



LIFE IS FOR SHARING.

UNAUDITED INTERIM REPORT FOR THE HT GROUP

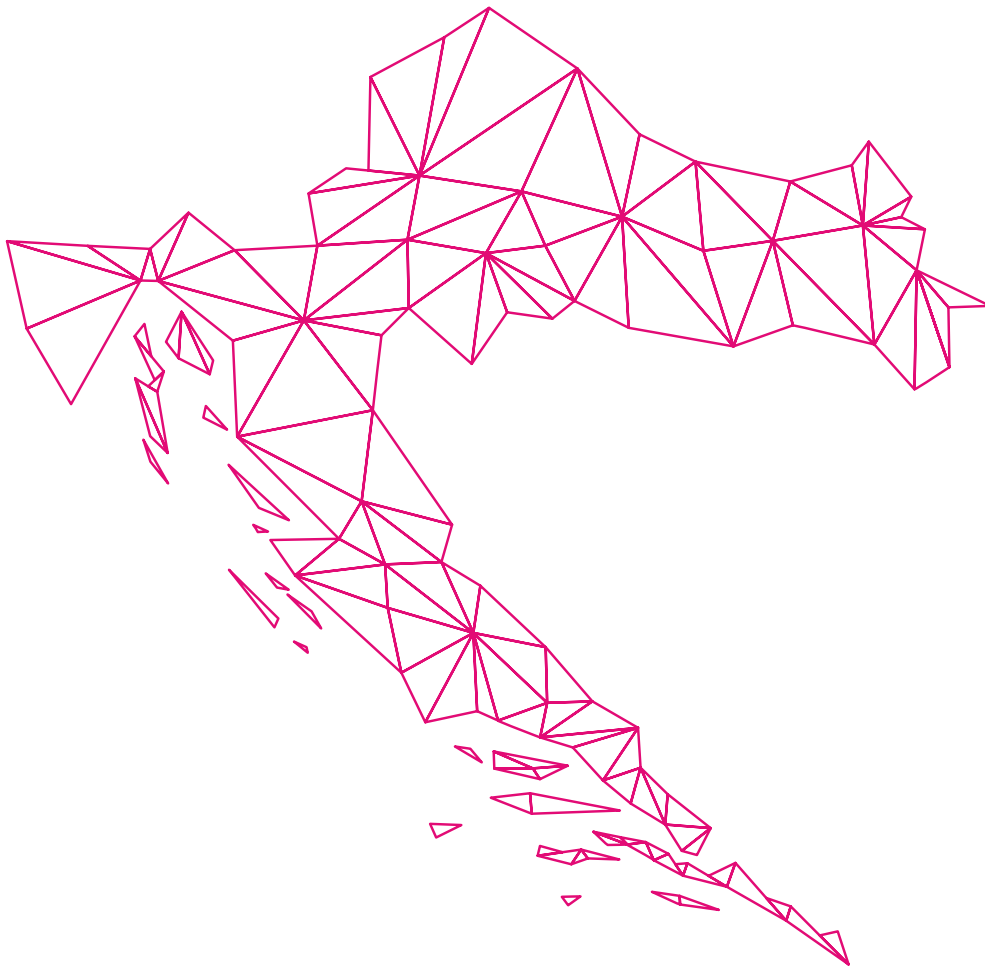
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COMMENT OF THE PRESIDENT OF THE MANAGEMENT BOARD

Commenting on the business results for 9M 2020, Konstantinos Nempis, CEO of Hrvatski Telekom, stated: *The year 2020 continues to be strongly impacted by COVID-19, and though we have undertaken actions to adjust to the present situation and are seeing concrete improvements in our performance, our results for the first nine months were inevitably affected.*

Nevertheless, and despite the challenging environment and outlook Hrvatski Telekom remains focused on continuing with its investment plan for 2020, supporting customers, business and society to find ways to overcome the present situation and move forward.

We have continued strongly investing, evident from our double-digit growth of investments YOY, into network quality, which is the foundation for business development, and we have even accelerated our fiber-optic roll-out and preparations for 5G development which are critical levers for Croatia's digitalization, development and economic recovery.

We in Hrvatski Telekom are proud to drive the digitization agenda and will remain dedicated to connecting everyone with the opportunities of digitization. This is the time when we as a crucial enabler, a trustworthy partner, by providing connectivity and essential services continue to prove our value by bringing clear benefits to the economy and the society.



HIGHLIGHTS IN THE FIRST NINE MONTHS OF 2020

- Challenging period due to COVID-19 effects, but strong investments continue
- Q3 is showing improved YOY trend due to strong mobile postpaid and higher System Solutions revenues
- Strong focus on shareholder returns; entered the Prime Market of the ZSE

Hrvatski Telekom (Reuters: HT.ZA, Bloomberg: HT CZ), the leading telecommunications provider in Croatia announces its unaudited consolidated results for the nine months ended with 30 September 2020.

COVID-19 situation impacted business developments across the entire economy, with Hrvatski Telekom inevitably also experiencing the effects. As a direct result, total consolidated net revenue decreased by HRK 221 million or 3.9% in 9M 2020 compared to 9M 2019. The revenue decrease was caused by lower realization in mobile revenue (HRK 175 million or 6.7%), fixed revenue (HRK 138 million or 5.5%) and miscellaneous revenue (HRK 11 million or 93.5%) but was partially offset by higher System Solutions (HRK 103 million or 18.3%). Still, Hrvatski Telekom, despite challenging environment, recorded a solid overall operational performance and development. When looking at quarterly development, Q3 2020 revenues stabilized despite a negative impact from summer season visitor revenues mainly as a result of System Solutions and mobile postpaid revenues growth.

EBITDA AL decreased by HRK 178 million or 8.0% in 9M 2020 due to decreases at both HT Group in Croatia (HRK 164 million or 7.9%) and Crnogorski Telekom (HRK 14 million or 8.4%), mainly resulting from the EvoTV transaction in Q1 2019 and the COVID-19 impact. Excluding this one-off EvoTV transaction in Q1 2019, EBITDA AL was 5.4% lower. The EBITDA AL margin was 37.5%.

