

## PRESS INFO

February 24, 2022



ERICSSON NIKOLA TESLA d.d.  
Krapinska 45  
10000 Zagreb

SECURITY: ERNT (ISIN: HRERNTA0000)

LEI: 5299001W91BFWSUOVD63

HOME MEMBER STATE: Republic of Croatia

REGULATED MARKET SEGMENT: Regular market of the Zagreb Stock Exchange

# Ericsson Nikola Tesla Group

Management Report on the Company and Ericsson Nikola Tesla Group business performance with comments on the financial results for 2021

### Highlights:

- Sales revenue: MHRK **2,203.9**
- Gross margin: **11.5%**
- Operating profit: MHRK **186.4**
- Profit before tax: MHRK **194.2**
- Net profit: MHRK **177.3**
- Cash flow from operating activities: MHRK **369.9**

All Ericsson Nikola Tesla Group's key performance indicators show growth and a continuation of excellent business results.

Gordana Kovačević, the President of Ericsson Nikola Tesla, commented:

"In Ericsson Nikola Tesla Group, 2021 will be remembered as another year during which, with a lot of skills, knowledge and dedication, we effectively managed health, economic and social consequences of the pandemic and despite these, and all other challenges, achieved defined business targets. Strategic multi-year agreements we signed in 2020 and 2021 with the customers in Croatian and export markets, new responsibilities assigned by Ericsson to our R&D Center and other expert centers for end-to-end solutions and services, our experts' quality and innovativeness, as well as a continuous focus on new areas of growth and transformation processes in the company, had a significant positive impact on the company's results. We have been carefully monitoring and analyzing all the risks, including the disruptions in the global supply chain, as well as economic and political situation in certain markets, and our business results show that we managed to remove or mitigate most of them. We have continued to build an innovative organizational culture of high performance and invest in the future in order to secure successful and long-term sustainable business performance. Another successful year can be attributed to our continuous focus on the customers, investment in technology leadership and exceptional contribution of our employees. I would like to use this opportunity to thank all our employees for their focus, professionalism and integrity, their perseverance and dedication even in such demanding circumstances, as well as our customers and partners for their confidence in us.

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In order to support our customers and secure company's business growth, we have continued to recruit, and in 2021 more than 400 new employees strengthened our big team. The Group now has almost 3,500 employees, mainly highly educated STEM experts. The biggest software design center in Croatia is in Ericsson Nikola Tesla, where more than 1700 experts work on the latest technologies, and that has the potential for further growth. The Group continues to be at the top of the list of the most successful Croatian exporters and is a leader in exporting knowledge.

Compared to 2020, sales revenue increased by 8.9% to MHRK 2,203.9, and all market segments (domestic, export and Ericsson) recorded growth. Gross margin increased significantly to 11.5% (2020: 8.6%). Gross profit increased by 45.9% to MHRK 254.3, as a result of business mix, lower transition and transformation costs, and the effect of operational and cost efficiency programs. This resulted in strong increase of operating profit by 78.6% to MHRK 186.4. Net profit increased by 87.6% to MHRK 177.3. A strong cash flow from operating activities was also achieved, amounting to MHRK 369.9, and thus at the end of 2021, cash and cash equivalents, including short-term financial assets, amounted to MHRK 510.5.

When we talk about global trends, COVID-19 pandemic has once again confirmed the importance of digitalization and the need to connect all business processes. In operator segment, the most significant event of Q3 2020 in Croatia, a public auction for the allocation of the frequency spectrum for 5G network, gave momentum to 5G technology implementation. Our strategic partners, Hrvatski Telekom (HT) and A1 Hrvatska have intensified the implementation of 5G technology across Croatia, and our company, as the provider of solutions, equipment and services for 5G, supported them in this demanding process. We are proud to be recognized and valued as a reliable partner that provides the best customer experience on a quality and safe infrastructure, and this is also confirmed by independent international tests that rank our customers' networks among the best in the world year after year. As regards 5G, we also wish to highlight the contribution of our Research & Development Center (R&D) experts, who have been working within global teams on further development of this technology, as well as our experts from other centers, who worked on the implementation and optimization of 5G networks for Ericsson strategic customers worldwide.

