

INDEPENDENT AUDITOR'S REPORT WITH EXPRESSION OF LIMITED ASSURANCE ON THE REMUNERATION REPORT FOR THE YEAR 2024

To the Management Board and Supervisory Board of Hrvatski Telekom d.d.

Scope

Pursuant to the requirements of Article 272.r, paragraph 3 of the Companies Act and the contract concluded with Hrvatski Telekom d.d. ("the Company"), we have performed an engagement to express a limited assurance on the attached Remuneration Report for the year 2024 ("the Report") prepared by the Company's Management Board and Supervisory Board.

Our engagement with limited assurance relates to the subject matter of whether the Report contains information in accordance with Article 272.r, paragraphs 1 and 2 of the Companies Act.

Applicable Criteria

The applicable criteria for determining individuals to be included in the Report and requirements related to the disclosure of their receipts are contained in the requirements of Article 272.r, paragraphs 1 and 2 of the Companies Act.

Responsibilities of the Management Board and the Supervisory Board

Management Board and Supervisory Board are responsible for:

- preparing the Report for the year 2024 in accordance with the disclosure requirements outlined in Article 272.r, paragraphs 1 and 2, of the Companies Act,
- determining the individuals to be included in the Report in accordance with Article 272.r, paragraph 1, of the Companies Act,
- selecting and applying appropriate receipt policies, as well as making reasonable judgments and assessments regarding the data disclosed in the Report,
- measuring receipts for the year ended December 31, 2024, in accordance with the requirements of Article 272.r, paragraphs 1 and 2, of the Companies Act, and
- publishing the Report on the Company's website in accordance with the requirements of Article 272.r, paragraph 4, of the Companies Act.

The Management Board of the Company is responsible for designing, implementing, and maintaining a system of internal controls that reasonably ensures that the aforementioned data does not contain material errors, whether due to fraud or error. Additionally, the Management Board and the Supervisory Board of the Company are responsible for ensuring the completeness and accuracy of the documentation provided to us.

This version of the auditor's report is translation from the original, which was prepared in the Croatian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of the report takes precedence over this translation.

The company was registered at Zagreb Commercial Court: MBS 030022053; paid-in initial capital: EUR 5,930.00; Company Directors: Katarina Kadunc, Goran Končar and Helena Schmidt, Bank: Privredna banka Zagreb d.d., Radnička cesta 80, 10 000 Zagreb, bank account no. 2340009-1110098294; SWIFT Code: PBZGHR2X IBAN: HR3823400091110098294.

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INDEPENDENT AUDITOR'S REPORT WITH EXPRESSION OF LIMITED ASSURANCE ON THE REMUNERATION REPORT FOR THE YEAR 2024 (CONTINUED)

Auditor's Responsibility

Our responsibility is to issue a report on the Report in accordance with the requirements of Article 272.r of the Companies Act. We have performed an engagement to express a limited assurance in accordance with the *International Standard on Assurance Engagements 3000 (Revised) – Assurance Engagements other than Audits or Reviews of Historical Financial Information ('ISAE 3000')*. This standard requires that we comply with ethical standards and plan and perform the engagement to obtain sufficient appropriate evidence to provide a basis for our conclusion as to whether the Report contains the information required by relevant legal requirements.

Our Independence and Quality Management

We have conducted the engagement in compliance with independence and ethical requirements as provided by the Code of Ethics for Professional Accountants (including International Independence Standards) ('Code') issued by the International Ethics Standards Board for Accountants. The Code is based on the principles of integrity, objectivity, professional competence and due diligence, confidentiality, and professional conduct. We comply with the International Standard on Quality Management 1, Quality Management for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements ('ISQM 1') and accordingly maintain an overall management control system, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and statutory requirements.

Summary of the work performed

As part of our engagement, we have planned and performed the following procedures:

- inquiries to the Management Board, the Supervisory Board, and other individuals within the Company to gain an understanding of receipt policies and the process of compiling the Report;
- we received a list of all members of the Management Board and the Supervisory Board of the Company during 2024 and verified whether their receipts were disclosed in the Report;
- we reconciled the receipt data presented in the Report with the Company's accounting records (general ledger and subledgers) for the year ended December 31, 2024.;
- we reviewed, based on a sample, the relevant documentation of the Company (contracts and payments) related to the receipt data presented in the Report; and
- we verified whether the Report contains all the data required by the provisions of Article 272.r, paragraphs 1 and 2, of the Companies Act.

