



**UNAUDITED
CONSOLIDATED
INTERIM REPORT
FOR THE HT GROUP**

JANUARY - MARCH 2022

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COMMENT OF THE PRESIDENT OF THE MANAGEMENT BOARD

Commenting on the business results for Q1 2022, Konstantinos Nempis, CEO of Hrvatski Telekom, stated: *“Our strong performance, with us growing in core business, EBITDA and profitability, while at the same time keeping our investments at high levels and improving customer experiences across all touchpoints, confirms that our strategy is the right one.*

It is also clear that the year 2022 has brought up new challenges across the entire world. While monitoring the developments and possible implications on our business and the country overall, we remain focused on our strategy and key objectives, but also ready to adjust if needed, securing the foundations for our company’s success in the years to come.

As the leading digital infrastructure investor in the country we will continue investing in the country’s future economic and social development, hopeful that the investment friendly framework allows our investments in digitalization to reach their full potential. From our side we will do everything in our power to make these opportunities a reality for all – our customers, employees, partners, shareholders.”

Q1 2022 HIGHLIGHTS

- Good commercial performance: growing in core telco and increasing profitability
- Organic adjusted EBITDA AL up 5.1% marking the sixth consecutive quarter of growth, investments up 7%
- Strengthened network leadership through continued investments in fiber and 5G, accompanied with 31% YoY total FTTH coverage growth

Hrvatski Telekom closed the Q1 2022 on a positive note with a good commercial performance, continuing to grow in core telco and increasing profitability, while maintaining the strong investment plan ensuring the continuation of positive trends and solid commercial momentum.

In Q1 2022, organic revenues contracted by 0.7% YoY as the growth of the core telco revenues was not sufficient to fully offset contraction of System Solutions where we continue to a focus on more profitable projects.

Organic adjusted EBITDA AL increased by 5.1% YoY. This is the sixth consecutive quarter of adjusted EBITDA AL growth demonstrating continuation of positive commercial momentum and positive impact of operating model transformation measures.

Organic net profit amounted to HRK 175 million, up 237.4% YoY, supported by improved operating performance and lower depreciation. Organic investments amounted to HRK 356 million, up 7% compared to the same period of last year.

Strengthened network and CX leadership through continued investments in fiber and 5G

Hrvatski Telekom remains committed to its investment plans in network quality, 5G development and fiber infrastructure roll-out, which are the key digitization and development drivers for the country. In line with this Hrvatski Telekom continued to focus on building its fiber-optic infrastructure across Croatia, and we expanded further the FTTH coverage by a notable 31% YoY.

Our continuous investments and implementation of 5G network continued in Q1, with us focusing on maximizing the positive effect in the traffic busiest areas through the implementation of the 5G layer on the 3.5 GHz spectrum.

Our network experience and our strong customer-focus have at the same time resulted with improved experiences across all customer touchpoints, with our customer experience metrics reaching once again the highest levels ever in HT's history.

The highest ever SBB in corporate history in Q1 2022

Our capital allocation strategy clearly demonstrates our strong focus on shareholder returns and our intention to return value to our shareholders.

On 25 April 2022, the General Assembly confirmed the joint proposal of the Management Board and the Supervisory Board for the distribution of net profit for 2021. The amount of HRK 638

million represents a ratio of the dividend payment in relation to the realized profit of the Company of 95.8%.

As we saw an opportunity to create additional value for our shareholders, in Q1 2022 we executed the highest ever share buyback in our corporate history. During the quarter, Hrvatski Telekom purchased additional 943,423 Company shares on the Zagreb Stock Exchange, within its ongoing Share Buyback Programme. Hrvatski Telekom paid an equivalent value of HRK 173.8 million for the acquisition of the Company's shares in the reporting quarter, which represents growth of 372% YoY. The total number of the acquired Company shares as at 31 March 2022 amounted to 1,270,261, representing 1.59% of the Company's issued share capital.

Outlook 2022

Looking into 2022, the beginning of the year has brought up new challenges across Europe. While monitoring the developments and possible implications in our business and the country overall, we remain focused on our strategy and key objectives based on which we have structured our plans for 2022. In 2022, we are aiming for stable revenues, around a mid-single digit increase in EBITDA AL, and a mid-single digit decrease in CAPEX AL compared to 2021. Our regional expansion outlook remains the same as we continue to monitor and evaluate potential M&A activities.

SELECTED FINANCIAL DATA

HT Group and HT Croatia

Organic view without Optima Telekom contribution in Q1 2021

| Key financial data - HT Group without Optima Telekom contribution in 2021 (HRK mil.) | 2021 | 2022 | % of change A22/A21 |
|---|-------------|-------------|----------------------------|
| Organic Revenue | 1.723 | 1.711 | -0,7% |
| Organic Adjusted EBITDA AL ¹ | 619 | 650 | 5,1% |
| Organic net profit after non controlling interests | 52 | 175 | 237,4% |
| Organic net operating cash flow | 582 | 631 | 8,3% |
| Organic CAPEX AL | 333 | 356 | 7,0% |

¹ Mainly adjusted for restructuring redundancy costs, legal cases and Optima Telekom contribution in Q1 2021.

| Key financial data - HT Croatia without Optima Telekom contribution in 2021 (HRK mil.) | 2021 | 2022 | % of change A22/A21 |
|---|-------------|-------------|----------------------------|
| Organic revenue | 1.591 | 1.575 | -1,0% |
| Mobile service revenues | 515 | 540 | 4,8% |
| Mobile non-service revenues | 229 | 255 | 11,5% |
| Fixed service revenues | 540 | 545 | 0,7% |
| Fixed non-service revenues | 133 | 114 | -14,5% |
| System solutions | 173 | 121 | -30,2% |
| Miscellaneous | 0 | 0 | 68,5% |
| Organic Adjusted EBITDA AL ¹ | 571 | 599 | 4,9% |
| Organic net profit after non controlling interests | 49 | 170 | 247,2% |
| Organic net operating cash flow | 544 | 580 | 6,7% |
| Organic CAPEX AL | 309 | 335 | 8,5% |

¹ Mainly adjusted for restructuring redundancy costs, legal cases and Optima Telekom contribution in Q1 2021.

HT Group

Reported view - including Optima Telekom contribution in Q1 2021

| Key financial data - HT Group (HRK mil.) | Q1 2021 | Q1 2022 | % of change A22/A21 |
|--|---------|---------|------------------------|
| Revenue | 1,790 | 1,711 | -4.4% |
| Adjusted EBITDA AL ¹⁾ | 644 | 650 | 0.8% |
| Adjusted EBITDA AL margin | 36.0% | 38.0% | 2.0 p.p. |
| EBITDA AL | 603 | 627 | 3.8% |
| EBITDA AL margin | 33.7% | 36.6% | 2.9 p.p. |
| EBIT | 74 | 233 | 215.0% |
| EBIT margin | 4.1% | 13.6% | 9.5 p.p. |
| Net profit after non controlling interests | 50 | 175 | 250.2% |
| Net profit margin | 2.8% | 10.2% | 7.4 p.p. |
| CAPEX AL | 355 | 356 | 0.3% |
| CAPEX AL / Revenue ratio | 19.8% | 20.8% | 1.0 p.p. |

¹⁾ Mainly adjusted for restructuring redundancy costs and legal cases

HT Croatia

Reported view - including Optima Telekom contribution in Q1 2021

| Key financial data - HT Croatia (HRK mil.) | Q1 2021 | Q1 2022 | % of change A22/A21 |
|--|---------|---------|------------------------|
| Revenue | 1,658 | 1,575 | -5.0% |
| Mobile service revenues | 513 | 540 | 5.2% |
| Mobile non-service revenues | 229 | 255 | 11.5% |
| Fixed service revenues | 540 | 545 | 0.8% |
| Fixed non-service revenues | 202 | 114 | -43.8% |
| System solutions | 173 | 121 | -30.1% |
| Miscellaneous revenue | 0 | 0 | 68.5% |
| Adjusted EBITDA AL | 597 | 599 | 0.37% |
| Adjusted EBITDA AL margin | 36.0% | 38.0% | 2.0 p.p. |
| EBITDA AL | 556 | 576 | 3.52% |
| EBITDA AL margin | 33.5% | 36.6% | 3.0 p.p. |
| EBIT | 67 | 223 | 232.2% |
| EBIT margin | 4.0% | 14.1% | 10.1 p.p. |
| Net profit after non controlling interests | 47 | 170 | 261.2% |
| Net profit margin | 2.8% | 10.8% | 8.0 p.p. |
| Exceptional items ¹⁾ | 41 | 23 | -42.6% |

¹⁾ Mainly related to restructuring redundancy costs and legal cases

Crnogorski Telekom

| Key operational data - CT standalone (HRK mil.) | Q1 2021 | Q1 2022 | % of change A22/A21 |
|---|---------|---------|------------------------|
| Revenue | 134 | 137 | 2.4% |
| Mobile service revenues | 58 | 60 | 3.4% |
| Mobile non-service revenues | 15 | 16 | 7.3% |
| Fixed service revenues | 45 | 45 | -0.9% |
| Fixed non-service revenues | 8 | 10 | 20.3% |
| System solutions | 7 | 6 | -16.0% |
| Miscellaneous revenue | 0 | 0 | - |
| Adjusted EBITDA AL | 48 | 51 | 6.8% |
| Adjusted EBITDA AL margin | 35.6% | 37.2% | 1.5 p.p. |
| EBITDA AL | 47 | 51 | 7.4% |
| EBITDA AL margin | 35.4% | 37.2% | 1.7 p.p. |
| EBIT | 6 | 9 | 49.8% |
| EBIT margin | 4.7% | 6.9% | 2.2 p.p. |
| Net profit after non controlling interests | 3 | 6 | 80.6% |
| Net profit margin | 2.5% | 4.3% | 1.9 p.p. |
| Exceptional items ¹⁾ | 0 | 0 | -100.0% |

¹⁾ Mainly related to restructuring redundancy costs and legal cases

SELECTED OPERATIONAL DATA

HT Croatia and Crnogorski Telekom

| Key operational data - HT Croatia | Q1 2021 | Q1 2022 | % of change A22/A21 |
|--|---------|---------|------------------------|
| Mobile | | | |
| Number of customers | 2,256 | 2,275 | 0.9% |
| - Prepaid | 970 | 929 | -4.2% |
| - Postpaid | 1,286 | 1,346 | 4.7% |
| Blended ARPU ¹ | 72 | 75 | 3.6% |
| - Prepaid | 38 | 38 | -1.0% |
| - Postpaid | 98 | 101 | 2.3% |
| Fixed | | | |
| Fixed voice mainlines - retail ² | 745 | 724 | -2.8% |
| - ARPU voice per user | 62 | 60 | -1.8% |
| Broadband access lines - retail ³ | 627 | 637 | 1.6% |
| - Broadband retail ARPU | 107 | 106 | -0.8% |
| TV customers ⁴ | 529 | 535 | 1.2% |
| - TV ARPU | 84 | 86 | 2.0% |
| Wholesale customers ⁵ | 232 | 216 | -6.8% |
| Key operational data - CT | | | |
| Mobile | | | |
| Number of customers | 364 | 379 | 4.1% |
| - Prepaid | 116 | 113 | -2.1% |
| - Postpaid | 248 | 266 | 7.1% |
| Fixed | | | |
| Fixed mainlines - retail | 102 | 101 | -0.6% |
| Broadband access lines - retail | 79 | 81 | 2.5% |
| TV customers ⁶ | 71 | 75 | 5.7% |

¹ ARPU includes IFRS 15 effects and has been amended to make the figure comparable to the current period

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

³ Includes ADSL, VDSL, FTTH and Naked DSL

⁴ TV service subscribers are restated in Q2 2021. Numbers are retrospectively adjusted

⁵ Includes Naked Bitstream, Bitstream, ULL, FA and WLR wholesale rental

⁶ Agency of telecommunication changed the reporting definition for TV customers, starting from June 2020: only active are customers included, suspended are excluded

I. Revenue

Excluding OT contribution impact in 2021, Revenue is below Q1 2021 by HRK 13 million (0.7%), down in HT Group in Croatia (HRK 16 million or 1.0%) and up in CT (HRK 4 million or 2.7%).

