



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

JANUARY - JUNE 2022

CONTENTS

COMMENT OF THE PRESIDENT OF THE MANAGEMENT BOARD	3
H1 2022 HIGHLIGHTS	4
SELECTED FINANCIAL DATA	6
SELECTED OPERATIONAL DATA	8
HT GROUP 2022 OUTLOOK.....	12
RISK MANAGEMENT	12
CHANGES IN REPORTING	13
HT GROUP FINANCIAL STATEMENTS	15
NOTES TO THE CONDENSED CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED ON 30 JUNE 2022	18
STATEMENT OF THE MANAGEMENT BOARD OF HRVATSKI TELEKOM D.D.	20
PRESENTATION OF INFORMATION	21
DISCLAIMER.....	21
CONTACT DETAILS.....	22
APPENDIX.....	23



COMMENT OF THE PRESIDENT OF THE MANAGEMENT BOARD

Commenting on the business results for H1 2022, Konstantinos Nempis, CEO of Hrvatski Telekom, stated: „We concluded the first six months of 2022 with a solid commercial performance, reflected in stable revenues, growing EBITDA and net profit, strengthening our network leadership position both in fixed and mobile, while customer satisfaction reached new all-time highs.

These achievements represent a continuation of our positive momentum, despite the challenges from the unprecedented energy prices and one of the highest inflation rates in Croatia's history, with the effects of inflation on our profitability expected to become even more visible in the second half of the year. Challenges that are demanding from all to adjust to the unpredictable and volatile macroeconomic environment.

At the same time, we remain committed to our investment plans and supporting the country's priorities. Our investments around fiber and 5G expansion will play a key role in the economic and social development, effectively providing the platform for future progress.”

H1 2022 HIGHLIGHTS

- Solid financial and commercial performance, despite macro challenges
- Revised outlook for the year end
- Confirmed status of the best and fastest mobile and fixed broadband network in Croatia

Despite increasing macro-economic pressures, Hrvatski Telekom closed the H1 2022 with a solid financial and commercial performance, reflected in our revenues and EBITDA AL growth.

In H1 2022, Organic revenue increased by 0.5% to HRK 3.5 billion, driven by the strong mobile business.

In the first six months, Organic EBITDA AL grew by 3.2% to HRK 1.3 billion, on the back of solid commercial momentum and positive impact of operating model transformation. However, the growth is slowing down, as the impact of rising inflation and energy prices having put pressure on our operating expenses in second quarter.

Organic net profit grew strongly in H1, up by 80.3% to HRK 301 million. Apart from the EBITDA growth, we are seeing a positive contribution of depreciation which returned to its usual level after the peak in the first half of 2021.

Organic investments amounted to HRK 773 million, up 12.7% compared to the same period of last year.

The best and fastest mobile and fixed broadband network

Hrvatski Telekom strengthened its position as the leading network in Croatia by winning both “Best in Test” awards for the best and fastest mobile and fixed broadband networks. The awards are the result of constantly improving first-hand user experiences, both in mobile and fixed broadband and reflect the all-time high customer satisfaction.

In line with this, we continue to focus on building the fiber-optic infrastructure across Croatia, expanding further the already biggest FTTH coverage in Croatia by a notable 28% YoY. We additionally increased the 5G coverage to almost 100 cities, covering over 2 million population with 5G as of June available to our postpaid and prepaid customers.

Investments in the critical infrastructure that we are building are essential for the new cycle of economic growth and broader social development. This is why we in the challenging business environment remain committed to our investment plans.

Driving the sustainability agenda

We continued driving the sustainability agenda across our whole ecosystem, delivering against our ambitious ESG goals. Our efforts are evidenced by the fact that we are recognized as one of the climate leaders in Europe in the large-scale research focusing on the activities in environmental protection, social engagement and governance, conducted by the Financial Times and Statista among 4,000 companies from 33 European countries. Thus, Hrvatski Telekom

reduced its total greenhouse gas emissions in the analysed period by 68.5%, which represents the third-best achievement in the entire European telecommunications industry.

Changes to the Management Board

In July 2022, HT announced Daniel Daub, Member of the Management Board of HT d.d. and Chief Financial Officer, will be leaving the company with effect as of 1 August 2022, and will be taking over the role of Senior Vice-President for Finance in Deutsche Telekom Europe.

Matija Kovačević has been appointed Management Board Member and Chief Financial Officer effective as of 1 August 2022. Prior to this appointment, he was Controlling, Transformation and Investor Relations Sector Director in HT.

Strong shareholders remuneration in H1 2022

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

On 25 April 2022, the General Assembly confirmed the joint proposal by the Management Board and the Supervisory Board for the distribution of net profit for 2021. The amount of HRK 638 million represents a ratio of the dividend payment in relation to the realized profit of the Company of 95.8%.

As we saw an opportunity to create additional value for our shareholders, in H1 2022 we executed the highest ever Share Buyback in our corporate history, purchasing additional 963,530 Company shares on the Zagreb Stock Exchange, within the ongoing Share Buyback Programme. Hrvatski Telekom paid an equivalent value of HRK 177.6 million for the acquisition of the Company's shares in the reporting quarter, which represents growth of 179.1% YoY.

In July 2022, the Management Board withdrew 1,271,667 acquired Company shares without nominal value, purchased within Share Buyback Programme. Thereby, the total number of shares has decreased from 80,047,509 shares to 78,775,842 shares without nominal value, without the share capital of the Company being decreased while the remaining share participation in the share capital is being increased.

Revised outlook for the year-end

As we enter second half of the year, we expect deterioration of macroeconomic environment, with inflationary pressures and energy prices reaching record highs, bringing additional headwinds on disposable income of customers, our industry and Croatian economy. Taking into account new challenges, we have adjusted our outlook for the year-end.

On a full year basis, we keep our revenue ambition unchanged. Given the accelerating inflation and in particular high volatility in energy price increases, we see additional pressure on our cost base. We adjust our expectation for EBITDA AL, now aiming to remain stable around last year's level. Our outlook on CAPEX AL and regional expansion remains unchanged.

We continue monitoring further macro development, aiming to mitigate for potential risk in our business and the country. However, given the highly volatile environment, we are also ready to adjust our outlook further if needed.

SELECTED FINANCIAL DATA

HT Group and HT Croatia

Organic view without Optima Telekom contribution in H1 2021 & Q2 2021

Key financial data - HT Group without Optima Telekom contribution in 2021. (HRK mil.)	H1 2021	H2 2022	% of change A22/A21	Q2 2021	Q2 2022	% of change A22/A21
Organic Revenue	3,471	3,487	0.5%	1,748	1,776	1.6%
Organic Adjusted EBITDA AL ¹	1,273	1,314	3.2%	654	664	1.5%
Organic net profit after non controlling interests	167	301	80.3%	115	127	9.8%
Organic net operating cash flow	1,078	1,299	20.5%	495	668	34.8%
Organic CAPEX AL	686	773	12.7%	353	417	18.1%

¹ Mainly related to restructuring redundancy costs, legal cases and Optima Telekom contribution in H1 2021 & Q2 2021