In the segment of build and maintenance of fixed and mobile telecommunication infrastructure of HT, which was carried out by our daughter-company Ericsson Nikola Tesla Servisi d.o.o., we have continued a successful realization of the agreed objectives and activities, and would like to emphasize the completion of FTTH connections build for more than 100,000 households.

In ICT for Industry & Society, we have been focused on e-Health, e-Business, public safety and innovative solutions for Industry 4.0, which strengthened our overall business results. Our team developed and tested the upgrade of Central Healthcare Information System of the Republic of Croatia (CEZIH), and in cooperation with the Croatian Ministry of Health, Ministry of the Interior of the Republic of Croatia, and partners, integrated it in the comprehensive solution for EU Digital COVID Certificate. We also made a significant step forward in e-Environment. Through WaterQ project, co-financed by European funds, we are developing a solution to improve water quality control for the systems of public health and water supply.

In cooperation with all the stakeholders of the ecosystem, which includes operators, industry, public administration and education sector, we try to use 5G innovation potential in the best way possible to create new opportunities and revenues in various sectors. In this way we contribute to sustainability and global competitiveness of Croatian economy, in addition to creating new job opportunities.

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In export markets, we would like to highlight the contracts signed with the operator HT Mostar (Bosnia and Hercegovina) on upgrade and expansion of LTE RAN network, expansion of transmission network and software upgrade and expansion of systems for wireline switching. We have also continued a successful cooperation with our long-term customers, the operators Ipko (Kosovo), Crnogorski Telekom (Montenegro), beCloud (Belarus), Beltelekom (Belarus) and A1 (Belarus) on the expansion, modernization and maintenance of telecommunication networks. In ICT solutions for Industry & Society, the implementation of the second phase of the national health IT platform in Belarus is ongoing. A challenging political situation in some markets, such as in Belarus, continues at the time this report is published. We have been monitoring the situation development and continue to estimate risks in order to timely respond to potential challenges. During the year, we have continued a successful cooperation with the Croatian Bank for Reconstruction and Development (HBOR) to additionally strengthen export in certain markets, and at the same time reduce the political and the financial risks to which the company is exposed to.

The delivery of services to Ericsson has been continuously increasing, and all the activities are ongoing as planned. R&D Center and other expert centers, owing to its experts' knowledge and work, continue to build a positive perception in global corporation and significantly contribute to our company's results. The majority of activities in R&D Center is related to the most important Ericsson's 5G/Cloud products in the segment of radio access and core telecommunication networks. A continuously high quality of software deliveries was recognized by a global customer, and in Q4 2021 an additional expansion of responsibilities was secured in the latest 5G/Cloud business and other technologies. We have continued a very good cooperation with faculties in Zagreb/Split/Osijek, and thus more than 150 students have the opportunity to daily learn and develop their skills by participating in research and development projects.

Furthermore, we have continued to work with students through our Summer Camp. Last year Summer Camp marked its 20th anniversary, and during this period 820 students participated in 380 projects, supported by 150 mentors.

In 2022, we expect increase in demand for ICT solutions to continue, which opens new opportunities for our company. We will continue to invest in research, development and implementation of modern ICT solutions, as well as our own digital transformation. Moreover, we will continue to invest in skills and knowledge of our employees, who are the key to our success, take care of their physical and mental health, and open new jobs. In this way, we secure our company's successful and long-term sustainable business performance and contribute to the realization of EU objectives in a digital decade. Having in mind the importance of ICT as the foundation of the networked society's digital infrastructure, we are positive about the further development of our industry, and the role Ericsson Nikola Tesla Group has in this process.

