

# Telekom Srbija's 2023 consolidated annual business report

Telekom Srbija a.d. Beograd



Telekom Srbija

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# Opening address

Observing the operating results in 2023, we are very proud of the fact that we have stepped up the leadership position in the region, both in terms of revenues and the number of customers, and the support of innovative digital solutions. We are pleased to present you with the Annual Business Report of Telekom Srbija Group for 2023, where we managed to repeat the extraordinary business results, respond to all challenges in these turbulent times and reinforce the perception of a modern, customer-oriented, efficient and profitable company.

Our business imperative still remains to develop and expand the company, aiming to become, in not so distant future, one of the most valuable companies in this area of Europe. As we are in the third year of the current strategic cycle, we firmly stand on the same path and with great passion we continue fortifying our positions, building trust and continuously creating value for our customers, aspiring to present ourselves as a unique and recognizable future-oriented company. That is why I would like to take this opportunity to share with you what we achieved last year.

Operating revenues, on a consolidated basis, amounted to more than RSD 230 billion in 2023, while the operating profits, before depreciation, interest and taxes (EBITDA) reached RSD 128 billion, which is a remarkable result in the circumstances of increased competitive pressure and a growing global crisis.

The upward trend of revenues at the level of Telekom Srbija Group was maintained in 2023 as well, with a steady rise in the total number of customers at the Group level as follows: 4% in the Internet and 5% in the multimedia spheres. In the mobile telephony segment, the number of prepaid customers increased by 2% and that of post-paid customers by 4%, respectively.

Investments made in the course of 2023 (at the level of Telekom Srbija Group) amounted to 118.6 billion dinars and were mainly aimed at media consolidation and coproduction and further development of the fixed and mobile access networks and IT investments.

Owing to the aforementioned investments in infrastructure modernization and continuous improvement in the quality of services in all categories, for the fifth year in a row our company takes the leading position regarding the quality of services provided by mobile operators in the Republic of Serbia.



Vladimir Lučić ■ CEO

It is attested by studies, both by RATEL and other reputable international companies.

To retain the leading position and the quality of our network and services, the company makes further investments in their expansion and improvement. The introduction of 5G network and services is one of the crucial projects in the years to come, and I am convinced and pleased to confirm that our company is fully prepared to take that step. We will endeavour to be a role model of fast growth and maximal monetization of 5G network, and we will enable public and private sectors to implement the cutting-edge services via this network, from having their virtual private networks to being able to use autonomous vehicles in their business. It should be noted here that the official EU bank – European Investment Bank (EIB), has chosen us, as the leader in the West Balkans, as its exclusive partner in the whole region for rolling out the state-of-the-art 5G network.

As a strong national operator, we can play a major part in the development of the approaching digital future that will be based on AI, 5G network and optical internet. Our company can significantly accelerate such future, as it has been intensely involved, for a couple of years now, with the modalities of AI application in the spheres of better understanding of customers and making tailor-made offers, and improving customer support.

We regard the AI application as a big opportunity for enhancing all segments of our business, but also for the offer of the most innovative services on the market. Along with AI development, Cyber security is getting more important and challenging. A growing number of companies use our services, since they understand the importance and complexity of this issue, and they find it difficult to keep pace with complex requirements of IT security and safety. That is why we plan to position ourselves as the leader on the Serbian market, offering the latest solutions in this sphere.

Continuous efforts are made on a large project of introducing optical internet in remote rural areas in Serbia, in cooperation with Serbian Government and EU, through the European Bank for Reconstruction and Development (EBRD). This project envisages the provision of high-speed internet access for more than 120.000 households and 700 schools in rural areas. To meet the demands of customers for cutting roaming costs with EU countries, in coordination with EU and other operators, we are actively involved on the project of cutting roaming costs. On the road to digital transformation of business, the exclusive partnership with Vodafone, persisting for three years now to mutual satisfaction, has been continued and extended to cover a whole range of processes and services, supported by the expertise in the domain of optimizing business and reducing costs.

Through enhancing the offer of Arena Cloud application, additional functionalities have been provided, by introducing Naša Arena (Our Arena) package, for all sport lovers in the country and abroad. Besides streaming of matches from the locations where specialized cameras are installed, Naša Arena enables the customer to watch already played matches.

This year, a number of new internet and TV customers joined our company. This is the result of extraordinary content available on our TV channels, primarily movie and sport channels. A true revolution was created in sport programmes. The best quality offer of sport programme in the region was completed and improved, which created the strongest sport channel in this area (Champions League, English Premier League, Spanish, Italian and French Football Leagues, NBA League, ABA League, NFL...). We are entitled to say that we have become one of the strongest production companies in the region, as we continue with significant results in the production and promotion of content, predominantly series and films, sold on five continents in cooperation with renowned global distributors.

The company plans to become more involved with co-production of content with large global players, the strategy that has been acclaimed and the quality of our work recognized by the leading world companies in this industry, such as Amazon Prime Video and TV España, with whom we film the Scar series – which anticipates a world-wide success.

In addition to top-rated multimedia content, we have additionally upgraded, technically, our multimedia solution Iris TV and developed a new multimedia platform under the Move brand, launched on the markets of Bosnia-Herzegovina, Montenegro, North Macedonia and Turkey. This is a part of strategy for delivering an outstanding user experience in the multimedia sphere, with significantly lower investments and operating expenses.

By continuously enhancing the services and user experience, Telekom Srbija Group has been rendering its services for more than 11.5 million customers in the region and in Europe, actively proceeding with further development of its digital services, with ambitious plans regarding the expansion of its business in the region and in the countries with strong expat presence. Besides the markets of Bosnia-Herzegovina, Montenegro, North Macedonia, Austria and Switzerland, where our company is already present, in 2023 we have expanded our business to the markets of Germany and Turkey. Once we expand our business next year to the US market, Telekom Srbija Group will be present on three continents in nine countries, including some of the strongest global economies. This will cover more than 500 million customers, from the U.S. to Turkey, investing in the services that will help us reach considerable number of new customers in such countries. There is a vivid interest in our services, not only among our expats, but also among those originating from our language area. In this way, we will complete yet another cycle of business expansion, launched six years ago by fundamental corporate reorganization and audacious embarking on several strategic initiatives.

In order to achieve as successful as possible cooperation with the EU institutions and expand our international presence, in early 2023 we have become the first local company to open its branch office in Brussels, with the goal to effectively and efficiently apply the EU regulations and standards in business operations, and to establish better communication with European institutions and representatives.

TS Ventures Fund, founded by Telekom Srbija, is the first 'Corporate Venture Capital' fund in this part of Europe, which represents a response to the challenge that telcos around the globe are faced with.

The success of this strategically designed move is reflected in the fact that we have managed to have, for barely two years of operations, a record number of investments in our portfolio – as many as 12 start-ups relying on different technologies. Likewise, we have achieved the first 'exit' - 60 Seconds start-up has found an investor in the Middle East that acquired their overall business. This step was certainly successful for us, since we have tripled the invested money. The fund will be one of the key pillars of our transformation from a traditional telco to a telecommunications company from the future.

Despite intensive business activities, it is necessary to emphasise a significant

activity that Telekom Srbija Group, as a socially responsible company, aware of its impact on social and living environment, takes in the field of socially responsible business and efficient use of resources with the goal to preserve the environment. In addition to regular publication of the annual ESG report, we strive, as usual, to share a part of our business success with the community, fully observing the principles of the UN's Global Compact (UNGC) which we are a member of, through a wide range of socially responsible activities, thus contributing to the creation of a better society for all community members.

In 2023, efforts were made to train the employees for efficient use of data and AI technology. This is a part of a more extensive plan for further digitalization and modernization of business, with the goal to optimize costs, study new technologies and markets and faster development of digital services and content, retaining the focus on customers and their needs. These highly set strategic goals, integrated in all our business activities, implicitly lead to the need for further continuous work on the development of corporate spirit, boosting motivation, but also security and positions of employees, along with enhancing the conditions for attracting new employees and young talents.

At the end, I would like to express my special gratitude and respect to our customers, partners, shareholders and members of the Supervisory Board, for their patience and unconditional trust in our work.

Naturally, without the efforts of all our employees, their commitment, optimism and readiness to cope with all the challenges and tasks, we could not have achieved all these impressive results. Therefore, I proudly stress their part and I invite them, as I always did, to keep resolving all our issues through joint efforts, and to celebrate accomplishments together.

**Kind regards,**

**Vladimir Lučić**  
**CEO**

We have  
been with your for



YEARS NOW

1



# Results

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**12**  
MEMBERS WITH  
DIRECT  
INTEREST



GROUP'S EBITDA  
**128** BILLION  
RSD



**11.5** MILLION  
CUSTOMERS



**13,510**  
EMPLOYEES



EUROPEAN  
AND U.S.  
MARKETS



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# Telekom Srbija as a catalyst

## Mission

With the synergy of experience and new knowledge, we are transforming our company and improving the satisfaction of our customers. We offer them seamless connectivity and a superior digital experience anywhere and anytime, making us their first choice in the markets where we operate.

## Vision

A reliable global partner in the digital world with no boundaries.

## Values

### Customers

All our activities begin and end with a customer. Satisfied customers are our greatest value. With state-of-the-art technologies and digital services we develop and provide, we endeavour to create needs and exceed their expectations, creating an exceptional user experience.

### Team

Agile teams are the key to success in the digital era. We create a synergy of expertise, skills and experience. We are open for different opinions and we respect differences. We are guided by joint goals and we share the same values in everything we do. We celebrate success and foster a culture of togetherness.

### Responsibility

We take the responsibility for the results of our work. The manner in which we The way we approach work reflects our willingness to take initiative, deliver more than expected and contribute to the success of the team and the company we work for. Through our actions, we build trust and create value for our customers, partners, shareholders and society as a whole.

### Changes

We are changing ourselves and our business environment. We recognize opportunities and chances for business improvement and digitization. We boldly explore new opportunities, new markets. We ensure sustainable growth

and development with creative and innovative solutions. We encourage initiative and constantly acquire new knowledge and skills for the digital era.

## Result

We are focused on the result and achieve it together. We do the right things the right way and strive for excellence in everything we do. We are not afraid of making mistakes, but of not trying. We are dedicated and persistent in achieving our goals, which is why we remain the first choice of users.

## Corporate culture

In the conditions of dynamic development of technologies and strong competition in the telecommunications market, not only do we wish to strengthen our leadership position in all market segments, but also to dictate trends and be pioneers in innovation. To achieve that, it is necessary to continuously acquire new knowledge and skills and to adapt quickly to changes. Also, what we believe in and how we behave in our daily work and in our relationship with others largely determines the extent to which the corporate culture supports the future development of the company. That is why it is important to promote positive behaviours in the Company that will encourage employees to be innovative, to be promoters of our services whenever they have the opportunity and to give their best in the performance.

Corporate culture directly relates to employees' dedication. A positive culture, i.e. the culture of high results nurtures the feeling of belonging, purpose, respect for joint values, boosting the employees' satisfaction and dedication. Besides, it creates the environment where employees feel motivated, appreciated and connected with the mission and vision, i.e. with the company's strategic goals. That is why it is said that high-performing employees shape the work ambience and contribute to the creation of positive culture or high-performance culture.

In that regard, in late 2023, a study was conducted related to the level of employee commitment, as the key dimension of corporate culture, by measuring the basic dimensions and their main drivers: result orientation, loyalty and commitment to the company and personal development, identification with the team and satisfaction with work and other aspects of work, including the work-life balance. The questionnaire was filled out by 40% of employees, which is a much better turnout compared to previous years. By analyzing all dimensions, positive features of overall employee commitment were established, as well as a space for their further improvement, which will be the basis for taking additional measures next year.

The development of corporate culture is significantly induced by **Communities** – a virtual space where employees can communicate with their peers, share

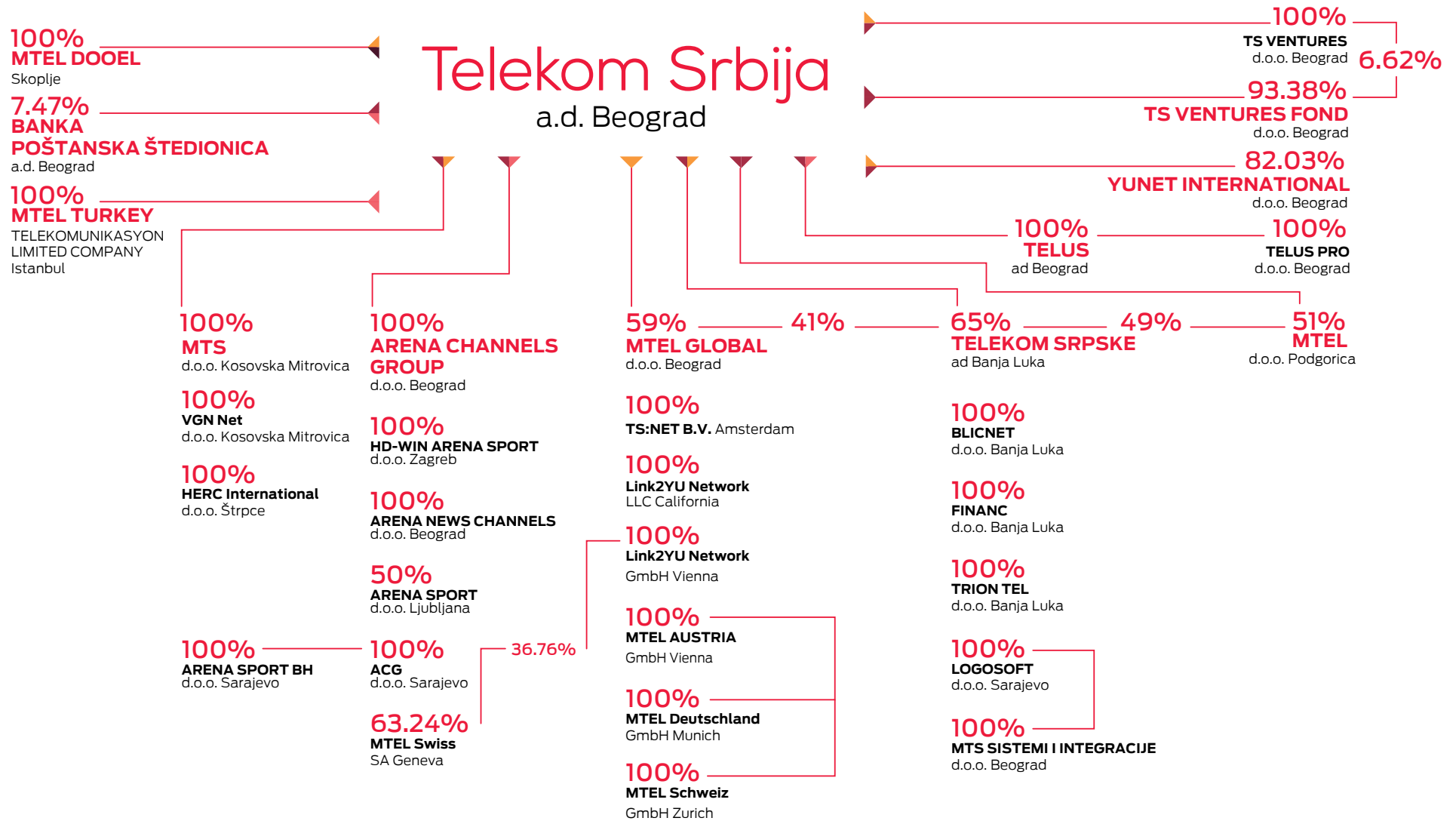


information, know-how and experience. Last year, two new communities were set up, making up 8 in total. The communities have recorded massive visits – in 2023 85% of employees accessed the Communities, which testifies to the fact that employees have been increasingly embracing the digitalization and realize the importance of digital transformation. At the same time, it helps boost their commitment and work motivation, which is critical for the development of corporate culture and raising the company's efficiency.

Applicable are documents which direct the employees to promote corporate values inside and outside the Company

- Code of Corporate Conduct
- Corporate Dress Code
- Standards of business communication.

# Telekom Srbija Group



## **Telekom Srbija a.d. Beograd** **mts.rs**

Telekom Srbija is one of the leading telecommunications operators in the territory of Serbia in all business segments. It was set up on 23 May 1997 in the process of the structural and ownership transformation of the PTT system of Serbia, as a single-member joint stock company. From June that same year, it was owned by three shareholders: JP PTT saobraćaja „Srbija“ (present-day JP „Pošta Srbije“), Telecom Italia and OTE Greece. In 1998, it began to provide mobile services. In 2006, we introduced 3G technology and the provision of ADSL Internet services.

As early as in 2007, Telekom Srbija became the leader in the sphere of telecommunications and began to expand to the markets of Bosnia-Herzegovina and Montenegro. This is how Telekom Srbija Group was set up. In the following years, it successfully kept abreast of market demands and also recognized the importance of introducing fresh services, creating the potential for entering new markets. Apart from the basic telecommunications services, at present it is substantially focused on the development and provision of multimedia, financial and digital products and services, as well as projects of exceptional importance for all people in the diaspora. Telekom Srbija has no branches.

The ownership structure of Telekom Srbija is detailed on the website of the Central Securities Depository and Clearing Registry. Telekom Srbija has ownership in the following subsidiaries:

## **Telekom Srpske a.d. Banja Luka** **mtel.ba**

One of the three national telecom operators in Bosnia-Herzegovina, it offers unique communications solutions integrated under the corporate brand of m:tel. The following subsidiaries are owned by it:

- MTEL d.o.o. Podgorica (49% stake)
- MTEL Global d.o.o. Beograd (41% stake)
- Logosoft d.o.o. Sarajevo (100% stake), it owns Mts Sistemi i integracije, Beograd (100% stake)
- Blicnet d.o.o. Banja Luka (100% stake)
- Financ d.o.o. Banja Luka (100% stake)
- Trion Tel d.o.o. Banja Luka (100% share)

## **mtel d.o.o. Podgorica** **mtel.me**

In April 2007, mtel Podgorica obtained a third-operator licence in the territory of Montenegro. Its ownership structure is as follows: 51% Telekom Srbija, 49% Mtel Banja Luka.

After obtaining the licence for the operation of the mobile network, a state-of-the-art mobile network was built within a period of only 77 days, a period unrecorded so far.

Mtel Podgorica started the development of cable network in 2015, through one of the largest greenfield projects in Montenegro, and it presently covers 90% of households with optical internet and the best multimedia service.

## **ARENA CHANNELS GROUP d.o.o. Beograd** **tvarenasport.com**

Arena Channels Group is a company dealing with cable telecommunications via the Arena Sport TV channel and is the holder of the broadcasting rights for sports channels in the territory of the Republic of Serbia, Bosnia-Herzegovina, Montenegro, North Macedonia, Croatia and Slovenia.

Arena Channels Group broadcasts the signal of Euronews Serbia, which is a branded affiliation of Euronews and which broadcasts local, regional, national and international news on TV and digital platforms produced by its own team of journalists and correspondents. Euronews Serbia is an information channel committed to objective, impartial and accurate reporting, which the Euronews family and its media promote wherever they are present.

Thanks to the successful cooperation between Bloomberg Media and Arena Channels Group, launched was Bloomberg Adria, the first pan-regional multiplatform business news network in Southeast Europe, with centers in Serbia, Croatia, Slovenia, Bosnia-Herzegovina and North Macedonia. Bloomberg Adria covers business and financial news, analysis and data on the growing community of business decision-makers and future leaders in the region, via electronic (TV), print and digital media as well as mobile and social networks. Bloomberg Adria relies on the strength of Bloomberg journalists and analysts around the world in the creation and successful operation of the new platform, which combines local reporting and coverage of the broad global economy and markets.

Arena Channels Group owns the following subsidiaries:

- HD WIN Arena sport d.o.o. Zagreb (100% stake)
- Arena News Channels d.o.o. Beograd (100% stake)
- Arena sport d.o.o. Ljubljana (50% stake)
- ACG d.o.o. Sarajevo (100% stake) it owns Arena Sport BH doo Sarajevo (100% stake)
- MTEL Swiss SA Geneva (63.24% stake)

### **Mtel Global d.o.o. Beograd** **mtel.global**

Mtel Global was created by integrating the companies which belong to Telekom Srbija Group. The idea of joint operations in the world market arose from the mutual goal – to establish inextricable ties with our people abroad, making it possible for them to foster the tradition and culture of their country of origin. The company rallies more than 100,000 our customers in the territories of the EU, Switzerland, US and Canada.

It owns 100% of the following companies:

- Mtel Austria GmbH, Vienna, it owns MTEL Schweiz GmbH, Zurich and MTEL Deutschland GmbH Munich (100% stake in each)
- TS:NET B.V. Amsterdam
- Link2Yu Network GmbH, Vienna, it owns MTEL Swiss SA Geneva (36.76% stake)
- Link2Yu LLC California, USA.

### **YUNET INTERNATIONAL d.o.o. Beograd** **yunet.rs**

In 1994, Yunet became the first commercial Internet Service Provider which, keeping abreast of the market trends, transformed itself into a Managed Service Provider in 2017. Its strategic commitment is a full engineering of advanced ICT systems and their implementation per all stages of the life cycle, from the drafting of the strategy to implementation, introduction and maintenance. Their competitive edge is the offer of IoT solutions as smart technology in agriculture, especially in viticulture.

An important novelty in 2023 is the provision of optical internet to residential and business customers which testifies to the current trend and advanced approach of YUNET on the IT market. A large number of satisfied customers testify to quality, seriousness, professionalism and commitment.

### **Telus a.d. Beograd** **telus.rs**

Telus provides the following services: security services for facilities and property and hygiene maintenance in offices and facilities. Telus is operating primarily with the Parent Company, but it endeavours to affirm itself on the market to a larger extent.

Telus has 100% ownership of subsidiary Telus Pro d.o.o. Beograd.

### **mts d.o.o.** **mtsdo.com**

mts d.o.o. was incorporated in October 2015. It holds a full licence for fixed telecommunications and a temporary authorization for mobile telecommunications. Telekom Srbija is the founder with a 100 % share. mts d.o.o. has the 100% ownership in the following companies mts d.o.o.

It owns 100% of the following companies:

- VGN Net d.o.o. Kosovska Mitrovica i
- HERC International d.o.o. Štrpce.

### **MTEL DOOEL Skoplje** **mtel.mk**

MTEL DOOEL Skoplje is a business company incorporated in July 2021 by Telekom Srbija with the seat in Skopje, the Republic of North Macedonia.

The core activity of MTEL DOOEL Skoplje is cable telecommunications. Telekom Srbija is the sole founder and owner of 100% stake in the share capital of the company.

### **TS VENTURES d.o.o. Beograd**

## **tsv.fund**

The Company engaged in the management of alternative investments funds TS Ventures d.o.o. was set up in August 2021. Telekom Srbija is the sole founder and owner of a 100% stake in the share capital of the company.

TS Ventures d.o.o. manages the investments of the alternative venture capital fund in the Republic of Serbia – TS Ventures fond d.o.o. Beograd and provides Telekom Srbija a.d. Beograd, as the founder and investor, with access to innovative solutions for the purpose of expanding the service portfolio and strengthening its market position. Said company offers to the Startup Community of the Republic of Serbia an opportunity for implementing technological ideas in order to boost the national economy.

It has a 6.62% ownership share of Alternative Investment Fund TS VENTURES d.o.o. Beograd, whereas the remainder of the stake is owned by Telekom Srbija (93.38%).

## **TS VENTURES FOND d.o.o. Beograd** **tsv.fund/sr/**

TS VENTURES FOND d.o.o. Belgrade represents the first official Venture Capital Fund in the Republic of Serbia, which was established in accordance with the Law on Alternative Investment Funds. It also represents the first corporate Venture Capital Fund in this part of Europe, with the aim of investing in startups and innovative entrepreneurs who are in the initial phase of developing their business, but on the other hand, have great potential for rapid global business growth. The fund was set up on the model of the world's largest companies and in this manner, by investing in innovations, it will ensure further improvement and growth of its business in the upcoming period.

## **MTEL TURKEY TELEKOMÜNİKASYON LIMITED COMPANY**

Mtel Turkey was established in 2023 by Telekom Srbija, with its head office in Istanbul, Turkey. The core activity of Mtel Turkey is the distribution of media content. In December 2023, this company commenced the provision of its services.

# Corporate governance

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# Corporate governance report for 2023

## Statement on the application of the Corporate Governance Code

In keeping with Article 368 of the Company Law (Official Gazette of RS Nos. 36/11, 99/11, 83/14 – state law, 5/15, 44/18, 95/18, 91/19 and 109/21) and Article 35 of the Accounting Law (Official Gazette of RS Nos. 73/19 and 44/21), Telekom Srbija a.d. Beograd (hereinafter: Telekom Srbija a.d. Beograd or Company) states that it has applied the Corporate Governance Code of Telekom Srbija a.d. Beograd.

## Corporate governance rules that the Company is subject to

In order to improve the institutional and legal framework of corporate governance, Telekom Srbija a.d. Beograd has adopted and applied the Code of Corporate Governance (hereinafter: Code) that is available on the Company web page: <https://mts.rs/Binary/534/Kodeks-korporativnog-upravljanja.pdf>, which regulates the shareholders' rights, the duties and responsibilities of the corporate bodies of the Company and its members, the remunerations for work and rewards paid to the members of the Company corporate bodies, public communication, disclosure of information and transparency and improvement of the corporate system and business ethics.

The Code is based on the generally accepted principles of corporate governance established by the OECD and it contains the principles of corporate practice and organization of structure that the holders of corporate governance in the Company, the members of the Company corporate bodies and all the employees should comply with.

The Code supplements the rules contained in the Company Law (hereinafter: Law), Decision on the organization of Telecommunications Company Telekom Srbija a.d. for harmonization with the Company Law – Memorandum of Incorporation and Articles of Association of Telekom Srbija a.d. Beograd.

The Company's Supervisory Board is in charge of applying and interpreting the Code, ensuring compliance with the Code and harmonization of the behaviour and activity of the Company and its corporate bodies with the principles and norms established by this Code, and amending the contents of the Code following the current trends and best practice of corporate governance.

The Company is also a member of the Global Compact in Serbia, a local

association of the United Nations and a signatory to the Declaration on Combating Corruption. As a member of this association, the Company is committed to harmonizing its business with the ten universal principles in the field of human rights, labour, environmental protection and the fight against corruption promoted by UN acts.

A special segment in the implementation of the corporate governance system is determined by the fact that through large strategic acquisition investments Telekom Srbija a.d. Belgrade has acquired ownership in a large number of companies operating both in the territory of the Republic of Serbia, and abroad. At present, in addition to the parent company, the group owned by Telekom Srbija a.d. also includes the following directly related legal entities: Telekom Srpske a.d. Banja Luka, mtel d.o.o. Podgorica, Telus a.d. Belgrade, ARENA CHANNELS GROUP d.o.o. Belgrade, Mtel Global d.o.o. Belgrade, mts d.o.o. Kosovska Mitrovica, YUNET INTERNATIONAL d.o.o. Belgrade, MTEL DOOEL Skoplje and Company for Managing Alternative Investment Funds TS VENTURES d.o.o. Beograd and Alternative Investment Fund TS VENTURES d.o.o. Beograd and Mtel Turkey Telekomünikasyon Limited Company Istanbul. A number of these subsidiaries have their own subsidiaries which, in addition to the territory of the countries of the region, also operate in the territories of the EU member states and the US.

The implementation of a complex system of exercising ownership and governance rights in the mentioned companies is carried out through the harmonization of corporate practice in all the mentioned companies with the corporate practice of Telekom Srbija a.d. in all domains of corporate management, and by supervision, which is carried out in this regard through the bodies of Telekom Srbija a.d. and organizational units that provide them with professional support, as well as through appointment of representatives of Telekom Srbija a.d. Beograd to the bodies of these companies. Of course, all these activities are carried out taking into account the specificities of the legal order and corporate standards in the domicile countries in which these companies have their registered seat.

In addition to the above, the Company is also committed to the promotion of socially responsible behaviour and business.

## Information on takeover bids

During 2023, neither Telekom Srbija a.d. Beograd, nor its subsidiaries submitted a bid for takeover of another company in accordance with the applicable regulations governing takeovers of joint stock companies, and no bid was sent for taking over the shares of Telekom Srbija a.d. Belgrade and / or a subsidiary.

## Principles of work of the Company's corporate bodies

Pursuant to the Corporate Governance Code, in performing its activities, the corporate bodies of the Company cooperate to the largest possible extent, particularly in terms of exchange of information on the issues dealt with by a body which are relevant for the work and decision-making of another body, regular communication and reporting. The Company develops mechanisms and fosters the culture of cooperation between the corporate bodies in performing control over the Company's operations and in the domain of planning, creating and implementing the Company's strategies.

## Description of diversity policy

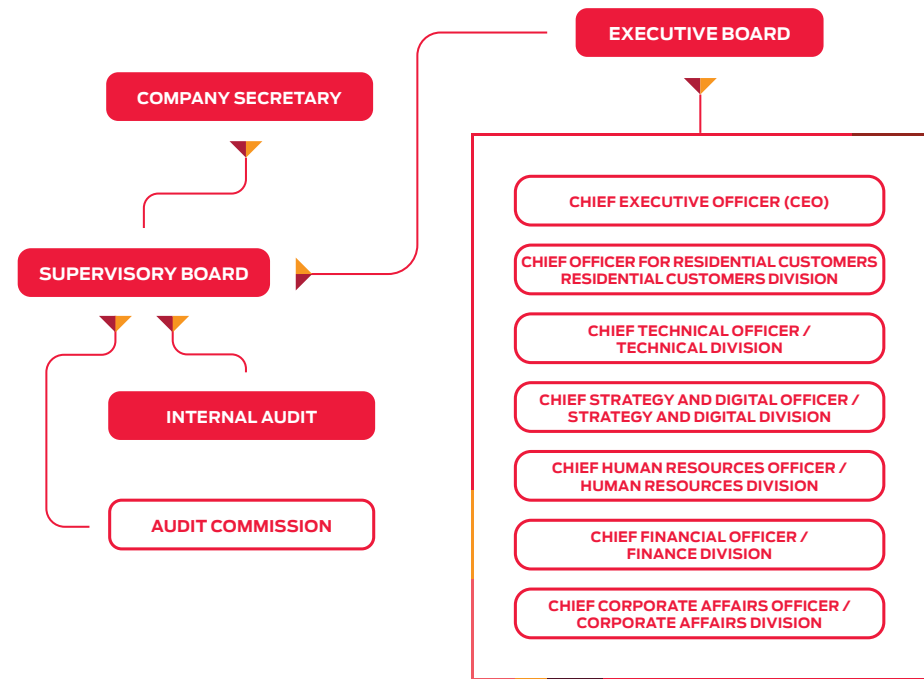
The Company has adopted and implements the policy of diversity with regard to membership in the corporate bodies of the Company – the Supervisory and Executive Boards (hereafter: Diversity Policy), which provides the guidelines for the creation and implementation of diversity management practice in terms of membership of the corporate governance bodies and exercise of the equality of the rights to present different perspectives, which defines the Company's commitment to recognizing different aspects of diversity as to the distribution of membership of the corporate bodies.

By implementing the Diversity Policy, the Company ensures complementarity and divergence of membership of the corporate bodies, taking into account the representation of all aspects of diversity that contribute to the qualitative improvement of decision-making and management of the Company, and which are key to sustainable business and provide support for further development.

## Composition and work of the governance bodies and their boards

The current corporate structure of the Company, pursuant to the applicable regulations and by-laws corresponds to the corporate structure of a joint stock company and management is organized on a two-tier basis, where the bodies include the General Meeting, the Supervisory Board and the Executive Board. Additionally, the system of corporate governance also includes some separate bodies and organizational units that provide professional support to the implementation and improvement of the corporate system as a whole (Auditing Commission of the Supervisory Board, Internal Audit and Secretariat

## Corporate bodies' structure



## General Meeting

The General Meeting is comprised of all the shareholders of the Company.