The nature and scope of our procedures were determined based on risk assessment and our professional judgment to express a conclusion with limited assurance.

The scope of the engagement to express a conclusion with limited assurance is significantly smaller than the scope of the engagement to express a conclusion with limited assurance regarding risk assessment procedures, including understanding internal control and procedures performed in response to assessed risks.

We believe that the evidence we obtained is sufficient and appropriate and forms a reasonable basis for expressing our conclusion with limited assurance.

INDEPENDENT AUDITOR'S REPORT WITH EXPRESSION OF LIMITED ASSURANCE ON THE REMUNERATION REPORT FOR THE YEAR 2024 (CONTINUED)

Conclusion with an expression of limited assurance

Based on the procedures performed and evidence obtained, nothing has come to our attention that would cause us to believe that the Report for the year 2024 prepared by Hrvatski Telekom d.d. does not contain information, in all material respects, in accordance with Article 272.r, paragraphs 1 and 2 of the Companies Act.

Limitations

Our report is intended solely for the Management and the Supervisory Board of the Company for the purpose of reporting to the Company's Assembly on the Report prepared by the Company for the year ended December 31, 2024, in accordance with Article 272.r of the Companies Act. We permit the publication of this report on the Company's website in accordance with Article 272.r, paragraph 4, of the Companies Act. Our report does not constitute, nor is it intended to represent, legal advice on compliance with Article 272.r, paragraph 4, of the Companies Act.

In case of additional information or data provided to us, or in the event of misleading oral or written statements or explanations, our findings, interpretations, or conclusions in our Report of Independent Auditor with Limited Assurance may be incomplete or may result in the need for additional procedures that are not included in the scope of this engagement.

To the fullest extent permitted by law, we do not accept any responsibility and do not agree to any obligations to any other party, except to the Management and the Supervisory Board of the Company, regarding our work or this Report of Independent Auditor with Limited Assurance or the conclusions we have reached.

The Management and the Supervisory Board of the Company are responsible for publishing the Report on the Company's website as well as for the accuracy of the data contained therein. The scope of our work does not include a review of the aforementioned, and we do not accept any responsibility for any changes or amendments that may be made to the Report based on the Report of Independent Auditor with Limited Assurance or for any discrepancies between the report we issued and the data displayed on the Company's website.

Katarina Kadunc
Director and Certified auditor

For signatures, please refer to the original Croatian auditor's report, which prevails.

Deloitte d.o.o.

1 April 2025
Radnička cesta 80,
10 000 Zagreb,
Republic of Croatia



Pursuant to Article 272r of the Companies Act and pursuant to Code of Corporate Governance of the Zagreb Stock Exchange Inc. and Croatian Financial Services Supervisory Agency (HANFA), the Supervisory Board and Management Board of Croatian Telecom Inc., Zagreb, Radnička cesta 21, (hereinafter referred to as “HT” or “the Company”), submit to the General Assembly this

REPORT on remuneration to the Members of the Supervisory Board and Management Board in the business year 2024

The remuneration and evaluation of the work performed by the Management Board of HT, focusing on the Company’s sustainable development and growth, have been conducted in accordance with the Global Compensation Guideline for Executives adopted by Supervisory Board in 2018 and approved in the latest valid Remuneration Policy for Members of the Management Board adopted by the General Assembly held in 2023.

The remuneration of the Supervisory Board Members was approved by the Decision on remuneration of members of the Supervisory Board, which was confirmed by the General Assembly held in 2024.

The Remuneration Policy for Members of the Management Board and the Decision on remuneration of members of the Supervisory Board are published on the Company's website
<https://www.t.ht.hr/en/investor-relations/report-of-remuneration>

REMUNERATION OF THE SUPERVISORY BOARD

The Supervisory Board consists of nine members, eight members are elected by the General Assembly and one is appointed by the Workers’ Council as a representative of the Company's employees. Out of eight members elected by the General Assembly, two members are independent.