Revenue decrease is driven by lower system solutions (HRK 53 million or 29.6%) and fixed non-service revenue (HRK 17 million or 12.4%), largely offset by higher mobile service (HRK 27 million or 4.6%), mobile non-service (HRK 27 million or 11.2%) and fixed service revenue (HRK 4 million or 0.6%).

In reported terms, Revenue is below Q1 2021 by HRK 80 million (4.4%), largely due to the effect of Optima deconsolidation.

Mobile service revenue

Excluding OT contribution impact in 2021, Mobile service revenue grew by HRK 27 million or 4.6% supported by strong postpaid and visitors' revenue, which offset lower prepaid revenue.

Mobile non-service revenue

Excluding OT contribution impact in 2021, Mobile non-service revenue grew by HRK 27 million or 11.2% supported by stronger handset sale.

Fixed service revenue

Excluding OT contribution impact in 2021, Fixed service revenue increased by HRK 4 million or 0.6%, as a result of growth in BB, TV and Data revenue, which offset lower voice revenue.

Fixed non-service revenue

Excluding OT contribution impact in 2021, Fixed non-service revenue decreased by HRK 17 million or 12.4% due to lower transit revenue.

System Solutions

Excluding OT contribution impact in 2021, System solution revenue decreased by HRK 53 million or 29.6% mostly driven by HT Group in Croatia (HRK 52 million or 30.2%) due to structural shift to more profitable projects.

II. Operating expenses

Excluding OT contribution impact in 2021, consolidated operating expenses decreased by HRK 60 million or 5.5% compared to Q1 2021, driven by HT Group in Croatia (HRK 60 million or 6.0%). Decrease is mostly due to lower material (HRK 42 million or 7.7%), employee benefits expenses (HRK 10 million or 3.2%), other cost (HRK 4 million or 1.9%) and write down of assets (HRK 3 million or 19.0%).

In reported terms, Operating expenses are below Q1 2021 by HRK 97 million (8.7%), largely due to lower material (HRK 59 million or 10.4%) and employees' benefits expenses (HRK 22 million or 7.2%).

Material expenses

Decrease is a result of lower merchandise, material and energy cost (HRK 29 million or 8.1%) and service expenses (HRK 13 million or 6.8%). Lower merchandise, material and energy cost is mainly related to system solution merchandise cost following the revenue trend, while decrease in service expenses is mostly driven by telecommunication cost.

Employee benefits expenses

Total employee benefits expenses decrease is mainly driven by HT Group in Croatia (HRK 9 million or 3.3%). Total number of FTEs amounts to 4,779 FTEs, which is decrease of 545 FTEs compared to 2021, coming from Optima deconsolidation (327 FTEs).

Depreciation and amortization

Decrease in depreciation and amortization is mostly influenced by HT Group in Croatia (HRK 113 million or 20.7%).

III. Profitability

Adjusted EBITDA AL

Excluding OT contribution impact in 2021, Adjusted EBITDA AL is above Q1 2021 by HRK 31 million (5.1%), driven by both, HT Group in Croatia (HRK 28 million or 4.9%) and CT (HRK 3 million or 6.8%). Increase is supported by strong net margin and benefits of our operating model transformation measures. In reported terms, adjusted EBITDA AL is above Q1 2021 by HRK 5 million or 0.8%.

Net profit after non-controlling interests

Excluding OT contribution impact in 2021, Net profit after NCI is above Q1 2021 by HRK 123 million, mostly driven by HT Group in Croatia (HRK 121 million). Increase is a result of lower depreciation and EBITDA growth, which offset higher taxation.

IV. Financial position

Balance sheet

In comparison to 2021 year-end, decrease in the total asset value of 0.2% or HRK 30 million is mainly driven by lower property plan and equipment, lower current financial assets, lower current receivables partially offset by higher cash and cash equivalents.

Total issued capital and reserves increased 12 million (0.1%) compared to 31 December 2021 mainly driven by net profit for the period partially offset by treasury share buyback.

Total non-current liabilities increased by HRK 50 million (6.7%) primarily due to higher non-current liabilities partially offset by lower lease liabilities.

Total current liabilities decreased by HRK 92 million primarily due to lower current liabilities and provisions for redundancy.

Cash flow

Cash Flow from operating activities increased by HRK 20 million (3.3%) mainly affected by favourable movements in other CF items partially offset by unfavourable working capital.

Cash Flow from investing activities increased by HRK 162 million (75.6%) mainly affected by cash collection from given loan repayment partially offset by higher cash capex.

Cash Flow from financing activities decreased by HRK 119 million (58.8%) mainly affected by higher treasury buyback partially offset by lower repayments of loans, bonds and lease.

V. Capital expenditure (excluding Spectrum)

Reported view - including Optima Telekom contribution in Q1 2021.

in HRK million

| CAPEX after leases - HT Group* | Q1 2021 | Q1 2022 | % of change A22/A21 |
|--|----------------|----------------|----------------------------|
| CAPEX after leases | 355 | 356 | 0.3% |
| CAPEX after leases/ Revenue ratio | 19.8% | 20.8% | 1.0 p.p. |
| CAPEX after leases - HT Group in Croatia* | Q1 2021 | Q1 2022 | % of change A22/A21 |
| CAPEX after leases | 331 | 335 | 1.2% |
| CAPEX after leases/ Revenue ratio | 20.0% | 21.3% | 1.3 p.p. |
| CAPEX after leases - Crnogorski Telekom* | Q1 2021 | Q1 2022 | % of change A22/A21 |
| CAPEX after leases | 24 | 21 | -13.2% |
| CAPEX after leases/ Revenue ratio | 17.7% | 15.0% | -2.7 p.p. |
| IFRS 16 CAPEX - HT Group | Q1 2021 | Q1 2022 | % of change A22/A21 |
| IFRS 16 CAPEX - HT Group | 102 | 53 | -48.2% |
| IFRS 16 CAPEX - HT Group in Croatia | 77 | 50 | -34.3% |
| IFRS 16 CAPEX - Crnogorski Telekom | 25 | 2 | -90.9% |
| Total CAPEX (Booked + IFRS 16 Capex) - HT Group | Q1 2021 | Q1 2022 | % of change A22/A21 |
| Total CAPEX | 457 | 408 | -10.5% |
| Total CAPEX/ Revenue ratio | 25.5% | 23.9% | -1.6 p.p. |

*CAPEX after leases excluding Spectrum

Excluding OT contribution impact in 2021, Capex after leases w/o Spectrum realization above Q1 2021 by HRK 23 million (7.0%), due to different seasonality of IT and network projects.

Reported Capex after leases w/o Spectrum above 2021 by HRK 1 million (0.3%)

CT decrease (HRK 3 million or 13.2%) mainly due to lower volume of TV content capitalization.

HT GROUP 2022 OUTLOOK

| | 2021 results without Optima Telekom | Outlook 2022 vs 2021 |
|-----------------------|---|---|
| REVENUE | HRK 7.3 billion | Stable level |
| EBITDA AL | HRK 2.8 billion | Mid-single digit increase |
| CAPEX AL ¹ | HRK 1.7 billion | 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

RISK MANAGEMENT

Besides the business and regulatory developments detailed in this statement, and in the publicly available audited financial statements for 2021, there were no material changes to the Group's risk profile in the period under review.

The War in Ukraine further exacerbated already ongoing inflationary pressures and disruptions in the supply chain due to Covid-19. A direct business impact from Russia-Ukraine crisis on HT is low, however the impact from the rise in energy prices, and disruptions throughout the entire supply chain is under observation and company is making every effort to minimise this risk and to adapt to the new environment.

CHANGES IN REPORTING

In 2014 Croatian Competition Agency has conditionally allowed the concentration of HT with Optima Telekom based on the proposal of financial and operational restructuring of Optima Telekom within the pre-bankruptcy settlement procedure. Croatian Competition Agency has determined a set of measures defining the rules of conduct for HT with regards to management and control over Optima Telekom, among which is the implementation of so called “Chinese wall” between Optima Telekom and HT employees involved in Optima Telekom’s business, in relation to all sensitive business information, with the exception of reporting of financial data necessary for consolidation. Respectively, only financial statements are consolidated while, due to limited access to Optima Telekom’s information, non-financial KPIs are not consolidated in the Group results. In June 2017, AZTN passed the decision by which the duration of temporary management rights of Optima Telekom for HT is prolonged for an additional three-year period, that is, until 10 July 2021. On 31 January HT initiated sale process for the shares of Optima Telekom. Submission of offers finished on 18 March 2020. On 9 July 2021 HT and Zagrebačka banka signed sale and purchase agreement of 54.31% shares of Optima Telekom with Telemach Hrvatska, owned by United Group. Since Telemach Hrvatska received all necessary regulatory approvals and since all other conditions for the closing have been met, on 21 January 2022 HT and Zagrebačka banka signed the Share Transfer Agreement, whereby they transferred their shares in Optima Telekom to Telemach Hrvatska. Respectively, Optima Telekom is deconsolidated from financial reports as of July 2021.

In February 2019, HT d.d. concluded a Purchase transaction with the company HP-Hrvatska pošta d.d. on acquisition of 100% stake in the company HT Produkcija d.o.o., provider of EvoTV service. HT Produkcija d.o.o. is consolidated in HT Group financial results starting with March 2019. Operational highlights that relate to achievement of the main financial and non-financial key performance indicators on the following pages are presented with consolidation impact of EvoTV. In 2021 treatment of the second set top box (STB) in EvoTV is changed. Namely, it is not treated as additional customer anymore. Numbers are retrospectively adjusted.