Key financial data - HT Croatia without Optima Telekom contribution in 2021. (HRK mil.)	H1 2021	H2 2022	% of change A22/A21	Q2 2021	Q2 2022	% of change A22/A21
Organic revenue	3,199	3,205	0.2%	1,608	1,630	1.4%
Mobile service revenues	1,074	1,132	5.3%	559	592	5.9%
Mobile non-service revenues	441	478	8.4%	212	223	5.0%
Fixed service revenues	1,098	1,100	0.2%	558	556	-0.3%
Fixed non-service revenues	276	237	-14.4%	144	123	-14.4%
System solutions	309	258	-16.6%	135	137	1.0%
Miscellaneous	0	1		0	0	-10.2%
Organic Adjusted EBITDA AL ¹	1,175	1,210	3.0%	604	611	1.3%
Organic net profit after non controlling interests	175	315	80.1%	126	145	15.3%
Organic net operating cash flow	978	1,198	22.5%	434	618	42.3%
Organic CAPEX AL	620	735	18.5%	312	400	28.4%

¹ Mainly related to restructuring redundancy costs, legal cases and Optima Telekom contribution in H1 2022 & Q2 2021

HT Group

Reported view - including Optima Telekom contribution in H1 2021 & Q2 2021

Key financial data - HT Group (HRK mil.)	H1 2021	H1 2022	% of change A22/A21	Q2 2021	Q2 2022	% of change A22/A21
Revenue	3,612	3,487	-3.5%	1,822	1,776	-2.5%
Adjusted EBITDA AL	1,334	1,314	-1.5%	689	664	-3.7%
Adjusted EBITDA AL margin	36.9%	37.7%	0.8 p.p.	37.8%	37.4%	-0.5 p.p.
EBITDA AL	1,283	1,278	-0.4%	679	651	-4.2%
EBITDA AL margin	35.5%	36.6%	1.1 p.p.	37.3%	36.7%	-0.6 p.p.
EBIT	240	425	77.0%	166	193	15.7%
EBIT margin	6.7%	12.2%	5.5 p.p.	9.1%	10.8%	1.7 p.p.
Net profit after non controlling interests	165	301	82.8%	115	127	10.2%
Net profit margin	4.6%	8.6%	4.1 p.p.	6.3%	7.1%	0.8 p.p.
CAPEX AL	726	773	6.5%	371	417	12.6%
CAPEX AL / Revenue ratio	20.1%	22.2%	2.1 p.p.	20.3%	23.5%	3.1 p.p.

HT Croatia

Reported view - including Optima Telekom contribution in H1 2021 & Q2 2021

Key financial data - HT Croatia (HRK mil.)	H1 2021	H1 2022	% of change A22/A21	Q2 2021	Q2 2022	% of change A22/A21
Revenue	3,340	3,205	-4.0%	1,682	1,630	-3.1%
Mobile service revenues	1,070	1,132	5.8%	556	592	6.3%
Mobile non-service revenues	441	478	8.4%	212	223	5.0%
Fixed service revenues	1,098	1,100	0.2%	558	556	-0.3%
Fixed non-service revenues	424	237	-44.2%	222	123	-44.5%
System solutions	307	258	-16.1%	134	137	2.0%
Miscellaneous revenue	0	1	29.1%	0	0	-10.2%
Adjusted EBITDA AL	1,236	1,210	-2.04%	639	611	-4.3%
Adjusted EBITDA AL margin	37.0%	37.8%	0.8 p.p.	38.0%	37.5%	-0.5 p.p.
EBITDA AL	1,186	1,180	-0.47%	630	604	-4.0%
EBITDA AL margin	35.5%	36.8%	1.3 p.p.	37.4%	37.1%	-0.3 p.p.
EBIT	225	407	81.1%	158	184	16.8%
EBIT margin	6.7%	12.7%	6.0 p.p.	9.4%	11.3%	1.9 p.p.
Net profit after non controlling interests	173	315	82.5%	126	145	15.6%
Net profit margin	5.2%	9.8%	4.7 p.p.	7.5%	8.9%	1.4 p.p.
Exceptional items ¹⁾	50	30	-39.1%	9	7	-23.8%

¹⁾ Mainly related to restructuring redundancy costs and legal cases

Crnogorski Telekom

Key operational data - CT standalone (HRK mil.)	H1 2021	H1 2022	% of change A22/A21	Q2 2021	Q2 2022	% of change A22/A21
Revenue	275	284	3.6%	141	147	4.7%
Mobile service revenues	119	125	4.8%	62	65	6.2%
Mobile non-service revenues	30	34	10.5%	15	17	13.7%
Fixed service revenues	91	91	0.1%	45	46	1.1%
Fixed non-service revenues	17	21	25.4%	9	11	30.4%
System solutions	17	13	-21.2%	10	7	-25.0%
Miscellaneous revenue	0	0	-	0	0	-
Adjusted EBITDA AL	98	103	5.2%	51	53	3.7%
Adjusted EBITDA AL margin	35.8%	36.4%	0.6 p.p.	36.0%	35.7%	-0.3 p.p.
EBITDA AL	97	98	0.5%	50	47	-6.1%
EBITDA AL margin	35.4%	34.4%	-1.1 p.p.	35.5%	31.8%	-3.7 p.p.
EBIT	14	17	19.0%	8	8	-4.8%
EBIT margin	5.2%	6.0%	0.8 p.p.	5.8%	5.2%	-0.5 p.p.
Net profit after non controlling interests	10	2	-77.9%	7	-4	-152.9%
Net profit margin	3.7%	0.8%	-2.9 p.p.	4.9%	-2.5%	-7.4 p.p.
Exceptional items ¹⁾	1	-6	-668.7%	1	-6	-874.2%

¹⁾ Mainly related to restructuring redundancy costs and legal cases

SELECTED OPERATIONAL DATA

HT Croatia and Crnogorski Telekom

Key operational data - HT Croatia	H1 2021	H1 2022	% of change A22/A21
Mobile			
Number of customers	2,273	2,318	2.0%
- Prepaid	972	947	-2.6%
- Postpaid	1,301	1,371	5.4%
Blended ARPU ¹	74	76	2.6%
- Prepaid	39	39	-1.0%
- Postpaid	100	101	1.3%
Fixed			
Fixed voice mainlines - retail ²	741	722	-2.5%
- ARPU voice per user	62	61	-2.2%
Broadband access lines - retail ³	630	642	1.9%
- Broadband retail ARPU	109	107	-1.2%
TV customers ⁴	533	538	1.0%
- TV ARPU	85	86	1.6%
Wholesale customers ⁵	226	213	-5.6%
Key operational data - CT			
	H1 2021	H1 2022	% of change A22/A21
Mobile			
Number of customers	375	396	5.7%
- Prepaid	120	123	2.6%
- Postpaid	255	273	7.2%
Fixed			
Fixed mainlines - retail	102	102	0.0%
Broadband access lines - retail	80	82	2.9%
TV customers ⁶	72	77	6.6%

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

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

³ Includes ADSL, VDSL, FTTH i Naked DSL

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

⁵ Includes Naked Bitstream + Bitstream + ULL + FA + WLR wholesale rental

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

I. Revenue

Excluding OT contribution impact in 2021, Revenue is above H1 2021 by HRK 16 million (0.5%), up in HT Group in Croatia (HRK 6 million or 0.2%) and in CT (HRK 10 million or 3.7%).

Mobile service revenue

Excluding OT contribution impact in 2021, Mobile service revenue grew by HRK 63 million or 5.3% supported by strong postpaid and visitors and roaming, which offset lower prepaid revenue.

Mobile non-service revenue

Excluding OT contribution impact in 2021, Mobile non-service revenue grew by HRK 40 million or 8.5% supported by better handset sale.

