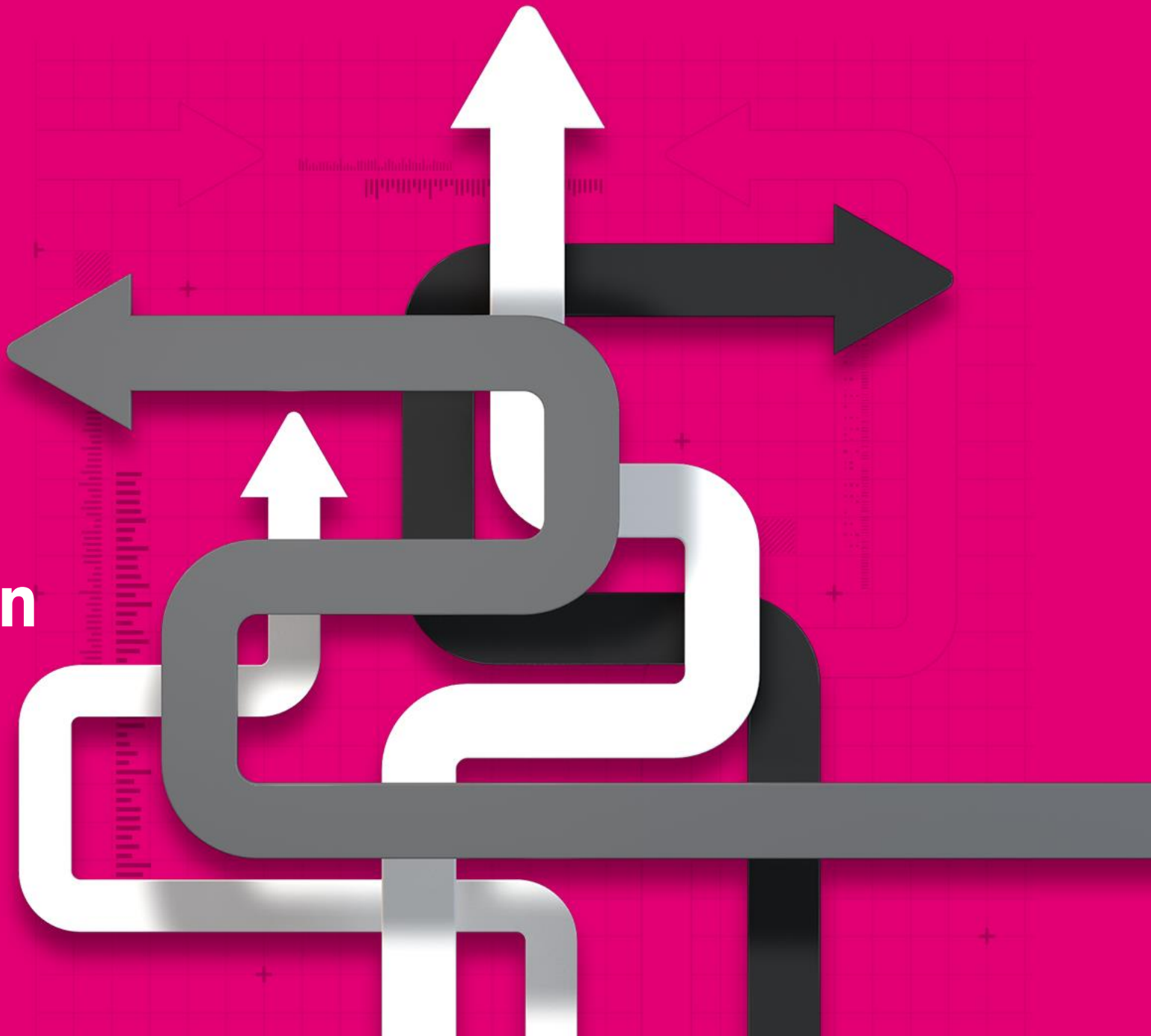



Hrvatski Telekom Investor Presentation

June 2023





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These materials and the oral presentation contain certain forward-looking statements with respect to the financial condition, results of operations and business of the Group. These forward-looking statements represent the Company's expectations or beliefs concerning future events and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Additional detailed information concerning important factors that could cause actual results to differ materially is available in the Group's Annual Report.

These materials include non-IFRS measures, such as EBITDA. The Company believes that such measures serve as additional indicators of the Group's operating performance. However such measures are not replacements for measures defined by and required under IFRS. In addition, some key performance indicators utilised by the Company may be calculated differently by other companies operating in the sector. Therefore, the non-IFRS measures and key performance indicators used in these materials may not be directly comparable to those of the Group's competitors

Based on the Merger Agreement concluded on 15 March 2022 between the company Croatian Telecom Inc. (hereinafter: HT Inc. or the acquiring company) and the company HT Produkcija LLC (hereinafter: HTP LLC or the merged company), and pursuant to the Assembly decision of the merged company on approval of the merger, on 1 June 2022 the merger has been entered into the Court Register of the Commercial Court in Zagreb. By entry of the merger into the Court Register, the merged company HTP LLC ceased to exist. The acquiring company, HT Inc., became the universal legal successor of the merged company, thus entering into all legal relationships of the merged company.