Net profit after non-controlling interests decreased by HRK 118 million or 17.5%. Total CAPEX amounted to HRK 1,231 million, up 13.3% against the same period last year.

Although the environment remains uncertain, we still expect to deliver on our revised targets from the revised 2020 outlook that Hrvatski Telekom issued in Q2 2020. Revenue, which we had previously anticipated to be stable to slightly lower than in 2019, we expect to be mid-to-high single digit lower, as outlined in July when we reported on Q2 results. EBITDA AL margins, which we previously expected to be around 38%, we expect at around 39%. Our CAPEX expectations are at around HRK 1.7 billion. In terms of regional expansion, we reiterate that we continue to monitor and evaluate potential acquisition opportunities.

Challenging period due to COVID-19 effects, but strong investments continue

Positive business developments from the beginning of the year were outweighed by decrease in revenues related to COVID-19 effects. Nevertheless, Hrvatski Telekom at all times supported its customers, businesses and society, and despite the challenging outlook remains focused on



continuing with its investment plans into network quality, fiber-optic roll-out and 5G development which are critical for Croatia's economic recovery and transition to a digital society.

Hrvatski Telekom's dedication to supporting the country when it matters the most and to driving the digitalization agenda which is the basis for future growth remain unprecedented, which is also evident from the over 10% YOY increase in investments.

In 2020, a strong focus has been placed on building the fiber-optic infrastructure and implementation of the next generation fixed access network (NGA), targeting an increase in the fiber-optic network footprint which represents the future of the fixed network and the primary prerequisite for the country's digitalization. In the nine months of 2020 Hrvatski Telekom covered additional 43,000 households with FTTH in the access network, covering in total 324,000 households (20% YOY growth), putting Hrvatski Telekom well in line with the plan for this year. Overall, our fiber-based access network (FTTx) is now available to 475,000 households (11% YOY growth).

The substantial investments in network modernization that Hrvatski Telekom made over the past years, with the biggest in 10 years coming in 2019, resulted with improvements in both fixed and mobile network and in the delivery of the best network experience in the market, garnering several independent awards and confirming Hrvatski Telekom's leading network status. Following the two Ookla awards for "The Fastest Mobile Network" and "The Best Mobile Coverage" in Croatia, Hrvatski Telekom also received the "Best in Test" and the "Best Broadband Coverage" award from international analysis conducted by umlaut (formerly P3).

Following its modernization Hrvatski Telekom's mobile network is 5G ready. The importance of 5G technology cannot be overstated due to its broad scale application and it is resonating with Croatia's needs, i.e. smart city developments, enabling better health services, higher energy, agricultural and transport efficiencies, as well as being the basis of economic growth. Hrvatski Telekom is the leader in the segment of 5G technology and continues testing to prepare for the commercial launch.

Aside from the fact that Hrvatski Telekom is the market leader, we constantly strive to be better, more efficient, to provide the best customer experience, and to create even more value for our shareholders. Which is where investments play a crucial role and are essential in setting up the company for future success as well as for supporting the economy to get back to growth trajectory. An example of such investments is the extension of the Management Services Agreement (MSA) for the construction and maintenance of fixed and mobile telecommunications infrastructure, supervision of the telecommunications network, and field maintenance of the active access network and passive network Hrvatski Telekom and Ericsson Nikola Tesla Servisi d.o.o. signed in August, with duration until 2023, and whose frame value is over HRK 1.6 billion.

Hrvatski Telekom also continues to deliver on its promise of connecting everyone with the opportunities of digitalization and has received 13 grant agreements within the call



Construction of next-generation networks (NGN)/next generation access networks (NGA) in NGA “white areas” with a total value of HRK 820.5 million, of which HRK 323.2 million was grants. The implementation of these 13 projects financed from the European Structural and Investment Funds will enable the construction of the NGA network and fast and ultra-fast broadband access to network infrastructure for an additional 149,000 private, business and public users from remote, sparsely populated, and less developed areas of Croatia.

Q3 showing improved YOY trends due to mobile postpaid and System Solutions revenues and positive digital channel penetration developments

The COVID-19 pandemic has made it clear just how vital the ICT industry and digitalization are for individuals, businesses and society. We are witnessing a growing need for digitalization with everything pointing in the direction that this trend will continue.

Despite the challenging environment the positive business trends in Hrvatski Telekom’s mobile postpaid, TV and data business segments as well as in ICT solutions have become even more evident in Q3. This is in particular visible in positive trends in penetration and usage of digital channels i.e. strong growth of the My Telecom application, a key lever for digitalizing customer experience and which, at the end of September 2020, had more than 560,000 users (72% growth YOY) and whose penetration is now at 47% of the subscriber base. Magenta 1, the converged offering service, recorded notable growth as well, being today used by 257,000 households (7.5% YOY growth) and 31,000 business users (3.3% YOY growth).

Positive developments in reduction of fees for radiofrequency spectrum, RoW fees still too high

Hrvatski Telekom welcomed the decisions by the Republic of Croatia Government for a significant reduction in the radio frequency spectrum fees, which provide an additional incentive for further investments in the mobile networks, especially looking forward to the 5G era.

However, Hrvatski Telekom still pays very high right of way fees, which are an obstacle to further investing in fiber-optic networks and which are the main prerequisite for the country’s digitalization vis-a-vis the European front runners.

As evidenced by its substantial investments Hrvatski Telekom remains focused on supporting the country’s economy, noting that such significant investments would have an even bigger effect, in a more investment-friendly environment that would enable additional acceleration of growth fostering fiber-optic infrastructure deployment throughout Croatia.

Strong focus on shareholder returns

During 9M 2020 Hrvatski Telekom acquired at the Zagreb Stock Exchange a further 428,909 Company shares, as part of its ongoing Share Buyback program. For the acquisition of Company shares in 9M 2020, Hrvatski Telekom paid out an equivalent value of HRK 72.8 million. Since the start of the Program and through to 30 September 2020, Hrvatski Telekom has acquired at



the Zagreb Stock Exchange a total of 1,548,749 Company shares. For the said acquisition of Company shares, Hrvatski Telekom paid out an equivalent value of HRK 254 million. In March 2020, the Management Board adopted amendments to the provision of the Share Buyback Program, removing some limitations regarding everyday trading (volume and price) to be able to more efficiently execute the program.

