



LIFE IS FOR SHARING.

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

JANUARY - MARCH 2021



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COMMENT OF THE PRESIDENT OF THE MANAGEMENT BOARD

Commenting on the business results for Q1 2021, Konstantinos Nempis, CEO of Hrvatski Telekom: *Doing business in Q1 2021 remained under the impact of the COVID-19 pandemic extension. Still, despite the challenging macroeconomic environment, Hrvatski Telekom maintained its strategic focus, continuing with the investments in the infrastructure and the country's digitalization.*

By investing in the infrastructure, we expanded further our fiber network, we doubled the number of cities covered with 5G compared to 2020, while at the same time an even stronger customer-centric approach resulted with great customer satisfaction.

This translated into solid business performance, represented in top line revenue and EBITDA AL growth, which provide a strong foundation for sustainable and profitable growth going forward.



Q1 2021 HIGHLIGHTS

- Strong commercial momentum continued in Q1 2021
- EBITDA AL continued to grow for the second consecutive quarter
- Net Profit reduced due to intensive investments
- HRK 8.00 dividend confirmed and the new 5-year SBB program introduced

From the business perspective, Q1 2021 was a challenging quarter due to COVID-19 implications on the economic activity. Nevertheless, Hrvatski Telekom ended the quarter on a positive note with a strong commercial momentum.

In Q1 2021, Hrvatski Telekom achieved solid growth with total consolidated net revenue, increasing by HRK 56 million or 3.2% in Q1 2021 compared to Q1 2020. The revenue increase was mainly driven by stronger mobile revenue (HRK 46 million or 6.0%) and fixed revenue returning to growth (HRK 12 million or 1.5%), with partial offset coming from timing of System solutions deals (HRK 3 million or -1.6%).

EBITDA AL was also up HRK 25 million or 4.0% in Q1 2021 as a result of an increase reported in both HT Group in Croatia (4.3%) and Crnogorski Telekom (0.2%). The EBITDA AL margin was 36.0%. Noteworthy development is that EBITDA AL continued growing for the second consecutive quarter supported by the positive commercial momentum and transformation measures.

Net Profit contracted as improved EBITDA and lower taxation were insufficient to offset the increase in depreciation, which stems from high investments during previous years, with investments amounting to over HRK 9 billion just over the last five years. Our investments are not only supporting the economy to get back to growth but are also essential for the Company's future success.

Continued investments in network infrastructure

Despite the challenging environment Hrvatski Telekom continued to expand coverage of 5G network during Q1 2021. Additional 17 cities were covered with 5G network with a total coverage of 1.5m inhabitants, across 34 cities in Croatia.

In Q1 2021, Hrvatski Telekom continued to focus on building its fiber-optic infrastructure and implementing the next generation fixed access network (NGA), while targeting an increase in the fiber-optic network footprint which represents the future of the fixed network and is the primary prerequisite for the country's digitalization. In Q1 2021, Hrvatski Telekom's FTTH coverage reached more than 370,000 households, 29% more than a year ago. Overall, our fiber-based access network (FTTx) is now available to 531,000 households (19.3% YOY growth).



Future spectrum assignments

Croatian Regulatory Authority for Network Industries (HAKOM) announced that the public auction of the spectrum in 700 MHz, 3,6 GHz and 26 GHz frequency bands will be held in the period between May and July 2021. A public consultation on the Information memorandum on the public auction framework was launched on 2 April 2021.

Spectrum award in 800 MHz, 900 MHz, 1800 MHz, 2100 MHz, and 2600 MHz frequency bands has been announced for 2022. Currently valid licences in these frequency bands expire in Q4 2024.

Strong focus on shareholder returns

On 23 April 2021, the General Assembly confirmed the joint proposal of the Management Board and the Supervisory Board for the distribution of net profit for 2020. The amount of HRK 641.9 million represents a ratio of the dividend payment in relation to the realized profit of the Company of 91.2%.

During Q1 2021, Hrvatski Telekom purchased additional 189,924 Company shares on the Zagreb Stock Exchange, in line with its ongoing Share Buyback Program. Hrvatski Telekom paid-out an equivalent value of HRK 35.3 million for the acquisition of the Company's shares in the reporting quarter.

The General Assembly of Hrvatski Telekom d.d. authorized the Management Board to buy back the Company's own shares for the period of 5 years, commencing a new Share Buyback Program from 29 April 2021 until 22 April 2026. The maximum volume of the new Share Buyback Program is HRK 600m or 3m shares for the entire duration of the Program, which is approximately 3.7% of the total number of shares. The Program will create added value to all shareholders of the Company in addition to dividends.

In the latest Annual Report on Corporate Governance by the Croatian Financial Services Supervisory Agency (HANFA), Hrvatski Telekom has been named the best company listed in the Zagreb Stock Exchange (ZSE) Official market category, which once again demonstrates how Hrvatski Telekom, along with continuously delivering stable performance, implements the highest standards of corporate governance. Building on it, Hrvatski Telekom has even raised the bar additionally entering the ZSE's Prime Market.

2021 Outlook

Although the environment remains uncertain, we confirm our 2021 outlook (including Optima Telekom until end-June 2021). We expect a mid-single digit decrease in revenue, and a low-single digit increase in EBITDA AL compared to 2020. Our CAPEX expectations are at around HRK 1.6 billion, down from the 2020 total of HRK 1.82 billion. In terms of regional expansion, we continue monitoring and evaluating potential acquisition opportunities.



SELECTED FINANCIAL DATA

HT Group

in HRK million

INCOME STATEMENT	Q1 2020	Q1 2021	% of change A21/A20
Revenue	1,735	1,790	3.2%
Exceptional items	52	41	-21.6%
EBITDA before exceptional items after leases	620	644	4.0%
EBITDA before exceptional items	721	742	3.0%
EBITDA after exceptional items	669	701	4.9%
EBIT (Operating profit)	192	74	-61.5%
Net profit after non controlling interests	149	50	-66.5%
EBITDA margin before exceptional items after leases	35.7%	36.0%	0.3 p.p.
EBITDA margin before exceptional items	41.6%	41.5%	-0.1 p.p.
EBITDA margin after exceptional items	38.5%	39.2%	0.6 p.p.
EBIT margin	11.1%	4.1%	-6.9 p.p.
Net profit margin	8.6%	2.8%	-5.8 p.p.

