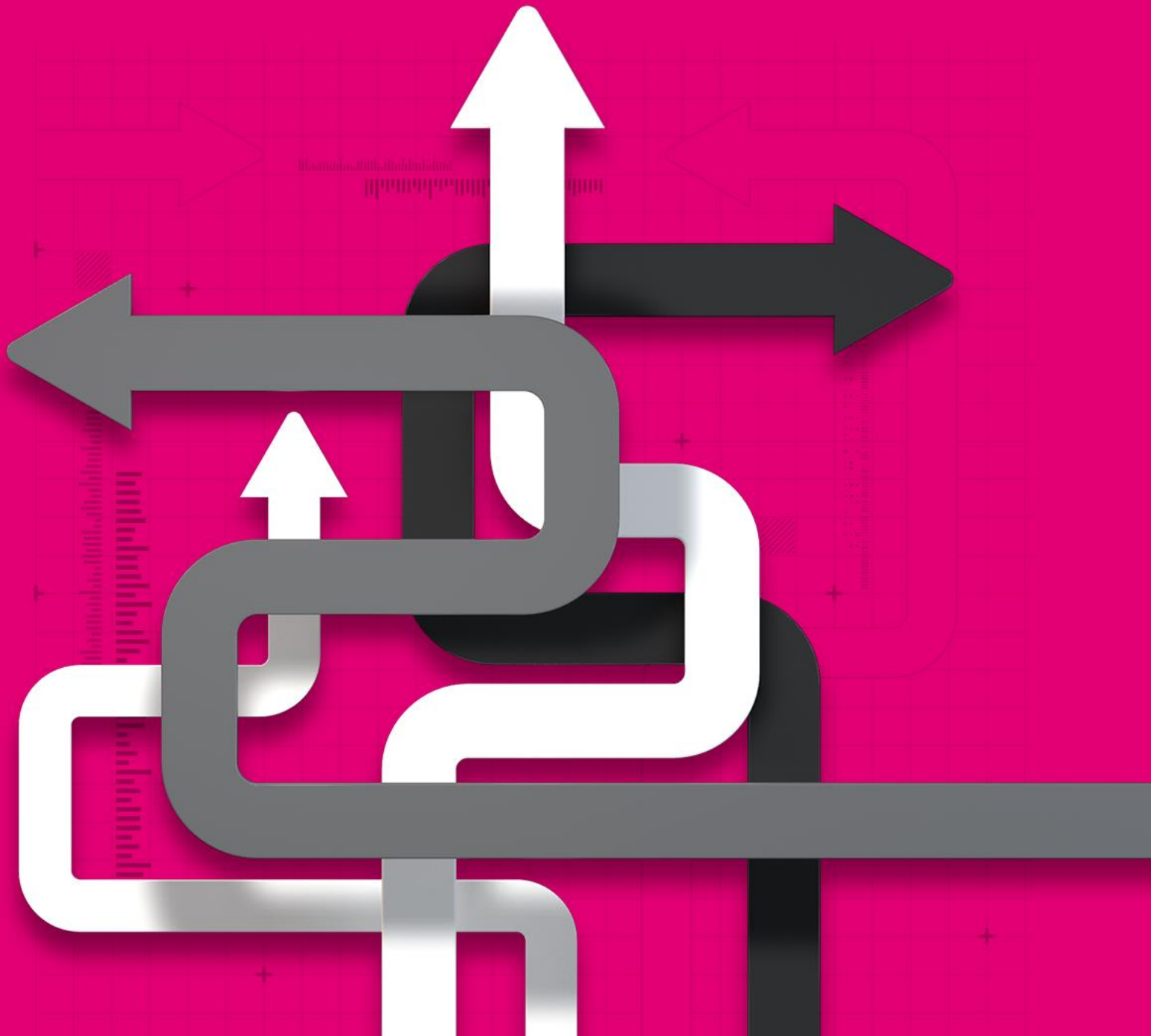


Hrvatski Telekom FY 2023 Results

26 February 2024





Disclaimer

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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.

On 1 January 2024, Company merged its subsidiary Iskon Internet d.d. With the date of incorporation into the court register, Iskon Internet d.d. ceased to operate as a separate business entity and is no longer active in the court register, while the entire assets and all rights and obligations were transferred to the Company. After the merger, the products and services provided by Iskon will continue to be provided within the portfolio of the Company under Iskon's brand.

