voice retail	118,652	115,203	(3,449)	(2.9%)
Voice wholesale	12,822	12,282	(540)	(4.2%)
Data	118,429	147,060	28,631	24.2%
SMS	24,396	24,482	86	0.4%
Equipment	103,859	118,171	14,312	13.8%
Other mobile revenue	10,842	15,980	5,138	47.4%
Mobile revenue	389,000	433,178	44,178	11.4%
Voice retail	37,063	34,946	(2,117)	(5.7%)
Broadband retail	62,796	73,545	10,749	17.1%
TV	56,503	61,287	4,784	8.5%
Equipment	19,453	16,900	(2,553)	(13.1%)
Data retail	12,703	13,226	523	4.1%
Wholesale (voice, broadband, data)	19,951	20,971	1,020	5.1%
Other fixed line revenue	14,646	16,144	1,498	10.2%
Fixed line revenue	223,115	237,019	13,904	6.2%
SI/IT revenue	80,734	76,472	(4,262)	(5.3%)
Revenue	692,849	746,669	53,820	7.8%

* See Note 3.1 Accounting policy change for details regarding the restatement



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

(HUF millions)	Q4 2021 (restated*)	Q4 2022	Change	Change (%)
Direct costs	(95,133)	(93,403)	1,730	1.8%
Employee-related expenses	(16,024)	(19,247)	(3,223)	(20.1%)
Depreciation and amortization	(39,265)	(34,290)	4,975	12.7%
Other operating expenses	(17,539)	(20,527)	(2,988)	(17.0%)
<i>Of which utility tax</i>	-	-	-	-
Supplementary telecommunication tax	-	(5,709)	(5,709)	n.a.
Operating expenses	(167,961)	(173,176)	(5,215)	(3.1%)

* See Note 3.1 Accounting policy change for details regarding the restatement

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

(HUF millions)	1-12 months 2021 (restated*)	1-12 months 2022	Change	Change (%)
Direct costs	(304,420)	(324,151)	(19,731)	(6.5%)
Employee-related expenses	(75,880)	(77,289)	(1,409)	(1.9%)
Depreciation and amortization	(147,962)	(138,768)	9,194	6.2%
Other operating expenses	(75,739)	(80,921)	(5,182)	(6.8%)
<i>Of which utility tax</i>	(7,332)	(7,447)	(115)	(1.6%)
Supplementary telecommunication tax	-	(24,583)	(24,583)	n.a.
Operating expenses	(604,001)	(645,712)	(41,711)	(6.9%)

* See Note 3.1 Accounting policy change for details regarding the restatement



3.8. Consolidated Statement of Financial Position - Assets

(HUF millions)	Dec 31, 2021 (unaudited) (restated*)	Dec 31, 2022 (unaudited) (restated*)	Change	Change (%)
ASSETS				
Cash and cash equivalents	13,463	12,861	(602)	(4.5%)
Trade receivables within one year	158,187	171,583	13,396	8.5%
Other current assets	8,431	11,025	2,594	30.8%
Derivative financial instruments contracted with related parties	300	-	(300)	(100.0%)
Other current financial assets	9,119	1,789	(7,330)	(80.4%)
Contract assets	20,745	18,586	(2,159)	(10.4%)
Current income tax receivable	1,318	137	(1,181)	(89.6%)
Inventories	18,053	25,344	7,291	40.4%
	229,616	241,325	11,709	5.1%
Assets held for sale	2,286	2	(2,284)	(99.9%)
Total current assets	231,902	241,327	9,425	4.1%
Property, plant and equipment	437,432	475,708	38,276	8.8%
Right-of-use assets	122,355	123,739	1,384	1.1%
Goodwill	212,513	212,713	200	0.1%
Other intangible assets	346,149	332,185	(13,964)	(4.0%)
Investments in associates and joint ventures	-	-	-	-
Deferred tax assets	125	742	617	493.6%
Trade receivables over one year	18,953	22,806	3,853	20.3%
Derivative financial instruments contracted with related parties	16,415	31,723	15,308	93.3%
Other non-current financial assets	3,768	3,796	28	0.7%
Contract assets	4,143	3,960	(183)	(4.4%)
Other non-current assets	6,916	7,718	802	11.6%
Total non-current assets	1,168,769	1,215,090	46,321	4.0%
Total assets	1,400,671	1,456,417	55,746	4.0%



