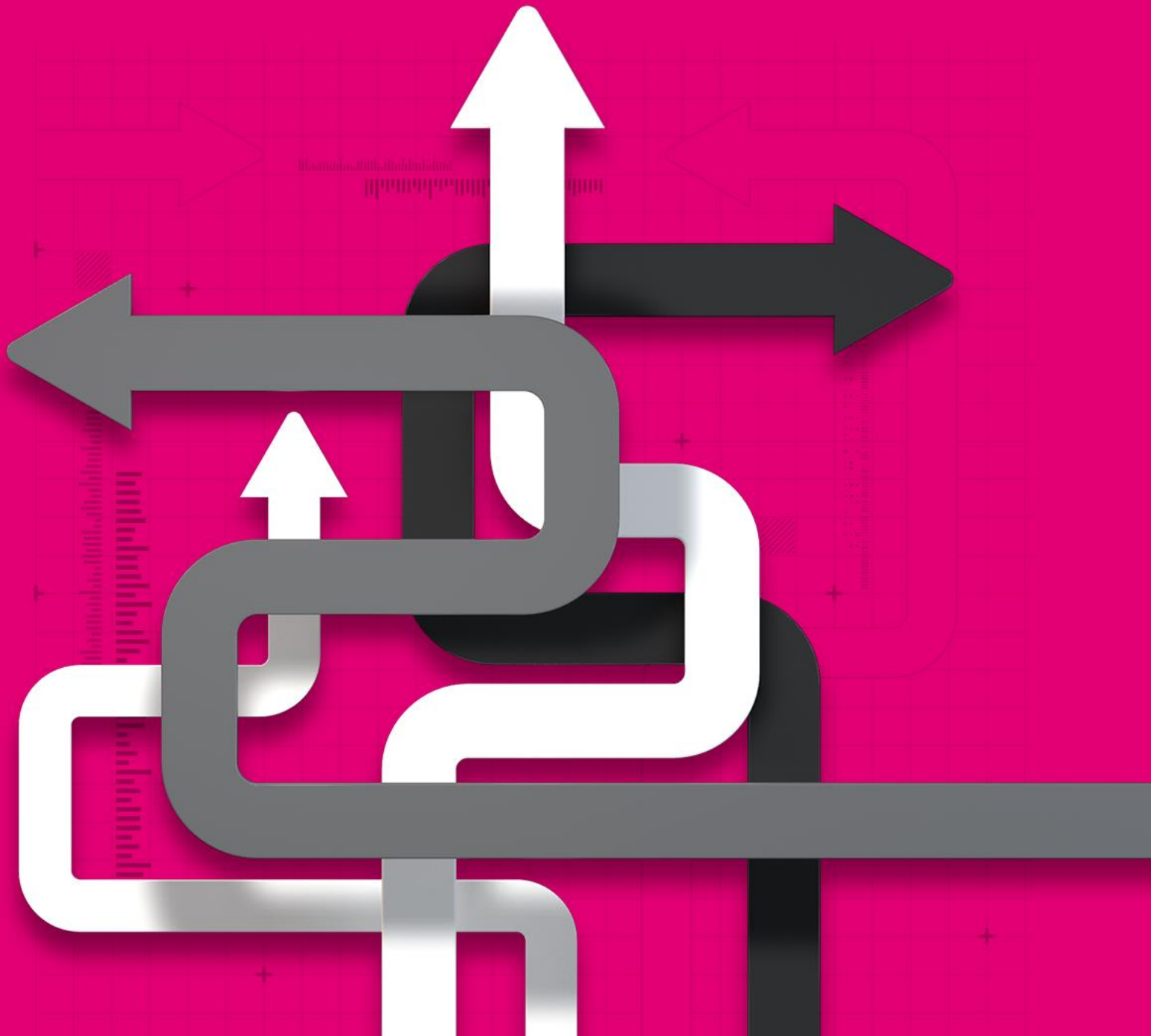



Hrvatski Telekom 9M 2023 Results

31 October 2023





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

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

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

Disclaimer



BUSINESS DEVELOPMENT

STRENGTHENED BUSINESS AND NETWORK LEADERSHIP

- Continuation of strong commercial performance
- Ookla awards for the Best & the Fastest mobile network, for 5th year in a row
- Growing the largest FTTH network by +20.5% YoY
- Deregulation of fiber in 72 administrative units, from end of November
- Operating model transformation: initiated Iskon merger with HT
- Prices increased based on indexation clause starting from October