Also with the 1 January 2024, a new subsidiary has started operating within the HT Group – the company HT Servisi d.o.o. which main activities are planning and construction of fixed and mobile networks, maintenance of electronic communication infrastructure, supervision of the telecommunications network and field maintenance of active and passive network.



FY 2023
Operational
Highlights

BUSINESS
DEVELOPMENT
STRENGTHENED
LEADERSHIP POSITION

- Strong commercial performance throughout 2023 with growth across consumer and business segments
- Strengthened network leadership - won the largest mobile spectrum share, expanded the largest FTTH network by over 20% YoY
- Deregulation of fiber in all major cities
- Industry best Customer Experience, #1 telco brand
- Operating model transformation: transferred construction and maintenance unit of HT network from Ericsson NT, merged Iskon with HT, started activities for the retirement of the 3G network
- Activated indexation clause (5%) from October 2023
- Signed a new 3-year Collective Agreement

ESG
DRIVING THE
SUSTAINABILITY
AGENDA

- Decreased Energy consumption (-3%) and CO₂ Emissions (-4%) in Croatia
- Concluded 1st vPPA agreement in Croatia
- Launched environment protection platform 'Call you have to take', with record-high devices collected
- Won national sustainability award (HRIO) for the 3rd year in a row



FY 2023 Operational Highlights

FINANCIALS GROWTH ACROSS ALL LINES

- Revenue up by +5.7% supported by strong mobile and fixed services
- Adjusted EBITDA AL up by +5.3%, driven by strong commercial performance
- Net Profit EUR reached 132.0m
- The largest investments¹ in company's history

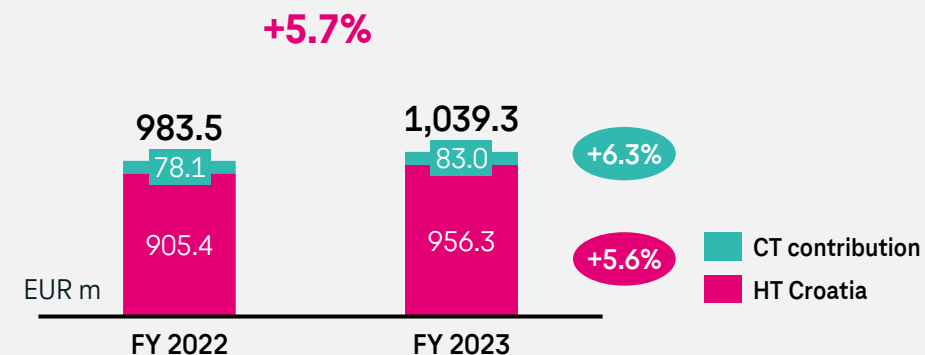
CAPITAL ALLOCATION THE HIGHEST SINCE 2019

- EUR 107.8m (5.0%² yield) returned to shareholders through a combination of dividends and share buyback program (SBB)
- Successfully executed the first Accelerated Book Building auction
- Cancelled 1.0% of total shares acquired via SBB during 2023
- Dividend to be announced on 20 March 2024

1. Including spectrum
2. Based on the last price in 2023

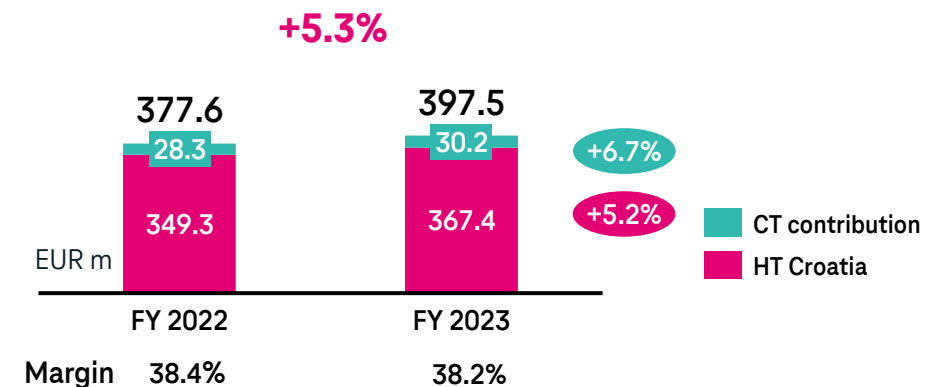
REVENUE

Continued growth driven by strong performance of mobile and fixed service business.