The share capital is divided into one billion ordinary shares without the nominal value. All the shares of the Company are ordinary shares that represent a single class of shares and each share bears one vote.

The General Meeting Rules of Procedure (available on the Company web page) contain the provision governing the method of work and decision making of the General Meeting and the manner of election, authorization and remunerations for work of the Chairman of the General Meeting, in accordance with the Law and the Company Articles of Association.

**General Meeting sessions.** The regular session of the General Meeting is held once a year, in no later than six months from the expiry of the business year, and the extraordinary session of the General Meeting is held as needed and, in the cases prescribed by the Law or the Articles of Association.



The Company observes the principle of the fair and equal treatment of the shareholders and takes all the measures to that aim including the efficient legal protection of the minority shareholders' rights

**Information and communication with shareholders.** In order to timely, truthfully and completely inform about the issues that are of special importance for the Company operation, and having in mind the large number of shareholders, the Company uses its website - <https://mts.rs/O-Telekomu/Investitori-i-akcionari-in> in the process of communicating with the shareholders and investors.

The invitation for the GM session and the adopted decisions and other documents are published after the GM session and are available on the said web page of the Company.

The communication with the public is based on the principles of truthfulness, accuracy, completeness of data, timeliness, equal availability, confidence building and economy, so that the shareholders, the interested investors, the buyers and suppliers, the government agencies and the general public could be acquainted with the facts and events of importance for the Company's business in an objective manner.

The Company timely prepares and discloses all the material facts concerning the exercise of the Company shareholder's rights.

## Supervisory Board

The Supervisory Board consists of seven members, one of whom is an independent member in terms of the Company Law currently in place.

The members of the Supervisory Board are appointed by the General Meeting in keeping with the current ownership structure and the nominations given by the Republic of Serbia as the majority shareholder. The Supervisory Board elects the chair of the Supervisory Board from among their members by a majority vote of the total number of SB members, at the proposal of the SB members nominated by the controlling shareholder of the Company.

The members of the Supervisory Board as at the date of expiry of the period covered by this report are: Dr Milan Božić, Supervisory Board Chair, Ninoslav Prodanović, Pavle Milić, Miroslav Joksimović, Dr Đorđe Mazinjanin, Marina Zdravković and Dejan Latinović.

The term of office of the Supervisory Board members lasts for 4 (four) years. Pursuant to the applicable Law and the Articles of Association, the Supervisory Board establishes, inter alia, the business strategy and business goals of the Company, supervises the implementation of such goals and work of the chief officers, analyses quarterly statements on the operation, revenues and financial standing of the Company, and other reports submitted by the Executive Board.

The Supervisory Board's report on the company operations and conducted supervision over the work of the Executive Board is submitted to the Company shareholders at a regular session of the General Meeting.

The Supervisory Board adopts its rules of procedure to specify in detail the method of work and decision-making so that they could be in compliance with the Law and the Articles of Association. The Rules of Procedure contain the rules and procedures of work, including the deadlines and the method of delivery of material for a session to the SB members, the voting procedures, the method of preparation and the contents of the minutes from the session, the method of reporting to the SB members on the issues relevant for the performance of their functions, the manner of getting new SB members informed about their rights and obligations, and other issues of relevance for the efficient and quality work of the Supervisory Board.

The policy and the amount of remuneration for work to the SB members are established by the decisions of the General Meeting.

**Supervisory Board Commissions.** The Supervisory Board established the Auditing Commission and it may also establish more commissions in keeping with the Law, the terms of which regarding the election, membership, terms of office, recall, remunerations, method of work and all other relevant issues are regulated by a decision of the Supervisory Board.

Beside the commissions envisaged by the Law, the Supervisory Board may set up other permanent or ad hoc commissions, which will deal with the issues relevant for the work of the Supervisory Board.

The Supervisory Board Commissions shall regularly report to the Supervisory Board in accordance with the decision on the setup of such a commission.

The Supervisory Board shall designate the persons to such commissions who have the appropriate professional and personal characteristics and are experts in the relevant fields. When selecting the members of the commission, the SB shall ensure that they are able to dedicate to the work in the commission to the necessary extent apart from their other tasks.

The Supervisory Board established the Auditing Commission by a special decision and determined therein the conditions for selection, membership, terms of office and other relevant issues. The Auditing Commission has five members, one of whom is the president.

The members of the Auditing Commission are appointed by the Supervisory Board with a two-year term of office (twice shorter than the term of office of the Supervisory Board), provided that the majority members of the Auditing Commission are elected from among the members of the Company Supervisory

Board (one member of the auditing commission must be the independent member of the Supervisory Board with the relevant expertise and work experience in the field of finance and accounting, which is a legal obligation), and other members of the Commission may be the employees in the Company or other natural persons.

The Auditing Commission is responsible for its work to the Supervisory Board and submits reports on its activities in line with the applicable regulations, once a year, and every time when the SB requires so. The Auditing Commission submits proposals to the SB for appointment and recall of the persons managing the activities of internal audit and supervises the work of internal audit.

The Auditing Commission performs the activities falling in its area of competence, as a rule, at the sessions held on a regular basis, which does not exclude the option of working and decision-making outside the sessions.

### **Executive Board**

The Executive Board comprises seven members – chief officers appointed by the Supervisory Board. One of the chief officers, authorized for representation is appointed CEO by the Supervisory Board.

The CEO is the legal representative of the Company and he coordinates the activities of the chief officers and organizes the Company's business activities. Besides CEO Vladimir Lučić, the members of the Executive Board include: Đorđe Marović, chief technical officer, Katarina Subotić, chief sales officer, Marija Spasić, chief finance officer, Gordana Trhulj, chief corporate affairs officer, Draško Marković, chief human resources officer and Natali Delić, chief officer for strategy and digital.

The term of office of the Executive Board spans 4 (four) years.

Pursuant to the Law and the Company's Articles of Association, the Executive Board, among other things, manages the Company's affairs and determines the Company's internal organization, is responsible for the accuracy of the Company's financial statements and business books, prepares General Meeting sessions and an agenda for General Meeting sessions to the Supervisory Board, and performs other tasks and makes decisions in accordance with the Law, the Articles of Association, the decisions of the General Meeting and the Supervisory Board.

Powers and duties, the manner of operation of the Executive Board and related procedural issues were regulated by the Executive Board on the basis of the Rules of Procedure of the Executive Board, and in all respects in accordance with the Articles of Association.

### **Company Secretary**

The Company has its Secretary who is appointed by the Supervisory Board.

In addition to the competencies established by law regarding the preparation of meetings and keeping minutes of meetings of the corporate governance bodies, the Company Secretary is also responsible for communication between the Company and its shareholders and providing access to by-laws and documents in accordance with the Law, organizing coordination of corporate legal practice of the corporate governance bodies and its subsidiaries, and the coordination of other activities in the corporate-legal business segment of importance to the Company and its subsidiaries.

The Company Secretary also organizes the activities of the organizational unit of the Company, set up to support the activities falling within the scope of the Secretary (Secretariat).

### **Internal audit**

Internal audit is answerable to the Supervisory Board of the Company, which in accordance with the Company Act has established an Audit Committee and the Committee is regularly reported to on an annual basis. The detailed manner and procedure of operational performance of internal audit is determined by internal instructions and procedures issued by the Director of Internal Audit.

The task of Internal Audit is to perform the following in accordance with the definition of internal audit, needs and requirements of the Company:

- audit of the efficiency and effectiveness of the internal control system in all business functions of the Company (including the Electronic Money and Payment Services Department)
- audit of defined procedures, authorizations and by-laws of the Company and their application
- audit of the implementation of the laws by the Company;
- audit of the managing activities and conduct of the business policy;
- audit of compliance of the relevant data, reported and stated by the functions of the Company, with the actual balance
- an advisory function in the spheres where audit is performed.

Based on the authorizations of Internal Audit, the responsible persons of the audit client and other employees are obliged to provide the Company's internal auditors with access to documents and business books and to provide them with access to all working premises, tools, persons, information and all necessary explanations in order to establish the facts.

In Telekom Srbija, internal audit is performed in accordance with adopted domestic and international standards and with the best recognized professional practice in

the field of internal audit.

## Internal control system in Telekom Srbija

Telekom Srbija has adopted a number of by-laws regulating the system of internal controls, and if necessary, will adopt new acts that will further regulate business processes in the Electronic Money and Payment Services Service, acting in accordance with regulations in the field of payment services.

The internal control system of Telekom Srbija a.d. is a system of policies, procedures and activities that establishes, maintains and regularly updates organizational units, each within its competence, which, by managing risks, provides reasonable assurance that the business goals of Telekom Srbija a.d. will be achieved in a proper, economical, efficient and effective way, through:

- operating in accordance with regulations, by-laws and contracts;
- completeness, reality and integrity of financial and business reports;
- sound financial management;
- protection of funds and data (information).

The system of internal controls in Telekom Srbija a.d. contains five interconnected components:

1. control environment,
2. risk management,
3. control activities (controls),
4. information and communication,
5. system monitoring and evaluation

The control environment has a decisive influence on decision-making and execution of activities, and significantly creates and influences the functioning and efficiency of the overall system of internal controls of Telekom Srbija a.d.

Inclusion of the top management in internal control issues is crucial to achieving its effectiveness, setting the tone for determining whether the control environment contributes to the effective functioning of internal control. Apart from the management, all employees have a significant role in ensuring the existence and functioning of internal control, through the mission and vision of Telekom Srbija a.d. which they follow daily.

Efficient system of internal controls in Telekom Srbija a.d. requires the identification and continuous evaluation and assessment of material risks that may impede the achievement of planned objectives.

Risks can be present in almost all aspects of the Company's operations, and the management of Telekom Srbija a.d. continuously assesses and manages risks,

with the task of providing reasonable assurance that the planned objectives will be achieved. Details of the risks are provided in a separate chapter of this report.

Control activities are policies and procedures established by the management of Telekom Srbija a.d. in writing, which help him to implement measures and take appropriate action to reduce possible risks that may arise and jeopardize the intended objectives in connection with the implementation of the adopted Business Plan, but also planned activities, tasks and programs.

Through the activities so far and the results achieved as one of the most profitable companies in the Serbian economy, the management has confirmed its active role in implementing measures and actions if not to eliminate the identified risks, then predict methods to reduce them.

For a successful system of internal controls, it is essential to establish an adequate information system and effective communication at all hierarchical levels between different organizational units of Telekom Srbija a.d.

The accounting system is a basic prerequisite for the efficient functioning of the accounting information system. It consists of employees, all planned procedures, technical devices and established records for the creation of accounting information, as well as the transfer of information to decision makers, service users and the general public.

Monitoring and evaluation of the system implies a continuous process of monitoring financial management and control of its adequacy, functionality, as well as appropriate design, in order to improve its efficiency.

Monitoring and reporting on the performance of the program provides the most important feedback (quantitative and qualitative) on which activities are carried out in accordance with the set objectives and financial plan, and which are not. Performance information is reviewed by corporate governance bodies. Representatives of all organizational units participate in monitoring and reporting on performance, with each defining the frequency, manner, deadlines and the like. The Rules of Procedure of the Executive Board define the frequency and deadlines for consideration and indicate possible deviations in the implementation of programs, program activities or projects in relation to the business and strategic plan.

Effective monitoring and evaluation of the system ensures the impact of already achieved effects on future decisions on priority areas of funding.

Monitoring and evaluation of the system is performed in several ways: ongoing insight, self-assessment and internal audit.

# Corporate Code of Conduct

Telekom Srbija has adopted the Code of Corporate Conduct, covering, inter alia, the segments of conflict of interest, combating and preventing corruption and bribery, money laundering and competition issues, environmental protection and prohibition of discrimination.

## Conflict of interests

The employees in the Company invest maximum efforts and promote the compliance with the duty to avoid conflict of interest in the performance of tasks where the Company is involved and, in conducting all activities, they are obliged to act exclusively in the Company's interest. Membership in various organizations may not affect the quality of work, nor can it be in conflict with the Company's business interests.

In cases where the employee is or is suspected to be in a situation of conflict of interests which is in favour of the person who is related to the employee, or is in a friendly or business relationship with him/her, etc. as well as in a situation where personal interests may or appear to be placed above the interests of the Company, the employee is obliged to inform his immediate superior about this by reporting the activities and actions in which there is a personal interest or the interest of related persons (in terms of the applicable regulations).

## Combating and preventing corruption and bribery

Telekom Srbija prohibits corruption and bribery in its operations and it remains committed to undertaking measures to prevent corruption and bribery.

The employee may not make or receive a gift that implies a thing, right or service, given or done without the appropriate compensation, i.e. a benefit or convenience, except for a protocol and opportune gift, as envisaged by the valid regulations governing the matter of preventing corruption.

## Money laundering

Telekom Srbija takes all necessary activities in its activities to prevent money laundering as a criminal act which implies hiding the source of money related to criminal activity and/or transferring the proceeds from illegal activities to the funds presented as having legitimate source. The Company operates with distinguished business partners that conduct business in line with applicable regulations, using the funds that originate from legal sources. The employees in the Company should take maximum caution, in case they discover irregularities in payments and suspicious conduct of customers and other entities, and to

report such actions to the organizational unit or the person in charge.

## The issue of competition

The Company is aware of the importance of protecting the competition for the development of market and protection of interest and rights or consumers/users of our services, and it is fully committed in its operations to observing the anti-trust regulations that ensures a lawful, fair and ethical market contest. Telekom Srbija is clearly committed to act in accordance with the anti-trust and free market principles and rules. We compete with quality and unique service offering and we build professional relations with our competitors in good faith.

## Personal data protection

The company has endorsed the Rules on Personal Data Protection which defines basic principles and rules of conduct in processing and protection of personal data given the probability of emergence of risks and the level of risk regarding the rights and freedoms of individuals.

## Environmental protection

The Company takes measures to protect the environment by adopting ecologically oriented technologies and methods with the aim of reducing the negative impact on the environment. During the performance of such activities, environmental protection aspects are taken into account, such as: rational energy consumption, prevention of the generation of waste material, proper disposal and recycling of waste material. By investing and installing the most modern telecommunications technology, the Company contributes to the application of clean technologies and technologies that consume less electricity compared to the devices that were used in the past decades.

## Prohibition of discrimination

The Company prohibits any unjustified discrimination or unequal treatment, i.e. omission (exclusion, limitation or giving priority to), in relation to persons or groups as well as members of their families, or persons close to them, in an open or covert manner, which is based on race, colour, ancestry, citizenship, national or ethnic origin, language, religious or political beliefs, sex, gender identity, sexual orientation, property status, birth, genetic characteristics, health status, disability, marital and family status, criminal record, age, appearance, membership in political, trade union and other organizations and other real or assumed personal characteristics.

The company accepts and promotes the principle workforce diversity.

## Integrity plan

In accordance with the Law on Prevention of Corruption, the Company has adopted an Integrity Plan, which is the result of a self-assessment procedure of the company's exposure to the risks of emergence and development of corruption and other irregularities. The purpose of the integrity plan is to establish a mechanism that will ensure the efficient and effective functioning of the company through strengthening responsibility, simplifying complicated procedures, increasing transparency in decision-making, controlling discretionary powers, strengthening ethics, eliminating inefficient practices and inapplicable regulations, introducing an effective system of supervision and control.

Mtel Banja Luka has its own Code of Conduct and Corporate Governance. The provisions of the Law on Business Companies, the Corporate Governance Standard, the Articles of Association and other general bylaws of the Company directly apply to everything that is not regulated by the Code. Mtel's statement of compliance of the organization and operations with the code of conduct, i.e. the corporate governance standards, was published on the company's website in the "Investors" section ([www.Mtel.ba](http://www.Mtel.ba)) and on the website of the Stock Exchange (<http://www.blberza.com>).

The subsidiaries operating within the Mtel Group, Logosoft, Blicnet, and Finance, also observe the highest standards of corporate governance, which are a prerequisite for quality and long-term relations with the customers, partners and various stakeholders.

## Other members of Telekom Srbija Group

In Arena Channels Group, Mtel Global, TS Ventures d.o.o. Beograd and mts d.o.o. and Mtel Turkey Telekomünikasyon Limited Company the corporate governance is organized as a one -tier management, which means that the company corporate bodies are the general meeting and the chief executive officer. In other companies that belong to Telekom Srbija Group, the governance is organized on a two-tier basis.

# Significant status changes in 2023

## Telekom Srbija a.d. Beograd passive infrastructure (towers) business

Following the trend of carving out the telco's passive infrastructure into separate companies, both in regional and international markets, in 2023 Telekom Srbija carried out such carve-out within its business operations. The project of carving out the passive infrastructure – antenna poles, was implemented in several stages, and the transaction was completed in December 2023 by selling 100% stake in the company SKY TOWER INFRASTRUCTURE d.o.o. Beograd to the interested investor.

## Acquisitions and status changes

In July 2023, Telekom Srbija acquired the ownership of 100% stake in the company "Globaltel" d.o.o. Beograd – a mobile virtual operator established in 2015, distinct from other operators in its hybrid charging model („Freepaid“), combining the monthly flat amount of top-ups (resembling the postpaid model) and the absence of contractual commitment (resembling the prepaid model). For the purpose of further strengthening of its market position, increased sale and revenues, upgrading the corporate governance, cost optimization, improving the business from the aspect of cost-effectiveness and profitability, efficient process of work and optimization of resources, in December 2023, Telekom Srbija completed the status change of merging the company "Globaltel" d.o.o. Beograd, whereunder the said company was wound down.

## Within Telekom Srbija Group

- In July 2023, the subsidiary legal entity Telekom Srpske a.d. Banja Luka acquired 100% stake in the capital of the company Trion Tel d.o.o. Banja Luka;
- In December 2023, the company "Mtel Turkey Telekomunikasyon", with its registered seat in Istanbul, the Republic of Turkey, officially started the provision of its services.

## The structure of investments by Telekom Srbija in subsidiaries as at 31/12/2023

	Telekom Srbija's share in the capital	2022	2023	Share
Telekom Srpske a.d. Banja Luka	65%	56,933,380	56,933,380	47%
Arena Channels Group d.o.o. Beograd	100%	38,043,196	45,667,992	38%
Mtel d.o.o. Podgorica	51%	7,518,129	7,518,129	6%
MTEL Global d.o.o. Beograd	59%	5,284,487	5,520,714	5%
mts d.o.o. Kosovska Mitrovica	100%	3,288,783	3,288,783	3%
Mtel d.o.o.e.l. Skoplje	100%	403,006	762,975	1%
Yunet International d.o.o. Beograd	82%	491,387	491,387	0%
TS Ventures Fond d.o.o. Beograd	93%	56,863	141,886	0%
TS Ventures d.o.o. Beograd	100%	78,888	129,894	0%
Mtel Turkey Telekomunikasyon L.C Istanbul	100%	-	37,916	0%
Telus a.d. Beograd	100%	9,030	9,030	0%
		<b>112,107,149</b>	<b>120,502,086</b>	<b>100%</b>
Minus: Provision against the share in the capital		-174,522	-174,522	
		<b>111,932,627</b>	<b>120,327,564</b>	

## Milestones upon the close of financial year

Since February 2024, the Parent Company has had 94.41% share in "TS Ventures Fond" d.o.o. Beograd, while "TS Ventures" d.o.o. Beograd has had 5.59% share.

On 9 and 20 February 2024, acquisition of 100% share in the equity of companies "Film klub extra" d.o.o. Beograd and "KDS internet TV" d.o.o. Zaječar, were registered with the Business Registers Agency.

On 26 February 2024, the acquisition was registered of remaining 50% share in the capital of affiliate "Arena Sport" d.o.o. Ljubljana, Slovenia by the subsidiary "Arena Channels Group".

In March 2024, status change of merger by consolidation was made of the subsidiary "Trion Tel" d.o.o. Banja Luka with the parent company Mtel a.d. Banja Luka, whereunder "Trion Tel" d.o.o. Banja Luka was dissolved.

On 13 March 2024, new company "Arena News Channels Two" d.o.o. Beograd was established, 100% owned by the subsidiary "Arena Channels Group".

# Strategy

Reliable global partner in the digital world without limits



# 3



With its strategy, Telekom Srbija Group wants to respond in a timely manner to current business challenges and to optimally direct its resources towards further strengthening its market position, expanding its business, raising efficiency and creating greater competitiveness. The strategy of Telekom Srbija Group is based on the belief that it is necessary to continue the process of digitalization and the use of new technologies in all market segments, as well as to further improve and optimize internal business processes. At the heart of the new strategy is the user and his needs in order to create a superior user experience.

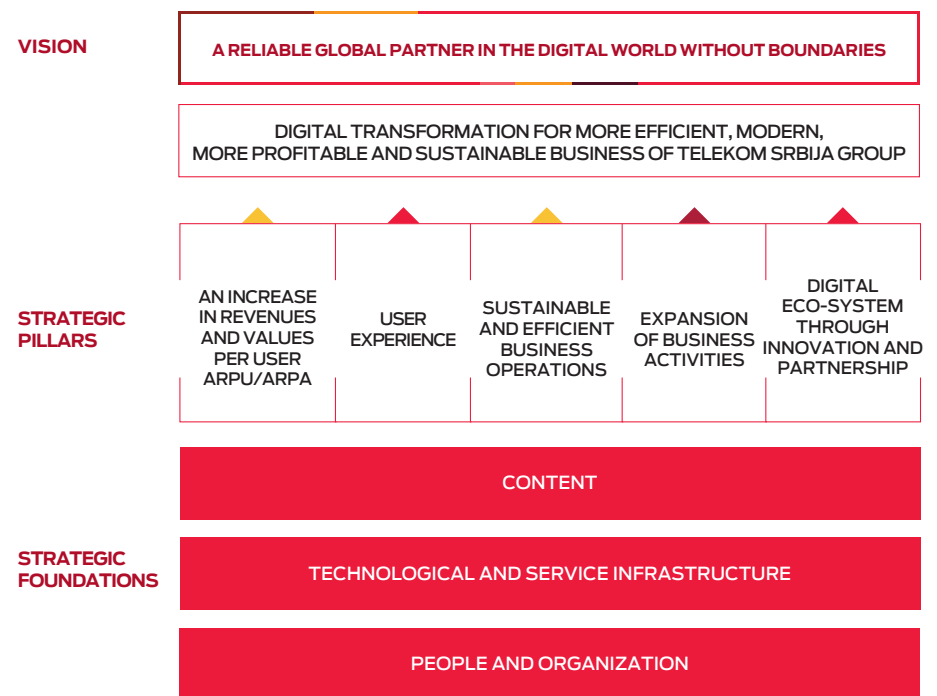
The vision of Telekom Srbija Group, as a Reliable Global Partner in a digital world without borders, clearly indicates the desire to strengthen its position in all markets, but also to position itself as a globally reliable partner in the delivery of digital services by offering new digital services following the modern trends.

The mission of Telekom Srbija Group is to transform and constantly improve the satisfaction of its customers by combining experience and new knowledge. It will ensure this through seamless connectivity and a superior digital experience anywhere and anytime, making it the first choice by users in the markets where it operates.

The strategically identified areas are classified by the new strategic framework, presented in the form of a strategic house, divided into five strategic pillars designating the market, the customers and the revenues, and three layers of foundation that form the basis of the future growth and development.

The Digital Transformation is recognized as a layer that permeates all strategic pillars, which should enable more efficient, modern, more profitable and sustainable business.

For each of these pillars/foundations, a set of strategic initiatives has been defined that define frameworks and guidelines for desired actions, projects and programs that need to be implemented in order to achieve the set ambitions.





## Increase in revenues and value per user

Through the intensive modernization of the network infrastructure in the previous years, Telekom Srbija gained a significant competitive advantage over other telecommunications operators on the market. The market position was further strengthened by investing in the premium content, primarily sports and game content. In this way, preconditions were created that enabled further expansion in the development of services in the domain of core business.

The construction and expansion of the optical infrastructure continued during 2023, so that by the end of 2023, optics reached 1.4 million households, with 450 thousand households already using it.

In order to increase competitiveness and promote the optical network, the 10 Gbps internet service was offered in the "Belgrade Waterfront" complex, which is the first offer of such internet speed in the market.

The offer of BOX packages and postpaid tariffs has been enhanced, with a particular emphasis on new BOX packages with higher internet speeds on fiber optics. In order to increase fixed-mobile convergence, additional postpaid lines are available with BOX 4 and Super PLAN 4 packages.

Promotions have been implemented for users who do not use internet and TV services. The users who have only POTS and individual postpaid as part of contractual obligations received promotional free internet and TV services until the expiry of the postpaid contractual obligation. A promotional BOX 3 offer at the price of a fixed line has been implemented for segmented users of solo fixed telephony.

The monthly fees for both BOX and Super PLAN packages as well as for individual services have been modified, and the number of months for the Promotion At RSD 1 has been reduced for new users of BOX and Super PLAN packages on fibre optics.

For the first time, Telekom Serbia has introduced the possibility for its users to exclusively preview the entire content of a TV series season before it is publicly broadcast. In 2023, the offered hit series were Pad (The Fall), Ubice mog oca (My Father's Murderers), and Južni vetar: Na granici (South Wind: On the Edge).

A promotion has been introduced for mSAT TV services, offering new customers the opportunity to pay only 1 dinar for the first 5 months. Additionally, there have been changes to the monthly fees. The new mSAT Box2 package with 500 GB of mobile internet has been launched. For both mSAT TV and Antena Plus users, new BOX2 packages with 150 GB of mobile internet have been created, and existing solo mSAT TV packages have been migrated to a new commercial offer for customers whose contractual obligations have expired.

Through the upgraded Arena Cloud application offering, additional functionalities have been provided for sports enthusiasts such as the Highlights package and Our Arena. The Highlights package includes short video clips and key moments of matches. Our Arena, in addition to streaming matches from locations where specialized cameras are installed, also allows users to watch previously played matches.

In the business customers segment, new BizBox packages have been introduced, offering customers for the first time the packages that include all 4 core services as well as some additional ICT services. Following that, a campaign was launched with the aim of motivating customers with old packages to switch to the new BizBox packages as soon as possible.

The Iris GO service for business customers has been implemented with an appropriate promotional period. This has enhanced the TV offering for business customers, as evidenced by the interest of business customers in this service.

The application support for fibre optics services has been upgraded in order to automate the service activation process and improve the customer experience.

The implementation of SD-WAN solution for business customers has been completed, which is expected to have a significant impact on future revenue. In order to promote the service, an appropriate campaign has been launched.

To increase the number of users of ICT services within the "mts Butler" sales concept, the device offering has been enriched. The goal is to increase the number of ICT service users through the implementation of the "turnkey" concept.

In the mobile telephony segment, significant efforts were made in the past year to improve all aspects of the offering, including revising the pricing policy. Special focus has been placed on creating various promotional campaigns: spring, Back2school, New Year's, and student campaigns. The subsidized device offer has been discontinued for all fixed and mobile solo services, as well as for BOX packages, and combined device payment has been allowed. Users are now allowed to pay a portion of the device value at the time of purchase, while the remaining amount is divided into instalments and billed through monthly invoices.

In order to increase the number of customers and revenue from data transmission services in mobile telephony, the postpaid mobile internet tariffs for residential customers have been changed by introducing new tariffs and modifying the FUP speed on higher tariffs.

Considering the fact that the mts mobile network has been declared by RATEL as the best mobile network on the market for the fifth consecutive time, automatic activation of VoLTE service for postpaid residential customers was continuously carried out throughout the year in order to utilize the capabilities of the 4G network.

In June, new roaming tariff add-ons were implemented for postpaid business and residential customers, as well as for prepaid residential and cost control customers. The concept of add-ons has been modified in terms of the covered destinations, and the quotas for WB6 have also been revised and defined for residential and business customers.

During the past year, significant progress was made in the implementation of CVM activities. Standard CVM procedures have been continuously improved, customer relationships have been actively managed, campaigns have been optimized, and detailed result analyses have been conducted, contributing to the stability and optimization of services for existing customers. The activities included customer segmentation, communication personalization, and offer customization to meet individual needs and preferences of customers.

Technological prerequisites for real-time campaigns have been fulfilled, and multiple machine learning models have been deployed to optimize and personalize offers. A major project for campaign centralization and automation has been initiated to further enhance the efficiency of customer database management.

## Customer experience

During the entire year 2023, several projects aimed at improvements in all points of the Customer Journey were implemented, starting from the first contact with the customer, all the way to after-sales activities. In order to enhance user experience and influence user habits for greater utilization of digital channels in request fulfilment, the Digital Onboarding and Video Identification project has been implemented. This project enables users to fulfil their requests without visiting a retail store.

In cooperation with Vodafone, the Skyline program continued, which includes improvements in the interactions with customers as well as improving the user experience through all channels. As part of this program, a system for sending SMS notifications to customers has been implemented after recording their payments, immediately after the payment is cleared in the TS systems. This reduces the number of calls to the contact centre (Frequency of Contact - FoC) and redirects communication with customers to digital channels, contributing to improved customer experience and cost reduction.

One of the projects that has the greatest impact on user experience is the Voice BOT project, which provides natural language understanding (NLU).

A new portal, 11811 Telephone Directory, has been implemented for searching information about customers.

A TS media portal has been developed for presenting multimedia content to distributors and production companies, as well as a new corporate portal that promotes Telekom Serbia to potential investors and media representatives.

Improved is the process of providing support on digital channels and enhanced communication between users and Contact Centre agents, through the implementation of CoBrowsing and VideoCall on the sales and self-care portal and applications.

By implementing Digital Contract Renewal for mobile tariffs, users are allowed to extend their contractual commitment within the self-care section of the portal or application without visiting a retail store.

The performance of the mts portal has been upgraded, and functionalities such as "ClickToCall" and "Pick up in store" have been implemented. Additionally, the purchase of additional equipment using payment cards and contract signing via email have been allowed.

## Sustainable and efficient operation

As in previous years, during 2023, continuous activities were carried out to improve business process efficiency and cost rationalization, with measures taken to protect the environment.

As one of the significant processes, the inventory management and procurement process has been recognized. Optimal inventory levels are maintained through an automated and enhanced model for analysing the procurement of material in stock. At the same time, cooperation with Vodafone in the segment of joint procurement continued, resulting in significant savings by securing lower purchase prices.

Within the improvement of Fraud processes in sales activities, the ability to identify potentially malicious activities has been enhanced through detailed analysis and optimization of Fraud indicators. At the same time, additional functionalities have been implemented on the RMCA platform, resulting in even more efficient receivables management.

During 2023, the complete implementation of the e-invoice system for invoices from all billing systems was carried out, enabling efficient management of all

invoices from business customers - VAT payers.

Transformation programs AWS and Data-driven organization have been initiated, aimed at improving efficiency and enabling business flexibility, which will lead to financial and operational efficiency.

The AWS Program refers to the established partnership with Amazon in the AWS services segment, aimed at further strengthening knowledge of AWS cloud services and creating a Cloud Competence Centre within the Telekom Srbija Group, with operational management of the centre by its subsidiary MTS sistemi i integracije.

The Data-driven organization Program aims to contribute to the creation of a more agile, efficient, and innovative organization that makes decisions based on reliable data. The program is dedicated to continuous performance improvement and value delivery, and consists of multiple projects focused on employee education, data management strategies, development, and implementation of advanced analytics methodologies, as well as technological improvements related to the implementation and management of data and campaigns.

During the year, intensive work was done to standardize business processes, align IT environments, and establish a coherent approach to management for mts and Supernova services. It is expected that in the coming year, the technological consolidation of the IT environment supporting Supernova users with the IT environment supporting mts users will be completed.

To improve productivity and eliminate routine tasks, the RPA platform has been upgraded and robots have been implemented for various organizational units. The application of Workforce Management has been expanded as a unified interface for distributing work orders in service maintenance and execution. Various ML models have been implemented primarily in the management of the existing customer database, as well as for Smart Capex.

As part of the "Business Facility Branding" project, a branding strategy has been adopted, accompanied by a corresponding procedure and the creation of standard books for graphic elements and facility furnishing. This contributes to the consistency and recognition of the Telekom Serbia brand at all locations.

