



Investor Release

Magyar Telekom

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Magyar Telekom acquires frequency usage rights

Budapest – January 28, 2021 – Magyar Telekom (Reuters: MTEL.BU and Bloomberg: MTELEKOM HB, hereinafter, the “Company”), the leading Hungarian telecommunications service provider announces that in the auction procedure for the entitlements of frequency use of the 900 MHz and the 1800 MHz frequency bands it has won the rights of use of the following frequency blocks:

Band	Quantity	Price
900 MHz	2*8 MHz	HUF 18.48 bn
1800 MHz	2*20 MHz	HUF 25.8 bn

On October 16, 2020 the Office of the National Media and Infocommunications Authority announced an auction procedure for the entitlements of frequency use of the 900 MHz and the 1800 MHz frequency bands that are currently used by the operators and are due to expire in April 2022. The Company currently holds 10 MHz and 15 MHz duplexes on the 900 MHz and 1800 MHz frequency bands respectively expiring at this date. The auction took place on January 28, 2021.

Magyar Telekom will be entitled for the usage of the above listed frequency bands until 2042 - provided that by fulfilling the respective conditions, the term of rights of use for frequencies is extended by five years. Magyar Telekom is required to pay a total price of HUF 44.28 billion for these frequency blocks, and this payment is expected to be due in the first quarter of 2022 whereas the present value of this liability is expected to be booked in the first quarter of 2021. The present value of the future band fees related to the acquisition of these frequency blocks is expected to be booked also in the first quarter of 2021, in the amount of approximately HUF 39.5 billion.

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

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