

# Annual Report

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41

2022

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2022



# ADDRESS OF THE CEO



Dear Shareholders,

From 2022, we will take our being proud of many great and important events for the Company. The end of the year was marked with awarding of the prestigious Certificate for best mobile network in BiH to the Mtel Company. This title is a result of our investing, effort and work, vision and persistence in materialization of what we envisaged to be, and speaks much louder than mere measurements, analyses, and graphs. It represents a clear direction we, the management, have chosen to follow - success and strengthening of the Company.

I want you to know that we are here to build, strengthen, to develop the brand that has already overcome balancing of forces with the surrounding companies. We have taken a huge step beyond the borders, and now we measure our value in relation to the regional and world corporations. The evidence is in this Annual Report, financial data, numbers, and important awards we have received, but also in our intentions to be even more successful.

While the whole world was struggling with the financial market instability, Mtel paid out almost 40 million in dividends in 2022, and the Mtel shares recorded a steady growth on the stock market in the last year and a half! I would like to emphasize that all that happened simultaneously with large investments into our affiliates and their recapitalization, which speaks of our financial strength and the potential to operate according to the plan we set out, in spite all the global economic turbulence. An example that illustrates success, particularly important to you, our shareholders, is the price of the Mtel shares, which, on the last trading day in 2022, recorded 14,1 percent increase, relative to the same day in 2021. The turnover in 2022 increased by 16.8 percent!

Mtel finished the financial year 2022 with KM 82.27 million profit, which is an increase of almost KM 8 million, i.e. 10.72%, relative to the result achieved in 2021. We increased our income by almost KM 20 million. We increased the user base by almost 71,000 users, compared to the previous year. All that represents an impressive result within the framework of the market in which we operate, but also telecommunications industry in general.

## *Name spoken...*

The trends in 2022 are the increase in the revenues from the mobile telephony, integrated services, internet services, and enhancement of the TV services user base. Therefore, we recorded the largest number of the Mtel services users in our history!

It is important for me to say that what distinguishes us from others, and what made us successful, is our attitude towards the idea and the word capital. When we say the word capital, we think primarily of people, and then of infrastructure, systems, and services. This is what we want all citizens of this country, all users, all employees, and all our shareholders to know. We will always put people first thus trying to help the economy of this country, and stop our young people from leaving into the world. This is the only way we will exist as a company, and the only way we'll justify our efforts to build for the future that doesn't exist without people and youth. This is the mission that this management and this Company want to realize thus we speak about it in the loudest voice. That is why the title of the best employer in Bosnia and Herzegovina, received several times in the previous years, is one of the important confirmations of our investment in the human resources, i.e. people.

In 2022, we also launched the new Supernova brand, created by the merger and acquisition of our three acquired cable operators. Supernova introduces a modern, advanced, and user-oriented telecommunications company on the Bosnia and Herzegovina market. With this, we have proved that our intention is to develop and improve, not just to take over and manage.

Of course, it is understood that we continue to care about the community in which we operate, so that we become even better friends to them. We continue the action that we commenced on our arrival - "You're not alone, you've got friends", we offer help and donations to our people, we invest in an ordinary man...

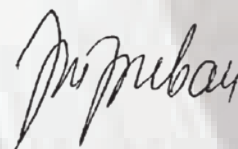
## *...with respect!*

In 2022, the Business Advisory Council was established, initiated by UNICEF BiH, the member of which I am, being the Mtel Company CEO, due to the very determination to establish our business on humanity, investments in culture, educational and sports projects, and activities in the community.

Since this year, we have resumed and restored the tradition of celebrating the Patron Saint of the Company - St. prophet Elijah, as the day when we remember the spirit of community, atmosphere of friendship, appreciation, and traditional heritage. In the same spirit, we formally celebrated the Telekom Srpske Day in September 2022, as celebration of the future. These two days form a time-line connecting the past and the future. By honoring our past, tradition, and heritage, we clearly prove that, at the same time, we have a clear vision of our future.

Without modesty, I want to congratulate all our employees, shareholders, and the Company management, for all Mtel's achievements in 2022. And this Company did achieve a lot, even more than what we would call success. We have become the name that is spoken out with respect and admiration in the business world, not only in the Republic of Srpska, Bosnia and Herzegovina, and the surrounding countries, but farther as well.

Sincerely,



Jelena Trivan, Ph.D.



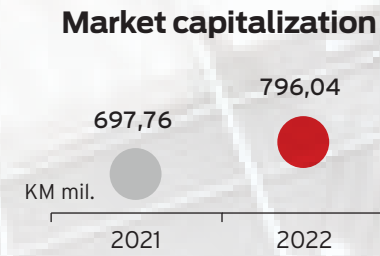
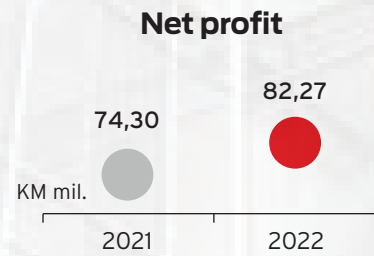
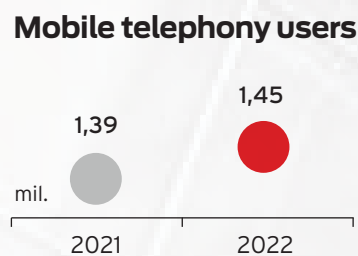
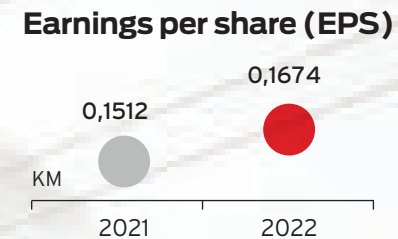
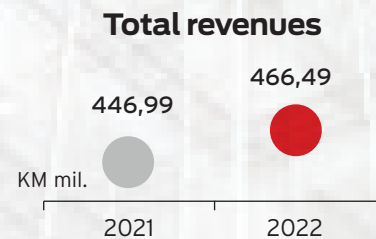
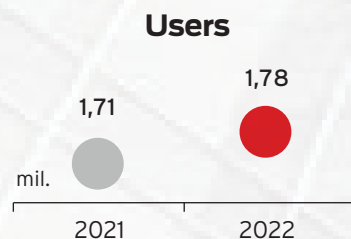
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2022

# BUSINESS INDICATORS

	Total revenues (KM mil.)	Total expenditures (KM mil.)	EBITDA (KM mil.)	EBITDA margin	EBIT (KM mil.)	EBIT margin	Gross profit (KM mil.)	Net profit (KM mil.)	Operating assets/liabilities (KM mil.)
<b>2022</b>	<b>466,49</b>	<b>374,13</b>	<b>217,97</b>	<b>46,89%</b>	<b>100,29</b>	<b>21,57%</b>	<b>92,35</b>	<b>82,27</b>	<b>1.356,25</b>
2021	446,99	363,74	204,31	45,80%	91,03	20,41%	83,25	74,30	1.325,99



# CORPORATE PROFILE

- BASIC DATA
- OWNERSHIP STRUCTURE
- MANAGEMENT BODIES

2022



# BASIC DATA

## Registered business name:

"Telekomunikacije Republike Srpske", a.d.  
Banja Luka

## Shortened business name:

"Mtel", a.d. Banja Luka  
"Telekom Srpske", a.d. Banja Luka

## Seat:

Banja Luka,  
Vuka Karadžića 2

## Industry:

Communications, information  
technologies, integrated business  
solutions

## Organizational form:

Joint stock company

## Activities:

Telecommunications, provision of  
telecommunications and related services,  
transmission of voice, data, text, audio, and  
video contents, encompassing:

- Wire telecommunications,
- Wireless telecommunications,
- Satellite telecommunications
- Other telecommunication activities.

Along with the main activities, the Company also  
pursues other registered activities, with the aim  
of making business more efficient and rational.

## Date of incorporation:

20/12/1996 registered as the Public State Enterprise for  
Telecommunications of the Republic of Srpska

## Ownership transformation:

12/12/2002 became the joint stock company

## Status changes:

### until 1996

Public State Enterprise for PTT Traffic of the Republic of Srpska, provision  
of the postal, telegraph and telephone services

### since 01/01/1997

the Company is divided into two new enterprises - Telekom Srpske, Public  
State Enterprise and Srpske pošte, Public State Enterprise.

### 2002

pursuant to the Law on Privatization in the Republic of Srpska and the  
Republic of Srpska Government's Decision,

- 20% of the government share in the Company was privatized through  
vouchers (10,5% to the privatization-investment funds, and 9,5% to  
physical persons).

- The remaining 80% share (government capital - 65%, Pension and  
Disability Insurance Fund - 10% and Restitution Fund - 5%) was privatized  
under the Special Privatization Program of the Republic of Srpska  
Government.

### 12/12/2002

pursuant to the Basic Court Decision, it was registered the change of  
name into Telekomunikacije RS, a.d. Banja Luka, and the status change.

### 28/06/2007

pursuant to the Decision of the Basic Court Banja Luka, it was registered  
the status change - ownership transformation through purchase of the  
entire government share by the Telekom Srbija, a.d. Beograd.

## Ownership:

65,01% - Telekom Srbija, a.d. Beograd  
34,99% - Public funds and other  
shareholders

## Value of the registered capital:

491.383.755 KM

## Company's shares:

- Number of shares:  
491.383.755 KM
- Type of share, SR mark:  
common shares, TLKM-R-A
- Face value:  
1 KM
- RS quotation:  
Banja Luka SE

# OWNERSHIP STRUCTURE

Having purchased the government capital in 2007, Telekom Srbija became the major owner of Mtel, with 65,01% capital share. As of 31 December 2022, the Mtel's ownership structure was as follows:

- Telekom Srbija, a.d. Beograd - 65,005%;
- Pension Reserves Fund, a.d. Banja Luka - 8,608%;
- Republic of Srpska Restitution Fund, a.d. Banja Luka - 5,029%;
- DUIF Kristal invest a.d. - OAIF Future fond - 1,929%;
- Other shareholders - 19,429%.

At the beginning of 2022, Mtel had a capital share in the following companies:

- Logosoft d.o.o. Sarajevo with 100% capital share,
- TELRAD NET d.o.o. Bijeljina with 100% capital share,
- Blicnet d.o.o. Banja Luka with 100% capital share,
- ELTA KABEL d.o.o. Doboj with 100% capital share,
- FINANC d.o.o. Banja Luka with 100% capital share,
- Društvo za telekomunikacije MTEL d.o.o. Podgorica with 49% capital share,
- MTEL Global d.o.o. Beograd with 41% capital share.

With the aim of more efficient and effective management, and further maximization of the synergic effects, rationalization of operations, optimization of costs and synchronization of the business activities, during the year 2022, a status change of merger by acquisition was carried out.

In accordance with the aforementioned, on 12 September 2022, the District Commercial Court in Banja Luka on September issued the Decision on Registration by which the change in status of the merger by acquisition of the companies ELTA-KABEL d.o.o. Doboj and TELRAD NET d.o.o. Bijeljina to the acquiring company Blicnet d.o.o. Banja Luka was entered in the Register of Business Entities of this Court. With the mentioned status change of the merger by acquisition, the companies ELTA-KABEL d.o.o. Doboj and TELRAD NET d.o.o. Bijeljina ceased to exist, and, at the same time, they transferred all their assets, including their rights and obligations, to the company of Blicnet d.o.o. Banja Luka. The acquiring company Blicnet d.o.o. Banja Luka continued to perform all the activities it had been performing until the day of the merger, as well as the activities performed by the companies that ceased their existence as the result of the merger, under the new brand of **\*supernova**.

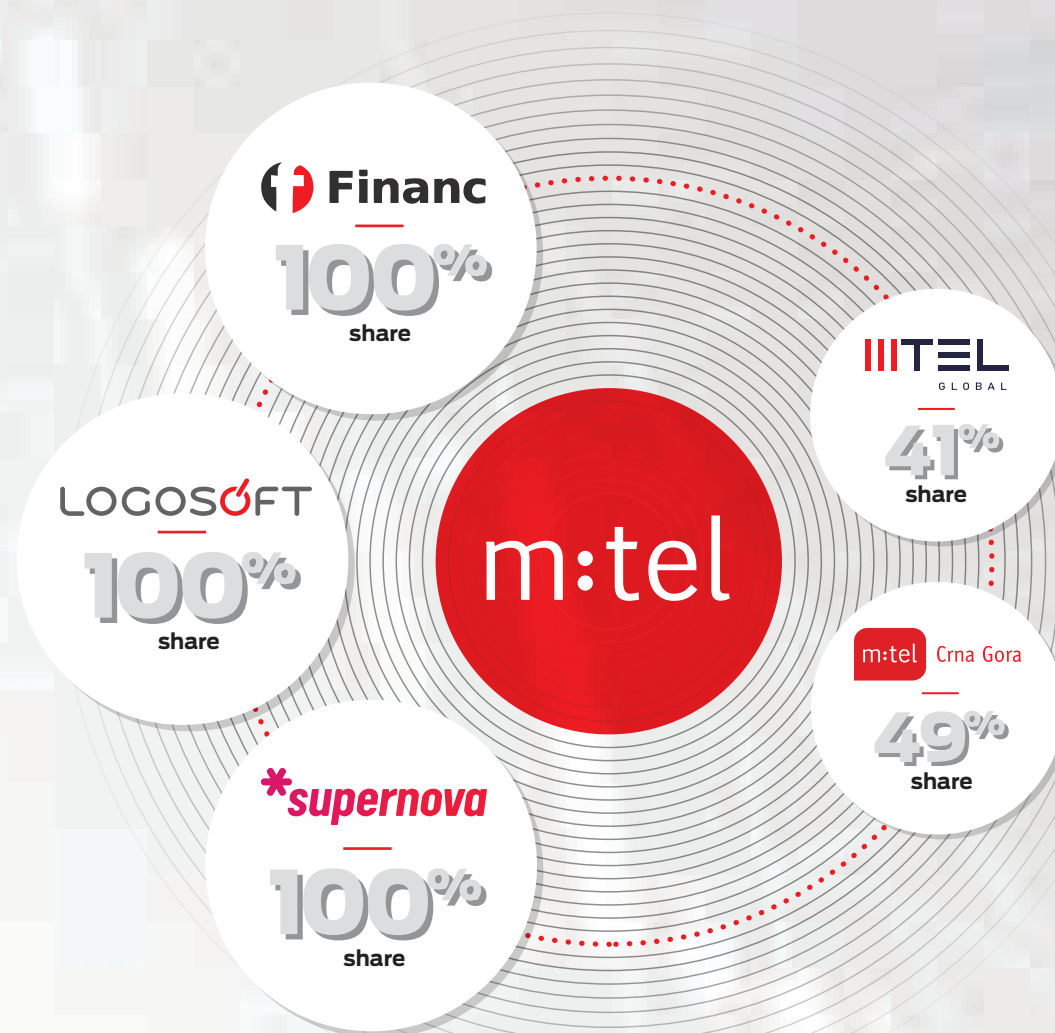
As at 31 December 2022, Mtel has a capital share in five companies, as follows:

**Three subsidiaries, with 100% capital share:**

- Logosoft, d.o.o. Sarajevo,
- Blicnet, d.o.o. Banja Luka (\*supernova),
- FINANC, d.o.o. Banja Luka.

**Two affiliates with less than 50% capital share:**

- Društvo za telekomunikacije MTEL, d.o.o. Podgorica with 49% capital share (51% Telekom Srbija, a.d. Beograd),
- MTEL Global, d.o.o. Beograd with 41% capital share (59% Telekom Srbija, a.d. Beograd).





# MANAGEMENT BODIES

## Shareholders Assembly

Shareholders Assembly involves all shareholders.

## Management Board

The following: Vladimir Lučić, Chairman, and the members: Danijela Maletić, Dejan Carević, Slavko Mitrović, Draško Marković, Nenad Tomović and Branko Malović, perform the Management Board functions.

## Auditing Board

The following: Dragana Drakulić, Chairperson, and the members: Radenko Kotur and Srđan Raković, perform the Auditing Board functions.

## Internal Auditing

Internal Auditing is organized as a support function within Mtel. Miroslav Vujić was the Internal Auditor until 31/01/2023.

The Internal Auditor of the Company is Saša Novaković.

## CEO

The Company CEO is Jelena Trivan, Ph.D.

## Executive Board

The Mtel's Executive Board includes the CEO, Jelena Trivan, Ph.D., and the Executive Directors:

- Executive Director for Technics  
Milan Aleksijević
- Executive Director for Marketing and Sales  
Milosav Parezanović
- Executive Director for Finance  
Dejan Jokić
- Executive Director for Corporate Affairs  
Nikola Tacić

Since Mtel is a shareholding company/joint stock company, its business operations are defined by the provisions of the Law on Commercial Companies. Pursuant to these provisions and the Mtel's Statute, the joint stock Company bodies are the following:

- Shareholders Assembly,
- Management Board,
- Auditing Board,
- Internal Auditing,
- CEO,
- Executive Board.



## Jelena Trivan, Ph.D.

### CEO

Jelena Trivan, Ph.D. was born in 1973. She graduated and received her Doctor's Degree from the Belgrade University School of Philology. Until 2000, she worked as a Literature Professor in the Prva kragujevačka gimnazija (First Grammar School Kragujevac). In the period of 2000-2006, she was a Deputy Minister in the Ministry for Human and Minority Rights. During her Deputy Minister's mandate, she was leading Negotiating Team of the Serbia and Montenegro State Union for signing of the Agreement on National Minorities with the neighboring countries, and the Agreement on Readmission with the European Union member states.

She was a co-president of the inter-state commissions for the national minorities' protection, with Croatia, Hungary and Romania, and the team leader for drafting the National Minorities Act and National Minorities' National Councils Act.

Since 2004, she has represented Serbia in the Council of Europe Human Rights Committee. In this period, she has monitored the status of human rights in the Council of Europe member states.

She was the laureate of the 2011 The Man of the Year award.

In the period of 2007-2014, she was a national deputy in the Republic of Serbia National Assembly. At the time, she was chairing the Culture

and Information Board. She was also a member of the European Integration Board, and the Interparliamentary Delegation between the European Parliament and the Republic of Serbia National Assembly.

In the Republic of Serbia National Assembly, she chaired the Group of Friendship with the Netherlands. She has been the RTS Program Board member since 2013.

In 2017, she received the Serbia Chamber of Commerce Award - Manager of the Year, and the Serbia Chamber of Commerce and Belgrade Chamber of Commerce annual award of Beogradski pobednik za 2018. godinu (Belgrade Winner 2018) for the achieved results in the economy.

Since 27 January 2015 she has performed the duties of the Director of the Javno preduzeće Official Gazette of (Official Gazette Public Enterprise).

She has been the Film Center of Serbia Management Board President since 2018.

The Company's Management Board has elected Ms Jelena Trivan, Ph.D. the General Manager (CEO) of the Mtel, a.d. Banja Luka, with the mandate commencing on 15 September 2021. She speaks the English language.





## Milan Aleksijević

### Executive Director for Technics

Milan Aleksijević was born in 1969 in Kragujevac. He graduated from the Belgrade University School of Electrical Engineering in 1996 and completed his MBA studies in 2013.

He began his career in the PE PTT Traffic Srbija in 1996. From 1997 he was employed in the Territorial Division for Telekom Srbija a.d. Beograd Network, having performed the duties of an associate, specialist, head of department and executive and, from 2005 to 2008, he was the Independent Department for Planning and Engineering Head. He was appointed the Switching Subsystems Sector Director in 2008. From 2012 he was performing the duties of Acting Director of the Technical Preparations (Engineering) Function and, from 2013 to 2017, he was the Telekom Srbija Network and Service Planning Function Director.

He worked on several software systems development and implementation through internal development based on the IT/ICT technologies and telecommunications systems synergy. He was engaged in the telecommunication systems planning, development and implementation, working through projects on the new technologies introduction, firstly in switching systems and transport network and, later on, he was in charge of development of the entire telecommunications network and services in the fixed and mobile telephony in Telekom Srbija. He also led projects for development and implementation of the soft-switch technologies in the mobile network, VAS service platforms in the fixed and mobile network,

introduction and implementation of 4G mobile radio network, ALL-IP fixed network transformation project through introduction of the optical infrastructure throughout Serbia, IPTV multimedia platforms and many others.

In the period of 2010-2016, he was leading the Expert Team of the Delegation for Beograd -Priština Dialogue negotiations in Brussels, and was an active negotiator in the telecommunications filed until the successful finalization of the negotiations and obtaining of the licenses, which was followed by a successful incorporation of the mtsDOO Company in K&M.

In the period of 2017 - 2021, he was performing the duties of Assistant General Manager of the Telekom Srbija, a.d. Beograd having been in charge of the Telekom Srbija development strategy, strategic projects leadership, regulatory and legal framework of the Telekom Srbija business, security, as well as for the procurement strategy and policy. He was actively involved in the Telekom Srbija Group member companies' development, as well as for innovative projects based on the strategic initiatives on the Telekom Srbija level.

He was appointed the Mtel a.d. Banja Luka Executive Director for Technics on 10 March 2021. He speaks the English language. He is married and a father of three.





## Milosav Parezanović

### Executive Director for Marketing and Sales

Milosav Parezanović was born in 1972 in Čačak. He acquired his Manager of Economic and Industrial Management Diploma from the Faculty of Business and Industrial Management of the Union - Nikola Tesla University in Belgrade, and the Master Manager of Media and Public Relations Diploma from the Faculty of Organizational Sciences of the University of Belgrade.

Until 2000, he was performing the executive marketing and sales duties with several radio and TV stations in Belgrade. From 2000 to 2005, he headed the executive marketing activities of the RTV B92 Company.

In 2005, he commenced working for the German Company of Burda, having performed the marketing and advertising activities. After the Burda Company acquisition by the Gruner + Jahr Company, in the newly incorporated German-Dutch-Austrian Company - Adria Media Group in Belgrade, he was performing the duties of the Advertising Director for several printed media and accompanying digital platforms. For years, being the AMG Company Key Account, he was in charge of realization of media campaigns for several major national and international companies, which operated in Serbia and the Region, among them Telekom Srbija as well.

He was engaged in the organization of numerous team buildings, seminars, conferences, and business events in Serbia and abroad. From 2014, he was the Director of the Advertising Division within the Adria Media Group and Kurir Info.

He was appointed the Mtel a.d. Banja Luka Company Executive Director for Marketing and Sales on 18 October 2021.

He speaks the English language.



## Dejan Jokić

### Executive Director for Finance

Dejan Jokić was born in 1969. He graduated from the South Bank University, London BA Business Studies in 1997.

He started his career with the Intereksport Beograd Company in 1998 and, from 1999 to 2002, he was the Sports Marketing Manager of the Delta sport Company. In 2002, he took the Project Leader position in the Auction Privatization Center, where he participated in the organization and conducting of the public auctions, preparations and conducting of the small and medium enterprises privatization, as well as the communication and negotiations with the national institutions.

In 2004, he initiated and launched the activities for establishing of the Bankruptcy Procedures Center within the Republic of Serbia Agency for Privatization, which commenced the activities in 2005, when he was appointed the Director of the mentioned new Center and remained on this position until 2013.

In the period of 2013 - 2014, he performed the duties of the Director of the Non-performing Placements Collection Sector within the AIK Bank. He was a co-establisher of the Maxima consulting, Company for organizational and financial restructuring, established in 2014, where he performed the activities related to making the value

assessments, and offering creditors and debtors services in the bankruptcy procedures, and organizational and financial restructuring.

In 2015, he was appointed the Director of the Financial - Accounting Operations Sector with the JP Official Gazette of Republike Srbije (Official Gazette of the Republic of Serbia) and remained on this position until his appointment to the Mtel a.d. Banja Luka Executive Director for Finance position.

He was the USAID Brownfield Investment Project leading consultant, the Chairman of the Bankruptcy Trustee Licensing Agency examination board, the Export Insurance and Financing Agency Management Board member. In the period of 2018 to 2021, he was performing the duties the JP Official Gazette of Supervisory Board member and, in the course of 2021, the Direktna banka Beograd Management Board member.

He was appointed the Mtel a.d. Banja Luka Executive Director for Finance on 20/09/2021.

He speaks the English, Italian, and Russian language.





## Nikola Tacić

### Executive Director for Corporate Affairs

Nikola Tacić was born in 1990 in Prokuplje. He graduated from the Niš University School of Law, after which he passed the Judicial Examination at the Belgrade University School of Law and became a member of the Bar Association of Serbia. He also acquired the mediator's status at the Mediation Academy in Belgrade.

During the studies, he has gained practical experience having worked as a trainee - legal associate with the first and second instance courts, as well as with the reputable attorney at law's offices in Belgrade.

In his professional career as an attorney at law, he has specialized in resolution of disputes originating from civil, labor, administrative, and commercial law, including the legal representation before the judicial and administrative bodies of

the Republic of Serbia and Montenegro, as well as in the international disputes. He has also provided his clients with the legal services in the corporate and contract law.

Prior to his appointment to the position of the Mtel, a.d. Banja Luka Executive Director for Corporate Affairs, he was a partner in charge of the litigation department with the attorney at law office in Belgrade.

He was appointed the Mtel a.d. Banja Luka Company Executive Director for Corporate Affairs on 18 October 2021.

He speaks the English language.



# MISSION, VISION AND STRATEGY

The Mtel's Strategic Business Plan for the 2022 - 2026 period defines the Company's mission and vision:

## • MISSION

On the basis of a multi-decade experience, and with constant transformation and modernization of our business, we re-improve our customers' experience. We provide them with impeccable connections and supreme digital experience, everywhere, and in every moment, thus we become their first choice in the markets where we operate.

## VISION •

Recognized global player in the digital world without borders.



The Mtel Company operates respecting the fundamental values, which are the expression of common belief and play a significant role in the business life.

Guided by the corporate values, we gain the trust of our customers, business partners, shareholders, and the social community, since trust is the very condition for a quality cooperation, which is the result of a years-long practice of investing in the business relations. Corporate values are the basis for understanding the common obligations and responsibilities, and for resolving legal and moral dilemmas.

In the corporate culture improvement context, the Company is determined to pursue business activities in line with the defined corporate values, which include:

### **Commitment to customers**

The customer satisfaction is the starting point and the aim of our business. Therefore, we constantly focus on following the customers' needs, as well as their development.

### **Well-coordinated team**

We need to be professional and competent to address the market challenges and be the best in the industry in which we operate.

### **Corporate responsibility**

Being led by positive values, we pursue our business activities systematically and permanently building the tradition of quality relations towards the society and the environment in which we operate.

### **Orientation towards changes**

Following our vision, we adapt to the market changes, we are flexible and ready to take intelligent risk and responsibility to speed up the operations.

### **Constant growth and development**

We adjust our priorities and aims to the contemporary trends and our customers' needs, carefully selecting our partners, and top-quality equipment manufacturers and suppliers.

### **Company ambassadors**

We clearly choose to develop team spirit, fostering mutual relations and friendly atmosphere in which every employee plays a significant role, and may be relied upon any time anywhere.

# STRATEGY

The Mtel a.d. Banja Luka Strategy Plan for the period 2022-2026, defines the Company's strategic orientation towards further improvement of the business result, and retaining the leader's position in the telecommunications market, as well as towards further growth and development.

The Mtel a.d. Banja Luka Strategy Plan for the period 2022-2026 has identified the strategic areas of further activities, which were unified in the form of the segments in the Strategic House, which represents our strategic orientation for the above mentioned timeframe.

The Strategic House is defined in the form of:

- Five strategic pillars, and
- Two strategic foundations.





# STRATEGIC HOUSE

DIGITAL TRANSFORMATION FOR A MORE EFFICIENT, MODERN,  
PROFITABLE AND SUSTAINABLE BUSINESS

STRATEGIC  
PILLARS

AVERAGE  
REVENUE PER  
UNIT AND  
ACCOUNT  
(ARPU/ARPA)

USER  
EXPERIENCE

SUSTAINABLE  
AND  
EFFICIENT  
BUSINESS  
OPERATIONS

TELCO AND  
MEDIA  
OPERATIONS  
ENHANCEMENT

DIGITAL  
ECOSYSTEMS  
THROUGH  
INNOVATIONS  
AND  
PARTNERSHIPS

STRATEGIC  
FOUNDATIONS

TECHNOLOGICAL AND SERVICE INFRASTRUCTURE

PEOPLE AND ORGANIZATION

**STRATEGIC PILLAR:**  
ARPU/ARPA

**STRATEGIC AIM:**  
Increase revenue and  
value per unit and account

**For each of the five strategic pillars, one strategic aim has been defined, as the top priority aim.**

Mtel will direct its future activities towards the improvement of the customer base stability, and development of the services portfolio. This relates to further growth of the customer number in the integrated and postpaid services segment, and the mobile internet users' number too, as well as development of the ICT and digital services portfolio, in cooperation with the parent company of Telekom Srbija and the affiliates.