During the year, intensive work was done to improve the portfolio management process in order to identify all business requirements at the company level and enable centralized management of priorities for programs, projects, and other business-as-usual (BaU) demands.

At the end of 2022, it was implemented, and in 2023, the scope of application of

the Environmental Management System was further improved and expanded, in accordance with the requirements of ISO 14001:2015 standard. Consistent implementation of the ISO 14001:2015 standard requirements directly contributes to the company's continuous efforts to improve environmental performance and enhance competitiveness.

In order to standardize and compare Telekom Serbia's results in the market, the use of the EU Taxonomy (EU, 2020/852) as a basis for monitoring and reporting on sustainability performance, has been initiated, aiming towards ecological sustainability.

### Expansion of business

Telekom Serbia Group continues to achieve great success by strengthening its presence and expanding its services in markets across Europe. The number of users in Austria and Switzerland reached 210,000 satisfied customers by the end of 2023, and the state-of-the-art retail store in the centre of Vienna was opened, which not only serves as a physical point of contact with customers but also reflects MTEL Austria's commitment to providing a premium customer experience.

In July 2023, the provision of mobile telecommunication services as an MVNO operator in the German market was successfully initiated. This expansion has enabled the complete coverage of the DACH region (Germany, Austria, and Switzerland) with MTEL mobile telecommunication services.

In December, business operations were also launched in Turkey through MTEL Turkey, which commenced its operations by offering TV services. This expansion has allowed the Telekom Srbija Group to extend its presence and offerings to the attractive Turkish market.

Expressing strategic commitment to further expand business in Europe and intensify cooperation with European partners, Telekom Serbia Group opened its representative office in Brussels in February. This represents an important step towards strengthening its position in the European market.

Telekom Serbia Group has successfully continued its business expansion in the North Macedonia market, where significant investments in 2023 clearly demonstrate the company's serious approach to the development and improvement of telecommunications services in the North Macedonia market. By the end of 2023, the MOVE TV service was launched, which gained approximately 1300 users in just two months, indicating the successful adoption of the new service in the market.

In Serbia, a significant step has been taken to strengthen our market position

through the acquisition of the MVNO operator Globaltel. This expansion strategy emphasizes Telekom Srbija's commitment to improving telecommunications services and proactively responding to the needs of the market, particularly the digitally advanced prepaid user population. Globaltel was integrated into Telekom Srbija's operations in December 2023, but the Globaltel brand has been retained.

Telekom Serbia Group, as a leader in the content production industry in Southeast Europe, achieves exceptional results in the development and monetization of distribution channels for premium sports content and its own production. Arena, as a commercial sports TV channel, is present in all six countries of the former Yugoslavia, reaching nearly 4 million households and has become an integral part of the TV offerings of major operators in the region.

Cooperation with major streaming and telco platforms in the international market, such as Amazon Prime Video, Disney+ Hotstar, GloboPlay, Flix Latino, Pop TV, Voyo, RTL Play Premium, demonstrates the company's global influence and commitment to expanding domestic content beyond regional borders. In addition, successful partnerships with international distributors such as Beta Film from Germany, Go Quest from India, and Mediavan from France further confirm the quality and attractiveness of Telekom Srbija's production in the global market.

### Digital ecosystems through innovations and partnerships

During 2023, activities continued that strengthened Telekom Srbija's position as a company with a representative portfolio of digital solutions, both for residential and business customers.

In the segment of digital solutions development related to online payments, the functionality of card payments with the option to store cards for future payments within the Iris GO portal and application has been implemented, enabling non-mts network users to purchase Iris GO packages and add-ons. Card payments are also available for the KLIK TV service, as well as for the purchase of additional equipment.

In order to optimize the online payment process on the portal and payment applications for bill payment and top-up purchases, a single-phase payment method (direct payment from the payment card) has been introduced instead of the two-phase payment method (funds reservation and then payment). Additionally, prepaid top-ups using payment cards without logging into the mts portal have also been enabled.

Through a partnership with JKP Naplata prevozne usluge Beograd, a new service for SMS ticket purchases for public transportation has been implemented for

mts users, which quickly gained significant popularity in usage. Additionally, users have been provided with USSD info service and SMS info service to inform them about the arrival of vehicles at the bus stop, thus completing the service for public transportation in Belgrade.

The Fast Registration service has been put into production, which facilitates user registration on partner websites by transferring the corresponding user data from the Telekom system based on their mobile phone number.

During 2023, the strategic cooperation with the company Srbija voz continued, encompassing the completion of two project phases. These phases include various enhancements to the mobile application, development of an internal portal for managing push notifications, creating promotions, and tracking statistics. Additionally, the display of pensioner benefits, improvement of the ticket purchasing process for third parties, and automation of user categories on the internal portal were implemented.

As part of the strategic partnership with Poštanska štedionica, the development of the Benefit Club continued, with 3 campaigns being implemented during 2023. The most significant campaign involved the participation of 4 stakeholders (Arena, MasterCard, Poštanska štedionica, and Telekom Srbija).

After analysing the CEX market research, an initiative was launched to significantly increase the number of online payment transactions. The initiative included the implementation of a campaign for online prepaid top-up, as well as a marketing campaign for online payments. As a result of this initiative, a 25.6% increase in the number of online transactions was recorded in December, compared to October 2023.

mParking service is available to mtel Banja Luka customers. This service is implemented in cooperation with Parking Servis Beograd and mtel Banja Luka. The service was initially implemented for the city of Belgrade, but later became available to citizens in 25 cities in Serbia.

The cooperation with mtel Austria continued within the sale of mtel Austria SIM prepaid cards with more favourable internet traffic while roaming. As part of this cooperation, three campaigns were implemented in 2023, contributing to an increase in card sales.

The digital solutions portfolio of Telekom Serbia was enriched with the Secure Net service at the beginning of 2023. Initially, it was introduced in the basic version, which includes solutions for protection, analysis, detection, and DNS filtering of end-user internet traffic in real-time in the mobile network. The activation and deactivation of the service are allowed through digital channels. In the second half of the year, an upgraded version of the Secure Net service

(full version) was made available to users. In addition to protection, users have the option to personalize website management and block applications, making this service a form of parental control protection. Within 9 months, the service has reached 30 thousand users.

The offer of Smart Home devices has been expanded, and based on market research results, individual devices can now be purchased, not only within packages. The package included 5 devices: smart bulb, smart plug, humidity/temperature sensor, door/window sensor, and relay. Additionally, the purchase of cameras is now available on the mts portal.

The new version of ArenaCloud applications was completed and put into production in November 2023, with the segment Our Arena. The content recorded with specialized cameras is featured as a separate item in the application and is available to all users who use the Arena application.

During 2023, several projects were implemented to expand the portfolio of digital solutions designed for business users.

In 2023, in addition to the previously implemented LoRa WAN technology, Telekom Srbija offered NB-IoT technology to its partners and business customers, enabling them to develop, test, and commercialize a wide range of IoT business solutions.

Independently and in cooperation with partners, IoT business solutions have been developed for agriculture, IoT, telemetry, and security and protection of facilities and infrastructure, which have been commercially offered in the market, but also utilized for our own needs.

In the first half of 2023, an innovative digital platform called "Za moj grad" was launched, which Telekom Srbija developed as a comprehensive solution designed for local self-governments and their citizens in order to enable them to actively participate and jointly create better living conditions within their communities.

During 2023, Telekom Serbia introduced several new ICT-related business solutions/services, expanded partnerships, and significantly advanced the ecosystem in all domains. In the security services domain, a new model for providing SOC packages was defined, tailored to market trends and the needs of business customers. The segment was also expanded with the offering of antivirus licenses through the F-secure Total product, which is now available as a standalone option and has replaced the previous Internet Security product. Veeam Backup was also introduced as an additional service for the users of MS 365 products, enabling them to secure their data.

In the process of developing websites and web shops, the offer has been innovated in cooperation with a new partner, as well as Hospitality Software and Employee Tracking Software have been introduced. Additionally, the concept of mts Butler has been enhanced, which includes a "turnkey" offer in terms of offers/service and solution portfolios, as well as implementation and support. Additional improvements have been made for services (HR, Printing Centre, Web Chrono, Telehousing, SOC, OTA Sync, Microsoft 365, registration of national and international domains).

## Multimedia content

Telekom Srbija Group, as a regional leader in content production, has entered the year 2024 with a series of exciting projects and new productions promising diversity and quality.

One of the most significant projects in 2023 is "Ožiljak" (The Scar), a co-production between Telekom Srbija, Amazon Prime Video, and Spanish RTVE. This international collaboration marks a major step towards the global market and confirms Telekom Srbija's reputation as a player in the production of high-quality content.

In July 2023, the series "Azbuca naših života 2" (The Alphabet of Our Lives 2) produced by Contrast Studio, "Poseta" (The Visit) by MirMedia, and "Frustr" by Firefly were shown in a pre-screening, while the series "Oluja" (Storm), "Tunel" (Tunnel) and "Toma" were premiered in the last quarter.

At the end of the year, tv audience had the opportunity to enjoy tv series such as "Poseta" (The Visit), "12 reči" (12 Words), and the second season of the hit series "Pevačica" (The Singer). The films "Oluja" (Storm) and "Heroji Halijarda" (Heroes of Halyard) also attracted great attention, confirming that Telekom Serbia not only creates but also produces high-quality film and television content.

Telekom Serbia is preparing new exciting projects in 2024, including "Crna svadba 2" (Black Wedding 2), "Apsolutnih 100" (Absolute Hundred) and "Vazdušni most" (Air Bridge). These projects promise diverse themes and genres, following trends and meeting the needs of the modern audience.

With its portfolio, Telekom Srbija continues to set standards in the domestic and regional film and television industry, providing the audience across the region with exciting and high-quality content.

## Technological and service architecture

Given that the auction for the allocation of new frequency bands in Serbia



did not take place in 2023, the start of the implementation of 5G technology as well as all related projects were postponed. In the meantime, to ensure an increase in the achievable throughput for mobile data transmission, we are actively working on spectrum neutrality and spectrum refarming, with the aim of shutting down 3G technology soon and utilizing the frequency band as a new layer for CA (carrier aggregation) on 4G. To expedite the process, an extensive activation of VoLTE service has been carried out, as well as transition of users from 3G to other technologies, and substitution of “3G only” phones. Several iterations have been conducted for an extensive provisioning of VoLTE users, resulting in their number exceeding 1 million by the end of 2023, while the share of 4G in data traffic is around 97%.

Due to the limited frequency bandwidth available to Telekom Srbija, an increase in the number of users and data consumption leads to a degradation of the user experience, requiring new radio resources. In line with the principles of technological neutrality, frequency bands are optimally allocated to the appropriate generation of wireless networks, based on traffic and user needs. Thanks to constant improvement and optimization of the mobile network, RATEL, as the only official national institution in Serbia responsible for measuring the quality of mobile networks, has declared mts as the highest quality mobile network in Serbia for the fifth consecutive time.

During 2023, efforts were made to enhance the CRM process and application support in the domain of fixed and convergent services, resulting in the improvement of existing business processes and alignment with new/existing implemented systems, all of which leads to a better customer experience.

As part of the development and management of API architecture, API Governance has been established through principles, standards, processes, tools, roles, and responsibilities related to decision-making and activities throughout the entire API lifecycle. Additionally, processes and procedures have been defined for the introduction of a new API.

During 2023, work was done to improve the RPA platform through which many activities within business processes were automated. The RPA platform is designed to robotize processes that are manually executed and based on specific rules.

To ensure an even better user experience on the MTS portal, mobile application, and Cloud Platform, significant improvements have been made throughout the year. The monitoring process for MTS portals and mobile applications has been upgraded, enabling faster detection and troubleshooting, resulting in more stable and reliable performance. Additionally, users now have easier service management options, with customizable features and automatic payment renewal. Furthermore, the Cloud platform has undergone significant updates to provide even greater reliability, security, and performance.

The IoT Billing portal has been upgraded to better meet the needs of users and it brings a more transparent process for billing IoT services.

Data and analytical structures have been migrated to the new version of the platform as part of the technological improvement of the analytical environment. This project aimed to improve data processing performance and efficiency by using advanced technology, which has an impact on the stability of data workflow processes. In addition, data source replacement has been performed, enabling system enhancement through the introduction of new data sources and expansion of the dataset with new information. Data has been provided on the Data Lake, along with technologies and tools for self-service functionality in order to enable greater autonomy for end users in terms of data preparation, data analysis, and report creation. These environments allow users to efficiently access data and services, contributing to the improvement of business processes and the enhancement of service quality.

## People and organization

During 2023, numerous developmental activities and initiatives were implemented.

Since the launch of the new SAP SF learning platform, a total of 189 video training programs have been recorded on 37 different topics in the domain of business, interpersonal and digital skills, computer skills, English language, sustainable development, and environmental protection. Since the beginning of 2023, 55 new video materials have been recorded, out of which 40 video educations have been uploaded to the platform.

In 2023, the company made significant progress in the development of employees through the organization of external and internal training programs in the areas of agile methodologies, digital skills, and data management across a total of 23 topics. Particularly noteworthy are the training programs focused on effective meeting facilitation and change management skills, fostering creative thinking and innovation in the workplace, as well as advanced techniques in modern project management, with the aim of further enhancing the knowledge and skills of the employees.

As part of its commitment to attract talents, Telekom Srbija implemented several programs in 2023. Mandatory student internship for students from reference faculties was successfully conducted.

In 2023, the second cycle of the IoT Lab student internship program was successfully implemented by Telekom Srbija. The program aims to enhance the domestic innovation ecosystem, attract talent, increase innovation capacity, and expand the portfolio of IoT-based services. Six teams of students from universities in Belgrade, Novi Sad, Nis, and Kragujevac participated in the second cycle of the program. In November, the third cycle of the program began, forming seven teams with over 40 students from the mentioned universities.

Customer  
in focus

4



# Telekom Srbija Group market



Projections by the World Bank indicate a continued slowdown in global growth for the third consecutive year. The estimated growth of the world economy in 2023 was 2.6%, while a 2.4% growth is expected in 2024. The slowdown is caused by a gradual decline in the inflation rate, which is still above the target, the continuation of the higher interest rate policies, which will affect borrowing capacity and investment level, increased geopolitical risks due to new conflicts, while positive forecasts are seen in global trade of goods and services, where growth is expected.

Projections for the Western Balkans region are more optimistic, with expected 3% growth in 2024 and 3.5% in 2025. However, potential inflation growth and high external debt are seen as the main risks in Western Balkan countries.

The development of next-generation networks remains a focus for the telecommunications sector. The significance and need for further development of the telecommunications infrastructure is indicated by the increasing consumption of data. Global data consumption in 2022 amounted to 3.4 million petabytes (PB), and it is expected to rise to 9.7 million PB by 2027, with video content accounting for 79% of it. The justification of the operators' high investments is called into question due to the low rates of return on investments.



## Serbia

Investment in the development of optical infrastructure is currently active in the Serbian market, but operators will shift their focus towards the development of 5G networks due to the announced auction of licenses for 5G frequency spectrum by the end of 2024.

In the fixed and mobile telecommunications markets, there is a decline in the number of users, while the number of users of internet and media content distribution services continues to grow. In terms of access technology, the number of users connected through FTTx access technology is increasing, with a growth rate of 24% compared to the previous period. In Serbia, Telekom Srbija has the largest market share in all segments in terms of the number of service users, and for the fifth year in a row, according to the RATEL report, it has been declared the best network on the market (2019/2020/2021/2022/2023).

## Telecommunications users in Serbia

in millions	2022	2023	Growth
Fiksna	2.36	2.30	-2.5%
Mobilna	8.62	8.53	+1%
Internet	1.95	2.07	+6.2%
Miultimedia	2.21	2.32	+5%

\* RATEL - Regulatory body for electronic communications and postal services



## Bosnia and Herzegovina

The downward trend in the number of fixed telephony users is present in the B&H market, whereas growth has been recorded for other segments. In the mobile telephony segment, 70% of users use prepaid service, but the highest growth has been recorded in the category of postpaid mobile telephony users. Out of the total number of Internet users, 50% utilize the service through the xDSL technology, while 12.6% of users are connected via FTTx access. The Internet user penetration rate via fixed network is 115.65%.

### Telecommunications users in B&H

in millions	2022	2023	Rast
Fixed telephony	0.65	0.61	-5.7%
Mobile telephony	3.81	3.87	+1.6%
Internet (Fixed access)	0.88	0.91	+3.2%
Media content	0.92	0.92	+0.7%

*RAK - Regulatory Agency for Communications*

## Montenegro

In the telecommunications market of Montenegro, there is still a decline in the number of fixed telephony customers, while other services are constantly growing.

### Telecommunications customers in Montenegro

in millions	2022	2023	Rast
Fixed telephony	0.19	0.19	-0.2%
Mobile telephony	1.27	1.31	+3.1%
Internet (Fixed access)	0.20	0.20	+3.4%
Media content	0.26	0.26	+3%

*EKIP - Agency for electronic communications and postal activity*

## North Macedonia

As of the last quarter of 2021, the Macedonian telecommunications market has been a new market for the Telekom Srbija Group.

In Q2 2023\*, there were no significant changes in the market except for a slight decrease in the number of users of mobile and multimedia services.

### Telecommunications users in North Macedonia

in millions	2022	Q3 2023*	Rast
Fixed telephony	0.44	0.44	+0.6%
Mobile telephony	1.93	1.92	-0.6%
Internet (Fixed access)	0.52	0.52	+1.3%
Media content	0.44	0.44	-0.3%

*AEK - Agency for Electronic Communications \* Last available data*

## Other markets




In addition to the regional market of telecommunications services, Telekom Srbija Group has found new customers wherever there is our diaspora.

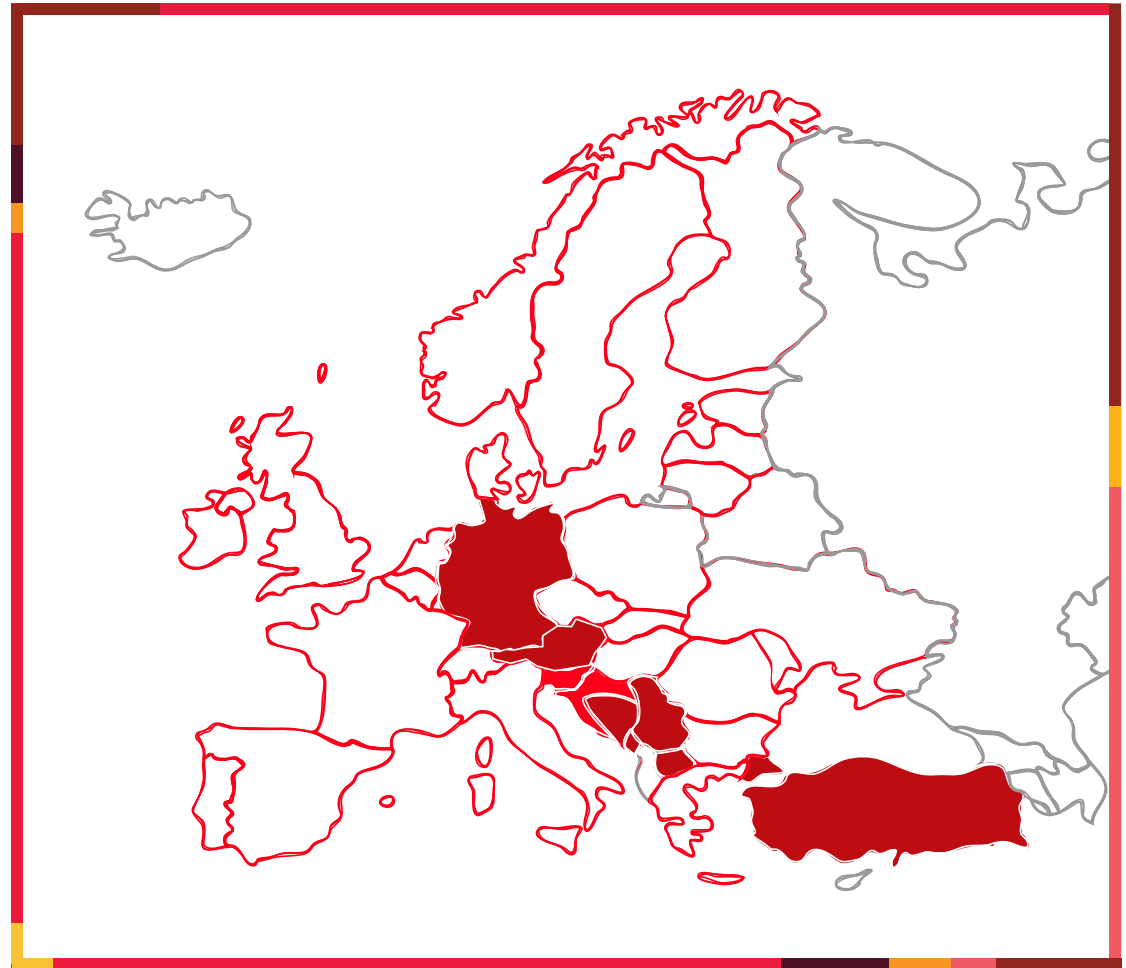
Thanks to television and telephone services, MTEL Global has over 200,000 of our customers in the territories of the EU, Switzerland, the USA, Canada, the UK, Norway, the United Arab Emirates and Australia.

In the market of the Republic of Serbia, the region, as well as in the markets in Europe and America, today Telekom Srbija Group provides fixed telephony, mobile telephony, internet, ICT services, multimedia content, integrated and other services.

Since 2023, Telekom Srbija Group has been present in the territories of Germany and Turkey through its subsidiaries MTEL Deutschland and MTEL Turkey.



-  Markets with telcos
-  Additional markets covered with Arena Channels Group
-  Market of m:tel Global



# Number and Structure of Customers

## Total number of customers per Group member

	2022	2023	Growth	Structure
Telekom Srbija	8,057,706	8,204,202	2%	72%
Mtel Banja Luka	2,239,586	2,165,041	-3%	19%
mtel Podgorica	663,413	739,864	12%	6%
mts d.o.o.	68,250	69,062	1%	1%
Mtel Global	166,266	237,849	43%	2%
mtel DOEL	12,495	42,030	236%	0%
<b>Total</b>	<b>11,207,716</b>	<b>11,458,048</b>	<b>2%</b>	<b>100%</b>

\*Yunet international users are part of the Internet wholesale of the parent company Telekom Srbija which is why they are not shown separately in the table

We are continuously improving the quality of services and customer experience, push the boundaries and raise the efficiency of all business segments, we quickly adapt to new circumstances and constantly innovate our business processes, products, and services, thus ensuring the sustainability and growth of our company.

The emphasis in Telekom's operations in 2023 was on customer satisfaction and on increasing the number of broadband service users. We had a number of promotions to that end.

In 2023, the emphasis in Telekom Srbija's operations was on customer satisfaction, as well as on increasing the number of broadband service users, and to that end, we had numerous promotions. In addition to the standard campaigns for GF users on fibre optics, promotions were also conducted for users who do not use internet/TV services in order to increase the number of broadband service users. By personal contact with customers via various sales channels, we approached customers not only to offer them services but also to hear their needs and, based on their requirements, improve our offer, as customers are always our focus.

## Fixed telephony

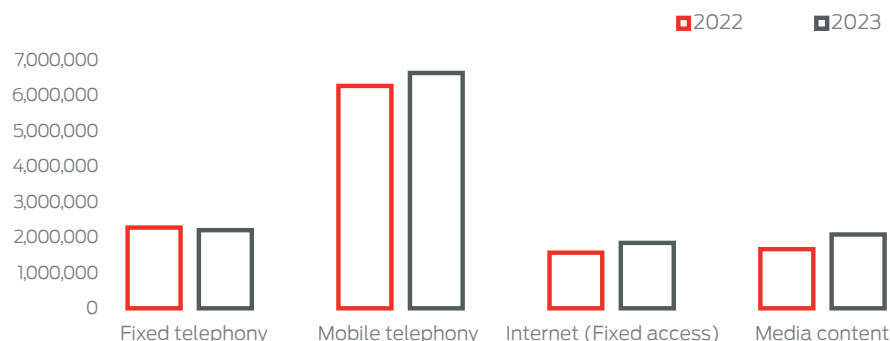
Within fixed telephony, Telekom Srbija Group provides a range of services for business and residential customers in Serbia, Montenegro, Bosnia and Herzegovina. Voice traffic, number portability, IN services, fixed business line, Business Trunking, BizFon, BizinoCall, cost-saving services are only part of an extensive offer in the field of fixed telephony.

Fixed telephony services are classified in the category of services with a declining trend, the result of which is a decrease in the number of users of this service year after year. At the same time, it represents a very important segment in business communication and communication of the elderly population, therefore Telekom Srbija Group is still continuously improving these services.

By bundling services for Telekom customers, the fixed telephony service is included in the BOX packages with the option of unlimited communication in national traffic, as well as throughout the region in the markets where Telekom operates, without additional charges. Telekom thus provided its package users with added value in fixed telephony.

The Group's fixed telephony services are used by 2 million customers. In the parent company Telekom Srbija, Mtel Banja Luka and mts d.o.o., the number of fixed telephony customers at the end of 2023 was lower than the number of customers at the end of 2022, while the number is slightly higher in mtel Podgorica.

## Number of customers

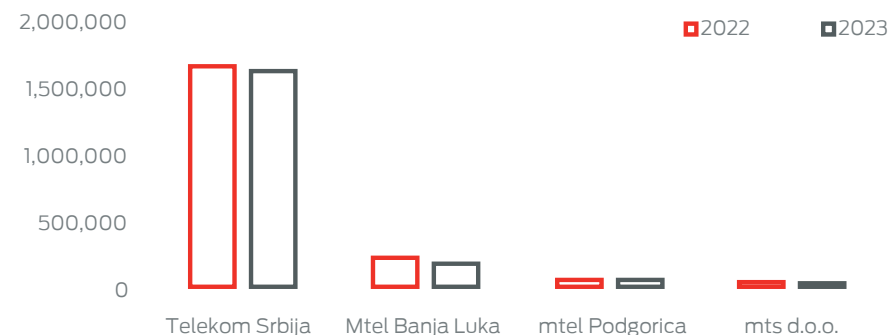


## Total number of fixed telephony customers per Group member

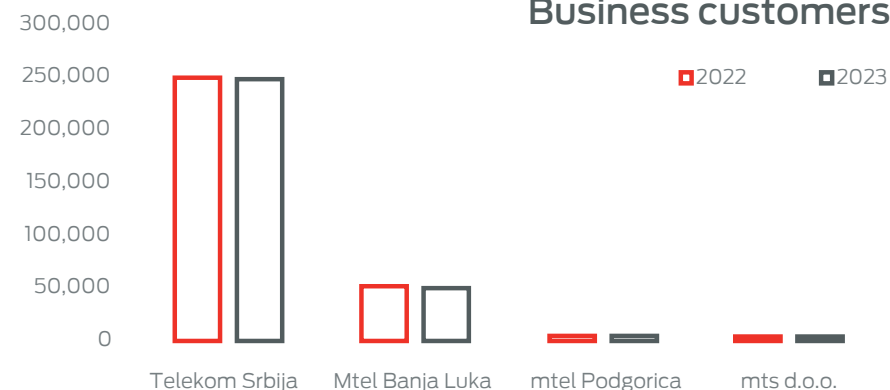
	2022	2023	Growth	Structure
Telekom Srbija	1,741,995	1,669,464	-4%	85%
Mtel Banja Luka	231,817	217,844	-6%	11%
mtel Podgorica	68,631	69,296	1%	4%
mts d.o.o.	15,142	14,941	-1%	1%
<b>Total</b>	<b>2,057,585</b>	<b>1,971,545</b>	<b>-4%</b>	<b>100%</b>

At the end of 2023, the Group has a little less than 1.7 million residential customers and about 295 thousand business customers.

### Residential customers



### Business customers

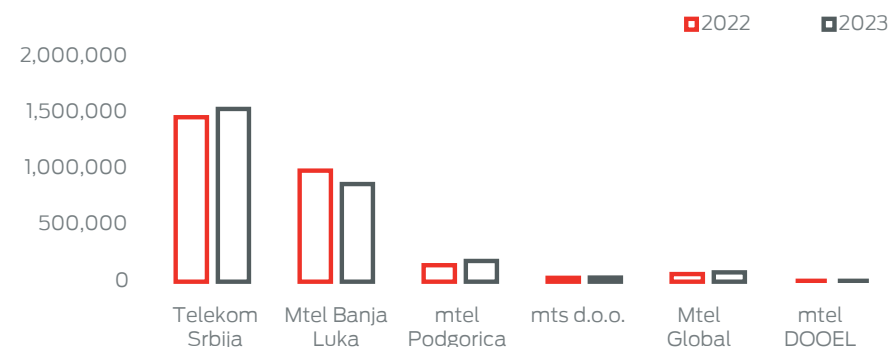


## Mobile telephony

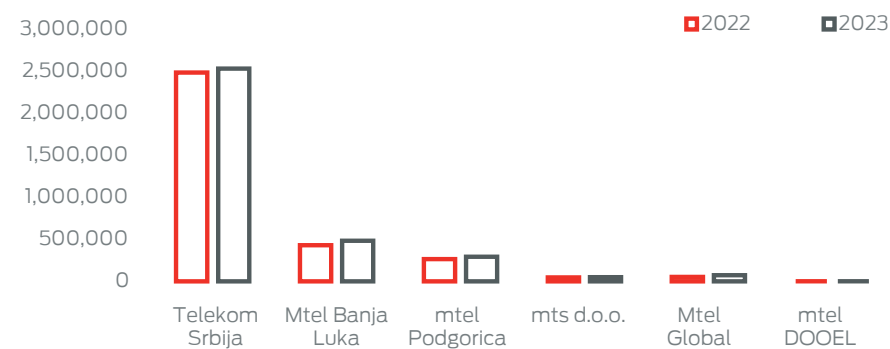
Within mobile telephony, Telekom Srbija Group provides a wide range of services in the regional and international market.

At the end of 2023, the total number of mobile telephony customers on the Group level was 6.2 million. The overall structure of customers is dominated by Telekom Srbija customers with about 67% and Mtel Banja Luka with 22%.

### Prepaid customers



### Postpaid customers



## Total number of mobile telephony customers per Group member

	2022	2023	Growth	Structure
Telekom Srbija	4,034,352	4,155,216	3%	66.9%
Mtel Banja Luka	1,452,164	1,377,216	-5%	22.1
mtel Podgorica	399,070	462,404	16%	7.4%
mts d.o.o.	30,395	30,077	-1%	0.5%
Mtel Global	111,643	175,375	57%	2.8%
mtel DOOEL	2,261	24,166	/	0%
<b>Total</b>	<b>6,029,885</b>	<b>6,224,454</b>	<b>3%</b>	<b>100%</b>

At the end of 2023, the number of prepaid customers equalled 2.8 million, accounting for 45% of the total number of customers, while the number of postpaid customers equalled 3.4 million, accounting for 55% of the total number of customers. All Group members recorded an increase in the number of prepaid customers, except for the subsidiaries Mtel Banja Luka and mts d.o.o. with a decrease of 11% and 9%, respectively. The total number of postpaid customers in 2023 increased by 4% compared to 2022, and all Group members recorded an increase in the number of postpaid customers.

## What's new in 2023

### Telekom Srbija

In the mobile services segment, a spring promotion for postpaid users was implemented in April, which included a discount on the monthly fee, additional GB as well as free use of digital services (applications). Back2school promotions for starting school (in August) and a special student postpaid promotion intended for student card users were also implemented. In October, a Samsung national campaign for solo postpaid users was implemented, which brought benefits for new postpaid lines to users who have BOX packages.

In November, the prices of postpaid services and mobile data transmission services (mobile net tariffs) were changed for new users. On this occasion, the amount of eAccount benefits for postpaid users has also been increased. Also, in order to increase the level of user satisfaction, postpaid private users are enabled to change from a higher to a lower tariff for 30 days instead of after 90 days.

At the end of the year, a New Year's promotion for postpaid tariffs was realized, which includes Omorika, Soko and Zmaj tariffs.