In addition to the opportunities it brings, 2022 will be a challenging year due to political and economic uncertainties, disruptions in supply chain, significant increase in energy prices, increase in the prices of materials, raw materials and services, and will demand great knowledge, leadership and strong focus on company's strategic directives. We remain focused on further risk management, profitability and cash flow, and on corporate social responsibility. We will put our maximum efforts to continue to be as efficient and as successful, both in overcoming challenges, as well as in the realization of new business opportunities. Excellent business results achieved in 2021 motivate us for further excellence in everything we do."

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## Financial highlights for the Group:

- Sales revenue amounted to MHRK 2,203.9 (2020: MHRK 2,023.0), up by 8.9% year-over-year, and the increase was recorded in all market segments. In total sales revenue, the domestic market accounted for 47.7%, services to Ericsson accounted for 40.8%, while other export markets accounted for 11.5%.
- Sales in the Networks segment amounted to MHRK 957.3 (2020: MHRK 980.5), Digital Services segment amounted to MHRK 582.0 (2020: MHRK 464.8), Managed Services segment amounted to MHRK 658.9 (2020: MHRK 569.6), and Emerging Business and Other amounted to MHRK 5.7 (2020: MHRK 8.1).
- Gross profit was MHRK 254.3 (2020: MHRK 174.4), up by 45.9% year-over-year, as a result of business mix, lower transition and transformation costs, and the effect of operational and cost efficiency programs. Gross margin increased to 11.5% (2020: 8.6%).
- Selling and administrative expenses were 10.6% higher year-over-year, amounting to MHRK 92.7 (2020: MHRK 83.8). The share of selling and administrative expenses in sales revenue was 4.2% (2020: 4.1%).
- Operating profit amounted to MHRK 186.4, up by 78.6% year-over-year (2020: MHRK 104.4) as a result of significant increase in gross profit.
- Gain from financial activities amounted to MHRK 7.8 (2020: MHRK 2.2) as a result of positive exchange differences and interest income.
- Profit before tax increased by 82.1% year-over-year to MHRK 194.2 (2020: MHRK 106.6).
- Net profit amounted to MHRK 177.3 (2020: MHRK 94.5), up by 87.6% year-over-year. Return on Sales (ROS) was 8.0% (2020: 4.7%).
- Cash flow from operating activities amounted to MHRK 369.9 (2020: MHRK 308.1) because of advanced payments and excellent cash collection from certain customers.
- Working Capital Efficiency, expressed in WCD, was 8 days (2020: 25 days), and excluding services to Ericsson, Working Capital Efficiency was 25 days (2020: 44 days). The reduced number of Working Capital Days is the result of finalization of demanding network modernization projects, which until now required a longer and a more intense engagement of material and human resources.
- Cash and cash equivalents, including short term financial assets, as at December 31, 2021, amounted to MHRK 510.5 (42.4% of the total assets), while at the end of 2020, they amounted to MHRK 314.0 (31.6% of the total assets). The increase of cash is the result of increase of business activities, good cash collection from customers and received advanced payments on certain contracts.
- The Group has a solid balance sheet with the total assets of MHRK 1,203.7 as at December 31, 2021, up by 21.1% compared to the end of 2020. The increase of balance sheet is mainly contributed by the work-in progress (WIP) conditioned by the contract execution dynamics, new receivables as well as strong growth of cash in the observed period. Equity ratio was 33.6% (end of 2020: 34.8%).
- With related parties, the transactions were as follows: sales of products and services amounted to MHRK 900.0 (2020: MHRK 858.4), while the procurement of products and services amounted to MHRK 297.2 (2020: MHRK 314.7).
- As at December 31, 2021, balances outstanding with related parties were as follows: receivables amounted to MHRK 76.8 (end of 2020: MHRK 89.0), and payables MHRK 12.6 (end of 2020: MHRK 10.9).