FINANCIALS

UPGRADED 2023 OUTLOOK

- Revenue up 4.9% supported by strong mobile and fixed business
- Adjusted EBITDA AL up by 3.9% despite ongoing inflationary pressures
- Total investment including spectrum at EUR 281.3m (+91.1% YoY)
- Net Profit at EUR 96.3m (+38.2% YoY)
- Revised outlook for 2023

CAPITAL ALLOCATION

EUR 105M

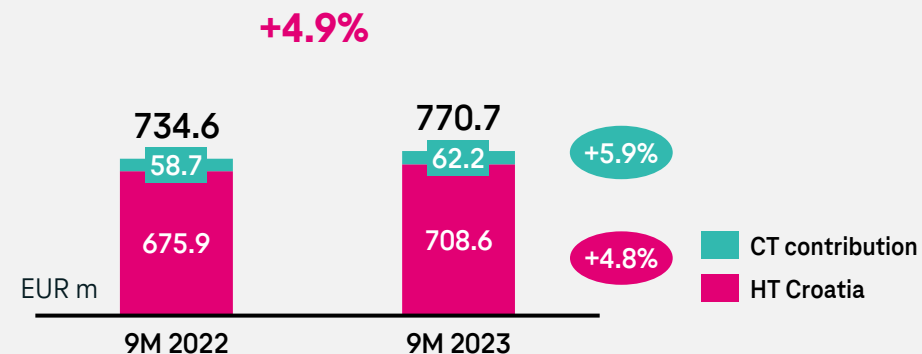
- EUR 105m (5.0%¹ yield) returned to shareholders through a combination of dividends and share buyback program
- Successfully executed the first Accelerated Book Building auction

**9M 2023
Highlights**

1. Based on the last price in 9M 2023

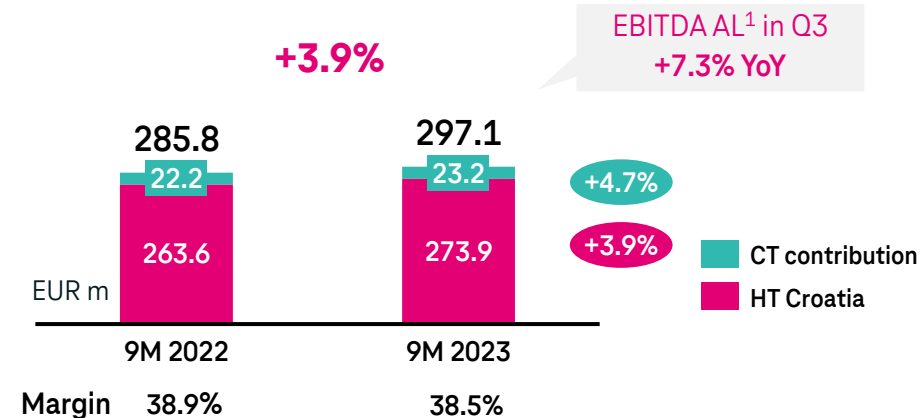
REVENUE

Continued growth driven by strong commercial performance both in Croatia and Montenegro.



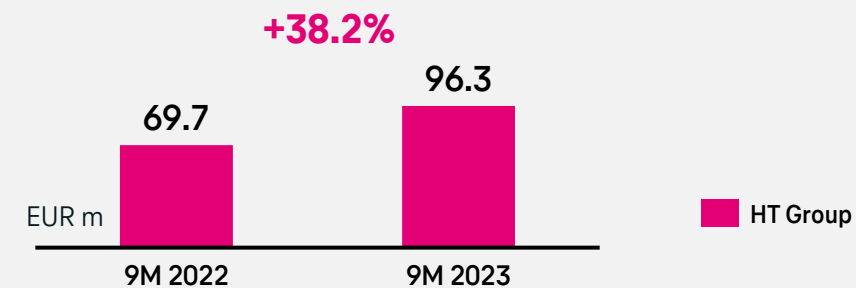
EBITDA AL¹

Adj. EBITDA AL¹ supported by strong commercial performance, offsetting inflationary pressure on operating expenses.