The subsidized offer of devices with all fixed and mobile solo services as well as

with BOX packages has been discontinued, only devices at the top offer are offered.

Combined device payment is enabled. Users are allowed to pay part of the value of the device at the time of purchase, and the rest of the value is divided into installments and invoiced through monthly bills.

In order to improve the offer of Telekom Srbija in the segment of digital services, the contract with Deezer was renewed in the second quarter of 2023, and thus one of the leading music applications on the market was returned to the offer.

In the mobile data transmission segment, the postpaid mobile net tariffs for private users were changed, introducing 2 new tariffs - 150 GB and 250 GB, and the FUP speed on higher tariffs was changed.

In the prepaid segment, two new prepaid tariffs (Welcome 4 and Welcome 10) and one tariff supplement (promotion) were introduced, which are intended for domestic and foreign citizens. During the year, campaigns were carried out that brought a top-up bonus, as well as the possibility for users to purchase certain tariff supplements with the condition of a minimum monthly top-up. In the domain of keeping users in the network, a new tariff supplement was offered at a special price.

It is possible to activate the 4G (LTE) service for new and existing prepaid Mobile Net tariff users. For new and existing prepaid mobile net tariff users, the duration and amount of internet traffic has been changed, as well as the possibility of activating internet add-ons. Quotas of data traffic that can be used in roaming in the WB6 zone for private and business users have been defined.

It is possible to sell additional equipment and devices/mobile phones to business users who have an active service for one of Telekom Srbija's services: mobile, fixed, internet, convergent package.

In June, new roaming tariff supplements were implemented for postpaid business and private users, as well as for private users of prepaid and Cost Control. The concept of allowances has been changed in terms of the destinations that are included in the allowances and for the first time an allowance has been introduced for the UAE. The quotas for WB6 for private and business users have also been changed.

As part of harmonizing the commercial offer with the new wholesale conditions, the list of operators for Europe roaming add-ons, for prepaid and postpaid, has been changed.

## Mtel Banja Luka

### Improvement of the mobile telephony offer – prepaid

As part of the “Top-up” service, the offer of the “Top-up:Start 2” package is being introduced at the price of 6.00 KM and the “Top-up:Start 100 GB” package is being introduced at the price of 35.00 KM.

In order to attract new users of the “Top-up” service and increase user satisfaction, a promotional offer “Top-up:Start 100GB” package was created with mobile internet bonus of 100 GB, which they can use in the Mtel network and in roaming in the operator networks in the Western Balkans region.

### Improvement of the mobile telephony offer – postpaid

As part of the use of the postpaid tariff models Pretplata Start, Preplata Start 300, Pretplata Plus, Pretplata Plus NET, Pretplata Top, Pretplata Max and Pretplata Premium, there is a change in the amount of prepaid account top-up for users with prepaid and combined payment methods, as well as users of the “Fixed prepaid” within the fixed telephony service.

For users of the mobile telephony service with a postpaid payment method, as well as for users who use the mobile telephony service within the framework of m:SAT integrated services, the “Slow Net” tariff supplement is being introduced, which the user can use at a price of 0.99 KM.

### Improvement of the mobile telephony offer – users with combined payment method

For the users of the “COMBINUJ:S Junior” package, the mobile internet bonus of 500 MB is increased during the minimum term of the contract if they decide to use the “COMBINUJ:S Junior” package and conclude a contract for 24 months. For users of the KOMBINUJ:S Flex tariff model in 2023, a promotional campaign was implemented in the form of a higher bonus in minutes and mobile internet.

In order to improve the offer for users with prepaid, postpaid and combined payment methods in 2023, personalized (segmented) offers were created that included the tariff options “Buy minutes” and “Buy internet”.

### Upgrade of the TOTAL GROUP service

In order to improve the offer for users of TOTAL GROUP service tariff models, the offer of new tariff models BIZ Start, BIZ Plus, BIZ Net and BIZ Premium was created. The above tariff models were created with the offer of appropriate

bonuses within the price of a monthly subscription for minutes, SMS messages and mobile internet, whereby users of the above tariff models of the TOTAL GROUP service are also enabled to use the appropriate tariff supplements BIZ MIN, BIZ SMS, BIZ NET and BIZ NET roaming, within which a certain amount of minutes, SMS and mobile internet is allocated, depending on the chosen tariff BIZ add-on.

### Roaming DATA tariff options for mobile customers with postpaid, prepaid and combined payment method

In order to motivate mobile phone users to use the mobile Internet service in roaming, new tariff options “Net Roaming Europe”, “Net Roaming Tunisia”, “Net Roaming Egypt”, “Net Roaming China”, “Net Roaming USA” have been introduced into the offer. and “Net Roaming Tanzania”.  
My account

With the aim of increasing users' interest in using the option of delivering invoices for the provided telecommunications services via electronic mail (e-mail), promotional offers for users of the aforementioned service are defined within the My Account service.

## mtel Podgorica

Mtel Podgorica, in the mobile telephony segment, in addition to the Urban Neo family of postpaid tariff packages, new packages intended for the younger population, Urban Neo Mini for the target group up to 13 years of age, and the Urban Neo COOL package campaign for the group of 13+ years have been introduced. Special package for children Urban Neo MINI, which for only 8.99 euros per month brings the Samsung Galaxy A04s phone and maximum fun in addition to the great benefits of the package, with the SIGURAN NET service, children have complete online protection and a free option for parental control.

Urban Neo 2 COOL package for young people, which for only 14.99 euros per month comes with cool resources and a phone. New users of the Urban Neo 2 COOL package each month receive unlimited calls in the MTEL network and 500 minutes for calls to other networks, as well as 30,000 SMS messages for all networks in Montenegro. In addition, in addition to 30GB of mobile Internet each month, they will also receive two Internet supplements of 100GB per month for two applications of their choice. The latest “Siguran Net” (Safe Net) service, which provides the user with complete protection on the Internet, is also included in the subscription during the two years of the contract. What is tempting for all young people who choose this package is the license to watch the HBO Max application, which is included in the subscription in the first 12 months.

The company MTEL, following modern trends in telecommunications and the needs of its users, has introduced an eSIM card for prepaid users of the MTEL tourist package. Installation and activation of the eSIM is done by scanning the QR code, which the user receives via email. MTEL has provided all its prepaid users of the MTEL tourist package with a simple and secure registration process, which includes online verification of the user's identity (verification of a valid identification document and selfie photo). The complete process of purchasing and registering an eSIM is completed using online digital services and takes only a few minutes. In order for the use of an eSIM card to be possible, it is necessary that the device the user uses supports this service. MTEL offers innovative tourist packages with the most Internet. In the packages "MTEL Tourist 10" and "MTEL Tourist 15", the user receives 500 GB of Internet for consumption in the first 7 and 15 days, respectively. "MTEL Tourist 20" gives the user as much as 1TB, which can be used for 30 days. In addition to all this, new users receive an additional 500GB of Internet with their first top-up.

In accordance with the Declaration on the reduction of roaming prices between the WB and the EU, MTEL has enriched its offer with new m:roaming DATA tickets for all users traveling to one of the European countries, Turkey, Canada or China.

If the user wants to activate a DATA ticket before going on a trip, which will only be used for three days (750MB), it will cost him 5.9 euros, and for seven days (1.5GB) the ticket can be activated at a price of 11.9 euros. If the user stays longer and wants to activate the m:roaming DATA ticket for 15 days (3GB), then he pays 19.9 euros. Also new is that tickets are valid for both prepaid and postpaid users. Tickets are valid in all European countries, Turkey, Canada and China, regardless of the choice of operator.

## Mtel Global

MTEL mobile telephony is available on the territory of Austria and Germany, and is intended for users who live and work in Austria and Germany, and originate from Serbia, Bosnia and Herzegovina or Montenegro, as well as for all users who often, privately or professionally, communicate or visit these countries. The quality of services and attractive offers also attract users who are not focused on communication to ex-Yu countries. Users can choose between prepaid and postpaid packages.

## Internet and ICT/IoT

ICT/IoT service is subject to constant and accelerated development in terms of access technologies, data transfer speed and tariff models. Segment related to Web hosting, Mail hosting and DDoS protection.

Total number of Internet users per member company

	2022	2023	Growth	Structure
Telekom Srbija	1,139,665	1,189,921	4%	76%
Mtel Banja Luka	268,041	274,816	3%	17.6%
mtel Podgorica	84,627	89,477	6%	5.7%
mts d.o.o.	9,643	10,138	5%	0.6%
Mtel Global	146	1,370	838%	0.1
<b>Total</b>	<b>1,502,122</b>	<b>1,565,722</b>	<b>4%</b>	<b>100%</b>

*\* ADSL users of YUNET International are part of the wholesale Internet of the parent company, Telekom Srbija which is why they are not shown separately in the table.*

The total number of Internet users at the Group level (retail and wholesale) at the end of 2023 is 1.6 million, which is 4% more than the previous year. This number includes ADSL and cable internet users of the parent company, Mtel Banja Luka and mts d.o.o., as well as mtel Podgorica users who provide the service only via cable internet. In 2022, the subsidiary mtel Global introduced the service of providing internet through ADSL technology.

## What's new in 2023

### Telekom Srbija

In order to increase competitiveness and promote the fiber optics network, an offer for the 10 Gbps internet speed (solo and bundled) was implemented in Belgrade Waterfront through the Internet 10GB project. It is a unique offer on the market that is innovative from both the technological, and user side, given that mts is the first on the market to offer this internet speed.

During 2023, activities continued in the expansion of B2B digital ecosystems, as well as in the development and introduction of business solutions independently and in cooperation with partners, both in the domain of ICT services and business solutions, and in the domain of IoT.

The Employee Tracking Service, a high-quality and efficient solution for managing teams working on field, is implemented through the vehicle tracking



platform and the X-GPRS application, which is available for Android and iOS devices. The service allows taking care of all aspects of business organization - assigning tasks, monitoring implementation, planning the most optimal routes, etc. by tracking the information that arrives in real time. Quality decisions are made more easily, all with the aim of reducing the operating costs, improving service quality and employee performance, and thus, client satisfaction. The service was developed in cooperation with a partner, and is intended for all business customers.

Catering software, a solution that enables centralized management of the work of several catering facilities, i.e. centralized management of price lists, clients, procurement and warehouse operations. The service was developed in cooperation with a partner, and is intended for the business customers engaged in catering business.

SOC (Security Operation Center) - a service in the field of cyber security and protection, which, in addition to SIEM analytics and IT infrastructure monitoring, involves the engagement of a professional team of IT analysts in real time, expert analytics, incident response, forensics and recovery in the event of cyber incidents. The service was developed in cooperation with a partner, and in 2023 it is offered commercially through a new package concept, fully adapted to the market.

F-secure Total, a solution that was developed in cooperation with a partner, has been improved with a new type of license and, in addition to the offer within the package, it is also possible to use it independently.

Veeam Backup for Microsoft is a comprehensive solution for data backup and recovery, specially designed for Microsoft 365 environments. It provides users with the ability to backup, recover and protect data for: Exchange Online, SharePoint Online, OneDrive for Business, Microsoft Teams. The service is characterized by flexibility and ease of use. The service is available to users through 5 packages (size of backup capacity).

mtsAgro is a service that was fully developed by internal resources, and which enables the display of data from weather stations. It is primarily intended for farmers or other users who are interested in data collected from weather stations. For more demanding users who need additional functionalities such as disease prediction or others, we still offer the Digital Assistant for Agriculture service.

Smart buildings and offices is a service also developed with internal resources and enables business users to monitor ambient parameters in business premises and thereby achieve various savings. The service is implemented via the mts IoT network, by connecting various IoT sensors to the IoT platform, with the aim of monitoring ambient conditions (air temperature and humidity, concentration of CO<sub>2</sub> and organic particles or any other parameter of

interest) in buildings and offices, as well as in any other business premises (shops, warehouses, cold stores, etc.). From the mts IoT platform, information about the read values is forwarded to users through various communication channels (portal, mail and SMS). Users can monitor parameters via computer or mobile phone in real time from any location.

In the first half of 2023, the platform "For my City" was developed, which consists of a mobile and web application and which enables the citizens, school children, their parents, teaching staff and tourists to report incident situations to authorities in local self-government and give suggestions or proposals. It also enables the competent services to have an insight into the most common problems of citizens and enables the analysis and resolution of received applications. The platform is intended for local governments, public and utility companies, tourist organizations, school institutions and other business users who perform similar activities. It is applied in order to improve communication between citizens and competent institutions in local self-government.

The SCADA as a Service service was improved - a new package was introduced and the possibility of contracting the service for 12 months, in accordance with the needs of business users, i.e. the market.

In order to develop online payments in May 2023, the functionality of paying by payment cards with the option of saving cards for subsequent payments within the Iris GO portal and application was enabled. This made it possible to purchase packages and add-ons for users who are not in the mts network. In March 2023, payment by payment cards was also enabled for the KLIK TV service, which until then was enabled via mobile accounts, PayPal and the CryptoPay system.

As mentioned earlier, in May, purchases with payment cards were made possible on the portal. In the first phase, the process of purchasing additional equipment was developed for logged-in and non-logged-in (guest) users, while in the next phase, the introduction of online payment with payment cards for the purchase of services and devices is planned.

In May, a new SMS service for buying city transport tickets for mts users was implemented through the partnership with the PUK Charges for Transport Services Belgrade. Given that it is a service of public importance, it quickly reached mass use. In September, users were additionally provided with a USSD info service for informing users about the arrival of a vehicle at a certain station. The service is initiated by the user by sending the USSD code \*011\*station#. Subsequently, the SMS info service about the arrival of the vehicle at the station was enabled, which completed the service for city transport in Belgrade.



In cooperation with the partner Ipification, the "Quick registration" service was put into production. The service includes simplified user registration on partner websites, by downloading the user's data from the Telekom system, based on the mobile phone number, with his explicit permission.

Since June 2023, prepaid top-up with payment cards has been enabled without logging in to the mts portal, by setting the option of prepaid top-up without logging in on the homepage of the mts.rs portal. This is a type of quick link where the user can top up the credit for the desired prepaid number in 3 steps.

In September 2023, payment for the mParking service was made possible for mtel Banja Luka users. Participants in the process are Parking Servis/ mtel Banja Luka/Telekom. Through the parking payment application developed by mtel BiH, mtel users now have the option to pay for parking in certain cities in Serbia. The service was first enabled only for the city of Belgrade from 25 September, and after a certain period of monitoring, the service was extended in October to Niš, Novi Sad and Zlatibor. From 01.12. to another 22 cities in Serbia: Loznica, Sremska Mitrovica, Šabac, Uzice, Subotica, Pančevo, Kikinda, Zrenjanin, Čačak, Kraljevo, Kragujevac, Valjevo, Ljubovija, Novi Pazar, Leskovac, Ruma, Sjenica, Sombor, Surčin, Kruševac, Bačka Palanka, Bajina Bašta.

Since 1 February 2023, the Siguran Net service has been offered, which provides solutions for the protection, analysis, detection and DNS filtering of end users' internet traffic in real time in the mobile network. The service can be activated and deactivated via digital channels. For the first two months, the service was provided to all mobile mts users free of charge, during the promo period, and from April 1, billing began for users who sign up for the service. It represents a basic option within which the user is warned when he encounters suspicious and malicious websites, when searching from a mobile device, on the mobile mts network.

At the end of September 2023, users were provided with an improved version of the Siguran Net service (full version) in which, in addition to protection, users are offered the option of personalized management of Internet pages and blocking of popular applications (parental control). Applications and social networks for which it is possible to block are Twitter, TikTok, Facebook, Instagram, Messenger, Viber, Netflix, Youtube, Snapchat, Spotify, they also represent the most popular applications used by children and young people. The idea is for parents to block access to certain contents on children's phone numbers, all for the purpose of protection and control.

In order to better sell Smart Home packages, in May 2023, the option of

purchasing individual devices was enabled. The package included 5 devices - smart bulb, smart socket, humidity/temperature sensor, door/window sensor, relay. A detailed analysis of the market and a survey of users' opinions concluded that users are more interested in the option of purchasing individual devices, e.g. two light bulbs and two sockets and the like.

In August 2023, it was possible to purchase D-Link cameras on the mts portal in the Smart Devices section. The camera has its own application through which the device is controlled.

Through the Naša Arena project, it is possible to display content from specialized cameras within the ArenaCloud application. The application was completed and put into production in November 2023. The content recorded by specialized cameras is located as a separate item within the Arena Cloud application and is enabled for all users using the Arena application.

### **Mtel Banja Luka**

In the course of 2023, as part of the Internet access service - NetBiz tariff models, it is possible to use the NetBiz S and NetBiz L tariff models through GPON technology, with access speeds of 30/3 Mbps and 40/4 Mbps.

In 2023, the use of the Siguran Net service is enabled for users of educational institutions - primary and secondary schools, which are financed from the budget of the Republic of Srpska, and which use the Internet access service via a fixed network. This service involves preventing access to contents that are considered inappropriate, as well as protection against malicious attacks and was implemented in 37 schools in the Republic of Srpska.

### **Smart Building solution**

An offer of Smart Building solutions was created, which, in addition to the offer of Smart Home services and a large number of smart devices, included the construction of the appropriate type of network infrastructure in the building. As part of the Smart Building solution, the User is offered complete monitoring and automation for common areas in the building (IP surveillance cameras in the stairwell and garage, remote control of stairwell lighting and entrance doors, intercom integration into the smart system, remote lifting of parking ramps or garage doors, as well as installation of various sensors for movement, smoke, gas, flooding), with notifications on mobile phones according to the User's request.

### **Server Housing service**

During 2023, in order to increase the number of users of the Server Housing

service, it is possible to set up your own server in the premises of Mtel, with the possibility of permanently connecting the server to the Internet, protection against DDoS attacks, redundant access, power supply of user equipment, as well as provision of backup power.

### **Improvement of the ICT offer**

The company continued its activities on the development and improvement of ICT services. Following the trends of telecom operators in the area, and with the aim of gaining new users, several partnership agreements were concluded for ICT services that are implemented as SI solutions, and which can be offered as part of a comprehensive Smart City solution.

### **IT system for remote reading of electricity consumption and remote reading of water consumption**

The consortium agreement started in the previous year, which provided remote reading of electricity consumption for the company Elektrokraina Banja Luka, was successfully implemented. In this way, preconditions were created for the development of the aforementioned service and participation in public procurement procedures in the country and region.

In a similar way to the remote reading of electricity consumption, a system for remote reading of water consumption was implemented. The system also works over the LoraWAN infrastructure.

### **mtel Podgorica**

Mtel Podgorica, as a leader in innovation on the Montenegrin market, constantly listens to the needs of users in order to develop the most modern digital products and services. Bearing in mind the pronounced trend of digitization of all aspects of life in Montenegro, we create a large number of services that aim to improve the user experience, valuing the key principle of the digital age: simple, easy and fast satisfaction of needs, with maximum reliability.

Among the successful projects that the company Mtel Podgorica realized in the previous period, we single out the following:

The Self Care portal and applications represent a personalized space for users of Mtel services. Options are available to users to view and manage active services and accounts, purchase additional services, use customer support functionality, and manage a user account. By moving to the SAP Commerce platform, we enriched self-care with functionalities that brought us a large number of users and an increase in income: Change of postpaid tariff package, Personalized offer, Benefits (collection of points), Notifications, Security code,

Permanent account, Saving card data, Inclusion in a word, protection against disconnection and the like. In December 2023, we had 48% more users compared to December 2022.

Mtel.me - webshop. By migrating to the new SAP Commerce platform, we used the opportunity to implement new functionalities in addition to the redesign of the package and device pages. Web Shop together 1st place in terms of net effect when it comes to package changes in 2023.

Self-care and the web shop are the best shops in terms of the number and amount of payments - as much as 18% more payments than the sum of the three best physical shops together (year 2023). Also, in 2023, through self-care and the web shop, invoices were collected in the amount of 39% higher than in 2022.

Also, an important part of the digital strategy is the development of OTT content such as MOVE, HBO go, NBA, Arena cloud, Apollon, Balkan Myusic, MTEL Disk. By selling these additional services, Mtel Podgorica gets new users, contract extensions for existing users and generates additional income up to the user level, but on the other hand we get a satisfied, advanced user.

The MOVE platform has been significantly improved. It contains over 250 premium channels and allows you to rewind content on television channels up to seven days back. Also, FREE TV content is available, as well as access to a large video library. Access to the "move" platform is enabled via STB android receiver, Smart TV application as well as application for mobile devices and tablets.

Safe Net - A service that provides mobile users with reliable protection against viruses, hacker attacks and all kinds of threats they may encounter on the Internet. In addition to their number, the Siguran Net service user can also protect the numbers of their children, as well as control the content they have access to while on the mobile Internet.

Esim online sales and user verification - We have provided all prepaid users with a simple and secure purchase and registration process, which includes online verification of the user's identity (verification of the image of a valid identification document and a selfie photo). The complete process of purchasing and registering an eSIM is completed using online digital services and takes only a few minutes.

Automatic record of payments with banks and post office - service of automatic inclusion of users after payment of debt. With this project, we gained greater user satisfaction, strengthened our position as a digital leader and enabled better payment records as well as automatic deregistration. Also, by implementing this service, we relieved the work of the Call Center and Back Office on days when user disconnections and complaints.

eRačun and SMSRačun services allow users to receive bills at the beginning of the month, the possibility of paying via a link and via a pre-prepared payment slip, while the advantage for MTEL is the saving of sending bills by mail, as well as the growth of the number of digitized users.

Smart home - The Smart Home project enables the development and expansion of services and portfolios, adapting to the emerging needs of users. The key goal of the "Energy efficiency - smart home" project is to ensure a better quality of life for users by optimizing the use of electricity and applying Internet of Things technology. More specifically, a functional Smart-home system was developed, which includes remote control of lighting, air conditioners, entertainment systems and devices, in a centralized way, through a mobile application. In this way, users are enabled to turn on/off lighting, air conditioners, and all other devices using a smart socket at the scheduled time via mobile phone.

### Mtel global

The internet service is available on the markets from 3 December 2021 by Mtel Austria, in the form of broadband internet (ADSL, ASLD 2+, VDSL, optics). From 2023, the sale of internet services solo and in a package was introduced.

### YUNET

In 2023, YUNET continued with the successful implementation of IoT PoC solutions. Also, Metro stations have been implemented that, in addition to monitoring soil and air parameters, also monitor the amount of precipitation, which completes the complete solution for winegrowers as part of the IoT PoC solution. The commercial use of the resources of the Open Stack Cloud platform through the VPS, Shared Hosting service as well as for the needs of the IoT platform continued.

YUNET became an Acronis partner in 2023, which enables it to offer its clients a complete range of their services. Also, YUNET has become a PaloAlto and Fortinet partner so, in cooperation with Telekom Srbija, it provides technical support services to end users. One of the first successfully implemented joint projects is the IT protection project, i.e. the maintenance of FIREWALL user protection devices Science and Technology Park Niš.

In addition, in the second half of 2023, all necessary preparations were made for the commissioning of the optical Internet service (GPON/Ethernet Bitstream). At the end of 2023, the commercial sale of GPON packages began, which further expanded and improved the range of services that YUNET offers to individuals and legal entities, its users.

## Multimedia services

Telekom Srbija Group, through its parent and subsidiary companies, provides multimedia services in the entire region, European and American countries. These services include: mts TVGO, mts hotel TV, mts bizTV, msatTV, Antena plus, Klik sport, Arena Cloud as well as IRIS TV advanced multimedia platform.

### Total number of the multimedia service users per member

	2022	2023	Growth	Structure
Telekom Srbija	1,141,694	1,189,601	4%	70.1%
Mtel Banja Luka	287,564	295,165	10%	17.8%
mtel Podgorica	111,085	118,687	7%	7.0%
mts d.o.o.	13,070	13,906	6%	0.8%
Mtel Global	54,477	61,104	12%	3.6%
mtel DOEL	10,234	17,864	75%	1.1%
<b>Total</b>	<b>1,618,124</b>	<b>1,696,327</b>	<b>5%</b>	<b>100%</b>

The users of the Group's multimedia services include IPTV users of Telekom Srbija, Mtel Banja Luka and mts doo, cable TV users of the parent company and subsidiaries Mtel Banja Luka, mtel Podgorica and mts doo.

The total number includes m:sat users of the parent company and subsidiaries Mtel Banja Luka, mtel Podgorica, mts doo and MTEL DOOEL, as well as OTT users of the subsidiary mtel Global.

### What's new in 2023

#### Telekom Srbija

UIn 2023, the continuous innovation of the offer based on the bundling of convergent services and products continued. The first major action in 2023 was the New BOX packages project, when new BOX packages with higher optical internet speeds were introduced, the price of the solo service was changed, the eAccount benefits were changed, and in order to increase fixed-mobile convergence, additional postpaid lines were enabled with BOX4 /SP4 with a discount of up to 10% on the current price of the postpaid tariff. In November, the monthly fees for the BOX and Super PLAN package, as well as for the solo services iris TV, Super TV, mts NET, Supernova NET, were changed. The offer of packages with mobile internet has been enriched through the introduction of new packages and an increase in the amount of mobile internet.

In 2023, several promotional campaigns were carried out. In addition to the standard campaigns for new optical users, in order to increase the number of users of broadband services, promotions were implemented for users who do not use net/TV services. In order to increase the level of customer satisfaction at the end of the year, the already traditional New Year's campaign for TV users was implemented with the opening of the offer of TV channels as well as a special New Year's VoD package. In addition, a New Year's campaign was created for BOX/Super Plan users, which resulted in doubling the amount of mobile data traffic (double data) by 4 in BOX4/SP4.

It is possible to binge TV series before their regular broadcast on TV channels. For the first time, Telekom Srbija's offer includes the option for mts users to exclusively view the entire content of a season of a series that has not yet been publicly broadcast. The offer applies to users of iris TV, Super TV, iris GO, Move "N" GO platforms. In 2023, the hit series "Pad", "Ubice mog oca", "Južni vetar" "Na granici".

The Apollon SVOD promotion was designed to improve the user experience of TV users and make them aware of the large offer of diverse multimedia content. The offer of the iris GO service was additionally improved by introducing another payment method - via payment cards, which applies to both private and business users. This made it easier to use the iris GO service and contributed to the additional interest of users in it, by enabling even users who do not have mts service to have access to channels and content from Telekom production.

With the start of the new NBA season, the NBA 2023/24 offer was also changed, whereby existing users were also migrated to the new offer.

Additionally, work has been done on improving the Arena Cloud application offering by providing additional functionalities for sports fans such as the Highlights package (short videos and key moments of matches, which are available from the very beginning of the match, as well as shortened match recordings which are available immediately after the matches) and Our Arena (the user has the possibility to watch matches that have already been played as well as to see announcements of the next matches) within which the contents of the Basketball League of Serbia as well as the first football league are available, as well as handball and volleyball competitions.

An application for business users who have the Iris TV service (multiscreen) was included in Iris GO offer, as well as for those who do not have the iris TV service (OTT). This improved the TV offer for business users.

### **Internet 10 GB**

In order to increase competitiveness and promote the optical network, an offer of 10 Gbps internet speed (solo and bundled) was implemented in Belgrade on

the water through the Internet 10GB project. It is a unique offer on the market that is innovative from both the technological and the user side, given that mts is the first on the market to offer this internet speed.

### **Novi BOX/Super PLAN packages**

The first major action in 2023 was the New BOX packages project, through which the offer of BOX packages and postpaid tariffs was improved in order to increase the number of BOX and postpaid users. New BOX packages with higher optical internet speeds were introduced, the price of the solo service was changed, the benefit of the eAccount was changed, and in order to increase fixed-mobile convergence, additional postpaid lines were made possible with BOX4/SP4 with a discount of up to 10% on the current price of the postpaid tariff.

In November, the monthly fees for the BOX and Super PLAN package, as well as for the solo services iris TV, Super TV, mts NET, Supernova NET, were changed in order to further increase the income from these services.

To increase the number of the mSAT TV service users, the promotions "N months for 1 dinar" were introduced at the beginning of the year for mSAT TV service in a BOX, and, later on, for the solo service for new customers and, with the aim of increasing the revenues from mSAT TV service, the monthly fees were adjusted in August for private and business users. In April, a new mSATV Box2 package was released with mobile net of 500 GB. For mSAT TV, as well as for Antena Plus users, new BOX2 packages with mobile net 150 GB (BOX2 – mobilni net 150 GB+ mSAT TV Plus and BOX2 – mobilni net 150 GB + Antena Plus Max) were created in November. The migration was carried out from the old solo mSAT TV packages to the new commercial offer for the users whose contracts expired and this process was applied in regular courses of customer migration upon expiry of the contract term, which is going on daily together with the migration of the users of service packages.

### **Promotions for service package users**

In 2023, several promotional campaigns were carried out. In addition to the standard campaigns for GF Korinski on optics, in order to increase the number of users of broadband services, promotions were also implemented for users who do not use net/TV services. In order to increase the level of user satisfaction at the end of the year, the already traditional New Year's campaign for TV users was implemented with the opening of the offer of TV channels as well as a special New Year's VoD package. Additionally, in order to increase the number of users, a New Year's campaign was created for BOX/Super PLAN users by doubling the amount of mobile data traffic (double data) by 4 in BOX 4/Super PLAN 4.

## Mtel Banja Luka

### New services in 2023:

#### VoLTE Option

By activating the VoLTE (Voice over Long Term Evolution) option, the user can make voice and video calls via LTE (Long Term Evolution) technology. VoLTE calls can be made in LTE signal coverage areas, where the user's mobile device must be connected to Mtel's mobile network via LTE access technology. The use of the VoLTE option is included in the price of the monthly subscription of the tariff model used by the user.

#### Parking abroad

Since 25 September 2023, it has been possible to pay for parking abroad for Mtel mobile network users. The service enables mobile network users to pay for parking in Serbia exclusively through the m:go application.

#### SI solution (Infobip service)

Infobip services represent the most modern ICT solutions for improving communication between business users and clients. They are implemented through the Experience Cloud communication platform, which allows the user to use different communication channels in one place, such as SMS, push notifications, chat applications, Viber and others, in order to efficiently, quickly and cost-effectively, completely personalize the approach to clients and achieve to better business results.

#### SI solution (Cloud Call Center service)

Cloud Call Center service is a service that enables business users to improve their business using the most modern software solutions for direct contact with clients, data collection and analysis, as well as the possibility of fully adapting the system to their own needs. The service is implemented on the partner's Cloud infrastructure, and includes the following modules: Predictive Dialing, Voice Recording, Google Calendar Connector, DB Synchronization Connector, Customizable Campaigns, Custom SIP Trunk, Google Data Studio Connector, CLIR, Campaign Scripting, Activities Module Pipedrive.

#### SI solution (Premium Security service)

The aforementioned service enables business users to monitor IT infrastructure, as well as advanced services such as expert analytics, incident response, forensics, recovery in case of cyber incidents, and the like. The service provides the user with an insight into the state of security of the entire information system, and depending on the specific service package, it includes an expert analysis of the

current situation with the user, the functionality of SOC monitoring and detection, Incident response and/or Threat hunting, with the possibility of using additional services such as Internal Vulnerability Assessment, Penetration Testing, Virtual CISO and Security Awareness Training.

#### Cyber security solutions

During 2023, in the segment of business solutions and services, Logosoft continued to work on the visibility and expansion of Cyber Security Solutions services, and the service includes a set of necessary solutions for companies to be and remain safe from cyber-attacks, as well as ways to recover from cyber-attacks. The mentioned solutions, among others, include the protection of key company resources - employees, equipment, network, identity and data, as well as ways of prevention and additional protection from cyber-attacks through the introduction of additional levels of protection, as well as the documentation of policies, procedures and rules, and the education of all employees. In addition to the above, the range of security solutions has been expanded with the so-called Threat intelligence platform, which enables detection, prevention, detection, elimination and recovery from modern cyber threats.