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### Business situation in major markets

**In the domestic market**, sales revenue amounted to MHRK 1,051.2 (2020: MHRK 926.7), up by 13.4% year-over-year.

With the strategic partner Hrvatski Telekom, we signed 3 contracts related to design/ build of the passive part of FTTH network. The contracts are co-financed by the European Structural and Investment Funds and will enable the build of the next generation access networks (NGA) and fast and ultra-fast broadband access to network infrastructure for business and public users from remote, not as densely populated and not as developed areas of the Republic of Croatia. We have continued a successful realization of the Management Services Agreement for the construction and maintenance of fixed and mobile telecommunications infrastructure, supervision of the telecommunications network, and field maintenance of the active access and passive network, and we would like to highlight the build of FTTH connections for more than 100,000 households.

In the domain of the radio part of mobile network, the focus of our strategic parentship was on the activities related to 5G technology implementation. After the allocation of the frequency spectrum for 5G since mid-August 2021, HT enabled gigabit transfer speed in several towns across Croatia. Moreover, with the support of Ericsson Nikola Tesla's experts, in October 2021 the capabilities of 5G+ technology were demonstrated, with the achieved speeds of up to 4 Gbit/s, and network response time of only 10 milliseconds.

With the strategic partner A1 Hrvatska, important multi-year agreements were signed in 2021. The first agreement was signed in March in radio network and referred to multi-year cooperation on the introduction of 5G radio technology, as well as existing network modernization and expansion of capacities on LTE technology. The second important contract was signed during summer, and encompasses the convergent 5G core network that will, along with the existing core network, secure the possibility to provide an advanced 5G user experience as a response to increasing demands of end users and business clients of A1 Hrvatska. Following the procedure of frequency spectrum allocation in August 2021, A1 Hrvatska successfully launched 5G service into commercial operation on the frequencies 700 MHz and 3.5 GHz. Moreover, 5G service is also commercially active on the existing frequency spectrum by using the Dynamic Spectrum Sharing (DSS) technology. At the same time, a successful cooperation on the implementation of 5G radio access network was expanded by the delivery of antenna systems (Ericsson Antenna System), as well as the expansion and modernization of microwave transmission systems.

In regard to ICT solutions for Industry & Society, contracts were signed with the State Geodetic Administration and the Ministry of Justice and Public Administration for the development and upgrade of the One Stop Shop-OSS of the Joint Information System of Land Registry and Cadaster (JIS). With the Ministry of Justice and Public Administration a contract was signed for the creation of the central database for local and regional municipalities. With the company Odašiljači i veze d.o.o., we signed a contract for the implementation of private 5G network. With the Ministry of the Interior of the Republic of Croatia, we have continued the implementation of the state border monitoring solution. Moreover, further informatization of the Joint Information System of Land Registry and Cadaster has continued. For the Croatian Ministry of Health, further IT upgrade of the Central Healthcare Information System of the Republic of Croatia continued.

**In export markets** (excluding services to Ericsson) sales revenue amounted to MHRK 253.2 (2020: MHRK 234.4), up by 8.0% year-over-year.

In addition to the negative impact of COVID-19 pandemic, the political and economic crisis in certain markets has been additionally aggravating business performance. In operator segment, sales revenue decreased due to operators' investment dynamics, which was offset by the increase in revenue in the Industry & Society segment from the contract related to healthcare informatization in Belarus.

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In Q4 2021, contracts with HT Mostar were signed for the upgrade and expansion of LTE RAN network, expansion of transmission network and software upgrade and expansion of wireline switching system. Thus, by using Ericsson solutions, HT Mostar will expand the capacities of 4G/4G+ network and increase coverage, which means better services and the best possible experience for end users.

We have continued the activities on the modernization and expansion of telecommunication network of Crnogorski Telekom and in cooperation with Ericsson Nikola Tesla, this operator was the first one in Montenegro to have implemented and tested 5G. With the operator IPKO we have agreed further expansion and upgrade of LTE RAN network, expansion of transmission network and software upgrade and expansion of system for packet network. In the Belarusian market, with caution and focus on business risks mitigation, several new contracts were signed related to mobile networks expansion of operators beCloud and A1 Belarus.