Supervisory Board Members serving according to the function they hold in the membership of the Supervisory Board and the tasks they perform within the Board or committees of the Supervisory Board during 2024:

Elvira Gonzalez Sevilla	Chairwoman	Chairwoman of the Compensation and Nomination Committee
Ivica Mišetić, Ph. D.	Deputy Chairman	Member of the Compensation and Nomination Committee
Vesna Mamić	Member	Workers’ representative, Until 1 July 2024
Viktor Vanek	Member	Workers’ representative, From 1 July 2024
Dolly Predovic Ph.D.	Member	Member of the Audit Committee and the Related Parties Transactions Committee
Marc Stehle	Member	President of the Audit Committee
Eirini Nikolaidi	Member	Member of the Audit Committee, Member of the Compensation and Nomination Committee from 23 July 2024
Jonathan Abrahamson	Member	From 25 April 2022

Gordan Gledec Ph.D.	Member	Member of the Related Parties Transactions Committee; Until 20 July 2024;
Vedran Bilas Ph.D.	Member	From 20 July 2024
André Lenz	Member	From 8 May 2024

Monthly remuneration of the members of the Supervisory Board is determined according to the function they hold in the membership of the Supervisory Board and the tasks they perform within the Board or committees of the Supervisory Board, and in relation to the average net salary of employees paid in the previous month.

The remuneration to the Supervisory Board Members does not include a variable part, therefore it is not influenced by the Company's operating results in a given past or future period.

The remuneration of individual Supervisory Board members paid in 2024 is as follows:

			The period of 2024 in which the remuneration was paid		
			From	To	Gross 1 (in EUR)
Vesna	Mamić	Member	1 January	1 July	13.217
Dolly	Predovic	Member	1 January	31 December	34.387
Ivica	Mišetić	Deputy Chairman	1 January	31 December	34.387
Gordan	Gledec	Member	1 January	20 July	14.408
Viktor	Vanek	Member	1 July	31 December	9.271
Vedran	Bilas	Member	20 July	31 December	8.517
Total					114.187

Deutsche Telekom AG (DT AG) representatives do not receive any remuneration for their membership in the Supervisory Board due to a respective policy of Deutsche Telekom AG (DT AG).

The Company deems the remuneration paid as appropriate for engagement in the tasks they perform in the Supervisory Board and the committees thereof, as well as that the remuneration paid corresponds to the status and business operations of the Company.

The Company has not granted any advances or loans to the current or former Supervisory Board Members, nor were there any other financial obligations to the benefit of this group of people entered into.

The Company and its affiliates have not given any gifts or benefits of significant value to the Members of the Supervisory Board.

REMUNERATION OF THE MANAGEMENT BOARD

The Management Board consists of five to seven members, and in line with the relevant Supervisory Board Decision on the division of competence among Management Board Members, the current composition of the Management Board includes seven positions.

Management Board Members serving during 2024:

Konstantinos Nempis	President of the Management Board until 1 July 2024
Nataša Rapačić	Member of the Management Board and Chief Operating Officer (COO Residential) President of the Management Board from 1 July 2024
Ivan Bartulović	Member of the Management Board and Chief Operating Officer - Human Resources and Customer Operations (COO)
Matija Kovačević	Member of the Management Board and CFO
Marijana Bačić	Member of the Management Board and Chief Business Officer (COO Business)
Krešimir Madunović	Member of the Management Board and Chief Operating Officer Residential (COO Residential) <i>from 1 July 2024.</i>
Boris Drilo	Member of the Management Board and Chief Technical and Information Officer (CTIO)
Siniša Đuranović	Management Board Member and Chief Corporate Affairs Officer (CCO)

The Management Board members' remuneration consists of a fixed annual remuneration and a performance-related variable component that depends on performance (Short-Term Incentive – STI) and other fringe benefits, Spot bonus, Long-Term Incentives (LTI, Game Changer) and Share Matching Plan (SMP) and Company's Shares Award plan (PDD), which can be awarded on top of the annual target salary.

