



MAKEDONSKI TELEKOM AD – SKOPJE

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ANNUAL REPORT on the Operations of Makedonski Telekom AD - Skopje in 2025

This Annual Report on Operations refers to Makedonski Telekom AD - Skopje (hereinafter referred to as: "MKT").

In 2025, the Macedonian economy continued on the path of gradual recovery, supported by the steady domestic demand and the ongoing public investment. The economic growth strengthened moderately, while the fiscal and monetary policies remained focused on stability and consolidation. The inflation pressures further eased compared to previous years, although the elevated prices continued to weigh on the household purchasing power. The investment activity showed improvement, particularly in terms of infrastructure and selected industrial sectors, although the progress remained uneven across the economy. The business confidence improved cautiously, and there were better macroeconomic conditions alongside the persistent external risks and structural challenges. Overall, while the outlook became more stable, the continued reforms and the productivity-enhancing measures remained essential to ensure sustainable long-term growth.

MKT has continued its growth by increasing the revenues by 3%, despite the fact that it is working in a challenging economic environment with aggressive competition. The mobile segment, and especially the post-paid services, drove higher revenues, supported by stable subscriber base and increased revenue per subscriber. The fixed revenues saw a growth from broadband, TV and system integration. MKT plans to continue growing by leveraging the integrated offers, focusing on service revenues, strengthening its position in the ICT market amid the growing digitization demands, expanding the next-generation networks, and maintaining its status as a premium provider.

MKT registered a customer base growth in the fixed and mobile post-paid segments. At the end of 2025, MKT had 238 thousand stable fixed line voice accesses or increase of the base by 2.2%. The number of total broadband (BB) subscribers increased to 225 thousand at the end of 2025, marking a 3.4% year-over-year increase. The number of IPTV customers at the end of 2025 reached 169 thousand customers, marking a 6.3% increase compared to the end of 2024. The number of Fibre to the Home (FTTH) customers reached 140 thousand at the end of 2025, marking an 11.1% increase compared to the end of 2024.

MKT had 1,303 thousand mobile subscribers at the end of 2025, with stable number of subscribers compared to the previous year. The mobile market penetration in the Republic of North Macedonia is 132%. As a result of the market saturation, MKT continuously focuses on retaining the customers in order to protect the market share.

MKT has built a substantial advantage on the market in terms of FMC penetration. MAGENTA 1 continued to be MKT's main product, offered both in the consumer and in the business segment. The positive value generation from the converged households, the simplification of the product propositions and the digital customer experience were the main guiding directions in 2025.

In addition, Makedonski Telekom is offering the Magenta Moments program for customer rewards and benefits. With this program, the company takes a step further by expanding its role from a provider of telecommunications services to an everyday companion that is worth having and that offers real value to its customers.

Focus is constantly put on the migration to the next generation integrated gigabit networks (FTTH and 5G) and the dedication to deliver the best customer experience, which resulted in the prestigious Ookla award for the best mobile network based on the data from Speed-test Intelligence referring to the superior speed of the mobile network, the largest coverage of the territory of Macedonia and the best quality of the network.

During 2025, within the ESG agenda (Environment, Society and Governance), MKT managed to further reduce the CO2 emissions and the energy consumption, as well as to push the circularity, thus making contribution to the process of prevention of climate changes and efficient utilization of the resources of the society.

Board of Directors' remuneration

Presented below are the available remuneration data about the Board of Directors' (BoD) members of MKT, related to the applicable period of 2025*.

a) Data about the remunerations in MKT and in other companies if the respective member is also a member of the management bodies of other companies (salary, salary remunerations, remunerations for membership, bonus, insurances and other rights)

Name and surname (applicable period)	Company where the member is a member of the managing body	Salary	Salary remuneration	Remunerations for membership per month	Bonus	Insurances	Other rights
Igor Milev	Makedonski Telekom AD – Skopje (Non-Executive member and President of the Board of Directors)	0	0	MKD 155,000 (net) from 01.01.2025 until 29.05.2025	0	0	None
Sasho Dimitrijoski	Makedonski Telekom AD – Skopje (Non-Executive member and President of the Board of Directors)	0	0	MKD 62,000 (net) from 30.05.2025 until 09.06.2025 MKD 155,000 (net) from 10.06.2025	0	0	None
Ivan Mitrovski	Makedonski Telekom AD – Skopje (Non-Executive member of the Board of Directors)	0	0	MKD 62,000 (net) from 30.05.2025 to 29.12.2025	0	0	None
Danijela Bujic	Makedonski Telekom AD - Skopje (Non-Executive member of the Board of Directors)	0	0	0 until 31.05.2025	0	0	None
	Slovak Telekom, (Board of Directors)	0	0	0	0	0	None
	Slovak Telekom, (Audit Committee)	0	0	0	0	0	None
Diána Annamária Párkányi-	Makedonski Telekom AD - Skopje (Non-Executive member of the Board of	0	0	0	0	0	None

Várkonyi	Directors)						
	Telekom New Media Supervisory Board member	This may not be disclosed due to applicable requirements	This may not be disclosed due to applicable requirements	This may not be disclosed due to applicable requirements	This may not be disclosed due to applicable requirements	This may not be disclosed due to applicable requirements	This may not be disclosed due to applicable requirements
Lubor Zlatko	Makedonski Telekom AD - Skopje (Non-Executive member of the Board of Directors)	0	0	0 until 31.05.2025	0	0	None
Borce Siljanoski	Makedonski Telekom AD - Skopje (Non-Executive member of the Board of Directors)	0	0	0	0	0	None
	Magenta Telekom Austria	0	0	0	0	0	None
Andreas Maierhofer	Makedonski Telekom AD - Skopje (Non-Executive member of the Board of Directors)	0	0	0 from 21.10.2025	0	0	None
	T-Mobile Polska S.A.	This may not be disclosed due to applicable requirements	This may not be disclosed due to applicable requirements	This may not be disclosed due to applicable requirements	This may not be disclosed due to applicable requirements	This may not be disclosed due to applicable requirements	This may not be disclosed due to applicable requirements
Nikola Ljushev	Makedonski Telekom AD - Skopje (Non-Executive member of the Board of Directors)	0	0	0 from 01.07.2025 until 20.10.2025	0	0	None
Goran Markovic	Makedonski Telekom AD - Skopje (Non-Executive member of the Board of Directors)	0	0	0 from 01.06.2025 until 30.06.2025	0	0	None
Zoltán Pereszlény	Makedonski Telekom AD - Skopje (Non-Executive member of the Board of	0	0	0 from 01.06.2025	0	0	None