For the purpose of the strategic aim realization, it has been defined a set of strategic initiatives:

- Customer base growth in the multimedia and integrated services segment
- Increase of revenues in the multimedia and integrated services segment
- Customer base growth in the mobile postpaid and mobile internet segment
- Increase of revenues in the mobile postpaid and mobile internet segment

**STRATEGIC PILLAR:**  
USER EXPERIENCE

**STRATEGIC AIM:**  
Superior user  
experience

In the modern communication between the users, as well as technological development in the digital communications, there is a need for continual improvement of the channels for digital communication with the customers, namely, commencement of the long-term process of re-directing of interaction with the customers from traditional to online channels.

For the purpose of the strategic aim realization it has been defined a strategic initiative:

- Improvement of the E2E CEM process.

Mtel is determined to apply the system approach to the process management, which includes a continual improvement and informatization of the standardized key processes, thus increasing the efficiency level and strengthening the capabilities for sustainable business operations.

For the purpose of the strategic aim realization it has been defined a set of strategic initiatives:

- Improvement of the business processes management in all fields, by means of informatization,
- Use of synergy effects in the context of centralization of the TS Group management and rationalization of the costs (know-how, processes, systems, products, marketing strategies, procurement, etc.),
- Neutrality of the harmful gases emission into the atmosphere and use of green energy.

Telekom Srbija has clearly seen the importance of exclusive media contents possession. The rights have been procured for broadcasting of exclusive sport events, and the scope of activities has been enhanced to encompass the production and broadcasting of own content. The role of Mtel, in the context of the defined strategic aim, along with the further customer acquisition, is also of promotional and mediatory character for the BiH territory, in favor of the contents acquired and created by the parent company.

For the purpose of the strategic aim realization it has been defined a set of strategic initiatives:

- Growth of the number of users of the contents produced and acquired by the parent company,
- Support to promotion of the contents produced and acquired by the parent company,
- Customer base growth through potential acquisitions.

**STRATEGIC PILLAR:**  
SUSTAINABLE AND  
EFFICIENT BUSINESS  
OPERATIONS

**STRATEGIC AIM:**  
Improve efficiency and  
secure business  
sustainability

**STRATEGIC PILLAR:**  
TELCO AND MEDIA  
OPERATIONS  
ENHANCEMENT

**STRATEGIC AIM:**  
Enhance business operations  
in the new and existing  
markets in the segment of  
telecommunications and  
multimedia



**STRATEGIC PILLAR:**

DIGITAL ECOSYSTEM  
THROUGH INNOVATION AND  
PARTNERSHIPS

**STRATEGIC AIM:**

Develop digital ecosystem  
through innovation and  
partnerships

Through its business processes, the Group clearly and continuously shows the wish to contribute to development of the local IT community, and catch up with digital transformation and contemporary ICT trends. In that regard, in the oncoming years it is expected the expansion of the ICT services Mtel would offer independently, or in the partnership with the parent company, as well as with the affiliates. Global growth of the IoT market is reflected in the BiH market as well. The Mtel Company has recognized the potential of this market, and undertakes the activities in the introduction of the LoRa WAN technologies-based IoT solutions.

For the purpose of the strategic aim realization it has been defined a set of strategic initiatives:

- Development of the digital business ecosystems, ICT and IoT services,
- Financial ecosystems and insurance ecosystems,
- Digital user/household.

**Strategic aims have also been identified for two strategic foundations.**

**STRATEGIC FOUNDATIONS:**

TECHNOLOGICAL AND  
SERVICE INFRASTRUCTURE

**STRATEGIC AIM:**

Further development of the  
tehnological and service  
infrastructure

In 2022, Mtel has recorded the largest growth in the broadband internet access market in the fixed networks in BiH at the annual level, measured by the number of connections. Generally, further development of the broadband infrastructure represents the basis for further development of the existing services, but, also, a whole set of services, based on the broadband access.

For the purpose of the strategic aim realization it has been defined a set of strategic initiatives:

- Technological improvement of the private cloud infrastructure,
- Raising the level of corporate resources protection,
- Development of the 5G network and service platforms to support the new 5G business models,
- Development of TC/service platforms,
- Development of TC infrastructure.

The Group will continue to improve the dedication, motivation, and competences of the employees, and the improvement of the new organizational culture on the principles of cooperation of the employees, innovativeness and establishment of the adequate administrative framework, which would ensure unimpeded and efficient business operations. Competition culture of the Mtel Company is supported by three culture segments: cooperation of the employees, innovativeness on daily basis, and adequate administrative framework to ensure unimpeded and efficient business operations.

For the purpose of the strategic aim realization it has been defined a set of strategic initiatives:

- Development of agile and adaptable organization,
- Employer branding - how to attract and retain talents.

**It has also been identified the strategic aim for successive digital/business transformation, being the *fil rouge* to all strategic elements.**

Digital transformation, recognized as being a fil rouge to all strategic elements, should enable more efficient, modern, profitable, and sustainable business operations of the Company. The Mtel Company is determined to use digital transformation for simpler and more efficient provision of the services, their distribution, as well as for the development of a better workplace for the employees, and a comprehensive user experience.

For the purpose of the strategic aim realization it has been defined a set of strategic initiatives:

- Technological transformation and modernization of the IT system,
- Improvement of digital channels in marketing and sales.

### STRATEGIC FOUNDATIONS:

PEOPLE AND ORGANIZATION

### STRATEGIC AIM:

Further improvement of the employees' dedication, motivation, and competences

### STRATEGIC TRANSFORMATION PROGRAM

### STRATEGIC AIM:

Further implementation of digital transformation to improve external-internal performances of the Company

# ENVIRONMENT AND REGULATORY FRAMEWORK

- MACROECONOMIC ENVIRONMENT
- TELECOMMUNICATIONS MARKET  
IN BOSNIA AND HERZEGOVINA
- REGULATORY FRAMEWORK

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# MACROECONOMIC ENVIRONMENT

According to the World Bank analyses published in January 2023, the global economy is in severe downfall, due to the growing inflation, higher interest rates, reduced investments, and global disturbances caused by the global crisis.

Given the fragile economic conditions, each new negative development of events, such as higher than expected inflation, sudden interest rates increase to harness the inflation, COVID-19 pandemic re-bursting, or geo-political tensions escalation, may push the global economy into the recession. It would be the first time, after more than 80 years, that two global recessions happened in the same decade.<sup>1</sup>

The global economy is expected to rise for 1,7%<sup>2</sup> in 2023, and 2,7%<sup>3</sup> in 2024. It is expected that the growth will be 95% lower than forecasted in 2023, at the developed economies and almost 70% lower in the emerging markets and the developing countries.

The International Monetary Fund forecasts that the Bosnia and Herzegovina's economic growth of 2,4% in 2022, will slow down to 2,0% in 2023, while the inflation in BiH, according to the MMF's estimates in 2022, will be 10,5<sup>4</sup>.

<sup>1</sup> World Bank: „Global Economic Prospect“ January 2023

<sup>2</sup> Ibid pg. 28

<sup>3</sup> Ibid pg. 28

<sup>4</sup> <https://fena.ba/article/1293308/>

## Macroeconomic indicators Bosnia and Herzegovina

	2021	2022
Gross domestic product (in KM mil.)	37.294	30.304*
Real GDP rate change	7,5%	2,6%*
Average annual depreciation rate	2,0%	14,8%
Industrial production growth rate	-1,2%	-1,6%
Average net salary (in KM)	1.042	1.122
Public debt (in KM mil.)	12.857	13.019*
FX reserves (in KM mil.)	16.348	16.510*
% change of export	35,7%	25,9%
% change of import	27,9%	32,6%
Export over import	66,1%	62,8%

\* Data related to Q3 2022

• Source of data: Agency for Statistics of Bosnia and Herzegovina (bhas.gov.ba), Central Bank of Bosnia and Herzegovina (www.cbbh.ba), Ministry of Finance and Treasury of Bosnia and Herzegovina (mft.gov.ba)

# TELECOMMUNICATIONS MARKET IN BOSNIA AND HERZEGOVINA

In the telecommunications industry, the Communications Regulatory Agency (hereinafter: the Agency) has continued to conduct the activities for the regulatory framework harmonization with the applicable European regulatory framework and the best practices, with the emphasis on the market analyses procedures application, the accounting separation and cost accounting methodology implementation, and improvement of the capacities for the broadband internet access services quality checking.

The latest available data from all telecommunication services in BiH date from 2021, where the revenues from all telecommunication services in BiH were KM 1,232 billion<sup>5</sup>, which was 0,7% lower than the revenues from the previous year. In the gross domestic product, (GDP), BiH revenues from the telecommunication market in 2021, participated with, 3,3%<sup>6</sup>.

<sup>5</sup> Review of the BiH Telecommunications Market 2021, BiH Communications Regulatory Agency, [www.rak.ba](http://www.rak.ba)

<sup>6</sup> Ibid

<sup>7</sup> Review of the BiH Telecommunications Market 2021, 2020

Telecommunication services revenues (in KM mil.)	2020	2021	% change
<b>Total revenues</b>	<b>1.241</b>	<b>1.232</b>	<b>-0,7%</b>
Mobile telephony revenues	529	524	-0,9%
Fixed telephony revenues	340	319	-6,2%
Internet services revenues	172	183	6,4%

Source 2021, 2020<sup>7</sup>



## FIXED TELEPHONY

In 2022, the public telephone services, through the fixed telecommunication network in BiH, were provided by 17 operators, out of which three operators with the License for the public fixed telephony operator (BH Telecom d.d. Sarajevo, Telekom Srpske a.d. Banja Luka and Hrvatske telekomunikacije d.d. Mostar), and 14 operators with the Licenses for provision of the public telephone services<sup>8</sup>.

The decreasing trend of the fixed telephony users' number is most visible at the significant market power operators, since they have the largest bases of these users and given that the replacement of the fixed services with the mobile has been going on for years. On the other hand, the decline in the fixed telephony users' number has been mitigated by the user migration to the integrated services that are provided by means of the fixed network.

At the end of the Q4 2022, the total number of the active fixed telephone lines of the dominant operators was 505.128<sup>9</sup>, with the decline rate of 7,0% relative to Q4 2022.

The number of the new operators' own customers recorded a slight increase in 2022, and, at the end of Q4 2022, the number of the new operators' own customers was 145.333<sup>10</sup>.

Number Portability Service for the fixed public telephone service users, has increased the competition in the fixed telephony market. The total number of the ported telephone numbers in the fixed telephone network in BiH, at the end of Q4 2022, was 105.516<sup>11</sup>, which represented an annual growth of 5,5%.

The penetration rate in the Bosnia and Herzegovina fixed telephone network, at the end of the Q3 2022, is estimated to be 19,23% (the rate was calculated on the basis of the data published by the BiH Statistics Agency on estimated number of citizens in mid-2021)<sup>12</sup>.

### Fixed telephony

	2021	2022	% change
Number of active telephone lines of SMP operators	543.117	505.128	-7,0%
Number of own subscribers of alternative operators	145.498	145.333	-0,1%
Number of ported fixed numbers	100.033	105.516	5,5%

Source Q4 2022:<sup>13</sup>  
Source 2021:<sup>14</sup>

<sup>8</sup> Holders of the License for Public Fixed Telephony Operator, Holders of the License for performing the activities of fixed public telephone services providers

<sup>9</sup> Quarterly comparative data of electronic communications market, BiH Communications Regulatory Agency, [www.rak.ba](http://www.rak.ba)

<sup>10</sup> Quarterly comparative data of electronic communications market, BiH Communications Regulatory Agency, [www.rak.ba](http://www.rak.ba)

<sup>11</sup> Quarterly comparative data of electronic communications market, BiH Communications Regulatory Agency, [www.rak.ba](http://www.rak.ba)

<sup>12</sup> Demografija 2021, Statistics Agency of Bosnian and Herzegovina

<sup>13</sup> Quarterly comparative data of the electronic communications market 01.10.2022. - 31.12.2022.

<sup>14</sup> Quarterly comparative data of the electronic communications market for 2021.



## MOBILE TELEPHONY

Three licensed mobile operators provide services in Bosnia and Herzegovina: JP BH Telecom, d.d. Sarajevo, Telekomunikacije RS, a.d. Banja Luka and JP Hrvatske telekomunikacije, d.d. Mostar, with four providers of the services in the mobile communications: Logosoft d.o.o. Sarajevo, DASTO SEMTEL d.o.o. Bijeljina, NOVOTEL d.o.o. Sarajevo and Haloo d.o.o. Sarajevo.

Along with the three dominant operators, other mobile service providers are allowed to provide the mobile services under the commercial contracts concluded with the holders of the GSM/UMTS/LTE licenses in Bosnia and Herzegovina.

The number of mobile users has continued the rising in 2022. In Q4 2022, it was 3.811.931, which was 2,23% higher, relative to the end of 2021.

Mobile telephony	2021	2022	% change
Number of telephone services users in mobile telephony	3.728.775	3.811.931	2,2%
Number of prepaid users	2.739.701	2.748.308	0,3%
Number of postpaid users	989.074	1.063.623	7,5%
Prepaid users share	73,5%	72,1%	-1,9%
Postpaid users share	26,5%	27,9%	5,2%
Number of ported mobile numbers	105.999	121.216	14,4%

Source Q4 2022,<sup>15</sup>  
Source 2021.<sup>16</sup>

The prepaid users' number is still several times higher than the number of postpaid users in the mobile telephony. According to the data from end 2022, the participation of the prepaid users in the entire mobile telephony base was 72,1%.

The participation of the postpaid users was 27,9% in 2022, and was lower than the average of the surrounding and EU countries. According to the data for 2021, available from regulatory agencies of the countries in the Region, the participation of the postpaid users in Serbia was 60,61%, in Croatia 60,86%, in Montenegro 59,01%, and, in Slovenia, it was even 81,67%.

At the end of 2022, the mobile telephony penetration rate was estimated to be 110,39%, where the rate was calculated on the basis of the data published by the BiH Statistics Agency on the estimated number of citizens in mid-2021.

<sup>15</sup> Quarterly comparative data of the electronic communications market 01.10.2022. - 31.12.2022.

<sup>16</sup> Quarterly comparative data of the electronic communications market for 2021

The decreased SMS messages popularity is the consequence of the increased use of messenger applications such as Whatsapp, Facebook Messenger, WeChat, QQ, Telegram, Snapchat. The international outgoing traffic downfall is caused by high prices of the international calls, as well as by use of the voice calls substitute applications, such as Google Voice, Dingtone, WhatsApp, Viber, Skype, etc., available for both Android and iOS.

The total data quantity transferred in Q4 2022 was 37.624.378 GB, which was 0,52% lower than in the Q3 2022. The total quantity of data in 2022 was 32.277.355 GB, which was 46,95% higher, relative to 2021. In the long-term prospective, the increase in the data traffic was stimulated by the growth of the smart telephone subscriptions and increased scope of data per subscription, primarily due to more video contents reviewing.

The total number of ported telephone numbers in the mobile network, at the end of Q4 2022, was 121.216.

The GSM mobile network population coverage was 100%, the (UMTS) 3G mobile network coverage was 97%, while the (LTE) 4G mobile network population coverage was 93%.



## INTERNET SERVICES

The holders of the License to perform the Internet access provider (ISP) activity at the end of 2022 were 60 operators.<sup>17</sup> The Internet access services market was marked by the access speeds increase for all users, and telecommunications and ICT services integration (cloud, data centers, security).

In terms of the access type, there are broadband internet access via fixed network and broadband internet access via mobile network.

In Q4 2022, the Internet users' penetration rate via fixed networks was 110,90%.

The number of the xDSL subscribers has stagnated, since the users migrate to the optics. The FTTx connections number, at the end of Q4 2022, was 72.407<sup>18</sup>, which was 24,6% higher than in Q4 of 2021. This high growth rate shows that the operators invest a lot in the FTTx broadband internet access.

Number of subscribers with main broadband connection type	2021	2022	% change
Number of subscribers via xDSL connection	416.528	466.698	12,0%
Number of subscribers via cable modem	265.506	271.023	2,1%
Number of subscribers via FWA connection	55.500	63.068	13,6%
Number of subscribers via FTTx connection	58.104	72.407	24,6%
Number of subscribers through other technologies	2.192	2.325	6,1%

Source Q4 2022<sup>19</sup>  
Source 2021<sup>20</sup>



<sup>17</sup> Holders of the License for provision of the Internet access (Korisnici dozvole za obavljanje djelatnosti davanja pristupa Internetu)

<sup>18</sup> Quarterly comparative data of the electronic communications market 01.10.2022. - 31.12.2022

<sup>19</sup> Quarterly comparative data of the electronic communications market 01.10.2022. - 31.12.2022.

<sup>20</sup> Quarterly comparative data of the electronic communications market for 2021



In spite of increased number of users at the market of broadband internet access via fixed networks, given the penetration level of 22,59%, at the end 2021, Bosnia and Hercegovina belongs to the underdeveloped countries in the Region, and is far below the EU28 average, where the penetration rate in June 2021 was 37,2%.<sup>21</sup>

The number of subscribers to the mobile Internet via standard mobile broadband access was 1.817.489 at the end of 2021, which was 12,97% higher than at the end of 2020, while the number of subscribers to the mobile Internet via dedicated mobile broadband access was 16.030, i.e. 7,56% higher than at the end of 2020.<sup>22</sup>

The penetration of the mobile broadband internet access in 2021 was 4,22%.<sup>23</sup>

### Mobile internet

	2020	2021	% change
Number of subscribers to mobile internet via standard mobile broadband access	1.608.820	1.817.489	13,0%
Number of subscribers to mobile internet via dedicated mobile broadband access	14.903	16.030	7,6%

Source 2021, Source 2020<sup>24</sup>

<sup>21</sup> European Commission, Digital Agenda Scoreboard key indicators

<sup>22</sup> Telecommunication indicators of BiH, BiH Communications Regulatory Agency, [www.rak.ba](http://www.rak.ba)

<sup>23</sup> Review of the BiH Telecommunications Market 2021, BiH Communications Regulatory Agency, [www.rak.ba](http://www.rak.ba)

<sup>24</sup> Telecommunication indicators of BiH for 2021 and 2020

## MULTIMEDIA

Pursuant to the issued licenses for audiovisual media services and radio media services distribution (hereinafter: License), and in line with the requirements of the License prescribed by the Rule 79/2016 on licenses for distribution of the audiovisual media services and radio media services (Rule 79/2016), a total of 30 operators have the right provide the AVM services and radio media services.

In regard with the platforms used by the licensees for distribution of the audiovisual media services, 7 operators, or 22%, provide the services via IPTV platform, 23 operators, or 72%, provide the services via CDS platform and 2, or 6%, provide the services via DTH (direct-to-home)platform.

According to the latest available data on the number of the media contents distribution service subscribers, given for the year 2021, there were 885.620 subscribers, which represented 3,18% increase, relative to the previous year.<sup>25</sup>

Multimedia	2020	2021	% change
IPTV	361.545	373.536	3,3%
CDS (cable distribution system)	350.397	348.107	-0,7%
DTH	146.418	163.977	12,0%

So far, the Agency has issued 12 consents for provision of the Video on Demand (VoD) services, 6 of which to the operators who provide the distribution service.<sup>26</sup>

<sup>25</sup> Review of the BiH Telecommunications Market 2021, BiH Communications Regulatory Agency, [www.rak.ba](http://www.rak.ba)

<sup>26</sup> Register of Audio visual media services providers on demand (Registar pružalaca audiovizuelnih medijskih usluga na zahtjev)



# REGULATORY FRAMEWORK

Regulation of the Bosnia and Herzegovina telecommunications falls within the competence of the Communications Regulatory Agency and is based on the Communications Law (Official Gazette of BiH, No. 31/03, 75/06, 32/10 and 98/12), BiH Electronic Communications Sector Policy, Policy Implementation Action Plan, and the by-laws.

The existing BiH regulatory framework is based on the EU regulatory framework, characterized by a constant telecommunications market monitoring and analysis, as well as by passing the required regulatory acts, with the aim of its permanent development, both in the sense of the services number increase and in terms of marketing and technical innovations.

**The BiH telecommunications market was liberalized in the early 2006 and, at the end of 2022, in this market there were operating:**

- 3 significant market power operators in the fixed and mobile telephony, and leased lines market are: Mtel a.d. Banja Luka, BH Telecom d.d. Sarajevo and HT d.o.o. Mostar ("Official Gazette of BiH", no. 73/12);
- 14 holders of the License for the Public Fixed Telephony Services Provision;
- 70 holders of the License for Performing the Activities of the Public Electronic Communication Networks Operator;

- 60 holders of the License for Performing the Internet Access Provider Activities;
- 4 registered providers of the mobile telephony services.

**Mtel pursues the activities pursuant to the valid licenses, granted by the Agency:**

- License for Performing the Internet Access Provider Activities, since 15/03/2013,
- License for Audiovisual Media Services and Media Radio Services Distribution, since 09/02/2017,
- License for the Public Fixed Telephony Operator, since 30/05/2017,
- License for Use of the Radiofrequency Spectrum for Provision of Services by Means of Mobile Access Systems, since 08/04/2019.

**Within the telecommunication market liberalization process, and in accordance with the regulatory framework, the following Mtel's reference offers are in effect:**

- Reference Interconnection Offer for the Mtel's Fixed Network,
- Reference Interconnection Offer for the Mtel's Mobile Network,
- Reference Interconnection Offer for Unbundled Local Loop Access,
- Reference Interconnection Offer for Leased Lines Wholesale.



**The most important regulatory activities in the course of 2022:**

- In February 2022, the Agency published the Annual Report on Internet Access Service Quality for 2021. The data used for the Report were generated from the CRA (RAK) NetTest measurement system, on the basis of all user measurements in 2021. The results obtained by the CRA NetTest system are of informative character, and represent a current state of the Internet access quality.
- On its regular session in March 2022, the Agency Council adopted the 2021 Annual Report of the Agency, as well as the Plan and Program of the Council's Work for 2022.
- On its regular session in May 2022, the Agency Council adopted the Rule on Amendments of the Rule 92/2020 on Radioamateur Service.
- In June 2022 in Zagreb, the Agency signed two technical arrangements with the neighbouring countries' regulatory authorities, on border coordination of mobile/fixed communication networks, as follows:
  - Technical Arrangement Between the National Frequency Management Authorities, in charge of the radiofrequency spectrum of Bosnia and Herzegovina, Croatia, Montenegro and Serbia, on border coordination of mobile/fixed communication networks (MFCN) and broadband systems for protection and rescue (BB-PPDR) in the 698-791 MHz frequency bandwidth, and
  - Technical Arrangement Between the National Frequency Management Authorities, in charge of the radiofrequency spectrum of Bosnia and Herzegovina and Croatia, on border coordination of mobile/fixed communication networks (MFCN) in the 790-862 MHz frequency bandwidth.

These Arrangements contain principles, technical provisions and coordination procedures, which improve the cooperation in the sphere of RF spectrum management and regulate the mobile systems operations and development in the border areas of this system.

On its regular session, the Agency Council adopted the Rule on Alteration of the Rule Alterations and Amendments of the Rule 89/2018 on License Fees. With the Rule 89/2018 alterations and amendments, multiplex operators are exempt from payment of the annual fee for Radio Diffuse Emitter License, and the TV stations are exempt from payment of a one-time fee for License for Access to the Terrestrial Radiodiffusion Multiplex.

The Agency Council has also considered the 2021 Review of the BiH Telecommunications Market.

- In July 2022, the Agency published the 2021 Report on results of the annual survey of the CRA licensees for provision of the ISP services in Bosnia and Herzegovina.
  - the Agency announced that, within the first phase of the "Protection of Children on the Internet in the Systems of the CRA licensees for providing ISP services" Project, realized in accordance with the Agency's Mid-term Activity Plan, it was developed a document entitled: "Analysis of the status of the ISP obligations regarding protection of minors, review of the international practice and recommendations for improvement of the regulatory framework in BiH".



- In September 2022, the Agency Council:

- Adopted the Decision on the rate and weights for calculation of the annual fee for the licenses for the year 2023. According to the Decision, it was determined the rate for calculation of the fee for performing the telecommunication activities in the amount of 0,65% of the total revenue of the licensee in the financial year of 2022, realized from performance of the activities of telecommunications, mobile telecommunication network, public fixed telecommunication network, internet access, distribution of audiovisual media services (AVM), and media radio services, as well as the multiplex management services. The level of the calculation rate for the 2023 annual fee was increased for 0,05%, relative to 2022, when it was 0,60% of the total licensee's revenue in the financial year of 2021.
- Public consultations have been launched for the following draft regulations in the sphere of broadcasting:
  - Draft Rule 77/2015 on provision of the audiovisual media services, by which the Rule 77/2015 on provision of the audiovisual media services ("Official Gazette of BiH", no. 03/16) is altered;
  - Draft Rule on provision of services for videoclips exchange platforms;
  - Draft Code on program contents, by which the Code on audiovisual media services and radio media services ("Official Gazette of BiH", no. 03/16 i 34/21) is altered; and
  - Draft Code on commercial communications, by which the Code on commercial communications („Official Gazette of BiH", no. 03/16) is altered.

- In October 2022, the Agency and the BiH Ministry of Security, in cooperation with the DCAF - Geneva Centre for Security Sector Governance, organized a Seminar on cyber protection measures, within the three-year Project entitled Governance in the Field of Cyber Security in the Western Balkans, financed by the UK FCDO (United Kingdom's Foreign, Commonwealth and Development Office).
- In December 2022, the Agency held a meeting with the representatives of the BiH Ministry of Security, Joint Management Board for legal interception of telecommunications, BiH Prosecutor's Office, and BiH Court, where it was considered the issue of introduction of the obligatory pre-paid card registration in the mobile telephony. The meeting pointed out to the need of cooperation among all competent institutions in the telecommunications industry, police, security agencies, and judicial authorities, in finding a legal solution for introduction of the mobile telephony pre-paid card registration at the moment of purchase.

Mid-December, under the auspices of the Agency, it was held a two-day regional meeting on OTT services. The attendees were regulatory authorities' representatives from Serbia, Montenegro, Croatia, Slovenia, and Northern Macedonia. The aim of the meeting was exchanging of the experiences and practices, as well as defining of further cooperation in this field, which should contribute to faster development of the regulatory and technical framework for the electronic communications services and audiovisual media services.

The experiences were exchanged regarding the long-term preparations for the digital radio (DAB) implementation. There were also considered the technical and financial challenges, which follow this global project.

The Agency announced the Public Invitation to the audiovisual media services providers for submission of the applications for access to the Open Multiplex D in all nine digital regions for digital television signal coverage.

# CORPORATE SOCIAL RESPONSIBILITY

- AWARDS AND RECOGNITIONS
- COMMUNITY
- HUMANITY
- EDUCATION
- CULTURE
- SPORT
- ECOLOGY
- EMPLOYEES

2022  
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# YOU'RE NOT ALONE, YOU'VE GOT FRIENDS!

The Mtel Company considers corporate social responsibility to be the foundations upon which relies a good business practice.

With investing into the community in which it operates, in humanity, education, culture, ecology, its employees, and sport, the Mtel Company wants to actively participate and contribute to the lives of all people, putting a particular focus on the corporate philanthropy that represents the most important support to the community welfare.

During 2022, Mtel has continued to assist those who needed it most, recalling and re-confirming the meaning of its slogan **"You're not alone - you've got friends"**.





# AWARDS AND RECOGNITIONS

The Mtel Company puts its leadership in the BiH telecommunications industry *pari passe* with the development and realization of the employees' full potential, believing these two segments to be inseparable. That is why it is the very example of good corporate practice, and the laureate of numerous awards for the employer of the year, but also for corporate social responsibility, as evidenced by the awards and recognitions received in 2022.