Fixed service revenue

Excluding OT contribution impact in 2021, Fixed service revenue increased by HRK 2 million or 0.2%, as a result of growth in TV, Data and BB revenue, which offset lower voice and other fixed service revenue.

Fixed non-service revenue

Excluding OT contribution impact in 2021, Fixed non-service revenue decreased by HRK 35 million or 12.2% due to lower Wholesale mostly coming from lower transit revenue.

System Solutions

Excluding OT contribution impact in 2021, System Solution revenue decreased by HRK 54 million or 16.7% mostly driven by HT Group in Croatia (HRK 51 million or 16.6%) due to structural shift to more profitable projects.

II. Operating expenses

Excluding OT contribution impact in 2021, consolidated operating expenses decreased by HRK 21 million or 1.0% compared to H1 2021, driven by HT Group in Croatia (HRK 32 million or 1.6%). Decrease is mostly due to lower material (HRK 31 million or 2.9%), employee benefits expenses (HRK 9 million or 1.6%) and write down of assets (HRK 9 million or 24.7%), partly offset by higher other cost (HRK 26 million or 5.4%) and lower work performed by the Group (HRK 3 million or 9.3%).

III. Profitability

Adjusted EBITDA AL

Excluding OT contribution impact in 2021, Adjusted EBITDA AL is above H1 2021 by HRK 41 million (3.2%), driven by both, HT Group in Croatia (HRK 36 million or 3.0%) and CT (HRK 5 million or 5.2%). Increase is supported by strong net margin and benefits of our operating model transformation measures.

Net profit after non-controlling interests

Excluding OT contribution impact in 2021, Net profit after NCI is above H1 2021 by HRK 134 million, mostly driven by HT Group in Croatia (HRK 140 million). Increase is mostly a result of lower depreciation and better EBITDA, which offset higher taxation.

IV. Financial position

Balance sheet

In comparison to 2021 year-end, there is decrease in the total asset value of 2.7% or HRK 411 million mainly driven by lower property plant and equipment, lower current financial assets and lower cash and cash equivalents partially offset by higher inventory and assets held for sale.

Total issued capital and reserves decreased HRK 506 million (4.0%) compared to 31 December 2021 mainly due to dividend paid and treasury share buyback, partially offset by net profit for the period.

Total non-current liabilities increased by HRK 115 million (15.6%) primarily due to higher non-current liabilities partially offset by lower lease liabilities.

Total current liabilities decreased by HRK 20 million to HRK 1.568 million on 30 June 2022 primarily due to lower provisions for redundancy.

Cash flow

CF from operating activities increased by HRK 191 million (17.3%) mainly affected by favourable working capital and favourable movements in other CF.

CF from investing activities increased by HRK 146 million (31.4%) mainly affected by cash collection from given loan repayment partially offset by higher cash capex.

CF from financing activities decreased by HRK 79 million (7.3%) mainly affected by higher treasury buyback and higher content repayments.

V. Capital expenditure (excluding Spectrum)

Reported view - including Optima Telekom contribution in H1 2021 & Q2 2021

CAPEX after leases - HT Group*	H1 2021	H1 2022	% of change A22/A21	Q2 2021	Q2 2022	% of change A22/A21
CAPEX after leases	726	773	6.5%	371	417	12.6%
CAPEX after leases/ Revenue ratio	20.1%	22.2%	2.1 p.p.	20.3%	23.5%	3.1 p.p.
CAPEX after leases - HT Group in Croatia*	H1 2021	H1 2022	% of change A22/A21	Q2 2021	Q2 2022	% of change A22/A21
CAPEX after leases	660	735	11.4%	329	400	21.6%
CAPEX after leases/ Revenue ratio	19.8%	22.9%	3.2 p.p.	19.5%	24.5%	5.0 p.p.
CAPEX after leases - Crnogorski Telekom*	H1 2021	H1 2022	% of change A22/A21	Q2 2021	Q2 2022	% of change A22/A21
CAPEX after leases	65	38	-42.4%	42	17	-58.9%
CAPEX after leases/ Revenue ratio	23.8%	13.3%	-10.6 p.p.	29.7%	11.6%	-18.0 p.p.
IFRS 16 CAPEX - HT Group	H1 2021	H1 2022	% of change A22/A21	Q2 2021	Q2 2022	% of change A22/A21
IFRS 16 CAPEX - HT Group	174	133	-23.4%	72	81	11.5%
IFRS 16 CAPEX - HT Group in Croatia	146	129	-12.0%	69	78	12.6%
IFRS 16 CAPEX - Crnogorski Telekom	28	5	-82.9%	3	3	-15.2%
Total CAPEX (Booked + IFRS 16 Capex) - HT Group	H1 2021	H1 2022	% of change A22/A21	Q2 2021	Q2 2022	% of change A22/A21
Total CAPEX	900	906	0.7%	443	498	12.4%
Total CAPEX/ Revenue ratio	24.9%	26.0%	1.1 p.p.	24.3%	28.0%	3.7 p.p.

*CAPEX after leases excluding Spectrum

Excluding OT contribution impact in 2021, Capex after leases w/o Spectrum realization above H1 2021 by HRK 87 million (12.7%), mainly coming from higher TV content capitalization.

Reported Capex after leases w/o Spectrum above H1 2021 by HRK 47 million (6.5%).

CT decrease (HRK 27 million or 42.4%) mainly due to lower volume of TV content capitalization.

HT GROUP 2022 OUTLOOK

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

*Subject to current macro conditions. Further deterioration of the macro situation (i.g. effects of inflation and energy prices) could potentially trigger the new revision.

RISK MANAGEMENT

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

The War in Ukraine further exacerbated already ongoing inflationary pressures and disruptions in the supply chain due to Covid-19. A direct business impact from Russia-Ukraine crisis on HT is low, however we see unprecedented rise in energy prices which could possibly further impact our business. The company is nonetheless making every effort to minimise this risk and to adapt to the new environment.

CHANGES IN REPORTING

In 2014 Croatian Competition Agency has conditionally allowed the concentration of HT with Optima Telekom based on the proposal of financial and operational restructuring of Optima Telekom within the pre-bankruptcy settlement procedure. In June 2017, AZTN passed the decision by which the duration of temporary management rights of Optima Telekom for HT is prolonged for an additional three-year period, that is, until 10 July 2021. On 31 January 2020 HT initiated sale process for the shares of Optima Telekom. Submission of offers finished on 18 March 2020. On 9 July 2021 HT and Zagrebačka banka signed sale and purchase agreement of 54.31% shares of Optima Telekom with Telemach Hrvatska, owned by United Group. On 21 January 2022 HT and Zagrebačka banka signed the Share Transfer Agreement, whereby they transferred their shares in Optima Telekom to Telemach Hrvatska. Respectively, Optima Telekom is deconsolidated from financial reports as of July 2021.

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

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

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.

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)

IFRS 17 Insurance Contracts

IFRS 17 is mandatory for annual reporting periods beginning on or after 1 January 2023. In HT there were no detected contracts on which IFRS 17 would have a material impact.