NET PROFIT²

Net Profit increase supported by the EBITDA growth, non-operational drivers and Montenegro.



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

2. Net Profit after non-controlling interests

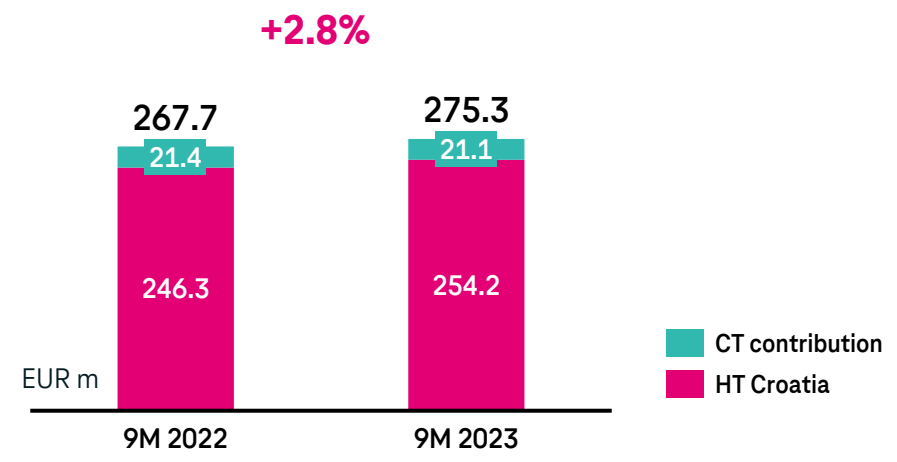
* CT 9M 2022 translated from HRK to EUR using conversion exchange rate of €1 = HRK 7.53450

Accelerated EBITDA AL¹ growth in Q3

Growing net cash flow from operations, supporting high investment level

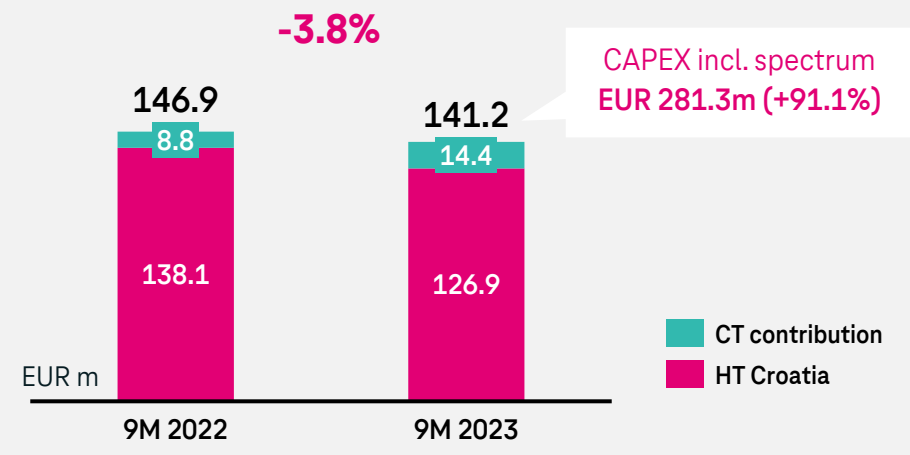
NET CASH FLOW FROM OPERATIONS

Cash flow from operating activities increased due to better operating performance.