In ICT for Industry & Society, we have continued the implementation of the Central Software Platform for the Centralized e-Health System of the Republic of Belarus. During Q3, the project's first phase was accepted (creating project documents with the requested platform software specifications), and in Q4 we have continued the activities within the project's second phase (detailed specification of platform functionalities and software solution development). In the segment of Industry 4.0, we started the implementation of the management and monitoring platform of the industry's impact on the environment for EP HZHB – (Elektroprivreda Mostar).

**In Ericsson market**, sales revenue amounted to MHRK 899.5 (2020: MHRK 861.9), up by 4.4% year-over-year.

At the end of 2021, Ericsson Nikola Tesla's R&D Center had over 1500 employees. In the business segment Networks, besides the development of features related to classic and 5G products, a prototype presentation was successfully delivered, and we have also gained new responsibilities in Compute and Digital Silicon area. Within the business segment Digital Services in the area Mobile Switching Center, activities continued in automation and virtualization, and additional SIP (Session Initiation Protocol) features were prepared for final delivery. In the area Home Location Register, numerous features were delivered, and customer support requests were successfully executed. Within Cloud, besides the development and verification activities, transfer of new responsibilities is ongoing, and an increased scope of planned activities for 2022 was confirmed. In the area Unified Data Management, the work on a number of features and quality improvements is ongoing, as well as on the verification activities. In Service Area Networks, Wireline and Legacy, number of customer support activities were successfully executed, and support services for the next period were agreed.

The experts from the Center for Services and Solutions for Networks, in addition to projects for the customers of Ericsson Nikola Tesla Group, are included in the design and optimization activities and integration of various technologies for Ericsson customers in the United Kingdom, Germany, Sweden, Switzerland, Spain, Ireland, Denmark, Norway, Belgium, Czech Republic, Slovakia, Romania, Lithuania, Greece, Malta, Morocco, Algeria, Canada, USA, Saudi Arabia, Bahrein, Singapore, Kenya, India, Pakistan, Nigeria, Japan, Indonesia, Malaysia, Taiwan, Vietnam, Hong Kong, Brazil, Japan, SAR, etc. We also became one of the four Ericsson regional centers in the world for services in Networks – Service Area Network and build – Service Area Build.

The activities continued on the development and implementation of software tools for mobile networks management and optimization which are used in the network rollout by many operators worldwide, with which Ericsson and Ericsson Nikola Tesla do business.

Experts from Services and Solutions Center in the field of Digital Services, Media and Operations, in addition to projects for the customers of Ericsson Nikola Tesla Group, were also engaged on projects for Ericsson customers in the United Kingdom, Germany, Sweden, Switzerland, Denmark, Finland, France, Luxembourg, the Netherlands, Ireland, Norway, Lithuania, Italy, Greece, Albania, Macedonia, Czech Republic, Australia, Tahiti, Pakistan, Mexico, etc. These are complex projects of introduction of 5G technology, operational and business

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support systems, as well as projects of introduction of core solutions in Cloud.

Within the program EU Insulae h2020 (Industry 4.0), we have been developing a platform for monitoring and management of energy flows on the island Unije. This includes building a platform which collects data for sensors' infrastructure based on IoT technologies, analyses the data and with the assistance of artificial intelligence provides recommendations to optimize consumption.

The teams working in IT& Engineering Services, in addition to providing excellent support and achieving excellent results on test environment management projects and IT operations for Ericsson corporation, also had a key role in transformation processes of Ericsson Nikola Tesla Group and provided quality support for a smooth work from home and remote support to customers.

The ICT segment for Industry and Society, in addition to many projects for Ericsson Nikola Tesla's customers, also achieved quality results on projects in IoT platforms and Connected Urban Traffic for the needs of Ericsson corporation.

