

MAGYAR TELEKOM

QUARTERLY FINANCIAL REPORT

**ANALYSIS OF THE FINANCIAL STATEMENTS FOR THE
THIRD QUARTER ENDED SEPTEMBER 30, 2022**



Budapest – November 8, 2022 – 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 third quarter and first nine months 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.....	11
2.2.1	MT-Hungary	11
2.2.2	North Macedonia.....	13
3.	APPENDIX	15
3.1.	Basis of preparation	15
3.2.	Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income – quarterly year-on-year comparison.....	17
3.3.	Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income – year-to-date comparison.....	18
3.4.	Revenue breakdown – quarterly year-on-year comparison	19
3.5.	Revenue breakdown – year-to-date comparison	19
3.6.	Operating expenses breakdown – quarterly year-on-year comparison	20
3.7.	Operating expenses breakdown – year-to-date comparison.....	20
3.8.	Interim Consolidated Statement of Financial Position - Assets.....	21
3.9.	Interim Consolidated Statement of Financial Position – Liabilities and Equity	22
3.10.	Interim Consolidated Statement of Cash Flows.....	23
3.11.	Net debt reconciliation to changes in Statement of Cash Flows.....	24
3.12.	Interim Consolidated Statement of Changes in Equity	25
3.13.	Exchange rate information	26
3.14.	Segment information.....	26
3.15.	Fair value of financial instruments – financial assets.....	27
3.16.	Fair value of financial instruments – financial liabilities.....	27
3.17.	EBITDA reconciliation	28
3.18.	Capex from Interim Consolidated Statement of Cash Flows	28
3.19.	Capex from Interim Consolidated Statement of Financial Position.....	28
4.	DECLARATION	29



Company name:	Magyar Telekom Plc.	Company address:	H-1097 Budapest Könyves Kálmán krt. 36.
IR contacts:	Position:	e-mail address:	investor.relations@telekom.hu
Diana Várkonyi	Head of Investor Relations	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

Financial highlights:

(HUF millions, except ratios)	Q3 2021 (restated*)	Q3 2022	Change (%)	1-9 months 2021 (restated*)	1-9 months 2022	Change (%)
Revenue	175,083	190,915	9.0%	500,565	547,466	9.4%
Operating profit	29,482	31,306	6.2%	67,143	80,769	20.3%
Profit attributable to:						
Owners of the parent	17,873	17,062	(4.5%)	40,279	46,085	14.4%
Non-controlling interests	1,558	1,426	(8.5%)	3,728	3,473	(6.8%)
	19,431	18,488	(4.9%)	44,007	49,558	12.6%
Gross profit	101,676	110,329	8.5%	291,278	316,718	8.7%
EBITDA	66,373	65,196	(1.8%)	175,840	185,247	5.3%
EBITDA AL	60,292	58,578	(2.8%)	157,682	165,788	5.1%
Free cash flow				34,407	5,567	(83.8%)
Free cash flow excl. spectrum licenses				34,407	52,939	53.9%
Capex after lease	28,198	33,532	18.9%	154,489	86,092	(44.3%)
Capex after lease excl. spectrum licenses	28,198	30,440	8.0%	71,414	83,000	16.2%
Number of employees (closing full equivalent)				6,923	6,755	(2.4%)
				Dec 31, 2021	Sept 30, 2022	Change (%)
Net debt				472,886	477,547	1.0%
Net debt / EBITDA				1.96	1.91	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 9.0% year-on-year in Q3 2022, reflecting continued strong demand for mobile data, high bandwidth broadband packages and mobile equipment in both countries of operation**
- **Gross profit improved in line with the revenue trend, growing by 8.5% year-on-year in Q3 2022**
- **EBITDA AL declined by 2.8% year-on-year to HUF 58.6 billion in Q3 2022, as the supplementary telecommunication tax and higher energy costs (particularly in North Macedonia) offset the improvement in gross profit**
- **Net income was lower by 4.5% year-on-year, at HUF 17.1 billion in Q3 2022, primarily driven by the lower EBITDA**
- **Capex after lease excluding spectrum licenses rose to HUF 83.0 billion in the first nine months of 2022, driven mainly by the strong progress in fixed and mobile network development in both countries of operation**
- **Free cash flow, excluding spectrum license fees, amounted to HUF 52.9 billion in the first nine months of 2022, improving by HUF 18.5 billion year-on-year as higher capex payments, income tax payment settlements and losses incurred due to the weakening of the forint were fully offset by the positive underlying results and the fact that payment of the new supplementary telecommunication tax will only be due in Q4 2022**

Operational highlights

- **Network development continued at pace, with fixed gigabit coverage reaching over 3.3 million access points across Hungary and considerable progress in mobile RAN modernization at both countries of operation**
- **Successful monetization of investments was evident in dynamic customer base expansion and increasing ARPU in Hungary: fixed broadband subscriptions rose by 7.2%, TV customers increased by 5.6%; and the mobile postpaid base expanded by 5.8%, with corresponding ARPU increases of 7.2%, 2.5% and 3.0% respectively year-on-year in Q3 2022**



- Scope Ratings GmbH, reaffirmed Magyar Telekom at BBB+ with a stable outlook that reflects Scope Ratings GmbH's view of Magyar Telekom's strong and stable positions in the domestic mobile and broadband markets and its moderate leverage
- Magyar Telekom received further recognition for delivery against its sustainability strategy from sustainability rating agencies: its 'AA' ESG rating was reaffirmed by MSCI while ISS Corporate Solutions ranked the Company among the best performers of the telecom sector globally with respect to its sustainability credentials

Tibor Rékasi, Magyar Telekom CEO, commented:

“Despite the turbulent operating environment, we are pleased to have maintained positive commercial momentum during the third quarter. This achievement has been underpinned by continued efforts to provide seamless connectivity and outstanding customer experience through targeted investments in our networks and evolving service offering. A prime example of the latter is the successful launch of a new mobile portfolio aimed at addressing growing demand for mobile data in the Hungarian residential market by offering three unlimited data packages. Such initiatives have contributed to continued growth of our customer base and ARPU levels in key service areas, which in turn led to a revenue uplift of 9.0% year-on-year for the third quarter.

Nonetheless, the ongoing macroeconomic headwinds combined with the introduction of a supplementary telecommunication tax led to downward pressure on our profitability, causing an EBITDA AL decline of 2.8% year-on-year for the quarter.

Looking ahead to the rest of the year, we see continued pressure on our profitability arising from the increasingly challenging economic environment. Given the strong commercial performance year to date, however, we have upgraded our revenue target for the year, from a growth rate of 1-3% to around 5%. We expect this higher rate of revenue growth to support our efforts to partially mitigate the negative effects of cost inflation and the introduction of the supplementary telecommunication tax on EBITDA.”