CAPEX AL BOOKED¹

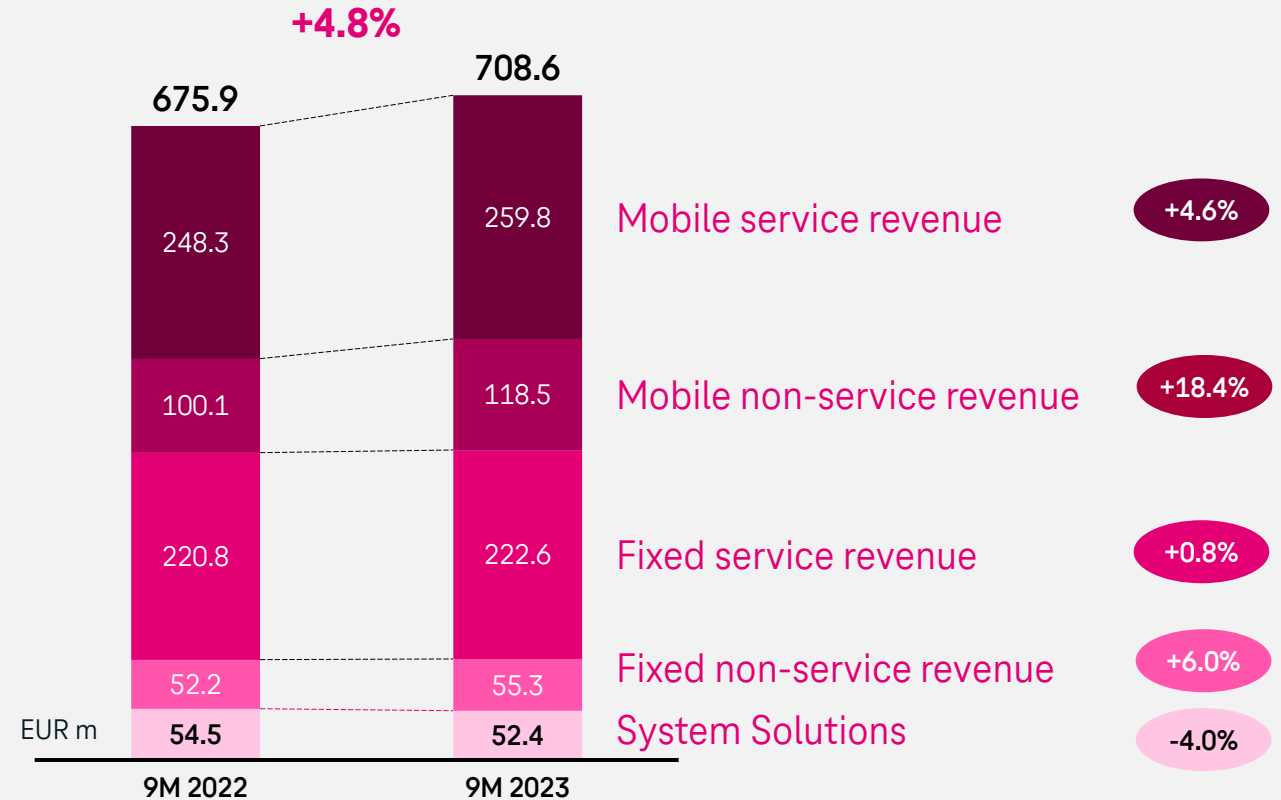
Lower CAPEX AL in Croatia mainly due to seasonality of projects. Increase in CT resulting from dynamic of TV content capitalization, as well as increased operational investments.



1. Excluding Spectrum
 * CT 9M 2022 translated from HRK to EUR using conversion exchange rate of €1 = HRK 7.53450

REVENUE BREAKDOWN

HT CROATIA



Revenue up 4.8% on the back of strong performance in mobile

Mobile service revenue predominantly driven by strong Postpaid growth, capitalizing on upselling customers to higher value tariffs and pre-to-post migration.

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

Fixed service revenue up, with BB, data & TV compensating for contraction in Voice.

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

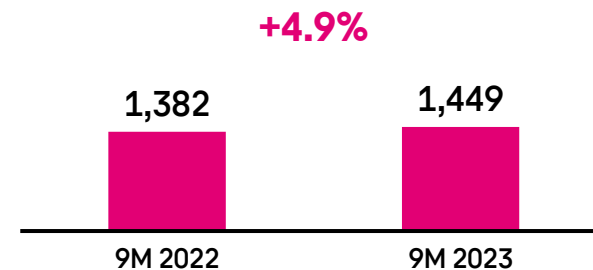
System Solutions revenue development driven by different projects mix. YoY margin growing at a double-digit rate.