In July, the General Assembly confirmed the joint proposal of the Management Board and the Supervisory Board for the distribution of net profit for 2019. The amount of HRK 8.00 represents a ratio of the dividend payment in relation to the realized profit of the Company of 90.2%.

On 12 October, Hrvatski Telekom transitioned its shares to the Prime Market of the Zagreb Stock Exchange from the Official Market. Being listed on ZSE's Prime Market is the latest confirmation of the highest level of corporate governance by which we operate. Along with the fact that Hrvatski Telekom is the largest private investor in Croatian digitalization, and Hrvatski Telekom shares are one of the most liquid shares on the market, entering the Prime Market was also a move that was welcomed by the investor community as it not only testifies to Hrvatski Telekom's 'blue-chip' status, but it also strongly signals that Hrvatski Telekom shares are a valued and prudent long-term investment.



SELECTED FINANCIAL DATA

HT Group

in HRK million

INCOME STATEMENT	9M 2019	9M 2020	% of change A20/A19	Q3 2019	Q3 2020	% of change A20/A19
Revenue	5.713	5.492	-3,9%	2.017	1.998	-1,0%
Exceptional items	89	68	-23,5%	70	6	-91,6%
EBITDA before exceptional items after leases	2.238	2.060	-8,0%	835	767	-8,2%
EBITDA before exceptional items	2.472	2.374	-3,9%	925	878	-5,0%
EBITDA after exceptional items	2.383	2.306	-3,2%	855	872	2,1%
EBIT (Operating profit)	912	744	-18,4%	313	322	2,9%
Net profit after non controlling interests	677	559	-17,5%	238	245	2,9%
EBITDA margin before exceptional items after leases	39,2%	37,5%	-1,7 p.p.	41,4%	38,4%	-3,0 p.p.
EBITDA margin before exceptional items	43,3%	43,2%	0,0 p.p.	45,8%	44,0%	-1,9 p.p.
EBITDA margin after exceptional items	41,7%	42,0%	0,3 p.p.	42,4%	43,7%	1,3 p.p.
EBIT margin	16,0%	13,5%	-2,4 p.p.	15,5%	16,1%	0,6 p.p.
Net profit margin	11,8%	10,2%	-1,7 p.p.	11,8%	12,3%	0,5 p.p.

BALANCE SHEET	At 31 Dec 2019	At 30 Sep 2020	% of change A20/A19	At 31 Dec 2019	At 30 Sep 2020	% of change A20/A19
Total non current assets	10.447	10.415	-0,3%	10.447	10.415	-0,3%
Total current assets	5.880	5.332	-9,3%	5.880	5.332	-9,3%
TOTAL ASSETS	16.327	15.747	-3,6%	16.327	15.747	-3,6%
Total issued capital and reserves	13.054	12.897	-1,2%	13.054	12.897	-1,2%
Total non current liabilities	839	838	-0,1%	839	838	-0,1%
Total current liabilities	2.434	2.012	-17,4%	2.434	2.012	-17,4%
TOTAL EQUITY AND LIABILITIES	16.327	15.747	-3,6%	16.327	15.747	-3,6%

CASH FLOW	9M 2019	9M 2020	% of change A20/A19	Q3 2019	Q3 2020	% of change A20/A19
Net cash flow from operating activities	1.665	1.811	8,8%	592	779	31,4%
Net cash flow from investing activities	-803	-71	91,1%	-342	-432	-26,2%
Net cash flow from financing activities	-1.405	-1.318	6,2%	-188	-836	-345,0%
Cash and cash equivalents at the end of period	2.597	3.174	22,2%	66	-495	-845,5%

HT Group Croatia

in HRK million

INCOME STATEMENT	9M 2019	9M 2020	% of change A20/A19	Q3 2019	Q3 2020	% of change A20/A19
Revenue	5.272	5.084	-3,6%	1.865	1.856	-0,5%
Mobile	2.389	2.225	-6,9%	896	829	-7,5%
Fixed voice	500	435	-13,0%	164	145	-11,6%
Broadband & TV	982	1.029	4,8%	333	349	4,9%
Fixed wholesale	235	218	-7,1%	79	85	8,7%
Other fixed	617	525	-14,9%	206	174	-15,6%
System solutions	538	651	21,1%	183	273	49,3%
Miscellaneous	12	1	-93,5%	4	0	-94,3%
Exceptional items ¹⁾	87	66	-24,0%	69	5	-93,1%
EBITDA before exceptional items after leases	2.074	1.909	-7,9%	771	713	-7,6%
EBITDA before exceptional items	2.284	2.201	-3,6%	854	817	-4,3%
EBITDA after exceptional items	2.197	2.135	-2,8%	784	812	3,6%
EBIT (Operating profit)	872	721	-17,3%	291	312	7,0%
Net profit after non controlling interests	679	558	-17,8%	222	250	12,6%
EBITDA margin before exceptional items after leases	39,3%	37,6%	-1,8 p.p.	41,4%	38,4%	-3,0 p.p.
EBITDA margin before exceptional items	43,3%	43,3%	0,0 p.p.	45,8%	44,0%	-1,7 p.p.
EBITDA margin after exceptional items	41,7%	42,0%	0,3 p.p.	42,1%	43,8%	1,7 p.p.
EBIT margin	16,5%	14,2%	-2,4 p.p.	15,6%	16,8%	1,2 p.p.
Net profit margin	12,9%	11,0%	-1,9 p.p.	11,9%	13,5%	1,6 p.p.

