



Unaudited  
Business Report of the  
**Telekom Slovenije Group and  
Telekom Slovenije, d.d.**

for the period January to June 2023



TelekomSlovenije

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Ljubljana, 24 August 2023

# 1. INTRODUCTORY NOTE

Pursuant to the law and the Rules of the Ljubljana Stock Exchange, Telekom Slovenije, d.d. (hereinafter: Telekom Slovenije), with its registered office at Cigaletova 15, Ljubljana, hereby publishes the Unaudited Business Report of the Telekom Slovenije Group and Telekom Slovenije for the period January to June 2023.

The condensed interim financial statements for the period ending 30 June 2023 were compiled in accordance with IAS 34 Interim Financial Reporting, and must be read in conjunction with the annual financial statements compiled for the financial year ending 31 December 2022. The financial statements for the period January to June 2023 have not been audited.

Telekom Slovenije's Supervisory Board discussed the Unaudited Business Report of the Telekom Slovenije Group and Telekom Slovenije for the period under consideration at its session on 23 August 2023.

Any significant changes to the data contained in the prospectus for listing on the stock exchange are regularly published by the Company on the Ljubljana Stock Exchange's SEOnet website and on the Company's website at [www.telekom.si](http://www.telekom.si).

The Unaudited Business Report for the period January to June 2023 is also accessible on the Company's website at [www.telekom.si](http://www.telekom.si).

## 1.1. Statement of responsibility of the Management Board

The members of Telekom Slovenije's Management Board responsible for compiling the unaudited report of the Telekom Slovenije Group and Telekom Slovenije for the period January to June 2023, hereby find that:

- to the best of our knowledge, the unaudited report of the Telekom Slovenije Group and Telekom Slovenije was compiled and published in accordance with valid legislation and the International Financial Reporting Standards as adopted by the EU;
- the condensed interim financial statements for the period ending 30 June 2023 were compiled in accordance with IAS 34 Interim Financial Reporting, and must be read in conjunction with the annual financial statements compiled for the financial year ending 31 December 2022;
- the selected accounting policies were applied consistently in the compilation of the condensed financial statements and any changes to those policies were disclosed, and that accounting estimates were made fairly and with careful consideration, according to the principle of prudence and the diligence of a good manager, and under the assumption that the Telekom Slovenije Group and Telekom Slovenije are going concerns; and
- the interim business report presents a fair picture of information regarding major transactions with related parties, in accordance with regulations.



Boštjan Košak  
President of the  
Management Board



Boštjan Škufca  
Zaveršek, MSc  
Vice-President of the Management  
Board



Irma Gubanec, MSc  
Member of the  
Management Board



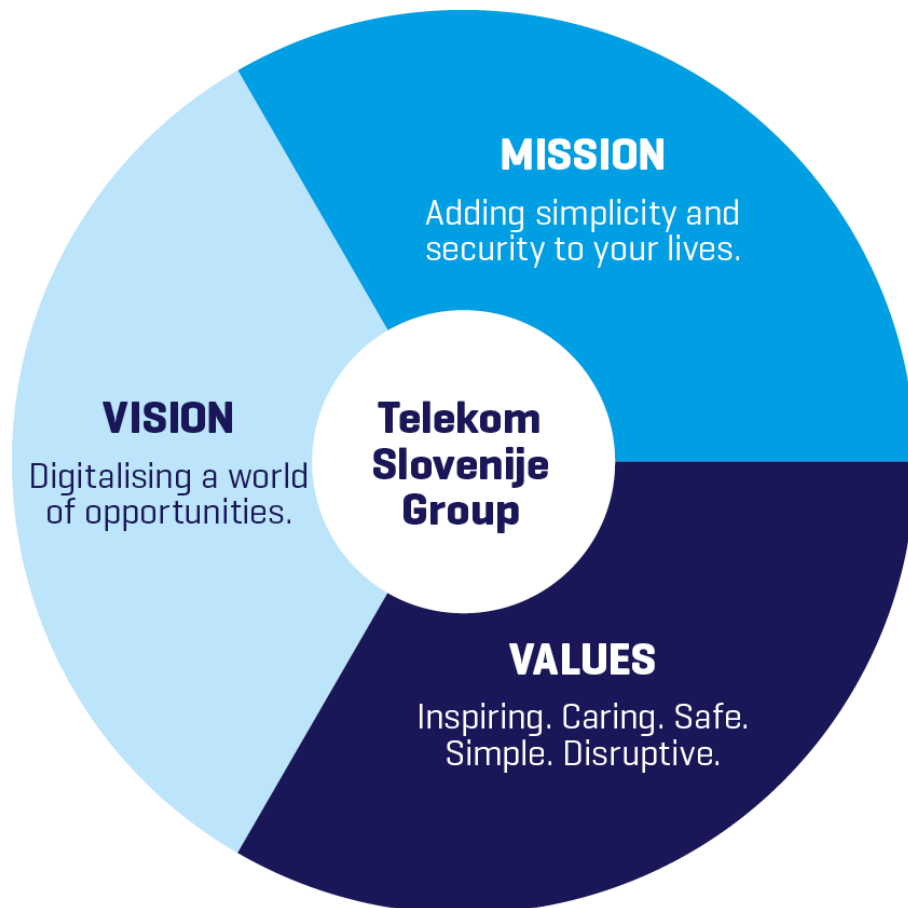
Vesna Prodnik, MSc  
Member of the  
Management Board



Špela Fortin  
Member of the  
Management Board –  
Workers' Director

## 2. VISION, MISSION AND VALUES OF THE TELEKOM SLOVENIJE GROUP

### 2.1. Vision, mission and values



## 2.2. Key strategic objectives

The Telekom Slovenije Group implements its strategy in accordance with adopted strategic policies. The Strategic Business Plan is the core corporate document. Defined in that document through its mission, vision, values, business model, objectives and strategy are the Telekom Slovenije Group's 's future development and strategic policies. The document outlines the future business strategy of the Telekom Slovenije Group.

Expectations for 2023 are characterised by uncertainty in the economic environment, primarily in connection with conditions on the energy markets, and the continuation of the war in Ukraine and high inflation. The Telekom Slovenije Group expects uncertainty in the international environment to continue rising, but is still planning growth and development.

The Group drew up an ambitious business plan for 2023, the goal of which is to reverse the trend of recent years, and achieve growth in revenues and the number of users in all segments, and further strengthen its market shares. The Telekom Slovenije Group is and strives to be the first choice of users, while it provides the most advanced services and an excellent user experience in a superior network based on continuous development.

### Strategic objectives of the Telekom Slovenije Group



#### Leader in user experience

The leading user experience is based on the best, most reliable and largest network, while we create that user experience in accordance with the latest trends and changing user habits. Through a superior user experience, we achieve short-term business objectives and strengthen our long-term strategic position to remain the first choice of users. Crucial in that regard are digital excellence, ensuring security, contactless operations and the dynamic adaptation to the needs and habits of the users of communication services.

generation (5G) mobile networks. 5G technology will facilitate the development of smart industry and smart cities, as well as the introduction of virtual campus networks, which in turn will enable the continued digitalisation of various verticals, such as energy, transportation, logistics, industry, smart cities, healthcare, and protection and rescue (public safety). The Telekom Slovenije Group will ensure the digitalisation of society as a whole on that basis. We will achieve overall growth through organic growth and the consolidation of the Slovenian ICT market.



#### Digitalisation of operations

We will improve the efficiency of operations through accelerated digitalisation. In the digital transformation process, we will digitalise key business processes involving users. This, in turn, will significantly improve the speed and efficiency of the Telekom Slovenije Group's operations, and also facilitate the improved competitiveness of the Group in the future.



#### Stabilisation of the level of revenues from the core activity in Slovenia

The basic telecommunications market is stagnating in Slovenia, while Telekom Slovenije is under additional pressure from regulatory bodies. We will preserve revenues through accelerated digitalisation and the development of digital services, the further development of the network, the development of services based on 5G technology, successful cooperation with regulators, and above all the best user experience.



#### Growth in ICT services

Growth in ICT services and solutions will be based on the existing superior LTE/4G network, and the opportunities offered by fifth





### Consolidation on individual markets

The European telecommunications market is experiencing the consolidation of the sector, the merging of operators and a changing portfolio of services on the one hand, and the entry of new competitors on the ICT market on the other hand, which will further impact the operations of operators. The Telekom Slovenije Group is actively involved in consolidation processes on the markets where it operates.



### Optimal employee structure

The Telekom Slovenije Group will continue to ensure the optimal employee structure, taking into account the needs of work processes at individual companies. We are optimising the employee structure through the strategic planning of needs for staff, and the appropriate organisational structure and job classification. We are building the employer brand through an effective remuneration system, and the development of knowledge and competences.



### Financial stability and the optimisation of all types of costs

We are implementing activities that facilitate the effective management of liquidity, and ensure a high level of financial stability and the optimal level of borrowing. We continuously optimise all types of costs in connection with the performance of individual processes and the provision of services.



### Creating a sustainable future

The Group actively identifies opportunities where it can contribute to the development of the social and economic environment in which it operates, through its expertise, and financial and other resources. The principles of sustainable development are built into our operations, products, services and content, while we also responsibly manage the economic, social and environmental impacts of our operations.

## Key objectives of the Telekom Slovenije Group for 2023

Operating revenues:	EUR 680.8 million
EBITDA:	EUR 206.2 million
Net profit:	EUR 20.1 million
Investments:	EUR 205.5 million

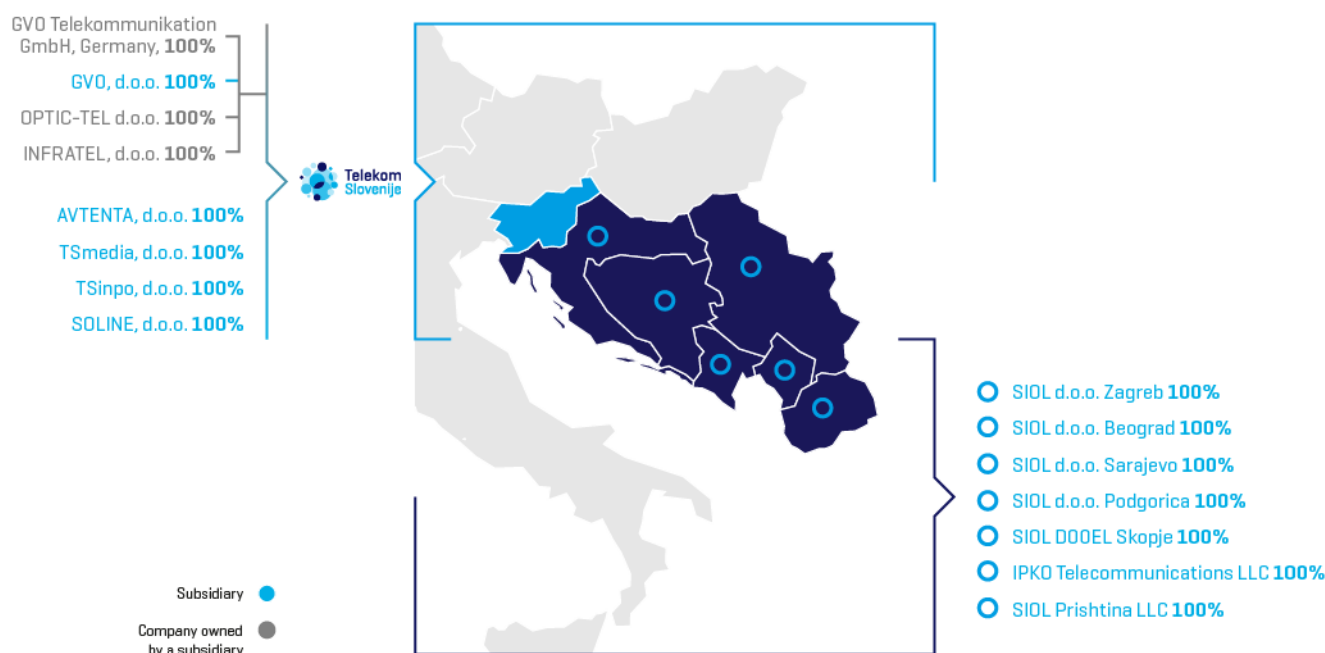
## 3. TELEKOM SLOVENIJE GROUP

### 3.1. Markets and companies of the Telekom Slovenije Group

The Telekom Slovenije Group comprises the controlling company Telekom Slovenije and its subsidiaries. The composition of the Telekom Slovenije Group and participating interests as at 30 June 2023 are presented in the picture below.

The detailed composition of the Telekom Slovenije Group is presented on the website <https://www.telekom.si/o-podjetju/skupina-telekom-slovenije/odvisne-druzbe>.

#### Situation as at 30 June 2023



There were no changes in the composition of the Telekom Slovenije Group in the period January to June 2023. The liquidation of GVO Telekomunikation GmbH, which is owned by GVO, began in March 2022. The completion of the liquidation and deletion of that company from the companies register in Germany are expected by the end of 2023.

Telekom Slovenije is the founder of the Heart Foundation, the aim of which is to help the children of employees of Slovenian Telekom Slovenije Group companies who have lost a parent or who are seriously ill. The majority of the foundation's funds are contributed by the employees of Slovenian Telekom Slovenije Group companies.

## 3.2. Operating highlights

**The Telekom Slovenije Group achieved the following in the period January to June 2023:**

- The Telekom Slovenije Group generated EUR 337.5 million in operating revenues in the period January to June 2023.
- Sales revenue totalled EUR 334.1 million, an increase of 6% relative to the same period in 2022. Revenues were up in the mobile segment of the end-user market primarily due to an increased number of subscribers and prepaid users at IPKO in Kosovo, which is the result of intensive marketing activities to attract new customers, and higher revenues from mobile subscribers and revenues from mobile merchandise at Telekom Slovenije. Revenues on the wholesale market were also up. Telekom Slovenije is recording growth in the areas of financial services, eHealth, insurance services, and IT services and merchandise. Higher revenues were also achieved on the market by all subsidiaries.
- The Telekom Slovenije Group's operating expenses totalled EUR 301.3 million, an increase of 6% relative to the same period in 2022. This is the result of higher electricity costs and higher direct costs, which is linked to higher sales revenue.
- Earnings before interest and taxes (EBIT) amounted to EUR 36.2 million during the first half of the year, an increase of 16% relative to the same period last year. The Telekom Slovenije Group received state aid in the amount of EUR 1.6 million due to rising energy prices. Had energy prices remained at the 2022 level, EBIT would have been 30% higher than the same period in 2022 taking into account energy-related state aid.
- Earnings before interest, taxes, depreciation and amortisation (EBITDA) totalled EUR 117.2 million at the Telekom Slovenije Group level, an increase of EUR 5.0 million relative to the same period in 2022. Had energy prices remained at the 2022 level, EBITDA would have been up 8% relative to the same period in 2022 taking into account energy-related state aid. The EBITDA margin (i.e. EBITDA as a proportion of sales revenue) was 35.1% at the Group level.
- Following the calculation of income tax (including deferred taxes), the Telekom Slovenije Group generated a net profit of EUR 23.7 million during the first half of 2023, an increase of EUR 0.3 million or 1% relative to the same period in 2022.



### 3.3. Key operating indicators of the Telekom Slovenije Group

Key operating indicators of the Telekom Slovenije Group, in accordance with the financial report:

in EUR thousand and %	Telekom Slovenije Group			Telekom Slovenije		
	I – VI 2023 / 30 June 2023	I–VI 2022 / 31 December 2022	Index 23/22	I – VI 2022 / 30 June 2022	I–VI 2022 / 31 December 2022	Index 23/22
Sales revenue	334,124	314,159	106	292,127	279,430	105
Other operating income	3,389	2,402	141	2,760	898	307
Total operating revenues	337,513	316,561	107	294,887	280,328	105
EBITDA	117,184	112,152	104	92,590	89,868	103
EBITDA margin = EBITDA / sales revenue	35.1%	35.7%	98	31.7%	32.2%	99
EBIT	36,248	31,138	116	24,630	21,636	114
Return on sales = EBIT / sales revenue	10.8%	9.9%	109	8.4%	7.7%	109
Net profit from continuing operations	23,676	23,367	101	16,334	16,555	99
Assets*	1,274,989	1,275,338	100	1,208,930	1,223,290	99
Equity*	635,319	611,677	104	622,635	606,233	103
Equity ratio*	49.8%	48.0%	104	51.5%	49.6%	104
Net financial debt*	395,151	401,168	99	393,151	411,749	95

\* Comparative data as at 31 December 2022.

The Telekom Slovenije Group also uses the Alternative Performance Measures (APMs) defined by the ESMA to present its operating results.