	Directors)						
	Magyar Telekom Nyrt. Hungary	This info may not be disclosed	This info may not be disclosed	This info may not be disclosed	This info may not be disclosed	This info may not be disclosed	This info may not be disclosed
Vladimir Ivanovski	Makedonski Telekom AD - Skopje (Non-Executive member of the Board of Directors)	0	0	0	0	0	None
	Telekom Rendszerintegráció Zrt. Hungary	This info may not be disclosed	This info may not be disclosed	This info may not be disclosed	This info may not be disclosed	This info may not be disclosed	This info may not be disclosed
Marin Aleksov	Makedonski Telekom AD - Skopje (Non-Executive member of the Board of Directors)	0	0	MKD 62,000 (net) from 30.05.2025	0	0	None
Daniela Krzhovska	Makedonski Telekom AD - Skopje (Non-Executive member of the Board of Directors)	0	0	MKD 62,000 (net) from 30.05.2025	0	0	None
Peter Veil	Makedonski Telekom AD - Skopje (Independent member of the Board of Directors)	0	0	0	0	0	None
	JP HT d.d. Mostar, BiH	0	0	0	0	0	None
Mladen Mitic	Makedonski Telekom AD - Skopje (Independent member of the Board of Directors)	0	0	0	0	0	None
	Magyar Telekom Nyrt. Hungary	This may not be disclosed due to applicable requirements	This may not be disclosed due to applicable requirements	This may not be disclosed due to applicable requirements	This may not be disclosed due to applicable requirements	This may not be disclosed due to applicable requirements	This may not be disclosed due to applicable requirements
Nusret Ziba	Makedonski Telekom AD - Skopje (Independent	0	0	MKD 62,000 (net) from 30.05.2025	0	0	None

	member of the Board of Directors)						
Sead Arslani	Makedonski Telekom AD - Skopje (Independent member of the Board of Directors)	0	0	MKD 62,000 (net) from 30.05.2025	0	0	None

b) Data about the employment if the member has established a labour relation with other employers (name of employer, activity, salary amount, salary remunerations, bonus, insurances and other rights).

Name and surname (applicable period)	Name of the employer	Activity of the employer	Salary amount	Salary remunerations	Bonus	Insurances	Other rights
Nikola Ljushev	None Until 30.06.2025	None	None	None	None	None	None
Goran Markovic	T-Mobile Polska S.A. from 01.06.2025 until 30.06.2025	Telecommunications	This may not be disclosed due to applicable requirements	This may not be disclosed due to applicable requirements	This may not be disclosed due to applicable requirements	This may not be disclosed due to applicable requirements	This may not be disclosed due to applicable requirements
Igor Milev	Lawyer Igor Milev Until 29.05.2025	Lawyer	MKD 50,000	None	None	None	None
Nusret Ziba	None From 30.05.2025	None	None	None	None	None	None
Danijela Bujic	Deutsche Telekom	Telecommunications	This may not be disclosed due to applicable requirements	This may not be disclosed due to applicable requirements	This may not be disclosed due to applicable requirements	This may not be disclosed due to applicable requirements	This may not be disclosed due to applicable requirements
Diána Annamária Párkányi-Várkonyi	Magyar Telekom Nyrt. (Hungary)	Telecommunications	This may not be disclosed due to applicable requirements	This may not be disclosed due to applicable requirements	This may not be disclosed due to applicable requirements	This may not be disclosed due to applicable requirements	This may not be disclosed due to applicable requirements
Lubor Zatko	Deutsche Telekom IT Solutions Slovakia	Telecommunications	This may not be disclosed due to applicable requirements	This may not be disclosed due to applicable requirements	This may not be disclosed due to applicable requirements	This may not be disclosed due to applicable requirements	This may not be disclosed due to applicable requirements

Borce Siljanoski	Deutsche Telekom AG	Telecommunications	This may not be disclosed due to applicable requirements	This may not be disclosed due to applicable requirements	This may not be disclosed due to applicable requirements	This may not be disclosed due to applicable requirements	This may not be disclosed due to applicable requirements
Vladimir Ivanovski	Magyar Telekom Nyrt.(Hungary)	Telecommunications	This info may not be disclosed	This info may not be disclosed	This info may not be disclosed	This info may not be disclosed	This info may not be disclosed
Daniela Krzhovska	None From 30.05.2025	None	None	None	None	None	None
Sead Arslani	Municipality of Chair From 30.05.2025	Public Institution	MKD 30,000	None	None	None	None
Peter Veil	Deutsche Telekom AG	Telecommunications	This may not be disclosed due to applicable requirements	This may not be disclosed due to applicable requirements	This may not be disclosed due to applicable requirements	This may not be disclosed due to applicable requirements	This may not be disclosed due to applicable requirements
Mladen Mitic	Deutsche Telekom AG	Telecommunications	This may not be disclosed due to applicable requirements	This may not be disclosed due to applicable requirements	This may not be disclosed due to applicable requirements	This may not be disclosed due to applicable requirements	This may not be disclosed due to applicable requirements
Marin Aleksov	DDM Inzenering DOO Ohrid From 30.05.2025	Construction	MKD 50,000	None	None	None	None
Ivan Mitrovski	None From 30.05,2925 until 29.12.2025	None	None	None	None	None	None
Sasho Dimitrijoski	None From 30.05.2025	None	None	None	None	None	None
Zoltán Pereszlényi	Magyar Telekom Nyrt.(Hungary) From 01.06.2025	Telecommunications	This info may not be disclosed	This info may not be disclosed	This info may not be disclosed	This info may not be disclosed	This info may not be disclosed
Andreas Maierhofer	T-Mobile Polska S.A. From 21.10.2025	Telecommunications	This may not be disclosed due to applicable requirements	This may not be disclosed due to applicable requirements	This may not be disclosed due to applicable requirements	This may not be disclosed due to applicable requirements	This may not be disclosed due to applicable requirements

*The data for remuneration and membership in a management body in other companies and the data for employment

are presented in scope, layout and content as given by the respective member of the BoD and MKT has not made any verification of the accuracy and completeness of the data.