Annual target salary, performance-related variable components and other remuneration elements are determined by an individual contract of each MB Member, subject to the approval by the Supervisory Board, based on the proposal of the Compensation and Nomination Committee.

Short-Term Incentive (STI) rewards the achievement of collective targets of the Company over an annual period. Collective target achievement is split between financial and non-financial targets and for the year 2023 were set, as follows:

- 1) Financial Targets (40% of total target set)
 - Total Service Revenue
 - EBITDA AL Booked
 - oFCF AL Booked
- 2) Strategic Targets (40% of total target set)
 - Superior customer experience and best place to work
 - Fiber Retail only
 - Digital Transformation
 - External IDC AL
- 3) ESG (20% of total target set)
 - Reduction in CO2 emission
 - Reduction of energy consumption

The Supervisory Board, after the evaluation had been performed, passed the decision on the target achievements of the collective targets set for 2023, which amounts to 122.0% and according to which the payment of STI was made in 2024.

Collective target achievement for the year 2024 were set, as follows:

- 1) Financial Targets (40% of total target set)
 - Total Service Revenue
 - EBITDA AL Booked
 - oFCF AL Booked
- 2) Strategic Targets (40% of total target set)
 - Superior customer experience and best place to work
 - Fiber Retail only
 - Digital Transformation
 - OPEX ratio
- 3) ESG (20% of total target set)
 - Reduction in CO2 emission
 - Reduction of energy consumption

During 2024 the following accruals were made for the Short-Term Incentive (STI) for 2024:

Gross 1 (in EUR)

Management Board member	Accruals for the Short-Term Incentive (STI) for 2024.
Konstantinos Nempis	109.399
Nataša Rapać	133.948
Ivan Bartulović	72.033
Matija Kovačević	73.500
Marijana Bačić	66.000
Boris Drilo	84.000
Siniša Đuranović	66.000
Krešimir Madunović	31.500

Long-Term Incentive (LTI) 2020 is a cash-based four-year program that covered the period from 1 January 2020 to 31 December 2023, and it was linked to the performance of four indicators of the Deutsche Telekom Group: ROCE (Return on Capital Employed), Adjusted EPS (Earnings per Share), Customer satisfaction and Employee satisfaction.

The right to participate in the Long-Term Incentive (LTI) plan is granted only if the goals of the Short-Term Incentive (STI) plan, which are exclusively related to HT (Hrvatski Telekom), are achieved at a minimum of 100%.

LTI 2020 ended on 31 December 2023, and the Supervisory Board determined the final target achievement of 232.7%.

Long-Term Incentive (LTI) 2020 paid to eligible Management Board Members in 2024 is shown in the following table:

Gross 1 (in EUR)

Management Board Member	Long-Term Incentive (LTI) 2020-2023
Konstantinos Nempis*	465.439
Nataša Rapać	226.801
Daniel Darius Denis Daub**	78.456
Boris Drilo	181.512
Ivan Bartulović	143.197

* Konstantinos Nempis, President of the Management Board and Chief Executive Officer until 1 July 2024, was paid a pro-rated amount of LTI 2020 that corresponds to the period of duration of his participation in LTI 2020 in accordance with the Agreement on termination of the contract on rights and obligations of the Member of the Management Board

** Daniel Darius Denis Daub, Member of the Management Board and CFO until 1 August 2022, was paid a pro-rated amount of LTI 2020 that corresponds to the period of duration of his participation in LTI 2020 in accordance with the Agreement on termination of the contract on rights and obligations of the Member of the Management Board

During 2024 the following accruals were made for the Long-Term Incentive (LTI):

Gross 1 (in EUR)

Management Board member	Accruals for the Long-Term Incentive (LTI) 2021/2022/2023/2024
Konstantinos Nempis	120.390
Nataša Rapać	226.378
Ivan Bartulović	117.595
Boris Drilo	186.005
Marijana Bačić*	53.562
Matija Kovačević*	53.572
Siniša Đuranović*	51.723
Krešimir Madunović**	19.087