New revenues breakdown

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

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

HT GROUP FINANCIAL STATEMENTS

Unaudited consolidated financial statements

Consolidated Income Statement - Reported view - including Optima Telekom contribution in H1 2021 & Q2 2021

in HRK million	H1 2021	H1 2022	% of change A22/A21	Q2 2021	Q2 2022	% of change A22/A21
Mobile revenue	1,661	1,769	6.5%	846	897	6.1%
Fixed revenue	1,628	1,447	-11.1%	832	735	-11.7%
System solutions	323	271	-16.3%	143	144	0.2%
Miscellaneous revenue	0	1	29.3%	0	0	-10.0%
Revenue	3,612	3,487	-3.5%	1,822	1,776	-2.5%
Other operating income	50	52	4.4%	19	29	49.3%
Total operating revenue	3,662	3,539	-3.4%	1,841	1,805	-2.0%
Operating expenses	2,184	2,089	-4.3%	1,064	1,067	0.2%
Material expenses	1,096	1,029	-6.1%	530	522	-1.5%
Employee benefits expenses	592	558	-5.8%	283	271	-4.3%
Other expenses	491	503	2.4%	252	276	9.4%
Work performed by the Group and capitalised	-37	-28	24.7%	-22	-15	28.7%
Write down of assets	42	27	-35.0%	20	13	-37.1%
Depreciation and amortization	1,238	1,024	-17.2%	610	545	-10.6%
EBIT	240	425	77.0%	166	193	15.7%
Financial income	24	11	-54.4%	11	1	-89.5%
Income/loss from investment in joint ventures	-5	0	98.8%	-2	1	149.8%
Financial expenses	62	33	-46.5%	34	11	-68.5%
Profit before taxes	197	403	104.8%	141	184	30.0%
Taxation	38	100	161.6%	26	58	125.1%
Net profit	158	302	91.1%	116	126	8.9%
Non controlling interests	7	-1	-112.0%	-1	1	190.5%
Net profit after non controlling interests	165	301	82.8%	115	127	10.2%
Adjusted EBITDA AL¹⁾	1,334	1,314	-1.5%	689	664	-3.7%
Exceptional items ²⁾	51	36	-29.2%	10	13	27.4%
EBITDA AL	1,283	1,278	-0.4%	679	651	-4.2%

¹⁾ Mainly adjusted for restructuring redundancy costs and legal cases

²⁾ Mainly related to restructuring redundancy costs and legal cases

Consolidated Balance Sheet - Reported view

in HRK million	At 31 Dec 2021	At 30 Jun 2022	% of change A22/A21
Intangible assets	1,897	1,879	-1.0%
Property, plant and equipment	6,300	6,162	-2.2%
Non-current financial assets	388	389	0.3%
Receivables	293	268	-8.5%
Lessee use rights to leased assets (IFRS 16)	644	600	-6.8%
Contract assets (IFRS 15)	52	30	-42.8%
Contract costs (IFRS 15)	137	155	12.8%
Deferred tax asset	140	131	-6.9%
Total non-current assets	9,852	9,615	-2.4%
Inventories	190	227	19.5%
Assets held for sale	0	78	-
Receivables	1,496	1,525	2.0%
Current financial assets	239	75	-68.6%
Contract assets (IFRS 15)	234	240	2.5%
Contract costs (IFRS 15)	73	67	-8.6%
Cash and cash equivalents	2,871	2,694	-6.2%
Prepayments and accrued income	93	118	26.2%
Total current assets	5,197	5,023	-3.3%
TOTAL ASSETS	15,049	14,638	-2.7%
Subscribed share capital	10,245	10,245	0.0%
Reserves	581	563	-3.0%
Revaluation reserves	0	0	75.0%
Treasury shares	-64	-243	-277.6%
Retained earnings	1,101	1,103	0.2%
Net profit for the period	615	301	-51.0%
Non controlling interests	246	247	0.3%
Total issued capital and reserves	12,723	12,217	-4.0%
Provisions	127	119	-6.6%
Non-current liabilities	131	273	108.2%
Lessee lease liabilities to third partie due > 1 year (IFRS 16)	446	417	-6.3%
Contract liabilities (IFRS 15)	0	0	-100.0%
Deferred tax liability	34	44	32.0%
Total non-current liabilities	738	853	15.6%
Current liabilities	1,304	1,323	1.4%
Contract liabilities (IFRS 15)	91	87	-4.4%
Lessee lease liabilities due <= 1 year (IFRS 16)	159	150	-6.2%
Accrued expenses and deferred income	9	9	0.7%
Provisions for redundancy	24	0	-100.0%
Total current liabilities	1,588	1,568	-1.3%
Total liabilities	2,326	2,421	4.1%
TOTAL EQUITY AND LIABILITIES	15,049	14,638	-2.7%

Consolidated Cash Flow Statement - Reported view - including Optima Telekom contribution in H1 2021 & Q2 2021

in HRK million	H1 2021	H1 2022	% of change A22/A21	Q2 2021	Q2 2022	% of change A22/A21
Profit before tax	197	403	104.8%	141	184	30.0%
Depreciation and amortization	1,238	1,024	-17.2%	610	545	-10.6%
Increase / decrease of current liabilities	-279	40	114.5%	-176	100	157.0%
Increase / decrease of current receivables	71	-95	-234.0%	-39	-132	-240.2%
Increase / decrease of inventories	-22	-37	-66.9%	-10	-7	31.2%
Other cash flow increases / decreases	-97	-37	62.0%	-31	-23	26.8%
Net cash inflow/outflow from operating activities	1,107	1,299	17.3%	497	668	34.5%
Proceeds from sale of non-current assets	6	6	15.7%	4	0	-91.8%
Proceeds from sale of non-current financial assets	1	1	-18.0%	-7	0	103.4%
Interest received	2	5	171.8%	1	1	105.3%
Dividend received	0	0	-	0	0	-
Other cash inflows from investing activities	0	201	-	0	0	-100.0%
Total increase of cash flow from investing activities	8	213	2514.2%	-2	2	192.0%
Purchase of non-current assets	-430	-495	-15.0%	-244	-270	-11.0%
Purchase of non-current financial assets	0	0	0.0%	0	0	-
Other cash outflows from investing activities	-42	-37	12.5%	-5	2	140.1%
Total decrease of cash flow from investing activities	-473	-532	-12.5%	-248	-269	-8.2%
Net cash inflow/outflow from investing activities	-465	-319	31.4%	-250	-267	-6.5%
Total increase of cash flow from financing activities						
Repayment of loans and bonds	-18	0	100.0%	-11	0	100.0%
Dividends paid	-643	-631	1.9%	-643	-631	1.9%
Repayment of lease	-172	-165	4.2%	-96	-92	3.6%
Other cash outflows from financing activities	-246	-363	-47.4%	-128	-114	10.8%
Total decrease in cash flow from financing activities	-1,080	-1,159	-7.3%	-877	-837	4.6%
Net cash in flow/outflow from financing activities	-1,080	-1,159	-7.3%	-877	-837	4.6%
Exchange gains/losses on cash and cash equivalents	0	1	223.7%	-4	-3	23.9%
Cash and cash equivalents at the beginning of period	3,003	2,871	-4.4%	0	0	-
Net cash (outflow) / inflow	-437	-178	59.3%	-635	-438	31.0%
Cash and cash equivalents at the end of period	2,566	2,694	5.0%	-635	-438	31.0%

NOTES TO THE CONDENSED CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED ON 30 JUNE 2022

Basis of preparation

The condensed consolidated financial statements as of 30 June 2022 and for the six months then ended, have been prepared using accounting policies consistent with International Financial Reporting Standards.

Significant Accounting Policies

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

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

Dividend

On April 25 2022, General Assembly of Hrvatski Telekom has brought the decision regarding the dividend payout for year 2021 in amount of HRK 8 per share. Dividend in amount of HRK 630,254,640 was distributed from net profit in 2021.