In September 2021, Agreement on transfer of share held by HT holding d.o.o. in Kabelsko distributivni sustav d.o.o. (KDS) was concluded, between HT holding d.o.o. as the transferor company and HT as the transferee company. HT and KDS concluded on 29 September 2021 the Agreement on merger of KDS into HT. On 1 December 2021 the merger has been entered into the Court Register of the Commercial Court in Zagreb, by which the merged company KDS ceased to exist and the acquiring company, HT, became the universal legal successor of the merged company.

HT d.d. and HT Produkcija d.o.o. concluded the Merger Agreement, by which contracting parties agreed that HT Produkcija d.o.o. shall be merged into HT d.d., by transfer of all its assets and obligations to HT d.d., without conducting the liquidation procedure of HT Produkcija d.o.o.. The Merger Agreement was submitted to the Court Register of the Commercial Court in Zagreb on 31 March 2022. With the day the merger is entered into the Court Register, HT Produkcija d.o.o. shall cease to exist. HT d.d. will continue to provide EvoTV customers with the best content selection adjusted to market trends and customer needs.

IFRS 16 Leases

The standard is applied from January 1st, 2019. IFRS 16 has a material effect on the Company's financial statements, particularly on total assets, the results of operations, cash generated from operations, and the presentation of the financial position. The regulations affect the Company as a lessee especially in relation to leases of cell sites (land, space in cell towers or rooftop surface areas), network infrastructure and buildings used for administrative or technical purposes.

- EBITDA AL - increase in EBITDA due to elimination of operating lease expenses offset by adding back lease cost now booked in newly created depreciation and interest expense back to EBITDA
- Capex AL - increase in Capex due to capitalization of leases formerly booked as expense offset by AL principle back to pre-IFRS 16 level (remains unchanged)

New revenues breakdown

In Q1 2022, HT changed the breakdown of revenues. Therefore, from this quarter on, HT will report revenues according to the new revenues categories, which consists of:

| REVENUE CATEGORY | CONSISTS OF: |
|-----------------------------------|--|
| MOBILE SERVICE REVENUE | Prepaid, Postpaid, Visitors and Other |
| MOBILE NON-SERVICE REVENUE | Handset and Other |
| FIXED SERVICE REVENUE | Voice, Broadband, TV, Data and Other |
| FIXED NON-SERVICE REVENUE | Equipment, Wholesale and Other |
| SYSTEM SOLUTIONS | No change |
| MISCELLANEOUS | Revenue not included in categories above |

HT GROUP FINANCIAL STATEMENTS

Unaudited consolidated financial statements

Consolidated Income Statement - Reported view - including Optima Telekom contribution in Q1 2021

| in HRK million | Q1 2021 | Q1 2022 | % of change A22/A21 |
|---|--------------|--------------|------------------------|
| Mobile revenue | 815 | 871 | 6.9% |
| Fixed revenue | 795 | 712 | -10.4% |
| System solutions | 180 | 127 | -29.5% |
| Miscellaneous revenue | 0 | 0 | 68.5% |
| Revenue | 1,790 | 1,711 | -4.4% |
| Other operating income | 31 | 24 | -23.3% |
| Total operating revenue | 1,821 | 1,734 | -4.8% |
| Operating expenses | 1,120 | 1,023 | -8.7% |
| Material expenses | 565 | 507 | -10.4% |
| Employee benefits expenses | 309 | 287 | -7.2% |
| Other expenses | 239 | 227 | -5.1% |
| Work performed by the Group and capitalised | -16 | -13 | 19.2% |
| Write down of assets | 22 | 15 | -33.1% |
| Depreciation and amortization | 627 | 479 | -23.6% |
| EBIT | 74 | 233 | 215.0% |
| Financial income | 13 | 10 | -22.9% |
| Income/loss from investment in joint ventures | -3 | -1 | 70.0% |
| Financial expenses | 28 | 23 | -19.6% |
| Profit before taxes | 55 | 219 | 297.1% |
| Taxation | 13 | 43 | 235.7% |
| Net profit | 42 | 176 | 315.4% |
| Non controlling interests | 7 | -2 | -120.1% |
| Net profit after non controlling interests | 50 | 175 | 250.2% |
| Adjusted EBITDA AL ¹ | 644 | 650 | 0.8% |
| Exceptional items ² | 41 | 23 | -43.0% |
| EBITDA AL | 603 | 627 | 3.8% |

¹⁾ Mainly adjusted for restructuring redundancy costs and legal cases

²⁾ Mainly related to restructuring redundancy costs and legal cases

Consolidated Balance Sheet - Reported view - including Optima Telekom contribution in Q1 2021

| in HRK million | At 31 Dec 2021 | At 31 Mar 2022 | % of change A22/A21 |
|---|-------------------|-------------------|------------------------|
| Intangible assets | 1,897 | 1,901 | 0.2% |
| Property, plant and equipment | 6,300 | 6,196 | -1.6% |
| Non-current financial assets | 388 | 388 | 0.0% |
| Receivables | 293 | 277 | -5.7% |
| Lessee use rights to leased assets (IFRS 16) | 644 | 602 | -6.6% |
| Contract assets (IFRS 15) | 52 | 39 | -25.4% |
| Contract costs (IFRS 15) | 137 | 152 | 10.3% |
| Deferred tax asset | 140 | 144 | 2.7% |
| Total non-current assets | 9,852 | 9,698 | -1.6% |
| Inventories | 190 | 220 | 16.0% |
| Assets held for sale | 0 | 78 | - |
| Receivables | 1,496 | 1,391 | -7.0% |
| Current financial assets | 239 | 77 | -67.9% |
| Contract assets (IFRS 15) | 234 | 246 | 5.3% |
| Contract costs (IFRS 15) | 73 | 65 | -11.6% |
| Cash and cash equivalents | 2,871 | 3,132 | 9.1% |
| Prepayments and accrued income | 93 | 112 | 19.6% |
| Total current assets | 5,197 | 5,321 | 2.4% |
| TOTAL ASSETS | 15,049 | 15,018 | -0.2% |
| Subscribed share capital | 10,245 | 10,245 | 0.0% |
| Reserves | 581 | 590 | 1.6% |
| Revaluation reserves | 0 | 0 | 0.0% |
| Treasury shares | -64 | -238 | -270.6% |
| Retained earnings | 1,101 | 1,716 | 55.9% |
| Net profit for the period | 615 | 175 | -71.6% |
| Non controlling interests | 246 | 247 | 0.6% |
| Total issued capital and reserves | 12,723 | 12,735 | 0.1% |
| Provisions | 127 | 136 | 6.9% |
| Non-current liabilities | 131 | 187 | 42.6% |
| Lessee lease liabilities to third partie due > 1 year (IFRS 16) | 446 | 432 | -3.1% |
| Contract liabilities (IFRS 15) | 0 | 0 | 0.0% |
| Deferred tax liability | 34 | 33 | -2.9% |
| Total non-current liabilities | 738 | 787 | 6.7% |
| Current liabilities | 1,304 | 1,246 | -4.5% |
| Contract liabilities (IFRS 15) | 91 | 80 | -12.3% |
| Lessee lease liabilities due <= 1 year (IFRS 16) | 159 | 151 | -5.4% |
| Accrued expenses and deferred income | 9 | 9 | 0.7% |
| Provisions for redundancy | 24 | 11 | -53.8% |
| Total current liabilities | 1,588 | 1,497 | -5.8% |
| Total liabilities | 2,326 | 2,284 | -1.8% |
| TOTAL EQUITY AND LIABILITIES | 15,049 | 15,018 | -0.2% |

Consolidated Cash Flow Statement - Reported view - including Optima Telekom contribution in Q1 2021

| in HRK million | Q1 2021 | Q1 2022 | % of change A22/A21 |
|--|--------------|--------------|------------------------|
| Profit before tax | 55 | 219 | 297.1% |
| Depreciation and amortization | 627 | 479 | -23.6% |
| Increase / decrease of current liabilities | -103 | -60 | 42.2% |
| Increase / decrease of current receivables | 110 | 37 | -66.3% |
| Increase / decrease of inventories | -12 | -30 | -143.9% |
| Other cash flow increases / decreases | -66 | -14 | 78.5% |
| Net cash inflow/outflow from operating activities | 611 | 631 | 3.3% |
| Proceeds from sale of non-current assets | 1 | 6 | 442.1% |
| Proceeds from sale of non-current financial assets | 8 | 0 | -96.7% |
| Interest received | 1 | 4 | 207.0% |
| Dividend received | 0 | 0 | - |
| Other cash inflows from investing activities | 0 | 201 | - |
| Total increase of cash flow from investing activities | 10 | 211 | 1946.3% |
| Purchase of non-current assets | -187 | -225 | -20.1% |
| Purchase of non-current financial assets | 0 | 0 | 0.0% |
| Other cash outflows from investing activities | -38 | -39 | -2.9% |
| Total decrease of cash flow from investing activities | -225 | -264 | -17.2% |
| Net cash inflow/outflow from investing activities | -214 | -52 | 75.6% |
| Total increase of cash flow from financing activities | | | |
| Repayment of loans and bonds | -7 | 0 | 100.0% |
| Dividends paid | 0 | 0 | -2.3% |
| Repayment of lease | -77 | -73 | 4.9% |
| Other cash outflows from financing activities | -119 | -249 | -109.8% |
| Total decrease in cash flow from financing activities | -203 | -322 | -58.8% |
| Net cash inflow/outflow from financing activities | -203 | -322 | -58.8% |
| Exchange gains/losses on cash and cash equivalents | 5 | 4 | -1.7% |
| Cash and cash equivalents at the beginning of period | 3,003 | 2,871 | -4.4% |
| Net cash (outflow) / inflow | 198 | 261 | 31.8% |
| Cash and cash equivalents at the end of period | 3,201 | 3,132 | -2.2% |

NOTES TO THE CONDENSED CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED ON 31 MARCH 2022

Basis of preparation

The condensed consolidated financial statements as of 31 March 2022 and for the three months then ended, have been prepared using accounting policies consistent with International Financial Reporting Standards.

Significant Accounting Policies

The consolidated financial statements have been prepared under the historical cost convention, except for investments available-for-sale stated at fair value.

The same accounting policies, presentation and methods of computation are followed in these condensed consolidated financial statements as were applied in the preparation of HT's consolidated financial statements for the year ended 31 December 2021.

Relations with the governing company and its affiliated companies

In the first three months of 2022 there were no transactions among related parties with a significant impact on the financial position and operations of the Group in the given period.

In the first three months of 2022 there were no changes in transactions among related parties which were specified in the annual financial report for 2021 and which had a significant impact on the financial position and operations of the Group in the first three months of 2022.

Business relations transacted between HT d.d. and affiliated companies thereof (hereinafter referred to as: Group) in the first three months of 2022 and the governing company and affiliated companies thereof can be classified as follows:

Transactions with related companies

Transactions with related companies primarily related to the transactions with the companies owned by Deutsche Telekom AG (hereinafter referred to as: DTAG). The Group enters into transactions in the regular course of business on an arm's length basis. These transactions included the sending and receiving of international traffic to/from these companies and other intercompany services between related companies.