### 3.4. Overview of operations by company and key market

#### Operating revenues

in EUR thousand	I – VI 2023	I – VI 2022	Index 23/22
Telekom Slovenije	294,887	280,328	105
Other companies in Slovenia	45,570	36,513	125
IPKO – Kosovo	40,415	36,475	111
Other companies abroad	1,985	1,980	100
Exclusions and adjustments	-45,344	-38,735	-
<b>Telekom Slovenije Group</b>	<b>337,513</b>	<b>316,561</b>	<b>107</b>

#### Earnings before interest, taxes, depreciation and amortisation

in EUR thousand	I – VI 2023	I – VI 2022	Index 23/22
Telekom Slovenije	92,590	89,867	103
Other companies in Slovenia	5,793	3,116	186
IPKO – Kosovo	21,717	19,112	114
Other companies abroad	1,380	1,425	97
Exclusions and adjustments	-4,296	-1,368	-
<b>Telekom Slovenije Group</b>	<b>117,184</b>	<b>112,152</b>	<b>104</b>

### Earnings before interest and taxes

in EUR thousand	I – VI 2023	I – VI 2022	Index 23/22
Telekom Slovenije	24,630	21,636	114
Other companies in Slovenia	2,778	534	520
IPKO – Kosovo	10,040	7,549	133
Other companies abroad	458	496	92
Exclusions and adjustments	-1,658	923	-
<b>Telekom Slovenije Group</b>	<b>36,248</b>	<b>31,138</b>	<b>116</b>

### Net profit

in EUR thousand	I – VI 2023	I – VI 2022	Index 23/22
Telekom Slovenije	16,334	16,555	99
Other companies in Slovenia	2,044	289	707
IPKO – Kosovo	7,061	5,974	118
Other companies abroad	252	315	80
Exclusions and adjustments	-2,015	234	-
<b>Telekom Slovenije Group</b>	<b>23,676</b>	<b>23,367</b>	<b>101</b>

### Investments

in EUR thousand	I – VI 2023	I – VI 2022	Index 23/22
Telekom Slovenije	62,318	47,743	131
Other companies in Slovenia	14,151	5,695	248
IPKO – Kosovo*	12,827	25,164	51
Other companies abroad	1,089	940	116
Exclusions and adjustments	-7,379	-2,493	-
<b>Telekom Slovenije Group</b>	<b>83,006</b>	<b>77,049</b>	<b>108</b>

\* IPKO – Kosovo: includes the acquisition in 2023 of the radio frequency spectrum for 2x10 MHz capacities in the 800 MHz frequency band and 1x100 MHz in the 3.6 GHz frequency band. The investment in this regard amounts to EUR 4,921 thousand.

### Employees

Number of employees as at	30 June 2023	31 December 2022	Index 23/22
Telekom Slovenije	2,118	2,103	101
Other companies in Slovenia	689	681	101
IPKO – Kosovo	468	478	98
<b>Telekom Slovenije Group</b>	<b>3,275</b>	<b>3,262</b>	<b>100</b>

## TELEKOM SLOVENIJE GROUP CONNECTIONS AND SERVICES BY TYPE AND MARKET

### Broadband connections

Number of connections as at	30 June 2023	30 June 2022	Index 23/22
Slovenia – retail	197,344	197,180	100
Slovenia – wholesale	175,461	174,131	101
<b>Slovenia total</b>	372,805	371,311	100
Kosovo – retail	97,719	104,760	93
<b>Telekom Slovenije Group</b>	<b>470,524</b>	<b>476,071</b>	<b>99</b>

### Mobile telephony

Number of connections as at	30 June 2023	30 June 2022	Index 23/22
Slovenia – retail	946,921	948,936	100
Slovenia – wholesale	163,147	153,956	106
<b>Slovenia total</b>	1,110,068	1,102,892	101
Kosovo – retail	877,044	827,149	106
<b>Telekom Slovenije Group</b>	<b>1,987,112</b>	<b>1,930,041</b>	<b>103</b>

### Fixed telephony and VoIP services

Number of connections as at	30 June 2023	30 June 2022	Index 23/22
Slovenia – traditional fixed voice telephony	273,051	284,613	96
Slovenia – VoIP	173,522	179,451	97
<b>Slovenia total</b>	446,573	464,064	96
Kosovo – VoIP	33,880	34,700	98
<b>Telekom Slovenije Group</b>	<b>480,453</b>	<b>498,764</b>	<b>96</b>

### 3.5. Share trading and ownership structure

#### General information regarding Telekom Slovenije shares as at 30 June 2023

General information regarding shares	
Ticker symbol	TLSG
Listing	Ljubljana Stock Exchange, prime
Share capital (EUR)	272,720,664.33
Number of ordinary registered no-par value	6,535,478
Number of shares held in treasury	36,836
Number of shareholders as at 30 June 2023	8,397

#### Trading in TLSG shares

The shares of Telekom Slovenije are listed on the prime securities market of the Ljubljana Stock Exchange under the ticker symbol TLSG. The shares are included in the SBITOP and SBITOP TR share indices, and accounted for 3.74% of those two indices according to the quarterly review of computational parameters conducted on 19 June 2023. The SBITOP and SBITOP TR are the Slovenian 'blue chip' indices and offer information regarding the movement of the most liquid and largest shares on the Ljubljana Stock Exchange. In contrast to the SBITOP, the SBITOP TR takes into account both market prices and dividends in its calculation. TLSG shares are also included in the ADRIAprime share index, which is a composite index of selected companies listed on the prime markets of the Ljubljana Stock Exchange and Zagreb Stock Exchange. It is a total return index that takes into account both changes in share prices and dividends.

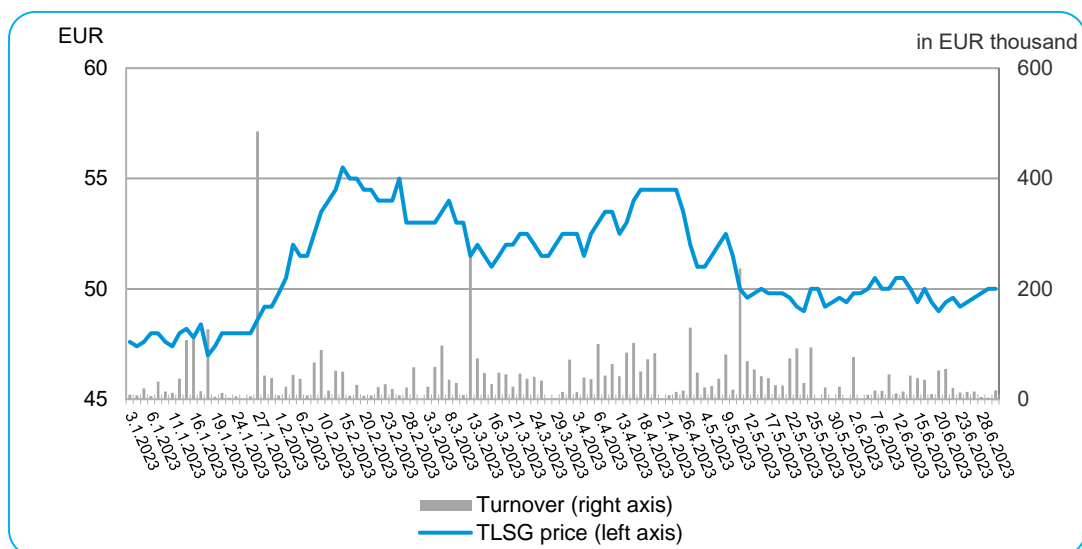
The TLSG share price closed at EUR 50.00 on the last trading day in June 2023. The share price rose by 5.9% in the period January–June 2023, while the SBITOP index was up by 17.6% during the same period. The market capitalisation of Telekom Slovenije stood at EUR 326.8 million on the last trading day of June. Turnover in Telekom Slovenije shares totalled EUR 5.2 million during the period January to June 2023, representing 3.7% of total turnover on the stock exchange.

#### Trading statistics for TLSG shares on the Ljubljana Stock Exchange

Standard price in EUR	I – VI 2023	I – VI 2022
Highest daily price	55.50	61.00
Lowest daily price	47.00	52.80
Average daily price	51.09	57.57
Volume in EUR thousand	I – VI 2023	I – VI 2022
Total volume for the period*	5,190.52	5,975.67
Highest daily volume	485.54	653.46
Lowest daily volume	0.00	0
Average daily volume	42.20	48.19

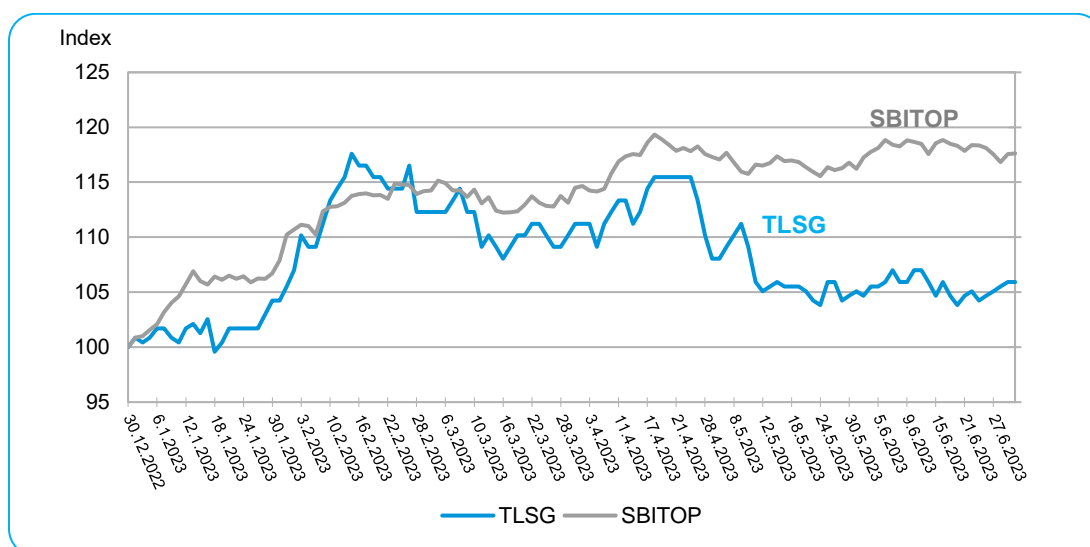
\* Also includes block trades.

## Movement in the share price and volume of trading in TLSG shares



Source: Ljubljana Stock Exchange, archive of data.

## Movement in the TLSG share price compared to the SBITOP (index: 31 December 2022 = 100)



Source: Ljubljana Stock Exchange, archive of data.

## Key financial data relating to shares

	30 June 2023 / I – VI 2023	30 June 2022/ I – VI 2022
Closing price of one share on the last trading day of the period in EUR	50.00	58.00
Book value of one share in EUR <sup>1</sup>	97.21	90.91
P/BV	0.51	0.64
Net earnings per share in EUR <sup>2</sup>	3.64	3.60
Capital return per share during the period in % <sup>3</sup>	5.93	3.20

Notes:

<sup>1</sup> The book value of one share is calculated as the ratio of the book value of the Telekom Slovenije Group's equity on the last day of the period to the number of issued ordinary shares.

<sup>2</sup> Net earnings per share is calculated as the ratio of the Telekom Slovenije Group's net operating profit for the accounting period to the average number of issued ordinary shares, excluding treasury shares.

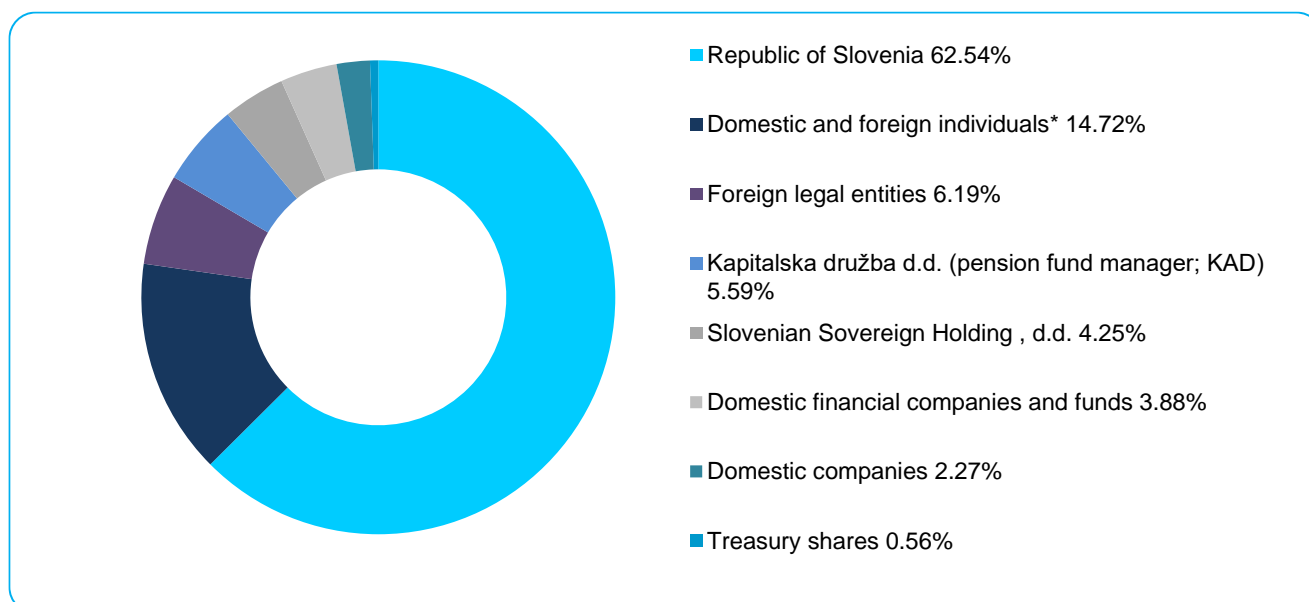
<sup>3</sup> The capital return per share is calculated as follows: (share price on the final trading day of the period – share price on the final trading day of the previous period) / share price on the final trading day of the previous period.

## Ownership structure and largest shareholders as at 30 June 2023

Telekom Slovenije had 8,397 shareholders as at 30 June 2023, a decrease of 61 relative to the end of 2022.

At 0.36 percentage points, domestic and foreign individuals recorded the most significant increase in ownership stake during the first six months of 2023. The ownership stake held by domestic financial corporations and funds was down by 0.28 percentage points, while the ownership stakes held by domestic and foreign legal entities were down by 0.04 percentage points.

### Ownership structure as at 30 June 2023



\* Individual shareholders include individuals who pursue gainful activities on the market.

### Ten largest shareholders as at 30 June 2023

The concentration of ownership, as measured by the ownership stake held by the ten largest shareholders, stood at 80.20% as at 30 June 2023, an increase of 0.03 percentage points relative to the end of 2022. The order of the top ten owners changed due to the increase in the ownership stake of NLB Funds (Slovenian balanced funds) to 0.40%.





## Shares held by members of the Management Board and Supervisory Board of Telekom Slovenije

Members of the Management Board and Supervisory Board held 1,178 TLSG shares as at 30 June 2023.

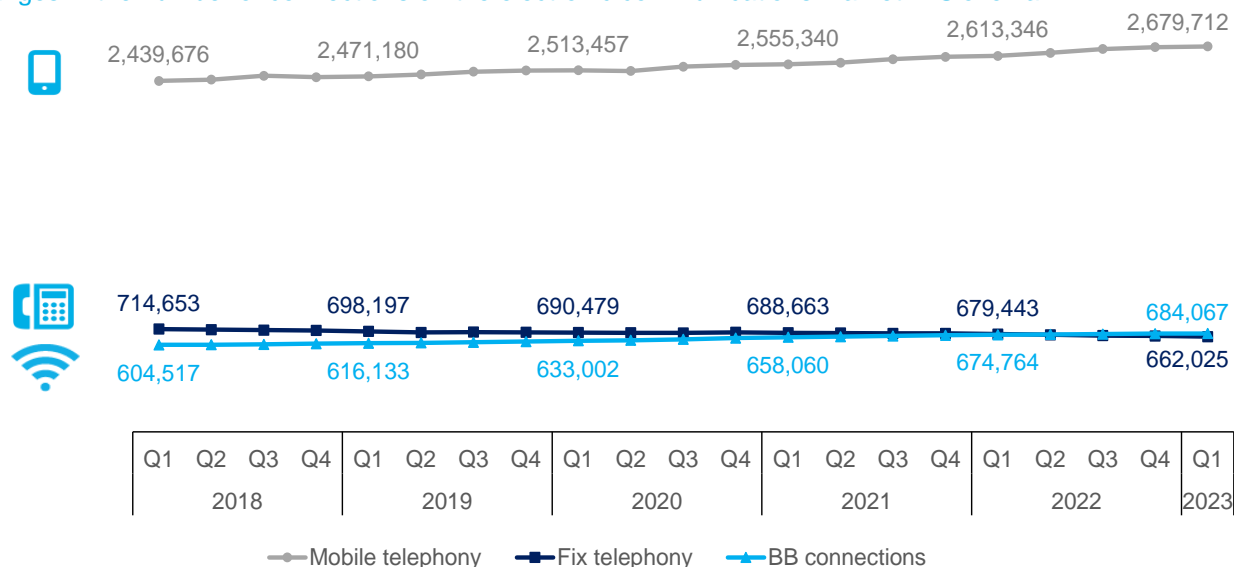
Name	Office	Number of shares	% in equity
<b>Management Board</b>			
Boštjan Škufca Zaveršek, MSc	Vice-President of the Management Board	380	0.00581
Vesna Prodnik, MSc	Member of the Management Board	400	0.00612
<b>Supervisory Board</b>			
Aleksander Igličar, MSc	Member of the Supervisory Board	150	0.00230
Drago Kijevčanin	Vice-President of the Supervisory Board	212	0.00324
Dušan Pišek	Member of the Supervisory Board	36	0.00055
<b>Total Management Board and Supervisory Board</b>		<b>1,178</b>	<b>0.01802</b>

When the Company's shares are traded by its representatives and when reporting on such transactions at Telekom Slovenije, we comply with the applicable legislation and the Rules Restricting Trading in the Shares of Telekom Slovenije.