#### m:GO application

In 2023, the m:GO application was enriched with the following options:

- Convergence of fixed and mobile phone bill payments, where after the launch of converged billing and unification of bill payment channels via mobile phone channels, it was necessary to converge the channels in the same way on the mgo application,
- Pokloni NET service, where mobile phone users and users who use the mobile phone service as part of integrated services/m:SAT integrated services are able to gift a certain amount of mobile internet to another user,
- Share top-up, a service that allows prepaid mobile phone users to transfer a certain amount of top-up to another mobile number,
- Deleting recorded invoices from the "My Accounts" section, where the application enables personalized addition of invoice overview for used services and simplified payment of invoices from that category. It was necessary to enable users to delete saved accounts in order to avoid accumulating information,
- New functionalities of the Mtel ID user account, a function that increases the security of the application (two-factor authentication during login - SMS and email, the possibility of completely deleting the user account, logging out from all user devices from the admin panel, payment history),
- PIN code account protection options, an option that provides additional account protection and payment authorization using a PIN code,
- By expanding the payment function, Mtel users can pay for parking in more cities.



## mtel Podgorica

After winning a significant part of the market, during the whole of 2023, we continuously worked on the satisfaction of users of premium products (BOX packages), so activities were started to retain existing users in the cable segment, with the possibility of upgrading to a larger package. The user chooses a package depending on whether he wants a package with or without a landline or mobile phone included in the subscription, and also chooses the Internet speed he wants, which reaches up to 500 Mbps. There are 7 packages on offer, of which: 2 that combine television and Internet services, 2 that include fixed telephony with television and Internet, and 3 packages with all 4 telecommunication services. With the aim of promoting packages that integrate all four telecommunication services, a new campaign was introduced aimed at all new users of the BOX 4.1, BOX 4.2 and BOX 4.3 packages. Users of the BOX 4.1 package receive an additional 50GB per month on the mobile number within the package, while users of the BOX 4.2 and BOX 4.3 packages receive an additional 200GB per month.

Compared to the standard speeds provided in the price list, the speeds for BOX 4 package users are increased to 500 Mbps, and in addition, the user pays half of the subscription for the first three months.

In accordance with market trends, MTEL renewed its offer in the cable Internet segment. 4 new packages have been introduced with extra speeds up to 500/50 Mbps on optics. Subscriptions range from 19.99 to 39.99 euros.

In the part of the offer for satellite television users, the company has enabled users to combine additional telecommunications services in addition to television. The offer includes the new m:SAT duo package, which represents a combination of television and Internet. Also new in the offer is the m:SAT trio package, which represents a combination of television, internet and mobile telephony.

## Mtel Global

MTEL TV service - OTT TV, is about TV packages that contain over 270 entertainment, information, sports, film, children's and other favourite channels from the ex-Yu area, as well as TV packages with Austrian and German channels of top quality. The offer of Mtel TV also includes some of the most popular programs for which only MTEL has the exclusive right to broadcast. MTEL TV packages also include services that improve the user experience, such as channel rewinding and simultaneous viewing on multiple devices. These services are available in the markets of EU, USA, Canada, and Australia.

# Services outside telecommunications

## Arena Channels Group

In the course of 2023, the total number of users increased by an impressive 400,000, i.e. by 11%, thanks to the expansion in the existing markets of the region. As for broadcasting content, it is sufficient to know that only five years ago we had 2,402 broadcasts, and now we have about 7,000 direct broadcasts a year.

Sports channels ArenaSport are the holders of exclusive rights for the most important sports content in the territories of the countries of the former Yugoslavia. Investing in the purchase of licenses allows users to have a greater choice of programs to watch, thereby increasing the satisfaction of existing users and attracting new ones.

We are the most watched in Serbia, Bosnia and Herzegovina, Croatia with the total number of users exceeds 4 million, but we are not satisfied with this because we know that we can be even more successful.

Geographic representation of ArenaSport users, including the members of the Group

	2022	2023	Growth	Structure
Serbia	1,200,000	1,335,000	11%	32%
Bosnia and Herzegovina	900,000	950,000	6%	23%
North Macedonia	390,000	420,000	8%	10%
Croatia	800,000	940,000	18%	23%
Montenegro	115,000	130,000	13%	3%
Slovenia	350,000	380,000	9	9%
<b>Total</b>	<b>3,755,000</b>	<b>4,155,000</b>	<b>11%</b>	<b>100%</b>

## Arena Cloud Application

The Arena Cloud application is intended for users who are natural persons in the Ex-Yu territory.

Arena Cloud packages are available in the following countries: Serbia, Bosnia and Herzegovina, Montenegro, Croatia, North Macedonia, and Slovenia. Broadcasting

of certain channels depends on the country in which the application is used.

Users have three choices for activation, Highlights, Silver or Gold package that includes all options. The application works according to the principle of buying TV content, according to established sales packages, and the channels can be watched on a mobile phone or other digital device that supports the broadcasting of records of this type.

At the end of 2023, the number of Arena Cloud application users includes 29,917 active subscribers and 4,462 demo subscribers.

## Telus

The biggest users of the services are first of all Telekom Srbija, JP Posta Srbije Government of the Republic of Serbia, Presidency of the Republic, Ministry of Finance - Treasury Administration, Customs Administration, Republic Fund for PIO, DDOR insurance, Poštanska štedionica, Elektrodistribucija Technical Center Kraljevo, RFZO, Arriva.

Users of Telus Pro services: Branches of the Tax Administration, EDS Technical Center Kraljevo.

## TS Ventures Fund

TS Ventures Fund made its first financial investment in the first half of 2022 in the company Online booking Services doo, which, as a non-monetary contribution, invested in the company OtaSync OÜ in Estonia whose software automates hotel processes. Also, in the same year, an accession agreement was concluded with two other legal entities in the country, Bitebell Technologies doo (platform for automation of delivery) and Brush Galaxy doo (Marketplace platform that connects buyers and sellers of digital brushes for creatives). This year, too, investments continued on the territory of Serbia in the company Nanocraft doo.

During 2023, the Fund invested in the shares of the companies on the territory of the European Union (Randevu UG Germany, Shopnosis BV Belgium) and Great Britain (60 seconds LTD UK). As stipulated by the Law, these are companies that are not listed, nor are they traded on a regulated market or a multilateral trading platform. TS Ventures Fund doo, with the permission of the Securities Commission and its depository bank, was the first in this part of Europe to invest through SAFE contract (Simple Agreement for Future Equity) with a legal entity registered in the USA. It is about the company Anari AI, which is the first online chip factory on the cloud that deals with the development of a platform for the use and design of personalized AI chips. SAFE is a contract most similar to a warrant, between an investor and a startup, with no maturity date, no interest rate, which provides the investor with automatic conversion into the company's preferred shares with

a discount of 20% on the offered price per share, on the condition of reaching a pre-determined amount of pre-money valuation.

The Fund ended 2023 with another investment through SAFE, in Focure Inc - Fuller vision based in the USA, which operates in the field of health technology and manufactures autofocus glasses designed to help people with eye problems with presbyopia (gradual loss of ability eyes to focus on nearby objects).

# Customer care

## Telekom Srbija

The Telekom Srbija Group focuses on satisfied users as one of the key elements of the company's success. Accordingly, customer satisfaction is continuously measured in sales departments using different methods.

Net Promoter Score (NPS) is a basic metric used in Customer experience. NPS measures customer loyalty of a particular company.

### Results of the analysis of Telekom Srbija's business customers satisfaction

Tracking customer satisfaction level	2022	2023	% growth
<b>Results of customer satisfaction survey</b>	<b>4.26</b>	<b>4.93</b>	<b>0.67</b>
<b>Net Promoter Score (NPS)</b>	<b>9.42%</b>	<b>6.38%</b>	<b>-3.04</b>
Total number of complaints per annum	9,926	12,666	2.74
% of complaints relative to the total number of invoices	0.51%	0.76%	0.25
Level of successfully (positively) resolved complaints	7,969	8,975	
Number of generated calls to contact centres	1,779,723	1,941,607	
Total number of processed emails	295,211	261,128	

In the course of 2023, Telekom Srbija maintained a high score in the area of customer satisfaction and achieved an average rating of 4.93.



## Results of the analysis of Telekom Srbija's private customers satisfaction

Tracking customer satisfaction level	2022	2023	% growth
<b>Net Promoter Score (NPS)</b>	<b>9.42%</b>	<b>6.38%</b>	<b>-3.04</b>
Customer relations - internet	4.37	3.94	-0.43
Call center service - internet	4.29	4.19	-0.1
Customer relations – fixed telephony	4.31	4.43	0.12
Professional approach by the Customer Care Section– fixed telephony	4.34	4.51	0.17
Relations with buyers - mobile telephony	4.07	4.09	0.02
Relations with buyers - mts TV	4.11	4.23	0.12
Call center service - mts TV	4.01	4.42	0.41
Quality of bill layout for fixed telephony	4.43	4.39	-0.04
Call center service - mobile telephony	4.38	4.26	-0.12

In the course of 2023, Telekom Srbija maintained high ratings in all categories of care for private users, although we should point out that the methodology for calculating NPS has been changed.

Results of the questionnaire (rating 1-5)	2022	2023
Total number of customers on an annual level	815,093	701,989
Level of successfully resolved complaints	98	99
Number of generated calls in contact centre	3,975,085	4,384,350
Number of generated calls in contact centre - attended	3,399,723	3,209,022
Number of generated calls SUPERNOVA	1,516,581	1,864,853
Number of generated calls SUPERNOVA - attended	1,166,105	1,720,105

In addition to the services that Telekom Srbija provides for its users, Telekom Srbija also offers Contact Center services. There is 99% resolved complaints in 2023.

Number of calls directed to skill (number)	2023
0800 100100 – option 1 Technical support and fault reports	1,420,284
0800 100100 – option 2 TV, Internet, Box, fixed users	1,073,249
0800 100100 – option 3 Mobile services	1,294,235
0800100 100 – Sales matters	1,106,263
0800/100100 – option 0 Supernova	1,864,853

## Mtel Banja Luka

Customer care includes activities aimed at increasing the customer satisfaction from the moment of submitting a request for service, through informing users about the installation of the service, and examining satisfaction with the installation and service, along with all post-sales activities that include the possibility of reporting problems, providing additional information, technical support or submitting complaints.

The contact center is available to users 24/7, and has developed into an extremely important segment when it comes to providing information on all services offered to residential and business users, technical support, but also as a sales channel. Within the Contact Center, information and support to users is provided through the voice service, but also through answers to inquiries to e-mail, Facebook inbox, Web Self Care and the m:go application.

In addition to customer support, the Contact Center provides directory services, 125 calls and commercial survey services for third parties. In order to measure customer satisfaction, the satisfaction with the installation, the operation of the installed service and the method of solving problems are also examined.

Results of the questionnaire (rating 1-5)	2022	2023	
Total number of customers on an annual level	17,212	19,759	14.8%
Level of successfully resolved complaints	98.1%	98.4%	0.3%
Number of generated calls in the contact centre	2,455,576	2,126,255	-13.4%
Number of generated calls in the contact centre – attended	1,979,282	1,886,637	-4.7%

## YUNET

In 2023, YUNET continued to successfully resolve 95% of user complaints. YUNET has achieved such a high degree of success in resolving complaints despite problems and an increased number of calls due to phishing, spam and compromised email addresses.

Results of the customer satisfaction analysis - YUNET

Results of the questionnaire (rating 1-5)	2022	2023
Total number of customers on an annual level	45,487	38,522
Level of successfully resolved complaints	96%	95%
Number of generated calls in the contact centre	36,954	25,442
Number of generated calls in the contact centre – attended	12,634	10,754

Investment  
into future

5



# Results

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OPTICS FOR  
**1,408,302**  
CUSTOMERS



**1.95**  
MILION km  
OF OPTICAL FIBERS



**3,186**  
LOCATIONS  
WITH BASE STATIONS



**36,000**  
km OF CABEL



**1.7** MILION  
OF CONNECTIONS  
AT DIGITAL EXCHANGES



**99.80%** GSM  
SIGNAL

**98.36%** LTE  
SIGNAL



Significant capital investments of Telekom Srbija Group were made with the aim of achieving business success in all segments of its operations, through the introduction of new and improvement of the existing services, through strengthening the market position and retaining the existing and attracting new customers, as well as through the growth of own sales in the segment of multimedia services and Internet provision.

The total amount of investments of the Telekom Srbija Group in 2023 amounts to RSD 118.6 billion, which is 14% higher compared to 2022.

Viewed per Group member, the largest investments in 2023 were generated in the Parent Company, amounting to 63.3 billion dinars, while the lowest were made in the subsidiary company Telus (2 million dinars).

## Telekom Srbija

Large capital investments of Telekom Srbija were made with an aim to secure business success in all business segments through strengthening the market position, retaining the existing and attracting the new customers, as well as through the growth of own sales in the segment of multimedia services and Internet provision. By quality telecommunications infrastructure of large capacity and the implementation of cutting-edge technological solutions, the customers are offered new services of supreme quality.

The total capital investments in 2023 amount to 63.3 billion dinars and largely refer to investments in the segment of multimedia content production and distribution, the fixed telephony segment through the construction of optical infrastructure, mobile telephony, and the Internet. The company continued to invest in the multimedia segment in the territory of the Republic of Serbia, the region, and abroad. It continued with investments in the production of high-quality content which, together with a large offer of live TV channels, on-demand content and additional advanced functionalities, contributes to commercial success through the growth of the customer base, securing a leading position in the market.

### All IP project

Telekom Srbija, in 2023 as well, continued to invest in the all IP transformation project as the most important project and the largest capital investment in the optical network development. Continued capital investment in the all IP transformation of the fixed access network allows broadband access of up to 1Gb/s to over 1.4 million households, thus keeping the leading position on the fixed telephony and Internet market. Likewise, with the Rural Broadband project

in cooperation with the Ministry of Information and Telecommunications, investments were made in the construction of an optical network in the Serbian rural areas, with the aim of improving the quality of life in those areas by introducing new technological services.

### RAN mobile network

Continued investments were made in the mobile telephony segment, which largely refer to the expansion, upgrade, modernization, and optimization of the RAN mobile network. These investments are aimed at increasing territorial coverage by 4G/LTE technology, as well as a high percentage of population coverage, which was 98.36% at the end of 2023. Realized investments directly influenced satisfaction with services provided to end customers regarding signal quality, faster mobile Internet, larger coverage by the LTE network, which justifiably brought Telekom Srbija to the leading position in the official comparative measurement of mobile network operator quality by Ratel for the fifth year in a row.

### Transport network

Investments in the transport network largely refer to the large-scale introduction of 100Gb/s links for supporting the large increase in traffic, procurement, and the implementation of equipment with coherent optical technology with a 100Gb capacity in the regional network, further development and expansion of the OTN/DWDM and wireless transport network, and modernization of the IP/MPLS network. Investments continued in the procurement of network devices for the acquisition of signal from TV studios as well as the connection of business customers.

### Service platforms

Investments in service platforms mostly relate to the expansion and upgrade of multimedia service platforms, which, with the procurement of equipment for receiving, processing and broadcasting channels, aim to increase the number of TV channels and the number of customers with access to better quality multimedia content and services.

### Digital transformation of business processes

The most significant investments in digital channels that marked 2023 relate to the implementation of new and continuous improvement of the existing functionalities of the mts portal and mobile applications in the B2C/B2B Service (Self Care) and Commerce segments. Continuously, as part of regular technical maintenance, work was done to consolidate and optimize the architecture of the Origami platform itself as a frontend solution for the mts portal and applications. Significant activities were

also related to the stabilization of SAP Hybris Cloud integrations with Telekom's backend systems through monitoring and development of additional components in charge of integrations. Regular upgrades of SAP Hybris and Origami platform were also implemented during the year.

The SAP Hybris platform, as well as the Origami platform, are direct enablers of strategic initiatives to improve customer experience, develop financial and digital services.

Through the Promobox solution, as an enabler in the domain of managing prepaid offers and promotions, through the USSD menu and portal/mobile applications, significant improvements were carried out for this segment of customers, as well as improvements in the offer administration domain.

As part of the continuous upgrade of mCommerce and IPG modules, new functionalities have been implemented to provide for the platform optimization and improvement of the end user experience. The project of the operating system upgrade (up-to-date Windows and SQL) of all modules on the mCommerce platform has been launched.

A periodic upgrade of the EMM OLM platform was performed and annual EMM OLM licenses were obtained.

A number of investments were made in advanced analytics and machine learning use cases, as support for the implementation of CVM activities in the company, as well as in the field of network planning.

Investments were initiated to implement analytical structures in the AWS Cloud as a basis for analytics and reporting of subsidiaries in the Telekom Srbija Group. A major upgrade of the IBM Netezza data warehouse platform was made, and an investment was initiated in the upgrade of the analytical tool for machine learning - SAS Viya 4.

The existing SAS licenses for the next two-year period were renewed and cloud-based licenses were activated for three new SAS tools: CI 360 Plan, CI 360 Direct, CI 360 Email, which solved Telekom Srbija's long-standing business problems in the field of marketing automation.

In addition to the above, the most significant investments in the field of digital transformation of business assessments that marked 2023 were in line with the agenda of the Fourth Industrial Revolution (4IR). The basis for achieving the agenda goals is digital transformation of the company's business processes. For that purpose, the most significant improvements were achieved in the Operations & Business Support System segment, through projects of the next phase of CRM and Order Management upgrade, as well as upgrade of the IIB platform from ESB to ACE version, implementation of new solutions on the Open Shift platform using DevOps methodology, and implementation of new RPA (Robotic Process

Automation) solution use cases for smart business process management. The implementation of the new Sales Force Management solution is in progress, which changes the existing WFM by migrating to the Cloud.

Operations are standardized by improving the existing SAP ERP platform modules for a more effective support to business reporting and corporate resource management, and the company's business processes are being digitized. Two new modules have been introduced in the HR management domain (Time-Off and Work Force Analytics).

### **IoT services**

A mini upgrade of the ThingPark Wireless platform QA environment was made in order to improve system maintenance and be better prepared for future works on the system versioning. Also made was a mini upgrade of the AEP Busit platform, during which additional functionalities were delivered to improve the user experience. For improvement of the IoT service billing and adjustment to commercial services, an upgrade was made of the IoT Billing portal for recording IoT commercial contracts.

A new form of commercial Smart Building and Office IoT service was developed, which was further commercialized to more customers.

The internal service for voltage monitoring in the HFC network was put into operation and expanded outside of Belgrade, in order to improve the quality of service provided by Telekom Srbija to end users.

### **ICT Services**

Investments in ICT services and platforms were carried out (improvement of the Cloud platform to support the development of new digital services, including the development of new SaaS cloud services, upgrade of the cloud component enabling automated deployments of user servers, upgrade of the STaaS platform, improvement of the platform for communication with citizens, as well as implementation of IT/ICT services for business customers).

### **IT Infrastructure**

In the domain of IT infrastructure, a large amount of equipment was renewed, primarily storage systems and server equipment. Some of the most important IT services operate on this infrastructure, enabling sales services, customer support services or billing services. The infrastructure for archiving multimedia digital content, created by Telekom Srbija as a production company, was also procured. Improvement and additional virtualization were performed for a part of the infrastructure related to the network infrastructure within the Data Center. A new machine inserting documents into envelopes was purchased for the Printing Center, in order to increase the capacity of the Printing Center, given the

preparation of bills for external users. Activities have been initiated in the field of Cloud infrastructure to cooperate with the largest public cloud providers, Oracle Cloud and Amazon Web services, in finding optimal solutions for the functioning of Telekom Srbija's IT services in hybrid mode.

### IT Security

The focus of the IT security sector was on replacing equipment, strengthening resilience in the event of cyber-attacks, and improving digital identity management. Also, activities were carried out to improve the process related to information security and raise the level of awareness of employees about information security. The state of IT security at the Company level was regularly monitored and no security incidents were recorded that would have a greater impact on the business.

## Impact on suppliers and construction operations in Serbia

During 2023, the implementation of new updated bylaws governing the procurement process in the Company was started in order to advance it, including the new Procurement Policy, Procurement Procedure, Procedure for the Development and Analysis of the Procurement Plan and General Terms for Implementation of the Procurement Procedure.

The share of the local suppliers in the procurement chain was 98%.

The Company operates according to the requirements of the international standard ISO 14001:2015 of the environmental management system and expects its suppliers and their subcontractors to be committed to the prevention, control, and reduction of all forms of the environmental pollution, as well as to the sustainable use of natural resources for the purpose of achieving sustainable development.

The principle of environmental protection and securing energy efficiency represents, in accordance with the Procurement Policy, one of the basic principles that the Company is guided by in conducting procurements.

In that sense, it is important to note that one of the basic criteria for participation of the bidders and their subcontractors in the procurement procedure, prescribed by General Terms for Implementation of the Procurement Procedure of Telekom Srbija, represents adherence to obligations in the sphere of environmental protection, including obligations in accordance with the international convention provisions on environmental protection.





# Mtel Banja Luka

The overall investments of Mtel Banja Luka in 2023 equal 9.5 billion dinars, which is 13% higher than those realized in 2022.

In 2023, the Company made a number of strategic investments securing the reliability of service provision, introduction of new services and the basis for further expansion of the portfolio in all segments of telecommunications services. Investments were made in the modernization of fixed and mobile networks, with the aim of higher competitiveness, better quality, and diversity of services on the market.

Investments in the mobile network were primarily directed at the expansion and development of the 4G LTE radio access network in the existing locations, as well as the building of projected new locations. The modernization of the CS core network was completed, as well as the expansion of the PS core network. The capacity of the transport network was expanded due to the increase in the volume of Internet traffic, additional protective routes were implemented, as well as QoS in all planes of the mobile network. As part of the upgrade and modernization of the mobile network in 2023, LTE (4G) services were put into operation at a total of 160 locations. As part of the upgrade and modernization of the mobile network in 2023, LTE (4G) services were put into operation at a total of 360 locations. A total of 26 macro base stations, two pico base stations, 1 micro base station (Flexi Zone) and 14 pico repeaters were put into operation. The total number was 1,691 base stations and 166 pico repeaters at the end of 2023.

Within the wireless transport network, the development of the fourth generation mobile network (LTE) continued, where the introduction of MPLS technology in wireless transport systems increased the number of mobile network locations that rely on systems with this technology, which opened up new opportunities to optimize existing resources. During 2023, within activities in the mobile backhaul network, 8 base stations switched from the RR system to the optical transport network, while the number of RR hops was reduced by ten base stations.

In the domain of mobile telephony switching systems, data transmission capacities were expanded in order to enable unobstructed use of LTE technology for domestic and roaming customers and to accompany the constant growth of mobile Internet traffic. Also, the procurement was completed of the Core element for the licensed extension of the capacity of mobile telephony switching systems for data transfer. The system for monitoring signalization and quality control (MasterClaw) was improved by expanding the equipment for monitoring GTP traffic, followed by implementation of the supervision of VoLTE traffic signalization, as well as expansion of the eoMind application for the purpose of analyzing VoLTE traffic.

During 2023, work continued on the improvement of the m:go platform in terms of payment functions, i.e. paying by payment cards both own monthly bills for telecommunications services and third party bills.

The project of replacing 3G SIM cards with 4G USIM cards was launched at the beginning of 2023, required for the migration of users with 4G phones and 3G SIM cards that do not allow use of the LTE network, thus reducing costs and burdens at points of sale. Another project aimed at optimizing business processes for end-user activities, launched at the end of 2023, is procurement for the development and delivery of self-service appliances for Mtel services.

A new mail service was implemented within the investments in the Internet in 2023, so Mtel is able to offer all its residential and business customers a reliable e-mail service with a pleasant user experience, protection of their correspondence through standard cryptographic methods, as well as protection against spam and malicious software.

In 2023, within IPTV platform and CDN service, new Edgeware packaging and streaming systems for non-linear content in the IPTV service were implemented, along with Broadpeak packaging and streaming systems for OTT traffic, expanded capacity for transcoding linear channels for OTT traffic for 70 additional channels, Streamkeeper MultiDRM system, Ad-Insertion module, which was released to production together with the new Homepage widget, and the Android TV application for ONTV was implemented as well.

In the field of information technologies, the most important activity in 2023 was release of the new Convergent Billing systems, thus completing modernization of the core IT OSS/BSS system, which records, implements, invoices and monitors all user services from the same system, providing a major improvement in the process optimization and significantly faster time-to-market. Through regular activities and new projects in 2023, work was done on expanding and optimizing resources of the internal and commercial cloud based on technological solutions, increasing the user base of the commercial cloud, as well as increasing IT security by applying policies. Ever bigger challenges in the field of IT security require significant investments in the systems of protection against cyber-attacks, so in 2023 a number of activities related to the implementation of new solutions in the domain of IT security have been carried out.



# mtel Podgorica

The overall investments of the Mtel Podgorica subsidiary in 2023 amount to 5.6 billion dinars, which is 14% higher compared to those in 2022.

In 2023, investments were directed at further development of cable infrastructure, with the aim of providing maximum coverage of the territory and population with fixed services. This is the largest project at mtel Podgorica which started in 2015, while in the period 2016-2023 continued the combined construction of the HFC and GPON cable network in order to cover all municipalities in Montenegro. In 2023, the network was developed mostly above ground, on the poles owned by CEDIS (Montenegrin Electrical and Distribution System) and the public lighting poles owned by the Communal Services in Podgorica and local self-governments in other municipalities in Montenegro and partly underground in the cable ducts of Mtel Podgorica and Crnogorski Telekom.

These investments enabled a comparative advantage over the competition, and emphasis was consequently placed on the development of GPON cable infrastructure, especially in suburban zones, and on migration from the existing HFC-based networks to GPON-based networks, in accordance with a detailed analysis of construction expenditures and expected revenues from customers. Considering the fact that most of the urban zones are covered by the cable network, the scope of network construction has been reduced in 2023. In 2023, work was done on expansion of the existing cable infrastructure in those cities where there is a developed cable infrastructure, as well as on the implementation of the GPON network in the current and new cities. In accordance with the development plan, the construction of the GPON network continued in the municipality of Kolašin and the center of the municipality of Gusinje.

In 2023, the development of dwdm/ip mpls infrastructure at the location of DRS Nikšić was continued in order to create conditions for the realization of complete redundancy of mobile and fixed services. To this end, the third Internet Upstream service was activated on route DRS Nikšić-Pljevlja/Metaljka-Telekom Republika Srpska-Mokra Gora-Novi Beograd. This also fulfilled the technical prerequisites to move the route of the already implemented third Internet Upstream and the planned NNI service to the route DRS Nikšić-Herceg Novi-Trebinje-Šabac-Novi Beograd in 2024, and thus completely separate the existing three Internet Upstream and NNI routes at three independent physical routes, which will greatly increase the reliability of not only the Internet but also of television services, reducing the operational time of their outage in case of interruption. At the same time, work is being done to increase the capacity of the interconnection between DRS Nikšić and Podgorica DC Čelebić, which fully integrated DRS Nikšić into a single dwdm/ip mpls network in the territory of Montenegro, providing an additional level of redundancy of fixed and mobile services for

most municipalities connected to the ip network. The planned implementation will provide all technical prerequisites for further development of redundancy of application services at the location of DRS Nikšić, in order to support fixed and mobile services.

During 2023, investments in the mobile network continued through a significant expansion of the CORE network. Work on the implementation of VoLTE services continued in 2023 and, for that purpose, investments were made in the VoLTE roaming project. In both Podgorica and Nikšić, vSAPCs were put to production, to be used exclusively for VoLTE and 5G.

During 2023, investments were made in ENM upgrade, followed by IMS upgrade, including A-SBC upgrade on both sites, and NSBC on both sites. There were also investments in the CSCF upgrade on both sites, and the MTAS upgrade was done only on the Podgorica site. Investments were made in upgrading MSS on both sites, as well as MRS on both sites. There were also investments in the HLR upgrade on both Podgorica and Nikšić sites. Investments were made in the CEE platform upgrade. Likewise, investments were made in the EPC upgrade (SGSN and EPG). During 2023, there were investments in the MPS (Mobile Positioning System), which is an obligation that we fulfill in accordance with the request of the regulatory body.

In addition, during 2023, investments were made in the upgrade of the EDA platform, as well as in the upgrade of the EMM.

With investments related to DRS, the regulatory obligation under the current Rulebook on Security of Network and Electronic Communications Services was met, and at the same time provided redundancy and reliability of services.

During 2023, investments in the mobile network continued through the construction of new locations (26) and the addition/upgrade of LTE technology on a significant number of the existing locations (128). These activities had a huge impact on coverage and customer experience. Also, during 2023, MTEL continued construction of the 5G network in the frequency ranges that were leased at the spectrum auction in early 2022 (2 x 10MHz in the 700MHz and 100MHz in the 3.6GHz range). There were 19 NR 3600 MHz and 34 NR700 MHz base stations implemented. Also, the company has invested in feature licenses in order to optimize the use of network resources.

In 2023, the development of energy infrastructure was continued in order to increase safety and reliability in the power supply of telecommunications equipment, especially in data centers. The most important project was the procurement and installation of a diesel electric generator and a main distribution cabinet for new DC Čelebić, with all accompanying equipment and installations, and connection to the existing MDC and the generator in the old

DC to achieve redundancy in the power supply. The value of the investment is EUR 174,564. In addition, the UPS was overhauled in DC Čelebić, and IS Benning was upgraded, including the battery replacement, costing about EUR 50,000. Regular investments continued in the procurement of electrical and air conditioning equipment for RBS sites and data centers, required for optimization and maintenance.

The most significant ICT projects in 2023 were related to the service and infrastructure improvements. The shortage of semiconductor components caused by disruptions in supply chains after the COVID virus pandemic continues to have a significant impact on the procurement of new hardware infrastructure, resulting in delays in delivery and ever increasing prices of IT equipment.

At the end of 2023, the company's certification project for ISO9001 and ISO27001 standards was successfully completed. In this way, Mtel follows modern trends when it comes to organization and information security, which will enable a successful resolution of a possible bottleneck when the company participates in public tenders for the implementation of high-value user projects. On the other hand, a new obligation has arisen in the form of a continuous process of preparing recertification, which will be carried out at the end of 2024.

During 2023, work continued on the project related to improved and upgraded monitoring of information security in the corporate IP network and IT infrastructure. This project was implemented together with Pulsec and the implementation will continue throughout 2024.

Since the capacities of the VMWare hardware infrastructure have reached a high level of utilization, the procurement procedure for the new infrastructure was initiated at the end of 2023. With the new hardware to be implemented in the first half of 2024, the available capacities will be increased by at least 50% when it comes to the available number of virtual CPU cores (vCores) and especially the available RAM, which was the most critical resource. This expansion, together with the expansion of the corporate data warehouse in 2022, will allow smooth implementation of other IT projects for at least a few following years.

Throughout 2023, intensive work was done on the procurement and installation of servers for the Mtel Move OTT platform, and work on adding new edge servers will continue during 2024. In addition, the old VMWare infrastructure from the beginning of the previous decade was used to implement the test OTT environment.

When it comes to investments in business process support platforms, during 2023, works continued on the new SAPRMCA module, followed by the third phase of DWH platform implementation. During the year, additional functionalities for SD PRO related to the sale of SIM and eSIM cards were implemented, to facilitate

the work of colleagues from the Sales Department.

With completion of the introduction cycle for the new Billing, ERP, CRM and DWH platforms, a better reporting process and more flexible creation of new tariff packages will be enabled, allowing for growth of the MTEL revenue.

During 2023, there were intensive works on the development of an in-house Inventory platform that has reached a functional level and has improved the process of performing business tasks throughout the company, especially in the Technical Department. The plan is for the process of implementing new functionalities to continue during 2024.

# Other members

## Arena Channels Group

In 2023, the total capital investments of the Arena Group equalled 44.2 billion dinars, which is 11.8 billion dinars higher compared to 2022.

In 2023, the Company continued to invest in premium sports content, as well as serial, film and informative content. Such investment requires further Group funds for the software accompanying licenses, as well as the production of the content related to regional sports competitions. With the new investments, Arena provides TS with a leading position among all other operators in 2023, as well as the basis for this trend to continue in the coming years, which would be impossible without constant investments.