BALANCE SHEET	At 31 Dec 2020	At 31 Mar 2021	% of change A21/A20
Total non current assets	10,415	10,249	-1.6%
Total current assets	5,129	5,308	3.5%
TOTAL ASSETS	15,544	15,557	0.1%
Total issued capital and reserves	12,907	12,919	0.1%
Total non current liabilities	825	827	0.3%
Total current liabilities	1,812	1,811	-0.1%
TOTAL EQUITY AND LIABILITIES	15,544	15,557	0.1%

CASH FLOW	Q1 2020	Q1 2021	% of change A21/A20
Net cash flow from operating activities	409	611	49.1%
Net cash flow from investing activities	-283	-214	24.2%
Net cash flow from financing activities	-267	-203	24.0%
Cash and cash equivalents at the end of period	2,628	3,201	21.8%



HT Group Croatia

in HRK million

INCOME STATEMENT	Q1 2020	Q1 2021	% of change A21/A20
Revenue	1,601	1,658	3.6%
Mobile	696	742	6.6%
Fixed voice	145	138	-4.6%
Broadband & TV & Data	378	392	3.7%
Fixed wholesale	68	82	20.7%
Other fixed	136	131	-4.1%
System solutions	178	173	-2.5%
Miscellaneous	0	0	0.0%
Exceptional items ¹⁾	52	41	-21.3%
EBITDA before exceptional items after leases	572	597	4.3%
EBITDA before exceptional items	666	687	3.2%
EBITDA after exceptional items	614	646	5.3%
EBIT (Operating profit)	187	67	-64.2%
Net profit after non controlling interests	147	47	-68.0%
EBITDA margin before exceptional items after leases	35.7%	36.0%	0.3 p.p.
EBITDA margin before exceptional items	41.6%	41.4%	-0.1 p.p.
EBITDA margin after exceptional items	38.4%	39.0%	0.6 p.p.
EBIT margin	11.7%	4.0%	-7.6 p.p.
Net profit margin	9.2%	2.8%	-6.4 p.p.

¹⁾ Mainly related to restructuring redundancy costs and legal cases

Crnogorski Telekom standalone

in HRK million

INCOME STATEMENT	Q1 2020	Q1 2021	% of change A21/A20
Revenue	135	134	-0.7%
Mobile	73	73	0.2%
Fixed voice	13	12	-10.6%
Broadband & TV & Data	33	32	-1.5%
Fixed wholesale	3	3	-11.0%
Other fixed	8	7	-9.5%
System solutions	5	7	35.6%
Exceptional items	1	0	-52.7%
EBITDA before exceptional items after leases	48	48	0.2%
EBITDA before exceptional items	55	55	-0.2%
EBITDA after exceptional items	55	55	0.3%
EBIT (Operating profit)	4	6	51.0%
Net profit after non controlling interests	2	3	55.3%
EBITDA margin before exceptional items after leases	35.3%	35.6%	0.3 p.p.
EBITDA margin before exceptional items	41.0%	41.2%	0.2 p.p.
EBITDA margin after exceptional items	40.6%	41.0%	0.4 p.p.
EBIT margin	3.1%	4.7%	1.6 p.p.
Net profit margin	1.6%	2.5%	0.9 p.p.



SELECTED OPERATIONAL DATA

HT Group Croatia

Key operational data	Q1 2020	Q1 2021	% of change A21/A20
Mobile customers in 000			
Number of customers	2,248	2,256	0.3%
- Prepaid	1,017	970	-4.6%
- Postpaid	1,231	1,286	4.4%
Minutes of use (MOU) per average customer	271	278	2.5%
Blended ARPU ⁴⁾ (monthly average for the period in HRK)	70	72	3.1%
- Prepaid	38	38	-0.7%
- Postpaid	97	98	1.7%
Blended non-voice ARPU ⁴⁾ (monthly average for the period in HRK)	43	51	19.5%
SAC per gross add in HRK	152	179	17.6%
Churn rate (%)	2	2	-0.2 p.p.
Penetration (%) ¹⁾	127	131	3.6 p.p.
Market share of customers (%) ¹⁾	44	44	-0.6 p.p.
Smartphone customers (%) ²⁾	70	72	1.9 p.p.
Smartphones sold (%) ³⁾	90	90	-0.7 p.p.

¹⁾ Source: competitors' official reports for 1Q 2021

²⁾ Number of customers using a smartphone handsets in total number of mobile customers

³⁾ Number of smartphones sold in total number of handsets sold (postpaid only)

⁴⁾ ARPU includes IFRS 15 effects

Note: According to DT Group definition of M2M (machine to machine), starting from 2020, all M2M customers, respective revenues and KPIs will be reported in prepaid.