Public targets

	2021 Actual	Public guidance for 2022	Outlook for 2023-2024
Revenue	HUF 692.8 billion ¹	ca. 5% growth ²	moderate annual growth
EBITDA AL	HUF 216.3 billion	moderate decline	moderate annual growth
Capex AL ³	HUF 109.3 billion	broadly stable	-
FCF ³	HUF 56.2 billion	moderate decline	moderate annual growth

¹ Restated due to change in accounting policy

² Modified from 1%-3% growth

³ Excluding spectrum licenses



2. MANAGEMENT REPORT

2.1. Consolidated IFRS Group Results

2.1.1 Group Profit and Loss

(HUF millions)	Q3 2021 (restated*)	Q3 2022	Change	Change (%)	1-9 months 2021 (restated*)	1-9 months 2022	Change	Change (%)
Mobile revenue	98,507	110,672	12,165	12.3%	282,028	316,413	34,385	12.2%
Fixed line revenue	56,162	60,272	4,110	7.3%	164,683	176,766	12,083	7.3%
SI/IT revenue	20,414	19,971	(443)	(2.2%)	53,854	54,287	433	0.8%
Revenue	175,083	190,915	15,832	9.0%	500,565	547,466	46,901	9.4%
Direct costs	(73,407)	(80,586)	(7,179)	(9.8%)	(209,287)	(230,748)	(21,461)	(10.3%)
Gross profit	101,676	110,329	8,653	8.5%	291,278	316,718	25,440	8.7%
Indirect costs	(35,303)	(45,133)	(9,830)	(27.8%)	(115,438)	(131,471)	(16,033)	(13.9%)
EBITDA	66,373	65,196	(1,177)	(1.8%)	175,840	185,247	9,407	5.3%
Depreciation and amortization	(36,891)	(33,890)	3,001	8.1%	(108,697)	(104,478)	4,219	3.9%
Operating profit	29,482	31,306	1,824	6.2%	67,143	80,769	13,626	20.3%
Net financial result	(5,527)	(8,132)	(2,605)	(47.1%)	(11,170)	(17,616)	(6,446)	(57.7%)
Share of associates' and joint ventures' results	-	-	-	-	-	26	26	n.a.
Profit before income tax	23,955	23,174	(781)	(3.3%)	55,973	63,179	7,206	12.9%
Income tax	(4,524)	(4,686)	(162)	(3.6%)	(11,966)	(13,621)	(1,655)	(13.8%)
Profit for the period	19,431	18,488	(943)	(4.9%)	44,007	49,558	5,551	12.6%
Profit attributable to non-controlling interests	1,558	1,426	(132)	(8.5%)	3,728	3,473	(255)	(6.8%)
Profit attributable to owners of the parent	17,873	17,062	(811)	(4.5%)	40,279	46,085	5,806	14.4%

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

Total revenue increased by 9.0% year-on-year to HUF 190.9 billion in Q3 2022 and by 9.4% year-on-year to HUF 547.5 billion in the first nine months of 2022. This improvement was primarily driven by the strong growth in mobile data and higher equipment sales whilst the weakening of the Hungarian forint against the North Macedonian denar amplified the North Macedonian subsidiary's contribution.

- **Mobile revenue rose by 12.3% year-on-year to HUF 110.7 billion in Q3 2022**, driven by growth in mobile data revenue and higher equipment sales which offset lower voice revenue at both countries of operation.
 - **Voice retail** revenue declined by 2.2% year-on-year to HUF 29.5 billion in Q3 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 3.8% year-on-year to HUF 3.1 billion in Q3 2022, primarily driven by lower related revenues at the North Macedonian operation.
 - **Data** revenue rose by 23.1% year-on-year to HUF 38.5 billion in Q3 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 6.1 billion in Q3 2022, driven by somewhat lower revenues from mass messaging in Hungary which offset increases driven by the higher customer base.
 - **Mobile equipment** revenue rose by 24.4% year-on-year, amounting to HUF 29.7 billion in Q3 2022, primarily reflecting the rise in average smartphone prices, due both to general price increases and the weakening of the forint. The increase in revenues from third party export sales at the Hungarian operation also contributed to the positive trend in mobile equipment revenues.
 - **Other mobile** revenue remained broadly stable year-on-year at HUF 3.7 billion.
- **Fixed line revenue increased by 7.3% year-on-year, to HUF 60.3 billion in Q3 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 3.9% year-on-year to HUF 8.7 billion in Q3 2022, reflecting the continued slow decline in the Hungarian fixed voice customer base and lower usage levels.
 - **Broadband retail** revenues increased by 13.8% year-on-year to HUF 18.7 billion in Q3 2022, driven by the positive impact of continued customer base expansion in both countries of operation and migration to higher bandwidth packages in Hungary.
 - **TV** revenues were up 9.7% year-on-year to HUF 15.6 billion in Q3 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** revenues declined by 17.8% year-on-year to HUF 3.6 billion in Q3 2022, driven by lower sales volumes in Hungary.
 - **Data retail** revenues were slightly up year-on-year, amounting to HUF 3.3 billion in Q3 2022 thanks to higher contribution from leased line fixed internet services.
 - **Wholesale** revenues were up 11.8% year-on-year, amounting to HUF 5.5 billion in Q3 2022, driven by higher wholesale internet and infrastructure revenues in Hungary.
 - **Other fixed** line revenues rose by HUF 0.9 billion year-on-year to HUF 4.9 billion in Q3 2022, reflecting a one-off positive impact from an international infrastructure agreement as well as increased interest in relation to the equipment instalment sales related present value discount.
- **System Integration (SI) and IT ('SI/IT') revenues were down by 2.2%, at HUF 20.0 billion in Q3 2022**, from HUF 20.4 billion in Q3 2021 as a result of the absence of revenues formerly generated by the Hungarian healthcare business unit including Pan-Inform LLC and lower project volumes in North Macedonia. In underlying terms, SI/IT revenues at the Hungarian operation showed positive development thanks to higher project volumes.

Direct costs increased in line with revenues, by 9.8% year-on-year to HUF 80.6 billion in Q3 2022, mainly driven by the increase in equipment costs and partly offset by lower bad debt expense.

- **Interconnect costs** decreased by 7.3% year-on-year to HUF 6.0 billion in Q3 2022, reflecting lower payments at the Hungarian operation to domestic mobile operators.
- **SI/IT service-related costs** decreased moderately year-on-year to HUF 13.8 billion in Q3 2022, in line with lower revenues.
- **Bad debt expenses** were lower by HUF 0.5 billion year-on-year, amounting to HUF 1.4 billion in Q3 2022 thanks to favorable aging and positive contribution from factoring results at the Hungarian operation.
- **Telecom tax** increased moderately year-on-year to HUF 6.6 billion in Q3 2022, reflecting higher mobile voice traffic, partly offset by lower fixed voice volumes.
- **Other direct costs** were up 18.3% year-on-year to HUF 52.8 billion in Q3 2022, driven by higher equipment costs in line with the increase in sales volumes and an increase in roaming outpayments reflective of the easing of travelling restrictions compared to a year earlier.

Gross profit improved by 8.5% year-on-year to HUF 110.3 billion in Q3 2022, thanks to a higher contribution from telecommunication services, particularly data, at both countries of operation.

Indirect costs rose by HUF 9.8 billion year-on-year, to HUF 45.1 billion in Q3 2022, due mainly to the newly introduced supplementary telecommunication tax coupled with higher other expenses.

- **Employee-related expenses** increased by 3.6% year-on-year, amounting to HUF 20.8 billion in Q3 2022, driven by 2022 wage increase and one-off compensation to employees which are partly offset by lower severance expenses and the reduction in headcount.
- **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 6.5 billion expense was booked in Q3 2022, in relation to the third quarter 2022 supplementary tax charge.
- **Other operating expenses** (excluding the supplementary telecommunication tax) rose by 16.6% year-on-year to HUF 18.9 billion in Q3 2022, reflecting the negative impact of cost pressure stemming from high general inflation, particularly present in the North Macedonian operation. The cost increase was mainly attributable to higher energy costs, with respect to both fuel and electricity, with the latter putting particularly strong pressure on results of the North Macedonia operation.
- **Other operating income** was broadly stable year-on-year, amounting to HUF 1.1 billion in Q3 2022.

EBITDA declined by 1.8% year-on-year to HUF 65.2 billion in Q3 2022 as the improvement in gross profit was offset by higher indirect costs, including the supplementary telecommunication tax. **EBITDA AL was down by 2.8% year-on-year to HUF 58.6 billion in Q3 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.



Depreciation and amortization ('D&A') expenses declined by 8.1% year-on-year to HUF 33.9 billion in Q3 2022, driven by lower depreciation expenses at the Hungarian operation 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. These declines were partly offset by an increase accounted for in North Macedonia reflecting the weakening of the forint, whereas D&A in local currency declined.

Profit for the period decreased by 4.9% year-on-year to HUF 18.5 billion in Q3 2022, as lower EBITDA and increasing financial expenses offset the positive impact stemming from the lower D&A.