¹⁾ Mainly related to restructuring redundancy costs and legal cases



Crnogorski Telekom standalone

in HRK million

INCOME STATEMENT	9M 2019	9M 2020	% of change A20/A19	Q3 2019	Q3 2020	% of change A20/A19
Revenue	446	411	-7,8%	155	143	-7,7%
Mobile	234	222	-4,9%	86	78	-9,1%
Fixed voice	45	38	-15,4%	15	13	-16,6%
Broadband & TV	87	89	2,3%	30	30	-0,5%
Fixed wholesale	13	10	-24,2%	5	4	-28,5%
Other fixed	38	34	-10,2%	13	12	-7,6%
System solutions	28	17	-40,1%	6	7	13,5%
Exceptional items	2	2	-3,7%	1	1	69,1%
EBITDA before exceptional items after leases	164	150	-8,4%	63	53	-15,5%
EBITDA before exceptional items	188	173	-7,8%	71	61	-14,0%
EBITDA after exceptional items	186	171	-7,8%	70	60	-14,8%
EBIT (Operating profit)	38	21	-45,3%	22	10	-52,4%
Net profit after non controlling interests	31	13	-56,5%	21	8	-63,0%
EBITDA margin before exceptional items after leases	36,8%	36,6%	-0,2 p.p.	40,9%	37,5%	-3,4 p.p.
EBITDA margin before exceptional items	42,1%	42,2%	0,0 p.p.	46,0%	42,8%	-3,1 p.p.
EBITDA margin after exceptional items	41,6%	41,6%	0,0 p.p.	45,6%	42,1%	-3,5 p.p.
EBIT margin	8,5%	5,0%	-3,4 p.p.	14,0%	7,2%	-6,7 p.p.
Net profit margin	6,9%	3,2%	-3,6 p.p.	13,5%	5,4%	-8,1 p.p.

SELECTED OPERATIONAL DATA

HT Group Croatia

Key operational data	9M 2019 reported	9M 2019 adjusted	9M 2020	% of change A20/A19 adjusted	Q3 2019 reported	Q3 2019 adjusted	Q3 2020	% of change A20/A19 adjusted
Mobile customers in 000								
Number of customers	2.359	2.359	2.292	-2,8%	2.359	2.359	2.292	-2,8%
- Prepaid	988	1.140	1.034	-9,3%	988	1.140	1.034	-9,3%
- Postpaid	1.371	1.219	1.258	3,2%	1.371	1.219	1.258	3,2%
Minutes of use (MOU) per average customer	232	232	275	18,7%	231	231	267	15,4%
Blended ARPU ⁴⁾ (monthly average for the period in HRK)	69	69	75	7,4%	72	72	84	17,7%
- Prepaid	45	40	42	3,2%	48	43	49	14,2%
- Postpaid	87	96	101	6,0%	88	98	112	14,3%
Blended non-voice ARPU ⁴⁾ (monthly average for the period in HRK)	41	41	49	18,7%	43	43	58	34,3%
SAC per gross add in HRK	127	127	116	-8,7%	97	97	88	-9,3%
Churn rate (%)	2	2	2	-0,3 p.p.	2	2	2	-0,4 p.p.
Penetration (%) ¹⁾	131	131	131	-0,3 p.p.	131	131	131	-0,3 p.p.
Market share of customers (%) ¹⁾	45	45	44	-0,7 p.p.	45	45	44	-0,7 p.p.
Smartphone customers (%) ²⁾	68	68	71	3,0 p.p.	68	68	71	3,0 p.p.
Smartphones sold (%) ³⁾	91	91	90	-1,8 p.p.	90	90	91	0,9 p.p.

¹⁾ Source: competitors' official reports for 3Q 2020

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. For the purpose of like-for-like comparison, 2019 data is restated accordingly



HT Group Croatia

Key operational data	9M 2019	9M 2020	% of change A20/A19	Q3 2019	Q3 2020	% of change A20/A19
Fixed mainlines in 000						
Fixed mainlines - retail ¹⁾	792	759	-4,2%	792	759	-4,2%
Fixed mainlines - wholesale (WLR - wholesale line rental)	47	39	-16,4%	47	39	-16,4%
ARPU voice per user ²⁾ (monthly average for the period in HRK) ²⁾	69	63	-9,2%	69	63	-7,9%
IP mainlines/customers in 000						
Broadband access lines - retail ³⁾	622	623	0,1%	622	623	0,1%
Broadband access lines - wholesale ⁴⁾	118	109	-7,5%	118	109	-7,5%
TV customers	490	493	0,5%	490	493	0,5%
Broadband retail ARPU ⁵⁾ (monthly average for the period in HRK)	104	108	3,9%	103	109	5,8%
TV ARPU ⁵⁾ (monthly average for the period in HRK)	86	85	-0,9%	85	86	0,4%
Wholesale customers in 000						
ULL (Unbundled Local Loop)	106	96	-9,1%	106	96	-9,1%

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	9M 2019	9M 2020	% of change A20/A19	Q3 2019	Q3 2020	% of change A20/A19
Mobile customers in 000	394	362	-8,1%	394	362	-8,1%
- Prepaid	156	117	-24,9%	156	117	-24,9%
- Postpaid	238	245	2,8%	238	245	2,8%
Fixed mainlines - retail in 000	110	105	-4,0%	110	105	-4,0%
Broadband access lines - retail in 000	78	80	2,6%	78	80	2,6%
TV customers in 000	69	70	1,3%	69	70	1,3%



I. Revenue

Total consolidated net revenue decreased by HRK 221 million or 3.9% in 9M 2020 compared to 9M 2019. The revenue decrease is driven by both HT Group in Croatia (HRK 188 million or 3.6%) and Crnogorski Telekom (HRK 32 million or 7.3%).

The HT Group level revenue decrease is caused by lower realization in mobile (HRK 175 million or 6.7%), fixed (HRK 138 million or 5.5%) and miscellaneous revenue (HRK 11 million or 93.5%), partially offset by higher system solutions revenue (HRK 103 million or 18.3%).

Optima Telekom's contribution to HT Group amounted to HRK 196 million in 9M 2020 and was down by HRK 47 million in comparison to 9M 2019. Contribution consisted of HRK 329 million of Optima Telekom third party contribution (9M 2019: HRK 392 million) that was presented in the whole amount under fixed other revenue and HRK 133 million of inter-company relations that decreased mainly fixed wholesale revenue (9M 2019: HRK 149 million).

Contribution of subsidiaries in Group revenue for Iskon amounted HRK 280 million (9M 2019: HRK 285 million) and for Combis HRK 468 million (9M 2019: HRK 363 million).

