



LIFE IS FOR SHARING.

# Croatian Telecom

Zagreb – 10 March 2021

Croatian Telecom Inc.

Radnička cesta 21, HR – Zagreb

Ordinary share: HT (ISIN: HRHT00RA0005)

LEI: 097900BFHJ0000029454

Listing: Zagreb Stock Exchange, Prime market

Member State: Republic of Croatia

## **Announcement of audited financial statements and proposal for the utilization of profit for the year 2020**

### **Introduction of Company`s Share Award Plan for managers**

Croatian Telecom (Reuters: HT.ZA; Bloomberg: HT CZ), Croatia's leading telecommunications provider, announces in accordance with the Rules of the Zagreb Stock Exchange its audited financial statements and the proposal for the utilization of profit for the year 2020.

At its session held yesterday, the Supervisory Board of Croatian Telecom Inc. gave its approval to the audited annual financial statements of the Company and consolidated financial statements of the HT Group for the business year 2020 and informed the Management Board about its approval. As in accordance with Article 300d of the Companies Act and Article 31 of the Articles of Association of Croatian Telecom Inc., aforementioned financial statements are deemed adopted by the Management Board and the Supervisory Board and they will be referred to the General Assembly.

The Management Board and the Supervisory Board of Croatian Telecom Inc. propose to the General Assembly of the Company the distribution of the net profit from 2020 in such manner that a part of the net profit amounting to HRK 641,903,872.00 be used for the pay-out of dividend to shareholders in the amount of HRK 8.00 per share and the remaining part of the net profit in the amount of HRK 61,896,279.98 be allocated to retained earnings.

The amount of HRK 8.00 represents a ratio of the dividend payment in relation to the realized profit of the Company of 91.2%. With respect to the last share price achieved yesterday amounting to HRK 185.00, this represents a dividend yield of 4.3%. In such manner, the Company, for a third year in a row, proposes an increased pay-out ratio.

The General Assembly is planned to be convoked for 23 April 2021. In line with the proposal, aforementioned dividend will be paid out on 17 May 2021 to all shareholders who are entered in the depository of the Central Depository & Clearing Company (SKDD) on 6 May 2021 (record date). The date on which the security of Croatian Telecom Inc. will be traded without the dividend payment right is 5 May 2021 (ex-date).

Management Board currently expects a minimum dividend of HRK 6 per share for the year 2021. The Management Board will monitor the movements of parameters that could influence on dividend amount and decide accordingly.

The Supervisory Board granted its consent to the Management Board for amendments to the bonus scheme to managers and roll-out of Company`s Share Award Plan (PDD) for the managers below the Management Board. PDD is a voluntary compensation tool on the basis of which the manager will be offered the option of allotment of Croatian Telecom shares instead of a pay-out of certain percentage of variable compensation achieved for the previous year. Plan participants achieve entitlement to bonus shares in the ratio of 1 bonus share for each 7 acquired shares, whereby all shares must be retained for an uninterrupted period of 1 year from their allotment.

The Supervisory Board also adopted the decision proposing to the General Assembly the Amendments to the Remuneration policy for members of the Management Board, which shall be published together with the Invitation to the General Assembly, and dependent on the General Assembly decision a Company`s Share Award Plan shall also be rolled-out for members of the Management Board as a voluntary compensation tool on the basis of which the Management Board will be offered the option of allotment of Croatian Telecom shares instead of a pay-out of certain percentage of short-term incentive (STI) achieved for the previous year.

Maximum number of shares that can be awarded to managers in is 45,000 shares, pursuant to currently valid Treasury Share Buyback Programme.

#### **Contact details**

##### **Croatian Telecom, Investor Relations**

Marina Bengez Sedmak

Tomislav Bajić

E-mail

Web site

00 385 1 491 1114

[ir@t.ht.hr](mailto:ir@t.ht.hr)

[www.t.ht.hr/eng/investors](http://www.t.ht.hr/eng/investors)

##### **Instinctif Partners**

Kay Larsen / Adrian Duffield

+44 (0)20 7457 2020

#### **About Croatian Telecom**

Croatian Telecom (HT) is the leading provider of telecommunication services in Croatia, serving 0.8 million fixed lines, 2.3 million mobile subscribers and 0.7 million broadband connections through its Residential and Business divisions.