- **Net financial result** deteriorated from a loss of HUF 5.5 billion in Q3 2021 to a loss of HUF 8.1 billion in Q3 2022. Interest expense increased driven by higher interest related to lease liabilities and higher average interest costs whilst the unfavorable change in other finance expense reflects higher losses related to the significant weakening of the forint during the period. The latter offset the gains from the recognition of derivatives at fair value caused by the upward shift in the relevant yield curves.
- **Income tax expenses** increased by 3.6% year-on-year to HUF 4.7 billion in Q3 2022, as the increase in local business tax in line with the higher related tax base offset the saving related to the year-on-year lower level of the profit before tax.

Profit attributable to non-controlling interests declined by 8.5% year-on-year to HUF 1.4 billion in Q3 2022, as the improvement in the underlying results in North Macedonia was offset by the higher energy expenses leading to overall lower profitability at the subsidiary.

2.1.2 Group Cash Flows

HUF millions	1-9 months 2021	1-9 months 2022	Change
Net cash generated from operating activities	133,634	153,261	19,627
Net cash used in investing activities	(65,660)	(68,454)	(2,794)
Less: (Payments for) / Proceeds from other financial assets	(11,758)	(9,351)	2,407
Investing cash flow excluding Payments for / Proceeds from other financial assets - net	(77,418)	(77,805)	(387)
Repayment of lease and other financial liabilities	(21,809)	(69,889)	(48,080)
Free cash flow	34,407	5,567	(28,840)
(Payments for) / Proceeds from other financial assets - net	11,758	9,351	(2,407)
Proceeds from / Repayment of loans and other borrowings - net	(16,206)	14,136	30,342
Dividends paid to Owners of the parent and Non-controlling interests	(18,788)	(19,473)	(685)
Treasury share purchase	(10,215)	(14,609)	(4,394)
Exchange differences on cash and cash equivalents	(152)	983	1,135
Change in cash and cash equivalents	804	(4,045)	(4,849)

Free cash flow (FCF) amounted to HUF 5.6 billion cash inflow in the first nine months of 2022 (the first nine months of 2021: HUF 34.4 billion cash inflow), mainly due to the reasons described below.

Operating cash flow

Net cash generated from operating activities improved to a cash inflow of HUF 153.3 billion in the first nine months of 2022, compared to cash inflow of HUF 133.6 billion in the first nine months of 2021, attributable to the reasons outlined below:

- HUF 9.4 billion **positive impact due to higher EBITDA** in the first nine months of 2022
- HUF 13.1 billion **negative change in active working capital**, mainly as a result of:
 - higher increase in the balance of trade receivables in North Macedonia (negative impact: ca. HUF 7.7 billion) mainly caused by different project seasonality,
 - higher increase in SI/IT inventory balances in Hungary (negative impact: ca. HUF 2.9 billion) due to different project seasonality,



- unfavorable change in net portfolio of installment receivables in the first nine months of 2022 versus the first nine months of 2021 (negative impact: ca. HUF 2.1 billion) as a result of lower sales volume due to the lockdown caused by COVID-19 in 2021,
 - lower decrease in SI/IT receivables in Hungary (negative impact: ca. HUF 1.8 billion) due to different project seasonality,
 - favorable change in handset inventory balances (positive impact: ca. HUF 1.2 billion) mainly due to sale of previous device models.
- HUF 3.5 billion **negative change in provisions**, mainly reflecting a higher addition for litigation risks and penalties and risks arising from inaccuracies in tax calculations related provision in the base period together with a lower addition of the provisions for cash-settled share-based compensations in the first nine months of 2022 compared to the first nine months of 2021
 - HUF 36.1 billion **positive change in passive working capital**, primarily driven by
 - recognition of HUF 18.9 billion supplementary telecommunication tax liability in the first nine months of 2022 will be due only in Q4 2022,
 - favorable change in the balances of invoiced and non-invoiced BAU trade creditors in the first nine months of 2022 compared to the first nine months of 2021 (positive impact: ca. HUF 15.5 billion) due to different outpayment timing,
 - lower payment of the SI/IT services in the first nine months of 2022 compared to the first nine months of 2021 (positive impact: ca. HUF 8.0 billion) due to different project seasonality,
 - higher payment in the handset supplier's balances in 2022 (negative impact: ca. HUF 6.9 billion) in line with the lower handset inventory.
 - HUF 3.5 billion **negative change in income tax paid** mainly driven by the higher amount of corporate income tax and local business tax base in the first nine months of 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 the first nine months of 2022 compared to the first nine months of 2021
 - HUF 1.1 billion **positive change in interest paid** in the first nine months of 2022 compared to the first nine months of 2021, reflecting the combined effect of lower interest payment due to the maturity of a loan in 2021 and higher interest payment related to the outpayment of the one-time spectrum fee in 2022
 - HUF 7.2 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 the first nine months of 2022

Investing cash flow excluding proceeds from other financial assets – net

Net cash used in investing activities amounted to HUF 77.8 billion in the first nine months of 2022, compared to HUF 77.4 billion in the first nine months of 2021, with a broadly stable cash outflow driven mainly by the following:

- 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 5.2 billion **negative effect in Payments for PPE and intangible assets** mainly driven by the following:
 - HUF 14.6 billion negative change due to higher investment in different areas (e.g. network technology in North Macedonia: HUF 5.3 billion negative effect, mobile network modernization in Hungary: HUF 3.8 billion negative effect; fixed access in Hungary: HUF 3.7 billion negative effect; investment in CPE and provisioning: HUF 2.4 billion negative effect)
 - HUF 2.0 billion positive effect of the corporate income tax settlement of energy efficiency tax credit,
 - HUF 7.4 billion positive change reflecting lower payments to Capex creditors due to different seasonality.

Repayment of lease and other financial liabilities

Repayment of lease and other financial liabilities deteriorated to HUF 69.9 billion in the first nine months of 2022 from HUF 21.8 billion in the first nine months of 2021, primarily driven by the HUF 44.3 billion outpayment of the one-time spectrum fee for spectrum licenses and the higher lease payments – mainly as a result of the announced formerly leased optical network acquisition – against the lower payment of different long-term supplier invoices.

In the first nine months of 2022 **Cash and cash equivalents** recorded a HUF 4.0 billion negative change compared to a HUF 0.8 billion positive change in the first nine months of 2021. Besides the changes in FCF the deterioration is attributable to the followings:

- **Payments for other financial assets - net** deteriorated by HUF 2.4 billion, primarily due to lower cash inflows from derivative transactions. This change was offset by higher cash inflows from bank deposits over 3 months in net term.



- **Proceeds from loans and other borrowings** decreased by HUF 74.4 billion due to the periodic decrease of proceeds from inhouse DT Group funds supplemented by the lower drawdown of DT Group loans.
- **Repayments of loans and other borrowings** improved by HUF 104.7 billion due the lower repayment of DT Group loans and the periodic decrease of repayments of inhouse DT Group funds.
- **Treasury share purchase** increased by HUF 4.4 billion due to the higher repurchase in 2022.
- **Exchange differences on cash and cash equivalents** improved by HUF 1.1 billion due to the higher MKD/HUF foreign exchange rate movement during 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 September 30, 2022 (see Appendix 3.8) can be observed in the following lines:

- Other financial assets (current and non-current 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)
- Other liabilities (current and non-current combined)
- Common stock

Other financial assets (current and non-current combined) increased by HUF 24.5 billion from December 31, 2021 to September 30, 2022 mainly as a result of HUF 25.7 billion increase of the fair value of derivative financial instruments contracted with related parties as well as HUF 6.2 billion increase of in cash pool receivables which were partly offset by the decrease of bank deposit with maturity over 3 months at Makedonski Telekom in amount of HUF 4.1 billion.