Disclaimer



Business development in 2022

- ▶ Solid profitable growth across consumer and business segments, including core telco and ICT
- ▶ Operating model transformation and re-investment in closing salary gaps
- ▶ Record high employee engagement and satisfaction
- ▶ Secured broadcasting rights for HNL matches for the next four years
- ▶ CX leader in the market in both consumer and business
- ▶ Secured long term sustainable energy supply.
- ▶ ESG leader: European Climate Leader, National Sustainability Award 2nd year in a row, highest score in HANFA's corporate governance survey



Network development in 2022



100,000 new HH

21% YoY increase in FTTH coverage

Enabling fiber gigabit speeds to over 550,000 households across Croatia



2 million people

Over 2 million people and around 100 cities covered



Best networks

Again recognized as the best mobile and fixed network

The fastest 5G network





HT won highest spectrum share and secured fundamental asset for next 15+5 years



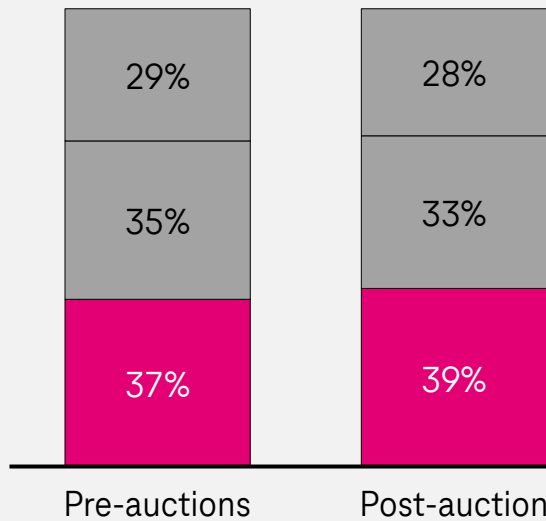
- ✓ EUR 135.3 million investment in the legacy spectrum
- ✓ EUR 17.3 million investment in 5G spectrum



HT vs. peers

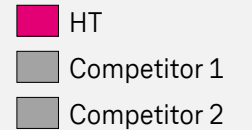
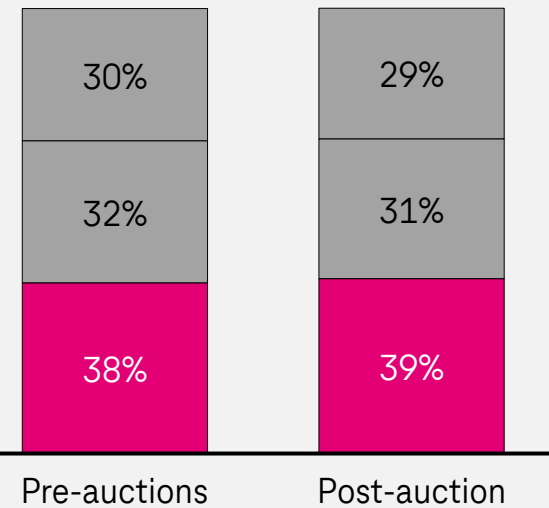
Total spectrum share (2023 auction)

800, 900, 1800, 2100 and 2600 MHz
bands



Total spectrum share (2021 & 2023 auctions)

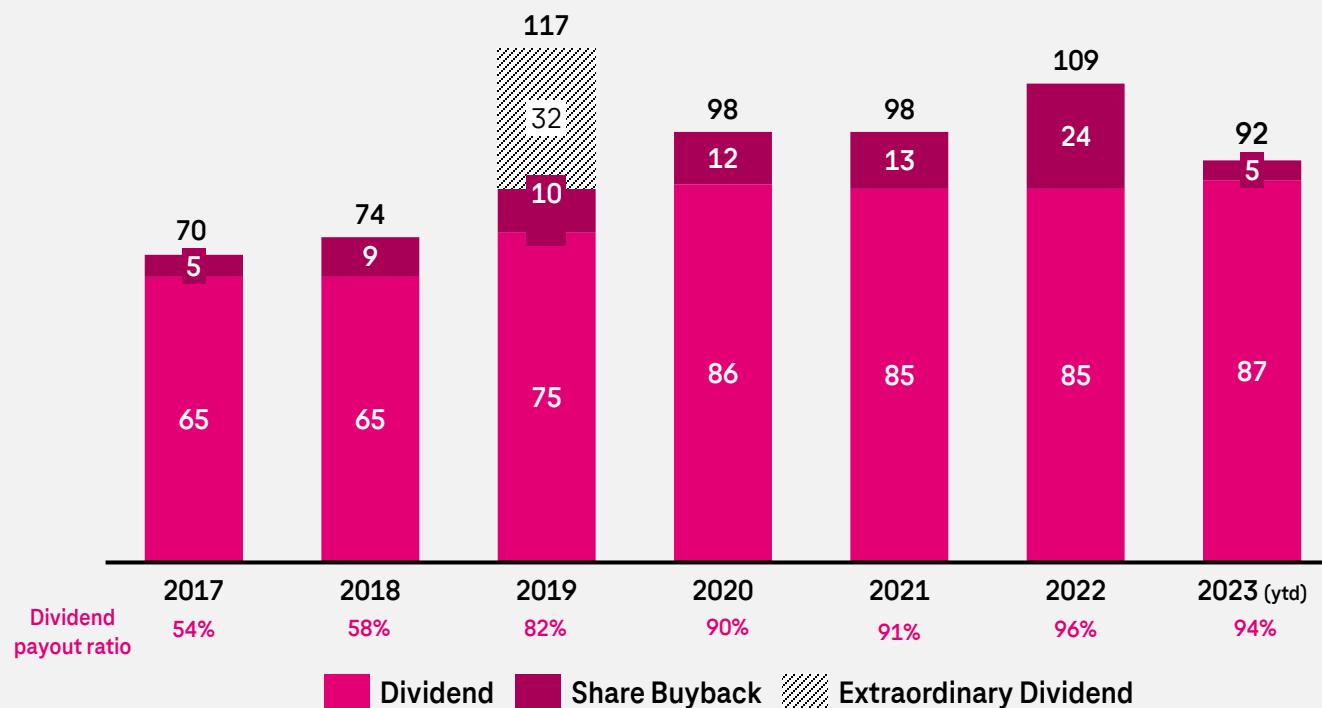
700, 800, 900, 1800, 2100, 2600,
3600 and 26000 MHz bands