In addition, the compensation of the key management of MKT, including the taxation charges and contributions, is presented below:

In thousands of denars	2025
Short-term employee benefits (including taxation)	62,679
Contributions to the state pension system on short-term employee benefits	10,476
Other state contributions on short-term employee benefits	4,755
Long-term incentive programs	64,833
Other payments	2,495
Total	145,238

Further details on MKT's financial performance, as well as the operating and accounting policies, are given in the MKT's financial statements for the year ended 31 December 2025.

Information on the participation of the members of the Board of Directors of MKT on the meetings held in 2025

The Board of Directors of MKT held 9 meetings in 2025, out of which 4 regular meetings and 5 extraordinary meetings.

The information on the participation of the members of the Board of Directors of MKT on the meetings held in 2025 is given below:

Name and surname	Position	Participation	Mandate
Igor Milev	Non-Executive member / BoD President	4 meetings	until 29.05.2025
Nikola Ljushev	Executive BoD member / Non-Executive BoD member	7 meetings	until 30.06.2025 until 20.10.2025
Goran Markovic	Non-Executive BoD Member / Executive BoD member	5 meetings	from 01.06.2025 from 01.07.2025
Danijela Bujic	Non-Executive BoD member	4 meetings	until 31.05.2025
Diana Annamária Párkányi-Várkonyi	Non-Executive BoD member	9 meetings	2025
Borce Siljanoski	Non-Executive BoD member	7 meetings	2025
Vladimir Ivanovski	Non-Executive BoD member	8 meetings	2025
Lubor Zlatko	Non-Executive BoD member	4 meetings	until 31.05.2025
Zoltán Pereszlényi	Non-Executive BoD member	4 meetings	from 01.06.2025
Andreas Maierhofer	Non-Executive BoD member	2 meetings	from 21.10.2025
Peter Veil	Independent BoD member	6 meetings	2025
Mladen Mitic	Independent BoD member	5 meetings	2025
Sasho Dimitrijoski	Non-Executive member / BoD President	5 meetings	from 30.05.2025 from 10.06.2025
Ivan Mitrovski	Non-Executive BoD member	4 meetings	from 30.05.2025 until 29.12.2025
Marin Aleksov	Non-Executive BoD member	5 meetings	from 30.05.2025
Daniela Krzhovska	Non-Executive BoD member	5 meetings	from 30.05.2025
Nusret Ziba	Independent BoD member	5 meetings	from 30.05.2025
Sead Arslani	Independent BoD member	5 meetings	from 30.05.2025

Transactions with an Interested Party

In 2025, there were no concluded transactions with an interested party.

Auditor

The Shareholders' Assembly of MKT, at its meeting held on 30 May 2025 adopted a Resolution on the appointment of an authorized auditor for auditing the financial statements for the year 2025. The appointed auditor was Grant Thornton DOO Skopje.

During the audit of the financial statements for the year 2025, Grant Thornton communicated with those charged with governance of the MKT and provided a written independence statement confirming that the engagement team, Grant Thornton DOO Skopje, and the member firms of the Grant Thornton network have complied with the relevant ethical requirements regarding independence. The audit fees for the statutory and IFRS financial statements for the year ended 31 December 2025 amount to MKD 3,936 thousand (excluding VAT).

MKT does not use other services from Grant Thornton DOO Skopje or member firms of the Grant Thornton except for the audit of financial statements, after appointment of Grant Thornton DOO Skopje for an authorized auditor.

Corporate Social Responsibility

The Company reports on the environmental and social issues based on the principle of transparency and in accordance with the relevant legal requirements and good international practices. In line with this, the company prepares a separate report on Corporate Social Responsibility as part of the Deutsche Telekom Group. The link to the report can be found on the Company's web site and in the Corporate Governance Questionnaires (GIQ2T) delivered to the Macedonian Stock Exchange in Section 6 - Stakeholders Sustainability and Social Issues.

Regulation and Pricing

The Law on Electronic Communications - "LEC" of North Macedonia was enacted in March 2014 as primary legislation, followed by rulebooks adopted as secondary legislation in order to ensure alignment with the EU Framework Directives 2009.

On 19 December 2014, amendments of the LEC were enacted. One of the most important changes is implemented in Article 75-a, which regulates the prices of international roaming. In accordance with this Article, the Agency for Electronic Communications ("the Agency") has the right, with a Decision, to determine the maximum prices for the services which are offered to the roaming users from countries with which the Republic of North Macedonia has concluded agreements on the reduction of the prices of roaming services in public mobile communications networks.

In March 2019, Article 75-a was changed in order to enable the extension of the RLAH regulation. On 5 April 2019, six Western Balkans countries signed an agreement aimed at gradually abolishing the retail roaming surcharges by 1 July 2021. The Western Balkan regional roaming rules were inspired by the EU Roaming Regulation. In particular, the agreement includes the "Roam Like at Home" principle: from 1 July 2021, the roaming services within the region should be provided at domestic retail prices without surcharges for international roaming. The agreement applies only on the territories of the Western Balkans countries and has no impact on the users in the European Union. The Western Balkans countries comprise Albania, Bosnia and Herzegovina, Kosovo, North Macedonia, Montenegro and Serbia.