MOBILE POSTPAID

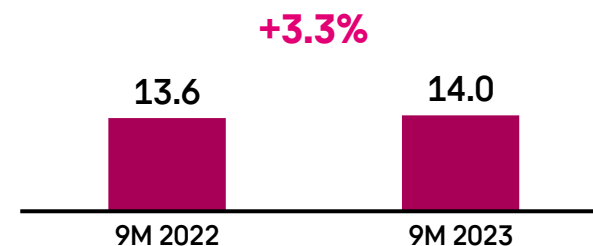
Growth in postpaid customers supported by Prepaid-to-Postpaid migration.

ARPU increase reflects customer migration to higher value tariffs.

POSTPAID
CUSTOMERS (.000)



POSTPAID ARPU
(EUR)

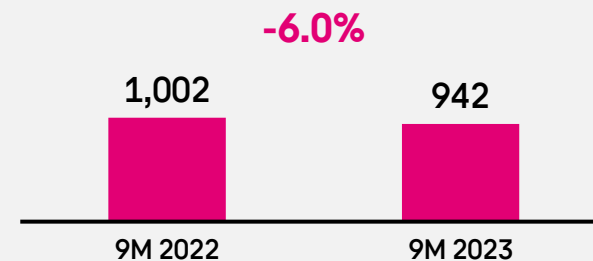


MOBILE PREPAID

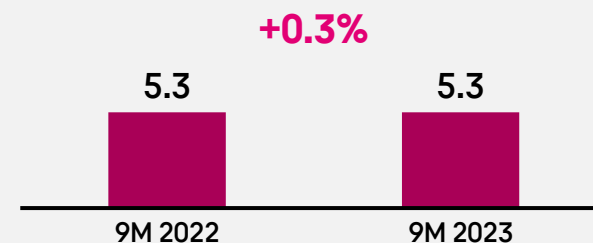
Lower prepaid base due to migration from Prepaid-to-Postpaid, growing in Q3 due to visitors' boost.

ARPU marginally higher despite migration of high value-added customers to postpaid.

PREPAID
CUSTOMERS (.000)



PREPAID ARPU
(EUR)

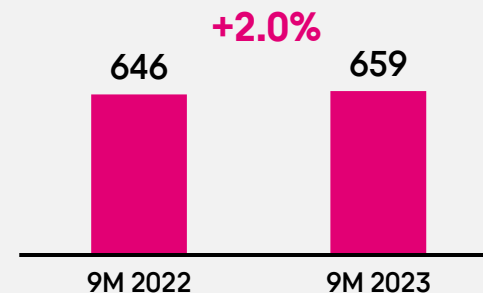


Continued
growth of
customer base
and blended
ARPU

BROADBAND¹

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

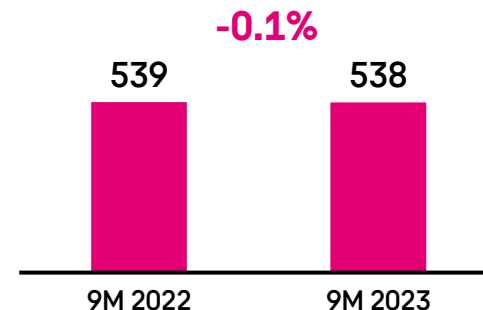
RETAIL BROADBAND
ACCESS LINES (.000)



TV

Customer base stable, impacted by expiration of DVBT2 contracts acquired 2Y ago during Q1, returning to growth in Q2 & Q3.

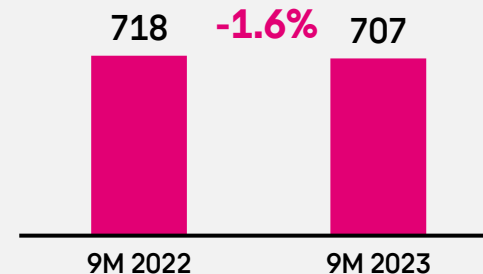
TV
CUSTOMERS (.000)



FIXED VOICE²

The fixed voice lines continue to contract at a decelerated rate. Broadly stable in Q3.