- ✓ HT maintained and enhanced the largest spectrum share in the market

Shareholder remuneration policy

TOTAL PAYOUT in m €



4.3% dividend yield

In 2023 paid EUR 85m dividend, representing a payout ratio of 94% and yield of 4.3%.

Continued SBB Programme

Additional 178,111 shares purchased on the ZSE, for the equivalent value of EUR 4.5m.

Total return

Through a combination of dividends and Share Buybacks, HT in total returned EUR 92m to its shareholders in so far in 2023.

* For presentations purposes only, all figures denominated in HRK have been converted to € using conversion exchange rate of €1 = HRK 7.53450



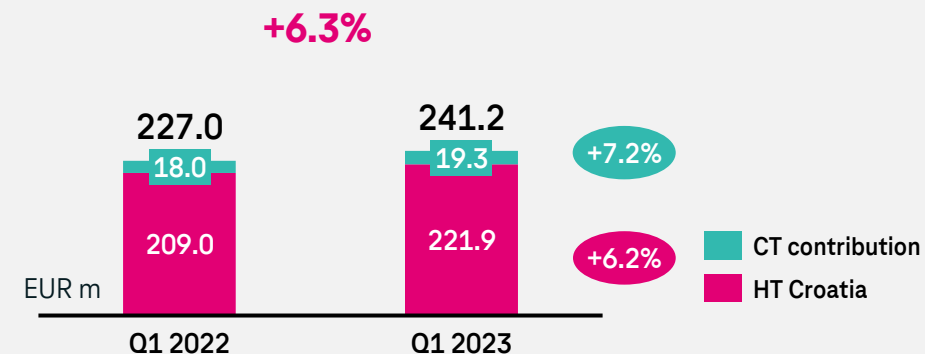
Q1 2023 RESULTS

Top-line growth with increased profitability

REVENUE

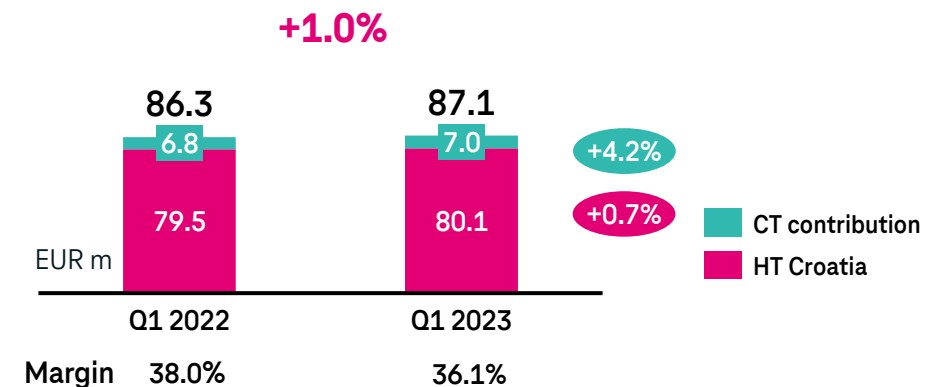
HT Croatia growing across all revenue categories, with highest growth coming from mobile revenues.

CT growth predominately driven by fixed and mobile service revenue.



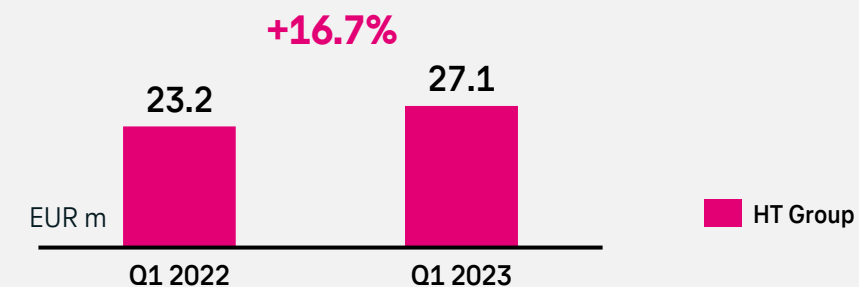
EBITDA AL¹

Adjusted EBITDA AL supported by good commercial performance compensating for inflationary pressure mainly coming from energy costs.