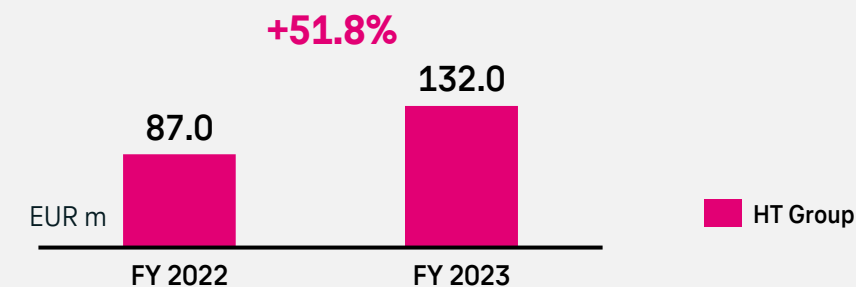
ADJUSTED EBITDA AL¹

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



NET PROFIT²

Net Profit increase supported by the EBITDA growth and to a larger extent by non-recurring items, alongside favourable net financial result



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

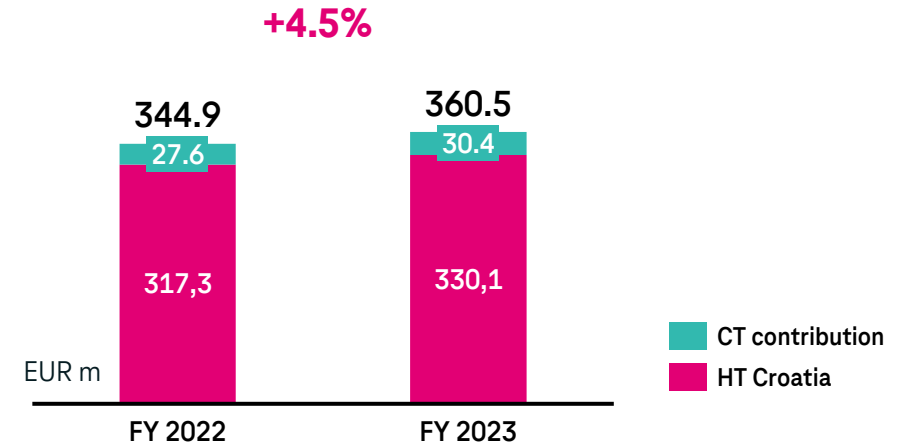
2. Net Profit after non-controlling interests

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

Strong top-line and bottom-line growth

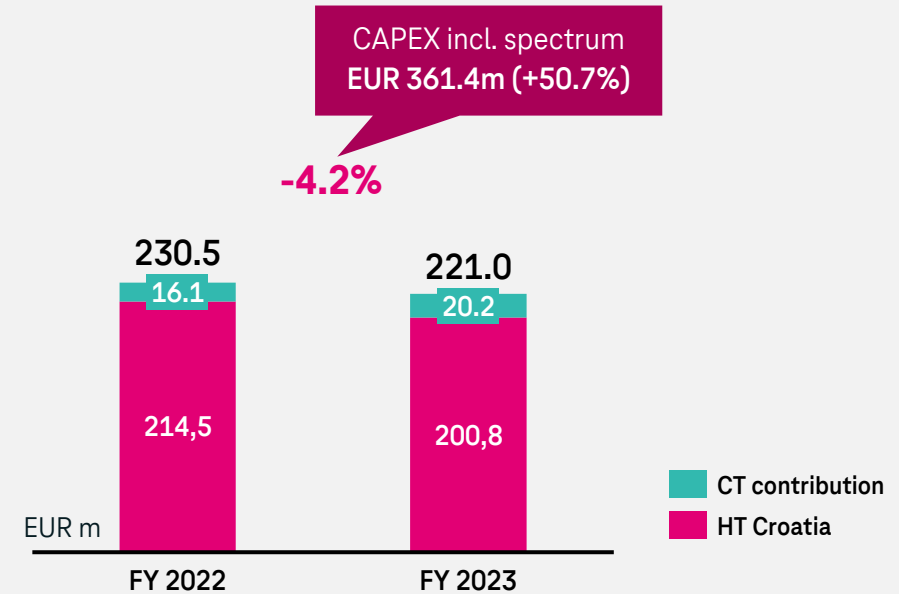
NET CASH FLOW FROM OPERATIONS

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



CAPEX AL BOOKED¹

Market leading investments increased by 50.7%, reaching EUR 361.4 million (incl. spectrum). Increase in CT resulting from dynamic of TV content capitalization and increased operational investments.