Key operational data	Q1 2020	Q1 2021	% of change A21/A20
Fixed mainlines in 000			
Fixed mainlines - retail ¹⁾	772	745	-3.5%
Fixed mainlines - wholesale (WLR - wholesale line rental)	43	36	-14.8%
ARPU voice per user ⁵⁾ (monthly average for the period in HRK) ²⁾	62	62	-1.1%
IP mainlines/customers in 000			
Broadband access lines - retail ³⁾	620	625	0.8%
Broadband access lines - wholesale ⁴⁾	113	105	-6.9%
TV customers	490	542	10.6%
Broadband retail ARPU ⁵⁾ (monthly average for the period in HRK)	106	107	0.7%
TV ARPU ⁵⁾ (monthly average for the period in HRK)	85	82	-2.5%
Wholesale customers in 000			
ULL (Unbundled Local Loop)	100	90	-10.0%

¹⁾ Includes PSTN, FGSM, old PSTN Voice customers migrated to IP platform and Smart packages for business; payphones excluded

²⁾ Payphones excluded

³⁾ Includes ADSL, VDSL, FTTH i Naked DSL

⁴⁾ Includes Naked Bitstream + Bitstream

⁵⁾ ARPU includes IFRS 15 effects

Note: Optima Telekom's non financial KPIs not integrated into Group results due to limited access to Optima Telekom's information as a result of "Chinese wall" introduced by regulator



Crnogorski Telekom standalone

Key operational data	Q1 2020	Q1 2021	% of change A21/A20
Mobile customers in 000	358	364	1.6%
- Prepaid	117	116	-1.1%
- Postpaid	241	248	2.9%
Fixed mainlines - retail in 000	107	102	-5.0%
Broadband access lines - retail in 000	81	79	-2.9%
TV customers in 000	72	71	-1.1%

I. Revenue

Total consolidated net revenue increased by HRK 56 million or 3.2% year-on-year. This was driven by a 3.6% increase in HT Group in Croatia (HRK 57 million), whereas Crnogorski Telekom revenue contracted by 1.3% (HRK 2 million). Total revenue increase is driven by the stronger performance on mobile (HRK 46 million or 6.0%) and fixed revenue (HRK 12 million or 1.5%), with partially lower System Solutions revenue (HRK 3 million or 1.6%) due to different phasing of System Solutions projects.

Optima Telekom contribution to HT Group amounted to HRK 67 million and is above Q1 2020 by HRK 4 million. It consisted of HRK 106 million of third-party contribution (Q1 2020: HRK 109 million) that was presented in fixed other revenue, and HRK 40 million of inter-company relations presented in fixed wholesale revenue (Q1 2020: HRK 47 million).

Contribution of subsidiaries in Group revenue is for Iskon amounted HRK 102 million (Q1 2020: HRK 89 million) and for Combis HRK 128 million (Q1 2020: HRK 110 million).

Mobile revenue

Mobile revenue grew by HRK 46 million or 6.0%, up in HT Group in Croatia (HRK 46 million or 6.6%) and in Crnogorski Telekom (HRK 0.2 million or 0.2%).

HT Group Croatia

Mobile revenue growth is supported by higher handset sales and strong postpaid, as customers reacted positively to the new portfolio launched in 2nd half of 2020, offsetting contraction of prepaid from Prepaid to Postpaid migrations and absence of roaming revenues with the pandemic extending in 2021.



Total mobile customer base of 2,256 thousand customers is above Q1 2020 (0.3%), with higher postpaid segment (4.4%) and lower prepaid segment (4.6%) restated for M2M customers (fully reported in prepaid).

Crnogorski Telekom

Mobile revenue reported slight growth.

Fixed revenue

Fixed revenue increased by HRK 12 million or 1.5% year-on-year, mainly attributable to HT Group in Croatia (HRK 16 million or 2.1%), while Crnogorski Telekom showed a decrease of 6.2% (HRK 3 million).

The increase resulted from higher wholesale (HRK 13 million or 18.9%) and revenue from Broadband, TV and Data services (HRK 13 million or 3.3%), which compensated for lower voice (HRK 8 million or 5.1%). Other fixed revenue reduced by HRK 7 million or 4.6%.

HT Group Croatia

Voice decline was driven by the market trend of fixed to mobile and IP substitution, regulation and enforced competition.

Broadband revenue increase was supported by 0.8% higher customer base reaching 625 thousand. Broadband retail ARPU was higher by 0.7% at the level of HRK 107.

The growth in TV revenue was supported by continued sales of DVBT-2 devices, successfully increasing our pay-TV customer base.

There were no changes in pricing of wholesale regulated services in Q1 2021. Due to strengthening of anti-COVID-19 measures (users use more broadband services from home), there has been an increase in usage of wholesale bitstream traffic.

Crnogorski Telekom

Lower Fixed revenue mostly driven by lower fixed voice and wholesale.

System Solutions

System Solutions revenue decreased by HRK 3 million or 1.6% year-on-year, mainly driven by a 2.5% decrease in HT Group in Croatia (HRK 4 million), while Crnogorski Telekom reported 31.0% higher revenue (HRK 2 million).

HT Group Croatia

Stable revenue growth in Q1 is in area of standard ICT portfolio, while System Solutions are impacted by COVID-19 and therefore postponed projects. Key drivers in standard portfolio are



Infrastructure services (Data Center) and digitalization services such as Office 365, ICT equipment and Smart City portfolio.

Crnogorski Telekom

Increase in System Solution revenues is mainly driven by one-off deals.

II. Operating expenses

Total consolidated operating expenses increased by HRK 26 million or 2.4% compared to Q1 2020, driven by a 2.8% increase in HT Group in Croatia (HRK 28 million), while Crnogorski Telekom recorded a 2.6% decrease (HRK 2 million). The increase was a result of higher material expenses (HRK 59 million or 11.8%), which was partly offset by lower employee benefits expenses (HRK 17 million or 5.2%) and other expenses (HRK 17 million or 6.6%).

Material expenses

The increase in material expenses is recorded in merchandise, material and energy expenses (HRK 40 million or 12.4%) and in service (HRK 19 million or 10.6%), mostly realized by HT Group in Croatia (HRK 60 million or 12.6%).

Employee benefits expenses

The decrease in total employee benefits expenses was driven by HT Group in Croatia (HRK 16 million or 5.4%) as a result of HT Inc lower severance payments due to business reasons, as well as seasonality of bonuses payment.

Other expenses

Other expenses decrease was mainly driven by lower licences due to spectrum fee reduction.

Depreciation and amortization

Growth in depreciation and amortization was mostly influenced by HT Group in Croatia (HRK 152 million or 35.7%).

III. Profitability

EBITDA before exceptional items after leases

EBITDA before exceptional items after leases increased by HRK 25 million or 4.0% year-on-year, mostly driven by HT Group in Croatia (HRK 25 million or 4.3%), as a result of the stronger commercial momentum.