Mobile revenue

Mobile revenue fell by HRK 175 million or 6.7%, down in HT Group in Croatia (HRK 164 million or 6.9%) and in Crnogorski Telekom (HRK 11 million or 4.8%).

The fall in visitors (HRK 87 million or 41.4%), handset (HRK 72 million or 10.7%), prepaid (HRK 31 million or 7.4%) and other mobile revenue (HRK 16 million or 14.9%) was partly compensated by growth in postpaid revenue (HRK 36 million or 3.0%).

HT Group Croatia

Mobile revenue decrease was mainly driven by lower visitors, with numbers depressed by COVID-19, lower sale of handsets caused by COVID-19, and lower prepaid also impacted by COVID-19 situation. Strong postpaid, supported by higher ARPU and customer base, just partly compensated the fall.

The total mobile customer base at 2,292k customers in 9M 2020 is lower (down 2.8%), with higher postpaid segment (up 3.2%) and lower prepaid segment (down 9.3%) performance compared to 9M 2019.

Crnogorski Telekom

After positive Q1 2020 performance, COVID-19 situation in Q2 and Q3 especially, turned the trend around. Decrease in mobile revenues is a combination of lower prepaid, visitors and postpaid. Decrease in postpaid is mostly related to roaming revenue, while lower prepaid is due to absence of summer season.



Fixed revenue

Fixed revenue decreased by HRK 138 million or 5.5%, coming from both HT Group in Croatia (HRK 127 million or 5.4%) and Crnogorski Telekom (HRK 11 million or 6.0%).

The decrease mainly resulted from lower other fixed revenue (HRK 95 million or 14.5%), voice (HRK 72 million or 13.2%) and wholesale revenue (HRK 20 million or 8.1%), while broadband increased (HRK 35 million or 5.3%), as did TV (HRK 14 million or 3.4%).

HT Group Croatia

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

Broadband revenue increase is supported by 0.1% higher customer base at the level of 623k. Broadband retail ARPU is higher by 3.9% at the level of HRK 108 due to the reduced focus on aggressive offers in the market.

TV revenue growth was supported by the higher Evo TV contribution (consolidation started in March 2019). The TV customer base at the level of 493k shows a 0.5% increase, while TV ARPU at a level of HRK 85 is lower by 0.9%.

Wholesale decrease is driven by price adjustments. As of 1 January 2020, by decision of National Regulatory Agency (HAKOM) prices for all regulated wholesale services were decreased (in range between 10% and 20%) due to change in value of WACC (weighted average cost of capital).

Other fixed revenue decrease is mainly driven by Optima Telekom (HRK 63 million) mainly due to cancelation of bilateral telco relationships with Telekom Slovenia and Orion (EBITDA neutral). The contract with Telekom Slovenia was cancelled in the middle of 2019, while contract with Orion started in June 2019 and was cancelled in December 2019.

Crnogorski Telekom

Fixed revenue decreased mostly due to fall in voice revenue, while BB and TV revenue slightly increased.

System Solutions

System solution revenue rose by HRK 103 million or 18.3% driven by HT Group in Croatia (HRK 113 million or 21.1%), while Crnogorski Telekom reported lower revenue (HRK 10 million or 37.9%). Combis strongly contributed to the rise with HRK 104 million.



HT Group Croatia

System solutions revenue is continuously growing in all portfolio segments. The strongest growth achievement in Q3 is in the area of customized ICT solutions and standard ICT portfolio. Key revenue drivers in standard ICT portfolio is coming from Infrastructure services (Data Center) and digitalization services like Office 365, ICT Equipment and Fleet Management.

Crnogorski Telekom

The decrease in system solution revenues is mainly driven by one-time deals.

Miscellaneous revenue

The decrease in miscellaneous revenue is driven by the contribution of E-tours in 2019 (sale transaction closed on 31 December 2019).

Other operating income

Other operating income fell by HRK 45 million or 37.3% in 9M 2020 compared to 9M 2019. The fall comes from HT Group in Croatia (HRK 47 million or 39.8%) due to the effect of the Evo TV transaction in March 2019.

II. Operating expenses

Total consolidated operating expenses fell by HRK 189 million or 5.5% in 9M 2020 compared to 9M 2019, driven by HT Group in Croatia (HRK 173 million or 5.4%) and Crnogorski Telekom (HRK 16 million or 6.1%).

The decrease is a result of lower other expenses (HRK 99 million or 12.1%), material expenses (HRK 83 million or 4.7%), employee benefits expenses (HRK 17 million or 1.9%) and write down of assets (HRK 2 million or 3.2%), while a lower amount of work performed by the Group and capitalized (HRK 12 million or 15.7%) negatively contributed.

Material expenses

A decrease in material expenses is recorded in service (HRK 99 million or 15.2%), while merchandise, material and energy expenses increased (HRK 16 million or 1.5%). The decrease comes from both HT Group in Croatia (HRK 70 million or 4.3%) and Crnogorski Telekom (HRK 13 million or 11.2%).

Merchandise costs increased due to higher ICT costs, which followed an increase in related revenue, while all other cost categories showed decline.



Employee benefits expenses

Total employee benefits expenses decrease is driven by HT Group in Croatia (HRK 12 million or 1.5%). The total number of FTEs amounts to 5,425 FTEs, which is a decrease of 71 FTEs compared to 9M 2019, coming both from HT Group in Croatia and CT mainly driven by COVID-19 situation which stopped new employment, and due to sales of E-tours.

Other expenses

Other expenses decrease at HT Group in Croatia (HRK 98 million or 13.1%) was from lower maintenance (HRK 26 million), licenses (HRK 26 million), advertising (HRK 19 million) and external employment (HRK 19 million).

Write down of assets

The assets write down fall is driven by HT Group in Croatia (HRK 4 million or 7.1%), while Crnogorski Telekom reported growth (HRK 2 million or 39.8%).

Depreciation and amortization

Growth in depreciation and amortization is mostly influenced by HT Group in Croatia (HRK 89 million or 6.7%) mainly due to different seasonality of content depreciation.

III. Profitability

EBITDA before exceptional items after leases

EBITDA before exceptional items after leases decreased by HRK 178 million or 8.0% to HRK 2,060 million in 9M 2020 driven by HT Group in Croatia (HRK 164 million or 7.9%) and Crnogorski Telekom (HRK 14 million or 8.4%).