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

The highest investments in history of HT

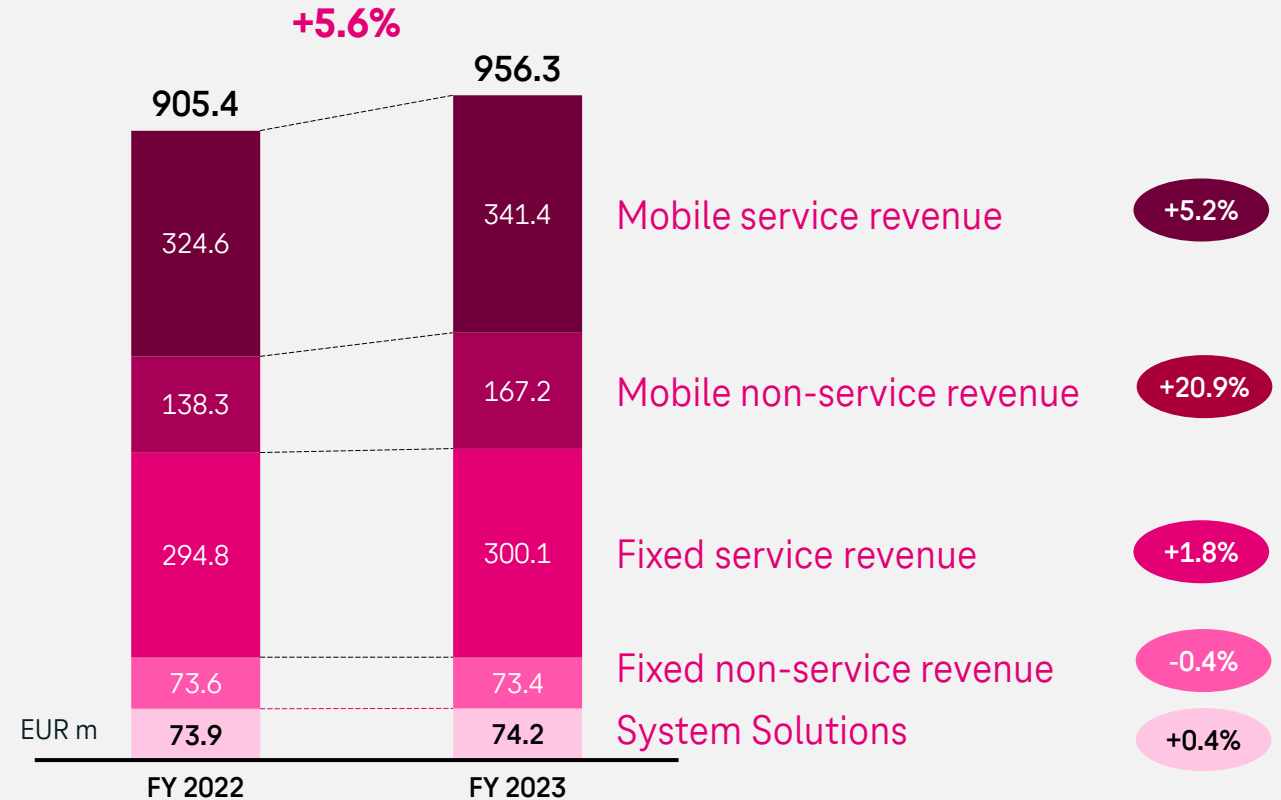
**Delivered results
in line with the
upgraded
outlook**

	REVISED OUTLOOK 2023 vs. 2022	2023 RESULTS	STATUS
REVENUE	Mid single-digit increase	+5.7%	✓
ADJ. EBITDA AL	Mid single-digit increase	+5.3%	✓
CAPEX AL¹	Mid single-digit decrease	-4.2%	✓
REGIONAL EXPANSION	HT is monitoring and evaluating potential M&A opportunities	HT is monitoring and evaluating potential M&A opportunities	✓

1. Excluding Spectrum

REVENUE BREAKDOWN

HT CROATIA



Mobile service revenue growth 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 promotional activities and shift to high-end handset models.