## THANK YOU NOTE

for support in the implementation of preventive activities in the traffic safety, The Republic of Srpska Ministry of Transport and Communications and the Republic of Srpska Agency for Traffic Safety, 2022

## CHARTER

for special contribution and affirmation of the occupational health and safety for 2022, Association of Occupational Safety and Health Engineers Banja Luka

## PLAQUE

for significant support to the work of the Chamber and contribution to economic and social development, The Republic of Srpska Chamber of Commerce, 2022

## RECOGNITION

for contribution to the development of corporate social responsibility in 2021, The Republic of Srpska Chamber of Commerce, 2022

## TOP 3

most desirable employers in the telecommunications and other information services sector in Bosnia and Herzegovina for 2021, Kolektiv-MojPosao.ba, choice of Mojposao.ba visitors

## TOP 10

most desirable employers in Bosnia and Herzegovina for 2021, Kolektiv-MojPosao.ba, choice of Mojposao.ba visitors

## CERTIFICATE

for best mobile network in Bosnia and Herzegovina, Systemics PAB Poland, 2022

## AWARD

of the National Theater of the Republic of Srpska, 93rd season

# COMMUNITY

## **“If you love me, leave your phone while driving!”**

For eight years, Mtel has been implementing a campaign in cooperation with the Republic of Srpska Ministry of Transport and Communications, the RS Agency for Traffic Safety, and the RS Auto-Moto Association, and continued it in 2022, to contribute to reduction of the traffic accidents number and the human lives loss, particularly in terms of use of the mobile telephones while driving.

Since mid-June, the drivers in the Republic of Srpska have been reminded of this important message: “If you love me, leave your phone while driving!” on the billboards, as well as in the radio jingles, in order to make it a wake-up call for drivers that no SMS or telephone call is worth losing a life.

As in the previous years, in 2022, the Republic of Srpska Ministry of Transport and Communications, the RS Agency for Traffic Safety organized an International Conference entitled “Traffic Safety in Local Community”. In the Conference, the plaque trophies and recognition have been awarded to the individuals and the companies, and the Mtel Company received the “Recognition for offered support in realization of preventive activities in the traffic safety” for its Project “If you love me, leave your phone while driving!”.

## **Mtel donated children's playground to Trebinje**

Being a socially responsible company, Mtel has donated another children's playground, this time in Trebinje. Formal opening of this playground was a part of the City Day, 18 August, celebration.

The playground is equipped with the most contemporary items, which provide for the children's safety; it has soft surface, various toys, like swings for smaller and bigger children, hopscotches, climbers, double swings, see-saws, combined toys and small slides, little house with ladders, as well as other toys, suitable for the children with difficulties. It was also constructed an access path with flooring, which provided for access of the persons with disabilities, and parents with baby strollers.

All toys have been tested and verified in accordance with the European standards, and four benches have also been installed to make the children, as well as the adults who accompany them, feel more comfortable at the playground.

## New river beach in Srpske Toplice, built with the Mtel Company's support

On 25 August 2022, in the Srpske Toplice settlement, the City of Banja Luka organized a formal opening of the newly built river beach, for which the Mtel Company donated one half of the required funds.

For years, the City of Banja Luka, as well as other local communities in the Republic of Srpska and BiH, have had the Mtel Company as their friend, who supports the projects and activities of importance for their citizens. The river beach in Srpske Toplice is a valuable investment in more beautiful and better kept banks of the Vrbas River, as well as a present to all people who stay in Banja Luka during the Summer.

## Mtel's support to the "Little Gardener" Project

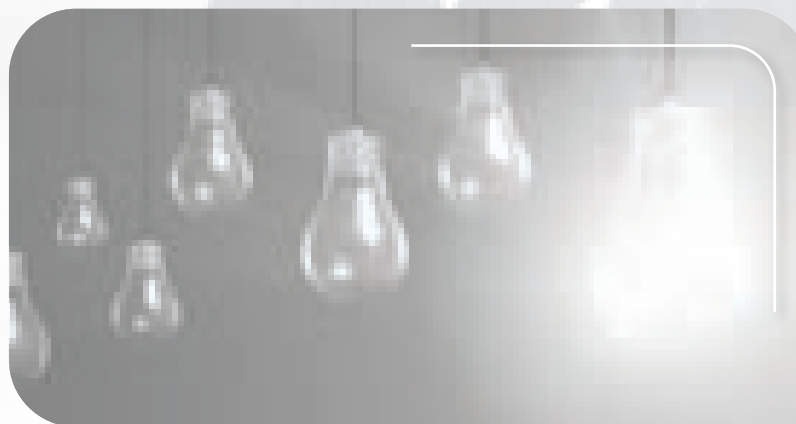
In the Botanical Garden within the University of Banja Luka campus, in August 2022, the Mtel's representatives visited the workshop held under the Project entitled "Little gardener", attended by the "Radost" Kindergarten children from Banja Luka.

The project was successfully realized by the Center for Strategic Development Projects, in cooperation with the Genetic Resources Institute and the Banja Luka University School of Agriculture. Along with the financial donation, required for the "Little gardener" Project realization, the Mtel Company presented the workshop leaders with two smartphones.

## Dear guests visit Mtel

In 2022, the youngest and dearest guests visited the Mtel Company. The preschool group of the "Mašta" Kindergarten, from Banja Luka, decided to visit the Company and learn about Mtel's business, and the way it operates.

Firstly, the children visited Business Center, where they learned about the possibilities of smart technologies in an interesting and comprehensible way. Afterwards, they visited the Mtel's Contact Center, where they were offered to try working as the operators, providing the customer support.





# HUMANITY

## UNICEF Council membership as a recognition of responsibility

Jelena Trivan, CEO of the Mtel Company, a member of the newly established Business Advisory Council, launched by UNICEF BiH.

In order to encourage the importance of socially responsible business, with children and children's rights in its very core, UNICEF BiH launched the Business Advisory Council.

Since the Mtel Company is determined to build its business on providing support to the community in which it operates, and is one of the brightest examples of significant investing into the corporate responsibility in BiH, it is quite natural for it to become a part of an organization such is the UNICEF BiH Business Advisory Council. Moreover, since it is the company focused on humanity, as well as on the investments into the cultural, educational, and sports projects and activities in the community.

The main impact areas of the UNICEF Business Advisory Council in the next period will be around: Children safety and protection in online and offline environment, mental health, and skill development for smooth transition from education to the work environment.

## YOU'RE NOT ALONE, YOU'VE GOT FRIENDS

The very aim of the "You're not alone, you've got friends" Project is to assist the 'ordinary people', members of the most vulnerable categories, and those who fight difficult life circumstances.

Within this action, the Mtel representatives have visited many towns and cities all over Bosnia and Herzegovina, to provide the most vulnerable population, and people in need, with firewood, packages with hygienic products and food, means for work, school equipment, building materials, and housing rehabilitation.

Donations, rehabilitation and reconstruction of the returnees' homes, restoration of the schools and playgrounds, these are the activities that have continued within the great humanitarian action of the Mtel Company, entitled "You're not alone, you've got friends" that the Company launched in late 2021. Along with the above, Mtel also provided funds purposed for support to the returnees in Bos. Petrovac.

Mtel has also donated the packages with hygienic products and food for the vulnerable population groups of the Center for Social Welfare in the Vukosavlje Municipality. This humanitarian visit also included the Mtel CEO, Jelena Trivan.

On the similar occasion, the Mtel Company representatives visited Goražde, namely Special Sports Club "Drina" Goražde, and their members, children with development difficulties, and donated the humanitarian aid packages.

After having donated the packages with hygienic products and food, the Mtel Company has decided to assist the citizens of Drvar again, this time focusing on the youngest population. Namely, Mtel has helped in resolving one of the biggest problems in the "Drvar" Elementary School in Drvar - lights in the school gym. This gym is the venue where all sports preparations in the town are held, and all sports clubs use it. The problems with lights have persisted for 18 years. The Mtel Company equipped the gym with new light fixtures, repainted the walls, and made this gym the place where the children of this Municipality would gather in the future. This makes the very sense of the Company's efforts within the "You're not alone, you've got friends" action.

The proof of Mtel's fulfillment of the promises has been confirmed in Bos. Grahovo, where it rehabilitated the Galić and Tica families' houses and changed the house doors. Also, in Bos. Petrovac, it renewed the bathroom in Mara Radulović's flat. Also, as promised the first time the Mtel's representatives visited this area, the Company bought the Galić family a cow, which they considered to be their most valuable possession for future life.

In the house of the Tica family, where Mtel Company previously donated the stove and some furniture, the bathroom was renewed, the house completely cleaned, painted, and the rooms rehabilitated, to create more humane living conditions for this family, since they have a small child as well.

Mtel has not forgotten the others, who are also vulnerable, and provided the assistance in food and hygienic supplies to the Red Cross beneficiaries of the local community of Borik in Banja Luka. The packages that the Mtel Company's representatives brought into the Red Cross office, were particularly purposed for the poor and severely ill members of this local community population.

Upon the request of the Center for Social Welfare Banja Luka, Mtel has donated the package with school supplies, toys, and clothes for a six-year boy from Ramići. The Center's and Mtel Company's representatives visited this family in May and presented the package. Although they in the state of social need, the most important impression and emotion one can bring from this family is love, which was also confirmed by the Center for Social Welfare in their request: "The child does not have toys, or other didactic means, required for an adequate development, but is very talented and mature for his age, thanks to his parents' care and love". This is the very reason for us to be even more satisfied we could help and be a part of such humanitarian activities.

The Mtel Company representatives have visited the Žitomislić Monastery and "Dobrotvor" Humanitarian Society, in the eve of the Orthodox Christmas, and presented the humanitarian aid packages with hygienic products and food to the socially vulnerable families from this area, namely the people from the Hercegovačko-neretvanski Canton.

## To brave hearts with love

In 2022, Mtel has, again, took part in the great humanitarian action entitled "To brave hearts with love", by making a financial donation and providing a short humanitarian number, by which the citizens could donate KM 1 for procurement of the transport incubators for the Republic of Srpska maternity wards.

Within the 13th Donor Evening, held in Republic of Srpska Government Administrative Center under the auspices of the Republic of Srpska President, it was organized a traditional fund raising, with the aim to provide every maternity ward in the Republic of Srpska with a contemporary transport incubator.

## St. Nicholas Day

On the occasion of the St. Nicholas Day, the Mtel representatives presented the gifts to the children from the "Rada Vranješević" Home for Children, the youngest ones from the "Sveta Evgenija, carica Milica" Preschool Institute in Trebinje and the "Budimo ljudi" Humanitarian Organization. This year, the gifts were given to certain number of the socially vulnerable families from the area of Istočno Sarajevo, Foča, and Trebinje Municipalities respectively.

## 080 05 03 05 – Blue Phone

The Blue Phone is an advisory telephone line for children, youth and adults as well, launched in 2013 by the "Nova generacija" Association from Banja Luka. The service is anonymous and,

thanks to Mtel Company, free of charge for all calls in the mobile and fixed networks in Bosnia and Herzegovina. The children and adults may also use electronic means of communication for obtaining advice, write an email, or communicate in chat, or via social networks, Facebook and Instagram.

The Blue Phone is a safe place where every person may seek solution for a problem or, if they want, share their feelings or problems with a professional advisor.

## "For one baby more"

Association of the families with the infertility problem, "Bebe1", organized a humanitarian evening in Karakaj near Zvornik, entitled "For one baby more" where the funds were raised to help bringing new lives to the world, namely, help the childless couples become parents.

Numerous clinics, representatives of public and economy life from the Republic of Serbia and Republic of Srpska, as well as other individuals and donors, responded to the donor evening. The Mtel Company also participated in this humane event having donated the funds to this Association.



## **“With musical notes to dreams” and “Autism speaks with the heart”**

The “Your Word Education Center” Citizens’ Association from Banja Luka (original: Udruženje građana Centar za edukaciju “Tvoja riječ”) organized the donor evening entitled “With musical notes to dreams” to raise funds for procurement of the EEG equipment, which would significantly improve and modernize the work of the “Mother and Child” Center. On such occasion, the Mtel Company, which has been supporting the “Your Word Education Center” for twelve years, was presented with the Letter of Thanks for Humanity.

On the occasion of the World Autism Day, the “Your Word Education Center” Citizens’ Association from Banja Luka also organized a humanitarian concert, entitled “Autism speaks with the heart”, which was also supported by the Mtel Company.

## **Donation to the Inter-municipal Organization of the Blind and Visually Impaired, Doboј**

Continuing their mission of helping and supporting everyone who needs it, the Mtel Company representatives have visited the Inter-municipal Organization of the Blind and Visually Impaired in Doboј, and donated the office furniture and notebook computer, to furnish the premises where they work.

## **Voluntary blood donors’ active**

Through the Voluntary blood donors’ active, the employees promote humanity, which has been supported by Mtel for many years.

## **Donations in service of humanity**

In 2022, Mtel has donated significant funds for various purposes, such are the funds for medical treatments of the individuals, donations for Public Institution Special Psychiatric Hospital In Sokolac, as well as to the the Association of Diabetic of Foča, for purchase of the Quo-Lab A1C Test Kits for GH values measuring. Mtel has also provided a part of the funds for realization of the “Zvezdica” Youth Café Project opening in Banja Luka, as well as the funds for participation in the socially responsible project of rehabilitation of the benches at the Bentbaša location in Sarajevo.

Mtel positively responded to many requests for donation of the decommissioned office furniture, and the vehicles, having provided many elementary schools and monasteries, but also individuals, with better living and working conditions.

During the year, donations have been realized for purchase of two accordions for young talents from the Stojaković family, part of the funds for organization of the summer vacation for the children from Kosovo, and for printing the book „Fotografije Drvara” (Photos of Drvar) by Drago Trninić, as well as a part of the funds for production of the dokumetary-fiction movie entitled „Kordun - zemlja bez ljudi” (Kordun - country with no people).

Cultural manifestations of „Krajiško večer” in Banja Luka and Krajiške večeri in the honor of Lazo Pajčin, were also held with the help of Mtel Company’s donations.

# EDUCATION

## Mtel scholarship grants

**The formal awarding of the scholarship grants, which the Mtel Company has been presenting to the most successful students of the Schools of Electrical Engineering from BiH for the 12th time, was held in February at the School of Electrical Engineering in Istočno Sarajevo. Jelena Trivan, the Mtel CEO, awarded the scholarship grants to a total of 9 students.**

The 12th generation of the Mtel's scholarship recipients will be receiving a monthly amount of KM 300, until completion of the first studies cycle, and will also be entitled to one-month internship in the Company. After graduation, they will have the opportunity to seek employment with the Company.

During 2022, a new competition was opened for selection of the 13th generation of the m:scholarship recipients. This time, the conditions were changed and relaxed, and the competition was open for the students of the Schools of Electrical Engineering from Banja Luka, Istočno Sarajevo, and Tuzla, and the School of Natural Sciences and Mathematics in Banja Luka.

The scholarship for this generation will be the amount of KM 300, while those who chose to study at the Department for Telecommunications at the SoEE Banja Luka will receive KM 400.

## Mtel App Challenge

The Telekom Srbija Group members - Telekom Srbija, Mtel BiH, and Mtel Crna Gora, organized the fifth competition in development of the applications for mobile devices, entitled "Regional App Challenge". This year again, the winners of national competitions presented their applications via video conference.

A total of 15 teams of high school students from three countries presented their applications, and the competent jury pronounced best regional applications, as follows: Dnevnik pčelarstva (Beekeeping Diary), team "Widgetry" from the "Jovan Cvijić" Secondary Schools Center Modriča, 6Sense, team "Mirage" from the "Vaso Aligrudić" Secondary School of Electrical Engineering from Podgorica, and SmartWater, team "GardenerZ" from "Boljai" - Senta Grammar School with Students' Home for Talented Students. This year a special award for innovation, entitled The Power of Innovation (original: „Snaga inovacije - Igor Osmokrović"), was awarded to the „Fokus pokus" team from the Banja Luka Grammar School for their application - SteamGate.

The laureate of this year's "Regional App Challenge" from BiH is Andrej Vujić, 3rd grade student of the „Jovan Cvijić" Secondary Schools Center Modriča, with its application entitled „Dnevnik pčelarstva" (Beekeeping Diary).

This time, the special award for particularly innovative application, awarded every year, has been presented to the Banja Luka Grammar School team, consisting of Nikolina Gatarić, Sava Malinović and Nikola Vujković.

In 2022, the sixth cycle of Mtel App competitions has begun, with the conditions for applying to the competition same as in the previous years. This year, again, a special attention will be paid to evaluation of the applications with additional advantage, such as socially responsible purpose, or to those with the options for improved use of mobile devices. The aim of the project entitled Launch your idea ( „Lansiraj svoju ideju“) is to support knowledge for the future, and young people, IT sector development and development of the mobile applications market in the local language.

In October 2022, it was held a lecture entitled “From Idea to Application” (“Od ideje do aplikacije”), purposed for present and future mentors and all interested secondary schools' students. The lecturer, Andrej Tomić from Banja Luka, senior software developer and founder of the Atomic Solutions startup, spoke about the application development processes, and offered some useful advice and examples.

### **Trainees from BiH and Serbia in Mtel**

In the early August, the Mtel company hosted a group of 25 students of the Schools of Electrical Engineering from Banja Luka, Istočno Sarajevo, and Tuzla, the School of Technical Sciences from Novi Sad and the School of Natural Sciences and Mathematics from Banja Luka, who performed their professional practice in this Company during the Summer.

The Mtel Company has been fostering a very successful, years-long cooperation with these Schools, and this year, the traineeship program has been attended by more than 40 students. Along with the professional practice, they had the opportunity to meet the employees, experience a positive and friendly working atmosphere and learn why telecom is always the best choice for a professional start of a young engineer or mathematician. This year, the trainees have decided upon the topics of Analytics Software, Oracle APEX, Internet of things, Data Warehouse and business analytics, optical transport network, IP/MPLS... Together with this group of trainees, the number of students who have performed their practical training in the Mtel Company in the past four years, amounts to 200.

### **Autumn group of SNS&M trainees in Mtel**

In the late October, the students of the final year of the innovated information science study at the School of Natural Sciences and Mathematics in Banja Luka, began their professional practice in the Mtel Company.

This is the first time the students of information science have obligatory practice, and Mtel is proud to be chosen by the students as the company for acquiring new knowledge - both theoretical and practical. The trainees had the opportunity to familiarize with modern Big Data concepts (Python program language, data visualization and analysis, and predictive analysis), as well as with Data Warehousing and Business Intelligence technologies.

The aim of the training was to give the students a quality insight in the Data analytics and all accompanying disciplines, as well as to help them improve their practical knowledge in that field.

## Practical training for the secondary school students

During the past two decades, Mtel has been offering practical training for the secondary school students, and this program included over 1000 students so far. The students from the "Nikola Tesla" Secondary School of Electrical Engineering have successfully attended the program during this school year. The practice lasted for two semesters, and was led by the Mtel employees, who tried their best to convey their long-lasting experience and knowledge to these young people.

During the practical training, the students had the opportunity to pass thoroughly defined theoretical and practical program and enhance their knowledge in the field of broadband internet access; power supply; protection and supervision in the telecommunication center; optical access networks and optical transport networks, as well as air-conditioning, and machine energetic.

So far, a good and successful cooperation has been fostered by this Company, not only with the "Nikola Tesla" Secondary School of Electrical Engineering, but also with the Banja Luka Grammar School, and all relevant institutions, such as City Development Agency, Chamber of Commerce, RS Ministry of Education and Culture, all with the aim of improving teaching curricula, as well as the students' practical training program.

In 2022, the Mtel Company held the second summer school for talented students of the Banja Luka Grammar School, who were interested in contemporary technologies and systems. During the summer school, the students learned about theoretical background and principles, upon which the IoT services and solutions are based, and gain practical experience working with all elements that form IoT ecosystem. Along with this, the students had the opportunity to work with various Raspberry Pi and Arduino micro-controllers and their development environment, and with large number of sensors and devices that make the "most prominent" part of the IoT ecosystem (sensors for measuring air temperature and humidity, soil humidity, IR impediments sensors, PIR movement sensor, GPS sensor, GSM sensor, servo machine and step machine, relays, LCD screens, RTC clock etc.). At the end, they learned about the principles and possibilities for use of various web servers, on which they could put experimental IoT systems and continue their independent research and testing, and develop their solutions and services within the Internet of things.

## University students visit Mtel

The Mtel Company has continued establishing successful cooperation with the academic community and, in May 2022, hosted the students of the School of Natural Sciences and Mathematics from Banja Luka. This meeting was the continuation of the successful cooperation between this academic institution and the Mtel Company. The students' hosts were the representatives of the IT Function and Human Resources Sector, who presented the Company profile,



and, through the professional topics, Data Science to Go and Huawei Cloud Solutions and Virtual data Center Establishment, showed them the IT role in the modern telecom system. This interactive gathering was attended, for the first time, by the students of the latest Information Science Department.

## **New Classroom for SEE Banja Luka**

In June 2022, the works were completed in reconstruction and adaptation of the classroom at the School of Electrical Engineering in Banja Luka, with the funds donated by a proven friend of this academic institution - the Mtel Company.

The value of the realized project is high, since the classroom was fully renovated, including flooring, electrical installations, tiling, PVC surfacing, walls, LED panel lights, air conditioner, reflectors, and new desks and chairs, teacher's desk, speaker stand, vertical blinds, blackboard, and projector, were purchased.

## **New Mtel classroom at the SEE Istočno Sarajevo**

In 2022, the Mtel Company donated the funds for reconstruction and adaptation of the classrooms at the respective Schools of Electrical Engineering in Banja Luka and Istočno Sarajevo.

The formal opening was held on 26 October 2022, and the classroom was opened by the Mtel Company's CEO, Jelena Trivan and the SEE Istočno Sarajevo Dean, Božidar Popović, in the presence of professors, students, guests and media.

## **The plaque trophy of the SEE Istočno Sarajevo**

Promotion of the graduates is traditionally a gathering of both graduate engineers, which acquired their Diplomas at the School of Electrical Engineering in Istočno Sarajevo, and the teaching staff, and friends of this academic institution.

This year again, it was an opportunity to present the graduates with their diplomas, which represent the crown of their dedicated work and effort during the years of studying, in a formal way. The promotion was held on 24 June in the School of Electrical Engineering in Istočno Sarajevo premises, and, on this occasion, the Mtel Company received a recognition - Plaque Trophy for Recognition of Sincere Friendship, Support, and Contribution to Development of the School of Electrical Engineering.

## **Media literacy strengthening**

The Mtel Company, being a long-time partner of the Republic of Srpska Ministry of Transport and Communications, has actively participated in the project, related to the media literacy strengthening in the Republic of Srpska children, which was launched in 2019.

Within the Project, entitled "Media literacy strengthening in the Republic of Srpska children" trainings were organized for teachers and tutors, with the aim of encouraging them to develop their students' awareness on the importance of all media in our society, child's rights to protection and privacy in the media, as well as to teach them the ways to use new media for their school tasks.

The Mtel Company has actively participated in this Project and awarded the best five schools with laptops and tablets.

## Mtel continues to motivate the university students

The scientific-professional gathering, entitled "Students encounter science" (StES), is a traditional event with international participation, realized by the Student Parliament of the University of Banja Luka and the co-organizer, University of Banja Luka.

This year's gathering is held for the fifteenth time. It was opened on 17 November, and lasted for three days, under the auspices of the Republic of Srpska Ministry of Scientific and Technological Development, Higher Education and Information Society. This year, the Mtel Company was the friend of the gathering.

## Iscon conference 2022

The first international students' scientific conference ISCon in Banja Luka was marked with three days of quality workshops, panels, and lectures. Many students attended the lectures and panel discussions, with participation of the Mtel Company and Supernova brand representatives. The lucky attendees of the IoT Solutions for Citizens and Economy Workshop received valuable presents, and all the lecturers were very satisfied with the interest, shown by the students - future colleagues, who asked numerous professional questions.

## Protection of children and youth on the Internet

The International Day of Children's Rights is marked on 20 November, and one of the fundamental children's right is the right to protection from any kind of violence. To that aim, and within the

Project "Internet Safety of Children", the Mtel Company supported the action of safe use of the Internet by children and youth, implemented by the Ministry of Scientific and Technological Development, Higher Education and Information Society of the Republic of Srpska.

The web site [www.djecanainternetu.com](http://www.djecanainternetu.com) offers the contents suitable for children, parents and teachers, as well as a complete community where the proper use of the information-communication technologies is encouraged and affirmed. The aim is to raise the awareness of children and young people, parents, and teachers, as well as all the internet users, of the dangers that are present in the online world. The site deals with the Internet violence, and points to the need of a permanent and preventive education, as the first step in protection of children on the Internet and digital platforms, through research, scientific analyses, and statistical data.

If used in a smart and safe way, Internet may serve as extraordinary means of communication and learning to children and young - this was the joint message sent from the Mtel Company and the Republic of Srpska Ministry of Scientific and Technological Development, Higher Education and Information Society.

## Safer Internet Day

Being a socially responsible company, Mtel is again on the list of supporters of the Safer Internet Day (SID) marking. This international day has been marked globally for years, upon the initiative of the European Commission, and is promoted by

numerous individuals from the field of education, children protection, media, politics, and telecommunications.

This year in BiH the competition was organized for the elementary and secondary school students, with the topic - safety on the Internet, and the winners received tablets, smartphones, earphones, battery chargers for mobile telephones, and other valuable prizes.

## **Mtel donated furniture to the Banja Luka Grammar School**

The Mtel Company has been fostering the practice of assisting the schools, in all ways and forms, for many years. Donation of the office furniture, which provides better working conditions, both for teaching staff and the students of this educational institution, represents the continuation of a long-lasting cooperation between Mtel and the Banja Luka Grammar School.

## **Mtel for elementary schools**

Within its socially responsible business operations, the Mtel Company continues to assist the educational institutions. This time, TV sets were donated to the "Branko Radičević" elementary school in Banja Luka, which was necessary to improve the quality of the teaching process.

Mtel donated the books and reading materials to the school library of the "Sveti Sava" elementary school from Lopare.

The the Mtel Company donated to the "Zajko Delić" elementary school from Vogošća necessary connections for the "Pretplata NET:L+" Service. The School sent the request for such donation for the purpose of performing the online teaching process for an excellent student who was prevented by illness to attend the regular classes.

The Mtel Company has donated a smart TV to the Foundation of Zadužbina „Knez Miroslav Humski" from Trebinje for the purpose of conducting various educational activities for the young people - secondary school students. This Foundation also performs the book publishing activities, and this much needed TV will be used to improve the educational activities and programs for these teenagers.

The Mtel Company representatives visited the "Stanko Rakita" elementary school in Banja Luka on 14 July and donated the office furniture for the purpose of equipping this educational institution.

The Mtel Company provided a part of the funds purposed for procurement of the equipment and implementation of the video surveillance system in the "Georgi Stojkov Rakovski" elementary school in Banja Luka and donated the boiler for heating of the "Ivan Goran Kovačić" elementary school in Banja Luka as well.



## Happy start of the new school year

The new school year commenced in Banja Luka with the manifestation entitled “The Big Beginning” within which numerous educational events were organized, as well as the concert of the “Bijelo dugme” band. The Mtel Company supported these events and provided an unselfish contribution to marking of this big day for the youngest students. The Mtel Company representatives presented the gifts to the future schoolkids, within the whole-day program, which encompassed the activities like education of children in traffic safety, sports, and recreational activities, as well as distribution of the schoolbooks and proud cards.



# CULTURE

## The “Petar Kočić” Theater Fest

This year's edition of the Theater Fest was held under the slogan “Power of the earth”. The Mtel Company was the sponsor of the Festival for 24th time, as well as the friend of entire theater season. Also, the Mtel Company was the host of the evening when the play „Kod večite slavine“ was performed.

## National Theater of Serbia visits RS National Theater

The National Theater of the Republic of Srpska hosted the National Theater from Belgrade with friendly support of the Mtel Company, from 8 to 11 February 2022.

Within the stay of this theater house from Serbia, it was organized the signing of the Protocol on Business-technical Cooperation between the RS National Theater from Banja Luka and the National Theater from Belgrade. The Mtel Company, traditional friend, sponsor, and donor of the National Theater of the Republic of Srpska, assisted in realization of this cultural event in the City on the Vrbas River.

## “Zaplet” International Festival of Actors

The international festival of actors entitled “Zaplet 14 - U krugu porodice” (Within the family) organized by the Jazavac City Theater of Banja Luka, was held in 2022 again. As a socially responsible company, Mtel offered it unselfish support to the Jazavac City Theater and the “Zaplet 14” Festival, which was held from 22 to 28 October 2022.

## Recognition for decades of friendship

The National Theater of the Republic of Srpska opened its 93rd season with the play „Gospodica“, on 18 October. Traditionally, at the beginning of each season, the awards are presented to the distinguished actors, directors, and other theater workers, as well as the letters of thanks to those who have been supporting the work of the RS National Theater. Mtel, as the sponsor general, and a friend of this cultural institution for as long as the Company exists, received the Annual Award of the 93rd season.