Property, plant and equipment increased by HUF 32.3 billion from December 31, 2021 to September 30, 2022 mainly due to higher capital expenditures related to the mobile base stations and fiber rollout.

Other intangible assets decreased by HUF 17.4 billion from December 31, 2021 to September 30, 2022, reflecting a change of concessions, licenses and software.

Financial liabilities to related parties (current and non-current combined) increased by HUF 42.0 billion from December 31, 2021 to September 30, 2022 due to the combined result of drawdowns, repayments and FX evaluation effect of DT Group loans partly offset by the decrease in cash pool liabilities.

Trade payables decreased by HUF 9.4 billion from December 31, 2021 to September 30, 2022, reflecting a decrease in outstanding balances to handset, SI/IT, Capex and OPEX suppliers.

Other financial liabilities (current and non-current combined) decreased by HUF 48.4 billion from December 31, 2021 to September 30, 2022, mainly due to the HUF 44.3 billion outpayment of the one-time spectrum fee for spectrum licenses.

Other liabilities (current and non-current combined) increased by HUF 21.2 billion from December 31, 2021 to September 30, 2022, reflecting the increase of other tax liabilities (mainly the supplementary telecommunication tax).

Common stock decreased by HUF 3.7 billion from December 31, 2021 to September 30, 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 (exc. Equity) in the period from December 31, 2021 to September 30, 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 Interim 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 14.7 billion as at December 31, 2021. In January 2021, Magyar Telekom successfully participated in the auction procedure for the entitlements of frequency use of the 900 MHz and 1800 MHz frequency bands, the precondition of this was the issuance of additional guarantees. Due to the payment of the one-time spectrum fee in April 2022, these guarantees are not applicable. 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 (September 30, 2022) and the date publishing of this Interim 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 and T-Systems brands. Residential and Small and Medium sized business customers are served by the Telekom brand, while business customers (corporate and public sector customers) are served by the T-Systems 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	Q3 2021 (restated*)	Q3 2022	Change	Change (%)	1-9 months 2021 (restated*)	1-9 months 2022	Change	Change (%)
Voice	28,751	28,399	(352)	(1.2%)	86,128	84,382	(1,746)	(2.0%)
Non-voice	34,307	39,726	5,419	15.8%	96,567	113,274	16,707	17.3%
Equipment	21,742	26,801	5,059	23.3%	62,748	77,229	14,481	23.1%
Other mobile revenue	3,189	2,993	(196)	(6.1%)	7,348	7,684	336	4.6%
Mobile revenue	87,989	97,919	9,930	11.3%	252,791	282,569	29,778	11.8%
Voice retail	7,867	7,362	(505)	(6.4%)	24,281	22,428	(1,853)	(7.6%)
Broadband retail	15,133	17,165	2,032	13.4%	42,070	49,888	7,818	18.6%
TV	12,888	13,992	1,104	8.6%	37,957	41,089	3,132	8.3%
Equipment	4,282	3,520	(762)	(17.8%)	13,361	11,498	(1,863)	(13.9%)
Other	10,061	11,152	1,091	10.8%	29,542	32,750	3,208	10.9%
Fixed line revenue	50,231	53,191	2,960	5.9%	147,211	157,653	10,442	7.1%
SI/IT revenue	19,673	19,408	(265)	(1.3%)	52,178	50,938	(1,240)	(2.4%)
Revenue	157,893	170,518	12,625	8.0%	452,180	491,160	38,980	8.6%
Direct costs	(68,031)	(74,434)	(6,403)	(9.4%)	(194,808)	(212,577)	(17,769)	(9.1%)
Gross profit	89,862	96,084	6,222	6.9%	257,372	278,583	21,211	8.2%
Indirect costs	(31,385)	(32,750)	(1,365)	(4.3%)	(102,872)	(97,195)	5,677	5.5%
Supplementary telecommunication tax	-	(6,476)	(6,476)	n.a.	-	(18,874)	(18,874)	n.a.
EBITDA	58,477	56,858	(1,619)	(2.8%)	154,500	162,514	8,014	5.2%
EBITDA AL	52,600	50,509	(2,091)	(4.0%)	136,980	143,839	6,859	5.0%
Segment Capex AL excl. spectrum licenses	22,794	26,384	3,590	15.7%	61,799	70,866	9,067	14.7%
Spectrum licenses	-	-	-	-	83,075	-	(83,075)	n.m.

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



Operational statistics – access numbers	September 30 2021	September 30 2022	Change (%)
Number of SIM cards	5,582,162	5,913,778	5.9%
Postpaid share in total	63.6%	63.5%	n.a.
Total fixed voice access	1,326,937	1,314,363	(0.9%)
Total retail fixed broadband customers	1,386,579	1,487,085	7.2%
Total TV customers	1,287,873	1,360,145	5.6%

Operational statistics – ARPU (HUF)	Q3 2021	Q3 2022	Change (%)	1-9 months 2021	1-9 months 2022	Change (%)
Blended mobile ARPU*	3,774	3,856	2.2%	3,687	3,797	3.0%
Postpaid ARPU*	5,351	5,514	3.0%	5,224	5,421	3.8%
Prepaid ARPU	1,248	1,316	5.5%	1,178	1,259	6.9%
M2M ARPU	379	319	(15.8%)	397	328	(17.6%)
Blended fixed voice ARPU	1,974	1,861	(5.7%)	2,023	1,884	(6.9%)
Blended fixed broadband ARPU	3,656	3,845	5.2%	3,442	3,781	9.8%
Blended TV ARPU	3,364	3,449	2.5%	3,342	3,412	2.1%

*2021 values restated due to change in accounting policy

Total revenue for the MT-Hungary segment rose by 8.0% year-on-year to HUF 170.5 billion in Q3 2022, driven by continued strong customer demand for mobile data, broadband and TV services, as well as an increase in mobile equipment sales.

- **Mobile revenues** were up 11.3% year-on-year in Q3 2022 with growth primarily attributable to higher mobile data revenues and equipment sales. Upward trend in mobile data revenues were 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 at the prepaid segment and higher IFRS15 discount levels – in line with the continuous increase in equipment sales, it was offset by the increase in mobile data, resulting in an overall improvement in both prepaid and postpaid ARPUs. Higher equipment sales were attributable to further rise in average smartphone prices, reflecting both general price increases of the handsets and the weakening of the forint, as well as increase in revenues from third party export sales.
- **Fixed line revenues** grew by 5.9% year-on-year in Q3 2022, reflecting the successful monetization of the expanding gigabit network. Both broadband and TV customer additions remained elevated, with ARPU levels showing also positive developments. The latter reflects the combined results of a successful ‘more-for-more’ pricing strategy coupled with targeted price increase measures and the continued migration to higher bandwidth broadband and IPTV subscriptions.
- **SI/IT revenue** was moderately down by 1.3% year-on-year, amounting to HUF 19.4 billion in Q3 2022, reflecting the absence of revenues formerly generated by the healthcare business unit including Pan-Inform LLC. In an underlying terms, revenues showed positive developments thanks to higher project volumes.

Gross profit rose by 6.9% year-on-year in Q3 2022, in line with the favorable service revenue trends.

EBITDA declined by 2.8% year-on-year and EBITDA AL was down by 4.0% year-on-year in Q3 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 14.7% year-on-year in the first nine months of 2022, amounting to HUF 70.9 billion, reflecting continued strong progress in mobile network modernization, the ongoing investments into the fiber rollout program and higher spending on customer premise equipment parallel to the elevated fiber provisioning.

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 43.5 billion spectrum fee paid at the beginning of April 2022 which was recognized as payment for other financial liabilities.