3.9. Consolidated Statement of Financial Position – Liabilities and Equity

(HUF millions)	Dec 31, 2021 (unaudited) (restated*)	Dec 31, 2022 (unaudited) (restated*)	Change	Change (%)
LIABILITIES				
Financial liabilities to related parties	38,067	65,700	27,633	72.6%
Derivative financial instruments contracted with related parties	20	2,035	2,015	n.m.
Lease liabilities	22,328	26,738	4,410	19.8%
Trade payables	142,031	158,786	16,755	11.8%
Other financial liabilities	55,426	11,720	(43,706)	(78.9%)
Current income tax payable	2,554	1,478	(1,076)	(42.1%)
Provisions	3,367	2,959	(408)	(12.1%)
Contract liabilities	12,238	13,153	915	7.5%
Other current liabilities	18,986	24,355	5,369	28.3%
	295,017	306,924	11,907	4.0%
Liabilities held for sale	350	-	(350)	(100.0%)
Total current liabilities	295,367	306,924	11,557	3.9%
Financial liabilities to related parties	90,405	98,061	7,656	8.5%
Lease liabilities	112,076	114,865	2,789	2.5%
Corporate bonds	68,215	68,531	316	0.5%
Other financial liabilities	109,231	103,918	(5,313)	(4.9%)
Deferred tax liabilities	16,888	14,299	(2,589)	(15.3%)
Provisions	12,714	12,604	(110)	(0.9%)
Contract liabilities	326	405	79	24.2%
Other non-current liabilities	2,474	2,034	(440)	(17.8%)
Total non-current liabilities	412,329	414,717	2,388	0.6%
Total liabilities	707,696	721,641	13,945	2.0%
EQUITY				
Common stock	104,275	100,580	(3,695)	(3.5%)
Capital reserves	27,379	26,409	(970)	(3.5%)
Treasury stock	(19,424)	(18,600)	824	4.2%
Retained earnings	509,473	546,659	37,186	7.3%
Accumulated other comprehensive income	31,192	36,691	5,499	17.6%
Total equity of the owners of the parent	652,895	691,739	38,844	5.9%
Non-controlling interests	40,080	43,037	2,957	7.4%
Total equity	692,975	734,776	41,801	6.0%
Total liabilities and equity	1,400,671	1,456,417	55,746	4.0%



3.10. Consolidated Statement of Cash Flows

(HUF millions)	1-12 months 2021 (unaudited)	1-12 months 2022 (unaudited)	Change	Change (%)
Cash flows from operating activities				
Profit for the period	62,847	67,074	4,227	6.7%
Depreciation and amortization	147,962	138,768	(9,194)	(6.2%)
Income tax expense	16,266	17,321	1,055	6.5%
Net financial result	13,696	24,809	11,113	81.1%
Share of associates' and joint ventures' result	-	(26)	(26)	n.a.
Change in assets carried as working capital	(6,994)	(25,987)	(18,993)	(271.6%)
Change in provisions	1,503	(2,240)	(3,743)	n.m.
Change in liabilities carried as working capital	(5,605)	19,498	25,103	n.m.
Income tax paid	(14,471)	(18,615)	(4,144)	(28.6%)
Dividend received	57	76	19	33.3%
Interest and other financial charges paid	(19,935)	(21,229)	(1,294)	(6.5%)
Interest received	331	1,499	1,168	352.9%
Other non-cash items	(887)	(5,185)	(4,298)	(484.6%)
Net cash generated from operating activities	194,770	195,763	993	0.5%
Cash flows from investing activities				
Payments for property plant and equipment (PPE) and intangible assets	(110,906)	(121,217)	(10,311)	(9.3%)
Proceeds from disposal of PPE and intangible assets	1,953	1,121	(832)	(42.6%)
Payments for subsidiaries and business units	(1,677)	-	1,677	100.0%
Cash acquired through business combinations	-	-	-	-
Proceeds from disposal of subsidiaries and business units	-	5,500	5,500	n.a.
Payments for other financial assets	(4,194)	(2,488)	1,706	40.7%
Proceeds from other financial assets	13,422	11,828	(1,594)	(11.9%)
Payments for interests in associates and joint ventures	-	-	-	-
Net cash used in investing activities	(101,402)	(105,256)	(3,854)	(3.8%)
Cash flows from financing activities				
Dividends paid to Owners of the parent and Non-controlling interests	(18,788)	(19,486)	(698)	(3.7%)
Proceeds from loans and other borrowings	186,699	157,824	(28,875)	(15.5%)
Repayment of loans and other borrowings	(223,436)	(137,980)	85,456	38.2%
Proceeds from corporate bonds	-	-	-	-
Repayment of lease and other financial liabilities	(28,972)	(77,608)	(48,636)	(167.9%)
Treasury share purchase	(10,215)	(14,609)	(4,394)	(43.0%)
Net cash used in financing activities	(94,712)	(91,859)	2,853	3.0%
Exchange differences on cash and cash equivalents	118	750	632	n.m.
Change in cash and cash equivalents	(1,226)	(602)	624	50.9%
Cash and cash equivalents, beginning of period	14,689	13,463	(1,226)	(8.3%)
Cash and cash equivalents, end of period	13,463	12,861	(602)	(4.5%)



