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Hrvatski Telekom

Zagreb – 12 March 2020

Croatian Telecom Inc.

Radnička cesta 21, HR – Zagreb

Ordinary share: HT (ISIN: HRHT00RA0005)

LEI: 097900BFHJ0000029454

Listing: Zagreb Stock Exchange, Official market

Member State: Republic of Croatia

Announcement of audited financial statements and proposal for the utilization of profit for the year 2019

Hrvatski Telekom (Reuters: HT.ZA; Bloomberg: HT CZ), Croatia's leading telecommunications provider, announces in accordance with the Rules of the Zagreb Stock Exchange its audited financial statements and the proposal for the utilization of profit for the year 2019.

At its session held yesterday, the Supervisory Board of Hrvatski Telekom d.d. gave its approval to the audited annual financial statements of the Company and consolidated financial statements of the HT Group for the business year 2019 and informed the Management Board about its approval. As in accordance with Article 300d of the Companies Act and Article 31 of the Articles of Association of Hrvatski Telekom d.d., aforementioned financial statements are deemed adopted by the Management Board and the Supervisory Board and they will be referred to the General Assembly.

The Management Board and the Supervisory Board of Hrvatski Telekom d.d. propose to the General Assembly of the Company the distribution of the net profit from 2019 in such manner that a part of the net profit amounting to HRK 646,129,832.00 be used for the pay-out of dividend to shareholders in the amount of HRK 8.00 per share, a part of the net profit in the amount of HRK 21,106,194.51 be allocated to legal reserves, and the remaining part of the net profit in the amount of HRK 49,828,426.71 be allocated to retained earnings.

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%. With respect to the last share price achieved yesterday amounting to HRK 162.00, this represents a dividend yield of 4,9%. In such manner, the Company, for a second year in a row, proposes an increased regular dividend and as well as an increased pay-out ratio. With respect to the regular dividend paid out for 2017, this proposal represents a 33% increase as well as a ratio increase from 58% to above 90%.



The General Assembly is planned to be convoked for 29 April 2020. In line with the proposal, aforementioned dividend will be paid out on 18 May 2020 to all shareholders who are entered in the depository of the Central Depository & Clearing Company (SKDD) on 7 May 2020 (record date). The date on which the security of Croatian Telecom Inc. will be traded without the dividend payment right is 6 May 2020 (ex-date).

For the financial year 2020, the Management Board currently expects the payment of a dividend in the amount of a minimum HRK 6 per share.

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About Hrvatski Telekom

Hrvatski Telekom (HT) is the leading provider of telecommunication services in Croatia, serving 0.8 million fixed lines, 2.3 million mobile subscribers and 736 thousand broadband connections through its Residential and Business divisions.