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	Q3 2021 (restated*)	Q3 2022	Change	Change (%)	1-9 months 2021 (restated*)	1-9 months 2022	Change	Change (%)
Voice	4,639	4,203	(436)	(9.4%)	12,907	11,296	(1,611)	(12.5%)
Non-voice	3,176	4,921	1,745	54.9%	8,525	12,946	4,421	51.9%
Equipment	2,134	2,899	765	35.8%	6,527	8,029	1,502	23.0%
Other mobile revenue	569	733	164	28.8%	1,278	1,578	300	23.5%
Mobile revenue	10,518	12,756	2,238	21.3%	29,237	33,849	4,612	15.8%
Voice retail	1,201	1,355	154	12.8%	3,632	3,875	243	6.7%
Broadband retail	1,274	1,498	224	17.6%	3,825	4,199	374	9.8%
TV	1,330	1,611	281	21.1%	4,034	4,546	512	12.7%
Equipment	54	46	(8)	(14.8%)	159	128	(31)	(19.5%)
Other	2,045	2,079	34	1.7%	5,784	5,693	(91)	(1.6%)
Fixed line revenue	5,904	6,589	685	11.6%	17,434	18,441	1,007	5.8%
SI/IT revenue	741	563	(178)	(24.0%)	1,676	3,349	1,673	99.8%
Revenue	17,163	19,908	2,745	16.0%	48,347	55,639	7,292	15.1%
Direct costs	(5,402)	(6,189)	(787)	(14.6%)	(14,594)	(18,284)	(3,690)	(25.3%)
Gross profit	11,761	13,719	1,958	16.6%	33,753	37,355	3,602	10.7%
Indirect costs	(3,868)	(5,770)	(1,902)	(49.2%)	(12,377)	(15,097)	(2,720)	(22.0%)
Supplementary telecommunication tax	-	-	-	-	-	-	-	-
EBITDA	7,893	7,949	56	0.7%	21,376	22,258	882	4.1%
EBITDA AL	7,689	7,680	(9)	(0.1%)	20,738	21,474	736	3.5%
Segment Capex AL excl. spectrum licenses	5,404	4,056	(1,348)	(24.9%)	9,612	12,134	2,522	26.2%
Spectrum licenses	-	3,092	3092	n.a.	-	3,092	3092	n.a.

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

Operational statistics – access numbers	September 30 2021	September 30 2022	Change (%)
Number of mobile SIMs	1,211,359	1,294,540	6.9%
Postpaid share in total	44.4%	43.1%	n.a.
Total fixed voice access	223,648	226,532	1.3%
Total fixed retail broadband customers	195,651	202,924	3.7%
Total TV customers	144,975	147,635	1.8%

Total revenue in North Macedonia rose by 16.0% year-on-year to HUF 19.9 billion in Q3 2022 attributable to a higher mobile data, mobile equipment and visitor revenues whilst also amplified by the strengthening of the North Macedonian denar against the Hungarian forint.

- **Mobile revenues** rose by 21.3% year-on-year in forint terms in Q3 2022 thanks to higher mobile data and mobile equipment revenues. This increase was 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 Q3 2022, they showed an increase of 11.6% year-on-year in forint terms, that reflects North Macedonian denar – forint exchange rate changes. In underlying trends, the continued decline of wholesale revenues due to lower international incoming transit traffic revenue and lower revenues from TV content resale were partly offset by TV and broadband revenue increases that were driven by continued expansion in the multiplay customer base.
- **SI/IT revenues** were lower by 24.0% year-on-year in Q3 2022 due to the lower customized solution projects.

Gross profit increased by 16.6% year-on-year in Q3 2022, reflecting the improvement in telecommunication service revenues

EBITDA while declined year-on-year in local currency terms in Q3 2022, they showed moderate increase year-on-year in forint terms and **EBITDA AL** in forint terms remained broadly stable year-on-year in Q3 2022. In underlying trends, positive commercial performance was offset by significant increase in energy costs, putting pressure on profitability at the North Macedonian operation.



CAPEX AL excluding spectrum licenses rose year-on-year by 26.2% in the nine months of 2022 to HUF 12.1 billion mainly due to the higher investments related to RAN modernization project

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 were completed in July 2022, impacting Q3 2022 financials.

Outlook: Looking forward, 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 intensify 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 interim 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, particularly the macroeconomic tendencies and current market conditions. The Central Bank of Hungary introduces intervention with gradual increase of base rate in Hungary to protect the forint from significant weakening and limit the inflation.

During the preparation of the Q3 2022 interim financial report, continuing its quarterly practice, management updated its goodwill impairment test taking into account the latest available 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. Magyar Telekom will continue to monitor the changes in the economic environment in the following periods. The economic downturn and ongoing increase in interest rate may lead to impairment of assets in the following periods, which may materially affect our results at the group and operating segment levels.

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 energy shortage and dramatic increase in energy prices across Europe, the government announced partial termination of caps on residential gas and electricity prices in case of usage above the average consumption level (from August 2022 to August 2023). At the same time, the loan moratorium was extended until the end of December 2022.

Considering the above factors, the solvency of customers has been assessed and management concluded that there was no need to recognize further allowance for bad debts in Q3 2022.

Altogether, still existing supply chain shortages, consequences of the war and the related sanctions have also been assessed and 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. In addition to all of this, in 2022, the Group continues to meet the increased demand for connectivity through its network at a consistently high level.

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 supplementary telecommunication tax is determined based on the earnings of the whole 2022 financial year, and considered as a present obligation at the end of the interim reporting period. Based on this, the estimated supplementary telecommunication tax payable had been calculated and recorded in Q3 2022.

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 Interim 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 relevant software reselling and provided streaming services whether it is in agent or principal position. The reassessment was completed in Q3 2022 and concluded that agent accounting should be adopted. This conclusion resulted in accounting policy change and restatement in the presentation of these transactions by decreasing accompanying Revenue and Direct cost, while EBITDA AL, Net income, Statement of Financial Position and Free cash flow unchanged.

The table below shows the effects for the periods of Q3 and the first nine months of 2021:

(HUF millions)	Q3 2021	1-9 months 2021
Mobile revenue	(66)	(300)
Fixed line revenue	(180)	(564)
SI/IT revenue	(2,759)	(5,099)
Revenue	(3,005)	(5,963)
SI/IT service related costs	2,759	5,099
Other direct costs	246	864
Direct costs	3,005	5,963



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

(HUF millions, except per share amounts)	Q3 2021 (unaudited, restated*)	Q3 2022 (unaudited)	Change	Change (%)
Mobile revenue	98,507	110,672	12,165	12.3%
Fixed line revenue	56,162	60,272	4,110	7.3%
SI/IT revenue	20,414	19,971	(443)	(2.2%)
Revenue	175,083	190,915	15,832	9.0%
Interconnect costs	(6,455)	(5,983)	472	7.3%
SI/IT service related costs	(13,935)	(13,845)	90	0.6%
Bad debt expense	(1,904)	(1,410)	494	25.9%
Telecom tax	(6,507)	(6,593)	(86)	(1.3%)
Other direct costs	(44,606)	(52,755)	(8,149)	(18.3%)
Direct costs	(73,407)	(80,586)	(7,179)	(9.8%)
Employee-related expenses	(20,128)	(20,848)	(720)	(3.6%)
Depreciation and amortization	(36,891)	(33,890)	3,001	8.1%
Other operating expenses	(16,209)	(18,894)	(2,685)	(16.6%)
Supplementary telecommunication tax	-	(6,476)	(6,476)	n.a.
Operating expenses	(146,635)	(160,694)	(14,059)	(9.6%)
Other operating income	1,034	1,085	51	4.9%
Operating profit	29,482	31,306	1,824	6.2%
Interest income	128	118	(10)	(7.8%)
Interest expense	(3,330)	(4,003)	(673)	(20.2%)
Other finance expense - net	(2,325)	(4,247)	(1,922)	(82.7%)
Net financial result	(5,527)	(8,132)	(2,605)	(47.1%)
Share of associates' and joint ventures' results	-	-	-	-
Profit before income tax	23,955	23,174	(781)	(3.3%)
Income tax	(4,524)	(4,686)	(162)	(3.6%)
Profit for the period	19,431	18,488	(943)	(4.9%)
Other comprehensive income:				
Items to be reclassified to profit or loss in subsequent periods:				
Exchange differences on translating foreign operations	2,319	7,116	4,797	206.9%
Items not to be reclassified to profit or loss in subsequent periods:				
Revaluation of financial assets at FV OCI	127	(54)	(181)	n.m.
Other comprehensive income for the year, net of tax	2,446	7,062	4,616	188.7%
Total comprehensive income for the period	21,877	25,550	3,673	16.8%
Profit attributable to:				
Owners of the parent	17,873	17,062	(811)	(4.5%)
Non-controlling interests	1,558	1,426	(132)	(8.5%)
	19,431	18,488	(943)	(4.9%)
Total comprehensive income attributable to:				
Owners of the parent	19,325	21,354	2,029	10.5%
Non-controlling interests	2,552	4,196	1,644	64.4%
	21,877	25,550	3,673	16.8%
Earnings per share (EPS) information:				
Profit attributable to the owners of the Company	17,873	17,062		
Weighted average number of common stock outstanding used for basic/diluted EPS	996,965,004	962,722,519		
Basic / diluted earnings per share (HUF)	17.93	17.72	(0.21)	(1.2%)