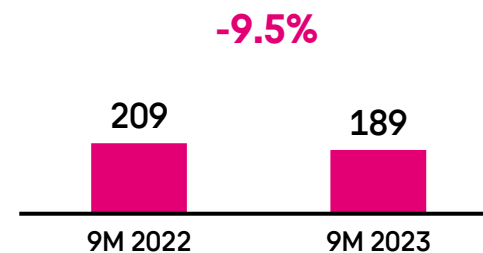
RETAIL FIXED VOICE
MAINLINES (.000)



WHOLESALE³

Wholesale base lower as operators migrate to own infrastructure.

WHOLESALE
CUSTOMERS (.000)



Fixed broadband
lines continued
to grow

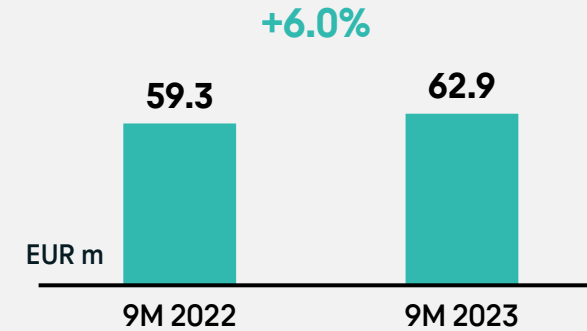
1. Includes ADSL, VDSL, FTTH and Naked DSL

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

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

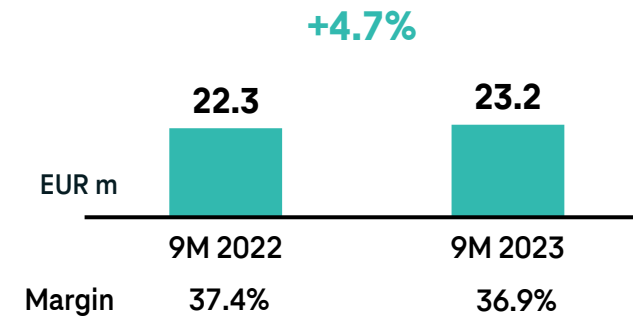
REVENUE

Strong commercial momentum led to YoY increase across all revenue categories.



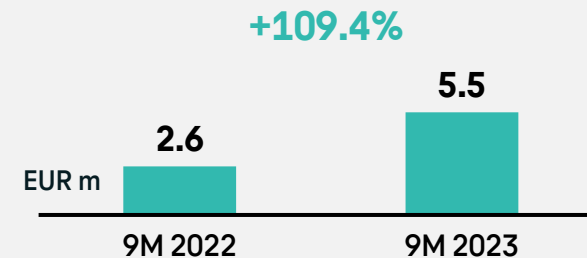
EBITDA AL¹

EBITDA AL growth reflects positive service revenue development.



NET PROFIT²

Net Profit improvement supported by EBITDA growth and one-time effect of deferred tax liability in 2022.



Strong performance on the back of positive commercial momentum

1. EBITDA after leases adjusted for exceptional items

2. Net profit after non controlling interests

* CT 9M 2022 translated from HRK to EUR using conversion exchange rate of €1 = HRK 7.53450