Relations with the governing company and its affiliated companies

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

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

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

Transactions with related companies

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

In the first six months of 2022 the Group generated total revenue from related companies to the amount of HRK 98 million (the first six months of 2021: HRK 87million), while total costs amounted to HRK 95 million (the first six months of 2021: HRK 86 million).

Compensation of the Supervisory Board

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

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

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

In the first six months of 2022, the Group paid a total amount of HRK 0.5 million (the first six months of 2021: HRK 0.4 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 six months of 2022, the total compensation paid to key management personnel of the Group amounted to HRK 32 million (the first six months of 2021: HRK 29 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 H1 2022, consolidated and non-consolidated, are not audited.

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

The Management report for the H1 2022 contains a true presentation of development and results of operations and position of the Group, with description of significant risks and uncertainties for the Group as a whole.

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

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

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

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

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

Zagreb, 28 July 2022

PRESENTATION OF INFORMATION

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

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

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

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

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

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

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

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

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

DISCLAIMER

This release contains certain forward-looking statements with respect to the financial condition, results of operations and business of the Group. These forward-looking statements represent the Company's expectations or beliefs concerning future events and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Additional information concerning important factors that could cause actual results to differ materially is available in the Group's reports which may be found at www.t.ht.hr

CONTACT DETAILS

Hrvatski Telekom Investor Relations

Tomislav Bajić, CFA
Email

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

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

Croatian Telecom Inc.

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

Full unaudited results for HT Group and HT d.d., other prescribed documentation as well as a presentation covering results for the H1 2022, can be downloaded from the HT web site. (www.t.ht.hr/en/investor-relations/) and are fully available in the Official Register of Prescribed Information (SRPI).

APPENDIX

HT GROUP FINANCIAL STATEMENTS – TFI POD

Unaudited consolidated financial statements

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

Annex 1

ISSUER'S GENERAL DATA

Reporting period:

01.01.22

to

30.06.22

Year:

2022

Quarter:

2.

Quarterly financial statements

Registration number (MB):

1414887

Issuer's home Member

State code:

HR

Entity's registration
number (MBS):

80266256

Personal identification
number (OIB):

81793146560

LEI:

097900BFHJ0000029454

Institution
code:

273

Name of the issuer: Hrvatski Telekom d.d.

Postcode and town:

10000

Zagreb

Street and house number:

Radnička cesta 21

E-mail address:

consolidation@t.ht.hr

Web address:

www.t.ht.hr

Number of employees
(end of the reporting

4962

Consolidated report:

KD

(KN-not consolidated/KD-consolidated)

Audited:

RN

(RN-not audited/RD-audited)

Names of subsidiaries (according to IFRS):

Registered office:

MB:

Iskon Internet d.d.

Radnička cesta 21, Zagreb

0629529

COMBIS d.o.o.

Radnička cesta 21, Zagreb

3609103

Crnogorski Telekom A.D.

Moskovska 29, Podgorica

02289377

HT Holding

Radnička cesta 21, Zagreb

04659511

HT produkcija

Ulica grada Vukovara 23, Zagreb

02753227

Bookkeeping firm:

No

(Yes/No)

(name of the bookkeeping firm)

Contact person:

(only name and surname of the contact person)

Telephone:

E-mail address:

consolidation@t.ht.hr

Audit firm:

Ernst&Young d.o.o.

(name of the audit firm)

Certified auditor:

Domagoj Kutleša

(name and surname)

BALANCE SHEET
balance as at 30.06.2022

in HRK

Submitter: Hrvatski Telekom d.d.			
Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID	001	0	0
B) FIXED ASSETS (ADP 003+010+020+031+036)	002	9.852.188.885	9.614.531.309
I INTANGIBLE ASSETS (ADP 004 to 009)	003	2.541.395.480	2.479.180.671
1 Research and development	004	0	0
2 Concessions, patents, licences, trademarks, software and other rights	005	1.267.259.902	1.360.113.752
3 Goodwill	006	346.931.231	347.128.121
4 Advances for the purchase of intangible assets	007	0	0
5 Intangible assets in preparation	008	283.299.000	171.726.177
6 Other intangible assets	009	643.905.347	600.212.621
II TANGIBLE ASSETS (ADP 011 to 019)	010	6.299.841.557	6.162.475.460
1 Land	011	59.661.048	47.684.393
2 Buildings	012	3.512.646.336	3.656.759.351
3 Plant and equipment	013	1.663.499.811	1.833.068.419
4 Tools, working inventory and transportation assets	014	6.298.105	7.320.405
5 Biological assets	015	0	0
6 Advances for the purchase of tangible assets	016	2.095.643	1.516.504
7 Tangible assets in preparation	017	1.034.129.021	598.382.542
8 Other tangible assets	018	9.100.320	9.003.171
9 Investment property	019	12.411.273	8.740.675
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	388.116.043	389.136.880
1 Investments in holdings (shares) of undertakings within the group	021	0	0
2 Investments in other securities of undertakings within the group	022	0	0
3 Loans, deposits, etc. to undertakings within the group	023	0	0
4. Investments in holdings (shares) of companies linked by virtue of participating interests	024	0	0
5 Investment in other securities of companies linked by virtue of participating interests	025	0	0
6 Loans, deposits etc. to companies linked by virtue of participating interests	026	0	0
7 Investments in securities	027	8.851.343	8.933.846
8 Loans, deposits, etc. given	028	0	0
9 Other investments accounted for using the equity method	029	379.264.700	379.200.026
10 Other fixed financial assets	030	0	1.003.008
IV RECEIVABLES (ADP 032 to 035)	031	482.433.896	453.079.002
1 Receivables from undertakings within the group	032	0	0
2 Receivables from companies linked by virtue of participating interests	033	0	0
3 Customer receivables	034	410.563.261	393.045.556
4 Other receivables	035	71.870.635	60.033.446
V DEFERRED TAX ASSETS	036	140.401.909	130.659.296
C) CURRENT ASSETS (ADP 038+046+053+063)	037	5.103.128.734	4.905.311.762
I INVENTORIES (ADP 039 to 045)	038	189.692.435	304.523.724
1 Raw materials and consumables	039	24.311.840	30.484.663
2 Work in progress	040	0	0
3 Finished goods	041	0	0
4 Merchandise	042	165.380.595	196.147.077
5 Advances for inventories	043	0	0
6 Fixed assets held for sale	044	0	77.891.984
7 Biological assets	045	0	0
II RECEIVABLES (ADP 047 to 052)	046	1.802.749.770	1.831.948.480
1 Receivables from undertakings within the group	047	5.370.927	22.810.640
2 Receivables from companies linked by virtue of participating interests	048	0	0
3 Customer receivables	049	1.733.189.431	1.710.052.548
4 Receivables from employees and members of the undertaking	050	16.410.960	24.361.632
5 Receivables from government and other institutions	051	17.108.807	48.538.597
6 Other receivables	052	30.669.645	26.185.063
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)	053	239.483.164	75.280.900
1 Investments in holdings (shares) of undertakings within the group	054	0	0
2 Investments in other securities of undertakings within the group	055	0	0
3 Loans, deposits, etc. to undertakings within the group	056	0	0
4 Investments in holdings (shares) of companies linked by virtue of participating interests	057	0	0
5 Investment in other securities of companies linked by virtue of participating interests	058	0	0
6 Loans, deposits etc. to companies linked by virtue of participating interests	059	0	0
7 Investments in securities	060	0	0
8 Loans, deposits, etc. given	061	201.000.000	0