Investments in the company's logistical support largely refer to investments in real estate and space adaptation, work equipment and the car fleet, while Investments in IT refer to computer equipment.

## Mtel Global

Total investments in 2023 amount to 471.4 million dinars.

Technical investments mainly relate to investments in service platforms of the mobile network, which include upgrade of the MVNO service platform for CRM and billing system, as well as investments in the development of a web portal application solution, Self-Care for OTT TV as well as hardware works. Investments in the transport network were also carried out, primarily related to the investments of the subsidiary TS:NET in the upgrade and expansion of the IP/MPLS network, investments in user equipment for the provision of TV services, which tracks the customer growth, as well as investments in licenses for the Cyan platform.

Investments in IT mainly relate to the development of the website, the purchase of antivirus programs, the development of e-sim, the procurement of computers, monitors, mobile phones, copiers. Investments in logistics support were mostly attributed to the adaptation of premises and the equipping of new branches.

## YUNET

Investiciona ulaganja u 2023. godini iznose 11,6 miliona dinara, i manja su za 26,5 Investments in 2023 amount to RSD 11.6 million, and they are lower by RSD 26.5 million, i.e. by 70%, than the ones carried out in 2022.

Investments mainly relate to the procurement of Juniper routers, customer equipment, as well as investments in the company's IT support.

## mts d.o.o.

In 2023, the investments were made in the amount of RSD 41.5 million, and they are lower compared to 2022 by RSD 143 million, i.e. by 77%.

For the most part, they relate to investments in GPON equipment, devices for the introduction of new technology and miniPAN devices for the needs of network decentralization. During 2023, investments were made in user equipment for maintenance of modems and STB devices at the acquired cable operators, for modernization of user devices and digitization of analogue devices. Investments in IT relate to hardware user equipment (printers, notebooks), renewal of M365 licenses and Enhancement Plan for NAV, as well as ERP maintenance.

# Employees as a partner

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In 2023, Telekom Srbija as a holder of the Family Friendly Enterprise (FFE) certificate continued to apply and introduce measures based on the principle of socially responsible organization management, with a focus on harmonizing the employees' private life and work.

The aim of implementation and introduction of new FFE measures, which the company continuously examines and supplements, is to improve the work process and the quality of the work environment for the purpose of achieving a greater balance between the professional and private life of the employees.

This makes the employees more satisfied with the job they do, more motivated to work and committed to the company employing them, at the same time increasing productivity and efficiency and empowering the concept of socially responsible operations by which the company achieves a competitive advantage.

## Structure of employees per member

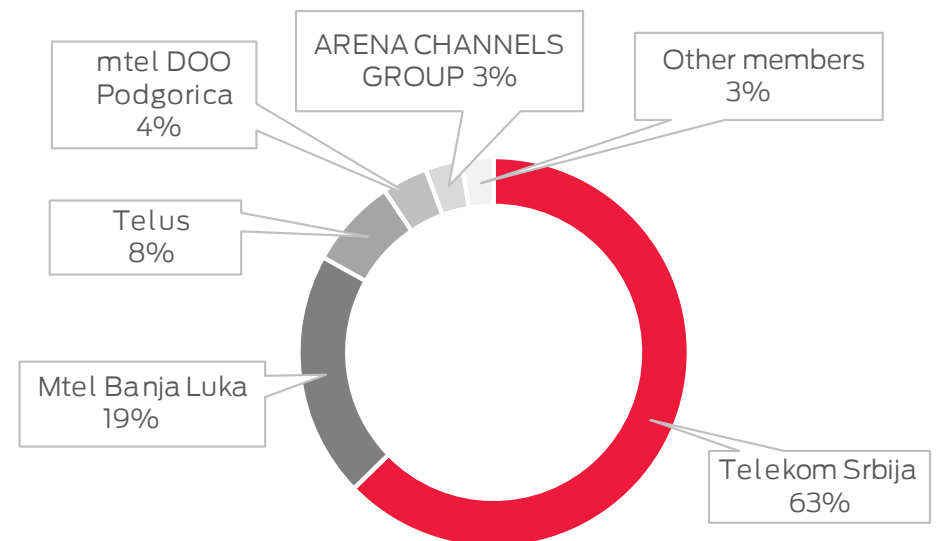
The number of employees of the Group includes 13,510 employees and 3,529 persons engaged on other grounds.

The companies with the largest number of employees are Telekom Srbija and Mtel Banja Luka, whose share in the overall number is 82%.

During 2023, 1,345 persons concluded employment contracts on the level of Telekom Srbija Group, while 550 employees terminated their employment contracts, which caused an increase in the total number of employees by 6.5% compared to the previous year.

The largest percentage increase in the number of employees is recorded by the companies MTEL Global (43%), MTEL Doel Skopje (22%), ARENA CHANNELS GROUP (19%) and Telus (17%), while the number of other members' employees varies in the +/- 0-6% range.

Structure and number of employees in Telekom Srbija Group



Company name	2022	2023	2023-2022
Telekom Srbija	7,954	8,447	493
Mtel Banja Luka	2,584	2,621	-3
Telus	945	1,101	156
mtel D.O.O. Podgorica	480	504	24
ARENA CHANNELS GROUP	379	450	71
mts D.O.O.	180	184	4
MTEL Global	56	80	24
YUNET INTERNATIONAL	52	51	-1
TS Ventures	6	6	-
MTEL DOOEL Skopje	46	56	10
MTEL TURKEY Telekomunikasyon LC		10	10
<b>TOTAL:</b>	<b>12,682</b>	<b>13,510</b>	<b>788</b>

### Age structure of employees

In the age structure of the Group, the largest share belongs to employees between 50-59 years of age (38%), as well as employees between 40-49 years of age (33%), which together accounts for 71% of the total number of employees.

On the average, the oldest structure of employees is seen in the Telus and Telekom Srbija companies, while the youngest structure of employees is recorded in MTEL TURKEY Telekomunikasyon LC with 50% and MTEL DOOEL Skopje with 41% of employees below 30.

Age structure	<30	30-39	40-49	50-59	>59
<b>Telekom Srbija Grupa</b>	<b>6%</b>	<b>15%</b>	<b>33%</b>	<b>38%</b>	<b>8%</b>
Telekom Srbija	5%	13%	32%	40%	10%
Mtel Banja Luka	12%	18%	32%	31%	7%
Telus	1%	6%	28%	51%	14%
mtel D.O.O. Podgorica	10%	36%	38%	12%	3%
Arena Channels Group	19%	41%	28%	11%	1%
mts D.O.O.	13%	24%	21%	31%	10%
MTEL Global	28%	35%	29%	9%	0%
YUNET	8%	8%	53%	27%	4%
TS Ventures	0%	17%	83%	0%	0%
MTEL DOOEL Skopje	41%	36%	14%	9%	0%
MTEL TURKEY Telekomunikasyon LC	50%	20%	20%	10%	0%

### Educational structure of employees

In the educational structure of the Group, the high school education is dominant, followed by the university education, accounting together to an 81% share.

The largest share belongs to employees with high school education in the companies – telecommunications operators, with a significant number of sales and technical personnel.

The company with the lowest educational level on the average is Telus, in keeping with the activity it performs.

The companies with the highest educational level on the average are TS Ventures, Mtel Global, ARENA CHANNELS GROUP and MTEL TURKEY Telekomunikasyon LC.

Educational structure	unqualified-qualified	secondary education	college degree	university degree
<b>Telekom Srbija Grupa</b>	<b>11%</b>	<b>49%</b>	<b>7%</b>	<b>32%</b>
Telekom Srbija	9%	48%	9%	33%
Mtel Banja Luka	1%	56%	3%	40%
Telus	57%	40%	1%	2%
mtel D.O.O. Podgorica	5%	56%	9%	30%
Arena Channels Group	0%	39%	10%	51%
mts D.O.O.	7%	72%	13%	9%
MTEL Global	0%	39%	9%	53%
YUNET	4%	45%	18%	33%
TS Ventures	0%	17%	17%	67%
MTEL DOOEL Skopje	0%	70%	0%	30%
MTEL TURKEY Telekomunikasyon LC	0%	30%	20%	50%

# Financial results

GROUP 2023

EBITDA ~ 130 bill. RSD

Operating revenues ~ 230 bill. RSD

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# Consolidated Reports of Telekom Srbija Group

## Income statement of Telekom Srbija Group

in millions of dinars	2022	2023	% of growth
<b>Operating revenue</b>	<b>163,491</b>	<b>230,787</b>	<b>41.2%</b>
<b>Operating expenses</b>	<b>149,403</b>	<b>154,802</b>	<b>3.6 %</b>
<b>EBIT</b>	<b>14,088</b>	<b>75,985</b>	<b>-</b>
EBIT margin	8.6%	32.9%	-
<b>EBITDA</b>	<b>68,131</b>	<b>128,028</b>	<b>87.9%</b>
EBITDA margin	41.7%	55.5%	-
Financial expenses, net	-7,347	-18,038	-
Share in the profit of equity accounted investee	73	155	-
Income tax, net	-3,348	-8,520	-
<b>Net profit</b>	<b>3,466</b>	<b>49,582</b>	<b>-</b>
Net profit margin	2.1%	21.5%	-

Operating revenues increased by 67.3 billion dinars and operating expenses increased by 5.4 billion dinars compared to the last year.

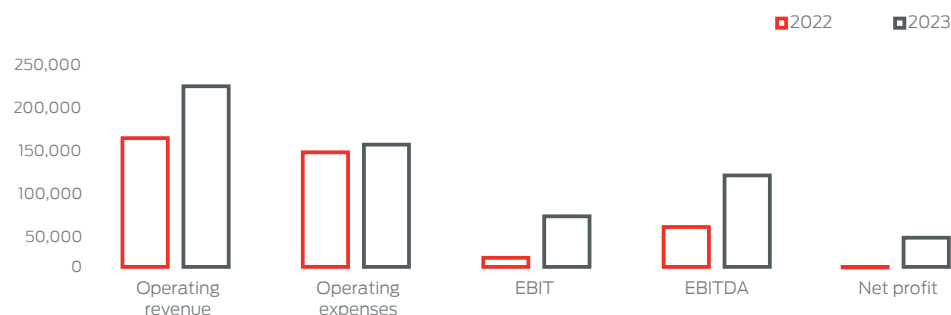
Net profit amounts to 49.6 billion dinars with a rate of 21.5%.

## Balance sheet of Telekom Srbija Group

in millions of dinars	31 Dec 2022	31 Dec 2023	% of growth
Non-current assets	458,678	546,093	19.1%
Current assets	74,774	132,995	77.9%
<b>Total assets</b>	<b>533,452</b>	<b>679,088</b>	<b>27.3%</b>
Equity	162,234	202,594	24.9%
Non-current liabilities	209,169	264,040	26.2%
Current liabilities	162,049	212,454	31.1%
<b>Total liabilities</b>	<b>533,452</b>	<b>679,088</b>	<b>27.3%</b>

The structure of the most significant items of the consolidated financial statements of the Telekom Srbija Group for 2023, as well as an overview of the applied accounting and risk management policies, and other relevant information important to understand the financial position and operating results of the Group, are disclosed in detail in the notes to the consolidated financial statements of the Telekom Srbija Group for 2023.

## Telekom Srbija Group

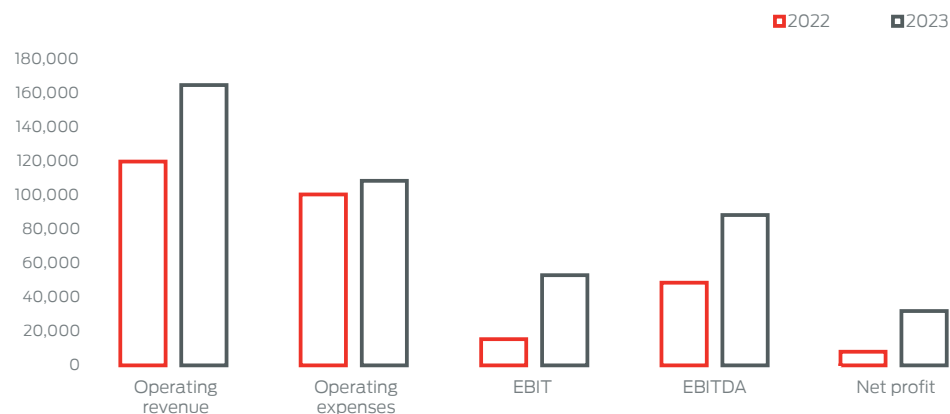


# Financial statements of the Parent Company

## Income statement of Telekom Srbija

in millions of dinars	2022	2023	% of growth
<b>Operating revenue</b>	<b>120,223</b>	<b>164,796</b>	<b>37.1%</b>
<b>Operating expenses</b>	<b>101,776</b>	<b>108,951</b>	<b>7.0%</b>
<b>EBIT</b>	<b>18,447</b>	<b>55,845</b>	-
EBIT margin	15.3%	33.9%	-
<b>EBITDA</b>	<b>49,865</b>	<b>88,563</b>	<b>77.6%</b>
EBITDA margin	41.5%	53.7%	-
Financial expenses, net	-2,694	-15,800	-
Income tax, net	-2,416	-5,892	-
<b>Net profit</b>	<b>13,337</b>	<b>34,153</b>	-
Net profit margin	11.1%	20.7%	-

## Telekom Srbija



Operating revenues increased by 44.6 billion dinars compared to last year.  
Operating expenses increased by 7.2 billion dinars compared to last year.

In 2023, there was no redemption of treasury shares.

## Balance sheet of Telekom Srbija

in millions of dinars	December 31. 12. 2022.	December 31. 12. 2023.	% of growth
Non-current assets	409,316	468,686	14.5%
Current assets	63,882	151,707	-
<b>Total assets</b>	<b>473,198</b>	<b>620,393</b>	<b>31.1%</b>
Equity	158,622	184,064	16%
Non-current liabilities	185,918	249,208	34%
Current liabilities	128,658	187,121	45.4%
<b>Total liabilities</b>	<b>473,198</b>	<b>620,393</b>	<b>31.1%</b>

# Risk management

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# Risk management

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ISO 27001:2013

ISO 9001:2015

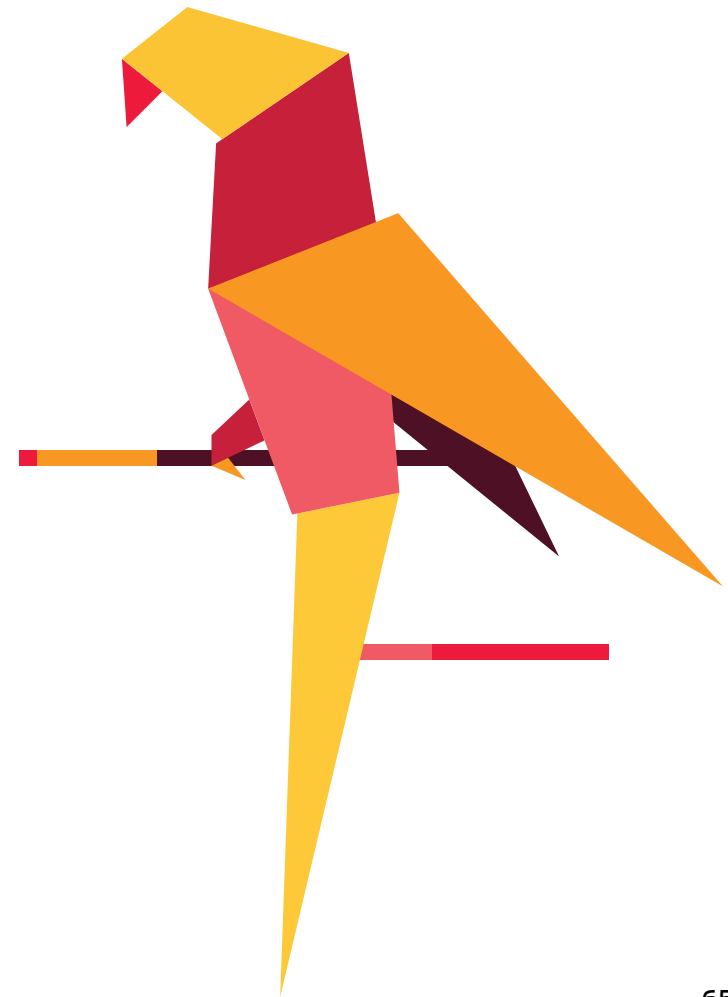
ISO 14001:2015

ISO 20000-1:2018

ISO 45001:2018

ISO 27701:2019

ISO 22301:2019



# Risk management

Telekom Srbija Group operates in compliance with all the regulations imposed by the markets where it provides services. In addition to local regulations, the company's operations, i.e. the services provided by the company are subject to international regulations – EU Directives, Strategies and Guidelines.

At the level of the Telekom Srbija Group, a risk management process is constantly under development, providing an overview of all key internal and external factors and elements that enable human, financial and other resources to be focused on identifying opportunities and defining risks.

It is essential to continuously monitor developments in the micro and macro market, as well as changes in the internal environment in order to take a proactive approach to seize projected opportunities and avoid threats.

The risks are being assessed throughout the year so as to avoid compromising the assets and operations of Telekom Srbija Group. Telekom Srbija Group monitors all legal regulations and bylaws that govern operations and it adjusts company bylaws to comply with amendments to regulations. By harnessing its long-established experience, Telekom Srbija Group has built a reputation as a reliable partner that efficiently responds to customer, partner and community requirements.

Each of the subsidiaries within the Telekom Srbija Group is exposed to specific risk types, and, as a consequence, they individually approach the risk management process. In their regular operations, Group members are exposed to various extents to specific financial risks, such as:

1. Market risk
2. Liquidity risk
3. Credit risk

Risk management within the Group is aimed at minimizing potential negative influences on the financial standing and operations of the Group against the background of unpredictable financial markets and the macroeconomic environment. Risk management is defined by accounting and financial policies adopted by the competent corporate bodies. These policies are regularly revised to reflect the changes in the market conditions and business activities of the Group. Risk management policies are defined with the aim of identifying and analysing risks which the Group is exposed to, determining risk limit, control and risk monitoring and ensuring adherence to the set limits.

Corporate governance bodies oversee the management of the risks the Group is exposed to by the management.

## 1. Market risk

Market risk is the risk of changes in market prices, such as exchange rates, interest rates and prices of equity instruments, which may have a negative effect on the Group's revenues and cash flows or the value of its financial instruments. The goal of market risk management is to control exposure to market risk within acceptable parameters while achieving optimal returns,

**Risk of foreign exchange rate changes.** The Group is exposed to the risk of changes in the exchange rate of foreign currencies, primarily EUR.

The management has established a policy to manage the risk of changes in the exchange rate of foreign currencies in relation to the functional currency (Serbian dinar) through hedging transactions, wherever possible. It does not include derivatives, which is why hedge accounting does not apply in these circumstances.

**Risk of interest rate changes.** The group is exposed to the risk that, through the effects of changes in market interest rates, affects its financial position, business results and cash flows.

The risk of interest rate changes, which the Group is confronted with, mainly arises from loans from banks and suppliers, as well as issued corporate bonds with a variable interest rate. Loans granted to the Group and issued corporate bonds at a variable interest rate expose the Group to the interest rate risk of cash flows, while loans granted at a fixed interest rate expose the Group to the risk of changes in the fair value of interest rates.

The risk of changes in interest rates arises from financial assets with a fixed interest rate that expose the Group to the risk of changes in the fair value of interest rates.

The Group performs an analysis of exposure to the risk of interest rate changes on a dynamic basis, taking into account alternative sources of financing and refinancing, primarily for long-term credit liabilities since they represent the most significant interest-bearing position.

The group still does not swap variable for fixed interest rates or vice versa, considering the existing regulations and the insufficiently developed local financial market, but undertakes appropriate activities in order to approve loans from banks under more favorable conditions.

**Risk of price changes.** The Group is not exposed to the risk of changes in the prices of equity securities since there are no significant investments classified as financial assets valued at fair value through other comprehensive income or as financial assets valued at fair value through the statement of comprehensive income.

On the other hand, the Group is exposed to the risk of changes in service prices, as it faces competition in its operations. The group strives to reduce exposure to this risk by introducing diversified services, selling devices and equipment, combining service packages and improving the quality of services provided, modernizing the network, investing in optical access infrastructure, dominating the field of multimedia, as well as expanding to other markets.

In addition, local regulatory bodies have imposed on some members of the Group, among others, the obligation to control prices for regulated wholesale markets where they have been declared operators with significant market power.

## 2. Liquidity risk

Liquidity risk represents the risk that the Group will not be able to settle its financial obligations when they fall due in cash or in some other financial instrument.

The Group's liquidity risk management aims to always ensure, to the extent possible, adequate liquidity to settle obligations as they fall due, under normal and extraordinary circumstances.

In order to manage the liquidity risk, financial policies were adopted that define the terms of payment, the maximum amount of advance payment to equipment suppliers and contractors, the grace period and the length of repayment of the part of the purchase that is credited, depending on the value and type of contracted purchase.

The Group also monitors the expected cash inflows from the collection of receivables from customers and other receivables, together with the expected cash outflows based on the payment of obligations to suppliers and creditors and other obligations.

## 3. Credit risk

Credit risk represents the risk of financial loss for the Group in the event that the customer or the other party to the financial instrument does not fulfill its contractual obligations and refers to trade and other receivables, cash and cash equivalents, deposits in banks, loans given to employees and assumed liabilities. The Group's exposure to credit risk is primarily determined by the individual

characteristics of each customer. Credit risk is managed by taking appropriate measures and activities at the level of each member of the Group, such as assessing the customer's risk, monitoring its business and financial condition, as well as managing receivables and bad debts.

The Group does not have a significant concentration of risk since it has a wide base of unrelated customers with individually intangible liabilities to the Group. In case of non-fulfillment of obligations of the customer of telecommunications services, the Group suspends further provision of services. In order to ensure the collection of receivables, the Group also takes the following measures: debt rescheduling, compensation with legal entities, issuing reminders, suing, out-of-court settlement and others.

Receivables based on roaming services and international billing are based on solid bilateral contracts, with the simultaneous provision of mutual services.

## 4. Capital risk

The Group's policy is to provide a sufficient level of capital in order to maintain the confidence of investors, creditors and the market, as well as to maintain the future development of the business.

The goal of capital management is for the Group to preserve its ability to operate for an unlimited period in the foreseeable future, in order to preserve an optimal capital structure with the aim of reducing capital costs and providing shareholders with dividends.

In order to preserve or harmonize the capital structure, the Group can consider the following options: correction of dividend payments to shareholders, return of capital to shareholders, issuance of new shares or sale of assets in order to reduce debts. The capital management strategy is unchanged as compared to the preceding year.

# Telekom Srbija

The Company strives to establish an Integrated Risk Management System, within which risk management is done. In order to establish a unified framework to assign the risk profile to an acceptable level of risk exposure, i.e. the risk level that the Company is willing to take.

By establishing individual management systems, the company has adopted policies that correspond to the context of the organization and its planning

documents, provide a framework for determining, implementing and reviewing goals and demonstrate a commitment to continuous improvement. These policies, as documented information, are available to all employees on the Company's internal portal, as well as to all interested parties on the company's website. Employees are introduced to the policies through training and activities to improve awareness of information security, data privacy, processes and other requirements of the standard.

The goals of the Integrated Management System stem from the Company's business goals and strategy. The business processes necessary for the implementation and functioning of the system, their inputs and outputs, as well as the interconnections between the processes have been identified. Also, methods of measurement, monitoring and analysis of business processes, risk-related measures, resources necessary for the execution of the process have been identified, while assigning roles, responsibilities and authorities for each process

The Integrated System Management of Telekom Srbija (IMS) includes:

- ISO 9001:2015: Quality Management System
- ISO 27001:2013 i 27701:2019: Information Security Management System and Personal Information Management System
- ISO 20000-1:2018: Service Management System
- ISO 22301:2019: Business Continuity Management System
- ISO 45001:2018: Occupational Health and Safety Management System
- ISO 14001:2015: Environmental Management System

An integrated management system is characterized by the combination of two or more management systems into one comprehensive system, with continuous optimization of business processes and reduction of business costs. The synergies created by IMS also direct the focus on risks and opportunities within the company.

The continuation of the implementation project of the Environmental Management System (ISO 14001:2015) certainly marked the year 2023. The scope of application of the requirements of the 14001:2015 standard was extended to the facilities: TKC Novi Sad, Niš and Kragujevac, and the company was presented with a new certificate.

Starting from its strategic determinations and understanding the importance of sustainable development, the Company adheres to the principle that environmental protection is one of the fundamental values of the Company and a key factor in the successful realization of all business activities, regardless of their type, content or location. The constant application of organizational, technological, technical and other appropriate measures and means in order to eliminate or reduce the impact on the environment is an inseparable part

of business, and compliance with legal and other requirements in the field of environmental protection, including the requirements and expectations of the entire society, is indispensable part of the work. Obtaining a certificate of compliance with the ISO 14001:2015 standard, in addition to the previously mentioned and undoubtedly important results in the field of environmental protection, also has very positive effects on the image and position of the Company in the business environment. At the same time, it also represents a great obligation for all employees of the Company to devote themselves adequately to the preservation of the environment, in order to leave a better environment for the generations to come.

## Mtel Banja Luka

Mtel has established an integrated management system (Integrated Management System - IMS) that combines the requirements of two implemented international standards (ISO 9001:2015 and ISO/IEC 27001:2013), for all business processes in the company. The introduction of ISO standards improves business and contributes to the harmonization of relations with all interested parties.

At the end of 2023, an external supervisory check of the company was carried out, for all business processes, based on both implemented standards, and the result was the retention of the existing certificates. External and internal verification of the company based on the implemented standards is carried out in accordance with the plan, on an annual basis

The introduction and maintenance of ISO standards brought multiple advantages:

- **Quality** - ISO standards help ensure the quality of products and services, which increases the reliability of services, the efficiency of business processes and positively affects customer satisfaction,
- **Information security** - ensures adequate protection of information of the company, users and other interested parties in all stages of processing, because at all levels of the organization and by all employees there is a clearly defined division of tasks and responsibility for information security,
- **Compliance** - operations in accordance with the requirements of international standards strengthen the recognition of the company's brand and ensure market competitiveness,
- **Efficiency** – through the optimization of business processes eliminated are mistakes and performances are improved,
- **International recognition** - maintaining the existing ISO certificates as well as planning new ones, contributes to the reputation of the company and increasing the trust of all interested parties,



- **Innovation and competitiveness** - standards constantly encourage continuous improvement of the process, technology and work style, which increases innovation and market competitiveness.

## ISO 9001:2015

### QUALITY MANAGEMENT SYSTEM

The Quality Management System (QMS) represents the structure and processes that the company establishes to ensure that the service and products meet the quality requirements and expectations of all interested parties. The implementation of the quality management system, in addition to being a strategic move that guarantees the quality of the service or product, is also a framework for continuous improvements, constant conformity and compliance, and further improvement of the company's competitiveness.

In addition to the usual advantages (quality, increased efficiency, conformity and compliance, certification, continuous improvement, increased competitiveness), there are additional advantages brought to us by the implementation of the quality management system:

- **Increased customer satisfaction** - QMS provides for a focus on quality, which leads to services and products that better meet customer needs, thus strengthening loyalty and a good reputation,
- **Better decision-making** - top management makes fact-based decisions because the QMS provides relevant performance data,
- **Risk reduction** – risk management, as an important part of QMS, helps in the identification, analysis and reduction of risks related to processes, products and services,
- **Support for cooperation and teamwork** – better engagement of the employees at all levels contributes to better communication and cooperation within the company,
- **Openness towards changes** - the company adapts more easily to changes through the framework established by the QMS, including both slow and fast market changes, the introduction of the latest technologies, or new user requirements.

## ISO/IEC 27001:2013

### INFORMATION SECURITY MANAGEMENT SYSTEM

Information Security Management System – ISMS demonstrates the service users, business partners and interested parties that the Company has established efficient information protection measures.

By complying with the requirements of the ISO/IEC 27001 standard and the certification of the ISMS system, the company achieves numerous benefits, including:

- **Customer trust** - it builds trust in the company's information systems among existing and future users. Users have reliable access to secure telecommunications services, allowing them to feel protected and secure during every interaction,
- **Risk management in business operations** - by establishing a risk management system, potential system vulnerabilities are proactively managed and thus the company's resilience to various threats increases,
- **Improvement of business relations** - more advanced understanding of information flows in the company, which results in significant profit and improvement of business processes,
- **Improved security** – by constantly investing in security, the company guarantees the protection of sensitive data and information, and through the implementation of security systems, policies, processes and employee training, we achieve greater elasticity and resilience of the company to various challenges

In 2023, Logosoft subsidiary retained five prestigious internationally recognized certificates, which confirm compliance with the requirements of international ISO standards:

- ISO/IEC 27001:2013 for the information safety management system,
- ISO/IEC 20000-1:2018 for the IT service management system,
- ISO 9001:2015 for the quality management system,
- ISO 22301:2019 for the business continuity management system,
- ISO/IEC 27701: 2019 for the information privacy management system.

In addition, the implementation and certification with the additional standard ISO 18295-1:2017 for the management of Logosoft customer contact center services was carried out.

The above mentioned activity reinforced its position of the regional leader in the areas of information security and privacy, service, quality, business continuity and customer contact center management services.

Risk management, conducted in accordance with the ISO 31000 Risk Management standard, enables Logosoft to continuously achieve the set goals through implemented ISO standards. Through the risk management process, Logosoft increased awareness and understanding of the need to identify and treat risks in the company for information security and privacy, service management, service quality, business continuity and customer contact center management.

## mtel Podgorica

Risk management is aimed at minimizing potential negative impacts on the financial position and operations in a situation of unpredictability of financial markets. Risk management is defined by the accounting policies, financial policies and the Company's Articles of Association, adopted by the Board of Directors.

mtel Podgorica is not significantly exposed to the risk of a change in foreign currency exchange rates when conducting business operations in the country and abroad, because the majority of business transactions are carried out in EUR.

The company performs an analysis of exposure to the risk of interest rate changes on a dynamic basis, taking into account alternative sources of financing and refinancing, primarily for long-term liabilities, because they represent the most significant interest-bearing position. There is an exposure to the risk of service price changes due to intensive competition in all services, which it attempts to compensate for by introducing a variety of services. The company is exposed to credit risk to a limited extent.

The Board of Directors manages the capital risk by acting in individual cases to mitigate the risk and ensure the conditions for the continuation of the intended business concept, as well as the maximum payment of compensation to the founders through the optimization of debts and asset balances.

## Other members

### Telus

Telus manages risks in accordance with the adopted Risk Management Strategy. With the aim of managing the risks, Telus has the following certificates:

- ISO 9001:2015
- ISO 45001
- ISO 14001:2015
- ISO 27001.

In addition to the aforementioned control mechanisms, in order to reduce risks to an acceptable level and minimize their negative impact on the achievement of Telus' goals, the following measures are also taken:

- authorization is mandatory for access to all software applications used in

- the performance of business activities and electronic databases;
- application of IT protection systems (implemented by the parent company);
- division of duties and responsibilities and authorizations (in accordance with internal regulations and procedures), which prevents the same person from being responsible for authorization, execution, accounting and control activities;
- application of the double/multiple signature system, according to which no obligation can be assumed or payment made, or other business activity performed, without the signature of the director and competent manager and/or other person designated by the director (which, apart from the control function, minimizes the risks that may arise from insufficient coordination of managerial and operational level actions);
- control of access to funds and information (only authorized persons have regular access);
- prior checking of the legality of each activity (by a person designated by the director);
- complete, precise, accurate and timely recording of all transactions - which is governed by the Rules of Accounting and Accounting Policies;
- reporting and overview of activities (regular/monthly financial and reports on the implementation of the business plan, as well as reports of territorial centers on business activities taken, by type of services);
- monitoring the implementation of procedures;
- application of the human resources management procedure;
- documenting all transactions and business activities with appropriate authentic documents;
- engaging staff in a flexible manner based on contracts for performing temporary and occasional jobs, through employment agencies and by concluding a fixed-term work contract for the duration of the project, or a specific service provision contract.