New Group 2023 Outlook

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


1. Excluding Spectrum



Q&A



To ask a question, please raise your hand 

Once your question is answered, please lower your hand by clicking  again



UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

Consolidated income statement

in EUR million	9M 2022	9M 2023	% of change A23/A22	Q3 2022	Q3 2023	% of change A23/A22
Mobile service revenues	274.9	288.5	4.9%	108.1	113.0	4.5%
Mobile non-service revenues	107.2	126.1	17.6%	39.3	45.5	15.9%
Fixed service revenues	239.0	241.7	1.1%	81.0	81.9	1.2%
Fixed non-service revenues	56.4	59.5	5.5%	22.3	19.3	-13.7%
System solutions	57.0	54.9	-3.7%	21.1	19.5	-7.8%
Revenue	734.6	770.7	4.9%	271.9	279.2	2.7%
Other operating income	12.9	3.1	-75.9%	5.9	1.1	-81.7%
Total operating revenue	747.5	773.8	3.5%	277.8	280.3	0.9%
Operating expenses	432.4	451.4	4.4%	155.1	155.6	0.3%
Material expenses	226.9	235.4	3.8%	90.3	82.3	-8.9%
Employee benefits expenses	109.2	121.3	11.1%	35.2	42.6	21.1%
Other expenses	96.2	93.1	-3.2%	29.5	30.6	3.8%
Work performed by the Group and capitalised	-5.9	-6.1	-3.5%	-2.2	-1.7	24.0%
Net impairment losses on trade receivables and contract assets	6.0	7.6	27.0%	2.4	1.8	-24.5%
Depreciation and amortization	219.0	201.9	-7.8%	83.0	71.0	-14.4%
EBIT	96.1	120.6	25.5%	39.7	53.7	35.3%
Financial income	2.9	6.0	108.4%	1.4	2.2	53.3%
Income/loss from investment in joint ventures	0.2	0.0	-100.0%	0.2	0.0	-100.0%
Financial expenses	7.2	6.1	-14.3%	2.7	2.4	-13.7%
Profit before taxes	92.0	120.5	31.0%	38.5	53.5	38.8%
Taxation	21.6	22.8	5.7%	8.3	10.0	20.7%
Net profit	70.4	97.6	38.7%	30.3	43.5	43.8%
Non controlling interests	-0.7	-1.3	-96.6%	-0.6	-0.5	4.2%
Net profit after non controlling interests	69.7	96.3	38.2%	29.7	43.0	44.7%
Adjusted EBITDA AL ¹⁾	285.8	297.1	3.9%	111.4	119.5	7.3%
Exceptional items ²⁾	4.9	9.2	86.7%	0.1	6.6	4317.9%
EBITDA AL	280.9	287.8	2.5%	111.3	112.9	1.5%

¹⁾ Mainly adjusted for restructuring redundancy costs and legal cases

²⁾ Mainly related to restructuring redundancy costs and legal cases

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Consolidated balance sheet statement

in EUR million	At 31 Dec 2022	At 30 Sep 2023	% of change A23/A22
Intangible assets	256.9	383.4	49.2%
Property, plant and equipment	838.7	823.2	-1.8%
Non-current financial assets	1.3	1.4	6.3%
Receivables	35.0	34.8	-0.6%
Prepayments and accrued income	24.6	27.6	11.9%
Lessee use rights to leased assets (IFRS 16)	73.7	68.0	-7.7%
Contract assets (IFRS 15)	7.2	6.9	-3.2%
Contract costs (IFRS 15)	22.2	27.6	24.3%
Deferred tax asset	17.9	19.7	9.8%
Total non-current assets	1,277.5	1,392.6	9.0%
Inventories	34.8	36.7	5.3%
Assets held for sale	31.6	31.6	0.0%
Receivables	199.8	219.0	9.6%
Current financial assets	13.5	20.0	48.2%
Contract assets (IFRS 15)	29.1	29.5	1.3%
Contract costs (IFRS 15)	10.1	10.6	5.4%
Cash and cash equivalents	373.4	231.2	-38.1%
Prepayments and accrued income	20.8	12.0	-42.4%
Total current assets	713.2	590.5	-17.2%
TOTAL ASSETS	1,990.7	1,983.1	-0.4%

in EUR million	At 31 Dec 2022	At 30 Sep 2023	% of change A23/A22
Subscribed share capital	1,359.7	1,359.7	0.0%
Reserves	69.0	86.7	25.6%
Revaluation reserves	0.0	0.0	235.4%
Gains from hedging on financial instruments	0.0	0.4	-
Treasury shares	-0.8	-19.0	-2253.4%
Retained earnings	119.5	102.8	-14.0%
Net profit for the period	87.0	96.3	10.7%
Non controlling interests	32.6	32.8	0.7%
Total issued capital and reserves	1,667.0	1,659.8	-0.4%
Provisions	19.1	17.3	-9.5%
Non-current liabilities	16.5	13.4	-19.0%
Lessee lease liabilities to third partie due > 1 year (IFRS 16)	50.2	47.7	-5.0%
Contract liabilities (IFRS 15)	0.0	0.0	-
Deferred tax liability	4.4	4.1	-6.7%
Total non-current liabilities	90.2	82.5	-8.6%
Current liabilities	198.2	209.0	5.5%
Contract liabilities (IFRS 15)	10.4	9.6	-7.3%
Lessee lease liabilities due <= 1 year (IFRS 16)	20.2	16.2	-19.8%
Accrued expenses and deferred income	1.2	1.2	-0.6%
Provisions for redundancy	3.5	4.9	39.7%
Total current liabilities	233.4	240.9	3.2%
Total liabilities	323.6	323.4	-0.1%
TOTAL EQUITY AND LIABILITIES	1,990.7	1,983.1	-0.4%