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



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

(HUF millions, except per share amounts)	1-9 months 2021 (unaudited, restated*)	1-9 months 2022 (unaudited)	Change	Change (%)
Mobile revenue	282,028	316,413	34,385	12.2%
Fixed line revenue	164,683	176,766	12,083	7.3%
SI/IT revenue	53,854	54,287	433	0.8%
Revenue	500,565	547,466	46,901	9.4%
Interconnect costs	(18,637)	(17,822)	815	4.4%
SI/IT service related costs	(36,685)	(38,428)	(1,743)	(4.8%)
Bad debt expense	(5,832)	(5,308)	524	9.0%
Telecom tax	(20,096)	(19,790)	306	1.5%
Other direct costs	(128,037)	(149,400)	(21,363)	(16.7%)
Direct costs	(209,287)	(230,748)	(21,461)	(10.3%)
Employee-related expenses	(59,856)	(58,042)	1,814	3.0%
Depreciation and amortization	(108,697)	(104,478)	4,219	3.9%
Other operating expenses	(58,200)	(60,394)	(2,194)	(3.8%)
Supplementary telecommunication tax	-	(18,874)	(18,874)	n.a.
Operating expenses	(436,040)	(472,536)	(36,496)	(8.4%)
Other operating income	2,618	5,839	3,221	123.0%
Operating profit	67,143	80,769	13,626	20.3%
Interest income	261	534	273	104.6%
Interest expense	(10,276)	(10,961)	(685)	(6.7%)
Other finance expense - net	(1,155)	(7,189)	(6,034)	(522.4%)
Net financial result	(11,170)	(17,616)	(6,446)	(57.7%)
Share of associates' and joint ventures' results	-	26	26	n.a.
Profit before income tax	55,973	63,179	7,206	12.9%
Income tax	(11,966)	(13,621)	(1,655)	(13.8%)
Profit for the period	44,007	49,558	5,551	12.6%
Other comprehensive income:				
Items to be reclassified to profit or loss in subsequent periods:				
Exchange differences on translating foreign operations	(1,463)	14,711	16,174	n.m.
Items not to be reclassified to profit or loss in subsequent periods:				
Revaluation of financial assets at FV OCI	269	(46)	(315)	n.m.
Other comprehensive income for the year, net of tax	(1,194)	14,665	15,859	n.m.
Total comprehensive income for the period	42,813	64,223	21,410	50.0%
Profit attributable to:				
Owners of the parent	40,279	46,085	5,806	14.4%
Non-controlling interests	3,728	3,473	(255)	(6.8%)
	44,007	49,558	5,551	12.6%
Total comprehensive income attributable to:				
Owners of the parent	39,479	55,138	15,659	39.7%
Non-controlling interests	3,334	9,085	5,751	172.5%
	42,813	64,223	21,410	50.0%
Earnings per share (EPS) information:				
Profit attributable to the owners of the Company	40,279	46,085		
Weighted average number of common stock outstanding used for basic/diluted EPS	1,010,997,830	979,906,477		
Basic / diluted earnings per share (HUF)	39.84	47.03	7.19	18.0%

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



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

(HUF millions)	Q3 2021 (restated*)	Q3 2022	Change	Change (%)
Voice retail	30,190	29,522	(668)	(2.2%)
Voice wholesale	3,200	3,080	(120)	(3.8%)
Data	31,298	38,532	7,234	23.1%
SMS	6,185	6,115	(70)	(1.1%)
Equipment	23,876	29,700	5,824	24.4%
Other mobile revenue	3,758	3,723	(35)	(0.9%)
Mobile revenue	98,507	110,672	12,165	12.3%
Voice retail	9,068	8,717	(351)	(3.9%)
Broadband retail	16,407	18,663	2,256	13.8%
TV	14,218	15,603	1,385	9.7%
Equipment	4,336	3,566	(770)	(17.8%)
Data retail	3,213	3,333	120	3.7%
Wholesale (voice, broadband, data)	4,932	5,512	580	11.8%
Other fixed line revenue	3,988	4,878	890	22.3%
Fixed line revenue	56,162	60,272	4,110	7.3%
SI/IT revenue	20,414	19,971	(443)	(2.2%)
Revenue	175,083	190,915	15,832	9.0%

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

3.5. Revenue breakdown – year-to-date comparison

(HUF millions)	1-9 months 2021 (restated*)	1-9 months 2022	Change	Change (%)
Voice retail	89,458	86,533	(2,925)	(3.3%)
Voice wholesale	9,577	9,145	(432)	(4.5%)
Data	87,084	107,903	20,819	23.9%
SMS	18,008	18,317	309	1.7%
Equipment	69,275	85,258	15,983	23.1%
Other mobile revenue	8,626	9,257	631	7.3%
Mobile revenue	282,028	316,413	34,385	12.2%
Voice retail	27,913	26,303	(1,610)	(5.8%)
Broadband retail	45,895	54,087	8,192	17.8%
TV	41,991	45,635	3,644	8.7%
Equipment	13,520	11,626	(1,894)	(14.0%)
Data retail	9,499	9,869	370	3.9%
Wholesale (voice, broadband, data)	14,889	15,575	686	4.6%
Other fixed line revenue	10,976	13,671	2,695	24.6%
Fixed line revenue	164,683	176,766	12,083	7.3%
SI/IT revenue	53,854	54,287	433	0.8%
Revenue	500,565	547,466	46,901	9.4%

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



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

(HUF millions)	Q3 2021 (restated*)	Q3 2022	Change	Change (%)
Direct costs	(73,407)	(80,586)	(7,179)	(9.8%)
Employee-related expenses	(20,128)	(20,848)	(720)	(3.6%)
Depreciation and amortization	(36,891)	(33,890)	3,001	8.1%
Other operating expenses	(16,209)	(18,894)	(2,685)	(16.6%)
<i>Of which utility tax</i>	1	(10)	(11)	<i>n.m.</i>
Supplementary telecommunication tax	-	(6,476)	(6,476)	<i>n.a.</i>
Operating expenses	(146,635)	(160,694)	(14,059)	(9.6%)

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

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

(HUF millions)	1-9 months 2021 (restated*)	1-9 months 2022	Change	Change (%)
Direct costs	(209,287)	(230,748)	(21,461)	(10.3%)
Employee-related expenses	(59,856)	(58,042)	1,814	3.0%
Depreciation and amortization	(108,697)	(104,478)	4,219	3.9%
Other operating expenses	(58,200)	(60,394)	(2,194)	(3.8%)
<i>Of which utility tax</i>	(7,332)	(7,447)	(115)	(1.6%)
Supplementary telecommunication tax	-	(18,874)	(18,874)	<i>n.a.</i>
Operating expenses	(436,040)	(472,536)	(36,496)	(8.4%)