## The Republic of Srpska Children's Theater

In 2022, the Mtel Company continued long-lasting friendly support to this cultural institution, having donated part of the funds required for the work of this Theater.

## „Petar Kočić Banja Luka – Beograd“ Endowment Fund

Mtel provided the funds for realization of the planned cultural manifestations, by which it supported the activities of this Endowment Fund.

## 103<sup>rd</sup> Šantić's Poetry Evenings in Mostar

The formal opening of the 103<sup>rd</sup> Šantić's Poetry Evenings in Mostar and a formal academy on the occasion of 120<sup>th</sup> anniversary of the Serbian Educational and Cultural Society of "Prosvjeta", Mostar City Council, was held on 1 September 2022, in the Congregational Church of the Holy Trinity in Mostar. The Organizers were Serbian Educational and Cultural Society of "Prosvjeta", Mostar City Council, and "Gusle" Serbian Singers' and Cultural-Artistic Society of Mostar. The Mtel Company supported the organization of this manifestation.

## Đurđevdanski festival

The professional jury of the Đurđevdanski festival of children songs (St. George's Day Festival) selected 24 performers from Latvia, Russia, Bulgaria, Hungary, Slovenia, Croatia, Serbia,

Montenegro, Northern Macedonia, and BiH. The audience in Banja Luka had the opportunity to listen to 18 first-time performed compositions. The Mtel Company was again a proud friend of this most popular children songs festival in the region.

## Banja Luka Fest

The second edition of the International Music Festival of "Banja Luka Fest" was held on the Kastel Fortress, from 6 to 9 July. The audience had the opportunity to enjoy the performances of famous musicians „Bajaga i instruktori" band, Josipa Lisac, Luz Casal, and Zdravko Čolić.

The Mtel Company supported the organization of this important event, which was proclaimed to be one of the best in the Region.

## Kastel Fortress Banja Luka concerts in June

In June, the Kastel Fortress was the venue for two big concerts, namely the manifestations the local audience welcomed with pleasure. Dubioza kolektiv band and one of the greatest regional stars - Gibonni, made that weekend in June, in the City on the Vrbas River, spectacular. The Mtel Company was a part of these two big musical events.

## Nektar Garden fest in Prijedor

Continuing various socially responsible activities regarding the important events, Mtel supported the manifestation of „Nektar Garden fest", which was held for the second time in the

Summer Garden of Prijedor. This year, the Festival program has been enriched and, along with various music repertoire, the visitors enjoyed numerous additional contents.

## Ethnic Days of Banja Luka

Tourist Organization of the City of Banja Luka, together with "Piskavica" Cultural-Artistic Society and „Veselin Masleša" Folk Dances and Songs Ensemble, organized the manifestation entitled Ethnic Days of Banja Luka, which was held from 30 June to 3 July 2022 in Banja Luka and Piskavica. This manifestation represents the cooperation of two Festivals - „Kozara etno" and the "Festival of Serbian Folklore" traditionally organized in early July. The festival gathered around 400 participants from six countries.

## St. Valentine's Day and Women's Day

On St. Valentine's Day, 14 February, Mtel supported the concert of Massimo Savić in the „Borik" Sports Hall. On the Women's Day, in the same Sports Hall, the concert was given by Marija Šerifović.

With the aim of celebrating the Women's Day in a special way, and popularize women's creative art, the Mtel Company realized the cooperation with a young Banja Luka artist, Nataša Konjević, who created the artwork, symbolically called „Zagrljaj" (Hug), for this occasion. On 8 March, Mtel gave

presents to the ladies - a reprint of this artwork from a limited series, with the wish for this idea to spread and live every day.

## Share the Summer with everybody

In late July, the Mtel Company organized summer party in the Petar Kočić's Park in Banja Luka, which was meant to include everybody - associates, citizens, tourists, and any passer-by. With a lot of funny games for the youngest ones, but also for the older ones, many presents were given, as well as valuable prizes - smartphones from the Mtel Company's offer.

## Nektar OK fest 2022

The eighth edition of the Nektar OK fest commenced on 15 July and, during the three festival days, the visitors enjoyed the performances of the most popular names from the music industry, book promotions, movie projections, rafting adventure on the Tara River, hiking/trekking and visiting some of the most beautiful viewpoints in the Sutjeska National Park.

The Mtel Company organized games of chance for all visitors of the Nektar OK Fest and, same as in the previous years, prepared lazy bags corner, phone charging stations, and free internet.



## Fresh Wave 2022

The tenth anniversary of the Fresh Wave festival was marked on 11-14 August on the Kastel Fortress. European stars, like Adam Beyer and Sama' Abdulhadi, as well as regional rappers and DJs, performed at the Festival. Mtel was, this year again, the supporter of this greatest electronic music festival in BiH.

## Stars in Trebinje

From 24 to 28 August it was held the first edition of the festival with the concerts of the best jazz musicians of the region. Jovan Maljoković and „Balkan salsa bend“ opened the festival and, during the festival days, the visitors enjoyed the performances of Marko Luis, „Combine Quartet“, Lena Kovačević, and Vasil Hadžimanov. The Mtel Company supported this event as well.

## Children's Fair Banja Luka

The Mtel Company was again a proud friend of this important manifestation, purposed for children and family. Within the Mtel Corner, we have spent a quality time with the youngest ones, and offered them and their parents a whole-day long fun with specially purposed fun and educative contents.

## Sarajevo Festival for Children

In the Skenderija Hall in Sarajevo, on 24 and 25 September, it was held the Festival for Children. The Mtel Company was a friend of this special manifestation, purposed for children and family. Within the Mtel Corner, the youngest ones enjoyed with their parents, in various fun contents.



# SPORT

## Golden Coat-of-Arms of the Republic of Srpska Football Association

With formal academy in the Republic of Srpska National Theater, entitled "Football is Life" the Republic of Srpska Football Association celebrated the thirtieth anniversary of their existence and work. Along with this jubilee, the celebration was also held to mark the Day of Serb Unity, Freedom and the National Flag. The academy was attended by numerous representatives from the sports, politics, and economy life of the Republic of Srpska and Serbia.

On this occasion, Jelena Trivan, the CEO of Mtel, was awarded the Golden Coat-of-Arms of the Republic of Srpska Football Association.

## Two decades of friendship honored with Golden Coat-of-Arms

The Republic of Srpska Tennis Association celebrated its thirtieth birthday in 2022. This jubilee was celebrated with formal academy in the Republic of Srpska National Theater, held on 24 August, along with the celebration of the twentieth anniversary of the ATP Challenger Event in Banja Luka, with the friendly support of the Mtel Company.

The RS Tennis Association President, Draško Milinović, awarded the Golden Coat-of-Arms of the Republic of Srpska Tennis Association to Jelena Trivan, the CEO of the Mtel Company, as an expression of gratitude for 20 years of friendship the Company's been extending to the tennis in RS, having provided its unselfish support to the ATP Challenger Events.

## 20 years of cooperation between the Mtel Company and Borac Mtel handball club

With the media conference in Banja Luka, the Mtel Company formally marked the continuation of the cooperation with the Borac Mtel Handball Club, the most prized and successful handball club in Bosnia and Herzegovina. Mtel has been supporting this Club for 20 years, and the value of the new contract is KM 150 thousand.

## Continued cooperation between the FC Borac and the Mtel Company

In September 2022, Borac and Mtel signed the cooperation contract, by which Mtel continued to be the sponsor general of the red-blue team for the third year.

## Srpska Open ATP Challenger

The 20th anniversary of the ATP Challenger Event, which was held in Banja Luka from 22 to 28 August, was marked with friendly support of the Mtel Company, which has been supporting this Event since the day one.

## European Kayak and Canoe Championship

The long-lasting friendship between KKK "Vrbas Mtel" club and the Mtel Company, continued in 2022, with support to the ECA European Kayak and Canoe Championship on wild waters for juniors and younger seniors under 23, "Banja Luka-Vrbas 2022", held from 25 to 28 August in the Tijesno Canyon.

## "1.000 skis for our children"

**On 25 October 2022, on the Jahorina mountain, Jelena Trivan, the CEO of Mtel, donated the skis to the children and youth, on behalf of the Mtel Company.**

Promoting the sports spirit and true values in life, as well as investing in the proper way in the community in which it operates, the Mtel Company responded to the invitation from the OC Jahorina to join this action, and donated one hundred skis to the young children, the future skiers.

## Youth Sport Games

In the period of 5-7 July, Sarajevo hosted the best teams from all over Bosnia and Herzegovina at the finale of this year's Sport

Games, held with the support of the Mtel Company. Nine hundred boys and girls from more than 60 towns in BiH, enjoyed three days of competitions, as well as the fun program. Within the finals, along with the competitions, the participants learned about environment protection, ecology and recycling, voluntarism, importance of education, and empowering girls and women in the society.

After a successfully completed season and international finale, the Youth Sport Games, supported by the Mtel Company, held an important ceremony on 18/09/2022 in Split, where Nasser Al-Khelaifi, the Paris Saint-Germain President and Executive Director, was elected the new Ambassador of the Games.

## Little Olympic Games of the Republic of Srpska

The Swimming Club "Olymp" Banja Luka and City of Banja Luka, supported by the Republic of Srpska Ministry of Family, Youth and Sport, and with friendly support of the Mtel Company, organized a sport event in Banja Luka, entitled "Little Olympic Games of the Republic of Srpska".

During every school year, a series of important activities are realized to make the school sport in the Republic of Srpska more organized and more large-scaled, with the aim of enhancing physical engagement of the students, and creating a habit of doing regular sport activities.

## XIII International Swimming Meeting

The thirteenth International Swimming Meeting was held in Banja Luka, organized by the Academic Swimming Club of "22. APRIL". The international manifestation, which has become one of the largest competitions in the regional sport swimming, is traditionally organized within the celebration of the City of Banja Luka Day at the City Olympic Swimming pool in Banja Luka.

Thanks to this competition, Banja Luka has hosted more than 5.000 competitors from BiH, region and Europe in the past ten years, and 415 of them from 7 countries, gathered here this year. This time, many national records were broken, and standards for the European and world championships were reached. The Mtel Company's wholehearted support was offered to this important sports event.

## New sports hall in Istočno Sarajevo

In June 2022, Mtel presented a donation for new sports hall of the JU Sports and Recreation Center of „Slavija“ in Istočno Sarajevo. The TV sets that Mtel has donated to this sport institution enriched the contents of the sport center, which promotes sport and healthy life, and the hall is the venue not only for sports events, but for all important cultural manifestations in this city.

## Jahorina Ultra Trail

An attractive trail competition was held with friendly support of the Mtel Company. The eighth Jahorina Ultra Trail was held in late July and hosted the runners from over 30 countries of the world, and was organized by the Jahorina Olympic Center. For the first time, the longest and most challenging run encompassed two countries, Serbia and Bosnia and Herzegovina.

In cooperation with Samsung, the Mtel Company provided three attractive prizes for three most successful competitors, as well as additional interesting contents for all visitors of the Jahorina mountain.

## “Threes from blocks”

Humanitarian organization of “Srbi za Srbe” (Serbs for Serbs) organized, for the sixth time, the basketball - humanitarian tournament “Threes from blocks ” held on 15 August 2022. at the Krajina Square in Banja Luka.

The entire amount of the money, raised by fast shooting of 3-Points, was donated to the eight-member family of Gašić from Zalužani, near Banja Luka. This family rents a house, which is ruined, and not suitable for living.



## The Balkans' Judo Championship

On 24-25 September 2022 in Pale, it was held the Balkans' Judo Championship, with participation of over 250 competitors from eight countries. The Mtel Company's support was offered to this sports event, as well.

The organizer of the Event was the „Romanija“ Judo Club from Pale, which was entrusted with the organization by the Balkans' Judo Federation and Judo Association of BiH.

## Sports day at the City Stadium in Banja Luka

In the late September, it was held the “Sports Day”, organized by the Borac Football Club and the Athlete Club Banja Luka at the City Stadium in Banja Luka, which was supported by the Republic of Srpska Football Association and Mtel.

The seniors and juniors of the Borac FC participated in the Event, and the Football Association and the Mtel Company provided the presents to the participants.

## Thank you to Mtel for development of the woman's handball in Banja Luka

Thank you note for successful cooperation and contribution to the Club development was presented to Mtel by Darko Savić, Director of the “Borac” Women's Handball Club from

Banja Luka. This Club has realized a historical result this year, with their placement into the 3rd round of the “EHF Euro Cup”, the European competition of the largest scale.

## The best athlete of the Republic of Srpska 2022

Karate player Pavle Dujaković from Banja Luka, member of "Energija" Karate Club and the BiH national team, was elected the best athlete of the Republic of Srpska for the year 2022 at the event held in Banski Dvor, which was organized by "Glas Srpske". He received this recognition due to the titles of the Republic of Srpska, BiH and the Balkans champion respectively, as well as for the silver medals, won at the European and World Championships in the younger seniors competition. The volleyball player, Jovana Biberdžić, was the runner-up, and judoka, Božidar Vučurević, was the third-placed.

The Mtel Company supported this important sport manifestation thus having contributed to the development and spreading of the sport manifestations and events throughout the Republic of Srpska.

# ECOLOGY

In its maintaining of a responsible attitude towards the environment, the Mtel Company puts a special emphasis on adherence to the laws, as well as on specific activities in the field of environment and people protection.

Every year, and in 2022 too, the greatest attention in regard with protection of the environment and people was put on the base stations operations and electromagnetic radiation, emitted from the antenna systems.

During 2022, there were developed 242 reports on systematic testing of electric field non-ionizing radiation level on the mobile telephony base stations, and 1002 measurements of electromagnetic radiation at the base stations throughout Bosnia and Herzegovina. Monitoring of the electromagnetic field sources was performed on 20 locations of the mobile telephony base stations.

With the aim of obtaining permits for use of the base stations, 390 requests were sent to the Ministry of Health and Social Welfare pursuant to the applicable legal regulations, and 677 requests for obtaining safety certificates for the base stations in BiH were sent to the Communications Regulatory Agency.

The Republic Administration for Inspection Affairs, and Health and Communal Inspection, continuously monitor the operation of the mobile telephony base stations, and the inspections have been

performed at three base station locations in the Republic of Srpska.

As in the previous years, and in accordance with the Contract on transfer of the obligations in the waste electrical and electronic equipment management and disposal in the FBiH, in 2022, Mtel regularly performed its obligations towards the company that is the system operator authorized by the FBiH Environmental Protection Fund. The obligations of the authorized system operator, namely the ZEOS eko-sistem Company, is to collect and recycle the waste from electrical and electronic products that are placed on the BiH Federation market, through Mtel points of sale or otherwise. By doing this, we directly contribute to the environment protection in the FBiH.

For the packaging waste, placed in the RS territory, the Eurobeta company was paid the fee, which was purposed for the ecological projects funding. This contractual relationship is expected to provide better results in packaging waste collection and recycling in the RS, and thus the preservation of nature as well.

For the packaging waste placed in the FBH territory, the fee was paid to the FBiH Environmental Protection Fund, purposed for the packaging waste management.

Pursuant to the Law on Waste Management, the RS Environmental Protection and Energy Efficiency Fund was paid an appropriate fee.

With the aim of protecting the environment, during 2022 Mtel has continued the internal and external campaign to save paper, i.e., to promote use of electronic invoices instead of paper ones. Also, activities continued in regard with the proper disposal of obsolete and broken electronic equipment, and damaged phones returned by the end users.

According to the City of Banja Luka Environment Inspectorate request, four measurements of the air conditioning systems noise were performed.

During 2022, both regular and extraordinary spring and autumn rodent controls were carried out within all Executive Units of the Company's facilities, to prevent and suppress the infectious diseases. Also, extraordinary exterminations and disinfections were carried out in the Company's business premises.



# EMPLOYEES

The year 2022 was marked with adaptation and flexibility, so that the employees could adapt to the changes caused by the pandemic more easily, and the insecurity, created by the pandemic, could be reduced.

The employees' health continued to be a priority and, during 2022, it was introduced the health rehabilitation for employees, especially for those who were particularly affected by the epidemic. The study of commitment and motivation revealed that a significant percentage of employees felt a high degree of anxiety and insecurity, and reduced motivation, to work in the pandemic conditions. Therefore, the return to the office required an additional effort of the Company and the leaders, to restore the culture of cooperation, and create the circumstances in which the employees would feel connected to the company's values again. The working conditions are increasingly dynamic and changing constantly. The employees are becoming more mobile, so the Company's activities, directed towards the employees retention and recruitment, have become more agile and more intensive.

In many business aspects, including the employees' development and education process, the year 2022 was marked by the "awakening" of necessary and regular activities, as well as the strengthening of individual teams. Although the new social and economic turmoil has brought new uncertainties, as the measures loosened in the global epidemiological situation context, the business circumstances and decisions regarding education in the Company resulted in a gradual opening and a focused approach to the business priorities.

Considering the above, the employee trainings are predominantly moving to an offline environment, technical trainings necessary for the company's operations are intensified, and the investments are made in teams strengthening, in order to restore interaction and cooperation, endangered by the working conditions in the pandemic period. About 1,086 employees have gone through various types of education in the Company. This number includes 304 in-house training participants, 238 of which were team building training participants. Out of the total number of the training participants, 345 are employees who have attended some of the technical training, seminars, conferences or congresses in the professional domain. This year, there have also been 380 participants of the m:academy - internal Company's trainings.

In order to empower the Company's leaders, "Structogram, the key to self-knowing" training was implemented, which becomes a part of the Mtel managers building program from basic to the advanced management competencies. Additionally, for the newly appointed managers, an integral part of the introductory leadership training package is the "Basic leadership skills" electronic training, which ensures the communication and organizational skills development, emphasizes the importance of things, such as motivation and feedback, for the successful functioning of the team, and shows how to introduce desirable and, also, undesirable changes, when necessary.



The ICT staff recruiting race is getting faster and bigger. Mtel's response requires more agile action, intensive presence, and increased visibility. Therefore, in 2022, various activities have been initiated with the aim of raising awareness of the position that Mtel should take in its branding as an employer. The result of these efforts is a message to the target groups, and extremely intensive cooperation with the institutions at the Republic and City level, higher education institutions and secondary schools, as well as adaptation of internal policies to the market requirements. In this regard, in 2022 we have participated in the reconstruction of the largest classrooms at the SEE Banja Luka and SEE Istočno Sarajevo, we provided professional practice for more than 40 ICT students in the Company, as well as for 60 secondary schools students, IoT summer schools for university students, numerous student visits to the Company, active participation and interactions at various student events and conferences. Certainly, the visibility of Mtel as an employer was improved through PR campaigns and events, both through internal media and social networks, as well as in the external media.



# SERVICES PORTFOLIO AND USERS

- SERVICES PORTFOLIO
- NEW SERVICES AND SERVICES IMPROVEMENTS
- SERVICES USERS
- CUSTOMER CARE

2022

# SERVICES PORTFOLIO

FIXED TELEPHONY	MOBILE TELEPHONY	INTERNET AND DATA	INTEGRATED SERVICES	MULTIMEDIA SERVICES	ICT/IOT SERVICES	OTHER SERVICES
<ul style="list-style-type: none"> <li>Fixed telephony services</li> <li>Number portability</li> <li>IN services (Premium Rate, Televoting, Unique access number, Humanitarian, Free Phone)</li> <li>Fixed prepaid</li> <li>IP Centrex service</li> <li>Homeline plus, Officeline plus</li> </ul>	<ul style="list-style-type: none"> <li>Mobile telephony services (Prepaid, Pretplata tariff, Total Group, Kombinuj Biz, Kombinacija)</li> <li>Number portability</li> <li>Mobile internet (Dopuna NET, Pretplata NET)</li> <li>TOTAL DATA</li> <li>VPN exclusive</li> <li>Tariff plans</li> <li>Tariff options</li> <li>International roaming services</li> <li>VAS SMS/MMS services</li> <li>Mondo Wap portal Mtel</li> <li>Broadcast SMS services</li> <li>e-commerce service</li> <li>Mobile internet PRO</li> <li>e-SIM cards</li> </ul>	<ul style="list-style-type: none"> <li>Direct internet access services</li> <li>Internet access (ADSL/VDSL/GPON)</li> <li>Other internet services (Hosting service packages, Mail hosting service, DDoS protection)</li> <li>Mtel WIFI services</li> <li>Data services (leased lines, IP/MPLS VPN, E-link, Direct TV broadcasting)</li> <li>Homenet, Officenet</li> <li>SD WAN services</li> </ul>	<ul style="list-style-type: none"> <li>Integrated services packages for residential users (2, 3 and 4 services)</li> <li>Biz integrated services packages (2 and 3 services)</li> <li>m: SAT service</li> </ul>	<ul style="list-style-type: none"> <li>IPTV services</li> <li>m:SAT services</li> <li>BIZ Hotel TV services</li> <li>m:tel TV</li> <li>TV to GO services</li> <li>NBA packages</li> <li>Balkan Myusic</li> <li>Arena Cloud</li> <li>ON TV service</li> </ul>	<ul style="list-style-type: none"> <li>Virtual Data Center</li> <li>Virtual Private Server</li> <li>Cloud Backup</li> <li>Disaster recovery</li> <li>Cloud Security</li> <li>LoRaWAN connectivity</li> <li>System integration solutions</li> <li>Mtel WIFI service</li> <li>Kendo Project Manager</li> <li>Printing center</li> <li>Time Tracking</li> <li>BizBook</li> <li>Microsoft 365</li> <li>PROTOS Sistem</li> <li>Cloud Call Center service</li> </ul>	<ul style="list-style-type: none"> <li>Terminal equipment sales</li> <li>Vouchers</li> <li>Advertising space leasing service</li> <li>Home assistance</li> </ul>

# NEW SERVICES AND SERVICES IMPROVEMENT

The portfolio of the Company's services includes the latest telecommunication services that are in line with the global trends and technological innovations in the telecommunications segment.

The Company's main service offer includes fixed and mobile telephony services, internet and data, integrated services, multimedia, ICT/IoT, and other services.

## NEW SERVICES 2022

The **ON TV** service is a service that provides access to certain program content (ON content) and video on demand, through the ON application. The basic condition for using the ON TV service through the ON

application is that the user has a suitable terminal device (tablet/mobile phone), can access the Internet (via wifi or mobile network), and is located in the territory of Bosnia and Herzegovina. The specified service is available to the users through two ON TV packages, namely: Start ON TV package, with 62 television channels, and Max ON TV package, with 135 channels. The ON TV service users also have at their disposal two video stores of Superstar (free with Max ON), and AXN NoW (free in Start On and Max ON).

The **m:tel TV service** is an IPTV service, namely a set of interactive multimedia services (television, video, audio, data) that is delivered to the end users via the IP/MPLS network, using broadband access

technology and appropriate terminal equipment. The service is intended for the residential users, and includes programs, video libraries, and interactive content, as well as related additional services and functionalities.

**Cloud Call Center** is a service that represents the use of a suitable web application, which enables communication with clients/users by means of the web interface/telephone connection, and through communication channels: voice and email. The service is provided in cooperation with the partner, whereby the Cloud Call Center software, i.e. the application, is owned by the partner and is located on the Partner's Cloud infrastructure.



It is a completed solution that Mtel will offer to the end users in the territory of Bosnia and Herzegovina.

**SD WAN service** (Software Defined Wide Area Network) enables the connection of the geographically distant user locations into the integrated communication infrastructure, in order to transfer data, by applying SDN technology to the wide area networks (WAN networks) management. The service is implemented using the appropriate software solution, on the partner's Cloud infrastructure, exclusively through the website/interface. The service is intended for the existing IP/MPLS VPN service users.

**HBO Max** is a global project implemented by HBO during 2022, which was a completely new content viewing experience that allowed users to: watch HBO MAX content on the go, simultaneously monitor content on three different screens, and create up to 5 profiles with specially selected contents for children and adults. The HBO Max service offers the best contents from Warner Bros., HBO, DC, and Cartoon Networks.

**Your home handyman** is a new service for both new and existing postpaid mobile residential users, whereby the partner organizes the intervention of a professional in the sudden and unpredictable cases, which occur without the user's will, or influence. The services that are covered with this service are: electrician service, plumber service, carpenter service, locksmith service, and glazier service.

## IMPROVEMENT OF SERVICES AND CONTENTS

### Improvement of the IPTV functionality and content

Mtel has continued to improve the offer within the IPTV service, both in terms of the content delivered to the end users, and functionality available to the users.

The tv:pay application development has continued, through which the IPTV users will be able to pay their Mtel bills with a payment card, as well as the bills on behalf of other users. Also, within the same module, it will be possible to pay the top-up with the payment card.

During 2022, the activities have been carried out to improve the contents, which included video libraries available on the IPTV platform. Twenty new national and international channels are included in the basic package. The channels, included in 2022, are of different genres, by which the offer of all content categories was completed. Arena Premium channels should be pointed out, as well as channels presenting local news, film and lifestyle topics from the region and the world, which have gained great popularity among our users in a short time. Also, the HBO Max service has been integrated into the Mtel IPTV, which enabled the HBO subscribers, and the users who were assigned the HBO package within their service package, to watch the HBO Max contents via Internet, or via the HBO Max application at no additional cost.

Intensive work has been done to increase the number of IPTV channels with additional functionalities (nPVR, Catch-Up TV, Start-Over). Significant promotional activities were carried out, which enabled the existing and new users to watch content

from additional packages and video libraries, free of charge for several months, among which the promotion of the Apollon SvoD service is particularly emphasized.

In order to enhance the Mtel's services portfolio, the new Team Pass NBA package has been introduced.

### **Improvement of the integrated services package and internet access service**

In order to enrich the offer of the integrated service packages, the following four new service packages: TV+NET+TEL+MOB: Plus, TV+NET+TEL+MOB: Plus NET, TV+NET+TEL+MOB: Top and TV+NET+TEL+MOB: Max, have been introduced into the offer, intended for users who want larger amounts of mobile internet within the Mtel network, as part of the mobile telephony service, to be also used in the networks of the other operators in the Western Balkans countries.

Also, in 2022, the users of the integrated services package were enabled to purchase the terminal equipment through a voucher - s:bon.

As part of the Internet access service, it was enabled the use of the NET:S+ tariff model via GPON technology, at 30/15 Mbps access speed.

### **The m:SAT service improvement**

During 2022, numerous promotional activities were carried out and numerous promotional offers were created with the aim of attracting as many users as possible to the m:SAT service. As part of the promotional offers, new users of the m:SAT service were provided with a discount on the

connection and monthly subscription, use of an additional STB within the monthly subscription, during the contract term, as well as to watch additional TV programs packages.

### **The m:SAT integrated services improvement**

The m:SAT service in the package was introduced at the end of 2021, and in 2022, the activities were taken to improve the service implementation process itself. Numerous promotional offers were created with the aim of attracting as many users of m:SAT integrated services as possible, and enable them to use the discount on the connection and monthly subscription, additional STB, as part of the monthly subscription during the contract term, as well as to watch additional TV programs packages, and use larger amount of data at maximum speed.

### **The mobile telephony offer improvement**

A new tariff model, "Pretplata Start 300", was introduced into the offer. It is available at KM 22.00 monthly subscription, with 300 minutes bonus for calls to all mobile and fixed networks in BiH, 300 SMS messages to all mobile networks in BiH. It also includes 300 MB of mobile internet in the Mtel network, and in roaming in the networks of the Western Balkans region operators.

Also, a new top-up tariff plan "Dopuna: XL" is offered at a price of KM 25.00, which includes certain amount of minutes, SMS and mobile internet, valid for 30 days.

The tariff option "Pokloni NET" (10 KM/ 5 GB / 15 days) has been available since May 2022. The mobile service telepurchase of the tariff option "Pokloni NET" can be made by users of the mobile telephony service, as well as the users who use the mobile telephony service within the package, while the use of the tariff option "Pokloni NET" is allowed to another user of the above specified services, chosen by the user who purchases the specified tariff options.

Within the use of the Internet tariff option for the Mobile Telephony Service Pretplata tariff model users, the tariff options of Internet 3 GB, Internet 5 GB and Internet 20 GB have been introduced. By purchasing a tariff option, the user receives a certain amount of mobile internet, with unlimited internet access at the maximum data speed.

In order to improve the offer for the users, in 2022, personalized (segmented) offers were created. The offers consisted of the tariff options "Kupi minute" and "Kupi internet" for customers who were Mtel users for three or more months, and who were segmented in groups. Offers were available to users

through the USSD menu "My Menu" (dynamic options) and the M:go application.