In July 2019, the LEC was changed once again, and Article 29-a was added in order to enable the financing of the Operational-Technical Agency. With this regulation, the Agency is obliged to transfer part of its funds to finance the activity of the Operational-Technical Agency, as follows:

- 50% of the total revenue generated by the Agency for the preceding calendar year from the annual fees paid by the operators for market surveillance, set out in the Agency's annual performance report for the previous calendar year, adopted by the Commission of the Agency, and
- 10% of the total revenue generated by the Agency for the previous calendar year from the revenues from the annual fees for radio frequency utilization by the holders of authorizations for radiofrequency utilization, set out in the Agency's annual report for the previous calendar year, adopted by the Commission of the Agency.

The Agency is obliged to pay the amounts to the Operational-Technical Agency no later than April 15 of the current year.

New articles 71-a 71-b, 71-c, 71-d and 71-e were added, requiring the establishment of a National Broadband Competence Office as an expert and advisory body to support the investment in Broadband Networks.

In April 2021, amendments of the LEC were enacted with new articles, from 166-a to 166-d, concerning the security of the electronic communications networks and the control and monitoring by the relevant institutions. A Rulebook was enacted in April 2022 in order to be able to implement the LEC provisions.

From 1 January 2022, MKT was once again designated as a Universal Service (US) provider for a period of 5 years, for fixed telephony services and Internet of 12 Mbit/s, and providing service for disabled end-users.

The new Law on Electronic Communications was enacted on 4 July 2025, with 1 June 2026 as the date for implementation. The bylaws provided for by this act shall be enacted within 15 months from the date of entry into force of this act. The amendments of the new LEC concerning the implementation of the provisions from the Regulation (EU) 1309/2024 of the European Parliament and of the Council of 23 February 2024 concerning the reduction of the cost of deploying gigabit electronic communications networks, were adopted on 31.12.2025, with 1 June 2026 as the date for implementation. The amendments of the new LEC concerning Regulation (EU) 2022/612 of the European Parliament and of the Council on roaming on public mobile communications networks within the Union, are also part of a public debate.

In April 2019, the Ministry of Information Society and Administration issued the National Broadband Strategy which sets the following targets:

- By the end of 2023, at least one major city should be covered with 5G signal;
- By the end of 2025, the regional highways and state highways defined by the Agency should be covered by a continuous 5G signal;
- By the end of 2027, all urban areas will be covered by a continuous 5G signal;
- By the end of 2029, everyone will have access to 5G internet with a minimum internet speed of 100 Mbps;
- By the end of 2029, at least 50% of the total number of subscriber agreements of households across the whole country should have internet access of at least 100 Mbps;
- By the end of 2029, all households will have affordable access to a network that provides download speeds of at least 100 Mbps with the possibility of upgrading to a gigabit speed;
- By the end of 2029, all public institutions (schools, universities, research centres and other educational institutions, health institutions, ministries, courts, local governments and other public authorities and bodies) should have symmetric access to the Internet of at least 1Gb/s.

Regulation of Fixed Line Business

MKT is a significant market power (SMP) operator on the wholesale markets of fixed telephony networks and services, including the market of access to the networks for data transmission and leased lines. MKT, as an SMP operator, has the obligation to enable its subscribers to access the publicly available telephone services of any interconnected operator with an officially signed interconnection contract.

In 2017, both relevant retail markets for fixed telephony - 1. Access to the public telephone network at a fixed location and 2. Publicly available telephone services at a fixed location - were deregulated. Consequently, MKT is no longer an SMP and it has no ex-ante regulations for the retail fixed services.

According to the bylaws, MKT has an obligation to publish reference offers for the wholesale products for interconnection, Unbundling Local Loop (ULL), Local Bit-Stream Access (BSA), Reference Access Offer for providing access to physical infrastructure and use of specific network facilities and wholesale terminating segments of leased lines.

The Rulebook on the emergency number E 112 was enacted on 27 October 2015 (Official Gazette No. 184/2015). An update of the rulebook was enacted in 2021, and the Crisis Management Centre (CUK) started the service in 2022.

Regulated Wholesale Prices

In May 2017, the Agency adopted a Decision for the designation of MKT as an SMP operator on wholesale markets, local and central access on a fixed location, relevant markets, 3a and 3b. With the same market analysis, A1 Macedonia (formerly known as one.Vip) was designated as an SMP operator for the first time, with the same regulatory obligations as MKT. A1 Macedonia is obliged to offer wholesale broadband services on DOCSIS technology. With the analysis in 2022, the previous decisions were confirmed without any changes.

In the middle of 2019, the NRA implemented ERT testing (margin squeeze methodology) to the NGA based broadband wholesale services supplied by the two dominant operators (MKT and A1 Macedonia). The developed ERT model will test the economic replicability of the retail bundles including broadband services with access speed higher than 30 Mb/s.

Regulation of the Mobile Business

MKT has radiofrequency usage rights for the following radiofrequencies for public mobile communications systems:

- 2 x 12.5 MHz in the 900 MHz band, validity period: 8 September 2008 – 8 September 2028 (20 years)
- 2 x 10 MHz in the 1800 MHz band, validity period: 9 June 2009 – 9 June 2029 (20 years)
- 2 x 15 MHz 2100 MHz band, validity period: 17 December 2008 – 17 December 2028 (20 years)
- 2 x 15 MHz 2100 MHz band, license validity until 2028, new
- 2 x 10 MHz in the 800 MHz band, validity period: 1 December 2013 – 30 November 2033 (20 years)
- 2 x 15 MHz in the 1800 MHz band, validity period: 1 December 2013 – 30 November 2033 (20 years)
- 2 x 10 MHz in the 700 MHz band, validity period: 11 July 2022 – 10 July 2037 (15 years) new
- 100 MHz in the 3.7-3.8 MHz band, validity period: 11 July 2022 – 10 July 2037 (15 years) new