Net profit after non-controlling interests



Net profit after NCI was below 2020 by HRK 99 million (66.5%), due to a 68.0% lower net profit in HT Group in Croatia (100 million or 68.0%), while CT recorded a 45.4% increase (HRK 1 million). This decline was mainly caused by higher depreciation, which was partly offset by improved EBITDA and lower taxation.

IV. Financial position

Balance sheet

In comparison to 2020 year-end, there is increase in the total asset value of 0.1% or HRK 13 million, representing higher cash and lower intangible and tangible assets.

Total issued capital and reserves increased by 12 million (0.1%) compared to at 31 December 2020, mainly as a result of HRK 50 million realized net profit for 1Q 2021 being offset by the purchase of own share in amount of HRK 35 million.

Total non-current liabilities increased by HRK 2 million or 0.3%, primarily due to higher lease liabilities and provisions being partially offset by lower financial liabilities.

Total current liabilities decreased by HRK 1 million to HRK 1,811 million at 31 March 2021.

Cash flow

CF from operating activities increased by HRK 201 million or 49% year-on-year, mainly due to favourable working capital movement.

CF from investing activities increased by HRK 68 million (24%), largely as a result of lower payments for intangible and tangible assets being partially offset by proceeds from sale of non-current assets.

CF from financing activities increased by HRK 64 million (24%), mainly due to lower repayment of loans and bonds and lower lease repayments.



V. Capital expenditure

in HRK million

CAPEX after leases - HT Group	Q1 2020	Q1 2021	% of change A21/A20
CAPEX after leases	423	355	-16,1%
CAPEX after leases/ Revenue ratio	24,4%	19,8%	-4,6 p.p.
CAPEX after leases - HT Group in Croatia	Q1 2020	Q1 2021	% of change A21/A20
CAPEX after leases	391	331	-15,3%
CAPEX after leases/ Revenue ratio	24,4%	20,0%	-4,4 p.p.
CAPEX after leases - Crnogorski Telekom	Q1 2020	Q1 2021	% of change A21/A20
CAPEX after leases	32	24	-25,9%
CAPEX after leases/ Revenue ratio	23,9%	18,0%	-6,0 p.p.
IFRS16 CAPEX - HT Group	Q1 2020	Q1 2021	% of change A21/A20
IFRS16 Capex - HT Group	108	102	-6,0%
IFRS16 Capex - HT Group in Croatia	108	77	-28,7%
IFRS16 Capex - Crnogorski Telekom	0	25	5484%
Total CAPEX (Booked + IFRS16 Capex) - HT Group	Q1 2020	Q1 2021	% of change A21/A20
Total CAPEX	531	457	-14,0%
Total CAPEX / Revenue ratio	30,6%	25,5%	-5,1 p.p.

Capex after leases realization was below Q1 2020 by HRK 68 million (16.1%), mainly as a result of a decrease in HT Group in Croatia (HRK 60 million), reflecting seasonality and lower overall capex plan for 2021. CT decrease (HRK 8 million or 25.9%) mainly due to different seasonality of TV Content capitalization.

HT Group in Croatia

HT continued to expand coverage of 5G network based on Dynamic Spectrum Sharing technology during Q1 2021. Additional 17 cities were covered with 5G network, reaching a total coverage of 1.5m inhabitants across 34 cities in total.

In 2021, a strong focus was placed on the implementation of next generation fixed access network (NGA) targeting optical network footprint increase. In Q1 2021, additional 8,915 households were covered by FTTH technology in the access network, covering in total (FTTH) 372 thousand households at the end of Q1 2021.

In total, HT achieved coverage for 63.5% households with technologies that enable speed >30 Mbps from which 29.3% with technologies that enable speed > 100 Mbps. Optical based access network (FTTx) is now available for 531 thousand households.

Within the development project of next generation access networks (NGA) in "NGA white areas" which are co-financed by the European Structural and Investment Funds, during Q1, bids were collected in the Public Procurement procedure for 13 projects.



HT GROUP 2021 OUTLOOK

	2020 Results	Outlook 2021* vs 2020
REVENUE	HRK 7,458 million	Mid-single digit decrease
EBITDA AL	HRK 2,738 million	Low-single digit increase
CAPEX AL	HRK 1,824 million	Around HRK 1,600 million
REGIONAL EXPANSION	HT is monitoring and evaluating potential M&A opportunities	HT is monitoring and evaluating potential M&A opportunities

* Including Optima Telekom until end-June 2021

RISK MANAGEMENT

Besides the business and regulatory developments detailed in this statement, and in the publicly available audited financial statements for 2020, there were no material changes to the Group's risk profile in the period under review except the COVID-19.

Hrvatski Telekom actively monitors the situation with the COVID-19 virus and correlated risk aspects.

In the following situation, the development with COVID-19 in the short (<1Y) and mid-term (<3Y) represents a risk of partial revenue reduction and an increased risk of collection default in proportion to the impact on the overall Croatian economy, as well as on the economic status of citizens of RoC.



CHANGES IN REPORTING

In 2014, Croatian Competition Agency 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 regard 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 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. Sale process is ongoing.

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 Evo TV service. HT Produkcija d.o.o. is consolidated in HT Group financial results starting from 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. Within the strategy of restructuring non-core parts of HT’s business operations, a Contract was concluded with Uniline d.o.o. on transfer and sale of the share held by HT holding d.o.o. in the company E-tours d.o.o in November 2019. The transaction was completed on 31 December 2019.

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.

"AL" or "After Leases" steering KPIs introduced to ensure comparability:

- 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)

M2M

According to DT Group definition of M2M (machine to machine), starting from 2020, all M2M customers, respective revenues and KPIs will be reported in prepaid.



LIFE IS FOR SHARING.