NET PROFIT²

Net Profit increased 16.7% YoY, supported by higher EBITDA, lower depreciation and better net financial result.



1. EBITDA after leases adjusted for exceptional items (mainly restructuring and redundancy costs)

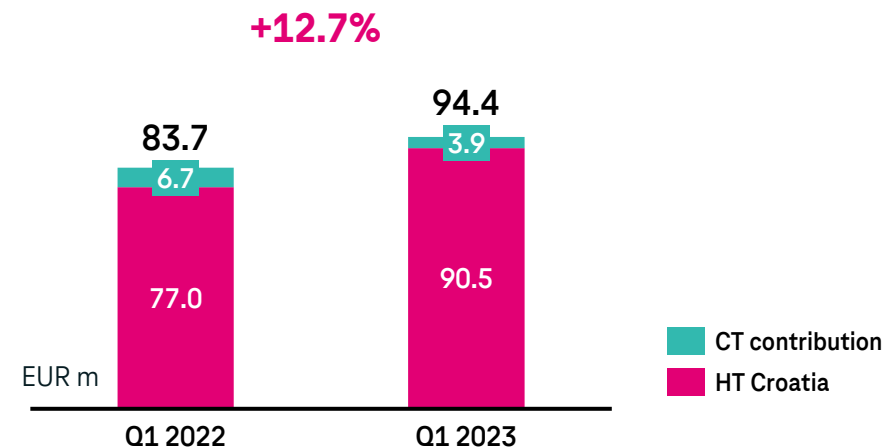
2. Net Profit after non-controlling interests

* CT Q1 2022 translated from HRK to EUR using conversion exchange rate of €1 = HRK 7.53450

Growing net cash flow from operations, CAPEX AL in-line with guidance

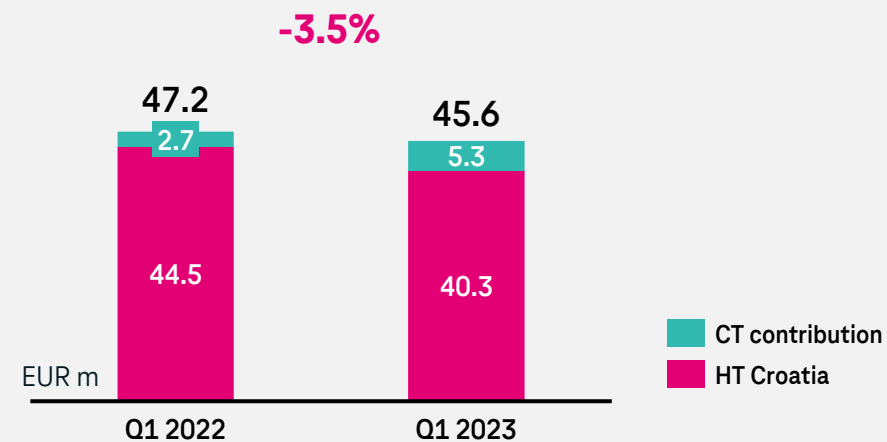
NET CASH FLOW FROM OPERATIONS

Cash flow from operating activities increased due to better operating performance and favorable working capital movements.