The competitor A1 Macedonia has frequency usage rights for the following radiofrequencies for public mobile communications systems:

- 2 x 12.5 MHz in the 900 MHz band
- 2 x 10 MHz in the 2100 MHz band
- 2x 10 MHz in the 2100 MHz band, new
- 2 x 10 MHz in the 800 MHz band
- 2 x 15 MHz in the 1800 MHz band
- 2 x 10 MHz in the 800 MHz band
- 2 x 15 MHz in the 1800 MHz band
- 2 x 10 MHz in the 1800 MHz band
- 2 x 10 MHz in the 700 MHz band, validity period: 11 July 2022 – 10 July 2037 (15 years) new
- 100 MHz in the 3.7-3.8 MHz band, validity period: 11 July 2022 – 10 July 2037 (15 years) new

The duration of two licences positioned in the lower parts of the bands previously owned by A1 Macedonia was until 2017, 10 MHz from 900 MHz band and 10 MHz from 1800 MHz band, and they expired on 23 March 2017. Based on a request from A1 for licence extension, the Agency adopted Resolution No. 0804-974 dated 2 November 2016 not to extend these two licences. Their resolution was based on the efficient and effective spectrum usage and the necessity for realising radiofrequencies for the entrance of a third mobile operator on the market in order to foster competition. At the moment, these radiofrequencies are not allocated, and they are not available for sale to the existing operators. 2 x 15 MHz in the 2100 MHz band is extended until 2028. In September 2023, A1's licence 2x900 MHz was extended for 5 years, until 2028.

The retail services provided by the mobile network operators in the Republic of North Macedonia currently are not subject to ex-ante price regulation.

MKT is an SMP Operator on the wholesale market for voice call termination services in mobile communications networks, whereby several obligations are imposed: interconnection and access, non-discrimination in interconnection and access, accounting separation and price control and cost accounting. A1 Macedonia and all three MVNO's are designated as operators with SMP status on the relevant market for mobile calls termination.

In 2020, the Agency conducted new market analyses on the relevant market for mobile access and origination. The regulatory remedies imposed by the Agency are as follows: joint dominance of A1 Macedonia and MKT, the same remedies for both operators, mobile access obligation for all MVNO hybrid types (including Reseller), a cost-based price for Full MVNO and retail minus (-35%) for the Reseller, an obligation for access to MMS services and mobile data based on technology neutrality (including 4G access). In December 2021, the Agency approved new decreased wholesale prices for mobile data and SMS for MVNO.

An auction procedure concluded in August 2013 awarded the whole 790 – 862 MHz band together with the unassigned spectrum in the 1740 – 1880 MHz band for Long Term Evolution (LTE) technology in a public tender. Each of the 3 Macedonian mobile operators acquired an LTE radiofrequency license of 2x10 MHz (in the 790 – 862 MHz band) and 2x15 MHz (in the 1740 – 1880 MHz band). Each license was acquired for a one-off fee of EUR 10.3 million (MKD 634,011 thousand). MKT will retain the license for 20 years, until 30 November 2033, with an extension option for up to 20 years in accordance with the LEC.

5G tender was held in 2022 and, as a result, spectrum was sold in a total amount of 2x20 MHz on 700 MHz and 228.5 MHz in 3.x GHz band.

Competition

The competition in the telecommunications business is well-developed in all segments. Two main integrated players that offer a full portfolio of fixed and mobile services shape the telecommunications market in North Macedonia: MKT and A1 (subsidiary of Telekom Austria Group).

There are three MVNOs on the mobile market with lower market shares.

The fixed market is fragmented, with more than 50 providers of TV and BB services, most of them with a regional coverage.

The product portfolio of all operators is dominantly driven by bundle products. The cable operators are bundling their TV offers with Internet and fixed voice services.

A1 Macedonia, as an integrated operator, offers comprehensive service portfolio - mobile and fixed voice, mobile and fixed broadband Internet, TV and ICT solutions. Its main focus is on mobile post-paid, bundled fix, as well as bundled convergent offers.

Telekabel is the biggest cable provider among around 30 active cable operators, with a strong presence in the regions where MKT has a low market share. It is also present on the mobile market as a MVNO, offering post-paid services. By offering all fixed and mobile bundled services, it became the third fully integrated player on the market.

Telekom Serbia (TS) entered the market in Q4 2021 under the regional brand Mtel, initially starting with satellite TV. Mobile offers were launched a year later, in Q4 2022, as a MVNO. In Q4 2023, Mtel introduced a completely new interactive TV platform "Move TV". Prior to the end of 2024, Mtel acquired Lycamobile in North Macedonia with their full (prepaid) subscriber base.

As at 31 December 2025, according to our best estimates MKT had retail fixed broadband Internet market share of 46%, a TV market share of 38% and retail fixed voice market share of 63%, (source: internal best estimates for market development based on the official Telekom Austria report Q3 2025 and the AEC Q2 2025 report). In the mobile market, the market share of MKT is estimated at 48% (source: internal best estimates based on the official Telekom Austria report Q3 2025 and the AEC Q2 2025 report).*

*All market shares are based on the product logic of Telekom Austria, reporting 4G routers in mobile.

Marketing and Sales

In 2025, MKT maintained its customer base growth in all the major segments: Postpaid, Magenta 1, Internet and TV. With strong focus on providing ultimate customer experience, during 2025, MKT continued offering propositions tailored to the customers' needs. Besides the focus on offering propositions with unlimited data, MKT introduced new and improved Roaming data packages and the first on the market digital only offer for the youth segment. In addition, MKT continued its activities for providing Best Home Experience with 1Gbps speeds and best WiFi with Mesh.

Best Mobile Network and Fastest Mobile and Fixed Network in Macedonia and Largest Fiber Network

The emphasis on network superiority remains a key strategic focus, actively pursued through the extensive expansion of the fiber networks and the 5G coverage. In 2025, MKT upheld its status as the operator with the best network and earned a prestigious reward from OOKLA for having the best mobile network and fastest mobile and fixed network.