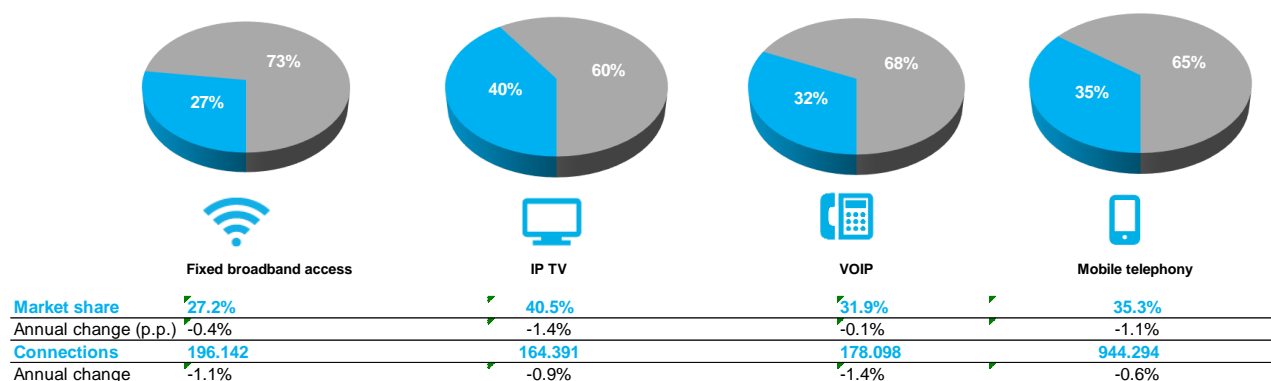
### 3.6. Market and market shares in key service segments

Changes in the number of connections on the electronic communications market in Slovenia



Source: Statistical Office of the Republic of Slovenia, Electronic Communications, first quarter of 2023.

Telekom Slovenije's market shares in the first quarter of 2023 in key market segments



Source: Report on the development of the electronic communications market for the first quarter of 2023, AKOS; internal Telekom Slovenije figures.

### 3.7. Risk management

Key risks are presented below by Telekom Slovenije Group company.

#### TELEKOM SLOVENIJE

##### Strategic risks

- On the market, Telekom Slovenije faces stiff competition in terms of pricing, services and the infrastructure, regulatory requirements, the changing needs and price-sensitivity of users and the migration of voice traffic to OTT platforms. Users demand high-quality and more extensive services at lower prices. The management of such risks requires a targeted market approach, the constant introduction of innovations, and the active monitoring of the expectations of users and market trends. The focus is on ensuring high quality and a broad range of services for different user segments, and the continuous adaptation of solutions and the portfolio. The optimisation and development of the product portfolio are ongoing processes. The mobile and fixed packages are being updated as a response to the needs of users. An active communication campaign is in progress to encourage the replacement of older Netgem set-top boxes with modern *NEO* Smartboxes for an even better user experience. The use of advanced mobile payment options is encouraged. Intensive activities are being carried out in the sale of cyber security, IT support, eCare and telemedicine services, and comprehensive ICT solutions tailored to the needs of business users, while strategic partnerships are being formed for innovative solutions. Programmes are on-going to maintain subscribers and digitalise processes for users (digital communication, simple IT architecture and technology). A new CRM system is being implemented for business users and for the needs of the wholesale market. New longer-term agreements are being concluded and existing agreements are being renewed with international operators with an agreed volume of telephone traffic. The wholesale portfolio is being adapted in accordance with regulatory obligations and taking into account market needs. Additional international redundant connections have been established to increase cyber security.

##### Financial risks

- Telekom Slovenije closely monitors changes in the financial environment and the financial risks to which it is exposed in its operations.
- Liquidity risk is managed through the management and planning of cash flows,

through the optimisation of working capital, by ensuring the appropriate maturities of financial debt, and through short-term credit lines that are regularly rolled over taking into account needs, and the use of liquid assets within the Group.

- The Company manages credit risk through the active monitoring of credit exposure to customers, and the operations and credit ratings thereof, and by limiting maximum allowable exposures. It further hedges against the risk of the deteriorating financial position of customers through credit insurance and by regularly monitoring the appropriateness thereof. Monitoring of the settlement of customers' contractual obligations and the active recovery of past-due debt are elements of comprehensive credit risk management.
- The risk of higher interest rates is managed by ensuring the appropriate structure of financial debt that bears a fixed or variable interest rate. At the level of the Group and Company, 28.6% of financial debt from loans raised bears a fixed interest rate.

##### Regulatory and compliance-related risks

- In its operations, Telekom Slovenije complies with valid legislation, as well as decisions and aspects of sectoral regulations and other competent bodies. We manage regulatory risks through organisational and procedural measures, through constructive dialogue, by putting forth opinions, comments and suggestions in public consultations regarding drafts of general and specific laws issued by the regulator, and by taking legal action against issued regulatory decisions, whenever that is justified.
- The risk associated with personal data protection derives from the large scope and categories of personal data that Telekom Slovenije processes as the leading operator in Slovenia. Key in that respect is the application of Regulation (EU) 2016/679 of the European Parliament and of the Council on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (General Data Protection Regulation or GDPR) and sectoral legislation, in particular the Electronic Communications Act (ZEKom-1 and the new ZEKom-2). The GDPR brought stricter regulation and increased the awareness of both users and the general public regarding the protection of data, while sectoral legislation

sets out the obligations of the Company in individual areas of operations. The new Personal Data Protection Act (ZVOP-2) entered into force on 26 January 2023. Under that act, the Information Commissioner will carry out supervision in accordance with the GDPR, while the new act also brought updated requirements for specific areas of personal data processing. Telekom Slovenije ensures compliance through the continuous monitoring, updating and improvement of personal data protection processes and internal controls. Accordingly, it is monitoring the drafting of other regulations in the area of personal data protection at the national and EU levels (where the e-privacy regulation is being coordinated by EU bodies and the draft Data Act is under consideration) that will impact the processing of data during the provision of the Company's services.

### Operational risks

- Telekom Slovenije gives a great deal of attention to managing ICT-related operational risks. These risks are managed through the control and development of subsystems, by improving operational efficiency and through employee training, all while supporting new business opportunities. The Company continuously optimises the network, data centres and other technical infrastructure taking into account the development of the market and technologies. The use of standard (cloud) building blocks in the network and information systems is increasing. The capacity of equipment is being upgraded and the number of licences increased in the mobile network in line with growth in traffic. Multiple activities are in progress to replace communication equipment in the MPLS backbone network and to upgrade the mobile packet network. Modern network technology (Software Defined Access), which includes the 'zero trust' principle of cyber security and advanced user authentication and authorisation techniques, is being introduced at an accelerated rate in the internal business network. In the area of ICT security, the Company continuously develops systems for monitoring technologies and anomalies in the infrastructure and ICT services, and conducts internal and external penetration testing. Testing of the vulnerability of systems is carried out in the scope of the Cyber Security Operation Centre, which operates 365/24/7. Risks are managed through the implementation of the security policy, by identifying security threats and vulnerabilities, and by spreading the security culture. Investments are made continuously in the development of the capacities (people, processes and

technologies) required to improve cyber resilience. The network (fixed and mobile) is continuously upgraded with the aim of preventing abuse both in the national network and in roaming.

- The Company continuously improves IT processes and mechanisms to ensure the smooth functioning of systems and applications, and makes technological upgrades in line with trends and needs.
- It continuously monitors market electricity prices and adapts purchasing models.
- Telekom Slovenije also faces risks associated with retaining employees, as it is increasingly difficult to recruit and retain staff with specific expertise due to labour market conditions and increased demand for professionally qualified personnel. The Company responds to these risks through targeted development and training programmes, by promoting the transfer of knowledge through mentors, by offering support to employees in the acquisition of new competences, by promoting cooperation and internal mobility, and by implementing other activities to motivate and retain employees. The Company actively works with various educational institutions and implements numerous activities to build the employer brand with the aim of new and diverse candidates.
- The Company manages risks associated with procurement procedures through a centralised procurement function and a standard process in connection with those procedures. In that context, it ensures regular communication with suppliers and the continuous monitoring of the availability of goods and the timeliness of deliveries. It also ensures the necessary safety stocks of strategic materials, searches for alternative suppliers and employs a strategy of multiple suppliers. The Company monitors compliance with contractual provisions.
- There is still uncertainty in specific areas due to the war in Ukraine, which could impact the availability of energy products and the prices thereof, and cause disruptions in the supply chain. For this reason, the Company is adapting electricity purchasing models and pursuing a strategy of several suppliers. The changing conditions are also increasing risks in the area of cyber security.

### Risks relating to sustainability aspects of operations

- The sustainability aspects of operations (ESG) are integrated into the operations of Telekom Slovenije and Group companies.
- The Company regularly monitors impacts and assesses risks on that basis. Risk management measures primarily relate to further efforts

aimed at more efficient energy consumption and the reduction of emissions.

- The digital and green transitions are integrated into the strategy of the Company and Group, which is based on the superior quality of the network and the most advanced ICT services and solutions, all of which contributes to the mitigation of climate and environmental changes and the adaptation to the impacts thereof, and also facilitates energy savings.
- Telekom Slovenije regularly briefs stakeholders and provides information regarding activities relating to its socially responsible and sustainable conduct.

#### AVTENTA

- Changing market conditions, including new technologies and new business models, affect risks in connection with achieving planned revenues. Those risks are managed through new sales opportunities and the development of digital solutions. The company adapts to new business models (S4/Hana, Cloud, etc.), technologies and solutions on the market.

#### GVO

- Contributing to risks in connection with the achievement of expected revenues is the declining scope of public investments in the infrastructure and thus a lack of public tenders for investment construction activities. These risks are managed through the search for new opportunities on the domestic and foreign markets, where the company acts as the primary contractor or subcontractor on major projects.

#### SOLINE

- Salt production depends on the weather. Unfortunately, there is no insurance policy available that covers the risk of unfavourable weather conditions.

#### TSinpo

- Risks in connection with the achievement of planned sales of cardboard products are managed through active sales and the start-up of new automated line of cardboard packaging machines.

#### TSmedia

- Risks in connection with achieving planned revenues are managed through new content projects and the expansion of the outdoor jumbo network, and the search for new opportunities and new sales campaigns, which include the preparation of the creative basis for advertisements for larger orders. New channels and segments are being added in the area of targeted TV advertising.

#### IPKO

- The company responds to the risk of the loss of users and revenues in the segment of fixed services due to aggressive competition through special promotional offers and the appropriate market approaches.
- Risks associated with the loss of premium fixed segment customers due to the offer of programme content are managed through advertising and the promotion of new packages to maintain users, including the further enhancement of content and the search for alternative approaches.
- Risks in connection with achieving revenues from business users are managed via campaigns to attract new users, and through cross-selling and additional sales.
- There is risk in connection with maintaining growth in the number of subscribers in the mobile segment. The company is responding to that risk with promotional offers and through the appropriate market approaches.
- The risk of additional investments due to regulatory requirements and the demands of the business environment relating to the shift from an aerial to an underground infrastructure is managed by coordinating with the Kosovo Energy Distribution Services (KEDS), local communities and other operators. The regulatory agency (RAEPC) is informed about potential negative impacts on the functioning of telecommunication services.
- Risks in connection with non-standard IT are managed through the continuation of the BSS transformation programme and the consolidation of processes.
- The acquisition of a new location for disaster recovery purposes is in progress to ensure business continuity.
- The company negotiates and communicates with all stakeholders in connection with the risk associated with the payment of copyright fees and fees for the transmission of programmes via the cable network.
- There is a risk of an additional reduction in the prices of call termination from countries of the Western Balkans, which will affect the company's revenues.
- The migration of citizens affects market potential, growth in the number of subscribers and market share. That risk is managed through campaigns adapted to business and residential users.
- Risks exist in connection with recruiting and retaining competent employees and higher labour costs. The company implements various activities to retain employees.
- With respect to risks in connection with legislative changes and the interpretation



thereof, the company expects that the new public procurement act will be in line with EU directives.

- Security conditions in the north of Kosovo impact the return of expatriates, which in turn could affect the achievement of planned revenues in this segment. Expanding coverage in this part of the country, which is being demanded by the Ministry of the Interior, also comes with certain risks.
- The more rapid implementation of 5G technology by the competition could threaten the company's leading position on the market. For this reason, the company is preparing intensively for the rapid introduction of 5G.



## 4. CORPORATE GOVERNANCE

### Management Board

Telekom Slovenije's Management Board comprised the following members as at 30 June 2023:

- Boštjan Košak, President,
- Boštjan Škufca Zaveršek, MSc, Vice-President,
- Irma Gubanec, MSc, member,
- Vesna Prodnik, MSc, member, and
- Špela Fortin, member and Workers' Director.

The President of the Management Board, Boštjan Košak, began his four-year term of office on 4 October 2022. Based on the President's proposal, the Supervisory Board appointed two new members to the Management Board on 11 October 2022: Irma Gubanec, MSc, who covers the area of finance, and Boštjan Škufca Zaveršek, MSc, who covers the area of sales. Ms Gubanec's four-year term of office began on 12 October 2022, while Mr Škufca Zaveršek's four-year term of office began on 14 November 2022. Boštjan Škufca Zaveršek, MSc was appointed Vice-President of the Management Board. Based on the proposal of President of the Management Board, the Supervisory Board appointed Vesna Prodnik, MSc as member of the Management Board responsible for technology on 19 October 2022. Her four-year term of office began on 14 November 2022.

### Supervisory Board

Telekom Slovenije's Supervisory Board comprises nine members, six of whom are shareholder representatives and three of whom are employee representatives. The members of the Supervisory Board submitted a statement of compliance with the criteria of independence in accordance with the Corporate Governance Code.

The Supervisory Board comprised the following members as at 30 June 2023:

Shareholder representatives:

- Žiga Debeljak, MSc, President,
- Karla Pinter, MSc, Vice-President,
- Marko Boštjančič, member,
- Alenka Čok Pangersič, MSc, member,
- Mateja Čuk Orel, MSc, member, and
- Aleksander Igličar, MSc, member.

Employee representatives:

- Drago Kijevčanin, Vice-President,
- Dušan Pišek, member, and
- Rok Pleteršek, member.

Members of the Supervisory Board are elected for a term of four years.

The composition of the Supervisory Board is diverse, as its members complement each other in terms of their expertise, competences, experience, age, gender, work method and other aspects. This facilitates the effective exchange of opinions and views at sessions.

For more information, visit <https://www.telekom.si/en/about-us/company/organisation>.

## SLOVENIA

### GVO, d.o.o.

Managing Director: Dr Zef Vučaj

Supervisory Board: Vesna Prodnik, MSc (President), Peter Anžin and Helena Jakič

Peter Anžin began his term of office as member of the company's supervisory board on 9 June 2023. The function of supervisory board member Sabina Merhar ended on the same day.

### Infratel, d.o.o.

Managing Director: Dr Zef Vučaj

### Optic-Tel, d.o.o.

Managing Director: Dr Zef Vučaj

### Avtenta, d.o.o.

Managing Director: Matija Nendl

Primož Kučič served as Managing Director until 31 March 2023.

### TSmedia, d.o.o.

Managing Director: Igor Gajster

### Soline, d.o.o.

Managing Director: Klavdij Godnič

### TSinpo, d.o.o.

Managing Director: Vesna Lednik

Sandra Peršak served as Managing Director until 9 January 2023.

## OTHER COUNTRIES

### IPKO Telecommunications LLC, Kosovo

CEO: Tomaž Seljak, MSc

### SIOL, d.o.o. Zagreb, Croatia

Managing Director: Simon Furlan, MSc

### SIOL, d.o.o. Podgorica, Montenegro

Managing Director: Simon Furlan, MSc

### SIOL, d.o.o. Sarajevo, Bosnia and Herzegovina

Managing Director: Simon Furlan, MSc

### SIOL, DOOEL Skopje, North Macedonia

Managing Director: Simon Furlan, MSc

### SIOL DOO BELGRADE, Serbia

Managing Director: Simon Furlan, MSc

### SIOL Prishtina LLC, Kosovo

Managing Director: Simon Furlan, MSc

### GVO Telekommunikation GmbH

Liquidator: Roman Mazi

## 5. SIGNIFICANT EVENTS IN THE PERIOD JANUARY TO JUNE 2023

### FIRST QUARTER OF 2023

#### JANUARY

- On 9 January, Telekom Slovenije's Supervisory Board gave its consent to the appointment of Vesna Lednik as Managing Director of TSinpo, for a four-year term of office that began on 10 January.
- Telekom Slovenije received a decision from the Ljubljana District Court on 16 January. Under that decision, the court halted proceedings involving a countersuit from POP TV, d.o.o., Ljubljana and Kanal A, d.o.o., which demanded damages from Telekom Slovenije totalling EUR 58,154,012.16, with appertaining amounts. The halting of proceedings was the result of the withdrawal of the lawsuit filed against the two aforementioned companies by Telekom Slovenije and the withdrawal of the countersuit filed by those companies against Telekom Slovenije.
- The independent international organisation, Top Employers Institute, once again awarded Telekom Slovenije the Top Employer certificate for 2023 following an in-depth assessment of HR practices. That respected institute sets the global professional standard in recognising excellence of HR practices that companies implement for their employees. Telekom Slovenije received the aforementioned certificate for the second consecutive year.

#### FEBRUARY

- On 10 February, member of the Management Board, Vesna Prodnik, MSc, purchased 400 of the Company's shares at a price of EUR 53.50 per share in the total amount of EUR 21,400.00.
- On 13 February, Telekom Slovenije's Supervisory Board gave its consent to the appointment of Matija Nendl as Managing Director of Avtenta, for a four-year term of office that began on 1 April.
- Telekom Slovenije upgraded its 4G and 5G mobile network in Kranjska Gora and Planica with even higher capacities and speeds. In this way, the capacity of the network was prepared and adapted to ensure complete stability and reliability, even in the context of a sharp increase in the number of users (by potentially tens of thousands). The 5G network recorded more than 100,000 users.

- Soline completed the renovation of four salt workers' houses in the Fontanigge area, which were damaged by floods in 2019 and 2020.