9 Other financial assets	062	38.483.164	75.280.900
IV CASH AT BANK AND IN HAND	063	2.871.203.365	2.693.558.658
D) PREPAID EXPENSES AND ACCRUED INCOME	064	93.437.664	117.946.406
E) TOTAL ASSETS (ADP 001+002+037+064)	065	15.048.755.283	14.637.789.477
OFF-BALANCE SHEET ITEMS	066	0	0
LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to	067	12.722.875.376	12.216.515.281
I INITIAL (SUBSCRIBED) CAPITAL	068	10.244.977.390	10.244.981.122
II CAPITAL RESERVES	069	0	0
III RESERVES FROM PROFIT (ADP 071+072-073+074+075)	070	516.395.582	320.891.749
1 Legal reserves	071	512.248.870	512.248.870
2 Reserves for treasury shares	072	64.247.411	64.247.411
3 Treasury shares and holdings (deductible item)	073	-64.247.411	-242.576.575
4 Statutory reserves	074	0	0
5 Other reserves	075	4.146.712	-13.027.957
IV REVALUATION RESERVES	076	0	0
V FAIR VALUE RESERVES AND OTHER (ADP 078 to 082)	077	-109.945	-27.442
1 Financial assets at fair value through other comprehensive income (i.e. available for sale)	078	-109.945	-27.442
2 Cash flow hedge - effective portion	079	0	0
3 Hedge of a net investment in a foreign operation - effective portion	080	0	0
4 Other fair value reserves	081	0	0
5 Exchange differences arising from the translation of foreign operations (consolidation)	082	0	0
VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 084-085)	083	1.100.985.287	1.102.665.524
1 Retained profit	084	1.100.985.287	1.102.665.524
2 Loss brought forward	085	0	0
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 087-088)	086	614.920.335	301.496.950
1 Profit for the business year	087	614.920.335	301.496.950
2 Loss for the business year	088	0	0
VIII MINORITY (NON-CONTROLLING) INTEREST	089	245.706.727	246.507.378
B) PROVISIONS (ADP 091 to 096)	090	126.974.388	118.383.136
1 Provisions for pensions, termination benefits and similar obligations	091	14.784.866	19.195.661
2 Provisions for tax liabilities	092	0	0
3 Provisions for ongoing legal cases	093	78.208.427	64.332.555
4 Provisions for renewal of natural resources	094	0	0
5 Provisions for warranty obligations	095	0	0
6 Other provisions	096	33.981.095	34.854.920
C) LONG-TERM LIABILITIES (ADP 098 to 108)	097	610.530.141	734.462.260
1 Liabilities to undertakings within the group	098	0	0
2 Liabilities for loans, deposits, etc. of undertakings within the group	099	0	0
3 Liabilities to companies linked by virtue of participating interests	100	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	101	0	0
5 Liabilities for loans, deposits etc.	102	0	0
6 Liabilities to banks and other financial institutions	103	0	0
7 Liabilities for advance payments	104	0	0
8 Liabilities to suppliers	105	0	0
9 Liabilities for securities	106	0	0
10 Other long-term liabilities	107	576.992.155	690.204.073
11 Deferred tax liability	108	33.537.986	44.258.187
D) SHORT-TERM LIABILITIES (ADP 110 to 123)	109	1.579.376.338	1.559.371.237
1 Liabilities to undertakings within the group	110	142.582.099	146.197.234
2 Liabilities for loans, deposits, etc. of undertakings within the group	111	0	0
3 Liabilities to companies linked by virtue of participating interests	112	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	113	0	0
5 Liabilities for loans, deposits etc.	114	0	0
6 Liabilities to banks and other financial institutions	115	0	0
7 Liabilities for advance payments	116	0	0
8 Liabilities to suppliers	117	802.830.523	920.066.358
9 Liabilities for securities	118	0	0
10 Liabilities to employees	119	164.746.542	117.098.981
11 Taxes, contributions and similar liabilities	120	29.504.575	98.433.816
12 Liabilities arising from the share in the result	121	0	0
13 Liabilities arising from fixed assets held for sale	122	0	0
14 Other short-term liabilities	123	439.712.599	277.574.848
E) ACCRUALS AND DEFERRED INCOME	124	8.999.040	9.057.563
F) TOTAL – LIABILITIES (ADP 067+090+097+109+124)	125	15.048.755.283	14.637.789.477
G) OFF-BALANCE SHEET ITEMS	126	0	0

STATEMENT OF PROFIT OR LOSS
for the period 01.01.2022 to 30.06.2022

in HRK

Submitter: Hrvatski Telekom d.d.