### YUNET

The management has established the Policy of integrated management systems and the Policy of information security established in accordance with the procedural principle based on risks and opportunities. The policy of integrated systems is implemented according to the requirements of the standard:

- ISO 9001:2015
- ISO 14001:2015
- ISO 45001:2018
- ISO/IEC 27001:2013.

The management has the obligation to continuously review and improve the integrated management system policy and the information security policy in order to constantly comply with the requirements of the standards.

Responsible business  
operations as a lasting  
commitment

9



# Results

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Our tradition of initiating the initiators through:

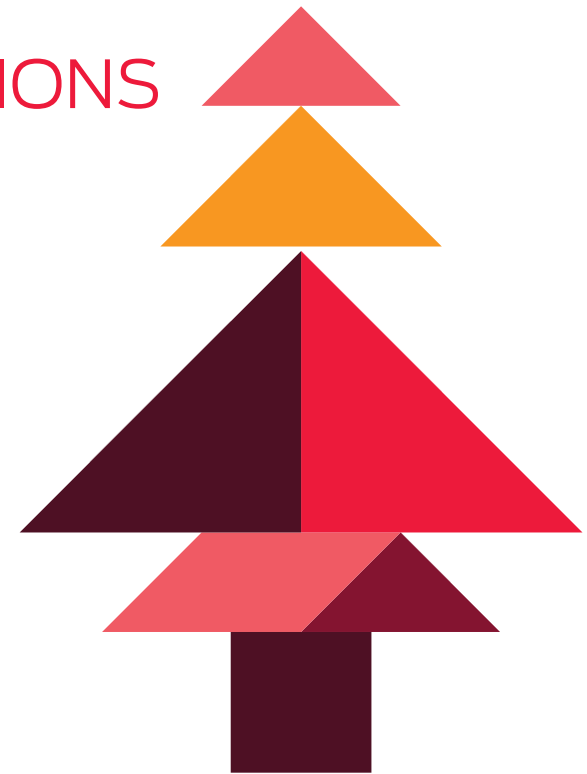
## **MTS APP COMPETITION**

11 CYCLES / 168 TEAMS / 200 APPLICATIONS

## **WE CREATE KNOWLEDGE**

6 YEARS / 120 SCHOOLS /  
120 COMPUTER CLASSROOMS

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With a responsible approach to the challenges of a sustainable future, Telekom Srbija has set high standards during its many years of business. Deep-rooted principles of social responsibility remain the driving force behind the company's commitment to community well-being. Special emphasis is laid on supporting youth and education, which constitutes the basis of the company's social contribution. Equally committed to sustainability, the company applies technological innovation, efficiently manages energy resources and encourages sustainable practices. In this spirit, the ecological project "No species dies alone" was maintained by launching a new campaign that conveys an important message: "Let's protect the most important of all networks." The web of life".

The company strongly believes that children and young people are the drivers of future social, economic and technological evolution, and in this belief allocates almost 60% of its funds intended for donations to their education. The most important activities of the program "We Initiate the Initiators", within the framework of which the individual projects "We Create Knowledge", "mts app competition" and "Telecom Stands by Talents" are implemented, include equipping computer rooms for elementary school students, encouraging entrepreneurial skills among high school students and developing talents among all generations of young people. Additionally, by supporting young people through various forms of mentoring, the company creates an environment where every individual has the opportunity to reach their full potential.

In addition to investing in youth and education, the company especially emphasizes the importance of preserving cultural heritage as a lasting value and wealth of the community, and is also focused on supporting humanitarian drives and projects in the field of health and social welfare.

### Telekom Srbija

- Special recognition of the Serbian Chamber of Commerce for contribution to the preservation of biological diversity and for outstanding commitment to social responsibility for the project "No Species Dies Alone"
- Recognition "Friend of the Family 2023" in the category of public/majority state-owned companies
- Golden donor recognition for long-term support to the Mathematics High School in Belgrade
- Plaque for contribution to the development of sports for people with disabilities
- Plaque of the 57th Mokranjac Festival for sponsoring the event.

### mtel Podgorica

- Top Business Montenegro recognition for the best company in the telecommunications industry

- Manager of the year in large companies award - Association of Managers of Montenegro
- Winner of the great award and recognition "Creators for the Century" for its exceptional contribution to the development of entrepreneurship in Central and Southeastern Europe.

### Mtel Banja Luka

- Award for the best socially responsible company in the region, Digital 2023, Serbia,
- Recognition for the contribution to the development of corporate social responsibility for 2022, Chamber of Commerce of the Republic of Srpska, 2023,
- Certificate for the best mobile network in Bosnia-Herzegovina, NET CHECK GmbH, 2023,
- Plaque for contribution to development and support for sports, "Voice of Srpska" 2023,
- Letter of thanks for the support provided in the implementation of preventive activities in the field of traffic safety, Ministry of Transport and Communications of the Republic of Srpska and Agency for Traffic Safety of the Republic of Srpska, 2023,
- Letter of thanks for its invaluable partnership and cooperation in the project "Reliability 2023/24", LRC BIS,
- Letter of thanks for its exceptional contribution in humanitarian and charitable campaigns and solidarity and other activities of humanitarian nature of importance for the municipality of Vukosavlje, Municipality of Vukosavlje, 2023,
- Letter of thanks for social responsibility and participation in the Town of Prijedor project "Children's playground for a happy childhood", Town of Prijedor, 2023.

The key socially responsible activities of the Telekom Srbija Group are listed below, grouped according to the adopted sustainable development goals in order to eradicate poverty, protect the environment and ensure peace and prosperity for all. Global goals and sub-goals are listed according to the 2030 Agenda.

Below are all the key activities implemented in 2023, which directly or indirectly affect the achievement of the set goal and sub-goals.



### Sub-goal 1.5.

By 2030, build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters.

Telekom Srbija supported UNICEF's program of preschool education and upbringing "Years of Ascent" and provided assistance for the purchase of equipment for preschool institutions in order to enable children to grow up in an encouraging environment that has a stimulating effect on their development, as well as for children from the poorest families to have equal opportunities for learning and development. The company also contributed funds to improve living conditions for residents of the Institute for the Education of Children and Youth in Belgrade, the "Vera Radivojević" Home for Children and Youth of Bela Crkva, the "Vera Blagojević" Home for Children and Youth of Banja Koviljača and the "Jefimija" Home for Children and Youth of Kruševac.

### Mtel Banja Luka

#### You are not alone, you have friends!

"You are not alone, you have friends", a drive of a humanitarian nature that the Mtel company launched in December 2021, marked the whole of 2022, and continued in 2023. During 2023, the following contributions were made:

- Aid for the Bihać-Petrovac region, through a contribution for the monastery of Rmanj for reconstruction and construction, and through a donation of

50 packages of food and hygiene products to returnees from the villages of this region.

- Donations of funds for the completion of works on the memorial complex dedicated to mothers, within the Osovica monastery complex.
- Donations in the service of humanity, where help is selflessly provided to all who need it, as evidenced by numerous donations to homes for the elderly, associations of children with developmental disabilities, hospital centers and social care centres.

In order to help children and young people with developmental difficulties from Kosovska Mitrovica, Mtel contributed funds for the installation of an elevator and the equipping of the Day Center "Support me - January 9" in this town. This project was launched in 2019, and this will be the first facility of this kind for children and youth in Kosovo-Metohija.

In 2023, Mtel set aside funds to help victims of the earthquake that hit Syria and Turkey.

### Serbian House Foundation

The Serbian House is a humanitarian project that aims to solve livelihood issues for multi-member families, in the form of house building. This project and the filming of the series "Serbian House" is supported by Mtel.



**Sub-goal 3.8.**

Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.

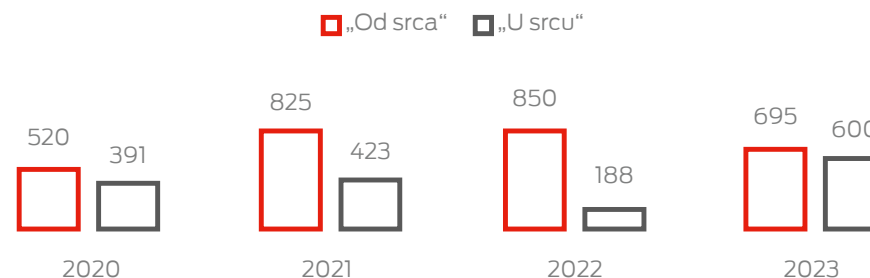
The company has made possible the use of services and contributed funds for the improvement of working conditions, the purchase of medical equipment or the expansion of the scope of operations to numerous health institutions. During 2023, assistance was lent to, among others, the Belgrade Institute for Health Care of Students, Institute for Oncology and Radiology Belgrade, Užice Health Center, Kovin Special Hospital for Psychiatric Diseases, Studenica and Pančevo General Hospitals, Šabac Institute for Public Health, Dr Vasa Savić Hospital for Pulmonary Diseases as well as health centers in Kragujevac, Subotica, Lazarevac, Barajevo, Beočin, Titel, Pećinci, Ada, Irig, and Kovačica. In addition to the funds, by activating SMS and relief numbers, the company responded to requests from institutions, associations and humanitarian organizations and supported initiatives that directly improve the lives of individuals in our society.

In cooperation with the Association of Serbian Society for the Fight against Diabetes, the organization of the “My Sweet Life” camp for children and young people suffering from diabetes was supported. With the Company’s support, the “Friend in Need” organization prepared yet another rehabilitation and socialization program for young people with developmental disabilities. The company also contributed to the organization of the camp “We can do everything” organized by the Čika Boca Association for children and young people treated for cancer. With special care, Telekom Srbija supported the Mali

Div Association of Parents of Premature Children of Serbia, in the organization of the Miris Boja Humanitarian Festival, whose main goal is to raise funds to help blind and visually impaired children from socially disadvantaged communities.

As part of continuing cooperation with UNICEF, Telekom Srbija supported the “Mental Health for Children and Youth” program and the launch of the “Everything is OK” platform. With its long-term contribution to the organization of the humanitarian ball of the Belhospice Center for Palliative Care and Palliative Medicine, which provides funds for patient care, the company strives to highlight the importance of such initiatives and encourage as many community members as possible to join this humane project.

In 2023, Telekom Srbija operated two humanitarian associations of voluntary blood donors with 1,295 regular members of voluntary blood donors.



**Mtel Banja Luka**

**With love for brave hearts**

The funds raised in this year’s humanitarian campaign are earmarked for the establishment of a register of voluntary stem cell donors and the establishment of a Laboratory for HLA tissue typing at the Institute for Transfusion Medicine of Republika Srpska.

Donations and funds raised through Mtel’s humanitarian number at the end of 2022 through the campaign “With love for brave hearts” were used for the purchase and delivery of incubators and equipment for the care of newborns in 2023. Hospitals throughout Bosnia-Herzegovina received this important equipment.

**Iskra Association**

In 2023, Mtel again supported the activities of the Iskra Association of Parents



of Children with Malignant Diseases this time by providing them with mobile internet and a fixed telephone line. The company also supported the veteran football tournament “We play, they win”, where all proceeds from sold tickets and auctioned jerseys were paid to the Iskra Association.

## YUNET

During 2023, YUNET continued to participate in the donation to the Hrabriša Association for children suffering from neurotransmitter diseases, dop-reactive dystonia and other neurometabolic diseases by purchasing selected products with the logo of the Association and YUNET.



### Young people are our driving force

Guided by the idea that young and educated people are the bearers of society's development, Telekom Srbija's umbrella project “We Initiate the Initiators” included all young initiators whom it supports on the way to growth and improvement of knowledge and skills, as well as by creating new opportunities for achievement and success. The initiators are among the elementary school students who may improve their information literacy through the “We Create Knowledge” project, the creators of applications for mobile devices, talented high school students who participate in the “mts app competition”, as well as in all young people who hunger for knowledge, aware of the importance of education and of the development of their talents and skills, which the company gathers through the project “Telecom Stands by Talents”.

### Sub-goal 4.3.

By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university

The dual education system of the Serbian government is a project whose goal is to, in accordance with modern technological trends, improve the process of education in secondary vocational schools for certain professions and promote their proper practical application, and at the same time contribute to strengthening the competitiveness of the economy of the Republic of Serbia. In 2023, dual education was provided for 19 students of the first generation of the Secondary Technical PTT School for the educational profile Telecommunications Network Fitter, 13 of whom were hired. Work-based learning in dual education

continued with 22 second-generation students, and 11 third-generation students commenced work-based learning as of September 2023 with the support of licensed instructors.

In 2023, Telekom Srbija continues to provide scholarships to the 5 best-ranked students of the second generation. The goal of awarding scholarships is to encourage students to achieve the best possible results in school and in practice, as well as to reward the effort and commitment of the best-achievers.

### **We create knowledge and new generations of initiators**

By emphasizing a responsible attitude towards the community at the corporate level, the company first launched “We create knowledge” project to mark its twenty years of existence and unwavering support for youth and education in 2017. Thanks to the success in the first cycle, the positive reactions and the interest of the schools, the project continued through a total of 7 cycles in which Telekom Srbija equipped 140 computer rooms in 140 primary schools throughout Serbia, investing 140 million dinars. The project is carried out with the support of the Ministry of Education. In addition to improving the conditions for the acquisition of knowledge and information literacy of elementary school students, the project also encourages activism in the community, because the choice of schools proposed by the ministry is decided by the votes of citizens on the official Facebook page of mts Tvoj svet.

### **Mtel Banja Luka**

#### **Partners of the award for innovative teachers of Bosnia-Herzegovina**

In 2023, Mtel and Logosoft were partners in presenting the Award for Innovative Teachers in B-H, held in Mostar, which testifies to the fact that at issue are responsible companies that understand teaching is one of the most valuable professions and vocations. As a novelty introduced in 2023, two special audience awards were presented in all five categories, which were provided by the companies Mtel and Logosoft.

The Mtel company continues to help educational institutions as it has done so far, and in 2023 the following contributions were made to:

- 10 computers to the Faculty of Electrical Engineering in East Sarajevo, which will help students and teaching staff, thus maintaining decades-long cooperation.
- Funds were contributed to the Faculty of Science and Mathematics in Banja Luka for the refurbishment of yet another modern fitted out classroom.
- Computer equipment, smart TV and office furniture were contributed to elementary schools across Republika Srpska.

### **Sub-goal 4.4.**

**By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship**

#### **Vocational practice of students and pupils**

During 2023, the Telekom Srbija company implemented a mandatory vocational internship for students and pupils in Belgrade and other towns in Serbia. Vocational practice, with the support of mentors, was organized for a total of 104 students from the Universities of Belgrade, Novi Sad, Čačak, Niš and Kragujevac. This year, the largest number of trainees are from the College of Information and Communication Technologies - 22 students, the Faculty of Security - 16 students, the Faculty of Transport - 14 students, and the College of Vocational Studies for Information and Communications Technologies - 14 students. Internship was provided for 7 students of the Faculty of Organizational Sciences, 6 students of the Faculty of Electrical Engineering, 5 students of the Faculty of Technical Sciences in Novi Sad, and for students of other higher education institutions in Serbia. In 2023, professional practice was implemented for an impressive number of 335 students of secondary vocational schools in Serbia, the largest number of whom attend the Secondary Technical PTT School in Belgrade.

#### **Financial Literacy and Student Companies projects**

Telekom Srbija participated in the Financial Literacy and Student Companies projects, which are implemented by the Youth Achievements in Serbia organization. These projects aim to encourage entrepreneurship among the high school population, but also to acquire numerous competencies that are important for the 21st century, regardless of whether young people will be in an entrepreneurial environment during their careers or not. Throughout the school year, teachers help their students to develop their entrepreneurial ventures in teams through all stages - from the idea to the founding of the company. After that, they participate in regional competitions, the best teams go to the national finals, and the winning team participates in the European competition. A key element for the quality and success of student companies are business mentors who help teams perfect their ideas, business and marketing plans and everything else that would affect the company's success in the real world.

On behalf of Telekom Srbija, 20 employees participated in the program. As business mentors, they shared their expertise in various fields and thus provided student companies with help and support in the realization of their business ideas.

## Mtel Banja Luka

### Internship of FSAM students in Mtel

During 2023, a group of final year students of the Faculty of Science and Mathematics in Banja Luka had a two-week internship at the Mtel company. This internship was conceived as a kind of school where current topics on the labor market were covered, which provides it with added value.

### Sub-goal 4.b.

By 2020, substantially expand globally the number of scholarships available to developing countries, in particular least developed countries, Small Island developing States and African countries, for enrolment in higher education, including vocational training and information and communications technology, technical, engineering and scientific programmes, in developed countries and other developing countries.

## Telekom Srbija

### Mobile applications for the new age

In 2023, the 12th cycle of the mts app competition, which encourages creativity and innovation among high school students who work on mobile application programming, improve the knowledge acquired at school, and present their application as a finished product to a panel of judges, was completed and a 13th cycle was launched. Talented programmers from specialized departments for mathematics, informatics and computer science from 51 schools across Serbia have the opportunity to create applications and propose solutions and socially useful answers that would make life easier and simpler in the busy everyday life. According to the rules of the competition, students organize their teams, assign roles according to their knowledge and preferences, and create an application. During that time, they have the support of their teachers - mentors, as well as the mentoring support of Telekom Srbija employees. Valuable prizes are presented to the winners of the mts app competition, and they go through to the regional level of the competition. Thanks to the success of the mts app competition in Serbia, according to the same conditions, the competition is organized by m:tel BiH and m:tel Montenegro for students in those countries, so that five winning teams from each country meet in the finals called the Regional App Challenge to compete for the main and special award for innovation "The power of innovation - Igor Osmokrović".

## Telekom stands by talents

Recognizing the importance of knowledge and the necessary commitment,

effort and time to acquire it, Telekom Srbija has been supporting the talents of the Mathematics High School in Belgrade for 13 years. In that period, they received an impressive 120 medals at international competitions - 45 gold, 39 silver and 36 bronze. In 2023, the students of the Mathematics High School returned from the 14th Romanian Master in Mathematics competition where they collected two silver and one bronze medal and the Serbian team ranked 4th against a competition of 16 countries. In the finals of the "Mathematics without Borders" competition, held in Bulgaria, eight gold, two silver and two bronze medals were won in the individual competition and one gold for each of the four teams in the team competition. Particularly successful was student Mina Mijatović, who was declared the winner of the competition as the most successful competitor in all nine age groups.

The company also supports the participants of the Belgrade II Regional Center for Talents, whose excellent placements in competitions and knowledge olympiads in the country and abroad and 62 medals won testify to that success and hard work.

The company pays equal attention to the affirmation of young artists, giving them the opportunity to express their creativity and skills in the field of contemporary art. For a seventh time, Telekom Srbija awarded a cash prize for the most successful student work at the New Media Department of the Faculty of Fine Arts, which was shared equally by two students. With the support of the company in the form of a special award for the best work, as well as previous grants of technical and multimedia equipment for the faculty, students are now able to use modern equipment and explore modern artistic expressions in which various art forms, technology and digital techniques are increasingly more intertwined.

The company is proud to point out its long-term cooperation with the Movement for Women's Basketball, which has been underway since the Movement was founded. Thanks to the support of Telekom Srbija, 4,747 girls of primary school age have attended the free basketball school so far, where they had the opportunity to train and make their first basketball two-steps in sports halls in Belgrade, Obrenovac, Požarevac, Novi Pazar, Kosovska Mitrovica, Vrnjačka Banja, Čičevac and Apatin.

Inspired by the scientific and spiritual legacy of our greatest inventor and visionary Nikola Tesla, students, lecturers, professors and artists, gathered for yet another "Tesla Global Forum" which the company once again supported, had the opportunity to learn more about the rich creativity, life and the legacy of our outstanding scientist.

## Mtel Banja Luka

### m:scholars of the 13th generation

Scholarships for eleven electrical engineering students, new m:scholars, were presented at a ceremony held at the Faculty of Electrical Engineering in Banja Luka. Students of the electrical engineering faculties in Banja Luka and East Sarajevo, the Faculty of Electrical Engineering in Tuzla, and the Faculty of Science and Mathematics in Banja Luka were eligible to apply for scholarships. By the end of the first cycle of studies from Mtel, eleven scholars will have been granted, in addition to a monthly scholarship, the opportunity to spend a month in the company on vocational practical training, and an employment opportunity after completing their studies. In 2023, a new competition for m:scholars of the 14th generation was launched.

### Mtel App Contest

After the successfully held national app competition in the development of applications for mobile devices of the sixth cycle, the best five teams had the opportunity to participate in the Regional App Challenge organized by the Telekom Srbija Group, where the "Digital Farmer" application stood out among the best applications. This competition was supported by Mtel Banja Luka. In 2023, a new cycle of the Mtel App competition under the motto "Launch your idea!" was launched.

## Mtel Podgorica

This year, Mtel Podgorica was once again part of an important IT project called the Regional App Challenge, hosted by Montenegro as an online event, as well as the local Mtel App competition.

### Sub-goal 4.5.

**By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations**

The development of digital technologies brings many advantages and facilitates communication, making it faster and available everywhere. It also brings with it challenges and risks, especially when children are Internet users. As a company responsible for the community and especially dedicated to the education of young people, Telekom Srbija supported the UNICEF campaign "Stop online hate - for the safety of children on the Internet" and participated in the conference "Safe Internet Day" with the aim of raising public awareness about detecting and preventing digital violence.

## Mtel Banja Luka

### Secure net in schools

The company Mtel Banja Luka, in cooperation with the Ministry of Education and Culture of the RS, provided schools in Republika Srpska with free use and testing of the "Secure Net" service, a platform that aims to use the Internet safely. At the beginning of December 2023, the "Secure Net" service was activated in 37 elementary and secondary schools, which means preventing access to contents that are considered unwanted and age-inappropriate, as well as protection against malicious attacks.

Using platforms and services for a secure internet prevents possible identity thefts because users receive warnings for any potential threat and irregularity, enables effective defence against malicious programs and viruses that can threaten data security, and prevents unauthorized access to computers and mobile devices, thus ensuring the privacy of each user. This service helps to identify and block phishing attempts, i.e. fraud attempts to steal sensitive information such as passwords and financial data.

### Free workshop on the importance of protection against cyber attacks

The company Mtel Banja Luka and a member of its Logosoft group from Sarajevo are working intensively towards developing awareness of the importance of education regarding protection against cyber-attacks, and one of the ways to do so is by organizing free workshops, in which students of the Faculty of Electrical Engineering in East Sarajevo participated. The topic of the workshop was "How to defend IT infrastructure from cyber-attacks".

### Safer Internet Day

As a socially responsible company, this year too Mtel Banja Luka is included in the list of those who support the marking of February 7th - Safer Internet Day under this year's motto "Together for a better Internet", where an annual competition was held for elementary and secondary school students in Bosnia-Herzegovina on the topic of internet security.

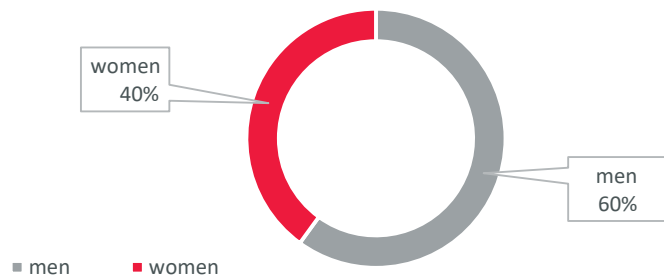


**Sub-goal 5.5.**

Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.

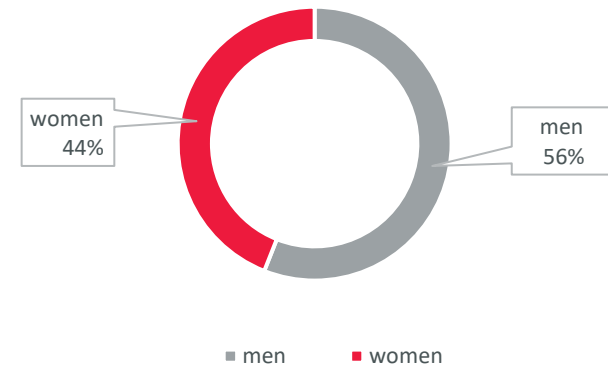
In accordance with the mutual diversity in the type of activities they perform, the Telekom Srbija group has a diverse gender structure by member. A significant number of members have a balanced share of both sexes in the total number of employees.

**Gender structure of employees**



When it comes to the gender structure of management, the share of women remains unchanged as compared to 2022.

**Gender structure of the management**



**We would like to stress that in the executive board of Telekom Srbija, out of the total number of chief officers, the majority are women.**

As to the gender structure in Telekom Srbija in 2023, as compared to 2022, women achieved a significant increase in the number of training hours achieved, so that in the total number of training hours both sexes are almost equally represented, with a slight advantage on the side a woman.

No of education hours	Telekom Srbija	
	2022	2023
men	27,385	26,472
women	21,712	28,042



**Sub-goal 6.4.**

By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity

Telekom Srbija does not use large amounts of water in its business processes. Water is mainly used for maintaining the hygiene of business premises and drinking. Due to the importance of this natural resource, the Company continuously monitors water use in its facilities, while implementing measures to save and reduce the amount of waste water such as:

- Making sure that the installations are in a good working order
- Reporting to the competent maintenance service if there is a leak from the installations
- Timely repairs
- Raising employees' awareness of the economical use of water
- Providing recommendation on environmental treatment to the subsidiary Telus a.d. Belgrade, which is given guidelines on the rational use of water when maintaining the hygiene of business premises.

In 2023, a total of 122.000 m3 of water were used.



**Subgoal 7.2**

By 2030, increase substantially the share of renewable energy in the global energy mix

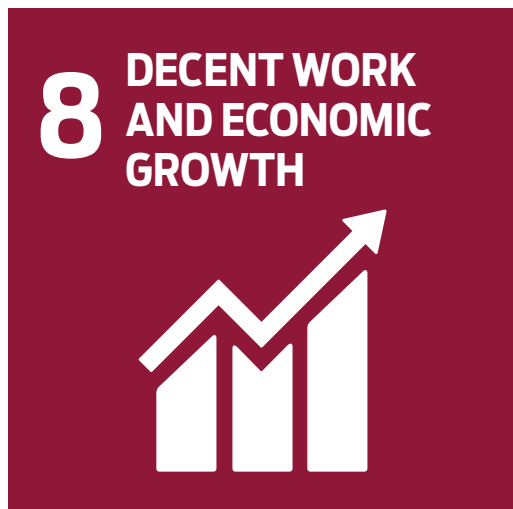
As part of investing in renewable energy sources in 2023, a solar power plant was installed at the office building of Telekom Srbija in New Belgrade. The power plant has a capacity of 50 KWh and is estimated to meet 20-30% of the electricity needs of the office building.

**Subgoal 7.2**

By 2030, double the global rate of improvement in energy efficiency

One of the indicators of the intensity of electricity consumption that the Company monitors is electricity consumption in relation to the amount of traffic (service provided), i.e. data transmission in the mobile network. In 2022, 0.758 KWh was needed per one GB, while this amount decreased to 0.594 in 2023. The positive reduction is due to the use of energy-efficient equipment, the implementation of energy-saving measures, and the increase in telecommunications traffic in the mobile network that the Company achieves.

Intensity of power consumption: ratio between consumption and traffic in the mobile network (KWh/GB)	2022	2023
	0.758	0.594



### Sub-goal 8.2.

Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors

To boost technological entrepreneurship EUR 80,000 were invested over the past four cycles of mts startup acceleration and free mts services and executive mentorship was provided for 10 awarded startups.

#### FAMILY FRIENDLY ENTERPRISE SERTIFIKAT

In 2003, Telekom Srbija as a holder of the Family Friendly Enterprise (FFE) certificate continued to apply the existing measures and introduce a new measure which refers to shorter work balance of the employees who return from maternity leaves, fully for the purpose of harmonizing work and private life of the employees.

The purpose of the implementation and introduction of new FFE measures, which the company continually examines and supplements is to improve the process of work and quality of the work environment for the purpose of achieving a higher balance between the professional and private life of the employees. This contributes to employees being more content with the job they do, more motivated for work and committed to the company where they work and at the same time it increases productivity and efficiency and strengthens the concept of socially responsible operations by which the company achieves a competitive advantage.

In 2003 as before, the employees in Telekom Srbija were important for ensuring the continuity of business processes, increasing the competences and quality of work and motivation of the employees. In this period, Telekom Group dedicated special attention to:

- Activities to attract young talents of various profiles;
- Activities to develop and retain key resources;
- Protecting the employees' personality and rights.

Management of the development of employees in the parent company is implemented through regular planned educational and developmental and motivational modalities especially intended for management, talents and other employees (various forms of internal and external training programs, teambuilding programs, additional schooling). On the other hand, digitalization has largely been implemented and the existing developmental processes have been improved through the project of implementation of the integrated SAP Success Factors information system, through the basic modules that support the processes of recruitment, selection, inclusion in business, basic employee bases, managing all absences. Apart from this, implemented were all modules, which, in the forthcoming period, will in a modern, interactive way, support and mutually connect the processes of evaluating work efficiency, talent and key position successors management, employee development and education. With the help of the online learning platform Moje učenje, we have additionally improved the role of partners in creating the culture of perpetual learning and development by allowing all the employees to attend online training on 37 different topics in the domain of business, interpersonal and digital skills, digital literacy, English language, sustainable development and living environment. As an additional incentive to employees and motivation for learning, gamification was introduced in the learning process so that as many as 937 employees earned the title of the Learning Star so far, while 1,231 employees received the title of the Learning Champion.

#### Mtel Banja Luka

Due to the wish to allow employees in Mtel Banja Luka to constantly grow and develop, a significant number of in-house and internal training programs was organized.

For the purpose of strengthening leadership skills in managers within the company, a training program called Managerial Development Program was organized. Managerial training programs are already a traditional part of the education programs which are conducted in order to create a positive work atmosphere and an employee experience that is as good as possible.



## Mtel Podgorica

### Mtel digital factory

By opening a Digital Factory, the first ICT hub in Montenegro, with the idea to allow young people all conditions for the beginning of turning an idea into a start-up and support for further implementation, Mtel Podgorica showed that it was the bearer of the digital revolution in Montenegro.

Since the opening of the Digital Factory, more precisely as of September 2017 until the end of 2023, five Startup academies have been held, the first of this type of academies in Montenegro. The aim of these academies was empowering, educating and networking of the startup community, and the fact that the Startup Academies, the two that had been held over the past three years were organized in cooperation with the Ministry of Science and Technological Development which co-financed the academies with over 70 thousand euros.

The fifth academy was completed last year, 10 teams were educated, of which five have passed through the cycle of ideation and entered the cycle of idea validation, where they received certain funds for investment in their product. Also, during one-year education, the start-uppers learned step by step how to turn an idea into a product which resolves a problem and eventually how to present themselves to the investor.

The government also provided its support in 2023 when the Ministry of Public Administration signed an agreement on cooperation with the Mtel company within which the Digital Academy project would be organized, the aim of which is the digital literacy of government officials, students, pupils and vulnerable groups. The Digital Academy project will be held during the entire 2023, every Saturday at the premises of the Digital Factory, which shows that the Digital Factory has been recognized as important in the process of digital transformation of Montenegro.

Also, a Protocol on Cooperation was signed between the MTEL company and the Montenegrin Parliament which involves the organizing of Democratic Workshops at the Digital Factory, where we will educate the participants about 3D printing, robotics and the basics of programming.

Currently underway is organizing a training program on digital skills and digital tools of children of elementary school and high school age.

### Sub-goal 8.3.

Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services

Managing the development of employees in the parent company was implemented through regular planned educational and developmental and motivational modalities especially intended for the management, talents and other employees (different forms of internal and external education programs, business incentives, teambuilding programs, additional schooling). With the help of online learning platforms, the role of an employee as a partner in the creation of a culture of continued learning and development is additionally improved.