HT GROUP FINANCIAL STATEMENTS

Unaudited consolidated financial statements



Consolidated Income Statement

in HRK million	Q1 2020	Q1 2021	% of change A21/A20
Mobile revenue	769	815	6.0%
Fixed revenue	783	795	1.5%
System solutions	183	180	-1.6%
Miscellaneous	0	0	0.0%
Revenue	1,735	1,790	3.2%
Other operating income	28	31	12.1%
Total operating revenue	1,762	1,821	3.3%
Operating expenses	1,094	1,120	2.4%
Material expenses	506	565	11.8%
Employee benefits expenses	326	309	-5.2%
Other expenses	256	239	-6.6%
Work performed by the Group and capitalised	-17	-16	7.8%
Write down of assets	22	22	-2.9%
EBITDA	669	701	4.9%
Depreciation and amortization	477	627	31.5%
EBIT	192	74	-61.5%
Financial income	41	13	-69.3%
Income/loss from investment in joint ventures	-4	-3	13.6%
Financial expenses	52	28	-46.0%
Profit before taxes	177	55	-68.9%
Taxation	35	13	-64.1%
Net profit	142	42	-70.1%
Non controlling interests	-7	-7	-1.8%
Net profit after non controlling interests	149	50	-66.5%
Exceptional items ¹⁾	52	41	-21.6%
EBITDA before exceptional items	721	742	3.0%
EBITDA before exceptional items after leases	620	644	4.0%

¹⁾ Mainly related to restructuring redundancy costs and legal cases



Consolidated Balance Sheet

in HRK million	At 31 Dec 2020	At 31 Mar 2021	% of change A21/A20
Intangible assets	2,178	2,055	-5.7%
Property, plant and equipment	6,516	6,458	-0.9%
Non-current financial assets	387	383	-0.9%
Receivables	331	329	-0.8%
Lessee use rights to leased assets (IFRS 16)	691	702	1.5%
Contract assets (IFRS 15)	62	59	-4.2%
Contract costs (IFRS 15)	116	125	8.1%
Deferred tax asset	134	139	3.7%
Total non-current assets	10,415	10,249	-1.6%
Inventories	151	163	8.3%
Assets held for sale	2	2	0.4%
Receivables	1,574	1,509	-4.1%
Current financial assets	1	38	5035.6%
Contract assets (IFRS 15)	212	216	2.0%
Contract costs (IFRS 15)	77	79	2.3%
Cash and cash equivalents	3,003	3,201	6.6%
Prepayments and accrued income	108	98	-9.3%
Total current assets	5,129	5,308	3.5%
TOTAL ASSETS	15,544	15,557	0.1%
Subscribed share capital	10,245	10,245	0.0%
Reserves	604	603	-0.2%
Revaluation reserves	2	1	-33.6%
Treasury shares	-90	-126	-39.0%
Retained earnings	1,246	1,840	47.7%
Net profit for the period	588	50	-91.5%
Non controlling interests	313	307	-2.0%
Total issued capital and reserves	12,907	12,919	0.1%
Provisions	82	84	2.9%
Non-current liabilities	210	196	-7.0%
Lessee lease liabilities to third partie due > 1 year (IFRS 16)	484	499	3.1%
Contract liabilities (IFRS 15)	0	0	33.3%
Deferred tax liability	48	48	-1.1%
Total non-current liabilities	825	827	0.3%
Current liabilities	1,562	1,553	-0.6%
Contract liabilities (IFRS 15)	74	86	16.5%
Lessee lease liabilities due <= 1 year (IFRS 16)	147	153	4.7%
Deferred income	4	3	-29.9%
Provisions for redundancy	26	16	-39.8%
Total current liabilities	1,812	1,811	-0.1%
Total liabilities	2,637	2,638	0.0%
TOTAL EQUITY AND LIABILITIES	15,544	15,557	0.1%



Consolidated Cash Flow Statement

in HRK million	Q1 2020	Q1 2021	<i>% of change A21/A20</i>
Profit before tax	177	55	-68.9%
Depreciation and amortization	477	627	31.5%
Increase / decrease of current liabilities	-149	-103	30.9%
Increase / decrease of current receivables	7	110	1378.7%
Increase / decrease of inventories	-37	-12	66.1%
Other cash flow increases / decreases	-66	-66	0.1%
Net cash inflow/outflow from operating activities	409	611	49.1%
Proceeds from sale of non-current assets	83	1	-98.6%
Proceeds from sale of non-current financial assets	0	8	2392.5%
Interest received	4	1	-66.2%
Dividend received	0	0	-
Other cash inflows from investing activities	0	0	-
Total increase of cash flow from investing activities	88	10	-88.2%
Purchase of non-current assets	-370	-187	49.5%
Purchase of non-current financial assets	0	0	-
Other cash outflows from investing activities	-1	-38	-6683.4%
Total decrease of cash flow from investing activities	-370	-225	39.3%
Net cash inflow/outflow from investing activities	-283	-214	24.2%
Total increase of cash flow from financing activities			
Repayment of loans and bonds	-48	-7	84.5%
Dividends paid	0	0	16.6%
Repayment of lease	-98	-77	21.8%
Other cash outflows from financing activities	-121	-119	1.8%
Total decrease in cash flow from financing activities	-267	-203	24.0%
Net cash inflow/outflow from financing activities	-267	-203	24.0%
Exchange gains/losses on cash and cash equivalents	7	5	-33.3%
Cash and cash equivalents at the beginning of period	2,762	3,003	8.7%
Net cash (outflow) / inflow	-134	198	248.0%
Cash and cash equivalents at the end of period	2,628	3,201	21.8%



NOTES TO THE CONDENSED CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED ON 31 MARCH 2021

Basis of preparation

The condensed consolidated financial statements as of 31 March 2021 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 2020.

Relations with the governing company and its affiliated companies

In the first three months of 2021 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 2021 there were no changes in transactions among related parties which were specified in the annual financial report for 2020 and which had a significant impact on the financial position and operations of the Group in the first three months of 2021.