Item	ADP code	Same period of the previous year		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
I OPERATING INCOME (ADP 002 to 006)	001	3.662.118.368	1.840.970.134	3.539.052.247	1.804.702.752
1 Income from sales with undertakings within the group	002	86.629.224	48.029.509	87.489.225	53.193.242
2 Income from sales (outside group)	003	3.525.420.002	1.773.804.798	3.399.271.674	1.722.945.899
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	50.069.142	19.135.827	52.291.348	28.563.611
II OPERATING EXPENSES (ADP 008+009+013+017+018+019+022+029)	007	3.421.869.022	1.674.512.078	3.113.854.240	1.612.104.039
1 Changes in inventories of work in progress and finished goods	008	0	0	0	0
2 Material costs (ADP 010 to 012)	009	1.095.076.598	530.317.912	1.028.218.325	522.014.289
a) Costs of raw materials and consumables	010	71.743.842	36.276.494	96.070.748	57.959.920
b) Costs of goods sold	011	591.185.846	262.414.976	573.237.364	280.084.349
c) Other external costs	012	432.146.910	231.626.442	358.910.213	183.970.020
3 Staff costs (ADP 014 to 016)	013	535.180.921	271.576.796	505.060.013	258.646.284
a) Net salaries and wages	014	341.460.171	172.987.815	321.123.243	162.561.711
b) Tax and contributions from salary costs	015	127.315.740	64.440.060	124.329.312	65.220.238
c) Contributions on salaries	016	66.405.010	34.148.921	59.607.458	30.864.335
4 Depreciation	017	1.237.627.291	610.301.147	1.024.451.932	545.478.067
5 Other costs	018	458.243.681	230.776.019	492.161.897	269.740.348
6 Value adjustments (ADP 020+021)	019	42.252.318	20.485.825	27.444.266	12.878.931
a) fixed assets other than financial assets	020	0	0	0	0
b) current assets other than financial assets	021	42.252.318	20.485.825	27.444.266	12.878.931
7 Provisions (ADP 023 to 028)	022	53.488.213	11.054.379	36.517.807	3.346.120
a) Provisions for pensions, termination benefits and similar obligations	023	41.138.989	2.745.720	31.137.336	7.591.742
b) Provisions for tax liabilities	024	0	0	0	0
c) Provisions for ongoing legal cases	025	12.308.877	8.268.312	383.370	-585.855
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	40.347	40.347	4.997.101	-3.659.767
8 Other operating expenses	029	0	0	0	0
III FINANCIAL INCOME (ADP 031 to 040)	030	23.933.484	11.115.517	10.913.074	1.203.911
1 Income from investments in holdings (shares) of undertakings within the group	031	0	0	0	0
2 Income from investments in holdings (shares) of companies linked by virtue of participating interests	032	0	0	0	0
3 Income from other long-term financial investment and loans granted to undertakings within the group	033	0	0	0	0
4 Other interest income from operations with undertakings within the group	034	0	0	0	0
5 Exchange rate differences and other financial income from operations with undertakings within the group	035	933.628	889.651	88.775	61.336
6 Income from other long-term financial investments and loans	036	1.508.012	791.761	1.670.305	723.845
7 Other interest income	037	960.495	451.170	1.009.551	522.309
8 Exchange rate differences and other financial income	038	20.524.603	8.980.356	8.076.682	-164.352
9 Unrealised gains (income) from financial assets	039	0	0	0	0
10 Other financial income	040	6.746	2.579	67.761	60.773
IV FINANCIAL EXPENSES (ADP 042 to 048)	041	62.379.385	34.204.681	33.348.740	10.830.251
1 Interest expenses and similar expenses with undertakings within the group	042	0	0	0	0
2 Exchange rate differences and other expenses from operations with undertakings within the group	043	33.022	-268.348	129.473	-369.619
3 Interest expenses and similar expenses	044	41.005.217	21.033.802	23.168.917	11.625.982
4 Exchange rate differences and other expenses	045	20.481.475	13.062.719	10.221.243	909.422
5 Unrealised losses (expenses) from financial assets	046	0	0	0	0
6 Value adjustments of financial assets (net)	047	233.246	69.319	-838.405	-1.733.474
7 Other financial expenses	048	626.425	307.189	667.512	397.940
V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VIRTUE OF PARTICIPATING INTERESTS	049	0	0	0	0
VI SHARE IN PROFIT FROM JOINT VENTURES	050	0	0	0	0
VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST	051	0	0	0	-1.001.724
VIII SHARE IN LOSS OF JOINT VENTURES	052	5.217.035	1.880.017	64.675	64.675
IX TOTAL INCOME (ADP 001+030+049 +050)	053	3.686.051.852	1.852.085.651	3.549.965.321	1.805.906.663
X TOTAL EXPENDITURE (ADP 007+041+051 + 052)	054	3.489.465.442	1.710.596.776	3.147.267.655	1.621.997.241
XI PRE-TAX PROFIT OR LOSS (ADP 053-054)	055	196.586.410	141.488.875	402.697.666	183.909.422
1 Pre-tax profit (ADP 053-054)	056	196.586.410	141.488.875	402.697.666	183.909.422
2 Pre-tax loss (ADP 054-053)	057	0	0	0	0
XII INCOME TAX	058	38.378.397	25.716.173	100.399.013	57.890.480
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 055-059)	059	158.208.013	115.772.702	302.298.653	126.018.942
1 Profit for the period (ADP 055-059)	060	158.208.013	115.772.702	302.298.653	126.018.942
2 Loss for the period (ADP 059-055)	061	0	0	0	0
DISCONTINUED OPERATIONS (to be filled in by undertakings subject to IFRS only with discontinued operations)					
XIV PRE-TAX PROFIT OR LOSS OF DISCONTINUED OPERATIONS (ADP 063-064)	062	0	0	0	0
1 Pre-tax profit from discontinued operations	063	0	0	0	0
2 Pre-tax loss on discontinued operations	064	0	0	0	0
XV INCOME TAX OF DISCONTINUED OPERATIONS	065	0	0	0	0
1 Discontinued operations profit for the period (ADP 062-065)	066	0	0	0	0
2 Discontinued operations loss for the period (ADP 065-062)	067	0	0	0	0

TOTAL OPERATIONS (to be filled in only by undertakings subject to IFRS with discontinued operations)						
XVI PRE-TAX PROFIT OR LOSS (ADP 055+062)	068	0	0	0	0	0
1 Pre-tax profit (ADP 068)	069	0	0	0	0	0
2 Pre-tax loss (ADP 068)	070	0	0	0	0	0
XVII INCOME TAX (ADP 058+065)	071	0	0	0	0	0
XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 068-071)	072	0	0	0	0	0
1 Profit for the period (ADP 068-071)	073	0	0	0	0	0
2 Loss for the period (ADP 071-068)	074	0	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	158.208.013	115.772.702	302.298.653	126.018.942	
1 Attributable to owners of the parent	076	164.900.056	114.998.885	301.496.950	126.719.392	
2 Attributable to minority (non-controlling) interest	077	-6.692.043	773.817	801.703	-700.450	
STATEMENT OF OTHER COMPREHENSIVE INCOME (to be filled in by undertakings subject to IFRS)						
I PROFIT OR LOSS FOR THE PERIOD	078	158.208.013	115.772.702	302.298.653	126.018.942	
II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 80+ 87)	079	-6.374.707	-10.976.494	1.614.102	-6.735.469	
III Items that will not be reclassified to profit or loss (ADP 081 to 085)	080	9.353	-32.251	82.503	82.503	
1 Changes in revaluation reserves of fixed tangible and intangible assets	081	0	0	0	0	
2 Gains or losses from subsequent measurement of equity instruments at fair value through other comprehensive income	082	9.353	-32.251	82.503	82.503	
3 Fair value changes of financial liabilities at fair value through statement of profit or loss, attributable to changes in their credit risk	083	0	0	0	0	
4 Actuarial gains/losses on the defined benefit obligation	084	0	0	0	0	
5 Other items that will not be reclassified	085	0	0	0	0	
6 Income tax relating to items that will not be reclassified	086	0	0	0	0	
IV Items that may be reclassified to profit or loss (ADP 088 to 095)	087	-6.384.060	-10.944.243	1.531.599	-6.817.972	
1 Exchange rate differences from translation of foreign operations	088	-6.384.060	-10.944.243	1.531.599	-6.817.972	
2 Gains or losses from subsequent measurement of debt securities at fair value through other comprehensive income	089	0	0	0	0	
3 Profit or loss arising from effective cash flow hedging	090	0	0	0	0	
4 Profit or loss arising from effective hedge of a net investment in a foreign operation	091	0	0	0	0	
5 Share in other comprehensive income/loss of companies linked by virtue of participating interests	092	0	0	0	0	
6 Changes in fair value of the time value of option	093	0	0	0	0	
7 Changes in fair value of forward elements of forward contracts	094	0	0	0	0	
8 Other items that may be reclassified to profit or loss	095	0	0	0	0	
9 Income tax relating to items that may be reclassified to profit or loss	096	0	0	0	0	
V NET OTHER COMPREHENSIVE INCOME OR LOSS (ADP 080+087-086 - 096)	097	-6.374.707	-10.976.494	1.614.102	-6.735.469	
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 078+097)	098	151.833.306	104.796.208	303.912.755	119.283.473	
APPENDIX to the Statement on comprehensive income (to be filled in by undertakings that draw up consolidated statements)						
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 100+101)	099	151.833.306	104.796.208	303.912.755	119.283.473	
1 Attributable to owners of the parent	100	158.525.349	104.022.391	303.111.052	119.983.923	
2 Attributable to minority (non-controlling) interest	101	-6.692.043	773.817	801.703	-700.450	

STATEMENT OF CASH FLOWS - indirect method
for the period 01.01.2022. to 30.06.2022.