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

HUUF millions	Opening Balance at Jan 1, 2022	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 December 31, 2022
						Proceeds from loans and borrowings	Repayment of loans and other borrowings	Proceeds from bonds	
Related party loans	128,472	-	(606)	16,051	-	157,824	(137,980)	-	163,761
Derivatives from related parties	20	-	-	2,243	(228)	-	-	-	2,035
Spectrum fee payable	156,082	-	(6,071)	4,630	-	-	-	(47,979)	106,662
Bonds	68,215	-	(1,015)	1,331	-	-	-	-	68,531
Lease liabilities	134,404	-	(6,114)	39,222	-	-	-	(25,909)	141,603
Debtors overpayment	1,394	-	(117)	-	-	-	-	-	1,277
Contingent consideration	150	-	-	-	-	-	-	(150)	-
Other financial liabilities	7,031	-	(2,200)	6,438	-	-	-	(3,570)	7,699
- Less cash and cash equivalent	(13,463)	602	-	-	-	-	-	-	(12,861)
- Less other current financial assets	(9,419)	-	(2,065)	(6,122)	15,817	-	-	-	(1,789)
Net debt	472,886	602	(18,188)	63,793	15,589	157,824	(137,980)	(77,608)	476,918
Treasury share purchase									(14,609)
Dividends paid to Owners of the parent and Non-controlling interest									(19,486)
Net Cash used in financing activities									(91,859)



3.12. Consolidated Statement of Changes in Equity

	HUF millions									
	pieces	HUF millions								
	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, 2021	1,042,742,543	104,275	27,379	(9,209)	465,787	30,242	210	618,684	39,043	657,727
Dividend declared to Owners of the parent	-	-	-	-	(15,311)	-	-	(15,311)	-	(15,311)
Dividend declared to Non-controlling interests	-	-	-	-	-	-	-	-	(3,479)	(3,479)
Treasury share purchase	-	-	-	(10,215)	-	-	-	(10,215)	-	(10,215)
Transactions with owners in their capacity as	-	-	-	(10,215)	(15,311)	-	-	(25,526)	(3,479)	(29,005)
Other comprehensive income	-	-	-	-	-	517	223	740	666	1,406
Profit or loss	-	-	-	-	58,997	-	-	58,997	3,850	62,847
Total comprehensive income	-	-	-	-	58,997	517	223	59,737	4,516	64,253
Balance at December 31, 2021	1,042,742,543	104,275	27,379	(19,424)	509,473	30,759	433	652,895	40,080	692,975
Dividend declared to Owners of the parent	-	-	-	-	(15,000)	-	-	(15,000)	-	(15,000)
Dividend declared to Non-controlling interests	-	-	-	-	-	-	-	-	(4,492)	(4,492)
Treasury share purchase	-	-	-	(14,609)	-	-	-	(14,609)	-	(14,609)
Capital decrease with cancellation of treasury	(36,941,191)	(3,695)	(970)	15,433	(10,768)	-	-	-	-	-
Transactions with owners in their capacity as	(36,941,191)	(3,695)	(970)	824	(25,768)	-	-	(29,609)	(4,492)	(34,101)
Other comprehensive income	-	-	-	-	-	5,477	22	5,499	3,329	8,828
Profit or loss	-	-	-	-	62,954	-	-	62,954	4,120	67,074
Total comprehensive income	-	-	-	-	62,954	5,477	22	68,453	7,449	75,902
Balance at December 31, 2022	1,005,801,352	100,580	26,409	(18,600)	546,659	36,236	455	691,739	43,037	734,776
Of which treasury stock	(43,078,833)	-	-	-	-	-	-	-	-	-
Shares of common stock outstanding	962,722,519									