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

Fixed non-service revenue contracted due to lower regulated prices and lower customer base.

System Solutions revenue driven by Cybersecurity and Cloud projects with continued margin growth.

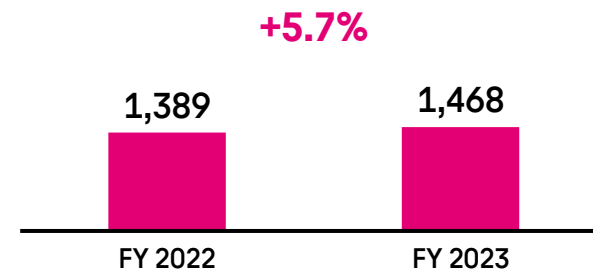
**Strong growth
in mobile and
fixed services**

MOBILE POSTPAID

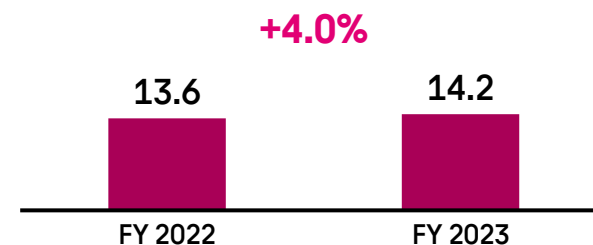
Growth in postpaid customers supported by Prepaid-to-Postpaid migration.

ARPU increase reflects customer migration to higher value tariffs and indexation from Q4.

POSTPAID
CUSTOMERS (.000)



POSTPAID ARPU
(EUR)

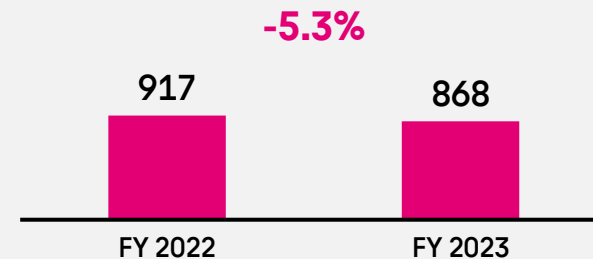


MOBILE PREPAID

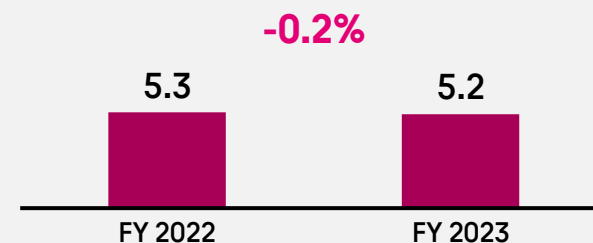
Lower prepaid base due to migration from Prepaid-to-Postpaid.

ARPU marginally lower due to migration of high value-added customers to Postpaid.

PREPAID
CUSTOMERS (.000)



PREPAID ARPU
(EUR)

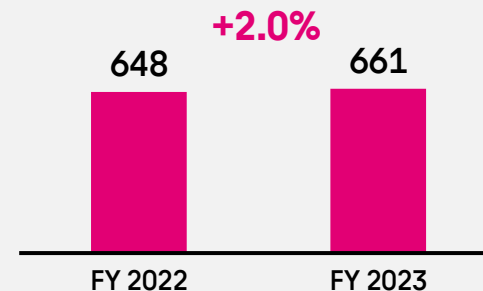


Continued
growth of ARPU
and higher-value
generating
postpaid base

BROADBAND¹

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

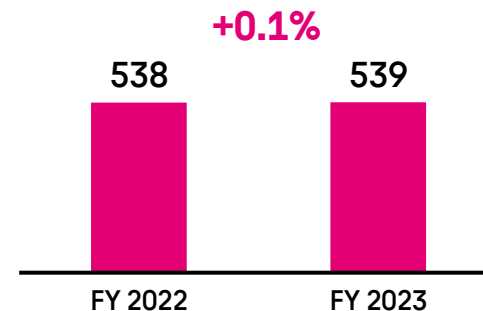
RETAIL BROADBAND
ACCESS LINES (.000)



TV

Customer base stable.