#### MARCH

- On 20 March, Vice-President of the Management Board, Boštjan Škufca Zaveršek, MSc, purchased 380 of the Company's shares at a price of EUR 52.00 per share in the total amount of EUR 19,760.
- On 23 March, Telekom Slovenije received a class action lawsuit from the Ljubljana District Court. That lawsuit was filed by the Pan-Slovenian Small Shareholders' Association (VZMD) for the reimbursement of damages in the estimated amount of EUR 122,689,762.25 with appertaining amounts. The court also called on the Company to respond with regard to the existence of conditions for confirmation of the class action lawsuit. That lawsuit allegedly represents damages incurred by the Company's subscribers in the period 1 January 2018 to 1 December 2022.
- On 31 March, Telekom Slovenije received a decision from the Slovenian Competition Protection Agency (hereinafter: the CPA), under which the CPA halted proceedings to determine the breach of Article 9 of the Prevention of Restriction of Competition Act because it was unable to obtain evidence of the existence of the necessary technical solution prior to 3 March 2005 and thus calculations of the economic effect to support allegations of the abuse of a dominant position on the inter-operator broadband access market with bit-streaming in the Republic of Slovenia (by making ADSL connections conditional on the prior leasing of ISDN connections).
- Telekom Slovenije presented the Cyber Security Operation Centre and the importance of cyber resilience to journalists.
- Telekom Slovenije and its partners at the Faculty of Electrical Engineering set up a 5G research and test environment. Modern equipment at technical faculties is crucial for educating the young people who are and will be the creators of the digital future.
- Telekom Slovenije updated the *NEO* and *Naj* packages. *NEO* packages now include even faster internet access and a TV programming scheme with a broad range of content, while everything else is left to the imagination of

users. *Naj* packages now include even higher mobile data quantities, both at home and in countries covered by the EU tariff.

- Telekom Slovenije donated EUR 20,000 to the Slovenian Red Cross for the renovation of the Starfish Youth Home at the Debeli Rtič Youth Spa and Resort.
- Soline and the Ministry of Natural Resources and Spatial Planning signed an agreement on the management of the Sečovelje Salina Nature Park for 2023.
- TSinpo launched an automated line of machines for the manufacture of cardboard sleeves.

## SECOND QUARTER OF 2023

### APRIL

- Once again this year, Telekom Slovenije offered a special option to purchase additional data transfer quantities for subscribers to its mobile packages planning their holidays in Croatia.
- Telekom Slovenije patented one of its technical solutions with the Intellectual Property Office. Through that solution, Zavarovalnica Sava provides the only guaranteed tourist insurance in Slovenia with 'pay-as-you-roam' premium billing.

### MAY

- On 10 May, Telekom Slovenije received a ruling from the Supreme Court of the Republic of Slovenia in an economic dispute in which SKY NET, d.o.o. has sued Telekom Slovenije (previously Mobitel) in connection with the fulfilment of an agreement under two lawsuits (total of EUR 33 million with appertaining amounts) and in connection with the nullification of the agreement under a counterclaim (EUR 25 million with appertaining amounts). The Supreme Court issued a ruling upholding the plaintiff's review, and reversing the ruling of the Ljubljana Higher Court in the points of the operative part that relate to 1) the decision regarding the appeal of SKY NET, d.o.o. against the ruling of the court of the first instance; 2) the decision regarding the appeal of Telekom Slovenije against the ruling of the court of the first instance with regard to the counter claim; and 3) the decision regarding the costs of the appeals procedure, and returned the matter in the aforementioned part to the court of the second instance for retrial before a different panel of judges.

- Telekom Slovenije facilitated the connection of subscribers to the internet and TV immediately following the conclusion of an agreement. This type of solution is especially welcome for subscribers in areas where fibre optic connections have not yet been established, but Telekom Slovenije intends to build or add them soon.
- In one year, i.e. from May 2022 to April 2023, the assistance centre received 20,236 calls from eCare users. During that time, help was organised for 1,037 users. In 201 of those cases, emergency medical assistance was organised. A total of 227 users required assistance due to a fall at home, while 126 users required assistance due to a deteriorating state of health.
- Together with Ruwid, Telekom Slovenije began the sustainable updating of *NEO* remote controls.



### JUNE

- The 36th General Meeting of Shareholders was held on 16 June. Shareholders were briefed on the annual report for the 2022 financial year and on the Supervisory Board's report on the results of the verification of the annual report for the 2022 financial year, and conferred official approval on the Management Board and Supervisory Board for the 2022 financial year. Shareholders were briefed on the report on the remuneration of members of Telekom Slovenije, d.d.'s Management Board and Supervisory Board for 2022, and on information regarding the remuneration of members of management bodies of the three biggest subsidiaries for 2022. The General Meeting of Shareholders did not adopt a decision regarding the use of distributable profit, which amounted to EUR 40,292,646.55 in 2022. The General Meeting of Shareholders was briefed on and approved the Remuneration Policy for the Management Body of Telekom Slovenije and the Management Bodies of Telekom Slovenije Group Subsidiaries. The General Meeting of Shareholders appointed the audit firm Deloitte revizija, d.o.o. to audit the financial statements of Telekom Slovenije for the 2023, 2024 and 2025 financial years.

- Telekom Slovenije introduced an advanced email protection solution that recognises malicious emails with an accuracy of more than 99.99%.
- Telekom Slovenije included the DOX TV documentary programme in its programme scheme, with exclusive rights to that programme.
- Lightning strikes frequently damage or destroy modems, TVs, gaming consoles and computers, as electronic devices are especially vulnerable to this phenomenon. For this reason, Telekom Slovenije informs users about the importance of disconnecting devices from the communications network and electric power grid when storms are forecast, and prior to leaving on holiday. The free *Strela alarm* (Lightning Alarm) service is available to Telekom Slovenije subscribers. That service warns users in advance of a potential lightning

strike in the area where they use a fixed connection via SMS.

- TSmedia published the 2022 financial data for more than 238 thousand Slovenian companies on Bizi.si.
- The targeted TV advertising service is now included in the research of Mediana IBO, which records investments by brands in advertising.



## 6. SIGNIFICANT EVENTS AFTER THE REPORTING DATE

### THIRD QUARTER OF 2023

- On the night from 3 to 4 August a large part of Slovenia was hit by catastrophic flooding. In consequence of this Telekom Slovenije immediately activated the Business Recovery Team (BRT), in line with the Business Continuity Management System (BCMS) which the company has established to respond to emergencies and which is certified under standard ISO/IEC 22301. The BRT was activated for the purpose of comprehensive implementation, planning and monitoring of activities involved in the fastest possible restoration of the network and services in affected areas, along with other activities on the corporate level.

Communications were cut in affected areas mainly due to electric power outages. Where possible, technicians from Telekom Slovenije and the GVO company worked to remedy the situation in the field using generators, which ensured the functioning of base stations and the mobile network. Disruptions were also caused by collapsed bridges and damaged road and other infrastructure through which the communication links of the main optic network are routed. At the time of peak impacts the operation of around 40 base stations was disrupted (out of a total of over 1,500), which affected 9% of the geographical area and 6% of the population; the peak impacts affected 12,000 landline connections. Telekom Slovenije in cooperation with GVO restored mobile network signals in the affected areas in the shortest possible time. On the evening of 5 August 1.8% of the population still had no mobile signal, on the morning of 7 August this fell to 0.2% of the population, and by 8 August the impact had been limited to 0.1% of the geographical area and 0.02% of the population. Some connections have been set up on a temporary basis and in the days ahead these will be restored on a permanent footing along with other infrastructure.

On Monday, 7 August, Telekom Slovenije made it possible for A1's users to use its mobile signal, and to make calls and send text messages in its network in the Koroška region.

To make communications easier, Telekom Slovenije has provided 30 days of unlimited mobile data transfer to all of its subscribers in affected areas and to all of those who are helping in the field.

## 7. CONDENSED INTERIM ACCOUNTING REPORT OF THE TELEKOM SLOVENIJE GROUP AND TELEKOM SLOVENIJE FOR THE PERIOD JANUARY TO JUNE 2023

The condensed financial statements of the Telekom Slovenije Group and the condensed financial statements of the controlling company Telekom Slovenije, d.d. for the reported period and the comparable period last year were compiled in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and in accordance with the requirements of the Companies Act (ZGD).

The condensed financial statements for the period ending 30 June 2023 were compiled in accordance with IAS 34 Interim Financial Reporting, and must be read together with the financial statements and disclosures compiled for the 2022 financial year. The financial statements for the period January to June 2023 and for the comparative period January to June 2022 have not been audited, while the financial statements for the comparative period ending 31 December 2022 have been audited. The financial statements of the Group and Company were compiled under the assumption that both are going concerns. Operations are not seasonal.

### Changes in accounting policies

The accounting policies used in the compilation of the interim condensed financial statements are the same as those applied in the compilation of the financial statements for the financial year ending 31 December 2022.

### Use of significant estimates and judgements

The compilation of the financial statements requires of management certain estimates, assessments and assumptions that affect the carrying amount of assets and liabilities, the disclosure of contingent liabilities as at the statement of financial position date and the amount of revenues and expenses in the period ending on the statement of financial position date. Future events and their impact cannot be determined with certainty. Accounting assessments therefore apply a judgement subject to change taking into account new events, experiences and additional information, and as the result of changes in the business environment. Actual values may vary from estimates. Estimates and assumptions are reviewed on a regular basis. Revisions to accounting estimates are recognised in the period in which estimates are revised, and in all future years affected by such revisions.

### Functional and presentation currency

The reporting currency of the Telekom Slovenije Group is the euro, which is also the functional and presentation currency of the controlling company Telekom Slovenije. All financial information is presented in thousands of euros, unless otherwise stated.

### Aid to companies due to high energy prices in 2023

Within the Telekom Slovenije Group, Telekom Slovenije and GVO received state aid in accordance with the Act on Aid to the Economy to Mitigate the Impact of the Energy Crisis (ZPGOPEK) in the period January to June 2023, as follows:

Company	Funds approved by the state	Total received in the period I – VI 2023
Telekom Slovenije	3,821,706.06	1,528,682.41
GVO	74,904.80	29,829.96
<b>Total</b>	<b>3,896,610.86</b>	<b>1,558,512.37</b>

The two aforementioned companies recognised funds received in other revenues.



## 7.1. Condensed interim financial statements of the Telekom Slovenije Group and Telekom Slovenije, d.d.

### Unaudited consolidated and separate statement of profit or loss for the period ending 30 June 2023

in EUR thousand	Telekom Slovenije Group		Telekom Slovenije	
	I – VI 2023	I – VI 2022	I – VI 2023	I – VI 2022
Sales revenue	334,124	314,159	292,127	279,430
Other operating income	3,389	2,402	2,760	898
Cost of goods sold	-43,058	-40,293	-44,486	-44,106
Costs of materials and energy	-16,029	-10,602	-13,329	-7,842
Costs of services	-102,318	-98,620	-95,848	-94,175
Labour costs	-55,196	-53,252	-45,073	-42,262
Depreciation/amortisation	-80,936	-81,014	-67,960	-68,231
Other operating expenses	-3,728	-1,642	-3,561	-2,076
<b>Total operating expenses</b>	<b>-301,265</b>	<b>-285,423</b>	<b>-270,257</b>	<b>-258,692</b>
<b>Earnings before interest and taxes</b>	<b>36,248</b>	<b>31,138</b>	<b>24,630</b>	<b>21,636</b>
Finance income*	641	813	3,179	2,608
Finance expenses*	-8,334	-4,128	-7,809	-4,013
<b>Profit before tax</b>	<b>28,555</b>	<b>27,823</b>	<b>20,000</b>	<b>20,231</b>
Corporate income tax	-2,736	-2,468	-1,522	-1,678
Deferred taxes	-2,143	-1,988	-2,144	-1,998
<b>Net profit</b>	<b>23,676</b>	<b>23,367</b>	<b>16,334</b>	<b>16,555</b>
Earnings per share				
Basic earnings per share in EUR	3.64	3.60	2.51	2.55
Diluted earnings per share in EUR	3.64	3.60	2.51	2.55

\* The finance income and expenses of Telekom Slovenije include interest on loans to subsidiaries.

Unaudited consolidated and separate statement of other comprehensive income for the period ending 30 June 2023

in EUR thousand	Telekom Slovenije Group		Telekom Slovenije	
	I – VI 2023	I – VI 2022	I – VI 2023	I – VI 2022
<b>Net profit for the period</b>	<b>23,676</b>	<b>23,367</b>	<b>16,334</b>	<b>16,555</b>
<i>Other comprehensive income that may be subsequently reclassified to the statement of profit or loss</i>				
<b>Translation reserves</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>0</b>
Change in the fair value of hedging financial instruments	-19	82	-20	82
Deferred tax	5	-48	5	-48
Reclassification/change in fair value of hedging financial instruments				
Deferred tax			0	
<b>Change in fair value of hedging financial instruments (net)</b>	<b>-14</b>	<b>34</b>	<b>-15</b>	<b>34</b>
<i>Other comprehensive income that may not be subsequently reclassified to the statement of profit or loss</i>				
<b>Actuarial remeasurements of defined benefit obligation</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Change in fair value of investments in equity instruments measured at fair value through other comprehensive income	57	103	58	103
Deferred tax	-11	13	-11	13
<b>Change in fair value of investments in equity instruments measured at fair value through other comprehensive income</b>	<b>46</b>	<b>116</b>	<b>47</b>	<b>116</b>
<b>Other comprehensive income for the period after tax</b>	<b>32</b>	<b>153</b>	<b>32</b>	<b>150</b>
<b>Comprehensive income for the period</b>	<b>23,708</b>	<b>23,520</b>	<b>16,366</b>	<b>16,705</b>

Unaudited consolidated and separate statement of financial position as at 30 June 2023

in EUR thousand	Telekom Slovenije Group		Telekom Slovenije	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
<b>ASSETS</b>				
Intangible assets	204,250	204,352	156,826	155,259
Property, plant and equipment	675,312	679,501	595,458	604,932
Right-of-use assets	78,047	75,419	76,892	78,126
Investments in subsidiaries	0	0	38,720	38,720
Other investments	2,503	2,448	38,847	48,505
Contract assets	3,396	3,624	2,979	3,234
Other receivables	18,195	19,251	18,190	19,246
Deferred costs	2,755	3,293	2,994	3,694
Investment property	4,232	4,304	7,382	7,457
Deferred tax assets	37,181	39,324	36,912	39,057
<b>Total non-current assets</b>	<b>1,025,871</b>	<b>1,031,516</b>	<b>975,200</b>	<b>998,230</b>
Assets held for sale	796	796	796	796
Inventories	32,227	25,253	27,815	21,702
Trade and other receivables	157,851	157,680	148,705	150,884
Receivables for corporate income tax	271	1,387	91	1,286
Contract assets	20,337	15,942	20,069	15,562
Deferred costs	10,424	4,545	7,401	3,741
Investments	12	837	11,448	11,516
Cash and cash equivalents	27,200	37,382	17,406	19,573
<b>Total current assets</b>	<b>249,118</b>	<b>243,822</b>	<b>233,731</b>	<b>225,060</b>
<b>Total assets</b>	<b>1,274,989</b>	<b>1,275,338</b>	<b>1,208,931</b>	<b>1,223,290</b>
<b>EQUITY AND LIABILITIES</b>				
Share capital	272,721	272,721	272,721	272,721
Share premium	181,489	181,489	180,956	180,956
Profit reserves	106,479	106,479	104,978	104,978
<i>Legal reserves</i>	51,612	51,612	50,434	50,434
<i>Reserves for treasury shares and interests</i>	4,065	4,065	4,065	4,065
<i>Treasury shares and interests</i>	-4,065	-4,065	-4,065	-4,065
<i>Statutory reserves</i>	54,854	54,854	54,544	54,544
<i>Other profit reserves</i>	13	13	0	0
Retained earnings	73,579	50,003	63,240	46,869
<i>Retained earnings from previous periods</i>	49,903	12,497	46,906	26,076
<i>Profit or loss for the period</i>	23,676	37,506	16,334	20,793
Fair value reserves	-156	-188	-156	-188
Reserves for actuarial gains/losses	1,155	1,155	897	897
Translation reserves	52	18	0	0
<b>Total equity</b>	<b>635,319</b>	<b>611,677</b>	<b>622,636</b>	<b>606,233</b>
Contract liabilities	18,291	17,072	17,705	16,425
Provisions	21,712	21,220	18,362	17,925
Other liabilities	18,339	8,177	12,180	3,847
Accrued liabilities	5,812	5,810	653	666
Loans and borrowings	221,659	236,683	221,659	236,683
Lease liabilities	62,032	59,342	59,573	60,871
Deferred tax liabilities	1,900	1,893	300	293
<b>Total non-current liabilities</b>	<b>349,745</b>	<b>350,197</b>	<b>330,432</b>	<b>336,710</b>
Trade payables	98,033	123,915	73,705	99,300
Income tax payable	486	221	348	0
Loans and borrowings	127,829	132,757	127,829	132,757
Lease liabilities	10,841	10,603	12,943	12,527
Other financial liabilities	2	2	0	0
Contract liabilities	10,182	10,275	5,413	5,602
Accrued liabilities	42,552	35,691	35,625	30,161
<b>Total current liabilities</b>	<b>289,925</b>	<b>313,464</b>	<b>255,863</b>	<b>280,347</b>
<b>Total liabilities</b>	<b>639,670</b>	<b>663,661</b>	<b>586,295</b>	<b>617,057</b>
<b>Total equity and liabilities</b>	<b>1,274,989</b>	<b>1,275,338</b>	<b>1,208,931</b>	<b>1,223,290</b>