3.13. Exchange rate information

	Q4 2021	Q4 2022	Change (%)	1-12 months 2021	1-12 months 2022	Change (%)
HUF/EUR beginning of period	360.52	421.41	16.9%	365.13	369.00	1.1%
HUF/EUR period-end	369.00	400.25	8.5%	369.00	400.25	8.5%
HUF/EUR cumulative monthly average	364.13	410.17	12.6%	358.69	391.71	9.2%
HUF/MKD beginning of period	5.84	6.85	17.3%	5.92	5.99	1.2%
HUF/MKD period-end	5.99	6.51	8.7%	5.99	6.51	8.7%
HUF/MKD cumulative monthly average	5.90	6.66	12.9%	5.82	6.36	9.3%

3.14. Segment information

HUF millions	Q4 2021 (restated*)	Q4 2022	1-12 months 2021 (restated*)	1-12 months 2022
Total MT-Hungary revenue	175,503	179,350	627,683	670,510
Less: MT-Hungary revenue from other segments	(31)	(30)	(119)	(119)
MT-Hungary revenue from external customers	175,472	179,320	627,564	670,391
Total North Macedonia revenue	16,773	19,690	65,120	75,329
Less: North Macedonia revenue from other segments	(14)	(16)	(57)	(60)
North Macedonia revenue from external customers	16,759	19,674	65,063	75,269
Total consolidated revenue of the segments	192,231	198,994	692,627	745,660
Measurement differences to Group revenue	53	209	222	1,009
Total revenue of the Group	192,284	199,203	692,849	746,669
Segment results (EBITDA)				
Hungary	58,534	56,460	213,034	218,974
North Macedonia	6,402	7,054	27,778	29,312
Total EBITDA of the segments	64,936	63,514	240,812	248,286
Measurement differences to Group EBITDA	(5)	(815)	(41)	(340)
Total EBITDA of the Group	64,931	62,699	240,771	247,946

* See Note 3.1 Accounting policy change for details



3.15. Fair value of financial instruments – financial assets

December 31, 2022 HUF millions	Financial assets				Carrying amount	Fair value
	Amortized cost	FVOCI (Level 1)	FVTPL (Level 2)	FVTPL (Level 3)		
Cash and cash equivalents	12,861	-	-	-	12,861	12,861
Cash-pool receivables	-	-	-	-	-	-
Trade receivables	171,583	-	-	-	171,583	171,583
Trade receivables over 1 year	22,806	-	-	-	22,806	19,619
Derivative financial instruments contracted with related parties	-	-	31,723	-	31,723	31,723
Receivables from group companies	1	-	-	-	1	1
Finance lease receivable	767	-	-	-	767	685
Equity instruments	-	1,452	-	1,288	2,740	2,740
Receivables from asset-related grants	838	-	-	-	838	838
Other current receivables	664	-	-	-	664	664
Other non-current receivables	575	-	-	-	575	494
Total	210,095	1,452	31,723	1,288	244,558	241,208

December 31, 2021 HUF millions	Financial assets				Carrying amount	Fair value
	Amortized cost	FVOCI (Level 1)	FVTPL (Level 2)	FVTPL (Level 3)		
Cash and cash equivalents	13,463	-	-	-	13,463	13,463
Bank deposits with original maturities over 3 months	4,061	-	-	-	4,061	4,061
Trade receivables	158,187	-	-	-	158,187	158,187
Trade receivables over 1 year	18,953	-	-	-	18,953	17,799
Derivative financial instruments contracted with related parties	-	-	16,715	-	16,715	16,715
Finance lease receivable	896	-	-	-	896	881
Equity instruments	-	1,292	-	1,181	2,473	2,473
Receivables from asset-related grants	3,507	-	-	-	3,507	3,507
Other current receivables	1,220	-	-	-	1,220	1,220
Other non-current receivables	730	-	-	-	730	979
Total	201,017	1,292	16,715	1,181	220,205	219,285

3.16. Fair value of financial instruments – financial liabilities

December 31, 2022 HUF millions	Financial liabilities			Carrying amount	Fair value
	Measured at amortized cost	FVTPL (Level 2)	FVTPL (Level 3)		
Financial liabilities to related parties	163,761	-	-	163,761	165,237
Derivative financial instruments contracted with related parties	-	2,035	-	2,035	2,035
Trade payables	158,786	-	-	158,786	158,786
Frequency fee payable	106,662	-	-	106,662	67,122
Bonds	68,531	-	-	68,531	45,622
Lease liabilities	141,603	-	-	141,603	116,539
Debtors overpayment	1,277	-	-	1,277	1,277
Other current	4,888	-	135	5,023	5,023
Other non-current	2,676	-	-	2,676	2,412
Total	648,184	2,035	135	650,354	564,053