In the first three months of 2022 the Group generated total revenue from related companies to the amount of HRK 34 million (the first three months of 2021: HRK 39 million), while total costs amounted to HRK 47 million (the first three months of 2021: HRK 42 million).

Compensation of the Supervisory Board

The chairman of the Supervisory Board receives remuneration in the amount of 1.5 times of the average net salary of the employees of the Company paid in the preceding month. To the deputy chairman, remuneration is the amount of 1.25 times of the average net salary of the employees of the Company paid in the preceding month is paid, while any other member receives the amount of one average net salary of the employees of the Company paid in the preceding month.

To a member of the Supervisory Board, who is at the same time the Chairman of the Audit Committee of the Supervisory Board, remuneration is the amount of 1.5 times of the average monthly net salary of the employees of the Company paid in the preceding month.

To a member of the Supervisory Board, who is at the same time a Member of one board or committee of the Supervisory Board, remuneration is the amount of 1.25 times of the average monthly net salary of the employees of the Company paid in the preceding month. To a member of the Supervisory Board, who is at the same time a Member of two or more committees of the Supervisory Board, remuneration is the amount of 1.5 times of the average monthly net salary of the employees of the Company paid in the preceding month. DT AG representatives do not receive any remuneration for the membership in the Supervisory Board due to a respective policy of DT AG.

In the first three months of 2022, the Group paid a total amount of HRK 0.2 million (the first three months of 2021: HRK 0.2 million) to the Members of its Supervisory Board. No loans were granted to the Members of the Supervisory Board.

Compensation to key management personnel

In the first three months of 2022, the total compensation paid to key management personnel of the Group amounted to HRK 8 million (the first three months of 2021: HRK 9 million). Compensation paid to key management personnel relates to short-term employee benefits. Key management personnel include members of the Management Boards of the Company and its subsidiaries and the Company's directors of Sector, who are employed by the Group.

STATEMENT OF THE MANAGEMENT BOARD OF HRVATSKI TELEKOM D.D.

Financial Statements of the company Hrvatski Telekom d.d., for the first quarter 2022, consolidated and non-consolidated, are not audited.

To the best of our knowledge, unaudited financial statements of the company Hrvatski Telekom d.d. (hereinafter: "Company") and unaudited consolidated financial statements of the Company and affiliated companies thereof (hereinafter: "Group"), which are prepared in accordance with International Financial Reporting Standards (IFRS), give a true and fair view of assets and obligations, profit and loss, financial position, and operations of both the Company and the Group.

The Management report for the Q1 2022 contains a true presentation of development and results of operations and position of the Group, with description of significant risks and uncertainties for the Group as a whole.

Mr. Konstantinos Nempis, President of the Management Board (CEO)

Mr. Daniel Daub, Member of the Management Board and Chief Financial Officer

Mr. Ivan Bartulović, Member of the Management Board and Chief Human Resources Officer

Ms. Nataša Rapaić, Member of the Management Board and Chief Operating Officer Residential

Mr. Boris Drilo, Member of the Management Board and Chief Technical and Chief Information Officer

Zagreb, 28 April 2022

PRESENTATION OF INFORMATION

Unless the context otherwise requires, references in this publication to “HT Group” or “the Group” or “HT” are to the Company Hrvatski Telekom d.d., together with its subsidiaries.

References to “Iskon” are to the Company’s fully owned subsidiary, Iskon Internet d.d.

References to “Combis” are to the Company’s wholly-owned subsidiary, Combis d.o.o.

References to “KDS” are to the Company’s wholly-owned subsidiary, KDS d.o.o.

References to “E-tours” are to the Company’s wholly-owned subsidiary, which was sold in 2019

References to “Optima” are to Optima Telekom, the company fully consolidated into the Group’s financial statements as of 1 July 2014, while as of 1 July 2021 deconsolidated from the Group’s financial statements.

References to “Crnogorski” or “CT” are to Crnogorski Telekom, the company fully consolidated into the Group’s financial statements as of 1 January 2017.

References to “H1” are to H1 Telekom, the company fully consolidated into Optima’s and Group’s financial statements as of 1 July 2017.

References in this publication to “Agency” are to the Croatian Regulatory Authority for Network Industries (HAKOM).

DISCLAIMER

This release contains 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 information concerning important factors that could cause actual results to differ materially is available in the Group's reports which may be found at www.t.ht.hr

CONTACT DETAILS

Hrvatski Telekom Investor Relations

Tomislav Bajić, CFA
Email

+ 385 1 4911 114
ir@t.ht.hr

A conference call for analysts and investors will be held on Thursday, 28 April 2022 at 12:00 CET.

Croatian Telecom Inc.

Radnička cesta 21, HR - Zagreb
Member State: Republic of Croatia
Listing: Zagreb Stock Exchange, Prime Market
Ordinary share: HT (ISIN: HRHT00RA0005)
LEI: 097900BFHJ0000029454

Full unaudited results for HT Group and HT d.d., other prescribed documentation as well as a presentation covering results for the Q1 2022, can be downloaded from the HT web site. (www.t.ht.hr/en/investor-relations/) and are fully available in the Official Register of Prescribed Information (SRPI).

APPENDIX

HT GROUP FINANCIAL STATEMENTS – TFI POD

Unaudited consolidated financial statements

** The following statements are prepared according to TFI-POD requirements. Therefore, the structure of the statements is not entirely the same as our statements presented on the previous pages prepared according to IFRS methodology.*

Annex 1

ISSUER'S GENERAL DATA

Reporting period:

01.01.22

to

31.03.22

Year:

2022

Quarter:

1.

Quarterly financial statements

Registration number (MB):

1414887

Issuer's home Member

State code:

HR

Entity's registration
number (MBS):

80266256

Personal identification
number (OIB):

81793146560

LEI:

097900BFHJ0000029454

Institution
code:

273

Name of the issuer: Hrvatski Telekom d.d.

Postcode and town:

10000

Zagreb

Street and house number:

Radnička cesta 21

E-mail address:

consolidation@t.ht.hr

Web address:

www.t.ht.hr

Number of employees
(end of the reporting

4985

Consolidated report:

KD

(KN-not consolidated/KD-consolidated)

Audited:

RN

(RN-not audited/RD-audited)

Names of subsidiaries (according to IFRS):

Registered office:

MB:

Iskon Internet d.d.

Radnička cesta 21, Zagreb

0629529

COMBIS d.o.o.

Radnička cesta 21, Zagreb

3609103

Crnogorski Telekom A.D.

Moskovska 29, Podgorica

02289377

HT Holding

Radnička cesta 21, Zagreb

04659511

HT produkcija

Ulica grada Vukovara 23, Zagreb

02753227

Bookkeeping firm:

No

(Yes/No)

(name of the bookkeeping firm)

Contact person:

(only name and surname of the contact person)

Telephone:

E-mail address:

consolidation@t.ht.hr

Audit firm:

Ernst&Young d.o.o.

(name of the audit firm)

Certified auditor:

Domagoj Kutleša

(name and surname)

BALANCE SHEET
balance as at 31.03.2022

in HRK

| Submitter: Hrvatski Telekom d.d. | | | |
|--|------------|---|---|
| Item | ADP code | Last day of the preceding business year | At the reporting date of the current period |
| 1 | 2 | 3 | 4 |
| A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID | 001 | 0 | 0 |
| B) FIXED ASSETS (ADP 003+010+020+031+036) | 002 | 9.852.188.885 | 9.697.936.978 |
| I INTANGIBLE ASSETS (ADP 004 to 009) | 003 | 2.541.395.480 | 2.502.372.638 |
| 1 Research and development | 004 | 0 | 0 |
| 2 Concessions, patents, licences, trademarks, software and other rights | 005 | 1.267.259.902 | 1.333.934.964 |
| 3 Goodwill | 006 | 346.931.231 | 348.004.585 |
| 4 Advances for the purchase of intangible assets | 007 | 0 | 0 |
| 5 Intangible assets in preparation | 008 | 283.299.000 | 218.785.164 |
| 6 Other intangible assets | 009 | 643.905.347 | 601.647.925 |
| II TANGIBLE ASSETS (ADP 011 to 019) | 010 | 6.299.841.557 | 6.196.393.030 |
| 1 Land | 011 | 59.661.048 | 48.253.792 |
| 2 Buildings | 012 | 3.512.646.336 | 3.424.361.589 |
| 3 Plant and equipment | 013 | 1.663.499.811 | 1.615.704.804 |
| 4 Tools, working inventory and transportation assets | 014 | 6.298.105 | 7.646.005 |
| 5 Biological assets | 015 | 0 | 0 |
| 6 Advances for the purchase of tangible assets | 016 | 2.095.643 | 1.569.353 |
| 7 Tangible assets in preparation | 017 | 1.034.129.021 | 1.080.921.073 |
| 8 Other tangible assets | 018 | 9.100.320 | 9.053.073 |
| 9 Investment property | 019 | 12.411.273 | 8.883.341 |
| III FIXED FINANCIAL ASSETS (ADP 021 to 030) | 020 | 388.116.043 | 388.145.350 |
| 1 Investments in holdings (shares) of undertakings within the group | 021 | 0 | 0 |
| 2 Investments in other securities of undertakings within the group | 022 | 0 | 0 |
| 3 Loans, deposits, etc. to undertakings within the group | 023 | 0 | 0 |
| 4. Investments in holdings (shares) of companies linked by virtue of participating interests | 024 | 0 | 0 |
| 5 Investment in other securities of companies linked by virtue of participating interests | 025 | 0 | 0 |
| 6 Loans, deposits etc. to companies linked by virtue of participating interests | 026 | 0 | 0 |
| 7 Investments in securities | 027 | 8.851.343 | 8.851.343 |
| 8 Loans, deposits, etc. given | 028 | 0 | 0 |
| 9 Other investments accounted for using the equity method | 029 | 379.264.700 | 378.262.976 |
| 10 Other fixed financial assets | 030 | 0 | 1.031.031 |
| IV RECEIVABLES (ADP 032 to 035) | 031 | 482.433.896 | 466.791.237 |
| 1 Receivables from undertakings within the group | 032 | 0 | 0 |
| 2 Receivables from companies linked by virtue of participating interests | 033 | 0 | 0 |
| 3 Customer receivables | 034 | 410.563.261 | 411.481.415 |
| 4 Other receivables | 035 | 71.870.635 | 55.309.822 |
| V DEFERRED TAX ASSETS | 036 | 140.401.909 | 144.234.723 |
| C) CURRENT ASSETS (ADP 038+046+053+063) | 037 | 5.103.128.734 | 5.208.833.279 |
| I INVENTORIES (ADP 039 to 045) | 038 | 189.692.435 | 297.943.424 |
| 1 Raw materials and consumables | 039 | 24.311.840 | 24.705.791 |
| 2 Work in progress | 040 | 0 | 0 |
| 3 Finished goods | 041 | 0 | 0 |
| 4 Merchandise | 042 | 165.380.595 | 195.345.649 |
| 5 Advances for inventories | 043 | 0 | 0 |
| 6 Fixed assets held for sale | 044 | 0 | 77.891.984 |
| 7 Biological assets | 045 | 0 | 0 |
| II RECEIVABLES (ADP 047 to 052) | 046 | 1.802.749.770 | 1.702.239.044 |
| 1 Receivables from undertakings within the group | 047 | 5.370.927 | 0 |
| 2 Receivables from companies linked by virtue of participating interests | 048 | 0 | 0 |
| 3 Customer receivables | 049 | 1.733.189.431 | 1.651.186.575 |
| 4 Receivables from employees and members of the undertaking | 050 | 16.410.960 | 24.007.476 |
| 5 Receivables from government and other institutions | 051 | 17.108.807 | 2.797.664 |
| 6 Other receivables | 052 | 30.669.645 | 24.247.329 |
| III CURRENT FINANCIAL ASSETS (ADP 054 to 062) | 053 | 239.483.164 | 76.782.263 |
| 1 Investments in holdings (shares) of undertakings within the group | 054 | 0 | 0 |
| 2 Investments in other securities of undertakings within the group | 055 | 0 | 0 |
| 3 Loans, deposits, etc. to undertakings within the group | 056 | 0 | 0 |
| 4 Investments in holdings (shares) of companies linked by virtue of participating interests | 057 | 0 | 0 |
| 5 Investment in other securities of companies linked by virtue of participating interests | 058 | 0 | 0 |
| 6 Loans, deposits etc. to companies linked by virtue of participating interests | 059 | 0 | 0 |
| 7 Investments in securities | 060 | 0 | 0 |
| 8 Loans, deposits, etc. given | 061 | 201.000.000 | 0 |
| 9 Other financial assets | 062 | 38.483.164 | 76.782.263 |
| IV CASH AT BANK AND IN HAND | 063 | 2.871.203.365 | 3.131.868.548 |
| D) PREPAID EXPENSES AND ACCRUED INCOME | 064 | 93.437.664 | 111.707.546 |
| E) TOTAL ASSETS (ADP 001+002+037+064) | 065 | 15.048.755.283 | 15.018.477.803 |
| OFF-BALANCE SHEET ITEMS | 066 | 0 | 0 |