Business relations transacted between HT d.d. and affiliated companies thereof (hereinafter referred to as: Group) in the first three months of 2021 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 2021 the Group generated total revenue from related companies to the amount of HRK 39 million (the first three months of 2020: HRK 39 million), while total costs amounted to HRK 42 million (the first three months of 2020: HRK 51 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 in 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 2021, the Company paid a total amount of HRK 0.2 million (the first three months of 2020: 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 2021, the total compensation paid to key management personnel of the Group amounted to HRK 9 million (the first three months of 2020: HRK 13 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 of 2021, 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 2021 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, 29 April 2021



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.

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



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CONTACT DETAILS

Hrvatski Telekom Investor Relations

Tomislav Bajić, CFA
Email

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

Instinctif Partners

Kay Larsen / Adrian Duffield

+44 207 457 2020

A conference call for analysts and investors will be held on Thursday, 29 April 2021 at 11:00 UK time / 12:00 CET.

The conference call dial in details are as follows:

International dial in	+44 (0) 203 0095710
UK local dial in	0844 493 38 57
Croatia local dial in	01 777 67 69
Austria, Vienna	01 928 40 70
Estonia, Tallinn	668 24 54
Germany, Frankfurt	0692 222 49 10
Hungary, Budapest	061 808 81 01
Slovenia, Ljubljana	01 600 93 38

Conference ID **2548662**

A replay of the call will be available until Wednesday, 6 May 2021 using the following details:

International dial in	+44 (0) 3333009785
Conference ID	2548662

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 2021, 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).



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APPENDIX

HT GROUP FINANCIAL STATEMENTS ACCORDING TO TFI-POD REQUIREMENTS

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.*



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STATEMENT OF PROFIT OR LOSS
for the period 01.01.2021 to 31.03.2021

in HRK

Submitter: Hrvatski Telekom d.d.					
Item	ADP code	Same period of the previous		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
I OPERATING INCOME (ADP 002 to 006)	001	1.762.293.373	1.762.293.373	1.821.148.234	1.821.148.234
1 Income from sales with undertakings within the group	002	39.103.027	39.103.027	38.599.715	38.599.715
2 Income from sales (outside group)	003	1.695.601.307	1.695.601.307	1.751.615.204	1.751.615.204
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	27.589.039	27.589.039	30.933.315	30.933.315
II OPERATING EXPENSES (ADP 008+009+013+017+018+019+022+029)	007	1.570.586.092	1.570.586.092	1.747.356.944	1.747.356.944
1 Changes in inventories of work in progress and finished goods	008	0	0	0	0
2 Material costs (ADP 010 to 012)	009	505.645.598	505.645.598	564.758.686	564.758.686
a) Costs of raw materials and consumables	010	36.568.607	36.568.607	35.467.348	35.467.348
b) Costs of goods sold	011	287.443.338	287.443.338	328.770.870	328.770.870
c) Other external costs	012	181.633.653	181.633.653	200.520.468	200.520.468
3 Staff costs (ADP 014 to 016)	013	268.768.060	268.768.060	263.604.125	263.604.125
a) Net salaries and wages	014	166.053.533	166.053.533	168.472.356	168.472.356
b) Tax and contributions from salary costs	015	72.257.920	72.257.920	62.875.680	62.875.680
c) Contributions on salaries	016	30.456.607	30.456.607	32.256.089	32.256.089
4 Depreciation	017	476.901.288	476.901.288	627.326.144	627.326.144
5 Other costs	018	243.929.199	243.929.199	227.467.662	227.467.662
6 Value adjustments (ADP 020+021)	019	22.542.288	22.542.288	21.766.493	21.766.493
a) fixed assets other than financial assets	020	0	0	0	0
b) current assets other than financial assets	021	22.542.288	22.542.288	21.766.493	21.766.493
7 Provisions (ADP 023 to 028)	022	52.799.659	52.799.659	42.433.834	42.433.834
a) Provisions for pensions, termination benefits and similar obligations	023	50.069.382	50.069.382	38.393.269	38.393.269
b) Provisions for tax liabilities	024	0	0	0	0
c) Provisions for ongoing legal cases	025	3.020.773	3.020.773	4.040.565	4.040.565
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	-290.496	-290.496	0	0
8 Other operating expenses	029	0	0	0	0
III FINANCIAL INCOME (ADP 031 to 040)	030	41.092.106	41.092.106	12.817.967	12.817.967
1 Income from investments in holdings (shares) of undertakings within the	031	0	0	0	0
2 Income from investments in holdings (shares) of companies linked by	032	0	0	0	0
3 Income from other long-term financial investment and loans granted to	033	0	0	0	0
4 Other interest income from operations with undertakings within the	034	0	0	0	0
5 Exchange rate differences and other financial income from operations	035	0	0	43.977	43.977
6 Income from other long-term financial investments and loans	036	1.102.144	1.102.144	716.251	716.251
7 Other interest income	037	900.383	900.383	509.325	509.325
8 Exchange rate differences and other financial income	038	39.089.579	39.089.579	11.544.247	11.544.247
9 Unrealised gains (income) from financial assets	039	0	0	0	0
10 Other financial income	040	0	0	4.167	4.167
IV FINANCIAL EXPENSES (ADP 042 to 048)	041	51.889.273	51.889.273	28.174.704	28.174.704
1 Interest expenses and similar expenses with undertakings within the	042	0	0	0	0
2 Exchange rate differences and other expenses from operations with	043	1.680.403	1.680.403	301.370	301.370
3 Interest expenses and similar expenses	044	21.555.183	21.555.183	19.971.415	19.971.415
4 Exchange rate differences and other expenses	045	28.096.850	28.096.850	7.418.756	7.418.756
5 Unrealised losses (expenses) from financial assets	046	0	0	0	0
6 Value adjustments of financial assets (net)	047	171.168	171.168	163.927	163.927
7 Other financial expenses	048	385.669	385.669	319.236	319.236
V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY	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	051	0	0	0	0
VIII SHARE IN LOSS OF JOINT VENTURES	052	3.860.285	3.860.285	3.337.018	3.337.018
IX TOTAL INCOME (ADP 001+030+049 +050)	053	1.803.385.479	1.803.385.479	1.833.966.201	1.833.966.201
X TOTAL EXPENDITURE (ADP 007+041+051 + 052)	054	1.626.335.650	1.626.335.650	1.778.868.666	1.778.868.666
XI PRE-TAX PROFIT OR LOSS (ADP 053-054)	055	177.049.829	177.049.829	55.097.535	55.097.535
1 Pre-tax profit (ADP 053-054)	056	177.049.829	177.049.829	55.097.535	55.097.535
2 Pre-tax loss (ADP 054-053)	057	0	0	0	0
XII INCOME TAX	058	35.268.911	35.268.911	12.662.224	12.662.224
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 055-059)	059	141.780.918	141.780.918	42.435.311	42.435.311
1 Profit for the period (ADP 055-059)	060	141.780.918	141.780.918	42.435.311	42.435.311
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	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	141.780.918	141.780.918	42.435.311	42.435.311
1 Attributable to owners of the parent	076	149.111.533	149.111.533	49.901.171	49.901.171
2 Attributable to minority (non-controlling) interest	077	-7.330.615	-7.330.615	-7.465.860	-7.465.860
STATEMENT OF OTHER COMPREHENSIVE INCOME (to be filled in by undertakings subject to IFRS)					
I PROFIT OR LOSS FOR THE PERIOD	078	141.780.918	141.780.918	42.435.311	42.435.311
II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX	079	26.031.834	26.031.834	4.601.787	4.601.787
III Items that will not be reclassified to profit or loss (ADP 081)	080	821.849	821.849	41.604	41.604
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	082	821.849	821.849	41.604	41.604
3 Fair value changes of financial liabilities at fair value through statement	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	25.209.985	25.209.985	4.560.183	4.560.183
1 Exchange rate differences from translation of foreign operations	088	25.209.985	25.209.985	4.560.183	4.560.183
2 Gains or losses from subsequent measurement of debt securities at fair	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	091	0	0	0	0
5 Share in other comprehensive income/loss of companies linked by virtue	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	097	26.031.834	26.031.834	4.601.787	4.601.787
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP	098	167.812.752	167.812.752	47.037.098	47.037.098
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	099	167.812.752	167.812.752	47.037.098	47.037.098
1 Attributable to owners of the parent	100	175.143.367	175.143.367	54.502.958	54.502.958
2 Attributable to minority (non-controlling) interest	101	-7.330.615	-7.330.615	-7.465.860	-7.465.860