In order to motivate the mobile telephony users to use the mobile Internet service while roaming, new tariff options "Net Roaming Greece", "Net Roaming Hungary", "Net Roaming Austria/Germany" and "Net Roaming Switzerland" have been introduced into the offer.

In order to increase the user satisfaction in the mobile telephony, namely the users of the tariff models "KOMBINUJ: Flex/Flat", "KOMBINUJ: Student Flex/Flat", "KOMBINUJ BIZ", "KOMBINUJ: Senior", "Kombinacija", "KOMBINUJ 5" and users of the "Dopuna" top up service, the Social Network tariff option was introduced into the offer at a price of KM 2.00. This allows a free access to the social network: Facebook, Instagram and Tik Tok, for 7 days, as well as the use of 400 MB mobile internet bonus for access to the social networks: Facebook, Instagram, and Tik Tok, in the Western Balkans networks, within 7 days period.

## Digital content

In order to expand the offer of Smart Home services, as well as to enhance the cooperation with investors, the offer of Smart Building packages was created. The Smart Building packages differ in the levels of the Smart Home equipment that should be installed in the residential units, as well as in the level of work on the fiber optic cable and UTP installation. The offer also includes special Smart Building packages for the Tenants' Associations, which include automation of some activities in the common areas, and in the parking lot near the buildings. By introducing the Smart Building package offer, Mtel will be the first on the market to offer this type of service to the investors and buyers of the apartments.

In 2022, efforts were made to improve the DCB service by introducing a Digital Store that is implemented on two Centili platforms (StoreFront and GoGaming), all with the aim of enhancing the digital content offer, as well as their monetization by using various payment instruments.

In order to improve the offer and more fully define the server resources, offered to users of the **Virtual Data Center**, i.e. the **Virtual Private Server** service, the Terms of Use of VDC and VPS services have been changed. With the aim of improving the offer and more fully defining the server resources, offered to the VDC service users, in addition to the lease and use of HDD data storage space, the users can also lease and use SSD data storage space as part of use of the Cloud server service. A change was also made in the name of the operating system that is available to the user within the VPS service, so that the corresponding Windows Server operating system will be available to the users.

### "My Account" (Moj račun)

In order to increase the user's interest in the option of delivery of the bills for the provided telecommunication services via e-mail, within the "My Account" service, promotional offers have been defined for the users of the aforementioned service.





# SERVICES USERS

Mtel's customer base included over 1,78 million users in 2022, which was 70,85 thousand more, relative to the previous year. The users' number has been growing in almost all segments, while the most significant growth was recorded in the number of the m:SAT service users, and postpaid mobile telephony users.

SERVICES USERS	2021	2022	% change
Mobile telephony (million)	1,39	1,45	4,1%
Fixed telephony (thousand)	203,56	193,39	-5,0%
Integrated services (thousand)	133,10	149,65	12,4%
NET services (thousand)	175,64	186,46	6,2%



## Mobile telephony

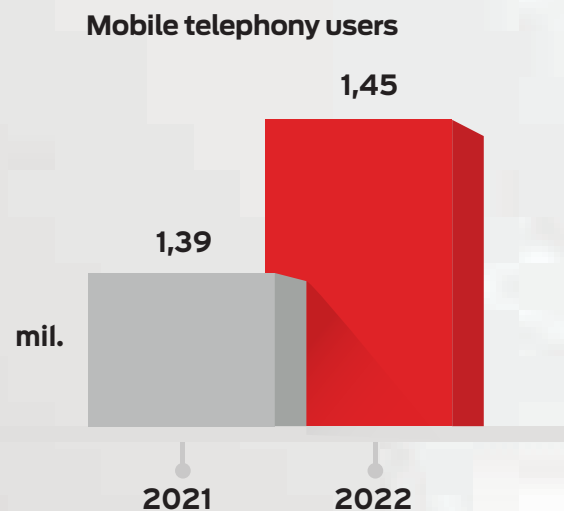
**The mobile telephony users' number** was 1,45 million, out of which, there were 983,48 thousand of prepaid users, and 467,22 thousand of postpaid users (including M2M users too). The total mobile telephony traffic, realized in 2022, was 1.104 million minutes, which was 1,4% lower, relative to the year 2021.

The prepaid user base has increased by 2,3%, this having been the result of permanent improvement of the prepaid offer, and creation of attractive prepaid packages and promotional offers. The prepaid users participated with 67,8% in the total number of the mobile telephony users.

Increase in the total number of the mobile telephony users was recorded in the postpaid customer base as well, which increased for 8,2%, with expected tendency of further growing in the oncoming period. The postpaid base growth was significantly influenced by

the offer of the service packages with mobile telephones under attractive prices, with the possibility of payment in installments, as well as by the monthly subscription discounts, offered under the contracts of 12- or 24-month terms.

Also, Mtel has offered the possibility of purchasing telephones without subsidy, and without the contractual obligation.



## Fixed telephony

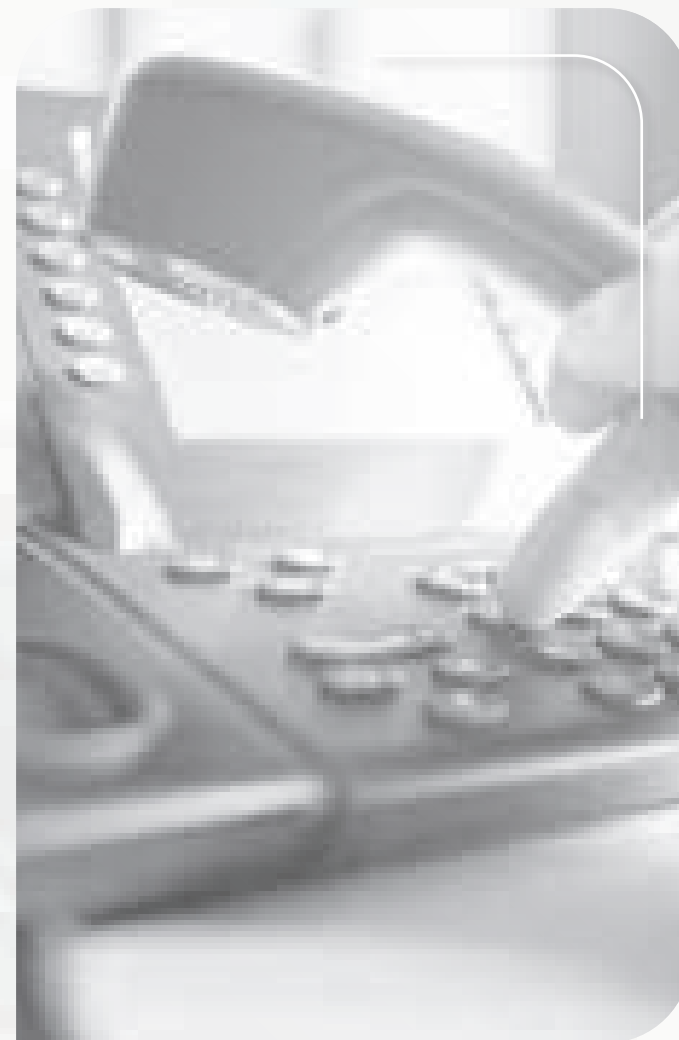
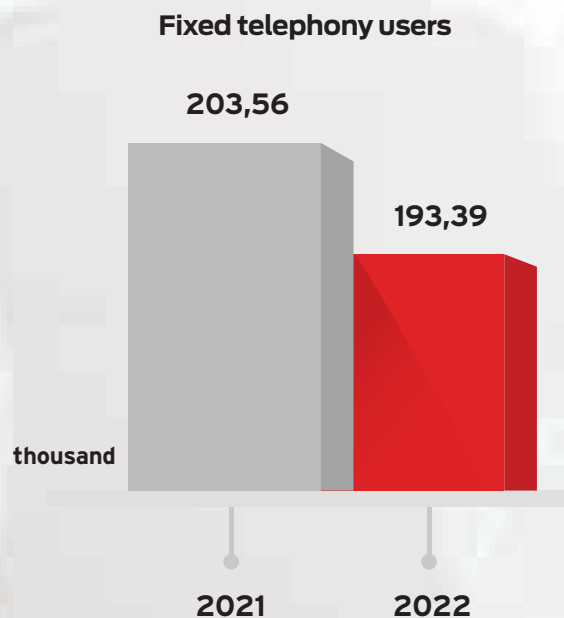
**The number of the fixed telephony users** has recorded 5,0% decrease, relative to the year 2021. The total traffic within the fixed telephony telephony, realized in 2022, was 295,12 million minutes, which was 16,8% lower than in 2021.

The fixed telephony users' number has been declining in the past few years, however, this was mitigated with the fixed telephony users' migration to the integrated services packages. This trend was noticeable in the SMP operators.

Mtel offers the fixed telephony services for the residential and business users, both as solo services, and within the multiple services package.

The number of the residential fixed telephony users is 5,6% lower, while the number of the business users of the fixed telephony services was 2,7% lower, relative to the previous year.

Within the business users' base, the IP Centrex service users' number increased by 1,5%, due to the ISDN services users' migration to the IP technology services, as well as due to the functionalities and benefits, offered within the IP Centrex service.



## Integrated services

**The total number of the integrated services users** has recorded 12,4% increase, relative to the previous year, primarily due to the access network modernization, where the users are offered high quality services and multimedia contents, which increases the service reliability and availability at higher speeds.

Mtel offers its customers various service packages, with two, three, or four services, and adapts to the customer demand, all with the aim of increasing the customer satisfaction and loyalty.

The most significant participation, namely 55,2%, was recorded in the segment of two services packages.

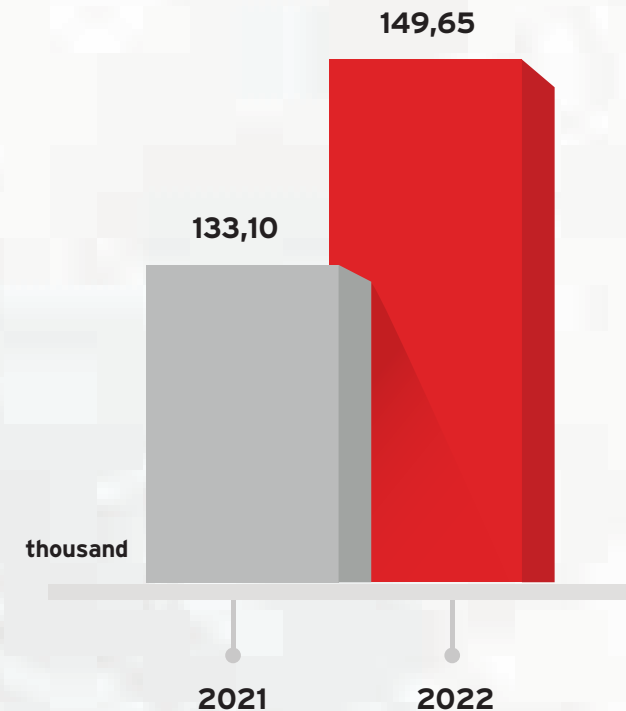
In 2022, the users have shown a particular interest in the packages with TV service, as Mtel offers a very rich TV content, tailored to the interests of different user groups.

Mtel provides the TV service within the packages for residential and business users, as well as a solo service for the business users, and, since April 2022, for the residential users as well.

Satellite television - m:SAT has taken an important position in 2022, in terms of the total number of users, and recorded 71,6% growth, relative to the previous year. Along with solo m:SAT service, two services packages are also offered, namely: m:SAT+TEL package, m:SAT+MOB NET package, m:SAT+MOB package, as well as the three services packages - m:SAT+MOB NET+MOB.

Promotional actions for the m:SAT service offer, with the monthly subscription and connection fee discounts, and engagement of significant resources in the direct and indirect sales, resulted in the growing number of this service users in 2022.

Integrated services users

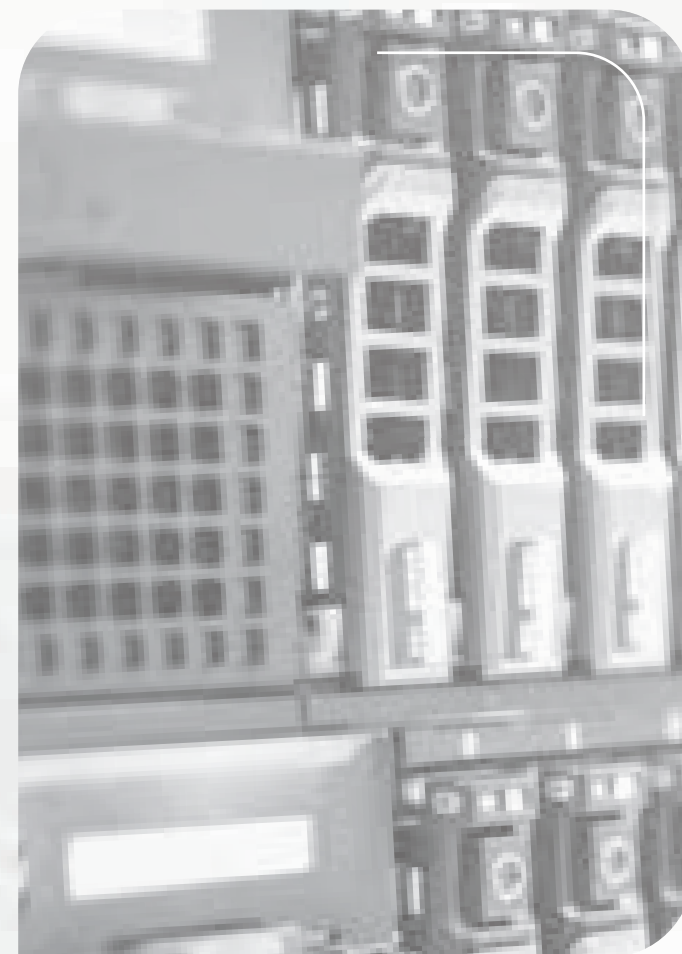
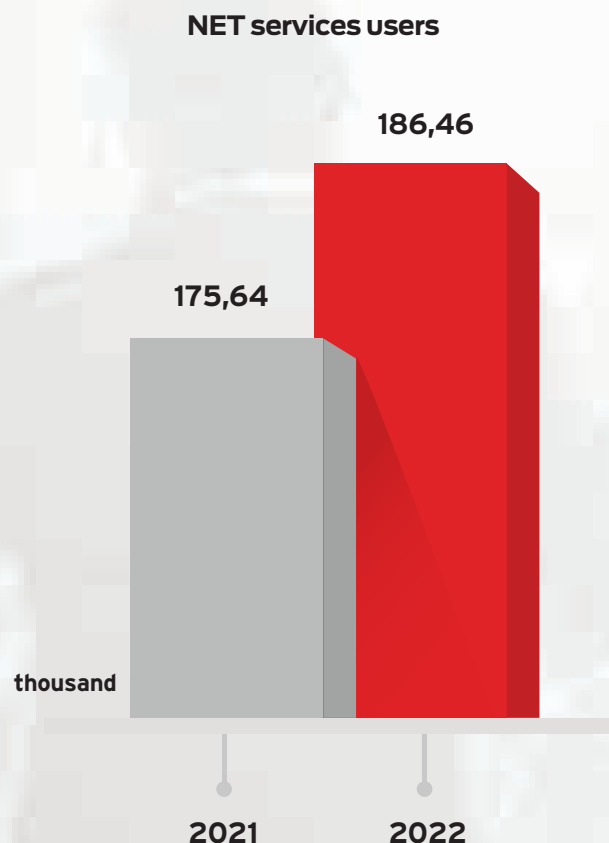




## Internet

The total number of the NET users recorded 6,2% growth, relative to the previous year. In the total NET users' structure, the most significant share belongs to the integrated services packages users, namely 68,9% of the total NET users base. The NET users who do not have the service package participate with 31,1%. Mtel offers internet access service via ADSL, VDSL, and GPON/FTTH technology.

In 2022, the activities have continued in the access infrastructure improvement, especially in terms of the optical infrastructure (GPON) that provides large number of users with the Internet access at extremely high speeds, which is the imperative, especially in the business users' segment.

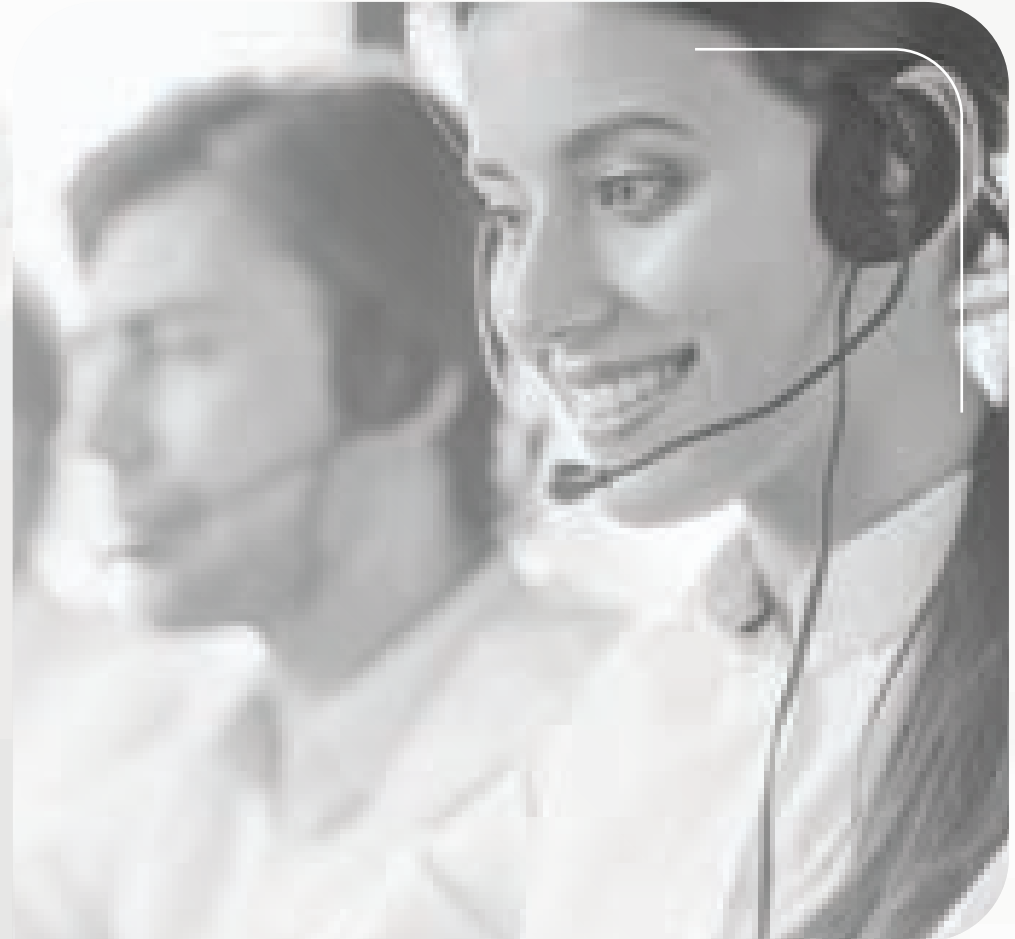


# CUSTOMER CARE

Customer care includes the activities aimed at the customer satisfaction increase, from submitting the request for service, through informing users about the installation of the service, and examining the customer satisfaction with the installation and service, followed by after-sales activities, including obtaining additional information, technical support, or submitting complaints.

The contact center is available to users 24/7, and has developed into an extremely important segment in terms of providing information on all services offered to the residential and business users, technical support, but also as a sales channel.

Within the Contact Center, information and support to the users are provided through voice service, but also through answering the inquiries on the e-mail, Facebook inbox, Web Self Care, and m:go application.



Along with the customer support, the Contact Center offers the Telephone Directory services, calls to 125, and commercial poll service for the third parties.

With the aim of the customer satisfaction measuring, it is examined the satisfaction with installation, installed service functioning, and troubleshooting.

Continuous development of the digital services offered by the Company through the mtel.ba portal was improved by the versions of eCommerce and Self care release, and a number of new functionalities that were enabled on the commerce and application part of the portal. The improvement has also been made in the possibilities to activate digital services (for example HBO Max), review services, pay bills, perform top-up from multiple places,

make parking payment, submit requests and complaints, and report problems, as well as the self-care applications on the IOS and Android platforms.

New offers on the web site were created and shopping logic applied to the Top offer, a permanent basket was enabled, the checkout process was improved (the number of steps reduced to 3) and checkout was enabled without registration (guest checkout), as well as a step for upsell of the product for the end user.

During 2022, it has been received a total of 10.410 submissions, while the number of complaints per quarter has significantly decreased, relative to the previous year. All received customers' complaints have been resolved within the legally prescribed 30 days deadline.

#### Customer care

	2021	2022
Total number of complaints on an annual basis	12.567	10.410
The degree of successfully resolved complaints	99,73%	99,78%
Number od calls made in the contact center	2.405.846	2.413.920
Number od calls made in the contact center - serviced	2.209.801	1.979.282

# CAPITAL INVESTMENTS

During 2022, a series of strategic investments has been realized, which provided for reliability of the existing services, introduction of new services, and basis for further enhancement of the service portfolio that Mtel provides for its users in all segments of telecommunication services. The investments were realized in the mobile and fixed network modernization, with the aim of higher competitiveness, better quality, and versatility of the services in the market.

As verification of the successful of the implemented strategies, it was conducted the Systemics Company external benchmarking of all three operators in Bosnia and Herzegovina. The benchmarking result is the Certificate Mtel was awarded for the best mobile network in Bosnia and Herzegovina in 2022.

**The total realized capital investments in 2022** amount to KM 130,05 million and encompass the procurements during the year that Mtel performed within the non-material investments, real estates, and equipment, which include the activation of internal effects and right to the TV contents distribution.

## CAPITAL INVESTMENTS

**TOTAL AT THE END OF 2022**

**59.891 FTTH users**

**TOTAL AT THE END OF 2022**

**111.238 VDSL users**

**TOTAL AT THE END OF 2022**

**1.685 base stations**

**152 pico repeaters**

**PUT INTO OPERATION IN 2022**

**31 macro base stations**

**2 pico base stations**

**11 pico repeaters**

**PUT INTO OPERATION IN 2022**

**42 LoRaWAN Gateways**



**Investments in the mobile network**, made in 2022, were primarily aimed at enhancement and development of the fourth generation LTE radio access network at the existing locations, as well as the construction of the planned new locations. In the core mobile network, the respective modernization of the CS core, and modernization and enhancement of the PS core network, were completed.

The transport network capacity was expanded due to the increase in the internet traffic volume, additional protective routes were realized, and QoS was implemented on all levels of the mobile network. The mobile network is completely IP-based through all layers (All-IP network).

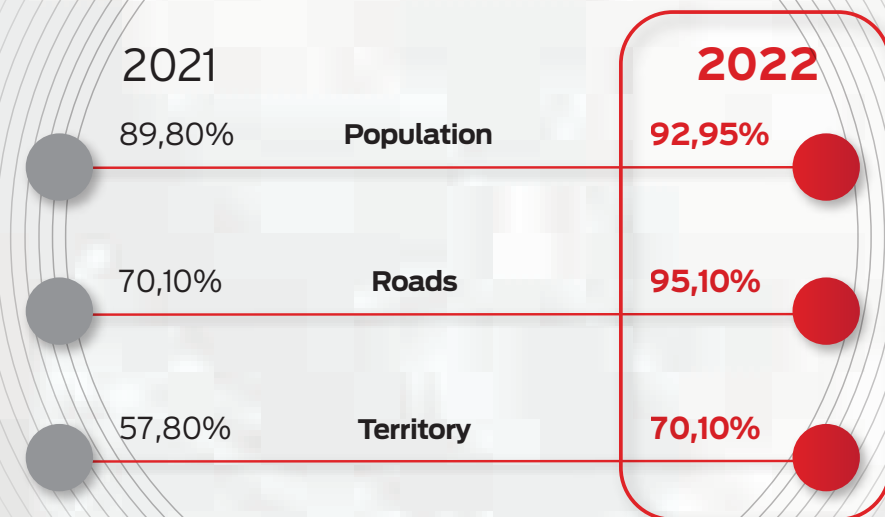
As part of the upgrade and modernization of the mobile network in 2022, the LTE (4G) services were put into operation at 360 locations. Additional extensions were made in terms of the capacity and coverage of the mobile network, by introduction of additional base stations sectors and increase of the number of frequencies on the 3G/4G network in the capacity-demanding areas. A total of 31 macro base stations, 2 pico base stations, and 11 pico repeaters have been commissioned. At the end of 2022, the total number of base stations was 1.685, and the number of pico repeaters was 152.

The End to End (E2E) optimization of the mobile network was carried out, the goal of which was to maximize the key network parameters, which resulted in the increased utilization of the mobile network, and provided better quality, as well as higher user

satisfaction level. The process of increasing the spectral efficiency of the mobile radio access network has been underway.

In the course of 2022, we continued with activities on the LTE expansion of the mobile network in accordance with the License issued by the BiH Communications Regulatory Agency. Fulfilment of the License conditions was one of the strategic aims in 2022, and was successfully realized.

### LTE NETWORK COVERAGE IN BIH 31/12/2022



**Within the wireless transport network**, the development of the 4G mobile network (LTE) has continued, which represents a special challenge for wireless transport systems. The need for greater capacities in the wireless transport network was conditioned not only by the new generation of mobile telephony, but also by increased demand for the internet traffic. With the introduction of MPLS technology in the wireless transport systems, the number of mobile network locations that rely on systems that use this technology has increased, having opened up for new opportunities for the existing resources optimization. During 2022, fifty base stations were transferred to RR MPLS systems. Within the activities in the mobile backhaul network, number of the base stations switched from the radio relay systems to the optical structure, while the number of RR hops to the optics was reduced for a certain number of base stations.

**In the mobile telephony switching systems**, the extensions of data transmission capacity were carried out to enable the unhindered use of LTE technology for the domestic and roaming users, and to follow the constant growth of mobile Internet traffic. The construction of an appropriate IMS system in the mobile telephony network has begun, which would enable the commissioning of the VoLTE service, to provide the users with audio and video calls made over the 4G LTE network, which would make the calls much clearer and faster, and provide better call quality than over 2G and 3G networks.

The signaling monitoring and quality control system (MasterClaw) has been improved with an analytical tool that enables multiple traffic analysis of all types of telecommunication traffic, including trends and disturbances in the network.

In the messaging service platforms domain, the Messaging Gateway platform has been improved with the new functionalities implementation.

In the course of 2022, the improvement of the m:go platform has continued, in terms of the payment functions, i.e. payment with the payment card, valid for both own monthly bills for telecommunication services, and the third party bills. The funds can be withdrawn from the payment card using m:bon/s:bon or the funds stored in the mWallet. The m:go application was downloaded and activated by over 100,000 mobile phone users, which was an indication that the m:go application is the most used user tool for purchasing promotional offers and packages, for both prepaid and postpaid mobile telephony users.

In 2022, the construction and expansion of the LoRaWAN network continued thus, during the year, the procurement of new gateway devices and the extension of the associated licenses on the LoRaWAN network server were carried out. The aim of this was provision of the network infrastructure for the wider territory of BiH, in accordance with the market needs, and various IoT services implementation, depending on the business clients' needs.

**In the intelligent platforms domain** in 2022, the activities continued under the project to improve the existing Online Charging System, used for the real time billing of the mobile and fixed prepaid users' traffic. Also, investments were made in the installation of the VPN platform and the installation of NTS (Number Translation Service, in the fixed network platforms domain.

**Investments in the fixed network** were primarily focused on the construction of an optical access network, using GPON access technology, and on the users' migration to FTTH. At the end of 2022, there were 59.891 users of the optical access network, and another 50.000 potential users had the possibility of access. In 2022, the number of the optical access network users increased by 13%, while at the end of the year, there were 27,3% of the optical access network users.

In the course of 2022, over 900 cable access network facilities have been built.

The transport network was modernized, expanded its capacities and implemented new routes in the DWDM plane. Fixed backhaul transport plane optimization was completed and QoS introduced. The fixed network is completely IP-based through all layers (All-IP network).

Due to the ever-increasing need to transfer as much data as possible, the cable transport network is oriented towards the

OTN (Optical Transport Network) network, which enables better functionality of transmission, multiplexing, routing, management, and monitoring of the optical channels via one pair of optical fibers, both in the trunk, as well as at the local and regional level. It is therefore possible to provide enough capacity, in a single transport network, for the needs of IPTV, ISP and IP/MPLS networks, fixed and mobile telephony, leased lines, and, in addition, enable the realization of automatic traffic protection.