| LIABILITIES | | | |
|---|------------|-----------------------|-----------------------|
| A) CAPITAL AND RESERVES (ADP 068 to | 067 | 12.722.875.376 | 12.734.685.602 |
| I INITIAL (SUBSCRIBED) CAPITAL | 068 | 10.244.977.390 | 10.244.977.390 |
| II CAPITAL RESERVES | 069 | 0 | 0 |
| III RESERVES FROM PROFIT (ADP 071+072-073+074+075) | 070 | 516.395.582 | 351.893.638 |
| 1 Legal reserves | 071 | 512.248.870 | 512.248.870 |
| 2 Reserves for treasury shares | 072 | 64.247.411 | 64.247.411 |
| 3 Treasury shares and holdings (deductible item) | 073 | -64.247.411 | -238.109.467 |
| 4 Statutory reserves | 074 | 0 | 0 |
| 5 Other reserves | 075 | 4.146.712 | 13.506.824 |
| IV REVALUATION RESERVES | 076 | 0 | 0 |
| V FAIR VALUE RESERVES AND OTHER (ADP 078 to 082) | 077 | -109.945 | -109.945 |
| 1 Financial assets at fair value through other comprehensive income (i.e. available for sale) | 078 | -109.945 | -109.945 |
| 2 Cash flow hedge - effective portion | 079 | 0 | 0 |
| 3 Hedge of a net investment in a foreign operation - effective portion | 080 | 0 | 0 |
| 4 Other fair value reserves | 081 | 0 | 0 |
| 5 Exchange differences arising from the translation of foreign operations (consolidation) | 082 | 0 | 0 |
| VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 084-085) | 083 | 1.100.985.287 | 1.715.930.462 |
| 1 Retained profit | 084 | 1.100.985.287 | 1.715.930.462 |
| 2 Loss brought forward | 085 | 0 | 0 |
| VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 087-088) | 086 | 614.920.335 | 174.777.558 |
| 1 Profit for the business year | 087 | 614.920.335 | 174.777.558 |
| 2 Loss for the business year | 088 | 0 | 0 |
| VIII MINORITY (NON-CONTROLLING) INTEREST | 089 | 245.706.727 | 247.216.499 |
| B) PROVISIONS (ADP 091 to 096) | 090 | 126.974.388 | 146.943.620 |
| 1 Provisions for pensions, termination benefits and similar obligations | 091 | 14.784.866 | 34.255.958 |
| 2 Provisions for tax liabilities | 092 | 0 | 0 |
| 3 Provisions for ongoing legal cases | 093 | 78.208.427 | 78.250.260 |
| 4 Provisions for renewal of natural resources | 094 | 0 | 0 |
| 5 Provisions for warranty obligations | 095 | 0 | 0 |
| 6 Other provisions | 096 | 33.981.095 | 34.437.402 |
| C) LONG-TERM LIABILITIES (ADP 098 to 108) | 097 | 610.530.141 | 651.490.826 |
| 1 Liabilities to undertakings within the group | 098 | 0 | 0 |
| 2 Liabilities for loans, deposits, etc. of undertakings within the group | 099 | 0 | 0 |
| 3 Liabilities to companies linked by virtue of participating interests | 100 | 0 | 0 |
| 4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests | 101 | 0 | 0 |
| 5 Liabilities for loans, deposits etc. | 102 | 0 | 0 |
| 6 Liabilities to banks and other financial institutions | 103 | 0 | 0 |
| 7 Liabilities for advance payments | 104 | 0 | 0 |
| 8 Liabilities to suppliers | 105 | 0 | 0 |
| 9 Liabilities for securities | 106 | 0 | 0 |
| 10 Other long-term liabilities | 107 | 576.992.155 | 618.921.257 |
| 11 Deferred tax liability | 108 | 33.537.986 | 32.569.569 |
| D) SHORT-TERM LIABILITIES (ADP 110 to 123) | 109 | 1.579.376.338 | 1.476.299.909 |
| 1 Liabilities to undertakings within the group | 110 | 0 | 0 |
| 2 Liabilities for loans, deposits, etc. of undertakings within the group | 111 | 0 | 0 |
| 3 Liabilities to companies linked by virtue of participating interests | 112 | 0 | 0 |
| 4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests | 113 | 0 | 0 |
| 5 Liabilities for loans, deposits etc. | 114 | 0 | 0 |
| 6 Liabilities to banks and other financial institutions | 115 | 0 | 0 |
| 7 Liabilities for advance payments | 116 | 0 | 0 |
| 8 Liabilities to suppliers | 117 | 945.412.622 | 866.542.009 |
| 9 Liabilities for securities | 118 | 0 | 0 |
| 10 Liabilities to employees | 119 | 164.746.542 | 152.669.645 |
| 11 Taxes, contributions and similar liabilities | 120 | 29.504.575 | 95.200.963 |
| 12 Liabilities arising from the share in the result | 121 | 0 | 0 |
| 13 Liabilities arising from fixed assets held for sale | 122 | 0 | 0 |
| 14 Other short-term liabilities | 123 | 439.712.599 | 361.887.292 |
| E) ACCRUALS AND DEFERRED INCOME | 124 | 8.999.040 | 9.057.846 |
| F) TOTAL - LIABILITIES (ADP 067+090+097+109+124) | 125 | 15.048.755.283 | 15.018.477.803 |
| G) OFF-BALANCE SHEET ITEMS | 126 | 0 | 0 |

STATEMENT OF PROFIT OR LOSS
for the period 01.01.2021 to 31.03.2022

in HRK

Submitter: Hrvatski Telekom d.d.