The decrease in HT Group in Croatia EBITDA before exceptional items after leases is mainly due to negative IFRS15 impact, the Evo TV transaction in Q1 2019 and the COVID-19 impact. The Crnogorski Telekom EBITDA before exceptional items after leases decrease is influenced by lower net revenue, partly covered by lower operating expenses (before exceptional items).



Net profit after non-controlling interests

Net profit after non-controlling interests decreased by HRK 118 million or 17.5% to HRK 559 million in 9M 2020. The decrease in HT Group in Croatia amounted to HRK 121 million or 17.8%, while the Crnogorski Telekom contribution recorded an increase of HRK 3 million.

The HT Group in Croatia decrease is caused by the fall in EBITDA (HRK 62 million or 2.8%), higher depreciation (HRK 89 million or 6.7%) and the negative effect of the net financial result (HRK 4 million or 7.6%). On the other hand, positive contributions came from lower taxation (HRK 27 million or 17.9%) and higher non-controlling interests (HRK 7 million or 70.5%).

Crnogorski Telekom's increase in net profit is driven by the positive effect of the net financial result and higher non-controlling interests, which offset lower EBITDA and higher depreciation.

IV. Financial position

Balance sheet

In comparison to 2019 year-end, there is decrease in the total asset value of 3.6% or HRK 580 million mainly driven by driven by lower cash and sale of HfS asset which is partially offset by higher current receivables.

Total issued capital and reserves decreased from HRK 13,054 million at 31 December 2019 to HRK 12,897 million at 30 September 2020 mainly driven by the dividend pay-out in the amount of HRK 643 million and the purchase of own share in the amount of HRK 73 million, that is offset with realized net profit for Q3 2020 in the amount of HRK 559 million.

Total non-current liabilities decreased by HRK 1 million or 0.1% primarily due to lower financial liabilities offset by higher lease liabilities and higher deferred tax liability.

Total current liabilities decreased by HRK 422 million to HRK 2,012 million at 30 September 2020 mainly driven by lower volume of trade payables.

Cash flow

Cash flow from operating activities increased by 146 HRK million (8.8%) mainly due to favourable working capital movement and lower income tax paid.

Cash flow from investing activities increased by HRK 732 million (91.1%) mainly due to inflows from matured bond partially offset by higher cash capex.

Cash flow from financing activities increased by HRK 87 million (6.2%) mainly due to lower dividend payments in 2020 partially offset by higher fin. repayments (lease repayments and repayment of loans and bonds).



V. Capital expenditure

in HRK million

CAPEX after leases - HT Group	9M 2019	9M 2020	% of change A20/A19	Q3 2019	Q3 2020	% of change A20/A19
CAPEX after leases	1,086	1,231	13,3%	357	426	19,4%
CAPEX after leases/ Revenue ratio	19,0%	22,4%	3,4 p.p.	17,7%	21,3%	3,6 p.p.

CAPEX after leases - HT Group in Croatia	9M 2019	9M 2020	% of change A20/A19	Q3 2019	Q3 2020	% of change A20/A19
CAPEX after leases	1,001	1,156	15,6%	332	405	21,9%
CAPEX after leases/ Revenue ratio	19,0%	22,7%	3,8 p.p.	17,8%	21,8%	4,0 p.p.

CAPEX after leases - Crnogorski Telekom	9M 2019	9M 2020	% of change A20/A19	Q3 2019	Q3 2020	% of change A20/A19
CAPEX after leases	85	75	-12,8%	25	21	-13,9%
CAPEX after leases/ Revenue ratio	19,2%	18,1%	-1,0 p.p.	15,9%	14,9%	-1,1 p.p.

Capex after leases increased from 9M 2019 by HRK 145 million or 13.3%, up in HT Group in Croatia (HRK 156 million or 15.6%) driven by seasonality, and down in CT (HRK 11 million or 12.8%).

HT Group in Croatia

In 2020, a strong focus was placed on the implementation of next generation fixed access network (NGA) targeting optical network footprint increase. During Q3 implementation activities were partially conducted under the COVID-19 pandemic effect, but despite the obstacles, targets were achieved. Within the third quarter of 2020 an additional 23,545 households were covered by FTTH technology in the access network, covering in total (FTTH) 324,000 households.

In total, HT achieved coverage available for 60.7% households with technologies that enable speed >30 Mbps from which 25.7% with technologies that enable speed >100 Mbps. Optical based access network (FTTx) is available for 475,000 households.

Hrvatski Telekom received 13 grant agreements within the call "Construction of next-generation networks (NGN)/next generation access networks (NGA) in NGA white areas" with a total value of HRK 820.5 million, of which HRK 323.2 million was in grants. So far, eight projects worth a total of HRK 578 million have been signed within this, of which HRK 263.9 million are grants.

Activities within the 5G area continued with intensive testing of 5G system within 4G frequency spectrum in Dynamic Spectrum Sharing mode.

Hrvatski Telekom and Ericsson Nikola Tesla Servisi have signed a cooperation contract extension for the services of fixed and mobile network infrastructure deployment and maintenance, operation and management of the telecommunication network and field services for the active access network and passive network.

In the IT area, the One App/Bonbon optimizations project has been completed, by which the performance of these applications is enhanced to successfully support an increase of more than 100% of concurrent users.



HT GROUP 2020 OUTLOOK

	2019 Results	"Original" Outlook 2020	"Revised" Outlook 2020
Revenue	HRK 7,704 million	Stable to slightly lower	Mid-to-high single digit decrease
EBITDA AL	Margin of 37.7%	Margin of around 38%	Margin of around 39%
CAPEX AL	HRK 1,900 million	Around HRK 1.7 billion	Around HRK 1.7 billion
Regional expansion	Completed purchase of Evo TV	HT is monitoring and evaluating potential M&A opportunities	HT is monitoring and evaluating potential M&A opportunities

HT INC. FINANCIAL HIGHLIGHTS

Revenue

Revenue decreased by HRK 242 million or 5.5% to HRK 4,187 million in 9M 2020 compared to 9M 2019. The decrease was driven by lower mobile revenue (HRK 164 million or 6.8%) mainly influenced by a negative IFRS15 impact and a drop in visitors due to the COVID-19 situation, and lower fixed revenue (HRK 87 million or 4.7%), mostly as a result of declining voice and wholesale.