* In the function of Management Board Member for LTI 2023 and LTI 2024

** In the function of Management Board Member for LTI 2024

Fringe benefits (company car usage, accommodation, education or training costs, payment into a pension fund, children's tuition, life and accident insurance, relocation costs, other non-monetary benefits and services and other in line with the contract, depending on the individual situation of the Management Board Member) paid to Management Board Members in 2024 are shown in the following table:

Gross 1 (in EUR)

Management Board Member	Fringe benefits
Konstantinos Nempis*	81.499
Nataša Rapać	6.860
Ivan Bartulović	11.544
Marijana Bačić	12.580
Matija Kovačević	6.420
Boris Drilo	11.976
Siniša Đuranović	8.108
Daniel Darius Denis Daub**	15.940
Krešimir Madunović***	2.546

* Konstantinos Nempis was paid in proportion to the period since he was President of the Management Board

** Daniel Darius Denis Daub was paid based on the right from the contract

*** Krešimir Madunović was paid in proportion to the period since he became a Member of the Management Board and Chief Operating Officer Residential (COO Residential)

Share Matching Plan (SMP) is a long-term remuneration instrument which is mandatory to the Company's President of the Management Board (CEO) and voluntary for Management Board Members. SMP 2020 covered the period from 1 July 2020 to 30 June 2024 and relates to the non-cash benefit arising from the inflow of the matching shares, with the corresponding personal investment in Deutsche Telekom AG shares having been made in 2020. The proportion of the number of additional shares thus granted depends on the individual's management level: CEO: 1:1, other Management Board Members: 1:2.

Total number of Deutsche Telekom AG shares granted in 2024 as a part of the Share Matching Plan (SMP) 2019 is shown in the following table:

Management Board member	Share Matching Plan (SMP)	Full entitlement for the entire SMP 2020 duration			The part of the entitlement relating to HT
		Matching DT AG shares (pieces)	Non-cash benefit per share	Non-cash benefit	Non-cash benefit
			(in EUR)	(in EUR)	(in EUR)

Konstantinos Nempis	2020	6.109	21,58	131.832	131.832
Nataša Rapać	2020	1.675	23,44	39.262	39.262
Daniel Darius Denis Daub	2020	718	23,50	16.873	16.873

During 2024 accruals were made for the following Share Matching Plans (SMP) 2021, 2022, 2023, 2024:
Gross 1 (in EUR)

Management Board member	Accruals for the Share Matching Plan (SMP) 2021/2022/2023/2024
Konstantinos Nempis*	39.887
Nataša Rapać	43.756
Boris Drilo	3.152
Matija Kovačević**	5.001
Ivan Bartulović	1.942
Marijana Bačić**	2.149
Siniša Đuranović**	4.994
Krešimir Madunović**	589

* Accrual obligation for the Share Matching Plan (SMP) for Konstantinos Nempis stopped with leaving company

** For Matija Kovačević, Marijana Bačić, Siniša Đuranović and Krešimir Madunović accrual obligation for the Share Matching Plan (SMP) applies in accordance with the term of appointment

Company's Shares Award Plan (PDD) is a voluntary compensation tool under which a Member of the Management Board has the option to choose HT shares instead of a pay-out of certain percentage of Short-Term incentive (STI) achieved for the previous year. PDD participants are entitled to a bonus shares according to the ratio 7 awarded shares : 1 bonus share, and all shares must be retained for an uninterrupted period of one year (lock-up period).

Total number of HT shares allocated in 2024 under the PDD is shown in the following table:

Management Board Member	Company's Share Award Plan (PDD)	Full entitlement for the entire PDD 2024 duration		
		Matching HT shares (pieces)	Non-cash benefit	Non-cash benefit, capital income tax and supertax

			per share	
			(in EUR)	(in EUR)
Konstantinos Nempis	2024	3.064	30,44	122.721
Nataša Rapać	2024	1.358	30,44	54.391
Ivan Bartulović	2024	920	30,44	36.848
Boris Drilo	2024	1171	30,44	46.902
Marijana Bačić	2024	920	30,44	36.848
Matija Kovačević	2024	1007	30,44	40.333
Siniša Đuranović	2024	894	30,44	35.807

EU Game Changer : “Program introduced with aim of encouraging top executives to improve customer focus and increase the company’s profitability. This reward component may be granted if the achievement level exceeds the set targets based on performance parameters in the areas of customer satisfaction and profitability growth.