Unaudited consolidated statement of changes in equity of the Telekom Slovenije Group for the period ending 30 June 2023

in EUR thousand	Share capital	Share premium	Profit reserves					Retained earnings		Fair value reserve for financial instruments	Fair value reserve for hedging instruments in net amount	Fair value reserve for actuarial deficit and surplus	Translation reserves	Total
			Legal reserves	Reserves for own shares	Treasury shares	Statutory reserves	Other profit reserves	Retained earnings from previous years	Profit or loss for the period					
Balance as at 1 January 2023	272,721	181,489	51,612	4,065	-4,065	54,854	13	12,497	37,506	-202	14	1,155	18	611,677
Net profit or loss for the period	0	0	0	0	0	0	0	0	23,676	0	0	0	0	23,676
Other comprehensive income for the period	0	0	0	0	0	0	0	0	0	83	-14	0	0	69
Total comprehensive income for the period	0	0	0	0	0	0	0	0	23,676	83	-14	0	0	23,745
Transfer of profit or loss from the previous year to retained earnings	0	0	0	0	0	0	0	37,506	-37,506	0	0	0	0	0
Other changes in equity	0	0	0	0	0	0	0	3	0	-37	0	0	34	0
Changes in equity	0	0	0	0	0	0	0	37,509	-37,506	-37	0	0	34	0
Other	0	0	0	0	0	0	0	-103	0	0	0	0	0	-103
Balance as at 30 June 2023	272,721	181,489	51,612	4,065	-4,065	54,854	13	49,903	23,676	-156	0	1,155	52	635,319

Unaudited consolidated statement of changes in equity of the Telekom Slovenije Group for the period ending 30 June 2022

in EUR thousand	Share capital	Share premium	Profit reserves					Retained earnings		Fair value reserve for financial instruments	Fair value reserve for hedging instruments in net amount	Fair value reserve for actuarial deficit and surplus	Translation reserves	Total
			Legal reserves	Reserves for own shares	Treasury shares	Statutory reserves	Other profit reserves	Retained earnings from previous years	Profit or loss for the period					
Balance as at 1 January 2022	272,721	181,489	51,612	3,671	-3,671	54,854	13	4,050	37,888	-26	-40	-2,139	9	600,431
Net profit or loss for the period	0	0	0	0	0	0	0	0	23,367	0	0	0	0	23,367
Other comprehensive income for the period – adjusted*	0	0	0	0	0	0	0	0	0	-44	34	0	3	-7
Total comprehensive income for the period	0	0	0	0	0	0	0	0	23,367	-44	34	0	3	23,360
Dividends paid	0	0	0	0	0	0	0	-29,244						-29,244
Purchase of treasury shares	0	0	0	0	-394	0	0	0	0	0	0	0	0	-394
Creation of reserves for treasury shares	0	0	0	394	0	0	0	-394	0	0	0	0	0	0
Transactions with owners	0	0	0	394	-394	0	0	-29,638	0	0	0	0	0	-29,638
Transfer of profit or loss from the previous year to retained earnings	0	0	0	0	0	0	0	37,888	-37,888	0	0	0	0	0
Other changes in equity	0	0	0	0	0	0	0	-160	0	160	0	0	0	0
Changes in equity	0	0	0	0	0	0	0	37,728	-37,888	160	0	0	0	0
Other	0	0	0	0	0	0	0	-10	0	-1	0	0	0	-11
30 June 2022	272,721	181,489	51,612	4,065	-4,065	54,854	13	12,130	23,367	89	-6	-2,139	12	594,142

Unaudited separate statement of changes in equity of Telekom Slovenije, d.d. for the period ending 30 June 2023

in EUR thousand	Share capital	Share premium	Profit reserves					Retained earnings		Fair value reserve for financial instruments	Fair value reserve for hedging instruments in net amount	Fair value reserve for actuarial deficit and surplus	Total
			Legal reserves	Reserves for own shares	Treasury shares	Statutory reserves	Other profit reserves	Retained earnings from previous years	Profit or loss for the period				
Balance as at 1 January 2023	272,721	180,956	50,434	4,065	-4,065	54,544	0	26,076	20,793	-203	15	897	606,233
Net profit or loss for the period	0	0	0	0	0	0	0	0	16,334	0	0	0	16,334
Other comprehensive income for the period	0	0	0	0	0	0	0	0	0	47	21	0	68
Total comprehensive income for the period	0	0	0	0	0	0	0	0	16,334	47	21	0	16,402
Transfer of profit or loss from the previous year to retained earnings	0	0	0	0	0	0	0	20,793	-20,793	0	0	0	0
Other changes in equity	0	0	0	0	0	0	0	37	0	-37	0	0	0
Changes in equity	0	0	0	0	0	0	0	20,830	-20,793	-37	0	0	0
Other	0	0	0	0	0	0	0	0	0	1	0		1
Balance as at 30 June 2023	272,721	180,956	50,434	4,065	-4,065	54,544	0	46,906	16,334	-192	36	897	622,636



## Unaudited separate statement of changes in equity of Telekom Slovenije, d.d. for the period ending 30 June 2022

in EUR thousand	Share capital	Share premium	Profit reserves					Retained earnings		Fair value reserve for financial instruments	Fair value reserve for hedging instruments in net amount	Fair value reserve for actuarial deficit and surplus	Total
			Legal reserves	Reserves for own shares	Treasury shares	Statutory reserves	Other profit reserves	Retained earnings from previous years	Profit or loss for the period				
Balance as at 1 January 2022	272,721	180,956	50,434	3,671	-3,671	54,544	0	21,144	34,371	-27	-39	-1,863	612,241
Net profit or loss for the period	0	0	0	0	0	0	0	0	16,555	0	0	0	16,555
Other comprehensive income for the period	0	0	0	0	0	0	0	0	0	-44	34	0	-10
<b>Total comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>16,555</b>	<b>-44</b>	<b>34</b>	<b>0</b>	<b>16,545</b>
Dividends paid	0							-29,244					-29,244
Purchase of treasury shares	0	0	0	0	-394	0	0	0	0	0	0	0	-394
Creation of reserves for treasury shares	0	0	0	394	0	0	0	-394	0	0	0	0	0
<b>Transactions with owners</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>394</b>	<b>-394</b>	<b>0</b>	<b>0</b>	<b>-29,638</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-29,638</b>
Transfer of profit or loss from the previous year to retained earnings	0	0	0	0	0	0	0	34,371	-34,371	0	0	0	0
Other changes in equity	0	0	0	0	0	0	0	-160	0	160	0	0	0
<b>Changes in equity</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>34,211</b>	<b>-34,371</b>	<b>160</b>	<b>0</b>	<b>0</b>	<b>0</b>
Other	0	0	0	0	0	0	0	0	0	-1	0	0	-1
<b>30 June 2022</b>	<b>272,721</b>	<b>180,956</b>	<b>50,434</b>	<b>4,065</b>	<b>-4,065</b>	<b>54,544</b>	<b>0</b>	<b>25,717</b>	<b>16,555</b>	<b>88</b>	<b>-5</b>	<b>-1,863</b>	<b>599,147</b>

## Unaudited consolidated cash flow statement for the period ending 30 June 2023

in EUR thousand	Telekom Slovenije Group		Telekom Slovenije	
	I – VI 2023	I – VI 2022	I – VI 2023	I – VI 2022
<b>Cash flows from operating activities</b>				
<b>Net profit for the financial year</b>	<b>23,676</b>	<b>23,367</b>	<b>16,334</b>	<b>16,555</b>
<b>Adjustments for:</b>				
Depreciation/amortisation	80,936	81,014	67,960	68,231
Impairment and write-offs of property, plant and equipment and intangible assets	82	0	0	0
Gain/loss on disposal of property, plant and equipment	-22	-18	-271	104
Impairment and write-offs of inventories	310	306	310	241
Net impairment of receivables	2,076	647	1,623	366
Change in provisions and other changes	-16	-23	0	0
Finance income	-641	-813	-3,179	-2,608
Finance expenses	8,334	4,128	7,809	4,013
Income tax expense with deferred taxes	4,879	4,456	3,667	3,677
<b>Cash flows from operating activities prior to changes in working capital and provisions</b>	<b>119,614</b>	<b>113,064</b>	<b>94,253</b>	<b>90,579</b>
Change in inventories	-6,126	-6,229	-5,265	-4,896
Change in trade and other receivables	-1,193	3,883	1,752	3,501
Change in accrued and deferred asset items and contract assets	-9,508	-11,591	-6,156	-8,339
Change in provisions	508	592	437	470
Change in trade and other payables	-15,538	-21,546	-16,040	-34,210
Change in accrued and deferred liability items and contract liabilities	7,989	13,932	6,541	10,112
Income tax paid	-653	-5,559	-70	-4,917
<b>Net cash from operating activities</b>	<b>95,093</b>	<b>86,546</b>	<b>75,452</b>	<b>52,300</b>
<b>Cash flows from investing activities</b>				
<b>Proceeds from investing activities</b>	<b>1,957</b>	<b>879</b>	<b>13,786</b>	<b>9,250</b>
Proceeds from sale of property, plant and equipment	920	216	693	216
Dividends received	147	217	253	363
Proceeds from interest	13	4	1,811	808
Inflows from the sale of financial assets	37	400	37	400
Proceeds from repayment of loans and deposits	840	42	10,992	7,463
<b>Disbursements from investing activities</b>	<b>-73,976</b>	<b>-72,453</b>	<b>-58,595</b>	<b>-44,298</b>
Disbursements for property, plant and equipment	-36,102	-36,783	-24,947	-27,560
Disbursements for non-current intangible assets	-37,874	-35,570	-32,458	-14,639
Investments in subsidiaries and associated companies	0	0	0	-1,000
Disbursements for loans and deposits issued	0	-100	-1,190	-1,099
<b>Net cash from investing activities</b>	<b>-72,019</b>	<b>-71,574</b>	<b>-44,809</b>	<b>-35,048</b>
<b>Cash flows from financing activities</b>				
<b>Proceeds from financing activities</b>	<b>0</b>	<b>10,000</b>	<b>0</b>	<b>10,800</b>
Proceeds from current borrowings	0	10,000	0	10,800
<b>Outflows from financing activities</b>	<b>-33,304</b>	<b>-29,879</b>	<b>-32,858</b>	<b>-29,554</b>
Disbursements for purchase of treasury shares	0	-394	0	-394
Repayment of lease liabilities – principal	-5,370	-5,812	-5,102	-5,484
Repayment of non-current borrowings	-20,110	-20,110	-20,110	-20,110
Disbursements for interest	-7,824	-3,563	-7,646	-3,566
<b>Net cash from financing activities</b>	<b>-33,304</b>	<b>-19,879</b>	<b>-32,858</b>	<b>-18,754</b>
<b>Net increase/decrease in cash and cash equivalents</b>	<b>-10,230</b>	<b>-4,907</b>	<b>-2,215</b>	<b>-1,502</b>
<b>Opening balance of cash and cash equivalents</b>	<b>37,382</b>	<b>15,935</b>	<b>19,573</b>	<b>3,754</b>
Effect of exchange rate changes on cash and cash equivalents	48	52	48	52
<b>Closing balance of cash and cash equivalents</b>	<b>27,200</b>	<b>11,080</b>	<b>17,406</b>	<b>2,304</b>

## 7.2. Notes to the interim financial statements of the Telekom Slovenije Group and Telekom Slovenije, d.d.

### Telekom Slovenije Group

The Telekom Slovenije Group comprised the controlling company Telekom Slovenije and the following subsidiaries as at the reporting date (30 June 2023):

Company	Country	30 June 2023
Telekom Slovenije, d.d.	Slovenia	100%
GVO, d.o.o.	Slovenia	100%
TSmedia, d.o.o.	Slovenia	100%
Avtenta, d.o.o.	Slovenia	100%
Soline, d.o.o.	Slovenia	100%
TSinpo, d.o.o.	Slovenia	100%
Optic-Tel, d.o.o.	Slovenia	100%
Infratel, d.o.o.	Slovenia	100%
IPKO Telecommunications LLC	Kosovo	100%
SIOL, d.o.o., Zagreb	Croatia	100%
SIOL, d.o.o., Sarajevo	Bosnia and Herzegovina	100%
SIOL, d.o.o., Podgorica	Montenegro	100%
GVO Telekommunikation GmbH	Germany	100%
SIOL, DOOEL Skopje	North Macedonia	100%
SIOL DOO Beograd	Serbia	100%
USTANOVA SRČNI SKLAD	Slovenia	100%
SIOL Prishtina LLC	Kosovo	100%

### Segment reporting

Segment reporting is based on the internal reporting system used by management in the management of operations. The criterion for segment reporting is the registered office where an activity is performed. The Telekom Slovenije Group thus presents its operations in the following two segments:

**Slovenia:** this segment includes all Group companies registered in Slovenia, and primarily activities in the areas of fixed and mobile telephony services, the construction and maintenance of the telecommunications network, multimedia and internet services, and content and digital TV. The segment comprises the following companies: Telekom Slovenije, GVO, Avtenta, TSmedia, Soline, TSinpo, Optic-Tel and Infratel, as well as the Heart Foundation, which organises and collects donations, grants and other monetary and non-monetary contributions to achieve the foundation's charitable mission.

**Other countries:** this segment comprises other Group companies, including IPKO, SIOL Zagreb, SIOL Sarajevo, SIOL Podgorica, SIOL Skopje, SIOL Belgrade, SIOL Prishtina and GVO Telekommunikation GmbH. This segment's main activity is the provision of telecommunication services.

Inter-segment sales were executed according to market terms. Intra-group transactions are eliminated in the consolidation process, and included in eliminations and adjustments.

The Group does not disclose finance income and expenses by segment, as the Group's financing is centralised at the level of the controlling company. Disclosures regarding revenues generated with external customers are described by type in the note 'Revenue'.

The accounting policies that apply to segments are the same as those that apply to the Group.

## Segment reporting

in EUR thousand	Slovenia		Other countries		Eliminations and adjustments*		Total	
	I – VI 2023	I – VI 2022	I – VI 2023	I – VI 2022	I – VI 2023	I – VI 2022	I – VI 2023	I – VI 2022
Sales to customers	296,462	280,721	37,662	33,438			334,124	314,159
Inter-segment sales	40,368	34,616	4,381	4,110	-44,749	-38,726	0	0
<b>Total segment revenue</b>	<b>336,830</b>	<b>315,337</b>	<b>42,043</b>	<b>37,548</b>	<b>-44,749</b>	<b>-38,726</b>	<b>334,124</b>	<b>314,159</b>
<b>Other operating income</b>	<b>3,183</b>	<b>1,505</b>	<b>206</b>	<b>897</b>			<b>3,389</b>	<b>2,402</b>
<b>Total operating expenses</b>	<b>-272,392</b>	<b>-257,666</b>	<b>-28,873</b>	<b>-27,757</b>			<b>-301,265</b>	<b>-285,423</b>
<b>Operating profit per segment</b>	<b>67,621</b>	<b>59,176</b>	<b>13,376</b>	<b>10,688</b>	<b>-44,749</b>	<b>-38,726</b>	<b>36,248</b>	<b>31,138</b>
Finance income							641	813
Finance expenses							-8,334	-4,128
<b>Profit before tax</b>							<b>28,555</b>	<b>27,823</b>
Corporate income tax							-2,736	-2,468
Deferred taxes							-2,143	-1,988
<b>Net profit for the financial year</b>							<b>23,676</b>	<b>23,367</b>

Other data by segment	Slovenia		Other countries		Eliminations and adjustments*		Total	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Segment assets	1,309,280	1,314,368	137,900	138,163	-172,191	-177,193	1,274,989	1,275,338
Segment liabilities	641,724	664,662	92,961	100,423	-95,015	-101,424	639,670	663,661

\* Inter-company amounts are excluded from the consolidated financial statements.

## Revenues by segment

in EUR thousand	Slovenia		Other countries		Total	
	I – VI 2023	I – VI 2022	I – VI 2023	I – VI 2022	I – VI 2023	I – VI 2022
Mobile services on end-user market	103,384	99,632	23,871	21,256	127,255	120,888
Fixed-line telephone services on end-user market	94,166	93,136	10,158	10,478	104,324	103,614
- of which IT services	15,891	14,350	142	152	16,033	14,502
Additional services	2,458	1,793	0	0	2,458	1,793
Wholesale market	80,626	73,885	3,633	1,704	84,259	75,589
Other revenues and merchandise	15,828	12,275	0	0	15,828	12,275
<b>Total revenues</b>	<b>296,462</b>	<b>280,721</b>	<b>37,662</b>	<b>33,438</b>	<b>334,124</b>	<b>314,159</b>

## Sales revenue

### Breakdown of revenue by service category

in EUR thousand	Telekom Slovenije Group		Telekom Slovenije	
	I – VI 2023	I – VI 2022	I – VI 2023	I – VI 2022
Mobile services on end-user market	127,255	120,888	103,479	99,812
Fixed-line telephone services on end-user market	104,324	103,614	93,350	92,597
- of which IT services	16,033	14,502	14,991	13,734
Additional services	2,458	1,793	2,523	1,793
Wholesale market	84,259	75,589	81,908	74,728
Other revenues and merchandise	15,828	12,275	10,867	10,500
<b>Total revenues</b>	<b>334,124</b>	<b>314,159</b>	<b>292,127</b>	<b>279,430</b>

in EUR thousand	Telekom Slovenije Group		Telekom Slovenije	
	I – VI 2023	I – VI 2022	I – VI 2023	I – VI 2022
Revenue from services rendered	288,470	271,588	246,102	235,313
Sales revenue – goods	45,654	42,571	46,025	44,117
<b>Total revenues</b>	<b>334,124</b>	<b>314,159</b>	<b>292,127</b>	<b>279,430</b>

The sales revenue of the Telekom Slovenije Group amounted to EUR 334.1 million in the period January–June 2023, an increase of EUR 20 million relative to the same period in 2022.