EBITDA before exceptional items after leases

EBITDA before exceptional items after leases decreased by HRK 193 million or 10.0% to HRK 1,742 million in 9M 2020, because of lower revenue realization, lower other operating income (HRK 43 million or 38.2%) and negative IFRS16 effects (HRK 81 million or 46.3%), partially offset by lower operating expenses excluding exceptional items (HRK 174 million or 7.2%).

Net profit after non-controlling interests

Net profit after non-controlling interests decreased by HRK 124 million or 18.1% to HRK 560 million in 9M 2020 due to lower EBITDA (HRK 86 million or 4.2%) and higher depreciation and amortization (HRK 76 million or 6.7%), while lower taxation (HRK 26 million or 17.3%) and the positive effect of the net financial result (HRK 12 million or 24.2%) partly offset the decrease.



RISK MANAGEMENT

Besides the business and regulatory developments detailed in this statement, and in audited financial statements for 2019 made public, there were no material changes to the Group's risk profile in the period under review except COVID-19.

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

Based on restrictive measures introduced on the level of Republic of Croatia (RoC), which have reflected on closure of direct sales and customer support channels, Hrvatski Telekom has in a very short term adjusted and redirected its business to on-line channels wherever possible, keeping field work network maintenance services whilst respecting the recommended safety measures of customers as well as employees of HT.

In the following situation, the development with COVID-19 in the short (<1Y) and mid-term (<3Y) there is a risk of partial revenue reduction and increase of collection default risk commensurate the impacts on the overall Croatian economy as well as the economic status of citizens of RoC.

CHANGES IN REPORTING

In 2014 the 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. The Croatian Competition Agency (AZTN) 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 a 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 are prolonged for an additional three-year period, that is, until 10 July 2021. On 31 January 2020 HT initiated the sale process for the shares of Optima Telekom. Submission of offers finished on 18 March 2020. The 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 in 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 Evo TV.

Within the strategy of restructuring non-core parts of HT's business operations, in November 2019 a contract was concluded with Uniline d.o.o. on the transfer and sale of the share held by HT holding d.o.o. in the company E-tours d.o.o. The transaction closed on 31 December 2019.

IFRS 16 Leases

The standard has been applied from 1 January 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 the Deutsche Telekom Group definition of M2M (machine to machine), starting from 2020, all M2M customers, respective revenues and KPIs will be reported in prepaid. For the purpose of like-for-like comparison, 2019 data in this report is restated accordingly.



HT GROUP FINANCIAL STATEMENTS

Consolidated Income Statement

In HRK million	9M 2019	9M 2020	% of change A20/A19	Q3 2019	Q3 2020	% of change A20/A19
Mobile revenue	2.622	2.447	-6,7%	982	907	-7,6%
Fixed revenue	2.514	2.376	-5,5%	843	811	-3,8%
System solutions	564	667	18,3%	189	280	48,2%
Miscellaneous	12	1	-93,5%	4	0	-94,3%
Revenue	5.713	5.492	-3,9%	2.017	1.998	-1,0%
Other operating income	121	76	-37,3%	20	27	35,2%
Total operating revenue	5.833	5.568	-4,6%	2.038	2.025	-0,6%
Operating expenses	3.451	3.261	-5,5%	1.183	1.153	-2,6%
Material expenses	1.756	1.673	-4,7%	605	657	8,7%
Employee benefits expenses	889	872	-1,9%	318	270	-15,2%
Other expenses	819	720	-12,1%	267	239	-10,4%
Work performed by the Group and capitalised	-76	-64	15,7%	-29	-29	-1,3%
Write down of assets	62	60	-3,2%	22	16	-27,1%
EBITDA	2.383	2.306	-3,2%	855	872	2,1%
Depreciation and amortization	1.471	1.563	6,2%	541	550	1,6%
EBIT	912	744	-18,4%	313	322	2,9%
Financial income	16	47	187,5%	3	4	40,8%
Income/loss from investment in joint ventures	-3	-6	-92,0%	1	1	-26,9%
Financial expenses	93	111	19,0%	24	31	31,3%
Profit before taxes	831	674	-18,0%	293	296	0,9%
Taxation	157	128	-18,3%	54	54	1,0%
Net profit	675	546	-19,1%	239	241	0,8%
Non controlling interests	-2	-13	-535,5%	1	-4	-443,2%
Net profit after non controlling interests	677	559	-17,5%	238	245	2,9%
Exceptional items ¹⁾	89	68	-23,5%	70	6	-91,6%
EBITDA before exceptional items	2.472	2.374	-3,9%	925	878	-5,0%
EBITDA before exceptional items after leases	2.238	2.060	-8,0%	835	767	-8,2%