December 31, 2021 HUF millions	Financial liabilities			Carrying amount	Fair value
	Measured at amortized cost	FVTPL (Level 2)	FVTPL (Level 3)		
Financial liabilities to related parties	128,472	-	-	128,472	128,472
Derivative financial instruments contracted with related parties	-	20	-	20	20
Trade payables	142,031	-	-	142,031	142,031
Frequency fee payable	156,082	-	-	156,082	145,425
Bonds	68,215	-	-	68,215	58,070
Lease liabilities	134,404	-	-	134,404	132,003
Debtors overpayment	1,394	-	-	1,394	1,394
Contingent consideration	-	-	150	150	150
Other current	4,123	-	-	4,123	4,123
Other non-current	2,764	-	144	2,908	2,961
Total	637,485	20	294	637,799	614,649



3.17. EBITDA reconciliation

(HUF millions)	Q4 2021 MT Group	Q4 2021 MT-Hungary	Q4 2021 North Macedonia	Q4 2022 MT Group	Q4 2022 MT-Hungary	Q4 2022 North Macedonia
EBITDA	64,931	58,534	6,402	62,699	56,460	7,054
IFRS 16 related D&A	(4,951)	(4,758)	(193)	(5,296)	(5,079)	(217)
IFRS 16 related Interest	(1,399)	(1,371)	(28)	(1,678)	(1,642)	(36)
EBITDA after lease	58,581	52,405	6,181	55,725	49,739	6,801

(HUF millions)	1-12 months 2021 MT Group	1-12 months 2021 MT-Hungary	1-12 months 2021 North Macedonia	1-12 months 2022 MT Group	1-12 months 2022 MT-Hungary	1-12 months 2022 North Macedonia
EBITDA	240,771	213,034	27,778	247,946	218,974	29,312
IFRS 16 related D&A	(18,874)	(18,128)	(746)	(20,319)	(19,415)	(904)
IFRS 16 related Interest	(5,634)	(5,521)	(113)	(6,114)	(5,981)	(133)
EBITDA after lease	216,263	189,385	26,919	221,513	193,578	28,275

3.18. Capex from Consolidated Statement of Cash Flows

(HUF millions)	1-12 months 2021 MT Group	1-12 months 2022 MT Group
Payments for PPE and intangible assets	110,906	121,217
Less spectrum payments	(1,077)	(3,092)
Payments for PPE and intangible assets excl. spectrum payments	109,829	118,125
+/- Cash adjustments	(549)	8,528
Capex AL excl. spectrum	109,280	126,653
ROU capex	22,940	30,161
Spectrum capex	84,152	3,092
Capex	216,372	159,906

3.19. Capex from Consolidated Statement of Financial Position

(HUF millions)	Q4 2021 MT Group	Q4 2021 MT-Hungary	Q4 2021 North Macedonia	Q4 2022 MT Group	Q4 2022 MT-Hungary	Q4 2022 North Macedonia
Capex AL excl. spectrum licenses	37,861	32,329	5,532	43,653	33,257	10,396
ROU capex	8,506	7,856	650	7,507	7,283	224
Spectrum capex	1,077	-	1,077	-	-	-
Capex	47,449	40,190	7,259	51,160	40,540	10,620

(HUF millions)	1-12 months 2021 MT Group	1-12 months 2021 MT-Hungary	1-12 months 2021 North Macedonia	1-12 months 2022 MT Group	1-12 months 2022 MT-Hungary	1-12 months 2022 North Macedonia
Capex AL excl. spectrum licenses	109,280	94,128	15,144	126,653	104,123	22,530
ROU capex	22,940	21,803	1,137	30,161	29,296	865
Spectrum capex	84,152	83,075	1,077	3,092	-	3,092
Capex	216,372	199,014	17,358	159,906	133,419	26,487



4. DECLARATION

We the undersigned declare that to the best of our knowledge this report prepared in accordance with International Financial Reporting Standards (IFRS) 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 22, 2023

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, 2021, available on our website at <http://www.telekom.hu> which have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and adopted by the European Union.