Revenues were higher in the mobile segment of the end-user market, primarily on account of higher subscriber revenues and higher revenues from mobile merchandise at Telekom Slovenije. Revenues were also up relative to the same period last year at the subsidiary IPKO, primarily on account of an increased number of users.

Revenues in the fixed segment were up primarily due to higher sales of IT merchandise and services at Telekom Slovenije, despite a drop in revenues from traditional voice telephony, which is the result of the declining number of traditional connections and their replacement by mobile and IP telephony.

Revenues from additional services include revenues from financial services, eHealth services and insurance. All revenue categories have recorded growth in 2023.

Growth was also recorded in revenues from the wholesale market.

Revenues on the wholesale market were up relative to the same period in 2022, primarily due to higher revenues from domestic wholesale services.

Other operating income and revenues from merchandise were up relative to the same period in 2022 due to higher revenues generated by Slovenian subsidiaries on the market and higher revenues from the sale of e-commerce services at Telekom Slovenije.

### Revenues from leases

The Telekom Slovenije Group generated revenues from leases in the amount of EUR 6,505 thousand in the period January to June 2023, compared with EUR 5,267 thousand during the same period last year.

Telekom Slovenije generated revenue from leases in the amount of EUR 7,072 thousand in that period, compared with EUR 5,677 thousand during the same period last year.

## Costs of services

in EUR thousand	Telekom Slovenije Group		Telekom Slovenije	
	I – VI 2023	I – VI 2022	I – VI 2023	I – VI 2022
Telecommunication services	53,654	52,527	52,819	51,882
Costs of leased lines, networks and platforms	2,527	2,467	4,121	3,855
Multimedia content	4,804	4,789	4,457	4,476
Costs of subcontractors	13,037	10,011	9,224	8,739
Maintenance of property, plant and equipment	10,007	10,234	10,020	10,206
Costs of other services	18,289	18,592	15,207	15,017
<b>Total costs of services</b>	<b>102,318</b>	<b>98,620</b>	<b>95,848</b>	<b>94,175</b>

The costs of services incurred by the Group in the period January–June 2023 were up by EUR 3,698 thousand relative to the same period in 2022. The costs of telecommunication services were up as the result of higher revenues on the wholesale market.

The costs of subcontractor services were up due to higher sales of IT services and merchandise.

The costs of other services primarily comprise the costs of advertising and sponsorships in the amount of EUR 3,573 thousand (January to June 2022: EUR 4,028 thousand), the costs of intellectual and personal services in the amount of EUR 2,790 thousand (January to June 2022: EUR 3,190 thousand), the costs of attracting customers in the amount of EUR 2,241 thousand (January to June 2022: EUR 2,361 thousand), the costs of insurance premiums in the amount of EUR 1,560 thousand (January to June 2022: EUR 1,555 thousand), and the costs of other services in the amount of EUR 5,167 thousand (January to June 2022: EUR 4,636 thousand).

## Operating profit (EBIT) and net profit

### Telekom Slovenije Group

Earnings before interest and taxes (EBIT) in the amount of EUR 36,248 thousand were up by EUR 5,110 thousand relative to the same period last year. A net profit of EUR 23,676 thousand was achieved for the accounting period in the context of a net financial loss of EUR 7,693 thousand.

### Telekom Slovenije

Earnings before interest and taxes (EBIT) in the amount of EUR 24,630 thousand were up by EUR 2,994 thousand relative to the same period last year. A net profit of EUR 16,334 thousand was achieved for the accounting period in the context of a net financial loss of EUR 4,630 thousand.



## Intangible assets

### Changes in intangible assets of the Telekom Slovenije Group in the period January to June 2023

in EUR thousand	Goodwill	Concessions and licences	Costs of obtaining contracts with customers	Computer software	Other intangible assets	Intangible assets under construction	Total
<b>Cost</b>							
<b>Balance as at 1 January 2023</b>	<b>49,737</b>	<b>421,678</b>	<b>21,142</b>	<b>253,952</b>	<b>67,620</b>	<b>13,262</b>	<b>827,391</b>
Increases	0	0	0	0	1	37,171	37,172
Assets generated in the Group	0	0	0	0	0	701	701
Transfer into use	0	32,799	4,433	9,006	30	-46,268	0
Disposals	0	-10,635	0	-8,657	-46	-125	-19,463
Other transfers*	0	260	0	-260	0	0	0
<b>Balance as at 30 June 2023</b>	<b>49,737</b>	<b>444,102</b>	<b>25,575</b>	<b>254,041</b>	<b>67,605</b>	<b>4,741</b>	<b>845,801</b>
<b>Impairment</b>							
<b>Balance as at 1 January 2023</b>	<b>46,019</b>	<b>293,491</b>	<b>10,267</b>	<b>222,667</b>	<b>50,328</b>	<b>267</b>	<b>623,039</b>
Disposals	0	-8,023	0	-8,658	-46	0	-16,727
Other transfers*	0	209	0	-209	0	0	0
Depreciation/amortisation	0	19,967	3,660	10,648	964	0	35,239
<b>Balance as at 30 June 2023</b>	<b>46,019</b>	<b>305,644</b>	<b>13,927</b>	<b>224,448</b>	<b>51,246</b>	<b>267</b>	<b>641,551</b>
<b>Carrying amount</b>							
<b>Balance as at 1 January 2023</b>	<b>3,718</b>	<b>128,187</b>	<b>10,875</b>	<b>31,285</b>	<b>17,292</b>	<b>12,995</b>	<b>204,352</b>
<b>Balance as at 30 June 2023</b>	<b>3,718</b>	<b>138,458</b>	<b>11,648</b>	<b>29,593</b>	<b>16,359</b>	<b>4,474</b>	<b>204,250</b>

\* Other transfers include transfers between intangible assets and property, plant and equipment, and transfers between groups of assets.

### Changes in intangible assets of the Telekom Slovenije Group in 2022

in EUR thousand	Goodwill	Concessions and licences	Costs of obtaining contracts with customers	Computer software	Other intangible assets	Intangible assets under construction	Total
<b>Cost</b>							
<b>Balance as at 1 January 2022</b>	<b>49,737</b>	<b>430,342</b>	<b>20,518</b>	<b>303,079</b>	<b>67,366</b>	<b>12,795</b>	<b>883,837</b>
Increases	0	20,031	0	0	2	34,959	54,992
Assets generated in the Group	0	0	0	0	0	1,558	1,558
Transfer into use	0	9,747	7,785	18,264	252	-36,048	0
Disposals	0	-38,442	-7,161	-67,434	0	-2	-113,039
Other transfers*	0	0	0	43	0	0	43
<b>Balance as at 31 December 2022</b>	<b>49,737</b>	<b>421,678</b>	<b>21,142</b>	<b>253,952</b>	<b>67,620</b>	<b>13,262</b>	<b>827,391</b>
<b>Impairment</b>							
<b>Balance as at 1 January 2022</b>	<b>46,019</b>	<b>292,001</b>	<b>10,088</b>	<b>266,959</b>	<b>48,387</b>	<b>267</b>	<b>663,721</b>
Disposals	0	-38,442	-7,161	-67,432	0	0	-113,035
Other transfers*	0	0	0	-4	0	0	-4
Depreciation/amortisation	0	39,932	7,340	23,144	1,941	0	72,357
<b>Balance as at 31 December 2022</b>	<b>46,019</b>	<b>293,491</b>	<b>10,267</b>	<b>222,667</b>	<b>50,328</b>	<b>267</b>	<b>623,039</b>
<b>Carrying amount</b>							
<b>Balance as at 1 January 2022</b>	<b>3,718</b>	<b>138,341</b>	<b>10,430</b>	<b>36,120</b>	<b>18,979</b>	<b>12,528</b>	<b>220,116</b>
<b>Balance as at 31 December 2022</b>	<b>3,718</b>	<b>128,187</b>	<b>10,875</b>	<b>31,285</b>	<b>17,292</b>	<b>12,995</b>	<b>204,352</b>

\* Other transfers include transfers between intangible assets and property, plant and equipment, and transfers between groups of assets.

## Changes in intangible assets of Telekom Slovenije in the period January to June 2023

in EUR thousand	Goodwill	Concessions and licences	Costs of obtaining contracts with customers	Computer software	Other intangible assets	Intangible assets under construction	Total
<b>Cost</b>							
<b>Balance as at 1 January 2023</b>	<b>3,602</b>	<b>282,259</b>	<b>21,142</b>	<b>240,289</b>	<b>19,352</b>	<b>12,723</b>	<b>579,367</b>
Increases	0	0	0	0	0	31,825	31,825
Assets generated at the Company	0	0	0	0	0	634	634
Transfer into use	0	27,858	4,433	8,398	30	-40,719	0
Disposals	0	-10,635	0	-8,658	-46	0	-19,339
Other transfers*	0	260	0	-260	0	0	0
<b>Balance as at 30 June 2023</b>	<b>3,602</b>	<b>299,742</b>	<b>25,575</b>	<b>239,769</b>	<b>19,336</b>	<b>4,463</b>	<b>592,487</b>
<b>Impairment</b>							
<b>Balance as at 1 January 2023</b>	<b>0</b>	<b>190,312</b>	<b>10,267</b>	<b>206,980</b>	<b>16,549</b>	<b>0</b>	<b>424,108</b>
Disposals	0	-8,023	0	-8,658	-46	0	-16,727
Other transfers*	0	209	0	-209	0	0	0
Depreciation/amortisation	0	14,351	3,660	10,083	186	0	28,280
<b>Balance as at 30 June 2023</b>	<b>0</b>	<b>196,849</b>	<b>13,927</b>	<b>208,196</b>	<b>16,689</b>	<b>0</b>	<b>435,661</b>
<b>Carrying amount</b>							
Balance as at 1 January 2023	3,602	91,947	10,875	33,309	2,803	12,723	155,259
Balance as at 30 June 2023	3,602	102,893	11,648	31,573	2,647	4,463	156,826

\* Other transfers include transfers between intangible assets and property, plant and equipment, and transfers between groups of assets.

## Changes in intangible assets of Telekom Slovenije in 2022

in EUR thousand	Goodwill	Concessions and licences	Costs of obtaining contracts with customers	Computer software	Other intangible assets	Intangible assets under construction	Total
<b>Cost</b>							
<b>Balance as at 1 January 2022</b>	<b>3,602</b>	<b>288,174</b>	<b>20,518</b>	<b>289,120</b>	<b>19,100</b>	<b>12,480</b>	<b>632,994</b>
Increases	0	0	0	0	0	33,239	33,239
Assets generated at the Company	0	0	0	0	0	1,202	1,202
Transfer into use	0	8,712	7,785	17,447	252	-34,196	0
Disposals	0	-14,627	-7,161	-66,320	0	-2	-88,110
Other transfers*	0	0	0	42	0	0	42
<b>Balance as at 31 December 2022</b>	<b>3,602</b>	<b>282,259</b>	<b>21,142</b>	<b>240,289</b>	<b>19,352</b>	<b>12,723</b>	<b>579,367</b>
<b>Impairment</b>							
<b>Balance as at 1 January 2022</b>	<b>0</b>	<b>175,120</b>	<b>10,088</b>	<b>251,371</b>	<b>16,164</b>	<b>0</b>	<b>452,743</b>
Disposals	0	-14,628	-7,161	-66,318	0	0	-88,107
Other transfers*	0	0	0	-5	0	0	-5
Depreciation/amortisation	0	29,820	7,340	21,932	385	0	59,477
<b>Balance as at 31 December 2022</b>	<b>0</b>	<b>190,312</b>	<b>10,267</b>	<b>206,980</b>	<b>16,549</b>	<b>0</b>	<b>424,108</b>
<b>Carrying amount</b>							
Balance as at 1 January 2022	3,602	113,054	10,430	37,749	2,936	12,480	180,251
Balance as at 31 December 2022	3,602	91,947	10,875	33,309	2,803	12,723	155,259

\* Other transfers include transfers between intangible assets and property, plant and equipment, and transfers between groups of assets.

Commitments for intangible assets amounted to EUR 9,183 thousand at the Telekom Slovenije Group level and to EUR 10,643 thousand at Telekom Slovenije as at 30 June 2023.

## Property, plant and equipment

### Changes in property, plant and equipment of the Telekom Slovenije Group in the period January to June 2023

in EUR thousand	Land, buildings and cable ducts	Cable network	Telephone exchanges	Equipment for the mobile network	Other equipment	Assets under construction	Other	Total
<b>Cost</b>								
<b>Balance as at 1 January 2023</b>	<b>518,088</b>	<b>1,219,276</b>	<b>84,890</b>	<b>300,538</b>	<b>355,401</b>	<b>27,491</b>	<b>61</b>	<b>2,505,745</b>
Difference from the translation to the presentation currency	0	-6	0	0	-3	0	0	-9
Increases	0	142	0	0	746	28,614	2	29,504
Assets generated in the Group	0	0	0	0	0	7,519	0	7,519
Transfer into use	7,449	14,133	403	3,087	15,839	-40,911	0	0
Disposals	-857	-597	-164	-162	-9,734	-27	0	-11,541
Other transfers*	162	-161	-11	0	9	1	0	0
<b>Balance as at 30 June 2023</b>	<b>524,842</b>	<b>1,232,787</b>	<b>85,118</b>	<b>303,463</b>	<b>362,258</b>	<b>22,687</b>	<b>63</b>	<b>2,531,218</b>
<b>Impairment</b>								
<b>Balance as at 1 January 2023</b>	<b>229,415</b>	<b>971,670</b>	<b>79,481</b>	<b>253,252</b>	<b>281,036</b>	<b>11,390</b>	<b>0</b>	<b>1,826,244</b>
Difference from the translation to the presentation currency	0	-2	0	0	-1	0	0	-3
Increases	25	0	0	0	2	0	0	27
Disposals	-792	-537	-154	-147	-8,018	0	0	-9,648
Depreciation	6,740	11,271	908	5,620	14,747	0	0	39,286
Other transfers*	15	-14	-10	0	9	0	0	0
<b>Balance as at 30 June 2023</b>	<b>235,403</b>	<b>982,388</b>	<b>80,225</b>	<b>258,725</b>	<b>287,775</b>	<b>11,390</b>	<b>0</b>	<b>1,855,906</b>
<b>Carrying amount</b>								
<b>Balance as at 1 January 2023</b>	<b>288,673</b>	<b>247,606</b>	<b>5,409</b>	<b>47,286</b>	<b>74,365</b>	<b>16,101</b>	<b>61</b>	<b>679,501</b>
<b>Balance as at 30 June 2023</b>	<b>289,439</b>	<b>250,399</b>	<b>4,893</b>	<b>44,738</b>	<b>74,483</b>	<b>11,297</b>	<b>63</b>	<b>675,312</b>

\* Other transfers include transfers between intangible assets and property, plant and equipment, transfers to investment property and transfers between groups of assets.

### Changes in property, plant and equipment of the Telekom Slovenije Group in 2022

in EUR thousand	Land, buildings and cable ducts	Cable network	Telephone exchanges	Equipment for the mobile network	Other equipment	Assets under construction	Other	Total
<b>Cost</b>								
<b>Balance as at 1 January 2022</b>	<b>490,082</b>	<b>1,190,292</b>	<b>88,832</b>	<b>315,485</b>	<b>385,390</b>	<b>40,823</b>	<b>268</b>	<b>2,511,172</b>
Difference from the translation to the presentation currency	0	2	0	0	0	0	0	2
Increases	104	2,907	0	0	1,205	78,396	-185	82,427
Assets generated in the Group	0	0	0	0	0	15,565	0	15,565
Transfer into use	29,243	28,475	1,260	12,520	35,409	-106,907	0	0
Disposals	-1,354	-2,319	-5,212	-27,461	-66,582	-302	0	-103,230
Other transfers*	13	-81	10	-6	-21	-84	-22	-191
<b>Balance as at 31 December 2022</b>	<b>518,088</b>	<b>1,219,276</b>	<b>84,890</b>	<b>300,538</b>	<b>355,401</b>	<b>27,491</b>	<b>61</b>	<b>2,505,745</b>
<b>Impairment</b>								
<b>Balance as at 1 January 2022</b>	<b>216,747</b>	<b>951,360</b>	<b>82,613</b>	<b>266,825</b>	<b>315,178</b>	<b>11,390</b>	<b>0</b>	<b>1,844,113</b>
Difference from the translation to the presentation currency	0	1	0	0	1	0	0	2
Increases	0	0	0	0	10	0	0	10
Disposals	-489	-2,057	-5,197	-27,387	-63,551	0	0	-98,681
Depreciation/amortisation	13,152	22,408	2,029	13,820	29,452	0	0	80,861
Other transfers*	5	-42	36	-6	-54	0	0	-61

<b>Balance as at 31 December 2022</b>	<b>229,415</b>	<b>971,670</b>	<b>79,481</b>	<b>253,252</b>	<b>281,036</b>	<b>11,390</b>	<b>0</b>	<b>1,826,244</b>
<b>Carrying amount</b>								
Balance as at 1 January 2022	273,335	238,932	6,219	48,660	70,212	29,433	268	667,059
Balance as at 31 December 2022	288,673	247,606	5,409	47,286	74,365	16,101	61	679,501

\* Other transfers include transfers between intangible assets and property, plant and equipment, and transfers between groups of assets.