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



3.8. Interim Consolidated Statement of Financial Position - Assets

(HUF millions)	Dec 31, 2021 (unaudited)	Sept 30, 2022 (unaudited)	Change	Change (%)
ASSETS				
Cash and cash equivalents	13,463	9,418	(4,045)	(30.0%)
Trade receivables	158,187	164,556	6,369	4.0%
Other assets	8,431	8,585	154	1.8%
Other current financial assets	9,419	11,605	2,186	23.2%
Contract assets	20,745	21,692	947	4.6%
Current income tax receivable	1,318	1,883	565	42.9%
Inventories	18,053	19,712	1,659	9.2%
	229,616	237,451	7,835	3.4%
Assets held for sale	2,286	-	(2,286)	(100.0%)
Total current assets	231,902	237,451	5,549	2.4%
Property, plant and equipment	437,432	469,683	32,251	7.4%
Right-of-use assets	122,355	123,075	720	0.6%
Goodwill	212,513	212,713	200	0.1%
Other intangible assets	346,149	328,714	(17,435)	(5.0%)
Investments in associates and joint ventures	-	-	-	-
Deferred tax assets	125	692	567	453.6%
Trade receivables over one year	18,953	19,435	482	2.5%
Other non-current financial assets	20,183	42,454	22,271	110.3%
Contract assets	4,143	3,914	(229)	(5.5%)
Other non-current assets	6,916	7,649	733	10.6%
Total non-current assets	1,168,769	1,208,329	39,560	3.4%
Total assets	1,400,671	1,445,780	45,109	3.2%



3.9. Interim Consolidated Statement of Financial Position – Liabilities and Equity

(HUF millions)	Dec 31, 2021 (unaudited)	Sept 30, 2022 (unaudited)	Change	Change (%)
LIABILITIES				
Financial liabilities to related parties	38,087	67,265	29,178	76.6%
Lease liabilities	22,328	27,463	5,135	23.0%
Trade payables	142,031	132,661	(9,370)	(6.6%)
Other financial liabilities	55,426	12,185	(43,241)	(78.0%)
Current income tax payable	2,554	3,531	977	38.3%
Provisions	3,367	1,599	(1,768)	(52.5%)
Contract liabilities	12,238	11,296	(942)	(7.7%)
Other current liabilities	18,986	40,551	21,565	113.6%
	295,017	296,551	1,534	0.5%
Liabilities held for sale	350	-	(350)	(100.0%)
Total current liabilities	295,367	296,551	1,184	0.4%
Financial liabilities to related parties	90,405	103,245	12,840	14.2%
Lease liabilities	112,076	115,855	3,779	3.4%
Corporate bonds	68,215	68,452	237	0.3%
Other financial liabilities	109,231	104,105	(5,126)	(4.7%)
Deferred tax liabilities	16,888	17,968	1,080	6.4%
Provisions	12,714	13,857	1,143	9.0%
Contract liabilities	326	504	178	54.6%
Other non-current liabilities	2,474	2,146	(328)	(13.3%)
Total non-current liabilities	412,329	426,132	13,803	3.3%
Total liabilities	707,696	722,683	14,987	2.1%
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	529,790	20,317	4.0%
Accumulated other comprehensive income	31,192	40,245	9,053	29.0%
Total equity of the owners of the parent	652,895	678,424	25,529	3.9%
Non-controlling interests	40,080	44,673	4,593	11.5%
Total equity	692,975	723,097	30,122	4.3%
Total liabilities and equity	1,400,671	1,445,780	45,109	3.2%



3.10. Interim Consolidated Statement of Cash Flows

(HUF millions)	1-9 months 2021 (unaudited)	1-9 months 2022 (unaudited)	Change	Change (%)
Cash flows from operating activities				
Profit for the period	44,007	49,558	5,551	12.6%
Depreciation and amortization	108,697	104,478	(4,219)	(3.9%)
Income tax expense	11,966	13,621	1,655	13.8%
Net financial result	11,170	17,616	6,446	57.7%
Share of associates' and joint ventures' result	-	(26)	(26)	n.a.
Change in assets carried as working capital	1,868	(11,198)	(13,066)	n.m.
Change in provisions	2,477	(1,051)	(3,528)	n.m.
Change in liabilities carried as working capital	(18,407)	17,654	36,061	n.m.
Income tax paid	(13,412)	(16,941)	(3,529)	(26.3%)
Dividend received	57	66	9	15.8%
Interest and other financial charges paid	(15,065)	(13,967)	1,098	7.3%
Interest received	227	610	383	168.7%
Other non-cash items	49	(7,159)	(7,208)	n.m.
Net cash generated from operating activities	133,634	153,261	19,627	14.7%
Cash flows from investing activities				
Payments for property plant and equipment (PPE) and intangible assets	(79,029)	(84,205)	(5,176)	(6.5%)
Proceeds from disposal of PPE and intangible assets	1,686	900	(786)	(46.6%)
Payments for subsidiaries and business units	(75)	-	75	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	(131)	(2,484)	(2,353)	n.m.
Proceeds from other financial assets	11,889	11,835	(54)	(0.5%)
Payments for interests in associates and joint ventures	-	-	-	-
Net cash used in investing activities	(65,660)	(68,454)	(2,794)	(4.3%)
Cash flows from financing activities				
Dividends paid to Owners of the parent and Non-controlling interests	(18,788)	(19,473)	(685)	(3.6%)
Proceeds from loans and other borrowings	172,159	97,789	(74,370)	(43.2%)
Repayment of loans and other borrowings	(188,365)	(83,653)	104,712	55.6%
Proceeds from corporate bonds	-	-	-	-
Repayment of lease and other financial liabilities	(21,809)	(69,889)	(48,080)	(220.5%)
Treasury share purchase	(10,215)	(14,609)	(4,394)	(43.0%)
Net cash used in financing activities	(67,018)	(89,835)	(22,817)	(34.0%)
Exchange differences on cash and cash equivalents	(152)	983	1,135	n.m.
Change in cash and cash equivalents	804	(4,045)	(4,849)	n.m.
Cash and cash equivalents, beginning of period	14,689	13,463	(1,226)	(8.3%)
Cash and cash equivalents, end of period	15,493	9,418	(6,075)	(39.2%)



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

HUF 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 September 30, 2022
						Proceeds from loans and borrowings	Repayment of loans and other borrowings	Proceeds from bonds	
Related party loans	128,472	-	(285)	22,002	-	103,974	(83,653)	-	170,510
Derivatives from related parties	20	-	-	208	(228)	-	-	-	0
Spectrum fee payable	156,082	-	(4,578)	3,546	-	-	-	(46,954)	108,096
Bonds	68,215	-	-	237	-	-	-	-	68,452
Lease liabilities	134,404	-	(4,436)	33,334	-	-	-	(19,984)	143,318
Debtors overpayment	1,394	-	(130)	-	-	-	-	-	1,264
Contingent consideration	150	-	-	-	-	-	-	(150)	0
Other financial liabilities	7,031	-	(94)	2,794	-	-	-	(2,801)	6,930
- Less cash and cash equivalent	(13,463)	4,045	-	-	-	(6,185)	-	-	(9,418)
- Less other current financial assets	(9,419)	-	(2,275)	(9,366)	15,640	-	-	-	(11,605)
Net debt	472,886	4,045	(11,798)	52,755	15,412	97,789	(83,653)	(69,889)	477,547
Treasury share purchase									(14,609)
Dividends paid to Owners of the parent and Non-controlling interest									(19,473)
Net Cash used in financing activities									(89,835)



