



Investor Release

Magyar Telekom

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Scope Ratings GmbH assigns first-time BBB+ rating to Magyar Telekom

Budapest – October 28, 2020 – Magyar Telekom (Reuters: MTEL.BU and Bloomberg: MTELEKOM HB, hereinafter, the “Company”), the leading Hungarian telecommunications service provider announces that Scope Ratings GmbH has assigned an issuer credit rating of BBB+ with stable outlook to the Company.

The credit rating is supported by the Company’s non-cyclical, crisis proof business profile, a leading position in the mobile and fixed markets in Hungary, a large, diversified customer base as well as an adequate liquidity profile. Scope Ratings GmbH assigned BBB+ ratings both to the Company and the bonds planned to be issued in the Bond Funding for Growth Scheme (the “Scheme”) of the Central Bank of Hungary.

The Company previously announced that it took initial steps for the preparation of the bond issuance under the Scheme. The Company currently considers issuing unsecured fixed nominal interest rate corporate bonds with a total amount of up to HUF 70bn and a potential tenor of 7 years with a 50% amortizing tranche at the end of year 6 under the Scheme. The proceeds of the bonds would be used to fund investments into the fixed and mobile network roll-out and modernization (including frequencies). The bonds are expected to be registered to the Xbond platform of the Budapest Stock Exchange within 90 days following the issuance.

The report and the credit rating methodology including the rating categories are available at the following link of the credit rating agency: www.scooperatings.com.

Darja Dodonova, Magyar Telekom CFO commented:

“I’m very glad that Magyar Telekom received an investment grade credit rating today, which truly reflects the strength of the company’s resilient business profile. At the same time, I’m confident that such strong credit rating will allow us to achieve competitive financing conditions to fund our upcoming investments. Moving forward we remain committed to our network development plans in order to contribute to the digitization of Hungary.”

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>.