## Other information

Ericsson Nikola Tesla's major shareholders (as at December 31, 2021)

	Number of shares	% of share capital
Telefonaktiebolaget LM Ericsson	653,473	49.07
PBZ d.d. / Raiffeisen mandatory pension fund, B category	123,514	9.28
Erste & Steiermarkische Bank d.d. / PBZ Croatia osiguranje mandatory pension fund, B category	40,490	3.04
OTP banka d.d. / Erste Plavi mandatory pension fund, B category	30,961	2.33
Raiffeisenbank Austria d.d. / Raiffeisen voluntary pension fund	16,739	1.26
PBZ d.d. / custodian client account	10,703	0.80
PBZ d.d. / The Bank of New York as Custodian	9,860	0.74
OTP banka d.d. / OTP Index fund - open-end alternative investment fund with public offering	9,474	0.71
Ericsson Nikola Tesla d.d.	6,951	0.52
Vuleta Ivica	5,318	0.40
Other shareholders	424,167	31.85

Share price information in 2021:

Highest (HRK)	Lowest (HRK)	Closing (HRK)	Market cap. (in MHRK)
1,950.00	1,500.00	1,840.00	2,450.2



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Ericsson Nikola Tesla d.d.  
Krapinska 45  
Zagreb

OIB: 84214771175

Pursuant to the Articles 462 to 468 of the Capital Market Law (Official Gazette 65/18) the Managing Director of the joint stock company Ericsson Nikola Tesla d.d. Zagreb, Krapinska 45 gives the following:

Statement  
of the Management Board responsibility

The accompanying consolidated and non-consolidated financial statements have been prepared in compliance with the International Financial Reporting Standards (IFRS). The financial statements also comply with the provisions of the Croatian Financial Accounting Law valid as of the date of these financial statements.

Unaudited financial statements for the period January 1, 2021 to December 31, 2021 present a true and fair view of the financial position of the Company and the Group and of the financial performance and cash flows in compliance with applicable accounting standards.

Managing Director:

Gordana Kovačević, MSc

A handwritten signature in black ink, appearing to read "Gordana Kovačević".



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For additional information, please contact:

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For more information about Ericsson Nikola Tesla's business, please visit: <http://www.ericsson.hr>

Ericsson Nikola Tesla d.d.  
Consolidated statement of comprehensive income  
for the period ended 31 December 2021

	<b>2021</b>	<b>2020</b>
	<b>HRK '000</b>	<b>HRK '000</b>
Sales revenue	2.203.897	2.022.953
Cost of sales	-1.949.570	-1.848.582
<b>Gross profit</b>	<b>254.327</b>	<b>174.371</b>
Selling expenses	-42.455	-40.122
Administrative expenses	-50.290	-43.707
Other operating income	26.000	23.185
Impairment loss on financial assets	-1.158	-9.336
<b>Operating profit</b>	<b>186.424</b>	<b>104.391</b>
Finance income	9.566	6.125
Finance expense	-1.802	-3.884
Finance income/(expense), net	7.764	2.241
<b>Profit before tax</b>	<b>194.188</b>	<b>106.632</b>
Income tax	-16.840	-12.092
<b>Profit for the year</b>	<b>177.348</b>	<b>94.540</b>
Other comprehensive income	-115	-222
<b>Total comprehensive income for the year</b>	<b>177.233</b>	<b>94.318</b>
<b>Earnings per share (HRK)</b>	<b>133</b>	<b>71</b>

Ericsson Nikola Tesla d.d.  
Consolidated statement of financial position  
as at 31 December 2021