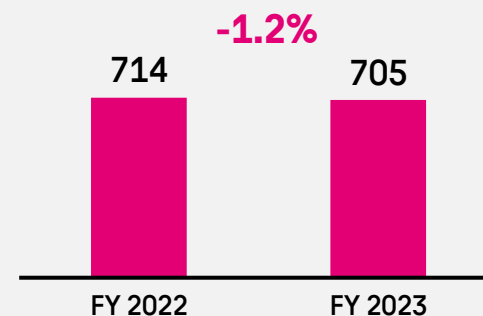
TV
CUSTOMERS (.000)



FIXED VOICE²

The fixed voice lines contraction continue to slow down.

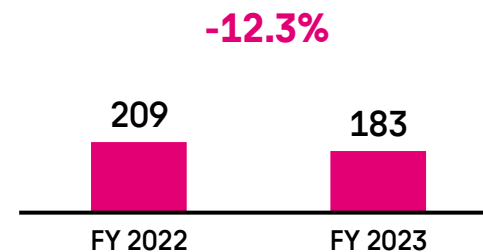
RETAIL FIXED VOICE
MAINLINES (.000)



WHOLESALE³

Wholesale base lower as operators migrate their customer base to own infrastructure.

WHOLESALE
CUSTOMERS (.000)



1. Includes ADSL, VDSL, FTTH and Naked DSL

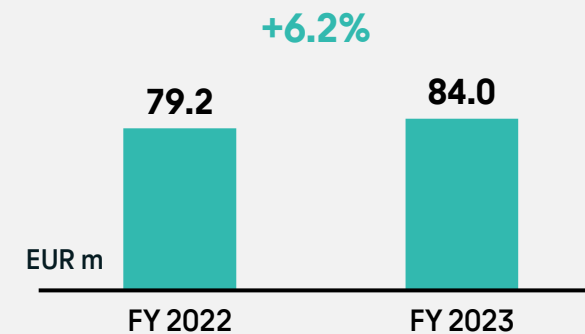
2. Includes PSTN, FGSM, old PSTN Voice customers migrated to IP platform and Smart packages for business; payphones excluded

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

Fixed broadband
and TV lines
continued to
grow

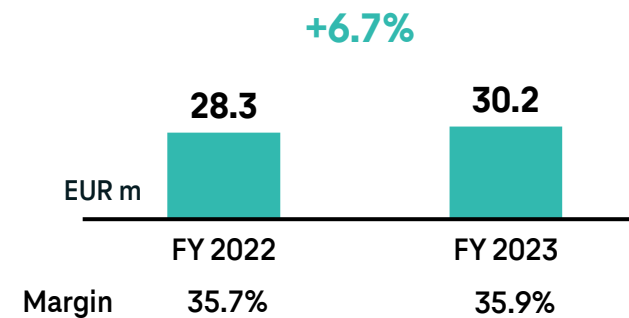
REVENUE

Strong commercial momentum supported growth across all revenue categories.



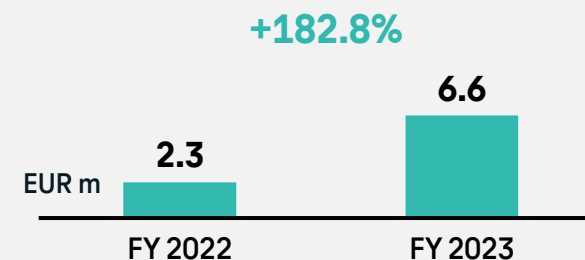
EBITDA AL¹

EBITDA AL growth reflects positive top line development despite inflationary pressures.