Digital Customer Experience & Digital Transformation

New completely innovative approach to customer care has been introduced, allowing customers to report a technical issue and submit an issue complaint, initiate a reconnection for prepaid and post-paid, track the delivery status and debt payment in instalments, thus making Telekom's access to customer support available 24/7.

In 2025, the focus remained on the improvement of the customer experience while using the Telekom MK application which provides a new set of digitally available products and services available for activations with zero human touch, practically in real time, for mobile, internet and TV customers for both the consumer and the B2B segment.

In 2025 we proved our digital leadership. Our commitment to providing exceptional digital experience was recognized by our customers and we achieved more than 350k active Telekom App users on a monthly level.

Magenta Moments

In 2025, the Magenta Moments program experienced significant growth and increased the engagement among the digital audiences. With an expanded array of partners across different categories and regions, Magenta Moments continued to be a major factor in enhancing the customer experience and satisfaction.

TV and Connectivity

The strong growth in the TV segment kept the momentum which was gained in 2024 with the introduction of Magenta TV and the new portfolio of tariffs. The growth of the TV customer base in 2025 further improved the market share of Makedonski Telekom, strengthening its position as a leading TV provider.

The cooperation with major TV content providers has been further strengthened by extension of the distribution agreements and conclusion of new ones that will bring extra value to the TV products. At the end of 2025, Makedonski Telekom concluded a distribution agreement for the two biggest content broadcasting groups from Albania, which will make the best content offer available on the market for its Albanian speaking customers.

On the broadband side, Makedonski Telekom is further investing in its fibre optic infrastructure, covering even bigger part of the territory with access to superfast broadband services, which are continuously being recognized by the customers and the other relevant bodies as being the best broadband services on the market. One such recognition was once again awarded to Makedonski Telekom in 2025 by the well-known internet and network performance diagnostics and analytics company Ookla, which identified Makedonski Telekom as the best network on the Macedonian market.

The deployment focused on the latest generation Wi-Fi RDK based CPEs, together with the integrated MESH Wi-Fi Booster, is continuously contributing to the differentiation and best customer experience. On the security side, the number of broadband customers, both fixed and mobile, who are using the SafeNet service is significantly growing, making the internet services of Makedonski Telekom the first choice “worry free” option on the market.

Environmental Protection and Corporate Responsibility

In 2025, MKT continued its successful eco-initiative program “Recycle for a new smartphone”. This program aims to enhance the ecological awareness and to significantly reduce the electronic waste. By promoting responsible recycling practices, MKT not only contributes to the environmental sustainability but also encourages the consumers to make informed choices regarding their electronic devices. Such initiatives are vital in the ongoing effort to combat the growing issue of electronic waste and foster a culture of sustainability within the tech industry.

Business Customers

In 2025 we continued providing the best customer experience using our main product, the Magenta 1 Business convergent service. Our aim is to always offer much more than telecommunications services and to use technology to open a new world of experience and digitalization for our business customers.

The expansion of the security portfolio remained one of the key focuses for 2025. As an addition to our existing set of security services, we launched the AntiDDoS service. The AntiDDoS service is an advanced solution that protects the end user's network from distributed attacks, specifically DDoS attacks that aim to completely disable the functionality of the user's online and corporate services. With this service, the business customers will be able to ensure their business continuity and to prevent network downtime caused by malicious network traffic. We have also promoted the SafeNet security service for mobile customers.

The development and promotion of advanced ICT and digital solutions remained one of the key priorities of 2025, as well. Following the successful introduction of the Telemedicine solution in 2024, we launched a standardized service offer for the SME customer segment in 2025. We have also introduced the Digital Media Signage (DMS) solution for digital advertising and promotions.

In 2025, Makedonski Telekom became one of DT EU frontrunners in promoting the CPaaS-Communication Platform as a Service. We have launched intensive go-to-market activities aimed at creating and expanding the customer base. This resulted in a rapid adoption across the key industries such as banking, insurance and health, thus contributing to a new revenue stream.

When it comes to the digital channels, 2025 was marked by the introduction of the One Portal self-service platform for B2B customers. One Portal is a key strategic project aimed at enhancing the digital touchpoints and accelerating the DT EU B2B channel transformation towards a digital-first, omni-channel model, and transitioning sales and service to scalable self-care platforms across the DT EU B2B footprint.

Ongoing professional development is key to empowering the employees with the knowledge and skills they need in order to excel in their roles. Recognizing this, we have taken significant steps to enhance our education, ensuring that our team remains well-equipped to meet the industry demands. We have also acquired a number of young talents that significantly contribute to the development of new services and tools within the B2B area.

Top level B2B customer satisfaction was another goal set for 2025, which was clearly reflected in reaching a high TRIM index in Q3 2025 and thereby maintaining the top position in the B2B DT EU footprint regarding this KPI.

Connections start when barriers break

True connection, as a tool for collective progress, remained in the centre of our brand narrative this year, too.

To increase the differentiation gap between us and the competition, we have built on the already established “Open Up” communication platform. However, if in 2024 we called for opening up in order to truly connect, the focus in 2025 was on removing one of the main reasons behind the barriers that prevent us from connecting – prejudices.

Along those lines, we carried out several awareness initiatives focused on overcoming prejudices to foster trust and build a more connected society.

With this strategic approach, we shifted the conversation from connectivity to true connection, while remaining authentic. This helped us maintain our #1 position on the highly competitive market, which is evident in our brand KPIs – our brand affinity score is above 70%, while our brand preference score in December was 60%, 27 points above A1.

In 2025, we were strong on the youth front with the “Summer of You” international project, the launch of the new W plan, a digital-only youth-only offer, the Telekom Esports Championship, and Magenta Moments. These activities supported our efforts to drive top-of-mind awareness in our future customers.

