



**Questions asked by the shareholders at the Annual Shareholders' Assembly
of Makedonski Telekom held on 9 May 2019 and answers given by the Company**

I. Upon Item 1 of the Agenda: Proposed Resolution on the adoption of the Annual Accounts of the Company for the Year 2018 in accordance with the adopted international financial reporting standards published in the "Official Gazette of the Republic of North Macedonia"

Question: What are the reasons for the stagnation of the revenues and the increase of the expenses compared to the previous years starting from 2014 until today?

Answer:

In the course of 2018, revenues were generated in the amount of MKD 10.5 billion, and, after a several year-long drop of the revenues as a result of the market environment and after the stabilization in the period 2015-2017, a 2% growth was achieved compared to 2017. Furthermore, EBITDA (Earnings before interest, tax, depreciation and amortization) was generated in the amount of MKD 4.1 billion, whereby EBITDA margin was generated as an indicator of the EBITDA in relation to the total revenues in the amount of 39%, which represents a significantly stable percentage that has been maintained in the previous years (2014: 41%). Such EBITDA margin is one of the highest ones within the Deutsche Telekom Group. In terms of the net profit, it has marked a growth of approximately 1% in relation to 2017 and it is in the amount of MKD 1.6 billion.

Question: To elaborate the material costs defined in the Annual Report of the Company for 2018 defined under the item – services with a character of material costs which in the report are in the amount of MKD 2,269,000,000.00.

Answer:

In the part of the Income Statement, item 10, AOP 211, the category "Services with a character of material costs" for 2018 is in the amount of MKD 2,269,221,814. Given below is the distribution for 2018 as per cost type.

SERVICES WITH A CHARACTER OF MATERIAL COSTS

in MKD	2018
Payments towards operators	907.732.622
Maintenance	503.024.098
Services	405.542.752
Leases	139.929.520
Marketing and donations	173.785.050
Subcontractors	135.505.729
Fees, levies and local taxes	3.702.043
	<u>2.269.221.814</u>

II. Upon Item 4 of the Agenda: Proposed Resolution on the adoption of the Annual Report on Operations of the Company for the Year 2018

Question: How would the Company act in terms of a request that would arise from a court procedure for removing the designation of a “confidential document” of the report of the American investigation company “White & Case”, which is comprised in all the Annual Reports of the Company?

Answer: Within the court procedure, in terms of everything that will be requested from the competent prosecution office and the court authorities that are involved in that process, Makedonski Telekom, in accordance with the law, will provide all the available information.