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BALANCE SHEET
balance as at 31.03.2021

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	10.414.925.593	10.269.565.095
I INTANGIBLE ASSETS (ADP 004 to 009)	003	2.868.984.593	2.054.776.693
1 Research and development	004	0	0
2 Concessions, patents, licences, trademarks, software and other rights	005	1.701.276.418	1.215.134.741
3 Goodwill	006	433.587.634	434.175.833
4 Advances for the purchase of intangible assets	007	0	0
5 Intangible assets in preparation	008	43.122.906	146.348.138
6 Other intangible assets	009	690.997.635	259.117.981
II TANGIBLE ASSETS (ADP 011 to 019)	010	6.516.368.511	7.159.008.227
1 Land	011	61.042.362	340.521.887
2 Buildings	012	3.914.144.728	3.948.305.471
3 Plant and equipment	013	2.262.051.666	2.541.008.698
4 Tools, working inventory and transportation assets	014	44.937.088	15.601.282
5 Biological assets	015	0	0
6 Advances for the purchase of tangible assets	016	481.083	17.486.313
7 Tangible assets in preparation	017	156.992.558	265.840.291
8 Other tangible assets	018	8.895.095	8.396.773
9 Investment property	019	67.823.931	21.847.512
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	386.778.294	391.532.835
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	4.227.744	12.304.428
8 Loans, deposits, etc. given	028	3.451.191	3.466.066
9 Other investments accounted for using the equity method	029	379.099.359	375.762.341
10 Other fixed financial assets	030	0	0
IV RECEIVABLES (ADP 032 to 035)	031	509.061.378	525.500.033
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	403.573.658	349.188.373
4 Other receivables	035	105.487.720	176.311.660
V DEFERRED TAX ASSETS	036	133.732.817	138.747.307
C) CURRENT ASSETS (ADP 038+046+053+063)	037	5.020.271.544	5.188.904.219
I INVENTORIES (ADP 039 to 045)	038	153.358.359	165.833.279
1 Raw materials and consumables	039	16.835.661	18.845.534
2 Work in progress	040	0	0
3 Finished goods	041	0	0
4 Merchandise	042	134.126.093	144.580.770
5 Advances for inventories	043	0	0
6 Fixed assets held for sale	044	2.396.605	2.406.975
7 Biological assets	045	0	0
II RECEIVABLES (ADP 047 to 052)	046	1.863.308.143	1.784.500.525
1 Receivables from undertakings within the group	047	29.405.449	18.504.094
2 Receivables from companies linked by virtue of participating interests	048	0	0
3 Customer receivables	049	1.712.958.761	1.645.126.162
4 Receivables from employees and members of the undertaking	050	18.650.353	17.505.114
5 Receivables from government and other institutions	051	83.348.461	82.998.895
6 Other receivables	052	18.945.119	20.366.260
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)	053	746.335	37.875.843
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	745.957	0
9 Other financial assets	062	378	37.875.843
IV CASH AT BANK AND IN HAND	063	3.002.858.707	3.200.694.572
D) PREPAID EXPENSES AND ACCRUED INCOME	064	108.448.968	98.398.434
E) TOTAL ASSETS (ADP 001+002+037+064)	065	15.543.646.105	15.556.867.748
OFF-BALANCE SHEET ITEMS	066	0	0



LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to 070+076+077+081+084+087)	067	12,906,732,774	12,919,173,876
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	513,290,388	478,139,308
1 Legal reserves	071	512,248,870	512,248,870
2 Reserves for treasury shares	072	90,388,852	90,388,852
3 Treasury shares and holdings (deductible item)	073	-90,388,852	-125,664,689
4 Statutory reserves	074	0	0
5 Other reserves	075	1,041,518	1,166,275
IV REVALUATION RESERVES	076	0	0
V FAIR VALUE RESERVES AND OTHER (ADP 078 to 082)	077	1,653,309	-67,858
1 Financial assets at fair value through other comprehensive income (i.e. available for sale)	078	1,653,309	-67,858
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	1,245,604,907	1,839,613,449
1 Retained profit	084	1,245,604,907	1,839,613,449
2 Loss brought forward	085	0	0
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 087-088)	086	588,194,012	49,901,171
1 Profit for the business year	087	588,194,012	49,901,171
2 Loss for the business year	088	0	0
VIII MINORITY (NON-CONTROLLING) INTEREST	089	313,012,768	306,610,416
B) PROVISIONS (ADP 091 to 096)	090	107,953,065	100,027,442
1 Provisions for pensions, termination benefits and similar obligations	091	32,409,793	22,619,609
2 Provisions for tax liabilities	092	0	0
3 Provisions for ongoing legal cases	093	43,752,524	45,717,965
4 Provisions for renewal of natural resources	094	0	0
5 Provisions for warranty obligations	095	0	0
6 Other provisions	096	31,790,748	31,689,868
C) LONG-TERM LIABILITIES (ADP 098 to 108)	097	742,645,725	742,375,241
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	122,510,440	118,653,982
7 Liabilities for advance payments	104	0	0
8 Liabilities to suppliers	105	0	0
9 Liabilities for securities	106	23,579,466	15,430,238
10 Other long-term liabilities	107	548,477,242	560,724,180
11 Deferred tax liability	108	48,078,577	47,566,841
D) SHORT-TERM LIABILITIES (ADP 110 to 123)	109	1,782,282,286	1,792,463,034
1 Liabilities to undertakings within the group	110	136,700,325	135,303,540
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	33,133,236	40,101,532
7 Liabilities for advance payments	116	5,598,513	3,954,868
8 Liabilities to suppliers	117	994,551,292	946,179,585
9 Liabilities for securities	118	23,283,625	22,776,565
10 Liabilities to employees	119	135,075,995	206,076,986
11 Taxes, contributions and similar liabilities	120	31,750,249	87,925,811
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	422,189,051	350,144,147
E) ACCRUALS AND DEFERRED INCOME	124	4,032,255	2,828,155
F) TOTAL - LIABILITIES (ADP 067+090+097+109+124)	125	15,543,646,105	15,556,867,748
G) OFF-BALANCE SHEET ITEMS	126	0	0



STATEMENT OF CASH FLOWS - indirect method
for the period 01.01.2021 . to 31.03.2021.

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	177.049.829	55.097.535
2 Adjustments (ADP 003 to 010):	002	521.661.984	651.797.245
a) Depreciation	003	476.901.288	627.326.144
b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets	004	-12.405.935	625.736
c) Gains and losses from sale and unrealised gains and losses and value adjustment of financial assets	005	-930.976	-237.255
d) Interest and dividend income	006	-900.383	-509.325
e) Interest expenses	007	21.555.183	19.971.415
f) Provisions	008	27.742.557	-3.612.546
g) Exchange rate differences (unrealised)	009	23.512.970	7.914.311
h) Other adjustments for non-cash transactions and unrealised gains and losses	010	-13.812.720	318.765
I Cash flow increase or decrease before changes in working capital (ADP 001+002)	011	698.711.813	706.894.780
3 Changes in the working capital (ADP 013 to 016)	012	-196.806.603	-24.498.624
a) Increase or decrease in short-term liabilities	013	-149.389.088	-103.239.600
b) Increase or decrease in short-term receivables	014	7.423.327	109.765.802
c) Increase or decrease in inventories	015	-36.557.824	-12.400.246
d) Other increase or decrease in working capital	016	-18.283.018	-18.624.580
II Cash from operations (ADP 011+012)	017	501.905.210	682.396.156
4 Interest paid	018	-21.513.828	-19.706.852
5 Income tax paid	019	-70.916.539	-52.011.781
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)	020	409.474.843	610.677.523
Cash flow from investment activities			
1 Cash receipts from sales of fixed tangible and intangible assets	021	83.439.323	1.127.595
2 Cash receipts from sales of financial instruments	022	0	7.514.434
3 Interest received	023	3.759.793	1.272.472
4 Dividends received	024	0	0
5 Cash receipts from repayment of loans and deposits	025	0	0
6 Other cash receipts from investment activities	026	317.945	410.307
III Total cash receipts from investment activities (ADP 021 to 026)	027	87.517.061	10.324.808
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-369.843.591	-186.951.072
2 Cash payments for the acquisition of financial instruments	029	0	-37.833.580
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	-557.739	0
IV Total cash payments from investment activities (ADP 028 to 032)	033	-370.401.330	-224.784.652
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)	034	-282.884.269	-214.459.844
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	040	-48.059.838	-7.447.017
2 Cash payments for dividends	041	-88.920	-74.185
3 Cash payments for finance lease	042	-97.914.809	-76.577.699
4 Cash payments for the redemption of treasury shares and decrease in initial (subscribed) capital	043	-35.664.093	-35.275.837
5 Other cash payments from financing activities	044	-85.379.164	-83.548.894
VI Total cash payments from financing activities (ADP 040 to 044)	045	-267.106.824	-202.923.632
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)	046	-267.106.824	-202.923.632
1 Unrealised exchange rate differences in respect of cash and cash equivalents	047	6.804.298	4.541.817
D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 020+034+046+047)	048	-133.711.952	197.835.864
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	049	2.762.136.274	3.002.858.708
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (ADP 048+049)	050	2.628.424.322	3.200.694.572