CAPEX AL BOOKED¹

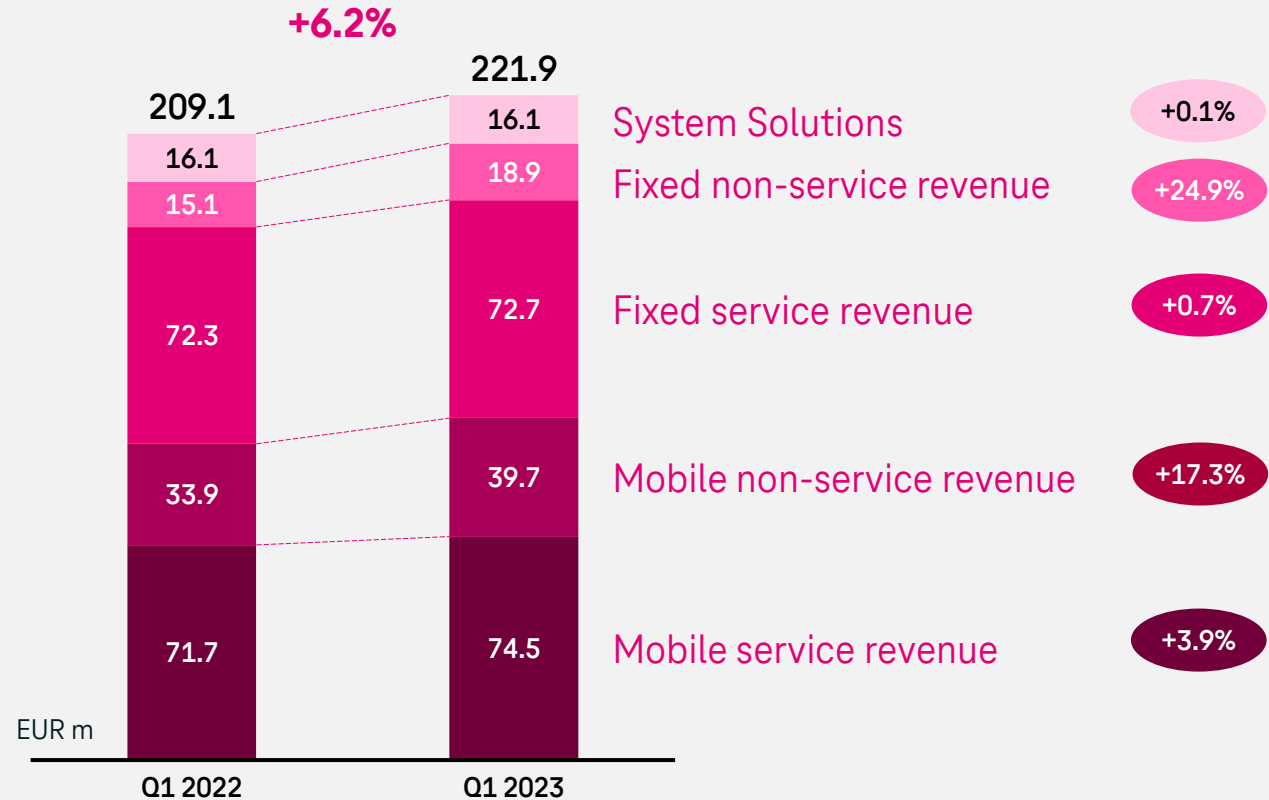
Lower CAPEX AL in Croatia mainly due to different seasonality of projects. Increase in CT is predominantly due to dynamic of TV Content capitalization.



1. Excluding Spectrum
* CT Q1 2022 translated from HRK to EUR using conversion exchange rate of €1 = HRK 7.53450

REVENUE BREAKDOWN

HT CROATIA



Revenue up by 6.2% on the back of strong performance in mobile

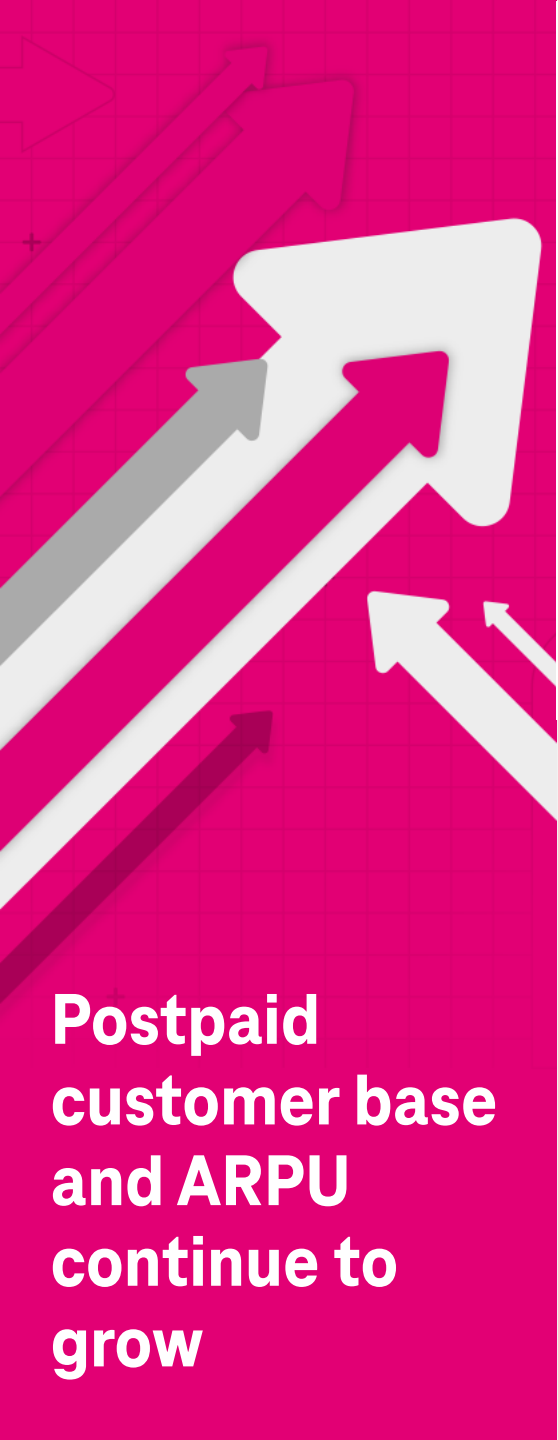
Mobile service revenue growth predominantly driven by strong postpaid, capitalized on pre to post migration.

Mobile non-service revenue growth driven by increased market dynamics which boosted handset sales.

Fixed service revenue up, as BB & TV offset contraction in voice.

Fixed non-service revenue increased as a result of higher transit traffic.

System Solutions revenue at prior year level, with growing margin.