| Item | ADP code | Same period of the previous year | | Current period | |
|---|------------|----------------------------------|----------------------|----------------------|----------------------|
| | | Cumulative | Quarter | Cumulative | Quarter |
| 1 | 2 | 3 | 4 | 5 | 6 |
| I OPERATING INCOME (ADP 002 to 006) | 001 | 1.821.148.234 | 1.821.148.234 | 1.734.349.495 | 1.734.349.495 |
| 1 Income from sales with undertakings within the group | 002 | 38.599.715 | 38.599.715 | 34.295.983 | 34.295.983 |
| 2 Income from sales (outside group) | 003 | 1.751.615.204 | 1.751.615.204 | 1.676.325.775 | 1.676.325.775 |
| 3 Income from the use of own products, goods and services | 004 | 0 | 0 | 0 | 0 |
| 4 Other operating income with undertakings within the group | 005 | 0 | 0 | 0 | 0 |
| 5 Other operating income (outside the group) | 006 | 30.933.315 | 30.933.315 | 23.727.737 | 23.727.737 |
| II OPERATING EXPENSES (ADP 08+009+013+017+018+019+022+029) | 007 | 1.747.356.944 | 1.747.356.944 | 1.501.750.201 | 1.501.750.201 |
| 1 Changes in inventories of work in progress and finished goods | 008 | 0 | 0 | 0 | 0 |
| 2 Material costs (ADP 010 to 012) | 009 | 564.758.686 | 564.758.686 | 506.204.036 | 506.204.036 |
| a) Costs of raw materials and consumables | 010 | 35.467.348 | 35.467.348 | 38.110.828 | 38.110.828 |
| b) Costs of goods sold | 011 | 328.770.870 | 328.770.870 | 293.153.015 | 293.153.015 |
| c) Other external costs | 012 | 200.520.468 | 200.520.468 | 174.940.193 | 174.940.193 |
| 3 Staff costs (ADP 014 to 016) | 013 | 263.604.125 | 263.604.125 | 246.413.729 | 246.413.729 |
| a) Net salaries and wages | 014 | 168.472.356 | 168.472.356 | 158.561.532 | 158.561.532 |
| b) Tax and contributions from salary costs | 015 | 62.875.680 | 62.875.680 | 59.109.074 | 59.109.074 |
| c) Contributions on salaries | 016 | 32.256.089 | 32.256.089 | 28.743.123 | 28.743.123 |
| 4 Depreciation | 017 | 627.326.144 | 627.326.144 | 478.973.865 | 478.973.865 |
| 5 Other costs | 018 | 227.467.662 | 227.467.662 | 222.421.549 | 222.421.549 |
| 6 Value adjustments (ADP 020+021) | 019 | 21.766.493 | 21.766.493 | 14.565.335 | 14.565.335 |
| a) fixed assets other than financial assets | 020 | 0 | 0 | 0 | 0 |
| b) current assets other than financial assets | 021 | 21.766.493 | 21.766.493 | 14.565.335 | 14.565.335 |
| 7 Provisions (ADP 023 to 028) | 022 | 42.433.834 | 42.433.834 | 33.171.687 | 33.171.687 |
| a) Provisions for pensions, termination benefits and similar obligations | 023 | 38.393.269 | 38.393.269 | 23.545.594 | 23.545.594 |
| b) Provisions for tax liabilities | 024 | 0 | 0 | 0 | 0 |
| c) Provisions for ongoing legal cases | 025 | 4.040.565 | 4.040.565 | 969.225 | 969.225 |
| d) Provisions for renewal of natural resources | 026 | 0 | 0 | 0 | 0 |
| e) Provisions for warranty obligations | 027 | 0 | 0 | 0 | 0 |
| f) Other provisions | 028 | 0 | 0 | 8.656.868 | 8.656.868 |
| 8 Other operating expenses | 029 | 0 | 0 | 0 | 0 |
| III FINANCIAL INCOME (ADP 031 to 040) | 030 | 12.817.967 | 12.817.967 | 9.709.163 | 9.709.163 |
| 1 Income from investments in holdings (shares) of undertakings within the group | 031 | 0 | 0 | 0 | 0 |
| 2 Income from investments in holdings (shares) of companies linked by virtue of participating interests | 032 | 0 | 0 | 0 | 0 |
| 3 Income from other long-term financial investment and loans granted to undertakings within the group | 033 | 0 | 0 | 0 | 0 |
| 4 Other interest income from operations with undertakings within the group | 034 | 0 | 0 | 0 | 0 |
| 5 Exchange rate differences and other financial income from operations with undertakings within the group | 035 | 43.977 | 43.977 | 27.439 | 27.439 |
| 6 Income from other long-term financial investments and loans | 036 | 716.251 | 716.251 | 946.460 | 946.460 |
| 7 Other interest income | 037 | 509.325 | 509.325 | 487.242 | 487.242 |
| 8 Exchange rate differences and other financial income | 038 | 11.544.247 | 11.544.247 | 8.241.034 | 8.241.034 |
| 9 Unrealised gains (income) from financial assets | 039 | 0 | 0 | 0 | 0 |
| 10 Other financial income | 040 | 4.167 | 4.167 | 6.988 | 6.988 |
| IV FINANCIAL EXPENSES (ADP 042 to 048) | 041 | 28.174.704 | 28.174.704 | 22.518.489 | 22.518.489 |
| 1 Interest expenses and similar expenses with undertakings within the group | 042 | 0 | 0 | 0 | 0 |
| 2 Exchange rate differences and other expenses from operations with undertakings within the group | 043 | 301.370 | 301.370 | 499.092 | 499.092 |
| 3 Interest expenses and similar expenses | 044 | 19.971.415 | 19.971.415 | 11.542.935 | 11.542.935 |
| 4 Exchange rate differences and other expenses | 045 | 7.418.756 | 7.418.756 | 9.311.821 | 9.311.821 |
| 5 Unrealised losses (expenses) from financial assets | 046 | 0 | 0 | 0 | 0 |
| 6 Value adjustments of financial assets (net) | 047 | 163.927 | 163.927 | 895.069 | 895.069 |
| 7 Other financial expenses | 048 | 319.236 | 319.236 | 269.572 | 269.572 |
| V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VIRTUE OF PARTICIPATING INTERESTS | 049 | 0 | 0 | 0 | 0 |
| VI SHARE IN PROFIT FROM JOINT VENTURES | 050 | 0 | 0 | 0 | 0 |
| VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST | 051 | 0 | 0 | 1.001.724 | 1.001.724 |
| VIII SHARE IN LOSS OF JOINT VENTURES | 052 | 3.337.018 | 3.337.018 | 0 | 0 |
| IX TOTAL INCOME (ADP 001+030+049 +050) | 053 | 1.833.966.201 | 1.833.966.201 | 1.744.058.658 | 1.744.058.658 |
| X TOTAL EXPENDITURE (ADP 007+041+051 + 052) | 054 | 1.778.868.666 | 1.778.868.666 | 1.525.270.414 | 1.525.270.414 |
| XI PRE-TAX PROFIT OR LOSS (ADP 053-054) | 055 | 55.097.535 | 55.097.535 | 218.788.244 | 218.788.244 |
| 1 Pre-tax profit (ADP 053-054) | 056 | 55.097.535 | 55.097.535 | 218.788.244 | 218.788.244 |
| 2 Pre-tax loss (ADP 054-053) | 057 | 0 | 0 | 0 | 0 |
| XII INCOME TAX | 058 | 12.662.224 | 12.662.224 | 42.508.533 | 42.508.533 |
| XIII PROFIT OR LOSS FOR THE PERIOD (ADP 055-059) | 059 | 42.435.311 | 42.435.311 | 176.279.711 | 176.279.711 |
| 1 Profit for the period (ADP 055-059) | 060 | 42.435.311 | 42.435.311 | 176.279.711 | 176.279.711 |
| 2 Loss for the period (ADP 059-055) | 061 | 0 | 0 | 0 | 0 |

| DISCONTINUED OPERATIONS (to be filled in by undertakings subject to IFRS only with discontinued operations) | | | | | |
|---|------------|------------|------------|-------------|-------------|
| XIV PRE-TAX PROFIT OR LOSS OF DISCONTINUED OPERATIONS (ADP 063-064) | 062 | 0 | 0 | 0 | 0 |
| 1 Pre-tax profit from discontinued operations | 063 | 0 | 0 | 0 | 0 |
| 2 Pre-tax loss on discontinued operations | 064 | 0 | 0 | 0 | 0 |
| XV INCOME TAX OF DISCONTINUED OPERATIONS | 065 | 0 | 0 | 0 | 0 |
| 1 Discontinued operations profit for the period (ADP 062-065) | 066 | 0 | 0 | 0 | 0 |
| 2 Discontinued operations loss for the period (ADP 065-062) | 067 | 0 | 0 | 0 | 0 |
| TOTAL OPERATIONS (to be filled in only by undertakings subject to IFRS with discontinued operations) | | | | | |
| XVI PRE-TAX PROFIT OR LOSS (ADP 055+062) | 068 | 0 | 0 | 0 | 0 |
| 1 Pre-tax profit (ADP 068) | 069 | 0 | 0 | 0 | 0 |
| 2 Pre-tax loss (ADP 068) | 070 | 0 | 0 | 0 | 0 |
| XVII INCOME TAX (ADP 058+065) | 071 | 0 | 0 | 0 | 0 |
| XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 068-071) | 072 | 0 | 0 | 0 | 0 |
| 1 Profit for the period (ADP 068-071) | 073 | 0 | 0 | 0 | 0 |
| 2 Loss for the period (ADP 071-068) | 074 | 0 | 0 | 0 | 0 |
| APPENDIX to the P&L (to be filled in by undertakings that draw up consolidated annual financial statements) | | | | | |
| XIX PROFIT OR LOSS FOR THE PERIOD (ADP 076+077) | 075 | 42.435.311 | 42.435.311 | 176.279.711 | 176.279.711 |
| 1 Attributable to owners of the parent | 076 | 49.901.171 | 49.901.171 | 174.777.558 | 174.777.558 |
| 2 Attributable to minority (non-controlling) interest | 077 | -7.465.860 | -7.465.860 | 1.502.153 | 1.502.153 |
| STATEMENT OF OTHER COMPREHENSIVE INCOME (to be filled in by undertakings subject to IFRS) | | | | | |
| I PROFIT OR LOSS FOR THE PERIOD | 078 | 42.435.311 | 42.435.311 | 176.279.711 | 176.279.711 |
| II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 80+ 87) | 079 | 4.601.787 | 4.601.787 | 8.349.571 | 8.349.571 |
| III Items that will not be reclassified to profit or loss (ADP 081 to 085) | 080 | 41.604 | 41.604 | 0 | 0 |
| 1 Changes in revaluation reserves of fixed tangible and intangible assets | 081 | 0 | 0 | 0 | 0 |
| 2 Gains or losses from subsequent measurement of equity instruments at fair value through other comprehensive income | 082 | 41.604 | 41.604 | 0 | 0 |
| 3 Fair value changes of financial liabilities at fair value through statement of profit or loss, attributable to changes in their credit risk | 083 | 0 | 0 | 0 | 0 |
| 4 Actuarial gains/losses on the defined benefit obligation | 084 | 0 | 0 | 0 | 0 |
| 5 Other items that will not be reclassified | 085 | 0 | 0 | 0 | 0 |
| 6 Income tax relating to items that will not be reclassified | 086 | 0 | 0 | 0 | 0 |
| IV Items that may be reclassified to profit or loss (ADP 088 to 095) | 087 | 4.560.183 | 4.560.183 | 8.349.571 | 8.349.571 |
| 1 Exchange rate differences from translation of foreign operations | 088 | 4.560.183 | 4.560.183 | 8.349.571 | 8.349.571 |
| 2 Gains or losses from subsequent measurement of debt securities at fair value through other comprehensive income | 089 | 0 | 0 | 0 | 0 |
| 3 Profit or loss arising from effective cash flow hedging | 090 | 0 | 0 | 0 | 0 |
| 4 Profit or loss arising from effective hedge of a net investment in a foreign operation | 091 | 0 | 0 | 0 | 0 |
| 5 Share in other comprehensive income/loss of companies linked by virtue of participating interests | 092 | 0 | 0 | 0 | 0 |
| 6 Changes in fair value of the time value of option | 093 | 0 | 0 | 0 | 0 |
| 7 Changes in fair value of forward elements of forward contracts | 094 | 0 | 0 | 0 | 0 |
| 8 Other items that may be reclassified to profit or loss | 095 | 0 | 0 | 0 | 0 |
| 9 Income tax relating to items that may be reclassified to profit or loss | 096 | 0 | 0 | 0 | 0 |
| V NET OTHER COMPREHENSIVE INCOME OR LOSS (ADP 080+087-086 - 096) | 097 | 4.601.787 | 4.601.787 | 8.349.571 | 8.349.571 |
| VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 078+097) | 098 | 47.037.098 | 47.037.098 | 184.629.282 | 184.629.282 |
| APPENDIX to the Statement on comprehensive income (to be filled in by undertakings that draw up consolidated statements) | | | | | |
| VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 100+101) | 099 | 47.037.098 | 47.037.098 | 184.629.282 | 184.629.282 |
| 1 Attributable to owners of the parent | 100 | 54.502.958 | 54.502.958 | 183.127.129 | 183.127.129 |
| 2 Attributable to minority (non-controlling) interest | 101 | -7.465.860 | -7.465.860 | 1.502.153 | 1.502.153 |

STATEMENT OF CASH FLOWS - indirect method
for the period 01.01.2022. to 31.03.2022.