### Training programs

Participation in the training of employees in 2023 was increased as compared to 2022 by 15.4%.

No of hours of implemented education programs	Telekom Srbija	
	2022	2023
<b>Training programs (no of hours)</b>	<b>49,097</b>	<b>54,514</b>
Employee	34,085	40,290
Management	15,012	14,224

### Number and structure of implemented training programs of the most important members

No of employees	Telekom Srbija	
	2022	2023
Training programs for expert license	24	14
Schooling by the Company	12	6
Talent program	214	186
Team building	362	383
Rotations	172	220
Internal training programs	660	217
Personal development training programs	1,497	811
<b>Total:</b>	<b>2,941</b>	<b>1,837</b>
<b>With professional licenses</b>	<b>439</b>	<b>481</b>
<b>Members of expert organizations</b>	<b>418</b>	<b>457</b>

## Rotations

In 2023, the employee rotation program in Telekom Srbija continued, with a significant increase in the number of employees involved in this process compared to the previous year. Apart from the rotations implemented within Telekom Srbija, 10 rotations were implemented this year between the employees of Telekom Srbija and Yunet International.

For the purpose of encouraging and retaining the key resources in the Company, in 2023, we continued to apply the Flexible Benefits Model, as a kind of indirect compensations, regulated by the Decision on the allocation of flexible benefits which envisages rules for the allocation and type of the offered benefits. In 2023, we determined 1,150 employees – users of flexible benefits from all organizational units of the Company.

Also, in 2023, eight apartment loans were granted to employees against their share of the loan taken from business banks, by which the Company continually offers support to employees in one of the most important issue, which is housing.

In 2023, on the occasion of 8 March, one-off payments were made to all female employees, regardless of the type of employment, as well as New Year's packages for children – payments for employed parents of children up to 10 years of age, as well as children with special needs up to 15 years of age.

Apart from the above said, Telekom Srbija has provided voluntary pension insurance for all its employees since 2008, in the voluntary pension funds Dunav and Generali.

Telekom Srbija continues with the tradition of jubilee awards for employees and former employees, who during the year complete 10, 20, 30 or 40 years of continuous work in Telekom Srbija, i.e. the PTT system of Serbia.

### Subgoal 8.6.

Until the end of 2020 significantly reduce the number of young people who are not employed or involved in the education i.e. training process.

As a result of implemented measures in the previous period, in 2023, there is obviously an increase of newly employed younger people in the Telekom group, which is the result of various employment branding activities and participation in the projects of the Serbian government.

The average rate of external fluctuation is relatively low in 2023 and follows the rate of external fluctuation in 2021 and 2022.

Rate of external fluctuation	2021	2022	2023
Telekom Srbija	2%	2%	2%

## Mtel Banja Luka

### Worker of the year in Mtel Banja Luka

In accordance with its practice from previous years, Mtel awarded its employees in 2023 as well. The “Worker of the Year” award went to a total of 38 workers in 2023, and the criterion for the reward was the business conduct that clearly promotes corporate values of the company.

### Subgoal 8.8.

Protect the labor-related rights and promote a safe and secure working environment for all workers, including migrant workers, especially women migrants, and those doing dangerous jobs

In their internal by-laws members of Telekom Srbija Group envisaged the right to regular health check-ups for employees, as well as solidarity aid, both for employees and members of their families.

In Telekom Srbija Group, solidarity aid was granted for more than 5% of employees, while medical check-up were done for over 25% of employees. Only in Telekom Srbija, in 2023, a total of 217 employees received solidarity aid and other types of pecuniary aid, which accounts for 2.54% of the total number of employees, while the number of external users of this type of aid is 160.

Number of hours realized education	2022		2023	
	Number of new employees	%	Number of new employees	%
Up to 30 years of age	47	11%	188	27%
30-50	359	86%	472	68%
Over 50	13	3%	32	5%
Total newcomers	419		692	
Number of attrition from Telekom Srbija Group	150		196	
Net change	269		496	

The Group conscientiously applies the activities defined by the Law on Safety and Health at Work. For the purpose of raising the level of safety and health at work, Telekom Srbija in 2019 implemented the ISO standard 45001:2018, for which recertification was completed in 2022, and adopted the Occupational Safety and Health Policy by which it defined the principles and sphere of application.

Health and safety at work	2021 Telekom	2022 Telekom	2023 Telekom
The number of employees on jobs with high risk	1,705	1,755	1,733
The number of minor injuries at work *	41	61	71
The number of injuries at work with severe injuries - disability **	14	17	14
Number of fatal work-related injuries	0	0	0

\* in 2023 - out of 71, 25 work-related injuries

\*\* in 2023 - from 14, 5 work-related injuries

Telekom Srbija provides collective insurance for all employees from the consequences of an accident at work and outside of work (24 hours) and grave illnesses and surgical interventions. The right to the payment of the insured amount by submitting a compensation request, by the insurance companies, was granted for a total of 322 insured cases in 2022, while in 2023, this right for approved for a total of 290 insured cases.

Telekom Srbija provides additional protection of employees through collective insurance, with a higher insurance for employees who are assigned to jobs with increased risk.

Other members of the Group have defined the basic insurance of employees and professional liability insurance by their internal acts.



### Sub-goal 9.1.

Develop quality, reliable, sustainable and resistant infrastructure, including regional and border infrastructure, in order to support economic development and human welfare, with a focus on cheap and equal access for all

This goal is successfully implemented through the ALL IP project of fixed Internet network modernization where customer speeds may range up to 1Gb/s for the purpose of creating a more favourable business environment for new investors. in Serbia, Telekom Srbija has until now built and provided:

- Optical cables for 1.408.302 households,
- 36.000 km of cable have been laid,
- Almost 1.950.000 km of optical cables were laid,
- 3.186 locations with base stations.
- 36,000 km of cable were laid;
- almost 1,950,000 km of optical fibres were laid;

Through a joint project with the TTT ministry, called “Rural Broadband”, it is planned to jointly build optical infrastructure for covering a large number of rural settlements. Joint construction is implemented so that the TTT Ministry would build so-called mid-mile part of the network, from the operator’s point of presence to the village, while the operator would build the access network in the village. Telekom Srbija signed contracts on joint construction with the TTT ministry for 382 out of 678 settlements. In 2023, construction was completed in 25 settlements with 3,126 households, while works are in progress in another 349 settlements.

Until the end of 2024, after the construction of an optical network in another 349 settlements, the company will make it possible for some 60,000 households to have broadband services of speeds up to 1Gb/s.

### Sub-goal 9.c

Significantly increase access to information and communication technologies and make efforts to provide universal and affordable Internet access in the underdeveloped countries until 2020

Telekom Srbija invests significantly in improving network quality in all the areas of our country, both urban and rural. For rural and less developed areas, technically more feasible and economically more acceptable are solutions through wireless technologies, so that significant efforts were made in order to improve the coverage of territories and population of such areas by mobile signal. According to RATEL's latest applicable report (third quarter of 2023), Telekom Srbija provides the coverage of 99.37% of population by 2G signal, 97.24% of population by 3G signal and 98.33% of population by 4G signal (which is also the largest percentage of population coverage by 4G signal among the operators in Serbia).



### Sub-goal 11.4.

Increase efforts to protect world cultural and natural heritage

#### Telekom Srbija

The company conducted the traditional book-giving campaign to pupils ahead of New Year and Christmas holidays in 2023 as well, and enriched the libraries in yet another ten elementary schools in Serbia. Telekom Srbija pays a lot of attention to the development of oral and written expression of children and youth, and their creative potentials, by supporting the organization of *Zmaj's Children Games* in Novi Sad, *the Poetry Relay* in Zrenjanin, *the Children's October Salon* of the Museum of the Applied Arts and *the Children's Art Colony – Slovak Ornament* of the Association of Petrovac Fine Artists from Bački Petrovac.

The company also supported the choral music event *Days of Mokranjac*, which is traditionally held in Negotin, the organization of the International Medieval Music Festival *Medimus* in Prizren, and continued its long-term cooperation with the Endowment of Ilija M. Kolarac, which has been going on for 26 years, through the project entitled *Kolarac Your World of Music*, dedicated to concert performances of classical music. The company gladly supports theatrical events with a long traditional such as the International Festival *Days of Zoran Radmilović* in Zaječar or *Nušić Days* in Smederevo. The company helped the Association of Skadarlija Lovers to implement the project *Pupinjada*, a multimedia chamber theatre play about Mihailo Idvorski Pupin.

By supporting the Ethno Network Association and the project *100 women – 100 miniatures*, Telekom Srbija helps to emphasize the originality of women's master skills in the creation of traditional handicrafts, for the purpose of strengthening women entrepreneurship, especially in rural areas.

Fostering the traditional values, the event *Sport Congregation of Holy Serbia*, which has long-term support of the company, promotes the importance of physical and spiritual health of children, and also contributes to the development of cultural awareness among the youth. Deeper understanding of the past, tradition and history of a community can be acquired through the preserved churches and monasteries the renovation of which the company has been supporting for years.

### Mtel Banja Luka

In 2023, Mtel Banja Luka continued to support art through donations and sponsorships of cultural institutions and events:

- Endowment of the heart – let books connect us
- Children fairs in Banja Luka and East Sarajevo
- Support to the National Theatre of Republika Srpska and Children's Theatre of Republika Srpska – for 25 years already
- PAF – Theatre Academic Festival
- Theatre Fest Petar Kočić
- International Actors Festival Zaplet
- Serbian Folklore Festival Banja Luka



### Sub-goal 12.2

Until 2030 achieve sustainable management and efficient use of natural resources

### Electrical energy

The consumption of electrical energy is a significant aspect in the operations of Telekom Srbija. The total quantity of energy directly depends on the operations, strategy of broadening the telecommunications network, increasing the number of devices, diversity of service, etc. In the circumstances of constant increasing of the network capacities, customers' growing needs for different services, reducing the consumption of electrical energy and the emission of gases with the greenhouse effect are goals whose achievement is demanding. The Company aims to achieve them through measures for achieving energy efficiency, installation of its own renewable energy sources, as well as through the purchase of Green Energy from the Serbian Power Utility (EPS) which originates from hydro power plants.

Consumption of electrical energy (GWh)	2023
Total consumed electrical energy	167
Electrical energy for own needs from "Green Energy" (EPS)	108
Electrical energy for own needs obtained from fossil fuels	59

## Mtel Banja Luka

### “Let’s conserve the energy”

The topic of the 2023 European Mobility Week was Let’s conserve the energy. The city of Bijeljina has once again this year, traditionally, joined numerous cities that mark the European Mobility Week. On this occasion, a big cycling ride was held in Bijeljina entitled 20km for Health, a race with obstacles for organized for children between 3 and 12 years of age, as well as Fitness in the Open for adults. Mtel supported the organization of this event.

### Heating

Most of the Company’s business facilities are connected to the remote heating system. For the largest number of facilities there is measured delivered heat energy, while for some 40 percent calculations are done per heating space. An assessment has been done for these.

Apart from remote heating system of a lesser number of business premises, other elements are also used.

Consumption of heating fuel	2022	2023
Wood (m <sup>3</sup> )	34	17
Coal (kg)	126,027	81,68
Fuel oil (l)	251,949	221,240
Low sulphur fuel oil (l)	183,381	197,631

### Paper consumption

For the purpose of reducing paper consumption in the Company, numerous measures have been taken to bring it to the optimal level. Due to the acquisition of several companies, however, and increasing the number of customers, there was a slight increase in the consumption of printing paper as compared to the previous year. In order to achieve this aim in the future, in 2024, we expect the implementation of a qualified trademark, which is a precondition for paperless operations and then the E-archive will achieve its full capacity. It is expected to contribute to a significant reduction in the consumption of paper.

Paper consumption (Ris = 500 sheets)	2022	2023
	39,332	40,068

## Mtel Banja Luka

With the aim of protecting the environment in 2023, Mtel continually conducted an internal and external campaign for paper saving, i.e. use of electronic invoices instead of paper ones. Also, the company continued activities that refer to the regular disposal of obsolete and broken electronic equipment and broken phones returned by the end users.

In accordance with the applicable legal regulations, upon the expiry of the deadline for keeping the documentation in the archive, the company destroyed the said documentation via company whose core activity is organized collection, transport, sorting, pressing and temporary accommodation of packaging (non-hazardous) waste, for further recycling.

### Subgoal 12.4.

Until 2020 achieve environmentally sound management of chemicals and all types of waste throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release into the air, water and soil in order to minimize their negative impact on human health and the environment

Consumption of heat energy for heating (GWh)	2023
Measured delivered heat energy	11,7
Evaluation of delivered heat energy for facilities where calculation is done per area	4,1
<b>Total</b>	<b>15,8</b>

### Non-ionizing electro-magnetic radiation of mobile telephony base stations

Since the core activity of Telekom Srbija is providing telecommunications services, large part of which is mobile telephony, it is understandable that the Company uses a large number of base stations which constitute the wireless access network. Special attention is paid to controlling and reducing exposure to non-ionizing radiation of mobile telephony base stations of the population and burdening the environment by EM fields of anthropogenic origin. We work on the prevention through network planning, measuring electromagnetic radiation, procedure of assessing the impact on the environment, cooperation with public administration authorities, expert organizations and the civil sector every day.



In 2023, the Company performed:

- 370 measurements that include 1,080 base stations
- 215 expert evaluations of environmental burden including measurements for 680 base stations
- 44 evaluation studies of impact on the environment
- 39 public debates in connection with the evaluation studies of impact on the environment
- 107 conducted inspection supervisions related to the control of base stations' work, which included 379 base stations.

<b>Intensity of GHG emissions: ratio between emissions and traffic in the mobile network (kgCO<sub>2</sub>e/GB)</b>	<b>2023</b>
	0.29

### Emission of pollutants – boiler room gases

According to the protocol on cooperation with PTT, which rents the space, Telekom Srbija is responsible for monitoring the emissions of pollutants for 10 boiler rooms and depending on the fuel which is used, the following values were measured.

<b>Measured emission of pollutants - gases (kg)</b>	<b>2022</b>	<b>2023</b>
NO/NO <sub>x</sub>	4,146	6,799
CO	4,791	7,298
SO <sub>2</sub>	3,620	9,570

The Company conducts seasonal preventive maintenance of thermo-technical capacities and installations. The emission of gases, however, depends on the quality of fuel, which is recommended, and on weather conditions.

### Emission of greenhouse effect gases (GHG)

GHG inventory is a systematic inventory and evaluation of gas emissions with greenhouse effect. It has been conducted for a number of years, but since 2023 it has been improved and it is done through identifying the source of emissions, data collection and a projection for two emission ranges.

Range 1 – direct emissions (originate from the activity of the organization, such as burning of fuel in vehicles, boiler room, air-conditioning gases, etc.).

Range 2 – indirect emissions (emissions created for the production of purchased electrical power, heat energy, cooling energy, etc.).

The projection of Range 3 has not been done yet – indirect emissions originating from the company's activity, but which do not refer directly to its ownership or control range (supply chain, transport, end users, etc.). The company is planning to make an evaluation of such emissions in the forthcoming period.

<b>GHG (tCO<sub>2</sub>e)</b>	<b>2023</b>
Range 1	12.751
Range 2	69.375
Total (Range 1+2)	82.126

### Car fleet and fuel consumption

In 2023, the overall number of vehicles was additionally reduced and the structure of the car fleet was changed, in terms of propellants. The number of vehicles that use diesel fuel has been reduced. By the said reduction of the car fleet, the overall consumption of fuel (gasoline and diesel) was reduced by 2.8%.

All vehicles have power generators that satisfy minimum Euro 6 standard. The majority of vehicles have the possibility of using additional additives for the purpose of reducing the emission of nitric oxide. The number of vehicles in the car park is stabilized. Measures for the rationalization of consumption such as: control of movement of company vehicles, optimization of car fleet use, and use of communications tools for the purpose of reducing the need for vehicles, are applied. Employees who use company cars have at their disposal educational video-training about economic and responsible driving.

<b>Car fleet</b>	<b>2022</b>	<b>2023</b>
Number of vehicles	1,694	1,599
Share of freight vehicles in the car fleet	899 (53%)	954 (60%)

<b>Fuel consumption (l)</b>	<b>2022</b>	<b>2023</b>
Diesel	1,353,691	1,267,088
Gasoline	1,020,625	1,041,465
<b>Total</b>	<b>2,374,316</b>	<b>2,308,553</b>



## Mtel Banja Luka

Just like every year, in 2023 as well, in the sphere of protection of the environment and people, a lot of attention was paid to the work of base stations and electromagnetic field, which is emitted from them by the antenna system. In 2023, 320 reports of systematic examination of the level of non-ionizing radiation of the electrical field from the mobile telephony base station were created along with 1,423 reports of measuring the level of electromagnetic fields on 20 locations of mobile telephony base stations.

According to the Ministry of Health and Social Welfare, for the purpose of obtaining licenses for the use of base stations, 498 requests were delivered based on the applicable legal regulations to the Regulatory Agency for Communications, for the purpose of obtaining a Certificate on safety for work of the base stations on the territory of BiH.

The Republic Administration of Inspection Affairs, Health and Communal Inspection, continually supervised the work of mobile telephony base stations, and inspection controls were performed on 20 base station locations on the territory of Republika Srpska.

### Sub-goal 12.5

#### Until 2030 significantly reduce the production of waste through prevention, reduction, recycling and reuse

During various business activities of the Company, several types of waste are generated on different locations. Waste is managed in accordance with the Waste Management Plan and the Waste Treatment Instructions, which include the application of principle of waste management hierarchy, i.e. the distribution of priorities in the practice of management: prevention, reduction, recycling, reuse and disposal. In special waste flows, there is a deviation from hierarchy, where it is justified by life cycle, taking into account the overall impacts on the generation and management of such waste. The company, in accordance with the regulation, reports to the Environmental Protection Agency, Ministry for Environmental Protection, on the quantity of waste that is generated and submits it to authorized persons.

As compared to 2022, 228 tons of waste less were submitted. The reason for this lies in the fact that during 2022, the generation of waste was increased due to modernization of the telecommunications network, and the number of business premises used was reduced, so that there was a write off of materials.

Quantity of waste (t)	2022	2023
Total non-hazardous waste	312.4	200.7
Total hazardous waste	190	73.8
<b>Total hazardous and non-hazardous waste</b>	<b>502.5</b>	<b>274.5</b>

In 2023, the company collected and submitted for recycling 97.35 tons of paper and cardboard, while by the submission of 274.51 tons of waste for recycling revenues were generated in the amount of RSD 12,225,112.

#### Pecuniary funds invested in the sphere of environmental protection

The pecuniary funds that are invested in the environmental sphere refer to funds spent on waste management, servicing boiler rooms (boilers and burners), the servicing of air-conditioning devices due to high noise levels, measuring non-ionizing radiation and noise, support for environmental and biodiversity protection programs.

Funds invested in environmental protection (RSD)	2022	2023
	3,069,000	40,566,000

The disproportion in the amounts between 2022 and 2023 is due to the fact that in 2023 funds were included that had not been included in the previous years and the inventory was improved.

## Mtel Banja Luka

In accordance with the practice of a responsible attitude toward the environment, the Mtel company places a special emphasis on respect for the law, and the specific activities from the domain of protection of people and the environment.

As in previous years, in 2023, Mtel Banja Luka, in accordance with the Contract on the transfer of obligations of waste disposal and management of electrical and electronic equipment on the territory of FBiH, regularly performed all its obligations towards the company which is the operator of the system authorized by the Environmental Fund of FBiH. The obligations of the authorized system operator are to collect and recycle electrical and electronic waste from products sold on the market of the BiH Federation via Mtel points of sale or otherwise. In this way, we directly contribute to environmental protection on the territory of FBiH. For the quantity of packaging waste delivered on the territory of Republika Srpska, a fee was paid to the relevant company which is spent for the purpose of financing environmental projects. For the quantity of

packaging waste delivered on the territory of FBIH, a fee was also paid to the Environmental Fund of FBIH which is spent for the purpose of packaging waste management.

In accordance with the Law on Waste Management of RS, a report on the quantities of electric and electronic products and equipment, which are delivered on the RS market was submitted to the Fund for Environment and Energy Efficiency of RS, and a relevant fee was accordingly paid, which is assigned for financing project from the environmental sphere.

## YUNET

YUNET implemented in its operations the Environmental Protection Policy in accordance with the requirements of the ISO 14001 standard. The key ecological goals and indicators in 2024 are as follows:

- Reduction of power consumption by 2% as compared to 2023;
- Reduction of fuel consumption by 2% as compared to 2023;
- 100% harmonization of waste disposal activities;
- Operation without incidents related to environmental protection;
- Innovating IMS knowledge at least once a year.

YUNET continuously implements activities with the purpose of environmental protection:

- Regular disposal of communal waste;
- Regular, in clear time intervals, removal of consumed toners for printers;
- Replacement of damaged electronic and electrical components (routers, modems, etc.) and fluorescent pipes by engaging the relevant registered companies for these activities;
- In clear time intervals, audit of filing material in the archive and packaging waste (paper, cardboard, PVC);
- Rational and planned procurement of modems, routers and other equipment, without excessive stockpiling in the warehouse and procurement of only those materials that can be ecologically disposed of or recycled after their life cycle.

### Subgoal 12.8

Until 2030 ensure that people everywhere have relevant information and awareness about sustainable development and style of living in harmony with nature

Telekom Srbija has for several years used its resources to inform and educate the public about sustainable development and connectedness of all biological

species in a single network which constitutes life of planet Earth. Within the campaign “Let’s preserve the most important network. The network of life”, as a part of the project “No species dies alone”, in 2023, the following key species were presented: the European ground squirrel, golden eagle, fish and the bear, and their interaction and interconnection with man is shown by a branched telecommunications network. By figuratively expressing mutual relations, the Company pointed out the importance of preserving biological diversity for survival of life on the planet.

Apart from this, through traditional communication channels and through new media as forms by which a message can be conveyed to a larger number of people, we can raise people’s awareness about the need to create harmony of life with nature, as well as conditions without which there can be no sustainable future.



### Sub-goal 13.3.

Improve education, raise awareness and human and institutional capacities for mitigating climate change and adjusting, reducing their impact and early warning

Through the internal portal, through the module “Moje učenje” of the Training Centre, Telekom Srbija designed video-training for employees with tests for controlling adopted knowledge which refer to the ecological crisis, protection of biodiversity, aspects of the environment. Climate change is also included in these lectures. A total of 2,886 employees attended the lectures and successfully finished the tests.

At the end of 2023, the company started creating special lectures, which refer to the impact of climate changes, risks that these changes bring, the need to reduce GHG gases and measures that are used to achieve this.



### Sub-goal 15.5.

Undertake urgent and significant activities for the reduction of degradation of natural habitats, prevention of biodiversity loss, and until 2020 protect the endangered species and prevent their extinction.

Symbolically, on Earth Day, Telekom Srbija launched a new campaign with an important message “Let’s preserve the most important of all networks. The network of life”. The campaign is the continuation of a long-term project in the sphere of protection of biodiversity “No species dies alone” and it was implemented with an aim to additionally emphasize that every species has an irreplaceable place in the network of life – network without which the sustainable future of the planet and people is unimaginable.



Aware that the problem of the collapse of biological diversity is very complex and that the process of species disappearing cannot be stopped in the short term, the Company continued multiple support to partner organizations in the protection programs of griffon vultures, European rollers, short-toed snake eagles and owls. During 2023, cooperation was also established with the Ecological Association “Guardians of Nature” from Požega in the protection of the golden eagle, another strictly protected species in our country. In cooperation with the Tara National Park in the previous period, activities were also carried out in the protection of mammals when, for the first time in Serbia, an individual brown bear was tagged with a special GPS/GSM collar with a camera, while the Company continued its support for the protection of brown bears and particularly important species such as ground squirrels, beavers and lynxes.



Along with the financial assistance that associations and experts use to purchase specialized equipment and carry out field activities, the Company also provides great support for science in the protection of key species. A strong telecommunications network enables the transmission of data from inaccessible

parts of our country, which allows experts to monitor the behaviour of endangered species in order to plan protection measures.

Telekom Srbija helped create a mobile application for experts working on the protection of the endangered species of European rollers (*Coracias garrulus*). The application made it possible to make the exchange of information, the analysis of population dynamics and the planning of next steps in active protection measures and repopulation of the species far more efficient and the results better.

As part of the business activities, a procedure has been established according to which, if it is observed that during field work there is a possibility of endangering a strictly protected or protected animal species, the employee has the obligation to inform an expert within the Company, in order to determine which species it is and which, depending on the situation, will notify the competent institutions in order to apply the appropriate protection measures.

In 2023, several nests of white storks (*Ciconia ciconia*) were found on the Company's telecommunication poles, which are not safe, because they endanger the transmission network, prevent workers from carrying out interventions, but are also risky for the birds themselves. The company, in accordance with the objectives of preserving biodiversity and safety at work, undertakes measures to move them to appropriate safe platforms, respecting the Law on Nature Protection and according to the conditions prescribed by the decision of the Provincial Institute for Nature Protection.

Employees are introduced to the current status of global biodiversity and the risks that threaten to destroy the ecological balance due to the accelerated disappearance of species and ecosystems through specially created video lectures for them.

In order to increase the safety of work in the field and at the same time work on the preservation of biodiversity, two specific lectures were designed with a description and ways of identifying all types of snakes in Serbia, safety measures that should be applied in the field, but also strengthen awareness of the need to protect this group, strictly protected animals, whose role in the ecosystem is irreplaceable.



#### Sub-goal 16.1.

In all places, radically reduce all forms of violence and the related death-cases

Respect for the rights of employees is a basic obligation in achieving the

harmonization of internal relations. In Telekom Srbija, as a parent company, two channels of employee protection have been established through the internal portal, through which employees can resolve open issues related to labour-related rights and obligations;

- Ask human resources and
- Labour and legal counselling, within which employees can turn to a professional team of lawyers for any assistance in achieving and protecting their legal position in accordance with legal and internal regulations.

The Rules on Personal Data Protection define the basic principles and rules of conduct in the field of personal data processing and protection, considering the probability of risk and the level of risk to the rights and freedoms of individuals.

To protect each and any employee from discrimination and mobbing, one court proceedings was instigated in 2023. Likewise, in accordance with the Law on Protection of Whistleblowers, a person was appointed for the receipt of information and introduction of a whistleblowing procedure.

Within the Telekom Srbija Group, trade unions are registered in Telekom Srbija, Mtel Banja Luka and Telus, while the trade unions of Telekom Srbija have some 6,971 members.

A total of 10 trade unions are registered in Telekom Srbija, of which 2 are representative trade unions. Also, within Telekom Srbija, there are associations gathering over 1,300 members.

- Association of Fitters for the Telecommunications Network of Serbia
- Association of Engineers of Telekom Srbija
- Association of Shareholders Employed in Telekom Srbija PE PTT Traffic Srbija
- Humanitarian Association of Employees in Telekom Srbija "From the Heart"
- Humanitarian Association of Employees in Telekom Srbija "In the heart"

### **Sub-goal 16.5.**

#### **Significantly reduce corruption and bribery in all their forms**

In its operations, Telekom Srbija applies ethical and professional standards in the struggle against corruption. The internal by-laws regulating the struggle against corruption are available to all employees.

The Rules of Procedure of Internal Whistleblowing, based on which the Decision on appointing a person to receive information and conduct a procedure related to whistleblowing was adopted, defines acting on the information for the purpose of determining and removing the irregularities indicated by the information.

The Code of Corporate Conduct of Telekom Srbija defines the suppression and prevention of corruption and bribery, and other illegal actions.

In accordance with the Law on Corruption Prevention, the company conducted a training program of employees in the sphere of corruption prevention and integrity strengthening, in the following ways:

- Through an online platform of the Agency for Corruption Prevention
- Through internally created vide materials on the online platform „Moje učenje“
- Through live workshops, held by the internal trainer certified for conducting the relevant decision by the Agency.

In this way, the company fulfilled the objectives of the training - to enable the participants to acquire knowledge about ethical principles, better understanding of regulations and a uniform understanding of what is acceptable behaviour within the public institutions and at the same time fulfilled the legal obligation.

With the integrity plan, Telekom Srbija aims to establish a mechanism for ensuring efficient and effective functioning by strengthening responsibility, simplifying complicated procedures, increasing transparency in decision-making, controlling discretionary powers, strengthening ethics, eliminating inefficient practices and inapplicable regulations, as well as introducing an effective system of supervision and control.





### Subgoal 17.17.

Support and promote effective public, public and private partnerships and civil society partnerships built on the experiences and strategies of finding resources for the partnerships

In 2023, Telekom Srbija, was a member of the following organizations, institutions and knowledge bases:

1. Cullen International
2. European Telecommunications Network Operators Association (ETNO)
3. Gartner Inc
4. GSM Association (GSMA)
5. IEEE
6. IoT Forum
7. LoRa Alliance
8. TeleManagement Forum (TMF)
9. United Nations Global Compact Network (UNGCN)
10. Responsible Business Forum (FOP - Smart Collective)
11. Digital Serbia Initiative (IDS)
12. NALED
13. Foreign Investors Council (FIC)
14. Serbian Association of Managers (SAM)
15. Association of Corporate Directors of Serbia (UKDS)
16. CFO & Controlling Club

17. Serbian Philanthropic Forum
18. British Serbian Chamber
19. Serbian HR Community,
20. International Association for Marketing Communications (IAA),
21. Association of Business Women of Serbia, and
22. Serbian Chamber of Commerce.

In terms of social communication, socially responsible and sustainable business, Telekom Srbija has always been a prominent member of society and always made a significant contribution and its personal stamp. Within the framework of the memberships related to the mentioned area, Telekom Srbija has, among other things, closely cooperated with the Forum for Responsible Business (FOP) in establishing a permanent and stable CSR (Corporate Social Responsibility) practice in business, with the Serbian Philanthropic Forum (SFF) through various charitable actions, and with the Association of Business Women of Serbia, where special emphasis was placed on female entrepreneurship as a factor of economic growth.

In the field of environmental protection, we note that Telekom Srbija has been a member of the United Nations Global Compact (UNGC) since 2010, so it fully follows the sustainable development goals of the 2030 Agenda and operates in accordance with the ten universal principles of the UNGC areas of human and labour rights, environmental protection and the fight against corruption. In addition to the above, during the year 2023, through membership in NALED, operational work in the Alliance for the Environment was started, in order to provide an adequate response to environmental issues and regulations.

Most of the other memberships refer to the development of Telekom Srbija in the direction of a modern, digitally oriented company, oriented towards the user, all the while following the latest trends in telecommunications and ICT, with the aim of maintaining and improving the leadership position on the market.

As a summary, all of the above additionally contributes to the recognition of Telekom Srbija in these important areas for business, thus securing a prestigious position among numerous socially responsible companies, both in Serbia and at the global level.

**Mtel Podgorica** is a corporate member of the following organizations:

- AMM – Montenegrin Managers Association,
- AmCham Montenegro – American Chamber of Commerce,
- MBA – Montenegro Business Alliance,
- Employers Union,
- Montenegrin Chamber of Commerce,
- MFIK,
- GSM Associatio

**Mtel Banja Luka** is a corporate member of the following organizations:

- AKOP - Association of Cable Operators
- FIC- Foreign Investors Council
- GSM- Global System for Mobile Communications
- TM Forum- TeleManagement Forum
- AmCham- American Chamber of Commerce in Bosnia and Herzegovina.

**The Report was compiled in accordance with:**

- The Law on Business Companies;
- The Accounting Law;
- Directives 2013/34/EU and 2014/95/EU;
- Principles of the UN Global Compact Serbia;
- Goals of sustainable development of the 2030 Agenda; and
- Adopted Instructions in Telekom Srbija.

The principles of writing the chapters are based on information about significant changes in the Telekom Srbija Group and the environment in the observed year and a comparison of the figures with the previous year.

The basic method of work is the collection of data internally from organizational units in the Company, from subsidiaries, as well as externally, from state and other institutions through official websites. Data processing includes descriptive statistical analysis, as well as tabular and graphical presentation of the trend and structure of the phenomenon.