NET PROFIT²

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



Accelerated
top-line and
bottom-line
growth

1. EBITDA after leases adjusted for exceptional items

2. Net profit after non controlling interests

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



Group 2024 Outlook

	2023 RESULTS	OUTLOOK 2024 vs. 2023
REVENUE	EUR 1,039 million	Low single-digit increase
ADJ. EBITDA AL	EUR 398 million	Mid single-digit increase
CAPEX AL¹	EUR 221 million	Mid single-digit increase
REGIONAL EXPANSION	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	FY 2022	FY 2023	% of change A23/A22	Q4 2022	Q4 2023	% of change A23/A22
Mobile service revenues	359.7	379.1	5.4%	84.8	90.6	6.9%
Mobile non-service revenues	148.3	177.9	19.9%	41.1	51.9	26.2%
Fixed service revenues	319.1	325.7	2.1%	80.1	83.9	4.8%
Fixed non-service revenues	79.3	79.0	-0.4%	22.9	19.5	-14.8%
System solutions	77.1	77.6	0.7%	20.0	22.7	13.3%
Revenue	983.5	1,039.3	5.7%	248.9	268.6	7.9%
Other operating income	14.2	8.6	-39.0%	1.3	5.5	322.9%
Total operating revenue	997.7	1,048.0	5.0%	250.2	274.1	9.6%
Operating expenses	587.6	615.6	4.8%	155.2	164.2	5.8%
Material expenses	309.2	331.9	7.3%	82.3	96.4	17.1%
Employee benefits expenses	150.9	162.3	7.6%	41.6	41.0	-1.5%
Other expenses	128.3	117.8	-8.2%	32.1	24.6	-23.2%
Work performed by the Group and capitalised	-9.2	-8.4	9.1%	-3.3	-2.3	31.4%
Net impairment losses on trade receivables and contract assets	8.5	12.0	42.3%	2.5	4.4	79.3%
Depreciation and amortization	284.4	271.0	-4.7%	65.5	69.1	5.6%
EBIT	125.6	161.4	28.5%	29.5	40.8	38.2%
Financial income	3.9	8.6	122.6%	1.0	2.6	164.9%
Income/loss from investment in joint ventures	0.0	0.0	-100.0%	-0.1	0.0	100.0%
Financial expenses	12.1	9.5	-21.2%	4.9	3.4	-31.3%
Profit before taxes	117.4	160.4	36.7%	25.4	40.0	57.2%
Taxation	29.8	26.8	-9.9%	8.2	4.0	-51.2%
Net profit	87.6	133.6	52.5%	17.2	36.0	108.9%
Non controlling interests	-0.6	-1.6	-158.0%	0.1	-0.3	-574.0%
Net profit after non controlling interests	87.0	132.0	51.8%	17.3	35.7	106.7%
Adjusted EBITDA AL ¹⁾	377.6	397.5	5.3%	91.8	100.4	9.4%
Exceptional items ²⁾	13.7	13.1	-4.6%	8.8	3.8	-56.2%
EBITDA AL	363.9	384.5	5.6%	83.1	96.6	16.3%

¹⁾ Mainly adjusted for restructuring redundancy costs and legal cases

²⁾ Mainly related to restructuring redundancy costs and legal cases

* CT FY and Q4 2022 translated from HRK to EUR using conversion exchange rate of €1 = HRK 7.53450

Consolidated balance sheet statement

in EUR million	At 31 Dec 2022	At 31 Dec 2023	% of change A23/A22
Intangible assets	256.9	385.8	50.2%
Property, plant and equipment	838.7	843.5	0.6%
Non-current financial assets	1.3	0.9	-30.6%
Non-current receivables	35.0	39.1	11.8%
Prepayments and accrued income due > 1 year	24.6	28.2	14.3%
Right-of-use assets	73.7	72.3	-1.8%
Contract assets due > 1 year	7.2	8.3	16.4%
Contract costs due > 1 year	22.2	28.9	30.1%
Deferred tax asset	17.9	22.9	28.0%
Total non-current assets	1,277.5	1,429.9	11.9%
Inventories	34.8	33.8	-2.9%
Assets held for sale	31.6	31.6	0.0%
Current receivables	199.8	247.2	23.7%
Current financial assets	13.5	29.4	117.8%
Contract assets due <= 1 year	29.1	33.0	13.5%
Contract costs due <= 1 year	10.1	12.6	25.3%
Cash and cash equivalents	373.4	233.1	-37.6%
Prepayments and accrued income due <= 1 year	20.8	10.9	-47.9%
Total current assets	713.2	631.6	-11.4%
TOTAL ASSETS	1,990.7	2,061.5	3.6%