**Postpaid
customer base
and ARPU
continue to
grow**

MOBILE POSTPAID

Growth in postpaid customers supported by prepaid-to-postpaid migration.

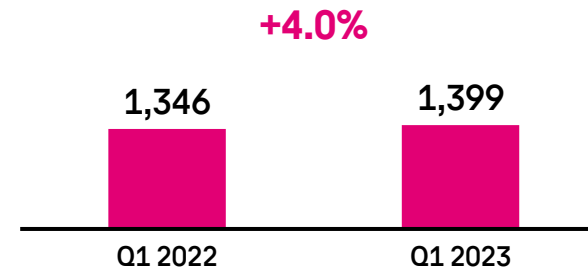
ARPU reflects an increase from customer migration to higher value tariffs.

MOBILE PREPAID

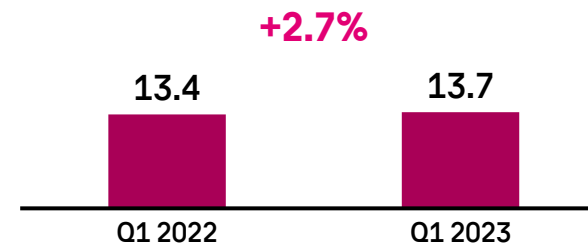
Lower prepaid base due to migration from prepaid to postpaid.

ARPU stable – new digital prepaid tariffs compensating for migration of high value prepaid customers to postpaid tariffs.

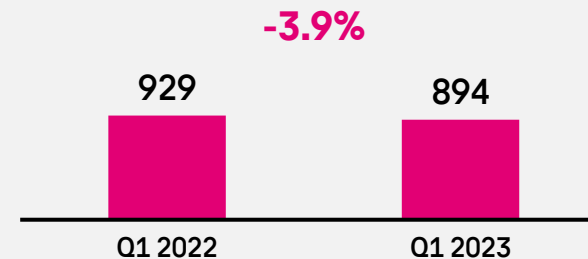
POSTPAID
CUSTOMERS (.000)



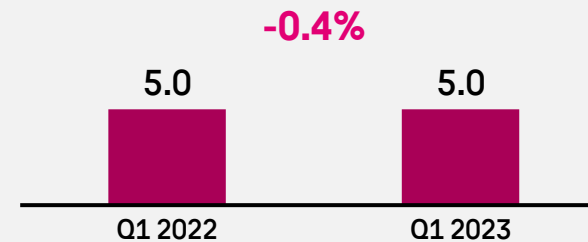
POSTPAID ARPU
(EUR)



PREPAID
CUSTOMERS (.000)



PREPAID ARPU
(EUR)

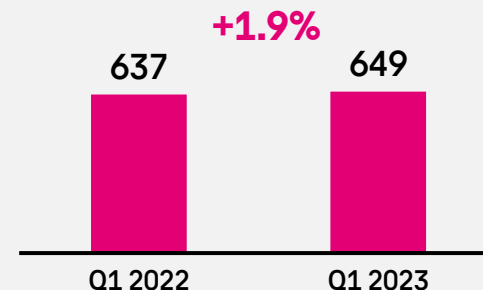


Fixed broadband lines continued to grow on the back of strong investments in fiber infrastructure

BROADBAND¹

Broadband retail lines increased due to improved BB infrastructure, strong investments in fiber and the best sports content.

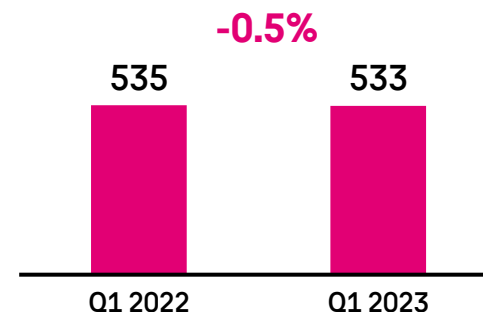
RETAIL BROADBAND ACCESS LINES (.000)



TV

TV customer base impacted by expiration of contracts acquired 2Y ago with DVBT2 switch.

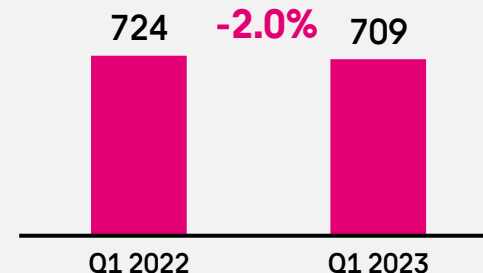
TV CUSTOMERS (.000)



FIXED VOICE²

The fixed voice lines are continuing to contract at a decelerated rate.

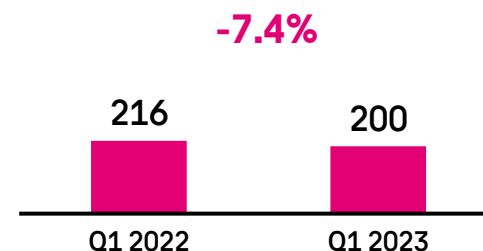
RETAIL FIXED VOICE MAINLINES (.000)



WHOLESALE³

Wholesale base lower as operators migrate to own infrastructure and decline of voice-only wholesale lines. Growing trend on wholesale fiber customers.

