



Investor Release

Magyar Telekom

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New tax on the Hungarian telecommunications sector

Budapest – June 5, 2022 – Magyar Telekom (Reuters: MTEL.BU and Bloomberg: MTELEKOM HB, hereinafter the “Company”), the leading Hungarian telecommunications service provider announces that under Government Decree 197/2022. (VI.4.) on the extra profit taxes the expected magnitude of supplementary telecommunication tax payable by Magyar Telekom Group for the year 2022 is approximately HUF 25 billion.

On June 4, 2022 the Government of Hungary issued a decree (Government Decree of 197/2022. (VI.4.)) imposing new taxes on a number of industries, including telecommunications. The supplementary telecommunication tax 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 years 2022 and 2023.

Based on the decree, the estimated magnitude of the supplementary telecommunication tax payable by Magyar Telekom Group for the year 2022 is approximately HUF 25 billion. It is expected that the tax will be accounted as an operating expense thus will proportionally lower the Company’s EBITDA AL and Free cashflow for 2022.

As a consequence, and also taking into account the underlying business tendencies, the Company now expects EBITDA AL and Free cashflow to show moderate decline for 2022 compared to the previous year. Other elements of the Company’s 2022 public targets are kept unchanged.

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

Forward-looking statements involve inherent risks and uncertainties. We caution you that a number of important factors could cause actual results to differ materially from those contained in any forward-looking statement. Such factors are described in, among other things, our Annual Reports for the year ended December 31, 2021 available on our website at <http://www.telekom.hu>.