**During 2022, the investments in the access equipment,** MSAN/ISAM/DSLAM/OLT, have continued, to provide the users with most reliable and high-quality broadband access, introduce new services, as well as create a basis for further enhancement of the services portfolio that Mtel provides to the fixed network users. In 2022, the investments in the access equipment mostly relate to acquisition and installation of the access equipment in GPON technology, as well as in VDSL2 technology with the vectoring function, for the users with FTTH access conditions.

**As part of the investments in the Internet** in 2022, new internal monitoring system - zabbix, was installed and the previous functionality migrated to the mentioned infrastructure. The delivery, installation and migration of the new DNS infrastructure has been completed. The capacity enhancement of the AntiDDoS infrastructure and the Cloud infrastructure was also carried out.

In the **IPTV/OTT, CDN, DRM and HeadEnd domain**, both software and hardware infrastructures were upgraded in 2022, to ensure a continuous and reliable operation of the complete system, as well as additional enhancements of the integral system for the multimedia content distribution. In order to improve the infrastructure and introduce new functionalities, new ON TV mobile application was launched, having enabled the viewing of the content on mobile devices and tablets. In the following stages, it is planned the development of additional functionalities of this application.

The most significant activity in regard with the **information technology** in 2022, is the completion of the Convergent Billing project, namely the program for consolidation and modernization of the most important IT systems in the OSS/BSS domain. The largest part of investments in IT was purposed for improving digital channels in marketing and sales, as well as in improving the user experience. In order to optimize and improve the system in accordance with industry trends, during 2022 the existing "on-premise" solution was migrated to the Cloud, which provided an exceptional, direct user experience anywhere and anytime - safe, protected and secure, with use of the latest technology for protection and identity check/verification.

In the infrastructure domain, a lot has been done in development of the internal systems for business improvement. The activities were successfully completed on the migration of the existing

Software defined network solution to the new version, as well as on the extension of the Virtual computing platform capacity.

Increasing challenges in the field of IT security require significant investments in the cyber attack protection systems, so that in 2022, a series of activities were realized in the implementation of new solutions in the field of IT security.





# EMPLOYEES

The total number of Mtel employees as of 31/12/2022 was 2.064.

In the employees' structure, the largest share belongs to the employees with secondary and university education, which make up 95,0% together. Out of the total number of employees, 60,0% are males. The largest share in the total number of employees belongs to the employees over 50 years of age, with 37,0%, while in the employees' structure seen by the years of service, the largest participation of 33,9% is of the employees with 21 to 30 years of service.

2.085

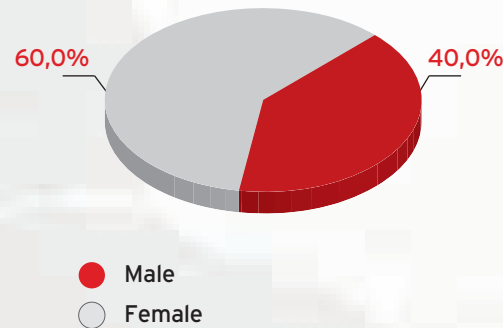
31/12/2021

2.064

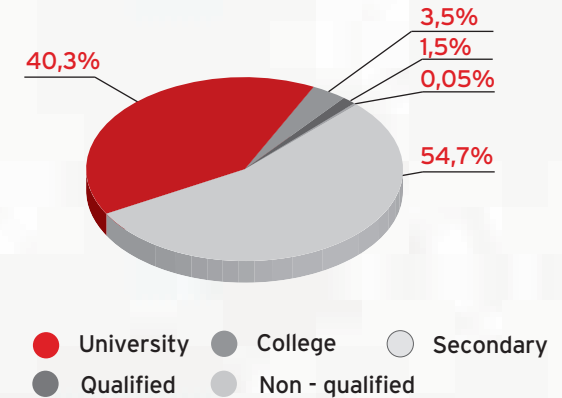
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TOTAL NUMBER OF EMPLOYEES

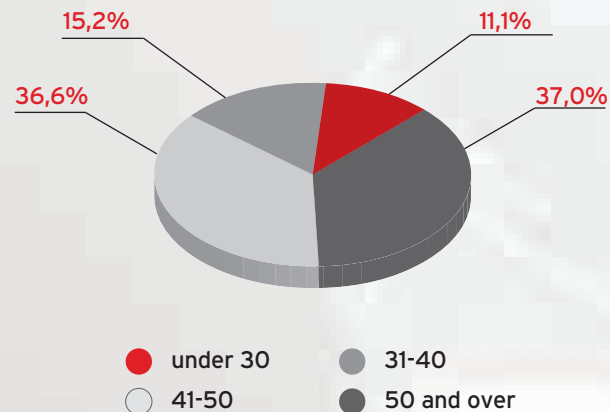
Employees' gender structure  
31/12/2022



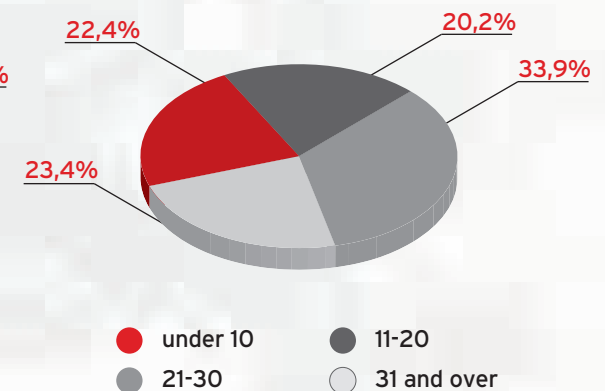
Employees' qualification structure  
31/12/2022



Employees' age structure  
31/12/2022



Employees' work experience structure  
31/12/2022



# FINANCIAL RESULT

- PROFIT AND LOSS STATEMENT AND GENERAL RESULT REPORT
- FINANCIAL POSITION REPORT
- CASH FLOW REPORT
- INFORMATION PER SEGMENT

2022  
23

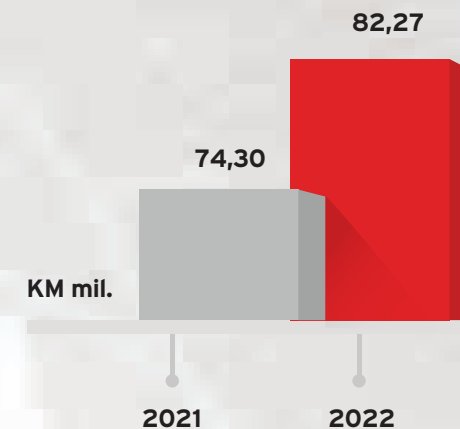
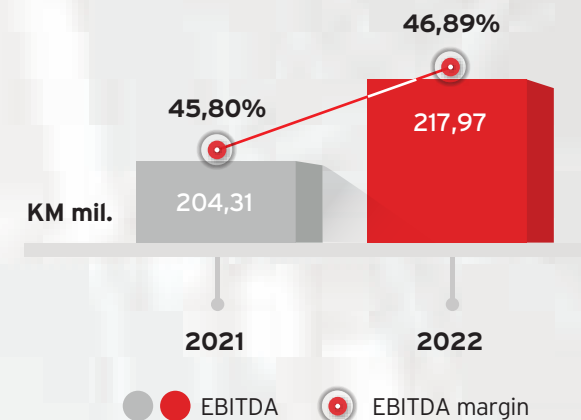
# PROFIT AND LOSS STATEMENT AND GENERAL RESULT REPORT

Mtel finished the business year 2022 with a pre-tax profit of KM 92,35 million, which was KM 9,10 million, or 10,9% higher, than the realization in 2021. The realized EBITDA is KM 217,97 million u 2022, which brings the EBITDA margin on the level of 46,89%, while, in 2021, the EBITDA was KM 204,31 million, with realized EBITDA margin of 45,80%.



**Profit and loss statement  
and general result report**  
(in KM mil.)

	2021	2022	% change
Revenues from sales of goods and services	428,66	438,45	2,3%
Other business revenues	17,42	26,44	51,8%
Business expenditures	349,77	362,40	3,6%
Financial revenues	0,91	1,59	74,8%
Financial assets impairment	5,28	2,21	-58,2%
Financial expenditures	8,68	9,53	9,7%
<b>Pre-tax profit</b>	<b>83,25</b>	<b>92,35</b>	<b>10,9%</b>
Profit tax	8,95	10,08	12,7%
<b>Net profit</b>	<b>74,30</b>	<b>82,27</b>	<b>10,7%</b>
Total other result, minus taxes	(0,020)	0,002	
<b>Total result for the year</b>	<b>74,28</b>	<b>82,27</b>	<b>10,8%</b>

**Net profit**

**EBITDA and EBITDA margin**


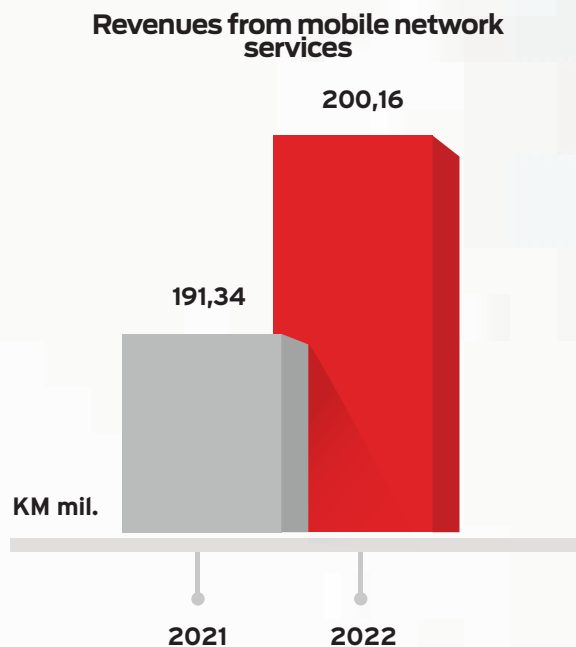


In 2022, the total revenues amount to **KM 466,49 million**, which represents 4,4% growth, relative to 2021. The total revenues structure consists of the revenues from sales of goods and services, other business revenues and financial revenues. In the overall revenues structure in 2022, the greatest share of 87,8% belongs to national sales, which records an increase of 1,7%, relative to the year 2021.



Revenues from sales of goods and services (in KM mil.)	2021	2022	% change
Revenues from fixed network services	51,30	48,37	-5,7%
Revenues from mobile network services	191,34	200,16	4,6%
Revenues from integrated services	84,58	89,36	5,6%
Revenues from internet access services	23,81	25,88	8,7%
Revenues from related services	36,83	35,24	-4,3%
Revenues from sales and goods	1,06	1,09	2,6%
Revenues from ICT and other services	13,82	9,46	-31,6%
<b>Total revenues from national sales</b>	<b>402,74</b>	<b>409,54</b>	<b>1,7%</b>
Revenues from international settlement	24,71	27,67	12,0%
Revenues from sales of license, goods, ICT and other services	1,22	1,24	2,0%
<b>Total revenues from international sales</b>	<b>25,92</b>	<b>28,91</b>	<b>11,5%</b>
<b>Total revenues from sales of goods and services</b>	<b>428,66</b>	<b>438,45</b>	<b>2,3%</b>

**The mobile telephony revenues were realized in the amount of KM 200,16 million**, which was 4,6% higher, relative to 2021, this having been the result of the customer base growth for over 57.000 users. In the mobile telephony revenues structure, the traffic revenues participate with 55,2%, subscription fees with 43,7%, other revenues with 0,6%, and the connection fees with 0,5%.

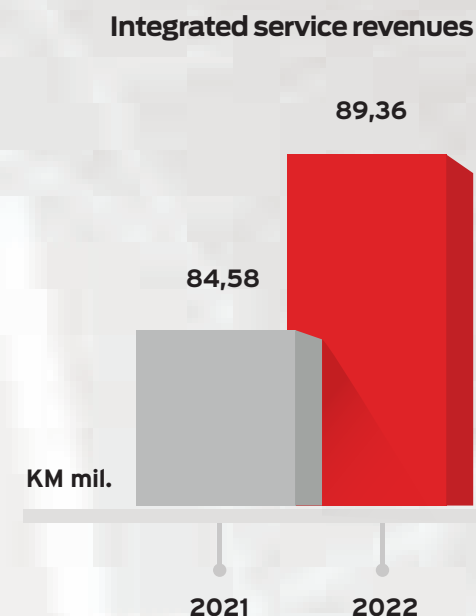


In the total revenues of the mobile telephony, the revenues from subscription recorded 5,6% growth relative to the year 2021, primarily due to the 6,0% growth in the postpaid users number, this having been the result of numerous promotional actions, amended offers, as well as significant acquisitions of the postpaid users. The revenues from the postpaid services (subscription and traffic) recorded 5,0% growth, while the revenues from the prepaid services was 3,2% higher, relative to 2021.

**The total revenues in the integrated services segment** were realized in the amount KM 89,36 million, which was 5,6% higher, relative to the year 2021, this having been the result of increased number of users for over 16.500. The most significant growth was shown in the revenues from subscription, 6,9%, and in subscription revenues structure, the revenues from the two services packages had the most significant share, followed by the three services packages.

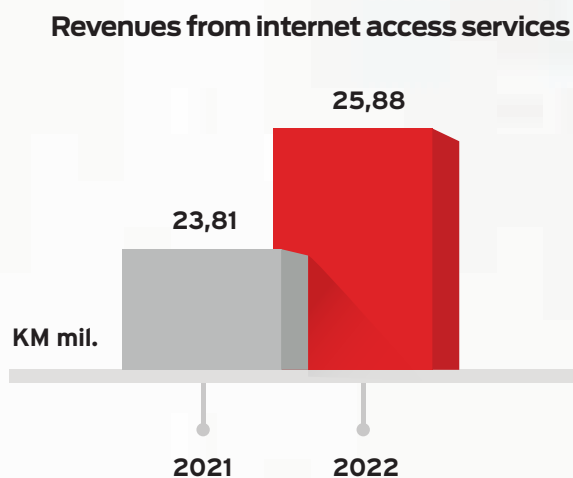
In the integrated services revenues structure, the revenues from the subscription participate with 90,3%, the revenues from traffic with 5,5%, and the other revenues

with 4,3%. The Company offers the richest TV contents within the packages, as well as the Internet access at very high speeds, which is the imperative in the contemporary circumstances.



**The revenues from the internet access services** amounted to KM 25,88 million in 2022, and recorded the 8,7% growth, relative to 2021. The internet services revenues growth in 2022, relative to the year 2021, was due to the increased revenues from the NET services, as the result of the users' number increase by more than 2.700. The structure of these revenues includes the revenues from NET services, revenues from direct Internet access and other revenues.

The Users have the opportunity to enjoy the fastest surfing with stable internet, which is adapted to the users' needs and realized through the most contemporary access technologies. Also, the number of users who have the high access speed technologies (VDSL and GPON) available is constantly growing, due to continuous investments in the access infrastructure.



**The ICT and other services revenues** amounted to KM 9,46 million, and recorded a decrease of KM 4,36 million, relative to the year 2021, this having been the result of the prolonged realization of certain ICT project solutions for the following year.

**The fixed telephony services revenues** in 2022 amounted to KM 48,37 million, which represented 5,7% decrease, relative to 2021. The fixed telephony market is in the declining phase, both in the national and regional markets. In line with the above, more and more users abandon the fixed telephony services, and switch to the mobile telephony and integrated services, as these provide more contents, tailored to the modern communication needs.

In 2022, **the revenues from related services** were realized in the amount of KM 35,24 million, and were 4,3% lower, relative to the year 2021, due to the global situation at the market, which influenced the production and delivery of the devices. The structure of these revenues consists of the revenues from the sale of mobile and fixed telephones, TV sets, and other equipment.

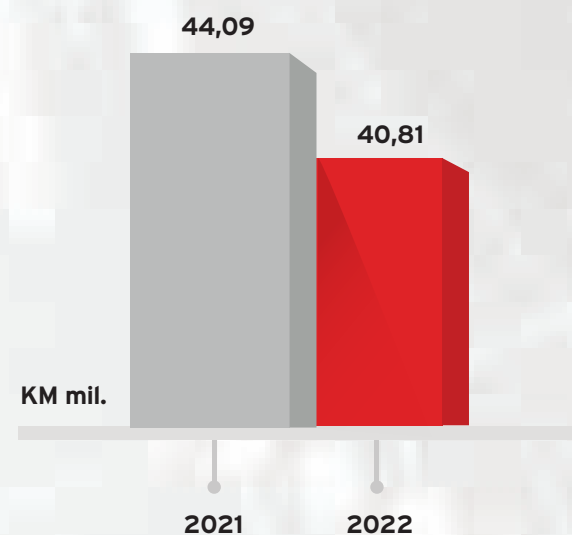
**Other business revenues** in 2022 were realized in the amount of KM 26,44 million, and recorded 51,8% increase, relative to the year 2021, due to the increased revenues from activation of the effects, based on the costs of employees who worked on the network construction, and on the major capital investment projects.

In 2022, the total expenditures amounted to KM 374,13 million, which was 2,9% higher, relative to 2021. The total expenditures structure consists of the operating expenses, financial assets (short-time receivables) impairment, and financial expenses. In the total expenses structure, the largest share of 96,9% belongs to the operating expenses, which recorded 3,6% growth in 2022, relative to 2021.

Business expenditures (in KM mil.)	2021	2022	% change
Costs of materials, goods and related services	54,89	52,42	-4,5%
Costs of employees	71,92	75,05	4,4%
Costs of depreciation	113,29	117,68	3,9%
Costs of production services	82,92	85,04	2,6%
Other operating costs	26,75	32,21	20,4%
<b>Total business expenditures</b>	<b>349,77</b>	<b>362,40</b>	<b>3,6%</b>

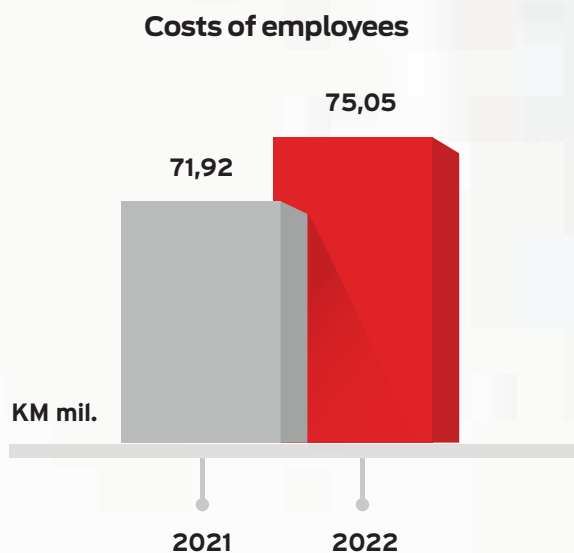
The costs of materials, goods and related services amount to KM 52,42 million in 2022, and were 4,5% lower, relative to 2021, due to 7,4% lower material costs related to the mentioned services, this having been the result of the global situation at the market. In the stated costs structure, the largest share of 77,8% belongs to the costs of materials for related services, and 13,0% to the electrical energy costs.

Cost of materials for related services





**The costs of employees** amounted to KM 75,05 million in 2021, and were 4,4% higher, relative to 2021. In 2022, the one time allowance was paid to all employees. Also, the salaries were raised for the engineer profile of the employees within the Division for Technics.

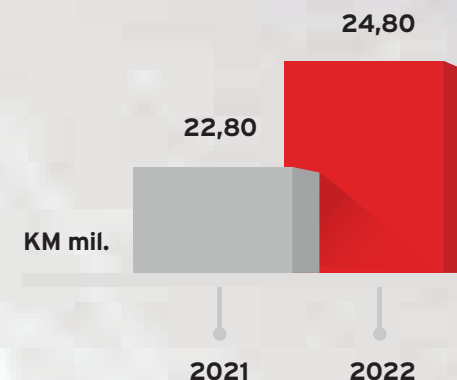


**Depreciation costs** in 2022 amounted to KM 117,68 million, and were 3,9% higher, relative to 2021.

**The production services costs** were KM 85,04 million, which was 2,6% higher, relative to 2021, primarily due to the international settlement costs. Within the above costs structure, 29,2% were international settlement costs, 23,1% other production services, 21,8% maintenance costs, 20,3% advertising and promotional costs, 5,1% contents broadcasting fees, and 0,6% land and business premises lease costs.

**The international settlement costs** amounted to KM 24,80 million and were 8,7% higher, relative to 2021, due to the larger amount of the outgoing international traffic, and change of the termination prices in some EU countries. **The advertising and promotional costs** amounted to KM 17,25 million, which was 5,7% higher, relative to 2021, as the result of enhanced TV advertising, created campaigns and realized promotional activities. **The contents broadcasting fees** amounted to KM 4,34 million, which was 18,4% lower, relative to 2021, due to the continual capitalization of TV rights.

#### International settlement costs



**Other operating expenses** amounted to KM 32,21 million, which was 20,4% higher, relative to the year 2021, primarily due to higher losses from writing off of the real estate, equipment, and non-material investments. These expenses structure includes the other expenditures, participating with 34,0%, the fees payable to the Communications Regulatory Agency, participating with 32,5%, losses from writing off of the real estate, equipment, and non-material investments, with 16,1%, indirect taxes non-dependent on the business result with 14,9%, provisioning costs with 2,5%, and deficits, with 0,1%.

# FINANCIAL POSITION REPORT

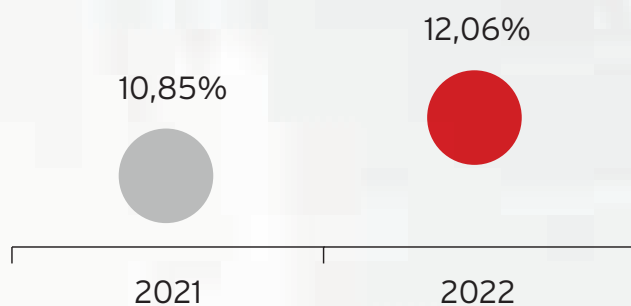
The value of the total assets, and total liabilities, as of 31/12/2022, amounted to KM 1.356,25 million and recorded 2,3% growth, relative to 31/12/2021.

During the reporting period, Mtel has performed the recapitalization of the affiliate - MTEL Global, d.o.o. Beograd, in the amount of KM 4,11 million, which did not have any impact to the previously established ownership structure.

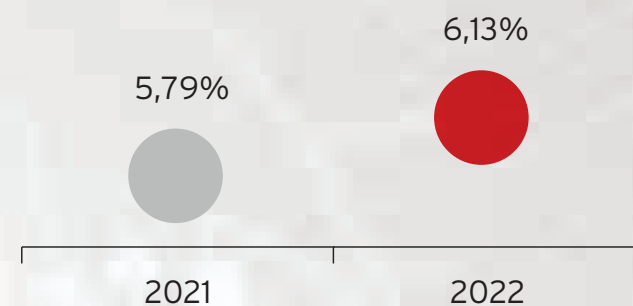
## Financial position report (in KM mil.)

	31/12/2021	31/12/2022	% change
Fixed assets	1.190,69	1.216,25	2,1%
Deferred tax assets	0,47	0,50	7,1%
Working assets	134,84	139,50	3,5%
<b>TOTAL ASSETS</b>	<b>1.325,99</b>	<b>1.356,25</b>	<b>2,3%</b>
Capital	683,40	680,88	-0,4%
Long-term liabilities and provisioning	287,28	260,42	-9,3%
Deferred tax liabilities	3,22	6,98	116,7%
Short-term liabilities and provisioning	352,08	407,97	15,9%
<b>TOTAL LIABILITIES</b>	<b>1.325,99</b>	<b>1.356,25</b>	<b>2,3%</b>

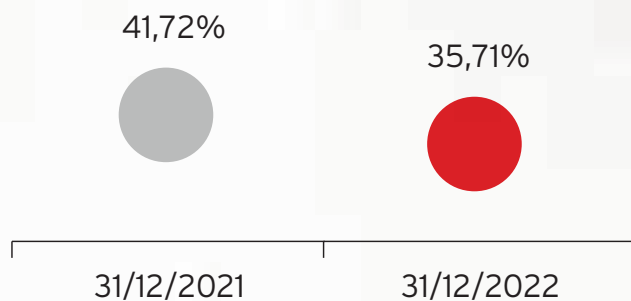
### ROE - Return of equity



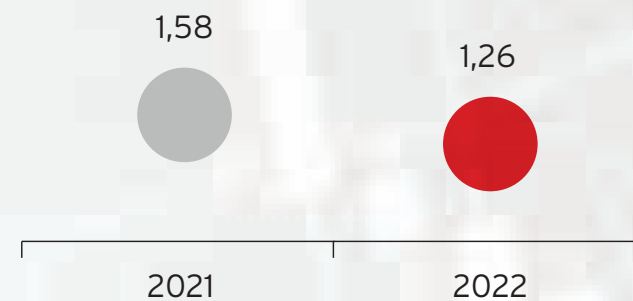
### ROA - Return of assets



### Total debt to capital ratio



### Net financial debt/EBITDA



# CASH FLOW REPORT

At the end of 2022, the cash and cash equivalents amounted to KM 19,55 million, and were 21,0% higher, relative to the final cash balance at the end of 2021.

Cash flow report (in KM mil.)	2021	2022	% change
Net cash inflow from business activities	216,11	204,87	-5,2%
Net cash outflow from the placement and investment activities	(88,39)	(73,12)	-17,3%
Net cash outflow from the financing activities	(116,61)	(128,36)	10,1%
Net increase in cash and cash equivalents	11,10	3,39	-69,5%
Cash and cash equivalents at the beginning of the period	5,06	16,16	219,5%
Cash and cash equivalents at the end of the period	16,16	19,55	21,0%



# INFORMATION PER SEGMENT

In accordance with the IFRS 8, the reporting segments of Mtel are fixed network and mobile network.

The revenues and results of the segments, for the one-year period, ending on 31/12/2022 and 31/12/2021, represent the revenues generated from the sales to the external customers, where the inter-segment revenues within the period have been eliminated.

The profit of the segments represents the profit of each segment, with included all costs allocation, based on the revenues realized by each respective segment.

## Revenues and results per segment (in KM mil.)

	Fixed network	2021 Mobile network	Total	Fixed network	2022 Mobile network	Total
Revenues from sales of goods and services	171,15	257,51	428,66	177,06	261,40	438,45
Other business revenues	6,96	10,47	17,42	17,65	8,79	26,44
Internal inter-segment settlement	72,17	32,35	104,53	81,66	34,10	115,76
Business expenditures	160,70	189,07	349,77	163,27	199,13	362,40
Financial income	0,36	0,55	0,91	0,64	0,95	1,59
Financial assets impairment	2,11	3,17	5,28	0,89	1,31	2,21
Financial expenditures	3,47	5,22	8,68	3,85	5,68	9,53
Internal inter-segment settlement	32,35	72,17	104,53	34,10	81,66	115,76
Pre-tax profit	52,01	31,24	83,25	74,89	17,46	92,35
Profit tax	5,55	3,40	8,95	8,18	1,91	10,08
Net profit	46,46	27,84	74,30	66,71	15,55	82,27

# INFORMATION TO THE INVESTORS

In 2022, the total turnover at the Banja Luka Stock Exchange amounted to KM 688,42 million, which represented an increase of 82,2%, relative to 2021 turnover. The regular turnover at the Banja Luka Stock Exchange was KM 112,76 million and recorded 3,1% increase, relative relative to the regular turnover in the previous year. The regular turnover in the shares, as well as the regular turnover in the bonds, have grown relative to the previous year, while the regular turnover in the funds and treasury notes has been decreasing.

In 2022, the status of the Mtel's shares was confirmed to be the most significant on the Banja Luka Stock Exchange, in terms of the total value, dividend policy, turnover, and number of shareholders. The Mtel shareholders have regularly been rewarded with attractive returns, but also with the share prices increase, which has happened during the previous year.

The growth of Mtel's share prices on the market indicates positive expectations of the investors regarding future business results. Considering the prices on the last trading day of the year, the Mtel's market value was the highest in the last 9 years.