in EUR million	At 31 Dec 2022	At 31 Dec 2023	% of change A23/A22
Subscribed share capital	1,359.7	1,359.7	0.0%
Reserves	69.0	89.5	29.6%
Revaluation reserves	0.0	0.0	278.2%
Cash flow hedge reserves	0.0	-0.2	-
Treasury shares	-0.8	-22.2	-2643.3%
Retained earnings	119.5	99.7	-16.6%
Net profit for the period	87.0	132.0	51.8%
Non controlling interest	32.6	32.9	1.2%
Total issued capital and reserves	1,667.0	1,691.5	1.5%
Provisions	19.1	16.7	-12.8%
Non-current liabilities	16.5	9.6	-41.6%
Lease liabilities due > 1 year	50.2	50.9	1.4%
Contract liabilities due > 1 year	0.0	0.0	-
Deferred tax liability	4.4	4.1	-5.4%
Total non-current liabilities	90.2	81.4	-9.8%
Current liabilities	198.2	248.4	25.3%
Lease liabilities due <= 1 year	20.2	16.0	-20.4%
Contract liabilities due <= 1 year	10.4	12.1	16.5%
Accrued expenses and deferred income	1.2	7.6	526.6%
Provisions for redundancy	3.5	4.5	28.0%
Total current liabilities	233.4	288.6	23.6%
Total liabilities	323.6	370.0	14.3%
TOTAL EQUITY AND LIABILITIES	1,990.7	2,061.5	3.6%

Consolidated cash flow statement

in EUR million	FY 2022	FY 2023	% of change A23/A22	Q4 2022	Q4 2023	% of change A23/A22
Profit before tax	117.4	160.4	36.7%	25.4	40.0	57.2%
Depreciation and amortization	284.4	271.0	-4.7%	65.5	69.1	5.6%
Increase / decrease of current liabilities	9.0	30.0	235.2%	7.0	21.4	203.7%
Increase / decrease of current receivables	-37.2	-48.9	-31.5%	-13.6	-35.1	-159.0%
Increase / decrease of inventories	-9.7	1.0	110.6%	0.1	2.9	2583.3%
Other cash flow increases / decreases	-19.0	-53.0	-179.0%	-7.3	-13.0	-78.7%
Net cash inflow/outflow from operating activities	344.9	360.5	4.5%	77.2	85.2	10.4%
Proceeds from sale of non-current assets	16.7	1.2	-92.9%	0.5	0.4	-18.8%
Proceeds from sale of non-current financial assets	0.1	0.1	-44.4%	0.0	0.0	-244.2%
Interest received	1.3	6.5	404.7%	0.4	1.8	311.8%
Dividend received	0.0	0.0	-	0.0	0.0	-
Other cash inflows from investing activities	26.7	14.2	-	0.0	10.1	-
Total increase of cash flow from investing activities	44.8	22.0	-51.0%	1.0	12.3	1181.8%
Purchase of non-current assets	-194.8	-303.6	-55.9%	-84.7	-53.0	37.5%
Purchase of non-current financial assets	0.0	-0.4	-	0.0	0.0	98.0%
Other cash outflows from investing activities	-8.6	-29.3	-239.9%	-3.7	-18.4	-
Total decrease of cash flow from investing activities	-203.4	-333.2	-63.8%	-88.5	-71.4	19.3%
Net cash inflow/outflow from investing activities	-158.6	-311.3	-96.2%	-87.5	-59.1	32.4%
Total increase of cash flow from financing activities	0.0	0.0	-	0.0	0.0	-
Dividends paid	-84.4	-86.9	-3.0%	-0.1	0.0	34.0%
Repayment of lease	-42.1	-45.6	-8.2%	-12.0	-13.3	-10.4%
Other cash outflows from financing activities	-67.5	-57.1	15.4%	-5.4	-10.9	-102.4%
Total decrease in cash flow from financing activities	-194.0	-189.6	2.3%	-17.5	-24.2	-38.7%
Net cash inflow/outflow from financing activities	-194.0	-189.6	2.3%	-17.5	-24.2	-38.7%
Exchange gains/losses on cash and cash equivalents	0.1	0.0	-100.0%	-0.2	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	-7.7	-140.3	-1734.1%	-28.0	1.9	106.7%
Cash and cash equivalents at the end of period	373.4	233.1	-37.6%	-28.0	1.9	106.7%

* CT FY and Q4 2022 translated from HRK to EUR using conversion exchange rate of €1 = HRK 7.53450



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