WHOLESALE CUSTOMERS (.000)



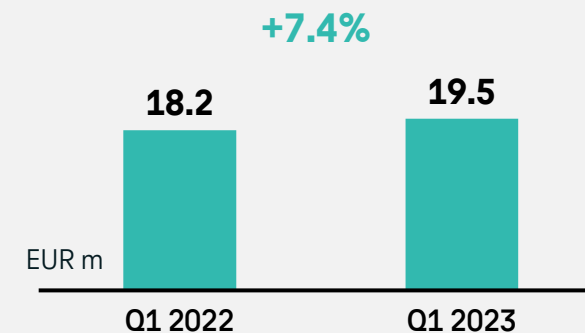
1. Includes ADSL, VDSL, FTTH and Naked DSL

2. Includes PSTN, FGSM, old PSTN Voice customers migrated to IP platform and Smart packages for business; payphones excluded

3. Includes Naked Bitstream, Bitstream, ULL, FA and WLR wholesale rental

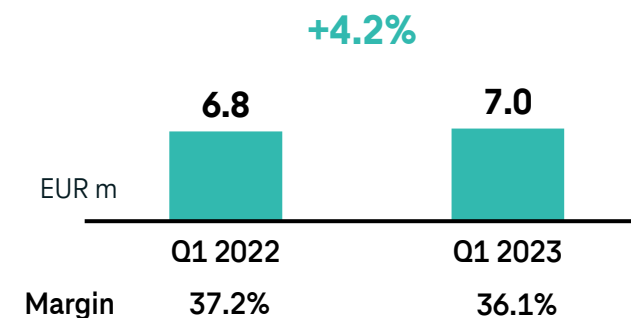
REVENUE

Good commercial momentum drives YoY revenue growth of almost all categories.



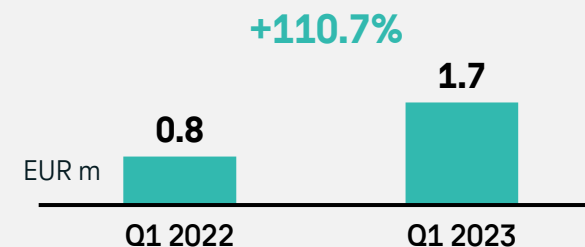
EBITDA AL¹

EBITDA AL growth reflects positive service revenues development.



NET PROFIT²

Net Profit more than doubled, supported by higher EBITDA, lower depreciation and a positive trend in the net financial result.



Continued
growth
momentum at
Crnogorski
Telekom

1. EBITDA after leases adjusted for exceptional items

2. Net profit after non controlling interests

* CT Q1 2022 translated from HRK to EUR using conversion exchange rate of €1 = HRK 7.53450

Key strategic pillars 2023



Strong & profitable growth across B2C and B2B



Investments in gigabit integrated networks



Deliver the best customer experience



Accelerate business operations transformation



Strengthen attractiveness as #1 employer of choice



Drive positive impact in society



Group 2023 Outlook

	2022 RESULTS	OUTLOOK 2023 vs. 2022
REVENUE	EUR 984 million	Low single-digit increase
EBITDA AL	EUR 378 million	Low single-digit increase
CAPEX AL¹	EUR 231 million	Mid single-digit decrease
REGIONAL EXPANSION	HT is monitoring and evaluating potential M&A opportunities	HT is monitoring and evaluating potential M&A opportunities

1. Excluding Spectrum



UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

Consolidated income statement

in EUR million	Q1 2022	Q1 2023	% of change A23/A22
Mobile service revenues	79.6	82.9	4.1%
Mobile non-service revenues	36.0	42.2	17.3%
Fixed service revenues	78.2	79.0	1.0%
Fixed non-service revenues	16.4	20.1	22.8%
System solutions	16.8	17.0	1.2%
Revenue	227.0	241.3	6.3%
Other operating income	3.1	1.0	-67.5%
Total operating revenue	230.2	242.3	5.3%
Operating expenses	135.7	146.7	8.1%
Material expenses	67.2	79.2	17.8%
Employee benefits expenses	38.1	39.0	2.5%
Other expenses	30.2	29.1	-3.4%
Work performed by the Group and capitalised	-1.7	-2.3	-35.2%
Net impairment losses on trade receivables and contract assets	1.9	1.6	-17.3%
Depreciation and amortization	63.6	61.6	-3.2%
EBIT	30.9	34.1	10.3%
Financial income	1.3	1.8	38.1%
Income/loss from investment in joint ventures	-0.1	0.0	100.0%
Financial expenses	3.0	2.0	-33.4%
Profit before taxes	29.0	33.8	16.5%
Taxation	5.6	6.4	12.9%
Net profit	23.4	27.5	17.4%
Non controlling interests	-0.2	-0.4	-102.0%
Net profit after non controlling interests	23.2	27.1	16.7%
Adjusted EBITDA AL ¹⁾	86.3	87.1	1.0%
Exceptional items ²⁾	3.1	2.4	-21.6%
EBITDA AL	83.2	84.7	1.8%