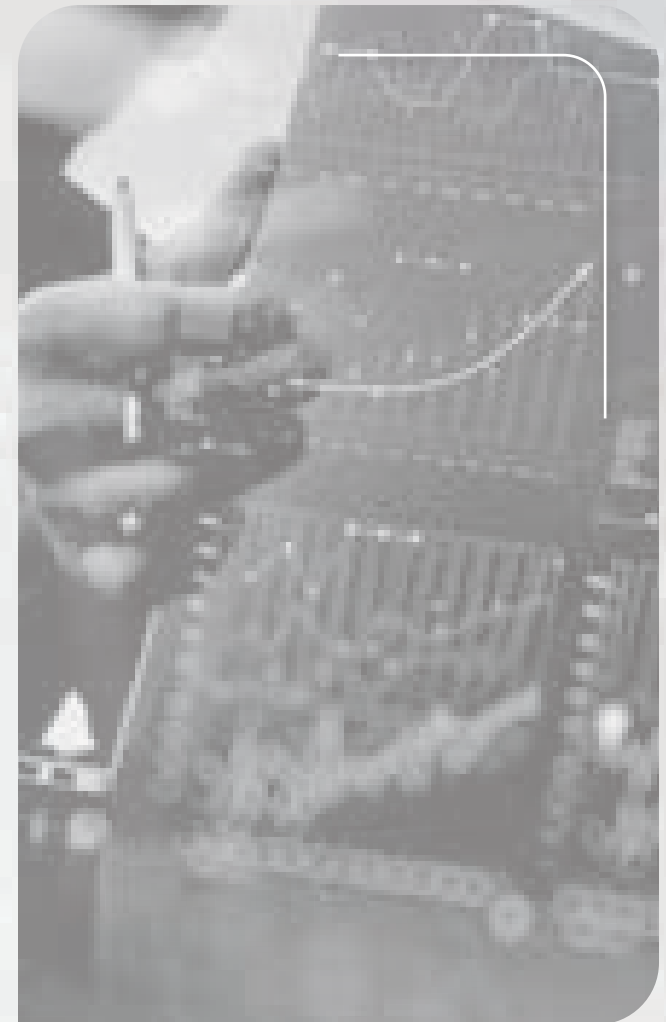
The total turnover of the Mtel's shares in 2022 was KM 16,0 million, with 1.851 transactions, which was 13,0% higher, relative to the previous year's turnover, when the number of transactions was 1.638.



# INFORMATION TO THE INVESTORS, TLKM-R-A

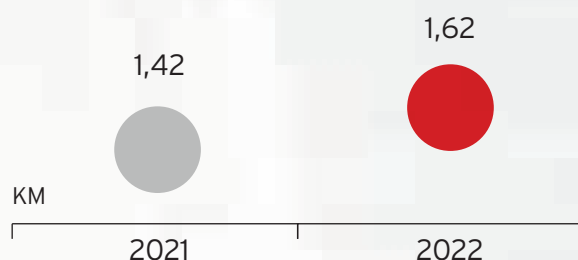
	2021	2022	% change
<b>Price movement</b>			
Lowest price (KM)	0,99	1,20	21,2%
Highest price (KM)	1,42	1,62	14,1%
Price on the last trading day of the year* (KM)	1,42	1,62	14,1%
Average price (KM)	1,13	1,50	33,5%
<b>Share transactions</b>			
Number of transactions	1.638	1.851	13,0%
Total turnover (KM)	13.693.542	15.999.576	16,8%
Market capitalization (KM)	697.764.932	796.041.683	14,1%
<b>Main indicators</b>			
EPS (Earnings per share)	0,1512	0,1674	10,7%
ROIC	9,50%	10,94%	-

\*official rate



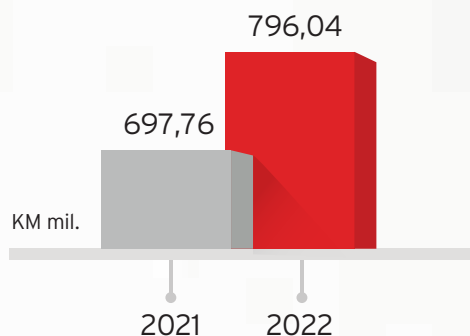
During 2022, the Mtel shares price has recorded a slight grow, and, on the last trading day of the year, the Mtel shares price reached the level of KM 1,62, which represented the increase of 14,1%, relative to the previous year.

**Mtel share price on the last trading day  
2022 - official rate**

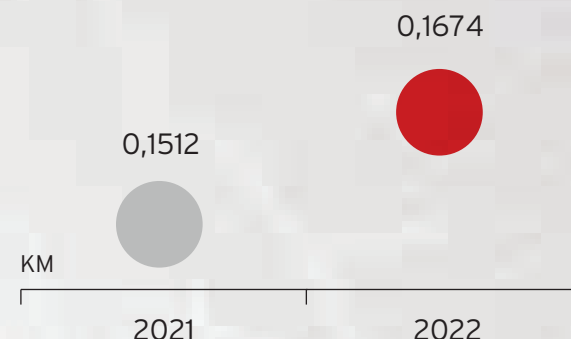


As of 31 December 2022, the market capitalization amounted to KM 796,04 million, which represented 14,1% growth, relative to the market capitalization in the previous year.

**Mtel market capitalization**



**Mtel earnings per share**



The Mtel earnings per share were KM 0,1674 in 2022, which represented 10,7% growth, relative to the previous year's earnings per share, which the shareholders realized when the price was KM 0,1512.

In 2022, two sessions of the Mtel Shareholders Assembly were held, namely the 45th and 46th session.

At the 45th session of the Shareholders Assembly, held on 24 June 2022, the decision was passed on payment of the dividend from the 2021 retained profit, in the amount of KM 45,11 million, and the decision on distribution of the dividend proportionally to all Company's shares, upon the principle: the same face value of KM 0,0918 per share.

At the 46th session of the Shareholders Assembly, held on 23 December 2022, the decision was passed on payment of the interim dividend from the profit realized in 2022, in the amount of KM 39,69 million. The interim dividend was distributed proportionally to all Company's shares upon the principle: the same face value of KM 0,0808 per share.



# RISK MANAGEMENT

- FINANCIAL RISKS
- ISO STANDARDS

2022

# FINANCIAL RISKS

In its regular business operations, Mtel is exposed, in various degrees, to certain financial risks, such as market risk, liquidity risk and credit risk. The risk management in Mtel is directed towards minimizing potentially negative impacts on the financial standing and business operations of Mtel, in the unpredictable situation at the financial markets. The risk management is defined by the Company's accounting policies.

In the year which ended on 31 December 2022, Mtel did not enter into any transactions with derivative financial instruments (derivatives), such as interest rate swaps or forwards.

## Market risk

Market risk includes the risk of the foreign currency exchange rate fluctuation, risk of the interest rate change and risk of the capital prices changes respectively.

- Risk of the foreign currency exchange rate fluctuation - although Mtel performs part of its transactions in the foreign currency, the Management's opinion is that it is not exposed to any significant foreign currency exchange rate fluctuation risk in its business operations in the country and abroad, since the business transactions are performed mostly in the local currency, convertible mark (KM/BAM), and in EURO, to which the convertible mark is related by the fixed exchange rate (1 EUR=1,95583 BAM)

- Risk of the interest rates change - Mtel is exposed to various risks, which, through the interest rates level changes, affect its financial position and cash flows. Given that Mtel does not have any significant interest-bearing assets, the income is quite independent in terms of the

market interest rates changes. The Mtel's risk of the interest rates change arises primarily from the long-term loans received from the suppliers. The changeable interest rate loans expose Mtel to the cash flow interest risk, while the fixed interest rate loans expose Mtel to the risk of changes in the interest rate fair value. During the year which ended on 31 December 2022, most of the liabilities under the loans had variable interest rates, related to the EURIBOR. The liabilities under the changeable interest rate loans have mostly been in foreign currency (EUR). Mtel performs the analysis of interest rate changes risk exposure on a dynamic basis, taking into account alternative sources of financing and refinancing, primarily for the long-term obligations, because they represent the most significant interest-bearing position.

Mtel still does not swap variable for the fixed interest rates, or vice versa, but does take appropriate measures to secure loans from banks under more favorable conditions.

- Risk of the capital value change - in the 2022 reporting period, Mtel has been exposed to certain risk of changes in the registered securities prices. These investments are purposed more for strategic purposes than for the daily trading purposes and are not subject of the active transactions.

## Liquidity risk

Liquidity management is centralized on the Mtel Company's level. The responsibility for liquidity rests with the management, which has established specific procedures related to the short-term and long-term liquidity risk. Mtel manages its assets and liabilities in the manner that allows it to always fulfill its obligations.

Mtel has sufficient high-liquidity assets (cash and cash equivalents) at its disposal, as well

as a continuous inflow of funds from the services realization, which enables it to service the obligations in due time. Mtel does not use financial derivatives.

For the risk management purposes, Mtel has adopted the financial policies that define dispersion within the decision-making levels in the procurement process for specific products/services. This dispersion is managed by establishing the limits to which the individual persons, or the bodies of Mtel, may decide on the specific procurement.

## Credit risk

Credit risk is related to the risk of the other party's nonperformance of its contractual obligations towards Mtel, which will result in the Mtel's financial loss. Mtel has adopted the policies for monitoring of the partner's credit standing, as well as for requesting certain warranties (collaterals) where possible, all with the aim of reducing the potential risk of financial losses, caused by nonperformance of the contractual obligations.

The credit risk arises in relation with the receivables from legal entities and physical persons, cash and cash equivalents, deposits with banks and financial institutions, as well as the commitments.

Mtel is exposed to the credit risk to the limited extent. The credit risk security was established by undertaking certain measures and activities on the Mtel's level. In case of an untimely settlement of the Customer's obligations towards the Company, further use of the services is disabled.

Mtel does not have a significant credit risk concentration related to the receivables, since it has numerous mutually non-related customers with small amount of respective debts. Along with the services suspension, the following collection mechanisms are used: debt re-programming, settlement with legal entities, legal actions, out of court settlements, etc.

Repayment of the credits, extended to the Mtel's employees, is secured by application of the administrative measure, namely

deduction of the specific amount from the salary. The employees who leave the Company regulate the manner for the outstanding debt repayment when they are leaving Mtel.

With the aim of minimizing the credit risk, Mtel has developed and maintains the credit risk assessment, to categorize the exposure according to the level of risk of nonperformance of the obligations. The credit rating information is provided by the independent Rating Agencies and, in case they are not available, Mtel uses other publicly available financial information and the Company's own trading data to assess its major customers and other debtors. Mtel's exposure and all contractual parties' credit ratings are continuously monitored, and the total value of the realized transactions is shared among the authorized partners.

### Capital risk management

The capital management aim is to maintain the ability to continue operations for an unlimited period in the foreseeable future, in order to preserve the optimum capital structure, with the aim of reducing the capital costs and providing the shareholders with a dividend.

The Mtel's management reviews the capital structure on need basis and, following that, it balances the capital structure, through new long-term investments, as well as taking out new loans or buying out the existing ones. The overall strategy for the capital management remains unchanged.





# ISO STANDARDS

The Company is determined to perform digital transformation in all domains. Given it has been pursuing business activities in the complex environment, in terms of competition, market, and new trends, global presence of the internet and mobile operations, it tries to achieve the optimum control by using the appropriate management systems, with the aim of achieving long-term satisfaction of all interested parties' expectations.

In late 2017, the Company established the Integrated management system (IMS), which unified the requirements of two internationally recognized standards - ISO 9001:2015 and ISO/IEC 27001:2013, for all business processes in the Company.

The Company Strategy outlines the fundamental principles of the Company management related to the integrated management system:

- Continual realization of the results,
- Improvement of the services and processes quality,
- Processes Management,
- Achieving success based on the employees' competencies and engagement,
- Developing stable and fair relations with partners and suppliers,
- Taking responsibility for a sustainable future.

The adopted Integrated Management System Policy represents the framework for establishing and reconsidering the IMS aims, including the information quality and security, according to which the Organization undertakes to reconsider the IMS efficiency from time to time, for the purpose of securing the effective business

processes and their continual improvement. In the late 2022, it was performed the certification audit of the Company, for all business processes, in line with both of the above mentioned standards. The result was extension of the Certificate validity for the three-year period. External and internal audit of the Company is performed regularly on the annual basis, according to the implemented standards.

The IMS Policy defines the following principles:

- Fulfillment of the customers' demands for high quality product and services to maintain a long-term customer satisfaction
- Development of the competencies to motivate the employees to actively participate in the improvement of all business aspects,

- Ensure enjoyment of the rights and equal treatment to all shareholders,
- Compliance with laws, regulatory, and other regulations, to maintain a fair and efficient market competition,
- Development of the long-term and correct relations with our partners and suppliers,
- Provide a continual technical and technological development in line with the global trends in the telecommunications industry,
- Corporate social responsibility in the business operations, by systematically and permanently foster the traditional quality relations towards the society and environment in which the Company operates,
- Protection of the Company's trade secrets, business partners, and clients, as well as protection of their privacy,
- Permanent care for information integrity, availability, and confidentiality
- Security of information and the other assets to the risk-proportionate extent, through effective application of the protective measures and procedures, in line with the financial justification and the Company's technological strategy.

## ISO 9001:2015 Quality Management System

The Quality Management System - QMS represents the manner in which the Company manages the quality of products, services and business operations (relations with all interested parties), as well as the quality of the organization itself (relations with the employees and resources, corporate culture).

Recognition of the risk and opportunities shows the consideration of a high importance of the risk-based thinking concept that is an inevitable principle and part of the system management standard, which allows for stable business operations and successful functioning.

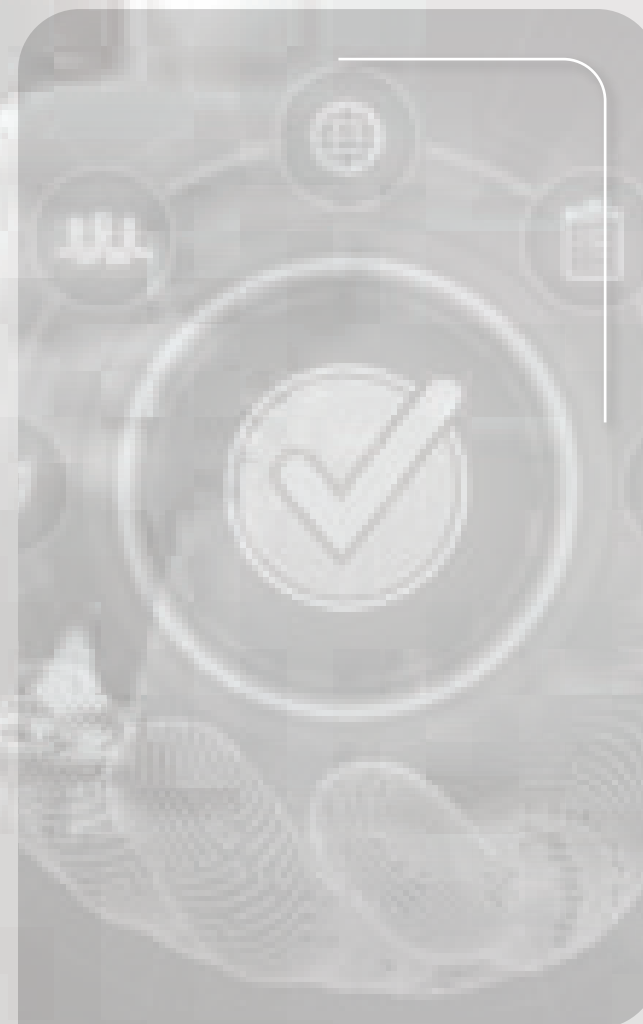
The Quality Management System requires that the Company implements the key business processes management, which Mtel realizes by using the Business Process Management (BPM), with continual designing and monitoring of the business processes. Management of the key business processes in the Company enables a quality accommodation to the changes brought by modern business, with digital transformation in all areas, along with new rules, new methods, and new people. These changes lay the foundations for a new business culture, and criteria for successful business, and, with the business processes management improvement, an improved competitiveness and a better market position are also achieved through increased efficiency and effectiveness.

## ISO/IEC 27001:2013 Information Security Management System

The importance of the Information Security Management System (ISMS) introduction does not solely represent the compliance of the business operations with the legal and market requirements, but also the most important feature - improved customer relations and growing trust of the Mtel services users.

The ISM system, implemented in the Company, provides for an adequate customer information protection in all phases of their processing, since there is a clear definition of the tasks and responsibilities, related to the information security, that are allocated to all organizational levels and the employees.

The received certificate confirms that Mtel has reduced the information security risks to the lowest possible level, that a better control has been implemented over the information flows, as well as that the potential information security risks have been properly and timely addressed. All users of the Mtel services may rest assure their exchanged information is processed in accordance with the internationally recognized practice.



# STATEMENT ON APPLICATION OF THE CORPORATE MANAGEMENT STANDARDS

The Mtel Company has its own Code of Conduct and Corporate Management, which is fully applied and which, more thoroughly, stipulates the mechanisms for the Company bodies' functioning and protection of interests in the mutual relations of various stake-holders in the Company.

The Company Code is established pursuant to the Law on Commercial Companies, Corporate Management Standards, issued by the Republic of Srpska Securities Commission, as well as on the basis of the Corporate Management Standards, adopted by the Organization for Economic Cooperation and Development (OECD). This ensures efficient application of the corporate management standards and relates to the rights and equal treatment of the shareholders, role of the interested parties - holders of the interests in the Company management, release and publicity of the information, and role and responsibilities of the boards.

The provisions of the Law on Commercial Companies, Corporate Management Standards, Statute, and other general acts of the Company, are applied where the Code is silent.

The Code defines the principles of professionalism and independence for the members of the Management Board, Auditing Board, and Executive Board, moral standards in their behavior, responsibility of these bodies' members, which include due diligence in attending the sessions, considering the materials and the rules for their release, and the insight into possible conflicts of interests with the Company, also, the remuneration policy, as well as other issues of importance for the corporate management.

The aim of the Company is to improve the competitive capacities of the Company, by supporting proper functioning of the financial market, and creating a favorable environment for the investment activities, with consistent application of the established standards, and main principles of the Code of Conduct and Corporate Management, related to the business transparency, clearly defined procedures for work of the decision-making bodies, avoidance of the conflict of interests, efficient internal control, and efficient accountability system.

The corporate management represents an important segment of the Mtel Company's socially responsible business and market operations thus Mtel will continue to monitor harmonization of the Company's organization and activities with the principles and standards of the Code, all with the aim of ensuring further financial stability and profitability of the Company, to the benefit of the shareholders and all stake-holders in the Company and broader social community, as well as to satisfy the interests of the Company's customers.

Mtel's statement on harmonization of the organization and activities with the Code of Conduct/Corporate Management Standards, forms an integral part of this Report, and is published on the Company's Internet site, [www.mtel.ba](http://www.mtel.ba), under the Section Investitori, and the Stock Exchange Internet site: [www.blberza.com](http://www.blberza.com).



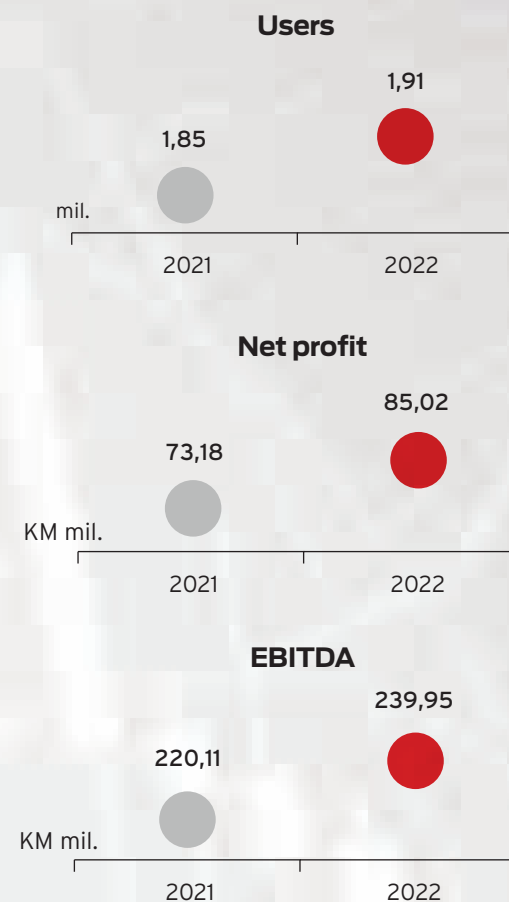
# CONSOLIDATED FINANCIAL REPORTS 2022

- BUSINESS INDICATORS
- SERVICE USERS
- CONSOLIDATED PROFIT AND LOSS  
STATEMENT AND GENERAL RESULT REPORT
- CONSOLIDATED FINANCIAL  
POSITION REPORT
- CONSOLIDATED CASH  
FLOWS REPORT
- INFORMATION PER SEGMENT
- EMPLOYEES

2022

# BUSINESS INDICATORS

	2021	2022	% change
Total revenues (in KM mil.)	527,26	<b>538,91</b>	2,2%
Total expenditures (in KM mil.)	445,36	<b>443,57</b>	-0,4%
EBITDA (in KM mil.)	220,11	<b>239,95</b>	9,0%
EBITDA margin	42,54%	<b>45,18%</b>	
EBIT (in KM mil.)	87,09	<b>102,76</b>	18,0%
EBIT margin	16,83%	<b>19,35%</b>	
Gross profit (in KM mil.)	81,89	<b>95,33</b>	16,4%
Net profit (in KM mil.)	73,18	<b>85,02</b>	16,2%
Operating assets/liabilities (in KM mil.)	1.372,17	<b>1.398,85</b>	1,9%
Number of employees	2.587	<b>2.584</b>	-0,1%



# SERVICE USERS

**The customer base of the Group includes over 1,91 million users.** The number of users increased in 2022 for approximately 60 thousand. The highest increase was in the mobile telephony services segment and in the integrated services users' number. The Group users include the users of Mtel, Supernova, and Logosoft.

USERS OF THE GROUP'S SERVICES	2021	2022	% change
Mobile telephony (million)	1,39	1,45	4,1%
Fixed telephony (tho.)	244,26	231,82	-5,1%
Integrated services (tho.)	193,63	218,24	12,7%
NET services (thousand)	258,00	268,04	3,9%

Within the Group, **the mobile telephony** services are provided by Mtel and Logosoft. Mtel users make up 99% of the total number of the mobile telephony users. Only Mtel has the prepaid users and, as of 31/12/2022, the number of prepaid users was 983,48 thousand.

**The fixed telephony** services within the Group are provided by Mtel, Blicnet, and Logosoft. The number of fixed telephony users has decreased in the recent years due to the trend of reduced interest in this form of communication, which is increasingly losing its importance.

For the **internet access** services, we offer different asymmetric speeds based on different technologies (cable, optics, wireless). The NET services are offered by Mtel, Supernova, and Logosoft. Within the internet and data services, different tariff models of internet services are available for both residential and business users. The total number of the NET service users at the Group level is 268,04 thousand, which represents 3,9% increase in the users' number, relative to the previous year.

The Group offers several different **package services** through Mtel, Blicnet, and Logosoft. The number of the integrated services users at the Group level is 218,24 thousand. The Users are offered different service packages, with two, three, or four services, whereby the packages are adjusted to the user's requirements, with the aim of increasing their level of satisfaction and loyalty. The most significant share in the total number of the integrated services users belongs to the users of the packages with two services, which participate with 55,7%.

# CONSOLIDATED PROFIT AND LOSS STATEMENT AND THE GENERAL RESULT REPORT

The consolidated profit before taxation in the business year 2022 is KM 95,33 million, which is KM 13,44 million or 16,4% more than the result realized in 2021.

## Consolidated profit and loss statement and general result report (in KM mil.)

	2021	2022	% change
Revenues from sales of goods and services	498,26	499,43	0,2%
Other business revenues	19,21	31,71	65,1%
Business expenditures	424,30	425,66	0,3%
Financial revenues	1,03	2,25	119,3%
Financial assets impairment	6,07	2,72	-55,2%
Financial expenditures	8,99	10,56	17,4%
Share in the affiliates' result	2,77	0,88	-68,3%
<b>Pre-tax profit</b>	<b>81,89</b>	<b>95,33</b>	<b>16,4%</b>
Profit tax	8,71	10,31	18,3%
<b>Net profit</b>	<b>73,18</b>	<b>85,02</b>	<b>16,2%</b>
Total other result, minus taxes	(0,020)	0,10	
<b>Total result for the period</b>	<b>73,16</b>	<b>85,12</b>	<b>16,3%</b>



In 2022, total revenues amount to KM 538,91 million, which is 2,2% more than in 2021. The total income structure consists of income from the sale of goods and services, other business income, financial income, and participation in the results of the affiliates. In the total

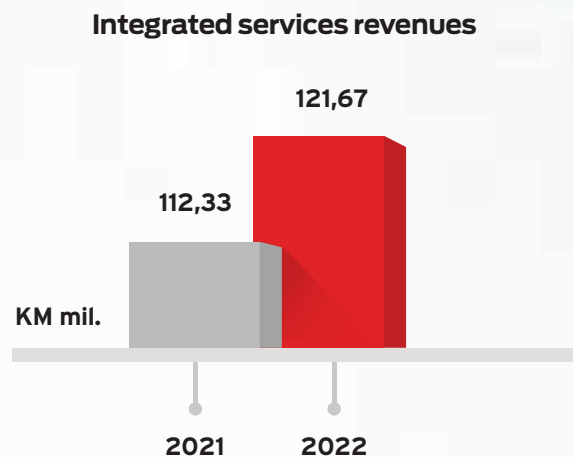
revenues structure, the most significant share belongs to the revenues from the sale of goods and services with 92,7%, which record an increase of 0,2% in 2022, relative to 2021.

**Consolidated revenues from sales of goods and services (in KM mil.)**

	2021	2022	% change
Revenues from fixed network services	58,48	57,72	-1,3%
Revenues from mobile network services	191,21	200,05	4,6%
Revenues from integrated services	112,33	121,67	8,3%
Revenues from internet access services	33,15	33,61	1,4%
Revenues from related services	37,33	35,57	-4,7%
Revenues from sales of goods	7,30	3,75	-48,6%
Revenues from ICT and other services	13,75	4,82	-65,0%
<b>Total revenues from national sales</b>	<b>453,55</b>	<b>457,20</b>	<b>0,8%</b>
Revenues from international settlement	37,06	34,82	-6,0%
Revenues from sales of license, goods, ICT and other services	7,65	7,41	-3,1%
<b>Total revenues from international sales</b>	<b>44,71</b>	<b>42,23</b>	<b>-5,5%</b>
<b>Total revenues from sales of goods and services</b>	<b>498,26</b>	<b>499,43</b>	<b>0,2%</b>

**Revenues from mobile network services** are 4,6% higher than in 2021, as a result of constant offer improvement, creation of attractive packages, and promotional offers. Mobile network revenues consist of the subscription revenues, traffic revenues, connections, and other revenues, while the traffic revenues have the most significant share of 55,2% of the total ,mobile network revenues.

**Revenues of the integrated services** are 8,3% higher, relative to 2021, as a result of the user number increase by over 24,600. The most significant growth was recorded in the subscription revenues - 9,7%. In the integrated services revenues structure, the most significant share belongs to the revenues from two services packages, followed by the revenues from three services packages.



**Revenues from the sale of goods** recorded 48,6% decrease in 2022, while **the revenues from ICT and other services** recorded 65,0% decrease, relative to 2021. The lower revenues in these two categories are closely related to the new business orientation of part of the Group in the domain of the system integration solutions. This was the very reason why some of the contracts for provision of the services were not renewed in 2022.

**Other business revenues** in 2022 were realized in the amount of KM 31,71 million and recorded an increase, relative to 2021, which was mostly made up of the income from activation of the effects, based on the costs of employees who were working on the network construction, as well as on the capital investment projects.

**The total expenditures amount to KM 443,57 million in 2021**, which is 0,4% lower relative to 2021. The total expenditures structure consists of the business expenses, financial assets depreciation, financial expenses, and participation in the results of the affiliates. Looking at the overall expenditures structure, the most significant share of 96,0% belongs to the business expenses, which recorded 0,3% increase in 2022, relative to 2021.

**Business expenditures  
(in KM mil.)**

	2021	2022	% change
Costs of materials, goods and related services	66,63	57,79	-13,3%
Costs of employees	86,92	92,03	5,9%
Costs of depreciation	133,02	137,19	3,1%
Costs of production services	107,64	102,68	-4,6%
Other operating costs	30,10	35,96	19,5%
<b>Total business expenditures</b>	<b>424,30</b>	<b>425,66</b>	<b>0,3%</b>

**The costs of materials, goods, and related services** amount to KM 57,79 million in 2022, which is 13,3% lower relative to 2021, primarily due to the lower costs of the purchase value of sold goods, and lower costs of materials for related services. In the structure of these costs, the largest share belongs to the costs of materials for related services, with 70,9%, electricity costs, with 12,9%, and costs of the purchase value of the sold goods, with 7,5%.

