

Investor Release

Magyar Telekom

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Magyar Telekom completely switched off its 3G mobile network

Budapest – Jul 1, 2022 – Magyar Telekom (Reuters: MTEL.BU and Bloomberg: MTELEKOM HB, hereinafter the “Company”), the leading Hungarian telecommunications service provider, announces that it has switched off its 3G network, which is no longer available anywhere as of today. The Company is also preparing for the needs of the future and will continue its multi-year network modernization program launched in 2020. The purpose of the modernization is to maintain and improve the quality of service and to increase capacity.

As of July 1, Telekom's 3G network will no longer be available anywhere in the country. The service provider decided to switch off the network due to its unused capacity, as – in terms of its customer base - 2.3% of the total voice traffic and only 0.84% of the data traffic was managed by this network. Of course, customers will not be left without a service after this: the 4G network, with near-nationwide coverage, offering a better customer experience than previous technologies, will continue to be available to customers for both voice and data traffic. Voice traffic for customers with up to 3G devices can be taken over by the existing 2G network.

Lubor Zatko, Chief Technical Officer of Magyar Telekom, said: “Switching off the 3G network is a logical step due to the development of mobile technology. It is important to see that with the change, we will not take anything away from customers, but will offer better service quality and a customer experience with more advanced technology on 4G / 5G networks, for customers who had only used 2G / 3G. Another positive impact of the change on technology and related communications is that we have also reached customers who have so far only used push-button phones and are less receptive to the opportunities offered by digitalization.”

The environmental aspect is not negligible in the Company's decision either: given the nearly nationwide coverage of 2G / 4G, the disconnection of a redundant network, the barely used 3G, definitely means saving energy. In addition, the efficiency of more advanced technologies is better, the energy used to deliver 1 byte has decreased significantly in the recent period, as in the case of 4G this is only approx. one-fifth of the energy required for 3G. In addition, it is more efficient to use the bands freed up by switching off 3G for the more advanced 4G / 5G service in view of the limited spectrum availability.

Considering the intensive growth of data usage (in the first quarter of 2022, the average monthly usage reached 8.7 GB, which means a 30% increase compared to the same period of the previous year), Magyar Telekom is also preparing for the needs of the future. This year, it will continue its multi-year network modernization program launched in 2020, in which Ericsson Hungary is its partner. The purpose of the modernization is to maintain and improve the quality of service and to increase capacity



As part of the modernization, mobile communication base stations will be upgraded, covering not only the active and passive radio equipment, but also the entire infrastructure required for accommodating and operating them. The service provider thus creates technological capabilities that allow for either immediate or later service expansion at specific stations and nationwide. The big advantage of a more modern network is its flexibility, and the ability to give a faster and more customized response to customer needs.

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>.