### Changes in property, plant and equipment of Telekom Slovenije in the period January to June 2023

in EUR thousand	Land, buildings and cable ducts	Cable network	Telephone exchanges	Equipment for the mobile network	Other equipment	Assets under construction	Total
<b>Cost</b>							
<b>Balance as at 1 January 2023</b>	<b>488,699</b>	<b>1,139,346</b>	<b>83,665</b>	<b>185,472</b>	<b>337,505</b>	<b>20,541</b>	<b>2,255,228</b>
Increases	0	0	0	0	0	23,545	23,545
Assets generated at the Company	0	0	0	0	0	2,319	2,319
Transfer into use	7,443	12,722	403	966	13,952	-35,486	0
Disposals	-837	-491	-164	-129	-8,008	0	-9,629
Other transfers*	162	-161	-10	0	9	1	1
<b>Balance as at 30 June 2023</b>	<b>495,467</b>	<b>1,151,416</b>	<b>83,894</b>	<b>186,309</b>	<b>343,458</b>	<b>10,920</b>	<b>2,271,464</b>
<b>Impairment</b>							
<b>Balance as at 1 January 2023</b>	<b>220,231</b>	<b>921,561</b>	<b>78,259</b>	<b>159,497</b>	<b>270,748</b>	<b>0</b>	<b>1,650,296</b>
Increases	25	0	0	0	2	0	27
Disposals	-780	-455	-154	-119	-6,336	0	-7,844
Depreciation	6,476	9,279	904	3,532	13,336	0	33,527
Other transfers*	15	-14	-10	0	9	0	0
<b>Balance as at 30 June 2023</b>	<b>225,967</b>	<b>930,371</b>	<b>78,999</b>	<b>162,910</b>	<b>277,759</b>	<b>0</b>	<b>1,676,006</b>
<b>Carrying amount</b>							
Balance as at 1 January 2023	268,468	217,785	5,406	25,975	66,757	20,541	604,932
Balance as at 30 June 2023	269,500	221,045	4,895	23,399	65,699	10,920	595,458

\* Other transfers include transfers between intangible assets and property, plant and equipment, transfers to investment property and transfers between groups of assets.

### Changes in property, plant and equipment of Telekom Slovenije in 2022

in EUR thousand	Land, buildings and cable ducts	Cable network	Telephone exchanges	Equipment for the mobile network	Other equipment	Assets under construction	Total
<b>Cost</b>							
<b>Balance as at 1 January 2022</b>	<b>460,462</b>	<b>1,115,166</b>	<b>87,656</b>	<b>204,955</b>	<b>364,922</b>	<b>44,080</b>	<b>2,277,241</b>
Increases	0	0	0	0	0	67,136	67,136
Assets generated at the Company	0	0	0	0	0	4,313	4,313
Transfer into use	29,198	25,571	1,212	6,435	32,270	-94,686	0
Disposals	-974	-1,309	-5,212	-25,913	-59,709	-302	-93,419
Other transfers*	13	-82	9	-5	22	0	-43
<b>Balance as at 31 December 2022</b>	<b>488,699</b>	<b>1,139,346</b>	<b>83,665</b>	<b>185,472</b>	<b>337,505</b>	<b>20,541</b>	<b>2,255,228</b>
<b>Impairment</b>							
<b>Balance as at 1 January 2022</b>	<b>208,124</b>	<b>904,603</b>	<b>81,397</b>	<b>177,141</b>	<b>301,265</b>	<b>0</b>	<b>1,672,530</b>
Increases	0	0	0	0	8	0	8
Disposals	-522	-1,139	-5,197	-25,841	-56,829	0	-89,528
Depreciation/amortisation	12,624	18,139	2,025	8,202	26,293	0	67,283
Other transfers*	5	-42	34	-5	11	0	3
<b>Balance as at 31 December 2022</b>	<b>220,231</b>	<b>921,561</b>	<b>78,259</b>	<b>159,497</b>	<b>270,748</b>	<b>0</b>	<b>1,650,296</b>
<b>Carrying amount</b>							
Balance as at 1 January 2022	252,338	210,563	6,259	27,814	63,657	44,080	604,711
Balance as at 31 December 2022	268,468	217,785	5,406	25,975	66,757	20,541	604,932

\* Other transfers include transfers between intangible assets and property, plant and equipment, and transfers between groups of assets.

Commitments for property, plant and equipment amounted to EUR 8,194 thousand at the Telekom Slovenije Group level and to EUR 18,242 thousand at Telekom Slovenije as at 30 June 2023.

## Right-of-use assets

Changes in right-of-use assets of the Telekom Slovenije Group in the period January to June 2023

in EUR thousand	Base stations – easement and lease	Technological premises – easement and lease	Lease of business premises and land	Vehicles	Lease of lines	Other	Total
<b>Cost</b>							
Balance as at 1 January 2023	74,036	8,929	9,719	2,687	22,246	4,224	121,841
Contract modifications	4,614	354	1,107	98	71	0	6,244
Transfer to use – new contracts	1,457	107	110	436	629	47	2,786
Disposals	-94	-29	0	0	-1	0	-124
Other transfers	0	0	11	0	0	0	11
<b>Balance as at 30 June 2023</b>	<b>80,013</b>	<b>9,361</b>	<b>10,947</b>	<b>3,221</b>	<b>22,945</b>	<b>4,271</b>	<b>130,758</b>
<b>Impairment</b>							
Balance as at 1 January 2023	27,749	3,338	5,922	1,220	6,364	1,829	46,422
Disposals	-35	-16	0	0	0	0	-51
Depreciation	3,697	434	783	289	885	252	6,340
<b>Balance as at 30 June 2023</b>	<b>31,411</b>	<b>3,756</b>	<b>6,705</b>	<b>1,509</b>	<b>7,249</b>	<b>2,081</b>	<b>52,711</b>
<b>Carrying amount</b>							
Balance as at 1 January 2023	46,287	5,591	3,797	1,467	15,882	2,395	75,419
Balance as at 30 June 2023	48,602	5,605	4,242	1,712	15,696	2,190	78,047

Changes in right-of-use assets of the Telekom Slovenije Group in 2022

in EUR thousand	Base stations – easement and lease	Technological premises – easement and lease	Lease of business premises and land	Vehicles	Lease of lines	Other	Total
<b>Cost</b>							
Balance as at 1 January 2022	65,619	8,507	9,243	2,257	20,557	3,846	110,029
Difference from the translation to the presentation currency	0	0	0	0	-2	0	-2
Contract modifications	5,986	392	592	-14	3,955	88	10,999
Transfer to use – new contracts	3,919	204	356	1,098	-2,172	290	3,695
Disposals	-1,488	-175	-472	-654	-109	0	-2,898
Other transfers	0	1	0	0	17	0	18
<b>Balance as at 31 December 2022</b>	<b>74,036</b>	<b>8,929</b>	<b>9,719</b>	<b>2,687</b>	<b>22,246</b>	<b>4,224</b>	<b>121,841</b>
<b>Impairment</b>							
Balance as at 1 January 2022	21,501	2,533	4,641	1,310	4,739	1,335	36,059
Disposals	-1,268	-89	-258	-652	-109	0	-2,376
Depreciation/amortisation	7,515	893	1,540	562	1,724	494	12,728
Other transfers	0	0	0	0	11	0	11
<b>Balance as at 31 December 2022</b>	<b>27,748</b>	<b>3,337</b>	<b>5,923</b>	<b>1,220</b>	<b>6,365</b>	<b>1,829</b>	<b>46,422</b>
<b>Carrying amount</b>							
Balance as at 1 January 2022	44,118	5,974	4,602	947	15,818	2,511	73,970
Balance as at 31 December 2022	46,288	5,592	3,796	1,467	15,881	2,395	75,419

## Changes in right-of-use assets at Telekom Slovenije in the period January to June 2023

in EUR thousand	Base stations – easement and lease	Technological premises – easement and lease	Lease of business premises and land	Vehicles	Lease of lines	Other	Total
<b>Cost</b>							
Balance as at 1 January 2023	60,695	7,994	4,054	2,456	44,461	633	120,293
Contract modifications	2,113	274	2	98	-312	0	2,175
Transfer to use – new contracts	1,457	107	110	436	629	0	2,739
Disposals	-91	-27	0	0	0	0	-118
Balance as at 30 June 2023	64,174	8,348	4,166	2,990	44,778	633	125,089
<b>Impairment</b>							
Balance as at 1 January 2023	21,882	2,884	2,100	1,063	13,759	478	42,167
Disposals	-34	-14	0	0	0	0	-48
Depreciation	3,128	395	330	269	1,879	77	6,078
Balance as at 30 June 2023	24,976	3,265	2,430	1,332	15,638	555	48,197
<b>Carrying amount</b>							
Balance as at 1 January 2023	38,813	5,110	1,954	1,393	30,702	155	78,126
Balance as at 30 June 2023	39,198	5,083	1,736	1,658	29,140	78	76,892

## Changes in right-of-use assets at Telekom Slovenije in 2022

in EUR thousand	Base stations – easement and lease	Technological premises – easement and lease	Lease of business premises and land	Vehicles	Lease of lines	Other	Total
<b>Cost</b>							
Balance as at 1 January 2022	58,640	7,678	3,785	2,054	40,163	645	112,965
Contract modifications	-485	322	41	-13	3,780	-12	3,633
Transfer to use – new contracts	3,919	164	339	1,039	627	0	6,088
Disposals	-1,379	-170	-111	-624	-109	0	-2,393
Balance as at 31 December 2022	60,695	7,994	4,054	2,456	44,461	633	120,293
<b>Impairment</b>							
Balance as at 1 January 2022	16,933	2,188	1,638	1,163	10,054	321	32,298
Disposals	-1,170	-85	-110	-624	-110	0	-2,099
Depreciation/amortisation	6,119	781	572	524	3,815	157	11,968
Balance as at 31 December 2022	21,882	2,884	2,100	1,063	13,759	478	42,167
<b>Carrying amount</b>							
Balance as at 1 January 2022	41,706	5,490	2,147	891	30,109	324	80,667
Balance as at 31 December 2022	38,813	5,110	1,954	1,393	30,702	155	78,126

Depreciation in the amount of EUR 6,340 thousand and interest expense on lease liabilities in the amount of EUR 1,194 thousand were disclosed in the Telekom Slovenije Group's statement of profit or loss in the period January to June 2023. The Group disclosed depreciation in the amount of EUR 6,451 thousand and interest expense in the amount of EUR 1,094 thousand during the same period last year.

Depreciation in the amount of EUR 6,078 thousand and interest expense on lease liabilities in the amount of EUR 1,019 thousand were disclosed in Telekom Slovenije's statement of profit or loss in the period January to June



2023. The Company disclosed depreciation in the amount of EUR 6,015 thousand and interest expense in the amount of EUR 1,094 thousand during the same period last year.

### Trade and other receivables

The Group and Company disclose receivables from the sale of merchandise with a maturity exceeding one year in non-current receivables. Corrections to the value of receivables relate to expected credit losses. The maturity structure of receivables is presented in Section 7.3.

Current trade and other receivables were up by EUR 171 thousand at the Telekom Slovenije Group level and were down by EUR 2,179 thousand at Telekom Slovenije relative to the balance at the end of 2022.

### Financial liabilities for borrowings received and other financial liabilities

The financial liabilities of the Telekom Slovenije Group amounted to EUR 349,490 thousand as at 30 June 2023, with loans and borrowings accounting for EUR 349,488 thousand of that amount and other financial liabilities accounting for EUR 2 thousand.

Loans and borrowings account for the full amount of Telekom Slovenije's financial liabilities of EUR 349,488 thousand.

### Lease liabilities

The lease liabilities of the Telekom Slovenije Group amounted to EUR 72,873 thousand as at 30 June 2023 and were up by EUR 2,928 thousand relative to the end of 2022.

The lease liabilities of Telekom Slovenije amounted to EUR 72,516 thousand as at 30 June 2023 and were down by EUR 882 thousand relative to the end of 2022.

### Fair value hierarchy

In view of the accounting policies and breakdown, the fair value of financial and non-financial assets and liabilities is to be determined in certain cases. The Group and the Company apply the following hierarchy in determining fair values:

- Level 1: determination of fair value directly by referencing the official published price on an active market;
- Level 2: other models used to determine fair value based on assumptions and material impact on fair value in line with observed current market transactions with the same instruments either directly or indirectly; and
- Level 3: other models used to determine fair value based on assumptions and material impact on fair value that are not in line with observed current market transactions with the same instruments and investments.

The table below only includes information regarding classification to the fair value hierarchy for assets and financial liabilities measured at fair value and for which fair value is disclosed.

## Book and fair values of the Telekom Slovenije Group's financial instruments as at 30 June 2023

in EUR thousand	Book value	Fair value	Level 1	Level 2	Level 3
<b>Non-current financial assets</b>					
Investments in shares and interests listed on the stock exchange, measured at fair value through other comprehensive income	2,198	2,198	2,198		
Investments in shares and interests not listed on the stock exchange, measured at fair value through other comprehensive income	284	284			284
Loans granted	5	5		5	
Other non-current financial assets	16	16		16	
Operating receivables	18,195	18,195		18,195	
<b>Current financial assets</b>					
Loans granted	10	10		10	
Other current financial assets	2	2		2	
Trade and other receivables	158,122	158,122		158,122	
Cash and cash equivalents	27,200	27,200		27,200	
<b>Non-current financial liabilities</b>					
Borrowings	221,658	221,658		221,658	
Other liabilities	12,586	12,586		12,586	
<b>Current financial liabilities</b>					
Borrowings	127,830	127,830		127,830	
Other financial liabilities	2	2		2	
Trade payables	98,033	98,033		98,033	

## Book and fair values of the Telekom Slovenije Group's financial instruments as at 31 December 2022

in EUR thousand	Book value	Fair value	Level 1	Level 2	Level 3
<b>Non-current financial assets</b>					
Investments in shares and interests listed on the stock exchange, measured at fair value through other comprehensive income	2,139	2,139	2,139		
Investments in shares and interests not listed on the stock exchange, measured at fair value through other comprehensive income	284	284			284
Loans granted	9	9		9	
Other non-current financial assets	16	16		16	
Operating receivables	19,251	19,251		19,251	
<b>Current financial assets</b>					
Loans granted	16	16		16	
Other current financial assets	802	802		802	
Fair value of interest rate swap	19	19		19	
Trade and other receivables	159,067	159,067		159,067	
Cash and cash equivalents	37,382	37,382		37,382	
<b>Non-current financial liabilities</b>					
Borrowings	236,683	236,683		236,683	
Other liabilities	8,177	8,177		8,177	
<b>Current financial liabilities</b>					
Borrowings	132,757	132,757		132,757	
Other financial liabilities	2	2		2	
Trade payables	123,915	123,915		123,915	

## Book and fair values of Telekom Slovenije's financial instruments as at 30 June 2023

in EUR thousand	Book value	Fair value	Level 1	Level 2	Level 3
<b>Non-current financial assets</b>					
Investments in shares and interests listed on the stock exchange, measured at fair value through other comprehensive income	2,198	2,198	2,198		
Investments in shares and interests not listed on the stock exchange, measured at fair value through other comprehensive income	284	284			284
Loans granted	36,365	36,365		36,365	
Operating receivables	18,190	18,190		18,190	
<b>Current financial assets</b>					
Loans granted	11,448	11,448		11,448	
Trade and other receivables	148,796	148,796		148,796	
Cash and cash equivalents	17,406	17,406		17,406	
<b>Non-current financial liabilities</b>					
Borrowings	221,658	221,658		221,658	
Trade payables	12,180	12,180		12,180	
<b>Current financial liabilities</b>					
Borrowings	127,830	127,830		127,830	
Trade payables	73,704	73,704		73,704	

## Book and fair values of Telekom Slovenije's financial instruments as at 31 December 2022

	Book value	Fair value	Level 1	Level 2	Level 3
<b>Non-current financial assets</b>					
Investments in shares and interests listed on the stock exchange, measured at fair value through other comprehensive income	2,139	2,139	2,139		
Investments in shares and interests not listed on the stock exchange, measured at fair value through other comprehensive income	284	284			284
Loans granted	46,082	46,082		46,082	
Operating receivables	19,246	19,246		19,246	
<b>Current financial assets</b>					
Loans granted	11,496	11,496		11,496	
Fair value of interest rate swap	20	20		20	
Trade and other receivables	152,170	152,170		152,170	
<b>Cash and cash equivalents</b>					
Borrowings	236,683	236,683		236,683	
<b>Trade payables</b>					
Borrowings	132,757	132,757		132,757	
Trade payables	99,300	99,300		99,300	

Fair values at levels 2 and 3 of the hierarchy were estimated using the discounted cash flow valuation technique. The Group and the Company did not record any transfers between fair value levels during the reporting period.

## Contingent liabilities from lawsuits

A class action lawsuit was filed against Telekom Slovenije during the first quarter of 2023 by the Pan-Slovenian Small Shareholders' Association (VZMD) for the reimbursement of damages in the estimated amount of EUR 122,689,762.25 with appertaining amounts. That lawsuit allegedly represents damages incurred by the Company's subscribers in the period 1 January 2018 to 1 December 2022. Telekom Slovenije submitted its response by the prescribed deadline with regard to the existence of conditions for confirmation of the class action lawsuit.

## Contingent liabilities from guarantees issued

The Group had provided the following guarantees as at 30 June 2023:

- performance guarantees and warranty bonds in the amount of EUR 12,613 thousand (at the end of 2022: EUR 11,507 thousand); and
- other guarantees in the amount of EUR 640 thousand (at the end of 2022: EUR 218 thousand).

The Company had provided the following guarantees as at 30 June 2023:

- performance guarantees and warranty bonds in the amount of EUR 9,238 thousand (at the end of 2022: EUR 8,281 thousand); and
- collateral and other guarantees in the amount of EUR 54 thousand (at the end of 2022: EUR 170 thousand).

None of the above stated liabilities meet the conditions for recognition in the statement of financial position, and the Group does not expect any material consequences as the result thereof.