3.12. Interim Consolidated Statement of Changes in Equity

	HUF millions										
	pieces										
	Shares of common stock	Common stock	Capital reserves	Treasury stock	Retained earnings	Cumulative translation adjustment	Accumulated Other Comprehensive Income	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	-	-	-	-	(15,312)	-	-	(15,312)	-	(15,312)	
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 owners	-	-	-	(10,215)	(15,312)	-	-	(25,527)	(3,479)	(29,006)	
Other comprehensive income	-	-	-	-	-	(949)	149	(800)	(394)	(1,194)	
Profit or loss	-	-	-	-	40,279	-	-	40,279	3,728	44,007	
Balance at Sept 30, 2021	1,042,742,543	104,275	27,379	(19,424)	490,754	29,293	359	632,636	38,898	671,534	
Other comprehensive income	-	-	-	-	-	1,466	74	1,540	1,060	2,600	
Profit or loss	-	-	-	-	18,719	-	-	18,719	122	18,841	
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 share	(36,941,191)	(3,695)	(970)	15,433	(10,768)	-	-	0	-	0	
Transactions with owners in their capacity as owners	(36,941,191)	(3,695)	(970)	824	(25,768)	-	-	(29,609)	(4,492)	(34,101)	
Other comprehensive income	-	-	-	-	-	9,080	(27)	9,053	5,612	14,665	
Profit or loss	-	-	-	-	46,085	-	-	46,085	3,473	49,558	
Balance at Sept 30, 2022	1,005,801,352	100,580	26,409	(18,600)	529,790	39,839	406	678,424	44,673	723,097	
Of which treasury stock	(43,078,833)	-	-	-	-	-	-	-	-	-	
Shares of common stock outstanding	962,722,519										



3.13. Exchange rate information

	Q3 2021	Q3 2022	Change (%)	1-9 months 2021	1-9 months 2022	Change (%)
HUF/EUR beginning of period	351.90	396.75	12.7%	365.13	369.00	1.1%
HUF/EUR period-end	360.52	421.41	16.9%	360.52	421.41	16.9%
HUF/EUR cumulative monthly average	354.10	406.13	14.7%	356.88	385.55	8.0%
HUF/MKD beginning of period	5.70	6.43	12.8%	5.92	5.99	1.2%
HUF/MKD period-end	5.84	6.85	17.3%	5.84	6.85	17.3%
HUF/MKD cumulative monthly average	5.75	6.60	14.8%	5.79	6.26	8.1%

3.14. Segment information

HUF millions	Q3 2021 (restated*)	Q3 2022	1-9 months 2021 (restated*)	1-9 months 2022
Total MT-Hungary revenue	157,893	170,518	452,180	491,160
Less: MT-Hungary revenue from other segments	(29)	(30)	(88)	(89)
MT-Hungary revenue from external customers	157,864	170,488	452,092	491,071
Total North Macedonia revenue	17,163	19,908	48,347	55,639
Less: North Macedonia revenue from other segments	(13)	(16)	(43)	(44)
North Macedonia revenue from external customers	17,150	19,892	48,304	55,595
Total consolidated revenue of the segments	175,014	190,380	500,396	546,666
Measurement differences to Group revenue	69	535	169	800
Total revenue of the Group	175,083	190,915	500,565	547,466
Segment results (EBITDA)				
Hungary	58,477	56,858	154,500	162,514
North Macedonia	7,893	7,949	21,376	22,258
Total EBITDA of the segments	66,370	64,807	175,876	184,772
Measurement differences to Group EBITDA	3	389	(36)	475
Total EBITDA of the Group	66,373	65,196	175,840	185,247



3.15. Fair value of financial instruments – financial assets

September 30, 2022 HUF millions	Financial assets				Carrying amount	Fair value
	Amortized cost	FVOCI (Level 1)	FVTPL (Level 2)	FVTPL (Level 3)		
Cash and cash equivalents	9,418	-	-	-	9,418	9,418
Cash-pool receivables	6,185	-	-	-	6,185	6,185
Trade receivables	164,556	-	-	-	164,556	164,556
Trade receivables over 1 year	19,435	-	-	-	19,435	16,711
Derivative financial instruments contracted with related parties	-	-	42,379	-	42,379	42,379
Finance lease receivable	757	-	-	-	757	678
Equity instruments	-	1,427	-	1,210	2,637	2,637
Receivables from asset-related grants	742	-	-	-	742	742
Other current receivables	744	-	-	-	744	744
Other non-current receivables	615	-	-	-	615	517
Total	202,452	1,427	42,379	1,210	247,468	244,567

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

September 30, 2022 HUF millions	Financial liabilities			Carrying amount	Fair value
	Measured at amortized cost	FVTPL (Level 2)	FVTPL (Level 3)		
Financial liabilities to related parties	170,510	-	-	170,510	170,510
Trade payables	132,661	-	-	132,661	132,661
Frequency fee payable	108,096	-	-	108,096	68,317
Bonds	68,452	-	-	68,452	45,914
Lease liabilities	143,318	-	-	143,318	106,366
Debtors overpayment	1,264	-	-	1,264	1,264
Other current	5,116	-	159	5,275	5,275
Other non-current	1,655	-	-	1,655	1,577
Total	631,072	-	159	631,231	531,884

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	20	-	128,492	128,492
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)	Q3 2021 MT Group	Q3 2021 MT-Hungary	Q3 2021 North Macedonia	Q3 2022 MT Group	Q3 2022 MT-Hungary	Q3 2022 North Macedonia
EBITDA	66,373	58,477	7,893	65,196	56,858	7,949
IFRS 16 related D&A	(4,697)	(4,520)	(177)	(5,040)	(4,806)	(234)
IFRS 16 related Interest	(1,384)	(1,357)	(27)	(1,578)	(1,543)	(35)
EBITDA after lease	60,292	52,600	7,689	58,578	50,509	7,680

(HUF millions)	1-9 months MT Group	1-9 months MT-Hungary	1-9 months North Macedonia	1-9 months MT Group	1-9 months MT-Hungary	1-9 months North Macedonia
EBITDA	175,840	154,500	21,376	185,247	162,514	22,258
IFRS 16 related D&A	(13,923)	(13,370)	(553)	(15,023)	(14,336)	(687)
IFRS 16 related Interest	(4,235)	(4,150)	(85)	(4,436)	(4,339)	(97)
EBITDA after lease	157,682	136,980	20,738	165,788	143,839	21,474

3.18. Capex from Interim Consolidated Statement of Cash Flows

(HUF millions)	1-9 months 2021 MT Group	1-9 months 2022 MT Group
Payments for PPE and intangible assets	79,029	84,205
Less spectrum payments	-	(3,092)
Payments for PPE and intangible assets excl. spectrum payments	79,029	81,113
+/- Cash adjustments	(7,615)	1,887
Capex AL excl. spectrum	71,414	83,000
ROU capex	14,434	22,654
Spectrum capex	83,075	3,092
Capex	168,923	108,746

3.19. Capex from Interim Consolidated Statement of Financial Position

(HUF millions)	Q3 2021 MT Group	Q3 2021 MT-Hungary	Q3 2021 North Macedonia	Q3 2022 MT Group	Q3 2022 MT-Hungary	Q3 2022 North Macedonia
Capex AL excl. spectrum licenses	28,198	22,794	5,404	30,440	26,384	4,056
ROU capex	8,134	7,988	146	8,189	7,935	254
Spectrum capex	-	-	-	3,092	-	3,092
Capex	36,332	30,782	5,550	41,721	34,319	7,402

(HUF millions)	1-9 months MT Group	1-9 months MT-Hungary	1-9 months North Macedonia	1-9 months MT Group	1-9 months MT-Hungary	1-9 months North Macedonia
Capex AL excl. spectrum licenses	71,414	61,799	9,612	83,000	70,866	12,134
ROU capex	14,434	13,947	487	22,654	22,013	641
Spectrum capex	83,075	83,075	-	3,092	-	3,092
Capex	168,920	158,821	10,099	108,746	92,879	15,867



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 the remaining period of the financial year.

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, November 8, 2022

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.