Consolidated cash flow statement

in EUR million	9M 2022	9M 2023	% of change A23/A22	Q3 2022	Q3 2023	% of change A23/A22
Profit before tax	92.0	120.5	31.0%	38.5	53.5	38.8%
Depreciation and amortization	219.0	201.9	-7.8%	83.0	71.0	-14.4%
Increase / decrease of current liabilities	1.9	8.6	351.1%	-3.4	-23.0	-567.5%
Increase / decrease of current receivables	-23.6	-13.8	41.6%	-11.0	4.6	141.6%
Increase / decrease of inventories	-9.8	-1.8	81.2%	-4.9	2.8	158.1%
Other cash flow increases / decreases	-11.7	-40.0	-241.1%	-6.9	-11.9	-73.2%
Net cash inflow/outflow from operating activities	267.7	275.3	2.8%	95.3	97.0	1.8%
Proceeds from sale of non-current assets	16.2	0.8	-95.2%	15.4	0.6	-96.0%
Proceeds from sale of non-current financial assets	0.1	0.1	4.8%	0.0	0.0	-48.2%
Interest received	0.9	4.7	452.0%	0.2	1.7	1005.3%
Dividend received	0.0	0.0	-	0.0	0.0	-
Other cash inflows from investing activities	26.7	4.1	-	0.0	0.5	-
Total increase of cash flow from investing activities	43.9	9.7	-77.9%	15.6	2.8	-81.9%
Purchase of non-current assets	-110.0	-250.6	-127.8%	-44.3	-41.6	6.2%
Purchase of non-current financial assets	0.0	-0.3	-	0.0	0.0	-
Other cash outflows from investing activities	-5.0	-10.9	-119.5%	0.0	-1.0	-
Total decrease of cash flow from investing activities	-115.0	-261.8	-127.7%	-44.4	-42.6	4.1%
Net cash inflow/outflow from investing activities	-71.1	-252.1	-254.6%	-28.8	-39.7	-38.0%
Total increase of cash flow from financing activities	0.0	0.0	-	0.0	0.0	-
Repayment of loans and bonds	0.0	0.0	-	0.0	0.0	-
Dividends paid	-84.3	-86.9	-3.0%	-0.6	-0.4	31.0%
Repayment of lease	-30.1	-32.3	-7.3%	-8.2	-9.3	-13.0%
Other cash outflows from financing activities	-62.1	-46.2	25.6%	-13.9	-23.3	-66.8%
Total decrease in cash flow from financing activities	-176.6	-165.4	6.3%	-22.7	-32.9	-44.8%
Net cash inflow/outflow from financing activities	-176.6	-165.4	6.3%	-22.7	-32.9	-44.8%
Exchange gains/losses on cash and cash equivalents	0.3	0.0	-100.0%	0.1	0.0	-100.0%
Cash and cash equivalents at the beginning of period	381.1	373.4	-2.0%	0.0	0.0	-
Net cash (outflow) / inflow	20.3	-142.2	-799.5%	43.9	24.4	-44.5%
Cash and cash equivalents at the end of period	401.4	231.2	-42.4%	43.9	24.4	-44.5%

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Investor relations contacts

IR Phone

+ 385 1 4911 114

IR E-mail

ir@t.ht.hr

IR Webpage

www.t.ht.hr/en/investor-relations

Corporate Contact

Hrvatski Telekom d.d
Radnička cesta 21
10000 Zagreb