In the B2B segment, we engaged the customers with several iterations of the international campaign, drilling down our core message – “Telekom is the best partner for digitalization of your business”.

We have entered 2026 with a stable brand leadership position, as the most loved and most preferred telco brand in North Macedonia.

Outstanding Service Quality

MKT remains firmly committed to providing efficient, high-quality customer support, available 24/7 across all channels. Customers can reach us at any time for information or issue resolution through a wide range of contact points. While voice support continues to play a key role, there is a strong and ongoing shift towards the digital and written channels, including web live chat, social media platforms (Facebook, Twitter, Instagram), and the Telekom App – ensuring that we are always present on the channels our customers prefer. To further elevate the service speed and accuracy, we continued expanding our chatbot capabilities, thus enabling fast, automated, and reliable responses.

In 2025, MKT introduced a fully modernized, unified platform for handling customer contacts across all channels. This transformation opens broad opportunities for the integration of AI-powered capabilities, enabling faster, smarter, and even more personalized customer support.

Based on our continuous customer satisfaction surveys, MKT once again ranked as the number one operator in customer satisfaction across all service categories – mobile, fixed, and convergent – thus successfully sustaining its leadership position from previous years. This achievement reflects our unwavering commitment to delivering extraordinary service quality and putting customers at the centre of everything we do.

Customer feedback remains a cornerstone of our service excellence strategy. Through continuous collection of customer insights and regular Net Promoter Score (NPS) measurements, MKT closely monitors the perceptions of service quality, product performance, and brand trust. These insights directly fuel our commitment to continuous improvement, ensuring that every enhancement we make translates into a superior and consistently exceptional customer experience.

To further strengthen our customer focus and regional presence, all customer-facing touchpoints were unified into a single, cohesive frontline organization structured across multiple regions. Our sales points were fully integrated with the technical field services, creating a seamless customer journey designed to build trust, win customers’ hearts, and grow together. This unified frontline consistently follows the latest customer experience trends, offering customers an interactive environment to explore products and services, supported by highly trained sales agents who ensure that every household receives the most suitable offer. The push sales channels, including Door-to-Door (D2D) and telesales, remained a strong contributor to the overall sales performance, while the technical services – installation and fault repair – were delivered promptly and to the high satisfaction of our customers.

Research and Development

ICT

MKT continues to lead the market with technological innovations. Our development efforts focus on strategic areas including Smart Cities, Smart Energy Metering, Telemedicine, Cybersecurity solutions, and cloud-based communication platforms.

Smart Solutions

In 2025, we obtained CE-certification for our Energy Management IoT Controller and successfully upgraded our Smart Lighting IoT Controller. Besides integrating the GPS receiver and antenna, the Smart Lighting controller was enhanced to support the Zhaga ecosystem, ensuring full interoperability with standardized luminaires and sensors. The upgrade introduced luminaire location, per-luminaire energy consumption measurement, operating-hour tracking, and continuous monitoring of critical electrical and performance parameters at the luminaire level. These capabilities enable improved asset lifecycle management, accurate energy reporting, and optimized maintenance planning, thus reinforcing our position in terms of intelligent and sustainable lighting solutions.

In parallel, we complemented our IoT platform with in-house-developed inventory management and smart labelling solutions. Our Smart Energy Metering and Smart Lighting solutions have been successfully deployed in the City of Veles, as well as in multiple commercial customers focused on energy efficiency, environmental protection, and inventory management.

Additionally, we developed a Smart System for Early Flood Detection and Waste Monitoring in the Lepenec River Basin. As part of this project, off-the-shelf CCTV cameras were integrated via our services into an in-house-developed platform for video streaming and archiving. Furthermore, we developed a Li-ion battery-powered NB-IoT device for water level monitoring, connected to a unified platform that combines video surveillance, sensor data visualization, and trend prediction based on integrated weather forecast data.

As a result, inspectors from the Municipality of Gjorče Petrov and the Protection and Rescue Directorate now regularly monitor the water levels in the Lepenec River and identify illegal waste disposal along its banks.

Following the launch of the Safe City System in Skopje, we anticipated an increased demand for fleet management solutions and consequently developed our own fleet management software platform. The solution includes vehicle tracking, driver identification, geo-fencing, maintenance planning, and access to a wide range of vehicle parameters obtained via the CAN BUS interface. The platform is compatible with most off-the-shelf fleet management IoT devices, ensuring flexibility and scalability for diverse customer needs.

Telemedicine Solutions

We developed all the required software modules and interfaces to integrate our cloud-based ECG and ultrasound image archiving and sharing solution into a fully functional PACS (Picture Archiving and Communication System). The system supports the reception, archiving, comparison, and secure sharing of medical images from various diagnostic devices using our connectivity solutions and DICOM protocol.

The platform also enables retrieval of historical medical imaging data from the cloud directly to the diagnostic device, allowing clinicians to compare current and previous results on the same device. In addition, we developed an original RIS (Radiology Information System) that provides intuitive scheduling and automated patient data forwarding to scheduled imaging devices, including ECG, ultrasound, CT, and MRI systems.

Currently, dozens of business customers actively use this solution, with planned expansion towards the governmental and public healthcare institutions.

Network Technology

As a leader in the segment of fibre optic infrastructure, a steady progress in FTTH Rollout and Cu2F migration was done. This is also part of MKT's environmental protection strategy. With the introduction of new technologies and the abandonment of the old ones, in addition to obtaining higher speeds and better service, the consumption of electricity has been drastically reduced, and the copper is reused as a resource.

By the end of 2025, MKT expanded its fibre coverage to a total of 368,804 FTTH accesses passed, which means that around 42.1% of the households already have the option of booking a fibre-optic connection. Regarding the VDSL rollout, MKT has more than 338,676 VDSL accesses passed in the fixed copper network. At the end of 2025, the number of LTE box users exceeded 18.300. During 2025, the focus on Cu2F migrations resulted in a 12% increase in comparison to 2024.