**Employees' expenses** in 2022 amount to KM 92,03 million, which is 5,9% more than in 2021. In 2022, a one-time payment was made to all employees, as well a salary raise for the engineering workers within Mtel.

**Depreciation costs** amount to KM 137,19 million in 2022, which is 3,1% more, relative to the year 2021.

**The costs of production services** amount to KM 102,68 million, which is 4,6% lower relative to 2021. The production services

cost structure encompasses international settlement costs, with 28,3%, other production services, with 21,7%, maintenance costs, with 19,6%, advertising and promotion costs, with 17,3%, content broadcasting fees, with 12,2%, and land and business premises lease, with 0,9%.

**Other business expenditures** amount to KM 35,96 million, which is 19,5% more, relative to 2021, primarily due to higher costs of losses from the disposal of the real estate, equipment, and intangible investments. The structure of other business expenses consists of other expenses, with 37,2%, the Regulatory Agency for Communications fees, with 30,3%, losses from the real estate, equipment, and intangible investments disposal, with 14,9%, indirect taxes, non-dependable on business result, with 14,6%, provisioning costs, with 2,8%, and deficits, with 0,2%.

# CONSOLIDATED PROFIT AND LOSS STATEMENT AND THE GENERAL RESULT REPORT

## Consolidated financial position report (in KM mil.)

	31/12/2021	31/12/2022	% change
Fixed assets	1,226,16	<b>1,245,40</b>	1,6%
Deferred tax assets	1,04	<b>0,88</b>	-15,6%
Working assets	144,96	<b>152,57</b>	5,2%
<b>TOTAL ASSETS</b>	<b>1.372,17</b>	<b>1.398,85</b>	<b>1,9%</b>
Capital	678,67	<b>679,00</b>	0,0%
Long-term liabilities and provisioning	302,49	<b>270,57</b>	-10,6%
Deferred tax liabilities	11,89	<b>14,93</b>	25,6%
Short-term liabilities and provisioning	379,13	<b>434,35</b>	14,6%
<b>TOTAL LIABILITIES</b>	<b>1.372,17</b>	<b>1.398,85</b>	<b>1,9%</b>

The value of the total assets and total liabilities of the Company, as of 31/12/2022, amounted to KM 1.398,85 million and recorded 1,9% growth, relative to 31/12/2021.

Real estate and equipment recorded 6,6% growth, relative to 31/12/2021, and the significant increase of 5,5% was shown at the construction facilities position.



# CONSOLIDATED CASH FLOW REPORT

Cash and cash equivalents were KM 24,59 million at the end of 2022, which was, relative to the final cash status in the previous year, higher for KM 4,93 million or 25,0%.

## Consolidated cash flow report (in KM mil.)

	2021	2022	% change
Net cash inflow from business activities	231,56	222,69	-3,8%
Net cash outflow from the placement and investment activities	(103,98)	(87,16)	-16,2%
Net cash outflow from the financing activities	(117,18)	(130,60)	11,5%
Net increase in cash and cash equivalents	10,40	4,93	-52,6%
Cash and cash equivalents at the beginning of the period	9,27	19,67	112,2%
Cash and cash equivalents at the end of the period	19,67	24,59	25,0%

# INFORMATION PER SEGMENT

The reporting segments at the consolidated level, in accordance with IFRS 8, are fixed network and mobile network.

The revenues and results of the segments, for the one year period, ending on 31/12/2022 and 31/12/2021, represent the revenues generated from sales to the external customers, where revenues between the segments, during this period, have been eliminated.

The profit of the segments represents the profit of each segment, including the allocation of all income-based costs, generated by each segment separately.

Revenues and result (in KM mil.)	2021			2022		
	Fixed network	Mobile network	Total	Fixed network	Mobile network	Total
Revenues from sales of goods and services	242,25	256,01	<b>498,26</b>	235,35	264,08	<b>499,43</b>
Other business revenues	9,77	9,43	<b>19,21</b>	23,26	8,45	<b>31,71</b>
Internal inter-segment settlement	72,17	32,35	<b>104,53</b>	81,66	34,10	<b>115,76</b>
Business expenditures	242,24	182,06	<b>424,30</b>	230,76	194,90	<b>425,66</b>
Financial income	0,57	0,46	<b>1,03</b>	1,42	0,83	<b>2,25</b>
Financial assets impairment	3,27	2,79	<b>6,07</b>	1,41	1,31	<b>2,72</b>
Financial expenditures	4,52	4,47	<b>8,99</b>	5,56	5,00	<b>10,56</b>
Internal inter-segment settlement	32,35	72,17	<b>104,53</b>	34,10	81,66	<b>115,76</b>
Share in the affiliates' result	1,35	1,42	<b>2,77</b>	0,41	0,46	<b>0,88</b>
<b>Pre-tax profit</b>	<b>43,72</b>	<b>38,18</b>	<b>81,89</b>	<b>70,27</b>	<b>25,06</b>	<b>95,33</b>
Profit tax	4,62	4,09	<b>8,71</b>	7,60	2,71	<b>10,31</b>
<b>Net profit</b>	<b>39,10</b>	<b>34,08</b>	<b>73,18</b>	<b>62,67</b>	<b>22,35</b>	<b>85,02</b>

# EMPLOYEES

The total number of the employees on the Group level was 2.584 on 31/12/2022.

In the employees structure, the participation of employees with the university degree is 39,8%. Out of the total number of employees, 60,9% are males. The largest share of 54,9% in the total number of employees belongs to the employees in the 30 to 50 age group.

Number of Group employees	31/12/2021	31/12/2022
Mtel, a.d. Banja Luka	2.085	2.064
Logosoft, d.o.o. Sarajevo	195	203
Blicnet, d.o.o. Banja Luka	269	279
FINANC, d.o.o. Banja Luka	39	39
<b>Total</b>	<b>2.587</b>	<b>2.584</b>

**Employees structure  
31/12/2022**

	Mtel a.d. Banja Luka	Logosoft d.o.o. Sarajevo	Blicnet d.o.o. Banja Luka	FINANC d.o.o. Banja Luka	<b>Group</b>
<b>Total number of employees</b>	<b>2.064</b>	<b>203</b>	<b>279</b>	<b>39</b>	<b>2.584</b>
<b>Employees' qualification structure</b>					
up to Secondary	1.161	103	151	30	<b>1.445</b>
College	72	29	9	0	<b>110</b>
University and higher	831	71	119	9	<b>1.029</b>
<b>Employees' age structure</b>					
under 30	230	49	38	14	<b>331</b>
30 - 50	1.070	127	200	22	<b>1.418</b>
50 and over	764	27	41	3	<b>835</b>
<b>Employees' gender structure</b>					
Male	1.239	144	174	18	<b>1.575</b>
Female	825	59	105	21	<b>1.009</b>

# SUBSIDIARIES

LOGOSOFT,  
D.O.O. SARAJEVO

BLICNET,  
D.O.O. BANJA LUKA

FINANC,  
D.O.O. BANJA LUKA

2022



# LOGOSOFT, D.O.O. SARAJEVO

## Corporate profile

# LOGOSOFT

**Registered business name:**  
Logosoft privredno društvo za  
informatički inženjering d.o.o. Sarajevo

**Shortened business name:**  
Logosoft  
d.o.o. Sarajevo

**Seat:**  
Sarajevo,  
Grabovička 4

**Industry:**  
Communications, information technologies,  
integrated business solutions

**Organizational form:**  
Limited liability company

**Activities:**  
Services in the segment:

- fixed telephony,
- mobile telephony,
- internet and data,
- ICT service,
- integrated services,
- multimedia,
- other services.

**Ownership:**  
In february 2017, Mtel a.d. Banja Luka  
became 100% owner

**Year of incorporation:**  
1995 as a computer engineering  
company

In 2017, the Logosoft d.o.o. Sarajevo Company enhanced its business activities outside the BiH market, and established the daughter company of mts sistemi i integracije d.o.o. Beograd in Serbia.

### Management bodies

Management bodies of the Company are the Company Assembly and Management. The management includes CEO, Executive Director for Sales of Services and Marketing, Executive Director for Finance and the Executive Director for Technics.

## • MISSION VISION •

Offer latest information-communication services, create extraordinary business solutions and provide the users with highest value for their money, by continuously investing in the services development, employees' education, and relations with the end users.

Following global trends, we create modern business and information-communication solutions, facilitate everyday communication, and create a better living and working environment for a modern person.

# Services portfolio

## Fixed telephony

- Fixed telephony services
- Number portability
- IP Centrex service
- Robocaller service
- Direct Routing for Microsoft Teams

## Mobile telephony

- Mobile telephony services (postpaid within integrated packages, LOGO! BIZ tariffs)
- Tariff options
- Number portability
- Mobile internet (LOGO! NET)
- International roaming services

## Internet and data

- Direct internet access services
- Internet access (xDSL)
- Logosoft PRO WiFi
- Remote locations connecting (L2VPN link, leased lines)
- Other internet and related services (DDoS protection, WEB & E-mail hosting, Domain registration)

## Integrated services

- Integrated services packages for residential users (2, 3 and 4 services)

## Multimedia services

- SUPER TV service
- Super WEB TV service

## Other services

- Civil construction and installation works

## ICT/IoT services

- Cloud services in Logosoft Data center (Virtual machines, Virtual firewall, Offline backup)
- Colocation services in the Logosoft Data Center
- Authorized Microsoft CSP partner (Microsoft 365, Windows 365 and all other Microsoft licenses)
- Cyber security solutions
- Fortinet security solutions
- Cisco security solutions
- Business solutions (Microsoft Dynamics 365 Business Central and CRM)
- System integration services
- Implementation and maintenance services

- Distribution of YubiKey security keys
- Professional IT education - authorized Microsoft education center
- Certification Services - Pearson Vue Testing Center
- Consulting services for the ISO standards implementation

## New services and improvement of existing services

In 2022, the **Cyber Security Solutions service** was presented as a comprehensive solution for cyber attacks protection. The mentioned solutions include the protection of key company resources - employees, equipment, network, identity, and data, as well as methods of prevention and additional cyber attacks protection, by introducing additional protection levels, and documenting policies, procedures, and rules, as well as education of all employees.

During 2022, new service, entitled **LOGO! NET**, was introduced for residential and business users, which enabled the use of mobile internet services in Bosnia and Herzegovina and roaming under favorable terms.

During 2022, it was performed an improvement i.e. **increase of the upload speeds for residential users** of solo and integrated/combined internet packages.

**Logosoft has strengthened its own position and set high standards in terms of provision of business information and communication services.** The Logosoft business platform combines the permanent internet links services, connection services for remote locations - VPN, fixed and mobile telephony services with mobile internet, Microsoft 365 server and business application solutions, local, global, and hybrid cloud solutions, and it represents an excellent business, information, and communication solution.

**The year 2022 was marked by the Logosoft Company's stable operations on the local market, and the expansion of the operations to the regional, as well as to the European markets.** Partnership with global cloud vendors Microsoft, Cisco and Fortinet, and direct connections with the world's largest Tier 1 IP transit parent providers, enabled the Company to plan and work on joint implementation of the cloud-based services, and

achieve a high level of availability, reliability and scalability, as well as continuity and quality of the service provision. Logosoft has further improved its portfolio of partners with Yubico, Fortinet, and Jabra manufacturers, by which it additionally enriched its security and communication solutions and services.

**During 2022, the Company has positioned itself as a perfect partner in the field of modern security cloud-based technologies and colocation services,** and Logosoft's information and communication platform, enhanced with cloud and colocation services, was recognized as the best business solution, even by the most demanding companies. The cloud-based advantages services are numerous, and among the most significant ones are cost reduction, flexibility, scalability, business continuity, and data/information security. The cloud-based services from Logosoft Data Center enable companies to focus on the market and competition, while having an accessible, safe, and reliable IT environment, in which they can achieve their aims.

**During the year, the sale of services using colocation and cloud services from Logosoft Data Center continued,** with the most users of these services being from the public sector, which confirms that Logosoft Data Center is recognized as a reliable business resource.

**The Logosoft company has the prestigious Microsoft Gold Enterprise partner competence** and has a localization CfMD module for Business Central 14, Business Central 18, Business Central 21, NAV 2018, NAV 2016, and NAV 2013, as well as a CfMD module for the HR module and payroll for the BiH market, which represents a significant comparative advantage, relative to competitor companies. Logosoft is also one of the few Microsoft Cloud Solution Providers (CSP) in this region, which provides for a direct sale of complete Microsoft cloud services portfolio, without intermediaries.

## Corporate social responsibility

The Logosoft Company allocates a large part of its profits into **corporate social responsibility** thus, in 2022, it continued to provide support in the following areas:

- **Culture**, where the Company supported Sarajevo Philharmonic, Chamber Theater 55, and Youth Theater;
- **Health**, through assistance to the Clinical Center of the University in Sarajevo, but also with one-time donation for realization of the project of marking the European Organ Donation Day and expressing gratitude to the donors in the organization of the Donor Network in Bosnia and Herzegovina;
- **Education**, where the cooperation with the the Sarajevo Canton Association of Mathematicians has continued in realization of the project - scientific popular gathering entitled "I love Mathematics". Also, the support was offered to the International Solidarity Forum - EMMAUS in marking the Safer Internet Day. In cooperation with the parent company - Mtel, the support was offered to the Conference of Innovative Teachers, which was a very important project implemented by the "Step-by-step" Center for Teaching Initiatives, which gathers best and most inovative teachers from all over Bosnia and Herzegovina;
- **Support to various humanitarian associations** whose aim is to help the most vulnerable categories of society;
- **Strengthening the project management development in BiH, and a more favorable business environment in Bosnia and Herzegovina**, through support given to the work of PMI BiH Association and AmCham BiH.
- During 2022, **in the human resources field, Logosoft realized a new legal obligation of risk assessment for all systematized positions within the Company**, by which it significantly improved the collective awareness and introduction of the preventive measures for safety at work and safe work environment, and further improved the continuity of business operations and business processes.

## Employees

The total number of the Logosoft employees, as of 31/12/2022, was 203. The total number of employees also encompassed the employees of the „mts sistemi i integracije“, d.o.o. Beograd Company.

In the employee structure, the majority of employees, 50,7%, have secondary education. Out of the total number of employees, 70,9% are males. The largest participation in the total number of employees have the employees from 30 to 50 years of age with 62,6%.

Employees' structure	31/12/2021	31/12/2022
<b>Total number of employees</b>	<b>195</b>	<b>203</b>
<b>Employees' qualification structure</b>		
up to Secondary	101	<b>103</b>
College	24	<b>29</b>
University and higher	70	<b>71</b>
<b>Employees' age structure</b>		
< 30	42	<b>49</b>
30 - 50	128	<b>127</b>
> 50	25	<b>27</b>
<b>Employees' gender structure</b>		
Male	140	<b>144</b>
Female	55	<b>59</b>



## Risk management

### Financial risks

In its business operations, the Company is exposed, in various degrees, to certain financial risks such as market risk, liquidity risk and credit risk.

### ISO standards

Risk management, conducted in accordance with the **ISO 31000 standard – Risk Management**, enables Logosoft to continuously achieves its aims through implementation of the ISO standards.

**In 2022, the Company retained five prestigious internationally recognized certificates, which confirm the compatibility with the requirements of the International ISO standard** as follows: ISO/IEC 27001: 2013 for Information Management System, ISO/IEC 20000-1: 2018 for the IT Services Management System, ISO 9001: 2015 for the Quality Management System, ISO 22301: 2019 for Security and Resilience - Business Continuity Management System and for ISO/IEC 27701: 2019 Privacy Information Management.

With the above mentioned, the Company confirmed the position of regional leader in the field of information security and privacy, services, quality and business continuity management.

# BLICNET, D.O.O. BANJA LUKA

## Corporate profile

**\*supernova**

### Registered business name:

"Blicnet", d.o.o. Banja Luka

### Shortened business name:

The \*supernova brand, since 12/09/2022, by merger of the Companies of Blicnet, Elta-Kabel and Telrad Net.

### Seat:

Banja Luka, Majke Jugovića br. 25

### Industry:

Communications, information technologies, integrated business solutions

### Organizational form:

Limited liability company

### Activities:

Wire telecommunication

- operator of the public electronic communications networks
- provider of the fixed public telephone services
- provider of the internet access
- distribution of audio-visual media services and radio media services
- numerous other activities

### Ownership:

In 2019, Mtel a.d. Banja Luka became the 100% owner

### Year of incorporation:

1992 under the name of Aneks d.o.o. Banja Luka

On 12/09/2022 it was completed the process of merger by acquisition of the Elta-kabel d.o.o. Doboj and Telrad Net d.o.o. Bijeljina companies to the acquirer company of Blicnet. The newly consolidated Company has been operating under the new joint name of „Blicnet d.o.o.“ Banja Luka and new joint brand of **\*supernova.**

### Management bodies

Decision on new internal organization of the Blicnet Company was passed in September 2022.

Management bodies of the Company are the Company Assembly and Management. The Company organization is as follows: CEO Office, Function for Marketing and Sales, Function for Economic and Legal Affairs, Function for Technics and Function for ICT and Business Solutions.

## MISSION, VISION AND STRATEGY

The Blicnet Company mission is to improve the quality of the ICT and telecommunications services we offer, by implementation of advanced technical solutions, as well as to improve the relationship we foster with our customers.

Considering the access to information and communication technology to be the basis of further development and IT literacy of our society, we are focused on creating innovative information and communication solutions, and digital and smart business operations solutions, with the aim of improving the digital transformation process in the society, and providing a quality life for citizens.

# Services portfolio

## Fixed telephony

- Fixed telephony services
- Number portability
- IP Centrex service
- Tariff options: INO+, BiH flat, Prijatelj broj
- Free user customer service number 0800
- BIZ IP trunk

## Internet i prenos podataka

- Internet service, cable, optical and wireless infrastructure
- Asymmetric Internet access
- Asymmetric direct access
- Direct Internet access
- Fix IP address
- Tariff option - Safe Internet
- Other internet services (Web hosting and Domain)
- VPN MPLS L2/L3
- Lease of E-line
- Lease of optical fiber

## Integrated services

- Service packages for residential users (2 and 3 services)
- BIZ packages of Integrated services (2 and 3 services)
- Povremeni priključak tariff option

## Multimedia services

- Digital television, cable, optical and wireless infrastructure
- Non-linear multimedia services (catch-up, pause, rewind)
- Multiscreen
- Video stores
- Streaming services

## ICT/IoT services

- Software development
- Android application development
- SMART City solutions
- System integrations and ICT solutions
- Call Center solutions (3CX)
- Server housing
- Control of access to commercial and residential facilities
- Maintenance of computer equipment
- Maintenance of telephone exchanges

## Other services

- LAN and WAN computer network design
- Design of security IT solutions
- Procurement and delivery of licenses
- Training
- Lease of WIFI and other equipment

Since September 2022, and the completion of the merger process with the Companies of Telrad Net and Elta-Kabel, a unique offer of services has been available to all business customers of the consolidated Blicnet Company, while the existing contractual services were maintained, and the possibility of signing new services contracts was provided.

## New services and improvement of existing services

**Enhancement of the availability of new OPTI packages via wireless technology**, where, in accordance with the investment plan, during 2022, the expansion and modernization of the wireless platform was carried out, to improve the internet service quality in the Federation of Bosnia and Herzegovina territory, which created the conditions for provision of higher internet speeds via wireless technology. All this had a positive effect on acquisition of new users of the internet service.

**The offer of the \*supernova tariff includes 4 video libraries** of different genres, where users can watch the domestic and foreign productions, namely: Nick plus video library, Superstar video library, Pickbox NOW, Apollon video library.

**In the HBO Premium package**, the users can watch all HBO and Cinemax channels, as well as the HBO Max service, which is an independent viewing platform that brings together new series and films produced by HBO, Warner Bros., DC, Cartoon Network and Max Originals.

By means of the standard and \*supernova digital television, it is possible to watch **many new TV channels in the program scheme**. Among the new TV channels in the offer, we emphasize the following: the FOX group TV channels,

Diva, Pickbox, Arena Premium TV channels, Bloomberg Adria, Euro Cinema TV channels, etc.

During 2022, **the MMDS platform program scheme was enhanced**, and the program scheme was unified in all cities where Blicnet has an MMDS access point. The new MMDS program scheme, after the capacity extension, offers 111 TV channels with different content.

A significant place in the services portfolio for the business users of Blicnet is occupied by the **system integration services and Smart City solutions**, the promotion of which was intensified and, during the year 2022, numerous projects in this area were realized. The trend of growth and development of the ICT segment and activities on digital solutions development will continue in the oncoming period, where the Company will continuously work on strengthening its market position as a system integrator brand, under the name of BlicnetSi/SupernovaSi with the support of the parent company (Mtel). Blicnet puts intensive efforts in defining the ICT solutions that will contribute to the digital transformation of the business operations (internally and externally), which will be the key for realization of the vision of the Company's future development.

With the aim of promotion and market of the Supernova tariffs with advanced TV functionalities, a corporate campaign, entitled "Supernova has arrived" was created, in which there were presented the benefits of the new tariffs, as well as various promotional offers. Significant marketing activities were carried out through numerous promotions and giveaways (promotion of the HBO Premium TV package, promotion of electronic invoices delivery, introduction of video libraries Apollon and Pickbox NOW into the offer, promotional free of charge period for HBO, Cinemax TV, Max TV, and Arena Premium HD channels).



The Supernova Newsletter was created in which we inform the users and other public about the latest news, events, and promotional offers of our Company.

In the promotion of the ICT solutions, the participation in the first international student conference ISCon 2022 was particularly successful.

### Capital investments in 2022:

- **The project of introducing OTT/multiscreen technology** - the implementation of the digitalization project for TV users enabled new, primarily non-linear, functionalities in the use of TV services, as well as watching of the TV content on portable devices (mobile phones and laptops).
- **Upgrade of the HFC network** - By replacing the Docsis 2.0 modems with Docsis 3.0 modems, the need opened up for upgrade of the HFC network, as well as for the individual switchboards migration to more technically demanding ones.
- **Upgrade of the wireless network** - In 2022, the MMDS system unification and the MMDS users migration, as well as the modulation migration were completed. The existing wireless system was completely revitalized.
- **Construction of the transport network** - At the end of 2022, the implementation of the project to form a unique transport network began. The project plan is to replace the existing equipment (equipment beyond the technical support period) with new equipment that will be installed.
- **Installation of equipment and enabling remote access to all NE-s** - In the oncoming period, the NE-s configuration will be done and, after providing the necessary capacities on the OTN/DWDM network, capacity migration to the new NE-s will be performed.

### Corporate social responsibility

As a socially responsible company, Blicnet has carried out numerous activities in 2022, the most significant of which are:

- **support for College student radio BLC**, which operates within the framework of Banja Luka College (BLC), and which is also available via the Internet, as well as in the program scheme of the Supernova digital cable television,
- **support to the OK Libero club from Bijeljina,**
- **participation in the meeting dedicated to the children's safety on the Internet**, held in Bijeljina, organized by the Communications Regulatory Agency
- **participant in the UIERS round table on the occasion of 60 years of ETF**, entitled "The role and position of the engineers in society", which gathered representatives of reputable companies, among which our Company as well,
- **sponsor of the second regional IT conference INIT 2022** in Banja Luka, where participants had the opportunity to listen to lectures, given by local and international experts, on the most current topics in the IT industry, and to learn about \*supernova solutions for system integrations, which resulted in the visit of the university and secondary school students who were presented the new \*supernova brand, and learned about the Company's activities and operations.
- **host of the session of the Executive Board of the branch association for the ICT industry** of the Republic of Srpska Chamber of Commerce, where one of the main conclusions was the necessity of all services digitalization, with the aim of full digitalization of the Public Administration, and creating a proper e-Administration.
- **friend of the international scientific student conference ISCon 2022**, with the topic: Smart City - Smart Life, organized by the School of Electrical Engineering from Banja Luka.
- **friend of the concerts GKUD "Pronija" from Prnjavor,**
- **in terms of environmental protection**, the ecological disposal of equipment and resources containing dangerous components was carried out.

## Employees

The total number of Blicnet employees as of 31/12/2022, was 279.

In the employee structure, the majority of employees have secondary education - 54,1%, and the university degree - 42,7%. Out of the total number of employees, 62,4% were males. The employees from 30 to 50 age group had the largest participation in the total number of employees with 71,7%.

Employees' structure	31/12/2021	31/12/2022
<b>Total number of employees</b>	<b>269</b>	<b>279</b>
<b>Employees' qualification structure</b>		
up to Secondary	156	151
College	22	9
University and higher	91	119
<b>Employees' age structure</b>		
< 30	46	38
30 - 50	199	200
> 50	24	41
<b>Employees' gender structure</b>		
Male	172	174
Female	97	105

## Risk management

In its business operations, the Company is exposed, in various degrees, to certain financial risks such as market risk (which includes the risk of the foreign currency exchange rate fluctuation, risk of the interest rate change and risk of the capital prices changes respectively), liquidity risk and credit risk.

Risk management in the Company is focused on minimizing potentially negative impacts on the Company's financial condition and operations in the unpredictable financial markets.

The company does not enter into transactions with derived financial instruments (derivatives), such as interest rate swaps or forwards. In addition, in the period ending on 31/12/2022, the Company did not trade in financial instruments.

# FINANC, D.O.O. BANJA LUKA

## Corporate profile



**Registered business name:**  
"FINANC" Društvo sa ograničenom odgovornošću za trgovinu i usluge, Banja Luka

**Shortened business name:**  
"FINANC" d.o.o. Banja Luka

**Seat:**  
Banja Luka, Dunavska 1c

**Industry:**  
Mediation in the sale of telecommunication services and provision of processing services

**Organizational form:**  
Limited liability company

**Activities:**  
Services in the segment:

- Mediation in sales
- Processing services

**Ownership:**  
In February 2020, Mtel a.d. Banja Luka became the 100% owner

**Year of incorporation:**  
2002 as limited liability company

## Management bodies

The management bodies of the Company are Company Assembly and the Director.

## MISSION VISION

Our priority is to be recognized at the market as a reliable partner in mediation of the telecommunication services sales and other services provided by our partners.

Continuous development and enhancement of a quality and reliable distribution network in the Bosnia and Herzegovina territory, to satisfy the needs of our partners and their service users, and to retain to leader's position in distribution and sales of the prepaid electronic top-ups.

## Strategy

Improvement and enhancement of the existing services, and improvement of cooperation with the business partners. Through cooperation with the Group's telecom operators, the Company's activities are significantly focused on mediation in the sale of services from their portfolio, on the entire territory of Bosnia and

Herzegovina. Respecting the needs and following the quality policy, the Company, through intensive work in the field, and continuous training and education of the sales agents, aims to set and improve standards in the provision of services, so that cooperation with the partners is mutually satisfactory.

# Services portfolio

## Fixed telephony

- Mediation in the sale of fixed telephony services for telecom operators

## Internet and data

- Mediation in the sale of internet access services for telecom operators

## Multimedia services

- Mediation in the sale of multimedia services for telecom operators

## Other services

- Processing services
- Mediation in the sale of e-vouchers, and scratch vouchers of service providers

## Mobile telephony

- Mediation in the sale e-top-ups and other prepaid mobile telephony programs
- Mediation in the sale of postpaid mobile telephony services for telecom operators

## Integrated services

- Mediation in the sale of integrated services for telecom operators



## Employees

The total number of employees of "FINANC" d.o.o. Banja Luka, as of 31/12/2022, was 39.

In the structure of employees, the majority of employees have secondary education, and participate with 76,9%. Out of the total number of employees, 53,8% are females. The employees from 30 to 50 years of age have the largest participation in the total number of employees - 56,4%.

Employees' structure	31/12/2021	31/12/2022
<b>Total number of employees</b>	<b>39</b>	<b>39</b>
<b>Employees' qualification structure</b>		
up to Secondary	30	30
University and higher	9	9
<b>Employees' age structure</b>		
< 30	14	14
30 - 50	21	22
> 50	4	3
<b>Employees' gender structure</b>		
Male	16	18
Female	23	21

## Risk management

In its business operations, the Company is exposed, in various degrees, to certain financial risks such as market risk (which includes the risk of the foreign currency exchange rate fluctuation, risk of the interest rate change and risk of the capital prices changes respectively), liquidity risk and credit risk.

Risk management in the Company is focused on minimizing potentially negative impacts on the Company's financial condition and operations in the unpredictable financial markets.

# CONTACTS

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**Financ**

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