in HRK

Submitter: Hrvatski Telekom d.d.			
Item	ADP code	Same period of the previous year	Current period
1	2	3	4
Cash flow from operating activities			
1 Pre-tax profit	001	196.586.410	402.697.666
2 Adjustments (ADP 003 to 010):	002	1.273.954.360	1.037.929.048
a) Depreciation	003	1.237.627.291	1.024.451.932
b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets	004	-1.065.873	-5.413.638
c) Gains and losses from sale and unrealised gains and losses and value adjustment of financial assets	005	-655.087	-1.908.959
d) Interest and dividend income	006	-960.495	-1.009.551
e) Interest expenses	007	41.005.217	23.168.917
f) Provisions	008	-18.231.852	-5.433.695
g) Exchange rate differences (unrealised)	009	14.298.885	4.957.566
h) Other adjustments for non-cash transactions and unrealised gains and losses	010	1.936.274	-883.524
I Cash flow increase or decrease before changes in working capital (ADP 001+002)	011	1.470.540.770	1.440.626.714
3 Changes in the working capital (ADP 013 to 016)	012	-237.491.271	-61.830.109
a) Increase or decrease in short-term liabilities	013	-278.748.162	40.401.170
b) Increase or decrease in short-term receivables	014	70.946.974	-95.059.666
c) Increase or decrease in inventories	015	-22.126.464	-36.936.420
d) Other increase or decrease in working capital	016	-7.563.619	29.764.807
II Cash from operations (ADP 011+012)	017	1.233.049.499	1.378.796.605
4 Interest paid	018	-24.761.891	-19.639.840
5 Income tax paid	019	-100.805.269	-60.402.066
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)	020	1.107.482.339	1.298.754.699
Cash flow from investment activities			
1 Cash receipts from sales of fixed tangible and intangible assets	021	5.596.517	6.476.415
2 Cash receipts from sales of financial instruments	022	0	0
3 Interest received	023	1.946.574	5.290.818
4 Dividends received	024	0	0
5 Cash receipts from repayment of loans and deposits	025	0	201.000.000
6 Other cash receipts from investment activities	026	689.872	504.550
III Total cash receipts from investment activities (ADP 021 to 026)	027	8.232.963	213.271.783
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-430.455.736	-494.958.197
2 Cash payments for the acquisition of financial instruments	029	-42.492.706	-37.099.942
3 Cash payments for loans and deposits for the period	030	0	0
4 Acquisition of a subsidiary, net of cash acquired	031	0	0
5 Other cash payments from investment activities	032	0	0
IV Total cash payments from investment activities (ADP 028 to 032)	033	-472.948.442	-532.058.139
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)	034	-464.715.479	-318.786.356
Cash flow from financing activities			
1 Cash receipts from the increase in initial (subscribed) capital	035	0	0
2 Cash receipts from the issue of equity financial instruments and debt financial instruments	036	0	0
3 Cash receipts from credit principals, loans and other borrowings	037	0	0
4 Other cash receipts from financing activities	038	0	0
V Total cash receipts from financing activities (ADP 035 to 038)	039	0	0
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	040	-18.475.723	0
2 Cash payments for dividends	041	-643.096.141	-630.807.160
3 Cash payments for finance lease	042	-172.189.687	-165.017.536
4 Cash payments for the redemption of treasury shares and decrease in initial (subscribed) capital	043	-63.619.783	-178.330.153
5 Other cash payments from financing activities	044	-182.747.933	-184.775.718
VI Total cash payments from financing activities (ADP 040 to 044)	045	-1.080.129.267	-1.158.930.567
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)	046	-1.080.129.267	-1.158.930.567
1 Unrealised exchange rate differences in respect of cash and cash equivalents	047	406.994	1.317.517
D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 020+034+046+047)	048	-436.955.413	-177.644.707
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	049	3.002.858.708	2.871.203.365
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD(ADP 048+049)	050	2.565.903.295	2.693.558.658

STATEMENT OF CASH FLOWS - direct method
for the period 01.01.2022 to 30.06.2022

in HRK

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

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

Name of the issuer: _____

Personal identification number (OIB): _____

Reporting period: _____

Notes to financial statements for quarterly periods include:

a) explanation of business events relevant to understanding changes in the statement of financial position and financial performance for the reporting semi-annual period of the issuer with respect to the last business year: information is provided regarding these events and relevant information published in the last annual financial statement is updated (items 15 to 15C IAS 34 - Interim financial reporting)

b) information on the access to the latest annual financial statements, for the purpose of understanding information published in the notes to financial statements drawn up for the semi-annual reporting period

c) a statement explaining that the same accounting policies are applied while drawing up financial statements for the semi-annual reporting period as in the latest annual financial statements or, in the case where the accounting policies have changed, a description of the nature and effect of the changes (item 16.A (a) IAS 34 - Interim financial reporting)

d) a description of the financial performance in the case of the issuer whose business is seasonal (items 37 and 38 IAS 34 - Interim financial reporting)

e) other comments prescribed by IAS 34 - Interim financial reporting

f) in the notes to quarterly periods financial statements, in addition to the information stated above, information in respect of the following matters shall be disclosed:

1. undertaking's name, registered office (address), legal form, country of establishment, entity's registration number and, if applicable, the indication whether the undertaking is undergoing liquidation, bankruptcy proceedings, shortened termination proceedings or extraordinary administration

2. adopted accounting policies (only an indication of whether there has been a change from the previous period)

3. the total amount of any financial commitments, guarantees or contingencies that are not included in the balance sheet, and an indication of the nature and form of any valuable security which has been provided; any commitments concerning pensions of the undertaking within the group or company linked by virtue of participating interest shall be disclosed separately

4. the amount and nature of individual items of income or expenditure which are of exceptional size or incidence

5. amounts owed by the undertaking and falling due after more than five years, as well as the total debts of the undertaking covered by valuable security furnished by the undertaking, specifying the type and form of security

6. average number of employees during the financial year

7. where, in accordance with the regulations, the undertaking capitalised on the cost of salaries in part or in full, information on the amount of the total cost of employees during the year broken down into the amount directly debiting the costs of the period and the amount capitalised on the value of the assets during the period, showing separately the total amount of net salaries and the amount of taxes, contributions from salaries and contributions on salaries

8. where a provision for deferred tax is recognised in the balance sheet, the deferred tax balances at the end of the financial year, and the movement in those balances during the financial year

9. the name and registered office of each of the undertakings in which the undertaking, either itself or through a person acting in their own name but on the undertaking's behalf, holds a participating interest, showing the proportion of the capital held, the amount of capital and reserves, and the profit or loss for the latest financial year of the undertaking concerned for which financial statements have been adopted; the information concerning capital and reserves and the profit or loss may be omitted where the undertaking concerned does not publish its balance sheet and is not controlled by another undertaking

10. the number and the nominal value or, in the absence of a nominal value, the accounting par value of the shares subscribed during the financial year within the limits of the authorised capital

11. the existence of any participation certificates, convertible debentures, warrants, options or similar securities or rights, with an indication of their number and the rights they confer

12. the name, registered office and legal form of each of the undertakings of which the undertaking is a member having unlimited liability

13. the name and registered office of the undertaking which draws up the consolidated financial statements of the largest group of undertakings of which the undertaking forms part as a controlled group member

14. the name and registered office of the undertaking which draws up the consolidated financial statements of the smallest group of undertakings of which the undertaking forms part as a controlled group member and which is also included in the group of undertakings referred to in point 13

15. the place where copies of the consolidated financial statements referred to in points 13 and 14 may be obtained, provided that they are available

16. the nature and business purpose of the undertaking's arrangements that are not included in the balance sheet and the financial impact on the undertaking of those arrangements, provided that the risks or benefits arising from such arrangements are material and in so far as the disclosure of such risks or benefits is necessary for the purposes of assessing the financial position of the undertaking

17. the nature and the financial effect of material events arising after the balance sheet date which are not reflected in the profit and loss account or balance sheet