in HRK

| Submitter: Hrvatski Telekom d.d. | | | | |
|---|------------|----------------------------------|----------------------|--|
| Item | ADP code | Same period of the previous year | Current period | |
| 1 | 2 | 3 | 4 | |
| Cash flow from operating activities | | | | |
| 1 Pre-tax profit | 001 | 55.097.535 | 218.788.244 | |
| 2 Adjustments (ADP 003 to 010): | 002 | 651.797.245 | 501.839.724 | |
| a) Depreciation | 003 | 627.326.144 | 478.973.865 | |
| b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets | 004 | 625.736 | -4.239.022 | |
| c) Gains and losses from sale and unrealised gains and losses and value adjustment of financial assets | 005 | -237.255 | 211.193 | |
| d) Interest and dividend income | 006 | -509.325 | -487.242 | |
| e) Interest expenses | 007 | 19.971.415 | 11.542.935 | |
| f) Provisions | 008 | -3.612.546 | 11.662.475 | |
| g) Exchange rate differences (unrealised) | 009 | 7.914.311 | 9.645.130 | |
| h) Other adjustments for non-cash transactions and unrealised gains and losses | 010 | 318.765 | -5.469.610 | |
| I Cash flow increase or decrease before changes in working capital (ADP 001+002) | 011 | 706.894.780 | 720.627.968 | |
| 3 Changes in the working capital (ADP 013 to 016) | 012 | -24.498.624 | -39.156.112 | |
| a) Increase or decrease in short-term liabilities | 013 | -103.239.600 | -59.681.274 | |
| b) Increase or decrease in short-term receivables | 014 | 109.765.802 | 37.009.610 | |
| c) Increase or decrease in inventories | 015 | -12.400.246 | -30.247.174 | |
| d) Other increase or decrease in working capital | 016 | -18.624.580 | 13.762.726 | |
| II Cash from operations (ADP 011+012) | 017 | 682.396.156 | 681.471.856 | |
| 4 Interest paid | 018 | -19.706.852 | -10.202.047 | |
| 5 Income tax paid | 019 | -52.011.781 | -40.571.114 | |
| A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019) | 020 | 610.677.523 | 630.698.695 | |
| Cash flow from investment activities | | | | |
| 1 Cash receipts from sales of fixed tangible and intangible assets | 021 | 1.127.595 | 6.112.147 | |
| 2 Cash receipts from sales of financial instruments | 022 | 7.514.434 | 259.142 | |
| 3 Interest received | 023 | 1.272.472 | 3.906.856 | |
| 4 Dividends received | 024 | 0 | 0 | |
| 5 Cash receipts from repayment of loans and deposits | 025 | 0 | 201.000.000 | |
| 6 Other cash receipts from investment activities | 026 | 410.307 | 0 | |
| III Total cash receipts from investment activities (ADP 021 to 026) | 027 | 10.324.808 | 211.278.145 | |
| 1 Cash payments for the purchase of fixed tangible and intangible assets | 028 | -186.951.072 | -224.615.159 | |
| 2 Cash payments for the acquisition of financial instruments | 029 | -37.833.580 | -38.939.838 | |
| 3 Cash payments for loans and deposits for the period | 030 | 0 | 0 | |
| 4 Acquisition of a subsidiary, net of cash acquired | 031 | 0 | 0 | |
| 5 Other cash payments from investment activities | 032 | 0 | 0 | |
| IV Total cash payments from investment activities (ADP 028 to 032) | 033 | -224.784.652 | -263.554.997 | |
| B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033) | 034 | -214.459.844 | -52.276.852 | |
| Cash flow from financing activities | | | | |
| 1 Cash receipts from the increase in initial (subscribed) capital | 035 | 0 | 0 | |
| 2 Cash receipts from the issue of equity financial instruments and debt financial instruments | 036 | 0 | 0 | |
| 3 Cash receipts from credit principals, loans and other borrowings | 037 | 0 | 0 | |
| 4 Other cash receipts from financing activities | 038 | 0 | 0 | |
| V Total cash receipts from financing activities (ADP 035 to 038) | 039 | 0 | 0 | |
| 1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments | 040 | -7.447.017 | 0 | |
| 2 Cash payments for dividends | 041 | -74.185 | -75.863 | |
| 3 Cash payments for finance lease | 042 | -76.577.699 | -72.824.775 | |
| 4 Cash payments for the redemption of treasury shares and decrease in initial (subscribed) capital | 043 | -35.275.837 | -173.862.057 | |
| 5 Other cash payments from financing activities | 044 | -83.548.894 | -75.460.117 | |
| VI Total cash payments from financing activities (ADP 040 to 044) | 045 | -202.923.632 | -322.222.812 | |
| C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045) | 046 | -202.923.632 | -322.222.812 | |
| 1 Unrealised exchange rate differences in respect of cash and cash equivalents | 047 | 4.541.817 | 4.466.152 | |
| D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 020+034+046+047) | 048 | 197.835.864 | 260.665.183 | |
| E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD | 049 | 3.002.858.708 | 2.871.203.365 | |
| F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD(ADP 048+049) | 050 | 3.200.694.572 | 3.131.868.548 | |

STATEMENT OF CASH FLOWS - direct method
for the period 01.01.2022 to 31.03.2022

in HRK

| Submitter: Hrvatski Telekom d.d. | | | |
|---|------------|----------------------------------|----------------|
| Item | ADP code | Same period of the previous year | Current period |
| 1 | 2 | 3 | 4 |
| Cash flow from operating activities | | | |
| 1 Cash receipts from customers | 001 | 0 | 0 |
| 2 Cash receipts from royalties, fees, commissions and other revenue | 002 | 0 | 0 |
| 3 Cash receipts from insurance premiums | 003 | 0 | 0 |
| 4 Cash receipts from tax refund | 004 | 0 | 0 |
| 5 Other cash receipts from operating activities | 005 | 0 | 0 |
| I Total cash receipts from operating activities (ADP 001 to 005) | 006 | 0 | 0 |
| 1 Cash payments to suppliers | 007 | 0 | 0 |
| 2 Cash payments to employees | 008 | 0 | 0 |
| 3 Cash payments for insurance premiums | 009 | 0 | 0 |
| 4 Interest paid | 010 | 0 | 0 |
| 5 Income tax paid | 011 | 0 | 0 |
| 6 Other cash payments from operating activities | 012 | 0 | 0 |
| II Total cash payments from operating activities (ADP 007 to 012) | 013 | 0 | 0 |
| A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 006 + 013) | 014 | 0 | 0 |
| Cash flow from investment activities | | | |
| 1 Cash receipts from sales of fixed tangible and intangible assets | 015 | 0 | 0 |
| 2 Cash receipts from sales of financial instruments | 016 | 0 | 0 |
| 3 Interest received | 017 | 0 | 0 |
| 4 Dividends received | 018 | 0 | 0 |
| 5 Cash receipts from the repayment of loans and deposits | 019 | 0 | 0 |
| 6 Other cash receipts from investment activities | 020 | 0 | 0 |
| III Total cash receipts from investment activities (ADP 015 to 020) | 021 | 0 | 0 |
| 1 Cash payments for the purchase of fixed tangible and intangible assets | 022 | 0 | 0 |
| 2 Cash payments for the acquisition of financial instruments | 023 | 0 | 0 |
| 3 Cash payments for loans and deposits | 024 | 0 | 0 |
| 4 Acquisition of a subsidiary, net of cash acquired | 025 | 0 | 0 |
| 5 Other cash payments from investment activities | 026 | 0 | 0 |
| IV Total cash payments from investment activities (ADP 022 to 026) | 027 | 0 | 0 |
| B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 021 + 027) | 028 | 0 | 0 |
| Cash flow from financing activities | | | |
| 1 Cash receipts from the increase in initial (subscribed) capital | 029 | 0 | 0 |
| 2 Cash receipts the from issue of equity financial instruments and debt financial instruments | 030 | 0 | 0 |
| 3 Cash receipts from credit principals, loans and other borrowings | 031 | 0 | 0 |
| 4 Other cash receipts from financing activities | 032 | 0 | 0 |
| V Total cash receipts from financing activities (ADP 029 to 032) | 033 | 0 | 0 |
| 1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments | 034 | 0 | 0 |
| 2 Cash payments for dividends | 035 | 0 | 0 |
| 3 Cash payments for finance lease | 036 | 0 | 0 |
| 4 Cash payments for the redemption of treasury shares and decrease in initial (subscribed) capital | 037 | 0 | 0 |
| 5 Other cash payments from financing activities | 038 | 0 | 0 |
| VI Total cash payments from financing activities (ADP 034 to 038) | 039 | 0 | 0 |
| C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 033 +039) | 040 | 0 | 0 |
| 1 Unrealised exchange rate differences in respect of cash and cash equivalents | 041 | 0 | 0 |
| D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 014 + 028 + 040 + 041) | 042 | 0 | 0 |
| E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD | 043 | 0 | 0 |
| F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (042+043) | 044 | 0 | 0 |