In 2024 the following amount was paid for the EU Game Changer:

Gross 1 (in EUR)

Management Board Member	EU Game Changer
Konstantinos Nempis	145.840
Nataša Rapać	87.504
Ivan Bartulović	87.504
Boris Drilo	87.504
Marijana Bačić	87.504
Matija Kovačević	87.504
Siniša Đuranović	87.504

The total fixed and variable remuneration paid to Management Board Members in 2024 is shown in detail in the following table:

Gross 1 (in EUR)	Fix remuneration		Short-Term Incentive (STI)				Total	
Management Board Member		%	STI - Paid out in cash	%	PDD 2023	%		%
Konstantinos Nempis*	192.512	40%	161.040	34%	122.721	26%	476.273	100%
Nataša Rapać	247.393	66%	71.370	19%	54.391	15%	373.154	100%
Ivan Bartulović	165.728	66%	48.312	19%	36.848	15%	250.888	100%
Matija Kovačević	162.690	63%	52.915	21%	40.333	16%	255.938	100%
Marijana Bačić	154.024	65%	48.312	20%	36.848	15%	239.184	100%
Boris Drilo	196.092	65%	61.488	20%	46.902	15%	304.482	100%
Siniša Đuranović	154.027	65%	46.949	20%	35.807	15%	236.783	100%
Krešimir Madunović**	61.250	100%	-		-		61.250	100%

** Konstantinos Nempis was paid in proportion to the period since he was President of the Management Board

**Krešimir Madunović was paid in proportion to the period since he became a Member of the Management Board and Chief Operating Officer Residential

The following tables show an average remuneration paid to all employees, which includes a fixed and variable part of the salary, other remuneration components, remuneration in kind and other material rights arising from employment status, divided by the average number of employees equivalent to full time employment (FTE). The same methodology is applied to calculate the average remuneration paid to Management Board Members and Supervisory Board Members. The following tables also show revenue and net profit of the Company.

Average remuneration per employee	2024	2023	2022	2021	2020
Gross 1 (in EUR)					
Annual remuneration	27.656	26.414	24.849	24.439	24.325
Croatian Telecom Inc.	2024	2023	2022	2021	2020
Revenue	957.315.356	868.393.024	814.987.863	781.523.025	751.691.046
Net profit	136.827.114	125.161.197	92.218.462	88.410.668	93.410.333

Average remuneration paid to:	2024	2023	2022	2021	2020
Gross 1 (in EUR)					
Supervisory Board Members	28.547	27.056	26.368	25.216	23.860
Management Board Members	456.921	420.761	421.575	426.401	425.765

No Management Board Member received benefits or corresponding commitments from a third party for his or her activity as Management Board Member during the past financial year.

There were no requests to Management Board Members to repay to the Company any received remuneration.

The Company has not granted any advances or loans to current or former Management Board Members, nor were any other financial obligations to the benefit of this group of people entered into.

No additional remuneration was paid for Members who are Members of the Supervisory Boards and similar positions/functions in companies in which the Company directly or indirectly holds shares, as well as duties in associations to which the Company belongs pursuant to its scope of activities.

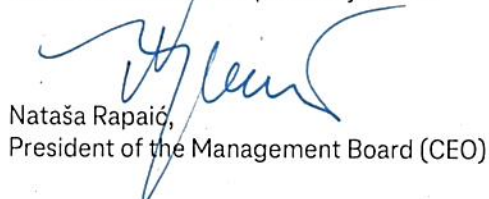
The Supervisory Board determined the maximum amount of remuneration for Management Board members in the amount of 1.500.000 euros.

This Report has been submitted pursuant to Article 247a of the Companies Act for the General Assembly to be held in 2025.

Zagreb, 1 April 2025.



Elvira Gonzalez Sevilla,
Chairwoman of the Supervisory Board



Nataša Rapačić,
President of the Management Board (CEO)