	<b>2021</b>	<b>2020</b>
	<b>HRK '000</b>	<b>HRK '000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	134.198	153.802
Right of use assets	52.087	53.955
Intangible assets	5.257	4.522
Loans and receivables	21.928	37.867
Deferred tax assets	15.606	9.541
<b>Total non-current assets</b>	<b>229.076</b>	<b>259.687</b>
<b>Current assets</b>		
Inventories	142.852	86.616
Trade receivables	201.473	193.332
Contract assets	-	-
Receivables from related parties	76.808	89.002
Other receivables	35.994	6.226
Income tax receivable	181	11.979
Prepayments	6.787	33.411
Financial assets at fair value through profit or loss	32.997	32.966
Cash and cash equivalents	477.487	281.056
<b>Total current assets</b>	<b>974.579</b>	<b>734.587.510</b>
<b>TOTAL ASSETS</b>	<b>1.203.655</b>	<b>994.275.019</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	133.165	133.165
Treasury shares	-12.422	-506
Legal reserves	6.658	6.658
Reserve for treasury shares	36.512	13.904
Reserve of currency conversion	-397	-281
Retained earnings	240.526	192.934
<b>Total equity</b>	<b>404.042</b>	<b>345.874</b>
<b>Non-current liabilities</b>		
Borrowings	17.031	30.387
Lease liabilities	33.674	37.384
Other non-current liabilities	446	1.095
Employee benefits	8.597	10.388
<b>Total non-current liabilities</b>	<b>59.748</b>	<b>79.254</b>
<b>Current liabilities</b>		
Payables to related parties	12.628	10.937
Borrowings	14.134	14.316
Trade and other payables	253.501	230.553
Income tax payable	16.806	2.463
Provisions	13.601	13.718
Accrued charges and deferred revenue	120.483	87.262
Contract liabilities	289.976	192.322
Lease liabilities	18.736	17.576
<b>Total current liabilities</b>	<b>739.865</b>	<b>569.147</b>
<b>Total liabilities</b>	<b>799.613</b>	<b>648.401</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1.203.655</b>	<b>994.275</b>

Ericsson Nikola Tesla d.d.  
Consolidated statement of cash flows  
for the period ended 31 December 2021

	<b>2021</b>	<b>2020</b>
	<b>HRK '000</b>	<b>HRK '000</b>
<b>Cash flows from operating activities</b>		
<i>Profit before tax</i>	194.188	106.632
Adjustments for:		
Depreciation and amortisation	57.096	55.686
Effects of lease derecognition	-19	-217
Impairment losses and reversals	760	-8.715
Gain on sale of property, plant and equipment	-68	-168
Net loss/(gain) on remeasurement of financial assets	-121	-265
Amortisation of discount	52	13
Interest income	-3.739	-6.023
Interest expense	1.728	1.943
Foreign exchange (gains)/losses, net	-4.806	4.823
Equity-settled transactions	4.404	3.269
	<b>249.475</b>	<b>156.978</b>
<i>Changes in working capital</i>		
In receivables	9.841	55.681
In inventories	-58.162	86.097
In provisions	-1.903	-2.589
In payables	177.205	15.112
<i>Cash generated from operations</i>	376.456	311.279
Interest paid	-1.991	-1.880
Income taxes paid	-4.518	-1.299
<b>Net cash from operating activities</b>	<b>369.947</b>	<b>308.100</b>
<b>Cash flows from investing activities</b>		
Interest received	2.835	1.777
Dividends received	59	59
Proceeds from sale of property, plant and equipment	108	201
Purchases of property, plant and equipment, and intangible assets	-17.544	-59.649
Deposits given to financial institutions - net	-1.236	789
Receipt of government grant	1.324	11.261
Net change of financial assets at fair value through profit and loss	-	5.013
<b>Net cash used in investing activities</b>	<b>-14.454</b>	<b>-40.549</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	-	53.182
Repayment of borrowings	-14.831	-46.369
Purchase of treasury shares	-14.307	-1.235
Dividends paid	-109.166	-65.231
Payment of lease liabilities	-22.807	-23.050
<b>Net cash used in financing activities</b>	<b>-161.111</b>	<b>-82.703</b>
Effects of exchange rate changes on cash and cash equivalents	2.049	-1.698
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>196.431</b>	<b>183.150</b>
Cash and cash equivalents at the beginning of the year	281.056	97.906
<b>Cash and cash equivalents at the end of the year</b>	<b>477.487</b>	<b>281.056</b>