STATEMENT OF CHANGES IN EQUITY
for the period from **01.01.22** to **31.03.22**

in HRK

| Item | ADP code | Initial (subscribed) capital | Capital reserves | Legal reserves | Reserves for treasury shares | Treasury shares and holdings (deductible item) | Statutory reserves | Other reserves | Attributable to owners of the parent | | | | | | | | | | | Total capital and reserves |
|---|----------|------------------------------|------------------|----------------|------------------------------|--|--------------------|----------------|--------------------------------------|--|-------------------------------------|--|---------------------------|--|---------------------------------------|-----------------------------------|--|-------------------------------------|----------------|----------------------------|
| | | | | | | | | | Revaluation reserves | Fair value of financial assets through other comprehensive income (available for sale) | Cash flow hedge - effective portion | Hedge of a net investment in a foreign operation - effective portion | Other fair value reserves | Exchange rate differences from translation of foreign operations | Retained profit/ loss brought forward | Profit/loss for the business year | Total attributable to owners of the parent | Minority (non-controlling) interest | | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 (3 to 6-7 + 8 to 17) | 19 | 20 (18+19) | |
| Previous period | | | | | | | | | | | | | | | | | | | | |
| 1 Balance on the first day of the previous business year | 01 | 10.244.977.390 | 0 | 512.248.870 | 90.388.852 | 90.388.852 | 0 | 1.041.518 | 0 | 1.653.309 | 0 | 0 | 0 | 0 | 1.245.604.909 | 588.194.012 | 12.593.720.008 | 313.012.768 | 12.906.732.776 | |
| 2 Changes in accounting policies | 02 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 3 Correction of errors | 03 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 4 Balance on the first day of the previous business year (restated)(ADP 01 to 03) | 04 | 10.244.977.390 | 0 | 512.248.870 | 90.388.852 | 90.388.852 | 0 | 1.041.518 | 0 | 1.653.309 | 0 | 0 | 0 | 0 | 1.245.604.909 | 588.194.012 | 12.593.720.008 | 313.012.768 | 12.906.732.776 | |
| 5 Profit/loss of the period | 05 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 6 Exchange rate differences from translation of foreign operations | 06 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 7 Changes in revaluation reserves of fixed tangible and intangible assets | 07 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 8 Gains or losses from subsequent measurement of financial assets at fair value through other comprehensive income (available for sale) | 08 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | -1.763.254 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | -1.763.254 | -1.763.254 | |
| 9 Profit or loss arising from effective cash flow hedge | 09 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 10 Profit or loss arising from effective hedge of a net investment in a foreign operation | 10 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 11 Share in other comprehensive income/loss of companies linked by virtue of participating interests | 11 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 12 Actuarial gains/losses on the defined benefit obligation | 12 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 159.552 | 0 | 159.552 | 0 | 159.552 | |
| 13 Other changes in equity unrelated to owners | 13 | 0 | 0 | 0 | 0 | 0 | 0 | 3.105.194 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3.105.194 | -59.303.001 | -56.197.807 | |
| 14 Tax on transactions recognised directly in equity | 14 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 15 Decrease in initial (subscribed) capital (other than arising from the pre-bankruptcy settlement procedure or from the reinvestment of profit) | 15 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 16 Decrease in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure | 16 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 17 Decrease in initial (subscribed) capital arising from the reinvestment of profit | 17 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 18 Redemption of treasury shares/holdings | 18 | 0 | 0 | 0 | 99.684.299 | 99.684.299 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 19 Payments from members/shareholders | 19 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 20 Payment of share in profit/dividend | 20 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | -640.310.561 | -640.310.561 | -4.767.107 | -645.077.668 | | |
| 21 Other distributions and payments to members/shareholders | 21 | 0 | 0 | 0 | -125.805.740 | -125.805.740 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 22 Transfer to reserves according to the annual schedule | 22 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | -45.114.875 | 52.116.549 | 7.001.674 | 0 | 7.001.674 | |
| 23 Increase in reserves arising from the pre-bankruptcy settlement procedure | 23 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | -99.684.299 | -99.684.299 | 0 | -99.684.299 | | |
| 24 Balance on the last day of the previous business year reporting period (ADP 04 to 23) | 24 | 10.244.977.390 | 0 | 512.248.870 | 64.247.411 | 64.247.411 | 0 | 4.146.712 | 0 | -109.945 | 0 | 0 | 0 | 0 | 1.100.985.287 | 614.920.335 | 12.477.168.649 | 245.706.727 | 12.722.875.376 | |
| APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS) | | | | | | | | | | | | | | | | | | | | |
| I OTHER COMPREHENSIVE INCOME OF THE PREVIOUS PERIOD, NET OF TAX (ADP 05 to 14) | 25 | 0 | 0 | 0 | 0 | 0 | 0 | 3.105.194 | 0 | -1.763.254 | 0 | 0 | 0 | 0 | 159.552 | 0 | 1.501.492 | -62.061.151 | -60.559.660 | |
| II COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP 05 to 25) | 26 | 0 | 0 | 0 | 0 | 0 | 0 | 3.105.194 | 0 | -1.763.254 | 0 | 0 | 0 | 0 | 159.552 | 614.920.335 | 616.421.827 | -62.538.934 | 553.882.893 | |
| III TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 23) | 27 | 0 | 0 | 0 | -26.141.441 | -26.141.441 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | -144.779.174 | -588.194.012 | -732.973.186 | -4.767.107 | -737.740.293 | |
| Current period | | | | | | | | | | | | | | | | | | | | |
| 1 Balance on the first day of the current business year | 28 | 10.244.977.390 | 0 | 512.248.870 | 64.247.411 | 64.247.411 | 0 | 4.146.712 | 0 | -109.945 | 0 | 0 | 0 | 0 | 1.100.985.287 | 614.920.335 | 12.477.168.649 | 245.706.727 | 12.722.875.376 | |
| 2 Changes in accounting policies | 29 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 3 Correction of errors | 30 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 4 Balance on the first day of the current business year (restated)(ACP 28 to 30) | 31 | 10.244.977.390 | 0 | 512.248.870 | 64.247.411 | 64.247.411 | 0 | 4.146.712 | 0 | -109.945 | 0 | 0 | 0 | 0 | 1.100.985.287 | 614.920.335 | 12.477.168.649 | 245.706.727 | 12.722.875.376 | |
| 5 Profit/loss of the period | 32 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 6 Exchange rate differences from translation of foreign operations | 33 | 0 | 0 | 0 | 0 | 0 | 0 | 9.360.112 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 9.360.112 | 7.619 | 9.367.731 | |
| 7 Changes in revaluation reserves of fixed tangible and intangible assets | 34 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 8 Gains or losses from subsequent measurement of financial assets at fair value through other comprehensive income (available for sale) | 35 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 9 Profit or loss arising from effective cash flow hedge | 36 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 10 Profit or loss arising from effective hedge of a net investment in a foreign operation | 37 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 11 Share in other comprehensive income/loss of companies linked by virtue of participating interests | 38 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 12 Actuarial gains/losses on the defined benefit obligation | 39 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 13 Other changes in equity unrelated to owners | 40 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 24.840 | 24.840 | 0 | 24.840 | |
| 14 Tax on transactions recognised directly in equity | 41 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 15 Decrease in initial (subscribed) capital (other than arising from the pre-bankruptcy settlement procedure or from the reinvestment of profit) | 42 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 16 Decrease in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure | 43 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 17 Decrease in initial (subscribed) capital arising from the reinvestment of profit | 44 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 18 Redemption of treasury shares/holdings | 45 | 0 | 0 | 0 | 0 | 173.862.056 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | -173.862.056 | -173.862.056 | |
| 19 Payments from members/shareholders | 46 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 20 Payment of share in profit/dividend | 47 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 21 Other distributions and payments to members/shareholders | 48 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 22 Carryforward per annual plane | 49 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 23 Increase in reserves arising from the pre-bankruptcy settlement procedure | 50 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 24 Balance on the last day of the current business year reporting period (ADP 31 to 50) | 51 | 10.244.977.390 | 0 | 512.248.870 | 64.247.411 | 238.109.467 | 0 | 13.506.524 | 0 | -109.945 | 0 | 0 | 0 | 0 | 1.100.985.287 | 789.722.733 | 12.487.469.103 | 247.216.499 | 12.734.685.602 | |
| APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS) | | | | | | | | | | | | | | | | | | | | |
| I OTHER COMPREHENSIVE INCOME FOR THE CURRENT PERIOD, NET OF TAX (ADP 33 to 41) | 52 | 0 | 0 | 0 | 0 | 0 | 0 | 9.360.112 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 24.840 | 9.384.952 | 7.619 | 9.392.571 | |
| II COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 32 to 52) | 53 | 0 | 0 | 0 | 0 | 0 | 0 | 9.360.112 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 174.802.398 | 184.162.510 | 1.509.772 | 185.672.282 | |
| III TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 42 to 50) | 54 | 0 | 0 | 0 | 0 | 173.862.056 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | -173.862.056 | 0 | -173.862.056 | |

NOTES TO FINANCIAL STATEMENTS - TFI
(drawn up for quarterly reporting periods)

Name of the issuer: _____

Personal identification number (OIB): _____

Reporting period: _____

Notes to financial statements for quarterly periods include:

- a) explanation of business events relevant to understanding changes in the statement of financial position and financial performance for the reporting semi-annual period of the issuer with respect to the last business year; information is provided regarding these events and relevant information published in the last annual financial statement is updated (Items 15 to 15C IAS 34 - Interim financial reporting)
- b) information on the access to the latest annual financial statements, for the purpose of understanding information published in the notes to financial statements drawn up for the semi-annual reporting period
- c) a statement explaining that the same accounting policies are applied while drawing up financial statements for the semi-annual reporting period as in the latest annual financial statements or, in the case where the accounting policies have changed, a description of the nature and effect of the changes (Item 16.A (a) IAS 34 - Interim financial reporting)
- d) a description of the financial performance in the case of the issuer whose business is seasonal (Items 37 and 38 IAS 34 - Interim financial reporting)
- e) other comments prescribed by IAS 34 - Interim financial reporting
- f) in the notes to quarterly periods financial statements, in addition to the information stated above, information in respect of the following matters shall be disclosed:
 1. undertaking's name, registered office (address), legal form, country of establishment, entity's registration number and, if applicable, the indication whether the undertaking is undergoing liquidation, bankruptcy proceedings, shortened termination proceedings or extraordinary administration
 2. adopted accounting policies (only an indication of whether there has been a change from the previous period)
 3. the total amount of any financial commitments, guarantees or contingencies that are not included in the balance sheet, and an indication of the nature and form of any valuable security which has been provided; any commitments concerning pensions of the undertaking within the group or company linked by virtue of participating interest shall be disclosed separately
 4. the amount and nature of individual items of income or expenditure which are of exceptional size or incidence
 5. amounts owed by the undertaking and falling due after more than five years, as well as the total debts of the undertaking covered by valuable security furnished by the undertaking, specifying the type and form of security
 6. average number of employees during the financial year
 7. where, in accordance with the regulations, the undertaking capitalised on the cost of salaries in part or in full, information on the amount of the total cost of employees during the year broken down into the amount directly debiting the costs of the period and the amount capitalised on the value of the assets during the period, showing separately the total amount of net salaries and the amount of taxes, contributions from salaries and contributions on salaries
 8. where a provision for deferred tax is recognised in the balance sheet, the deferred tax balances at the end of the financial year, and the movement in those balances during the financial year
 9. the name and registered office of each of the undertakings in which the undertaking, either itself or through a person acting in their own name but on the undertaking's behalf, holds a participating interest, showing the proportion of the capital held, the amount of capital and reserves, and the profit or loss for the latest financial year of the undertaking concerned for which financial statements have been adopted, the information concerning capital and reserves and the profit or loss may be omitted where the undertaking concerned does not publish its balance sheet and is not controlled by another undertaking
 10. the number and the nominal value or, in the absence of a nominal value, the accounting par value of the shares subscribed during the financial year within the limits of the authorised capital
 11. the existence of any participation certificates, convertible debentures, warrants, options or similar securities or rights, with an indication of their number and the rights they confer
 12. the name, registered office and legal form of each of the undertakings of which the undertaking is a member having unlimited liability
 13. the name and registered office of the undertaking which draws up the consolidated financial statements of the largest group of undertakings of which the undertaking forms part as a controlled group member
 14. the name and registered office of the undertaking which draws up the consolidated financial statements of the smallest group of undertakings of which the undertaking forms part as a controlled group member and which is also included in the group of undertakings referred to in point 13
 15. the place where copies of the consolidated financial statements referred to in points 13 and 14 may be obtained, provided that they are available
 16. the nature and business purpose of the undertaking's arrangements that are not included in the balance sheet and the financial impact on the undertaking of those arrangements, provided that the risks or benefits arising from such arrangements are material and in so far as the disclosure of such risks or benefits is necessary for the purposes of assessing the financial position of the undertaking
 17. the nature and the financial effect of material events arising after the balance sheet date which are not reflected in the profit and loss account or balance sheet