At the end of 2025, 5G technology became available to 93.97% of the population nationwide. More than 99.9% of the total sites provided LTE services and 73.23% of the BTSs are connected via fibre. The data volume transmitted over 5G continued to grow steadily on a monthly basis.

The strategic priority during this period was the accelerated deployment of 5G in the 700 MHz and 2100 MHz bands. This initiative is designed to ensure an excellent 5G customer experience on NR700 and to provide continuous coverage in order to support future 5G SA use cases.

In the core network, MKT's strategy is fully in line with the DT strategy for core cloudification, with a strong emphasis on further expansion of the CIT cloud. Cloudification of voice, data, and NDL domains is ongoing according to the plan, adding Packet Core components to the Cloudified domain in 2025 and starting with Voice components, thus also preparing the network for the introduction of 5G Standalone (SA) next year.

MKT's TV Strategy aims to maintain its position as the #1 TV provider on the Macedonian market, by providing the best TV service and the most relevant content. MagentaTV revolutionizes the viewing experience by offering high-definition picture quality, an interactive interface, and seamless access to the content on multiple devices. It also provides access to countless TV apps on any device, ensuring flexibility and convenience for the customers. By the end of 2025, the TV service had approximately 169,000 subscribers.

MKT is dedicated to the environmental protection and to reducing its impact on the nature, leveraging technology as part of this process. All energy consumption targets agreed at DT Group level have been successfully fulfilled.

Information Technology

In 2025, the IT department continued embracing Agile methodologies to drive internal changes centered around the development of microservices architecture and the retirement of legacy applications.

The IT transformation and digitization program is progressing as planned across both front-end and back-end domains. On the front-end side, this includes the new OneApp design, the new web shop, and MAXIS improvements. On the back-end side, the key initiatives include order management and WFM enhancements, as part of the CRM Modernization project (SugarCRM Refactoring / MAXIS 2.0).

In parallel, a collaboration project with Modirum is focused on delivering an Enterprise Product Catalogue (Product/Service/Resource Catalogue), Product Offer Qualification (eligibility), and Order Management capabilities. There is also a strategic shift toward taking over core CRM functionalities, including defining new tariffs and add-ons, and designing and implementing new fulfilment flows. The contract with Modirum ends at the end of 2026.

The Maxis system (Supply Chain management, Contract management; Equipment. Product Catalogue) was successfully implemented and remained fully operational throughout the year, resulting in up to a 30% increase in transaction processing speed across points of sale. This improvement significantly enhanced our operational efficiency and reduced the customer waiting times. The development of new functionalities continued in the course of the year, with a primary focus on expanding the digital transaction capabilities. In parallel, activities were undertaken to modernize the processes

originating from legacy systems, supporting a more efficient and future-ready operating environment. In the Billing domain, the project for Billing and Charging modernization started and it is planned to be finished by the end of Q1 of 2026.

A new Call Centre platform based on a Sprinklr solution is implemented and it was already in production at the end of 2025.

In 2024, MKT invested significant effort in transforming its data infrastructure, driving it towards capabilities for data-driven operations. Phases 1 and 2 of the DWH2DEP project, aimed at retiring the legacy Mobile and Fix DWH systems were successfully completed. Further expansion in this area remained a key focus for 2025. The primary objective is to establish DEP as a unified data foundation that enables advanced analytics and supports fast, data-driven decision-making in response to market changes. In addition, ML-based prediction algorithms for specific use cases within the customer/product based processes were successfully implemented and will be further developed in the next period.

Goran Markovic



Chief Executive Officer
Makedonski Telekom AD – Skopje

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Statement on compliance with the Corporate Governance Code

In accordance with the Macedonian Stock Exchange Listing rules (Article 42 a), the Board of Directors gives the following Statement:

The Board of Directors of Makedonski Telekom AD - Skopje, hereby states that, in its operations, Makedonski Telekom AD - Skopje adheres to the Corporate Governance Code for joint stock companies listed on the Macedonian Stock Exchange AD Skopje, published on the Stock Exchange's website at www.mse.mk.

Makedonski Telekom AD - Skopje adheres to the principles and best practices of corporate governance prescribed by the Code according to the 'comply or explain' approach by filling out questionnaires, the form and content of which are prescribed with the Code.

By this Statement it is confirmed that the questionnaires will be published on SEI-NET and the website of Makedonski Telekom AD - Skopje, and that the answers contained therein are correct and true and accurately show the application of the principles and best practices of corporate governance by Makedonski Telekom AD - Skopje as prescribed by the Corporate Governance Code.

On behalf of Makedonski Telekom AD - Skopje

Chief Executive Officer
Goran Markovic



Statement on the Application of the Corporate Governance Code

Makedonski Telekom AD – Skopje (MKT) is a company listed on the official market of the Macedonian Stock Exchange AD Skopje, in the sub-segment "mandatory listing".

For the purpose of adequate compliance with Article 384-a of the Law on Trade Companies, MKT hereby makes this statement whereby it confirms that it applies the principles of good corporate governance in accordance with the obligations defined in the Law on Trade Companies.

The corporate governance, as well as the ethical and business behaviour of the management and the employees in MKT, are guaranteed with internal acts that are adopted by the Board of Directors (BoD) of MKT, as follows:

1. Code of Conduct of MKT;
2. Financial Code of Ethics of MKT;
3. Manual for the MKT Corporate Compliance Program;
4. Directive of MKT on the introduction of fraud prevention principles;
5. Directive of MKT on the compliance with the anti-corruption principles;

The Company has developed a comprehensive Compliance Management System and adopted a set of internal acts that set high requirements and standards for the ethical and business behaviour of the managers and the employees of the Company, including the members of the BoD. The elements of the Compliance program are available on the Company's web site, including the Code of Conduct and the Code of Ethics of MKT.

On behalf of Makedonski Telekom AD - Skopje

Chief Executive Officer
Goran Markovic