## Related party transactions

Related parties of the Company include the Republic of Slovenia as the majority shareholder of Telekom Slovenije, other shareholders, members of the Management Board, members of the Supervisory Board and their family members.

### Transactions with individuals

Individuals (members of the Management Board and Supervisory Board) held 1,178 shares in Telekom Slovenije as at 30 June 2023, representing a holding of 0.01802%.

### Transactions with owners and their related parties

The majority owner of Telekom Slovenije is the Republic of Slovenia, which together with Slovenski državni holding (SDH), holds a 66.79% participating interest in Telekom Slovenije.

Parties related to owners include those companies in which the Republic of Slovenia and SDH together hold a direct participating interest of at least 20%. A list of the aforementioned companies is published on SDH's website (<http://www.sdh.si/sl-si/upravljanje-nalozb/seznam-nalozb>).

The total value of transactions is presented in the table below.

in EUR thousand	Telekom Slovenije Group		Telekom Slovenije	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Outstanding trade receivables	5,866	4,726	4,503	4,247
Outstanding trade payables	2,096	4,871	1,979	4,830
VAT liabilities	6,156	3,706	6,159	3,695
Income tax payable	260	3,803	258	3,437
in EUR thousand	I – VI 2023	I – VI 2022	I – VI 2023	I – VI 2022
Sales revenue	12,357	7,695	9,078	6,746

Purchase costs of material and services	13,368	5,399	12,819	5,075
<b>in EUR thousand</b>	<b>I – VI 2023</b>	<b>I – VI 2022</b>	<b>I – VI 2023</b>	<b>I – VI 2022</b>
VAT payment	28,886	25,555	28,786	25,263
CIT payment	416	5,850	-112	5,213

### Transactions with Group companies

Telekom Slovenije recorded the following transactions with Group companies:

<b>in EUR thousand</b>	<b>30 June 2023</b>	<b>31 December 2022</b>
<b>Receivables due from companies in the Group</b>		
Subsidiaries – gross amount	4,659	4,015
Subsidiaries – impairment	-17	-17
Subsidiaries – net amount	4,641	3,998
<b>Borrowings to companies in the Group</b>		
Subsidiaries – gross amount	47,798	57,553
Subsidiaries – net amount	47,798	57,553
<b>Liabilities to Group companies</b>		
Subsidiaries	19,555	26,721
<b>in EUR thousand</b>	<b>I – VI 2023</b>	<b>I – VI 2022</b>
<b>Net Group revenue</b>	<b>6,958</b>	<b>7,047</b>
<b>Purchase of material and services in the Group</b>	<b>10,527</b>	<b>9,493</b>

### Loans granted to subsidiaries

<b>in EUR thousand</b>	<b>30 June 2023</b>	<b>31 December 2022</b>
GVO, d.o.o.	3,001	2,993
TSmedia, d.o.o.	451	290
IPKO	32,500	42,649
Soline, d.o.o.	2,000	1,275
SIOL, d.o.o., Zagreb	386	458
SIOL, d.o.o., Sarajevo	4,272	4,413
SIOL, Beograd	76	151
Infratel, d.o.o.	2,459	2,453
SIOL Prishtina LLC	2,654	2,871
<b>Total to subsidiaries</b>	<b>47,798</b>	<b>57,553</b>

All transactions between related parties are executed at market terms.

### Events after the reporting date

Events after the reporting date are described in the business section of this report, in Section 6 Significant events after the reporting date.

### 7.3. Financial instruments and risk management

The financial risks to which the Telekom Slovenije Group and Telekom Slovenije are most exposed in their operations are credit risk, solvency risk and interest rate risk. Exposure to individual types of financial risks is assessed regularly, while the appropriate measures to manage those risks are implemented based on an assessment of potential negative effects on financial stability.

#### Credit risk

Credit risk is the risk of financial loss if a subscriber or contracting party fails to settle their obligations in full or fails to settle them at all.

The maximum exposure to credit risk equals the book value of financial assets.

in EUR thousand	Telekom Slovenije Group		Telekom Slovenije	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Loans granted	15	25	47,813	57,578
Deposits	2	802	0	20
Trade and other receivables	176,046	176,931	166,895	170,130
- of which trade receivables	170,772	170,406	162,594	164,768
Cash and cash equivalents	27,200	37,382	17,405	19,573
<b>TOTAL</b>	<b>203,263</b>	<b>215,140</b>	<b>232,113</b>	<b>247,301</b>

The main credit risk to which the Group and Telekom Slovenije are exposed derives primarily from default by subscribers (retail) and by operators (wholesale). The highest exposure to credit risk is seen in trade receivables. The latter amounted to EUR 170,772 thousand as at 30 June 2023, an increase of EUR 366 thousand relative to the end of 2022. Telekom Slovenije's receivables make up the majority of the Group's trade and other receivables. Most receivables are unsecured. The Group's receivables are accounted for by a large number of individuals and legal entities. Its largest customers are operators, where turnover generally flows in both directions, which reduces net credit exposure. We assess that there is no significant concentration of credit risk vis-à-vis a particular customer or economic sector.

Procedures aimed at the management of receivables are implemented at Group companies and include the monitoring of business partners' credit ratings, the collateralisation of receivables, the monitoring of high-traffic subscribers and debt collection activities. The recovery procedure is conducted according to a pre-defined timeline (reminders and disconnection) and through specialised outsourced service providers. Telekom Slovenije requires the prior authorisation of an individual customer for concluding and changing subscription relationships, and for purchasing goods with deferred payment. As an additional measure for managing credit risk, larger Group companies have implemented systems to prevent fraud, i.e. a Fraud Management System (FMS). Telekom Slovenije, which has mostly post-paid customers, also has in place a Credit Management System (CMS).

As a result of procedures introduced for managing receivables, credit risk is assessed as manageable.



## Maturity analysis of receivables of the Telekom Slovenije Group as at the reporting date

in EUR thousand	30 June 2023				31 December 2022			
	Gross amount	Expected % of credit losses	Impairment	Net amount	Gross amount	Expected % of credit losses	Impairment	Net amount
<b>Total trade receivables</b>	<b>190,469</b>		<b>-19,697</b>	<b>170,772</b>	<b>188,380</b>		<b>-17,974</b>	<b>170,406</b>
Trade receivables not past due	157,976	0.5%	-792	157,184	155,985	0.5%	-714	155,271
<b>Past due</b>								
- up to and including 30 days	7,404	4%	-275	7,129	8,565	4%	-316	8,249
- from and including 31 days up to and including 60 days	2,745	11%	-297	2,448	2,990	11%	-318	2,672
- from and including 61 days up to and including 90 days	779	16%	-123	656	1,365	16%	-212	1,153
- from and including 91 days up to and including 180 days	2,340	45%	-1,043	1,297	2,078	45%	-941	1,137
- from and including 181 days up to and including 365 days	3,119	54%	-1,675	1,444	2,297	55%	-1,265	1,032
- from and including 366 days up to two years	5,810	92%	-5,361	449	5,484	84%	-4,605	879
- over two years	7,272	98%	-7,107	165	6,484	100%	-6,472	12
- trade receivables in insolvency proceedings	3,024	100%	-3,024	0	3,132	100%	-3,131	1
<b>Total trade receivables past due</b>	<b>32,493</b>		<b>-18,905</b>	<b>13,588</b>	<b>32,395</b>		<b>-17,260</b>	<b>15,135</b>
Other trade receivables	5,274		0	5,274	6,525		0	6,525
<b>Total receivables</b>	<b>195,743</b>		<b>-19,697</b>	<b>176,046</b>	<b>194,905</b>	<b>0</b>	<b>-17,974</b>	<b>176,931</b>

## Maturity analysis of receivables of Telekom Slovenije as at the reporting date

in EUR thousand	30 June 2023				31 December 2022			
	Gross amount	Expected % of credit losses	Impairment	Net amount	Gross amount	Expected % of credit losses	Impairment	Net amount
<b>Total trade receivables</b>	<b>177,733</b>		<b>-15,139</b>	<b>162,594</b>	<b>178,525</b>		<b>-13,757</b>	<b>164,768</b>
Trade receivables not past due	151,340	1%	-798	150,542	151,819	0.5%	-724	151,095
<b>Past due</b>								
- up to and including 30 days	6,576	4%	-262	6,314	7,793	4%	-312	7,481
- from and including 31 days up to and including 60 days	2,472	11%	-272	2,200	2,725	11%	-300	2,425
- from and including 61 days up to and including 90 days	674	15%	-99	575	1,205	15%	-181	1,024
- from and including 91 days up to and including 180 days	1,790	46%	-823	967	1,792	46%	-824	968
- from and including 181 days up to and including 365 days	2,710	50%	-1,355	1,355	1,819	50%	-909	910
- from and including 366 days up to two years	2,562	75%	-1,921	641	2,404	64%	-1,538	866
- over two years	7,098	100%	-7,098	0	6,462	100%	-6,462	0
- trade receivables in insolvency proceedings	2,511	100%	-2,511	0	2,506	100%	-2,507	-1
<b>Total trade receivables past due</b>	<b>26,393</b>		<b>-14,341</b>	<b>12,052</b>	<b>26,706</b>		<b>-13,033</b>	<b>13,673</b>
Other trade receivables	4,301		0	4,301	5,362		0	5,362
<b>Total receivables</b>	<b>182,034</b>		<b>-15,139</b>	<b>166,895</b>	<b>183,887</b>		<b>-13,757</b>	<b>170,130</b>

The Telekom Slovenije Group and Telekom Slovenije also monitor credit risk in other areas of operations. Bank balances are allocated according to the principles of minimising risks and achieving the appropriate diversification by banks. Concentration risk is thus low. Credit risk is low as, due to the stability of the banking system and high liquidity of banks, there is no major risk in terms of bank balances. Thus, no expected credit

losses have been recorded for cash and cash equivalents, as such losses are deemed insignificant given the dispersion of cash across multiple banks.

The Group is also exposed to risks associated with receivables arising from loans to employees and investments in short-term deposits. Lending risk is low, as loan repayments are mostly settled through payroll, while risks in connection with deposits are managed by monitoring the credit ratings of individual banks. No expected credit losses have been recorded for the aforementioned investments, as the latter are deemed insignificant with regard to total assets.

Telekom Slovenije is exposed to credit risk arising from receivables from loans granted to subsidiaries. The Company did not create impairments of the aforementioned receivables during the first half of 2023. The Company regularly monitors and supervises the operations of its subsidiaries and their ability to repay loans, and thus further mitigates the related credit risk.

#### Maturity of loans granted

in EUR thousand	Telekom Slovenije Group		Telekom Slovenije	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
<b>Past due</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Not past due:</b>	<b>15</b>	<b>25</b>	<b>47,813</b>	<b>57,578</b>
- in less than 3 months	4	7	5,520	3,212
- between 3 and 12 months	6	10	5,928	8,284
- between 1 and 2 years	4	6	27,850	14,332
- between 2 and 5 years	1	2	4,750	27,560
- over 5 years	0	0	3,765	4,190
<b>Total</b>	<b>15</b>	<b>25</b>	<b>47,813</b>	<b>57,578</b>

#### Solvency risk

The Telekom Slovenije Group continuously settles its liabilities. The Group's solvency is the result of the active planning and management of cash flows, ensuring the appropriate maturities and the diversification of financial debt, financing within the Group, and the optimisation of working capital and cash. Liquidity risk at the Group level is managed by the controlling company, which plans and monitors subsidiaries' financing needs, and provides them the sources they require.

The majority of the Group's financial liabilities relate to two long-term syndicated loans in the total amount of EUR 250 million, a long-term loan in the amount of EUR 100 million from the European Investment Bank, and lease liabilities in the amount of EUR 72.9 million at the Group level and EUR 72.5 million at the Company level. The Group and Company regularly repay their liabilities from financing.

Telekom Slovenije repaid long-term loans in the total amount of EUR 20.1 million during the first half of 2023.

For the purpose of ensuring short-term liquidity, the Group and Company have open short-term credit lines at banks that are rolled over taking into account envisaged needs. Total liquidity reserves in the form of approved but undrawn short-term revolving credit lines and overdraft facilities at banks amounted to EUR 57 million as at 30 June 2023.

Maturity of the Telekom Slovenije Group's financial liabilities as at 30 June 2023 and 31 December 2022 based on contractual non-discounted payments

in EUR thousand	Up to 3 months	Between 3 and 12 months	Between 1 and 2 years	Between 2 and 5 years	Not past due		Book value of liabilities
					Over 5 years	Total	
30 June 2023							
Loans and borrowings	802	139,783	38,700	158,017	55,482	392,784	350,033
Other financial liabilities	0	2	0	0	0	2	2
Trade and other payables	63,572	34,460	10,623	1,659	6,056	116,370	116,370
Financial liabilities from leases	5,434	7,032	11,275	23,596	41,820	89,157	72,873
Total	69,808	181,277	60,598	183,272	103,358	598,313	539,278
31 December 2022							
Loans and borrowings	8,505	137,413	37,817	96,473	132,639	412,847	370,087
Other financial liabilities	2	0	0	0	0	2	2
Trade and other payables	89,528	34,387	3,669	443	4,065	132,092	132,092
Financial liabilities from leases	5,541	6,695	12,046	23,504	37,206	84,992	69,945
Total	103,576	178,495	53,532	120,420	173,910	629,933	572,126

Maturity of Telekom Slovenije's financial liabilities as at 30 June 2023 and 31 December 2022 based on contractual non-discounted payments

in EUR thousand	Not past due					Total	Book value of liabilities
	Up to 3 months	Between 3 and 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years		
30 June 2023							
Loans and borrowings	802	139,783	38,700	158,017	55,482	392,784	350,033
Trade and other payables	58,218	15,487	10,359	1,661	160	85,885	85,885
Financial liabilities from leases	6,080	8,701	9,620	25,603	36,050	86,054	72,515
Total	65,100	163,971	58,679	185,281	91,692	564,723	508,433
31 December 2022							
Loans and borrowings	8,505	137,413	37,817	96,473	132,639	412,847	370,087
Trade and other payables	87,396	11,905	3,278	443	125	103,147	103,147
Financial liabilities from leases	6,194	8,195	10,211	26,011	36,394	87,005	73,398
Total	102,095	157,513	51,306	122,927	169,158	602,999	546,632

## Interest-rate risk

Interest-rate risk is the risk of the negative impact of a change in market interest rates on the Group's operations. The exposure of the Group and Company to interest rate risk as at 30 June 2023 derives from a potential change in the EURIBOR reference interest rate.

Liabilities from loans raised with variable interest rates tied to the 6-month EURIBOR accounted for 71% of the financial liabilities of the Group and Company<sup>1</sup> as at 30 June 2023. Other liabilities derive from long-term loans bearing fixed interest rates.

The Group and Company had an interest-rate swap in the amount of 50% on one of three loan tranches that fell due for payment on 31 March 2023 with the aim of partially hedging exposure to interest rate risk as the result of a long-term syndicated loan. By hedging interest-rate exposure through the use of an interest-rate swap (IRS), the Group and Company partially hedge future cash flows against the risk of rising interest rates.

### Exposure to interest-rate risk

in EUR thousand	Telekom Slovenije Group		Telekom Slovenije	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
<b>Financial instruments with variable interest rate</b>				
Financial liabilities	249,560	265,824	249,560	265,824
<b>Net financial liabilities</b>	<b>249,560</b>	<b>265,824</b>	<b>249,560</b>	<b>265,824</b>

The table does not include non-interest-bearing financial instruments and instruments bearing a fixed interest rate, as they are not exposed to interest rate risk.

### Sensitivity analysis

The sensitivity analysis illustrates the impact of a change in the EURIBOR reference interest rate on the profit before tax of the Group and Company on the reporting date.

### Interest-rate risk table

January to June 2023	Interest-rate increase/decrease	Effect on profit before tax in EUR thousand	
		Telekom Slovenije Group	Telekom Slovenije
EURO	+100 bp	-2,496*	-2,496*
EURO	-100 bp	2,496*	2,496*

2022	Interest-rate increase/decrease	Effect on profit before tax in EUR thousand	
		Telekom Slovenije Group	Telekom Slovenije
EURO	+100 bp	-2,526*	-2,526*
EURO	-100 bp	2,658*	2,658*

\* The calculation applies to the previous 12 months.

<sup>1</sup> Includes the balance of principle on long-term loans.

## EURIBOR interest rate value

EURIBOR	Value as at 30 June 2023	Value as at 31 December 2022	Change (in percentage points)
6-month	3.900	2.693	1.207

## Capital management

The objectives of the Group's and Company's capital management are capital adequacy and thus long-term liquidity, as well as financial stability, which ensures the best possible credit rating for the further financing of the Group's and Company's operations and development, and consequently the maximisation of shareholder value.

The Group and Company monitor changes in equity using the debt-to-equity and equity-to-total assets ratios. The Group's net financial debt includes loans received and other financial liabilities, less current financial assets and cash and cash equivalents. When adopting decisions relating to capital management, the Group also follows the financial covenants under loan agreements.

in EUR thousand	Telekom Slovenije Group		Telekom Slovenije	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Borrowings and other financial liabilities	422,363	439,387	422,004	442,838
Less current investments, cash and cash equivalents	-27,212	-38,219	-28,853	-31,089
<b>Net liabilities</b>	<b>395,151</b>	<b>401,168</b>	<b>393,151</b>	<b>411,749</b>
Equity	635,319	611,677	622,635	606,233
<b>Total assets</b>	<b>1,274,989</b>	<b>1,275,338</b>	<b>1,208,930</b>	<b>1,223,290</b>
Debt/equity ratio	62.2%	65.6%	63.1%	67.9%
Equity to total assets	49.8%	48.0%	51.5%	49.6%