¹⁾ Mainly related to restructuring redundancy costs and legal cases



Consolidated Balance Sheet

in HRK million	At 31 Dec 2019	At 30 Sep 2020	% of change A20/A19
Intangible assets	2.335	2.188	-6,3%
Property, plant and equipment	6.390	6.513	1,9%
Non-current financial assets	388	382	-1,6%
Receivables	347	351	1,0%
Lessee use rights to leased assets (IFRS 16)	709	706	-0,5%
Contract assets (IFRS 15)	51	52	2,1%
Contract costs (IFRS 15)	98	95	-2,6%
Deferred tax asset	129	129	0,4%
Total non-current assets	10.447	10.415	-0,3%
Inventories	158	163	3,1%
Assets held for sale	68	0	-100,0%
Receivables	1.520	1.628	7,1%
Current financial assets	928	5	-99,4%
Contract assets (IFRS 15)	231	209	-9,4%
Contract costs (IFRS 15)	71	69	-2,6%
Cash and cash equivalents	2.762	3.174	14,9%
Prepayments and accrued income	142	83	-41,3%
Total current assets	5.880	5.332	-9,3%
TOTAL ASSETS	16.327	15.747	-3,6%
Subscribed share capital	10.245	10.245	0,0%
Reserves	565	513	-9,1%
Revaluation reserves	-10	-1	86,4%
Treasury shares	-73	-73	0,0%
Retained earnings	1.260	1.340	6,3%
Net profit for the period	740	559	-24,5%
Non controlling interests	328	315	-3,9%
Total issued capital and reserves	13.054	12.897	-1,2%
Provisions	86	82	-4,0%
Non-current liabilities	246	207	-15,6%
Lessee lease liabilities to third partie due > 1 year (IFRS 16)	465	501	7,6%
Contract liabilities (IFRS 15)	0	0	-37,9%
Deferred tax liability	42	48	13,2%
Total non-current liabilities	839	838	-0,1%
Current liabilities	2.161	1.776	-17,8%
Contract liabilities (IFRS 15)	85	72	-15,0%
Lessee lease liabilities due <= 1 year (IFRS 16)	183	156	-14,9%
Deferred income	5	8	45,2%
Provisions for redundancy	0	0	0,0%
Total current liabilities	2.434	2.012	-17,4%
Total liabilities	3.273	2.850	-12,9%
TOTAL EQUITY AND LIABILITIES	16.327	15.747	-3,6%



Consolidated Cash Flow Statement

in HRK million	3Q 2019	3Q 2020	% of change A20/A19	Q3 2019	Q3 2020	% of change A20/A19
Profit before tax	831	674	-18,9%	293	296	0,9%
Depreciation and amortization	1.471	1.563	6,2%	541	550	1,6%
Increase / decrease of current liabilities	-187	-127	31,9%	-80	129	260,8%
Increase / decrease of current receivables	-79	-55	30,5%	-78	-59	25,0%
Increase / decrease of inventories	-28	-12	58,4%	-11	-9	15,0%
Other cash flow increases / decreases	-343	-232	32,6%	-72	-128	-78,3%
Net cash inflow/outflow from operating activities	1.665	1.811	8,8%	592	779	31,4%
Proceeds from sale of non-current assets	87	88	1,6%	6	2	-63,8%
Proceeds from sale of non-current financial assets	11	1	-91,2%	-2	0	118,1%
Interest received	9	6	-29,9%	2	1	-41,7%
Dividend received	0	0	-	0	0	-
Other cash inflows from investing activities	110	959	767,8%	-3	2	183,6%
Total increase of cash flow from investing activities	217	1.054	386,1%	3	6	87,1%
Purchase of non-current assets	-908	-1.125	-24,0%	-345	-438	-26,7%
Purchase of non-current financial assets	-113	0	100,0%	0	0	-100,0%
Other cash outflows from investing activities	0	0	-	0	0	-
Total decrease of cash flow from investing activities	-1.020	-1.125	-10,3%	-345	-438	-26,7%
Net cash inflow/outflow from investing activities	-803	-71	91,1%	-342	-432	-26,2%
Total increase of cash flow from financing activities						
Repayment of loans and bonds	-43	-57	-34,8%	-9	1	110,8%
Dividends paid	-818	-643	21,4%	-8	-643	-8162,4%
Repayment of lease	-249	-281	-12,9%	-84	-90	-7,4%
Other cash outflows from financing activities	-295	-337	-14,0%	-88	-105	-19,0%
Total decrease in cash flow from financing activities	-1.405	-1.318	6,2%	-188	-836	-345,0%
Net cash inflow/outflow from financing activities	-1.405	-1.318	6,2%	-188	-836	-345,0%
Exchange gains/losses on cash and cash equivalents	3	-10	-400,9%	4	-6	-238,8%
Cash and cash equivalents at the beginning of period	3.137	2.762	-11,9%	0	0	100,0%
Net cash (outflow) / inflow	-540	412	176,3%	66	-495	-845,5%
Cash and cash equivalents at the end of period	2.597	3.174	22,2%	66	-495	-845,5%



NOTES TO THE CONDENSED CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED ON 30 SEPTEMBER 2020

Basis of preparation

The condensed consolidated financial statements as of 30 September 2020 and for the nine 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 2019.

Dividend

On 20 July 2020, the General Assembly of Hrvatski Telekom passed the decision regarding the dividend payout. Under that decision, HRK 643,229,856.00 or HRK 8.00 per share were paid out to shareholders. The dividend was distributed from net profit in 2019.

Relations with the governing company and its affiliated companies

In the first nine months of 2020 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 nine months of 2020 there were no changes in transactions among related parties which were specified in the annual financial report for 2019 and which had a significant impact on the financial position and operations of the Group in the first nine months of 2020.

Business relations transacted between HT d.d. and affiliated companies thereof (hereinafter referred to as: Group) in the first nine months of 2020 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 nine months of 2020 the Group generated total revenue from related companies to the amount of HRK 159 million (the first nine months of 2019: HRK 200 million), while total costs amounted to HRK 143 million (the first nine months of 2019: HRK 165 million).

The bond issued by Deutsche Telekom International Finance B. V. matured on 3 April 2020, in the full amount of EUR 125 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 in the same time a Member of the Audit 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 the Compensation and Nomination 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. 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 nine months of 2020 the Company paid a total amount of HRK 0.7 million (the first nine months of 2019: HRK 0.6 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 nine months of 2020 the total compensation paid to key management personnel of the Group amounted to HRK 40 million (the first nine months of 2019: HRK 48 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 operating directors of the Company, who are employed by the Group.



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

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 first nine months of 2020 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 October 2020



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



LIFE IS FOR SHARING.

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 October 2020 at 11:00 UK time / 12:00 CET.

The conference call dial in details are as follows:

International dial in	+44 (0) 2071 928000
UK local dial in	08445718892
Croatia local dial in	01 777 67 10
Austria, Vienna	01 928 65 59
Estonia, Tallinn	668 24 53
Germany, Frankfurt	069 2443 73 51
Hungary, Budapest	06 1408 80 64
Slovenia, Ljubljana	01 600 93 97

Conference ID **2939265**

A replay of the call will be available until Thursday, 5 November 2020 using the following details:

International dial in	+44 (0) 3333009785
Conference ID	2939265

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 first nine months of 2020, 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).