¹⁾ Mainly adjusted for restructuring redundancy costs and legal cases

²⁾ Mainly related to restructuring redundancy costs and legal cases

* CT Q1 2022 translated from HRK to EUR using conversion exchange rate of €1 = HRK 7.53450

Consolidated balance sheet statement

in EUR million	At 31 Dec 2022	At 31 Mar 2023	% of change A23/A22
Intangible assets	256.9	262.5	2.2%
Property, plant and equipment	838.7	830.1	-1.0%
Non-current financial assets	1.3	1.3	1.4%
Receivables	35.0	37.2	6.4%
Prepayments and accrued income	24.6	28.2	14.3%
Lessee use rights to leased assets (IFRS 16)	73.7	70.2	-4.7%
Contract assets (IFRS 15)	7.2	7.7	7.3%
Contract costs (IFRS 15)	22.2	24.4	10.0%
Deferred tax asset	17.9	19.9	11.0%
Total non-current assets	1,277.5	1,281.5	0.3%
Inventories	34.8	41.8	20.0%
Assets held for sale	31.6	31.6	0.0%
Receivables	199.8	197.3	-1.3%
Current financial assets	13.5	19.9	47.5%
Contract assets (IFRS 15)	29.1	29.9	2.9%
Contract costs (IFRS 15)	10.1	10.0	-1.4%
Cash and cash equivalents	373.4	395.2	5.8%
Prepayments and accrued income	20.8	16.4	-21.5%
Total current assets	713.2	742.0	4.0%
TOTAL ASSETS	1,990.7	2,023.5	1.7%

in EUR million	At 31 Dec 2022	At 31 Mar 2023	% of change A23/A22
Subscribed share capital	1,359.7	1,359.7	0.0%
Reserves	69.0	69.0	0.0%
Revaluation reserves	0.0	0.0	286.8%
Treasury shares	-0.8	-2.9	-264.4%
Retained earnings	119.5	206.5	72.8%
Net profit for the period	87.0	27.1	-68.9%
Non controlling interests	32.6	33.0	1.2%
Total issued capital and reserves	1,667.0	1,692.4	1.5%
Provisions	19.1	19.6	2.4%
Non-current liabilities	16.5	12.8	-22.3%
Lessee lease liabilities to third party due > 1 year (IFRS 16)	50.2	47.4	-5.7%
Contract liabilities (IFRS 15)	0.0	0.0	-
Deferred tax liability	4.4	4.2	-4.7%
Total non-current liabilities	90.2	83.9	-6.9%
Current liabilities	198.2	215.9	8.9%
Contract liabilities (IFRS 15)	10.4	9.0	-12.9%
Lessee lease liabilities due <= 1 year (IFRS 16)	20.2	19.2	-4.9%
Accrued expenses and deferred income	1.2	1.2	0.0%
Provisions for redundancy	3.5	1.8	-47.5%
Total current liabilities	233.4	247.2	5.9%
Total liabilities	323.6	331.1	2.3%
TOTAL EQUITY AND LIABILITIES	1,990.7	2,023.5	1.7%

Consolidated cash flow statement

in EUR million	Q1 2022	Q1 2023	% of change A23/A22
Profit before tax	29,0	33,8	16,5%
Depreciation and amortization	63,6	61,6	-3,2%
Increase / decrease of current liabilities	-7,9	13,2	267,3%
Increase / decrease of current receivables	4,9	4,9	-1,0%
Increase / decrease of inventories	-4,0	-7,0	-73,8%
Other cash flow increases / decreases	-1,9	-12,2	-548,3%
Net cash inflow/outflow from operating activities	83,7	94,4	12,7%
Proceeds from sale of non-current assets	0,8	0,1	-84,4%
Proceeds from sale of non-current financial assets	0,0	0,5	1437,6%
Interest received	0,5	1,0	99,6%
Dividend received	0,0	0,0	-
Other cash inflows from investing activities	26,7	3,5	-
Total increase of cash flow from investing activities	28,0	5,2	-81,5%
Purchase of non-current assets	-29,8	-45,8	-53,7%
Purchase of non-current financial assets	0,0	0,0	-
Other cash outflows from investing activities	-5,2	-11,8	-128,0%
Total decrease of cash flow from investing activities	-35,0	-57,6	-64,6%
Net cash inflow/outflow from investing activities	-6,9	-52,4	-655,3%
Total increase of cash flow from financing activities	0,0	0,0	
Repayment of loans and bonds	0,0	0,0	-
Dividends paid	0,0	0,0	56,7%
Repayment of lease	-9,7	-10,3	-6,5%
Other cash outflows from financing activities	-33,1	-9,9	70,0%
Total decrease in cash flow from financing activities	-42,8	-20,2	52,7%
Net cash inflow/outflow from financing activities	-42,8	-20,2	52,7%
Exchange gains/losses on cash and cash equivalents	0,6	0,0	-100,0%
Cash and cash equivalents at the beginning of period	381,1	373,4	-2,0%
Net cash (outflow) / inflow	34,6	21,7	-37,1%
Cash and cash equivalents at the end of period	415,7	395,2	-4,9%

* CT Q1 2022 translated from HRK to EUR using conversion exchange rate of €1 = HRK 7.53450



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