

PRESS INFO

February 21, 2023



ERICSSON NIKOLA TESLA d.d.
Krapinska 45
10000 Zagreb

SECURITY: ERNT (ISIN: HRERNTRA0000)
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 2022

Highlights:

- Sales revenue: MHRK **2,242.1**
- Gross margin: **8.2%**
- Operating profit: MHRK **128.5**
- Profit before tax: MHRK **132.3**
- Net profit: MHRK **119.2**
- Cash flow from operating activities: MHRK **187.0**

Gordana Kovačević, President of Ericsson Nikola Tesla, commented:

"In 2022, Ericsson Nikola Tesla Group achieved a stable business performance despite the extremely dynamic and turbulent business environment, with sales revenue of more than 2.24 billion HRK, 1.7% more compared to the record 2021. The share of export in the total revenue remained at a high level of 56.7%, which confirms the company's leading position in the ranking of Croatian exporters. In line with our strategic directions, we have focused on excellence in the realization of many projects for customers in the domestic and export markets. By finding new business opportunities, we have tried to offset the negative impact of sanctions imposed on Belarus on our business performance. Furthermore, we had a strong focus on monitoring and mitigating the impacts of many risks, primarily the effect of inflation that manifested in the increase of prices of materials and raw materials, significant growth of energy prices and increase of labor costs.

The domestic market was marked by the continuation of investments of the leading operators, Hrvatski Telekom and A1 Hrvatska, in the build of fiber and 5G network, in which we support them as the long-term reliable partner. However, due to the increase of electricity prices and inflation, the operators have optimized their investment dynamic in certain business segments, which had an impact on our sales revenue. In Digital Society segment, we have signed several contracts aimed at further digital transformation of public services, which partially offset lower revenues in the operator segment. We worked intensively on projects in e-Health, e-Business, public security, transport and on innovative solutions for Industry 4.0, which resulted in cooperation agreements with the Ministry

PRESS INFO

February 21, 2023



of Justice and Public Administration of the Republic of Croatia, Ministry of Culture and Media of the Republic of Croatia, Croatian Institute for Public Health, State Geodetic Administration, Ministry of the Interior of the Republic of Croatia, the City of Split, etc.

In the neighboring markets, we have continued a quality cooperation with the operators HT Mostar, Crnogorski Telekom and Ipko Kosovo. I would like to highlight a contract that was signed at the end of 2022 with a new customer Telekom Kosova, with which we started the cooperation related to the modernization of core and radio network. This partnership strengthens our position in the Kosovo market, where we have been present for many years, and since 2013 we have an office in Priština, which we plan to expand.

As the consequence of the imposition of EU sanctions on Belarus, we had to terminate the contract for the project of implementation of eHealth of the Republic of Belarus and to stop all new sales activities in this market. We have continued to perform the contractual obligations from the contracts in the operator segment that had been signed before the sanctions, strictly adhering to the decisions of sanctions that were introduced by EU institutions. In accordance with the new situation, we have completely restructured our office in Belarus.

A significant part of our business refers to services to Ericsson through activities of our research and development center and other expert centers. This business segment has been recording a continuous growth and accounted for almost 46% of the sales revenue. By working on products and projects that secure Ericsson's technology leadership, our Research and Development Center (R&D) has positioned itself as one of the top-rated centers within the global corporation. We would like to highlight the contribution of our experts in the development of new features in 5G, as well as taking over new responsibilities in Cloud. Our experts in other expert centers for solutions and services also record excellent results on many projects worldwide and significantly contribute to the company's results.

In regard to key performance indicators, sales revenue increased by 1.7% year-over-year, primarily owing to sales growth in services to Ericsson, as well as Digital Society in the domestic market. Gross margin decreased to 8.2%, as a result of sanctions in Belarus, but also due to business mix, increase in labor costs, increase of the prices of services as well as energy, raw materials and materials. Operating profit decreased by 31.1% to MHRK 128.5. If we exclude the one-off impact of the termination of eHealth contract in Belarus, gross margin was 9.7% compared to 11.5% in 2021, while the operating profit decreased by 15% to MHRK 158.4. Cash flow from operating activities was MHRK 187.0, which is better than planned, considering the market environment. We concluded the year with a solid balance sheet, with equity ratio of 34.7%. Cash and cash equivalents, including the short-term financial assets at the end of the year amounted to MHRK 557.5 (44.4% of the total assets), while at the end 2021, they amounted to MHRK 510.5 (42.4% of the total assets).

In line with our strategy of growth and business decentralization, at the beginning of June we opened an office in Rijeka. I believe that this office will, like our locations in Split and Osijek, become a center of excellence where ICT experts, by working on the latest technologies and developing modern ICT solutions, products and services, contribute to the digital transformation of Croatia and other countries where we operate. In September, we also celebrated 40 years of successful operation of Ericsson Nikola Tesla's office in Split. Almost 700 experts work in this office; most of them work on the development of the latest solutions in R&D center, and along with them, there are also experts for Customer Solutions and Services in operator segment, Digital Society segment and IT&Test Environment.

Traditionally, in Q3 we successfully held Ericsson Nikola Tesla's 21st Summer Camp. We are proud that over the years, Summer Camp transformed from an idea of involving students in the work of the company, in order to gain

PRESS INFO

February 21, 2023



first-hand experience, into a brand that represents successful cooperation between the academic community and the economy. Participation in the Summer Camp allows students to work on the most advanced technologies in a business environment and enables the company to find top talents. Many participants of our Summer Camp now work for the company. Last year we also participated in many events intended for students, primarily from the STEM field, with the aim to familiarize young people, future experts, who are motivated to work on innovative local and global projects, with the company's operations, and we shall continue to do so in the future. Ericsson Nikola Tesla is the largest software design center in Croatia and beyond. Out of more than 3,500 employees of Ericsson Nikola Tesla Group, more than 1,800 experts work on software design in our R&D Center and other expert centers. In 2022, we hired more than 350 experts who continue to build the company's culture with their innovative approach and with quality mentoring, they quickly become involved in the company's business processes.

As a socially responsible company, we are focused on the quality cooperation with all stakeholders, customers, partners, employees and shareholders. Therefore, we are especially pleased that our efforts have been recognized and valued by Hanfa award for the best compliance with the Code of Corporate Governance among the issuers on the Regular Market of the Zagreb Stock Exchange, and the "Award for building public trust" for the most transparent reporting awarded by PwC Croatia in cooperation with the Zagreb Stock Exchange.

In 2023, we expect the trend of growing demand for ICT solutions to continue, which opens new opportunities for our company on the market. Therefore, we continue to implement our strategy, with an emphasis on investing in research, development and implementation of modern ICT solutions, the development of employees' knowledge and skills, and our own digital transformation. By hiring and retaining talented experts and investing in people, we will be able to respond to market demands and secure the long-term sustainability of business.

Considering that business challenges that marked 2022, such as high inflation, geopolitical conflicts and macroeconomic uncertainty, are also impacting business operations this year, our strong focus remains on risk management, profitability and cash flow, and corporate social responsibility.

We are also committed to further strengthen the company's culture based on integrity, ethics and compliance, and we are certain that with the highest standards in the area of compliance, we secure additional competitive advantage and sustainability.

Our long-term strategic positioning in ICT technologies, innovative solutions, strong leadership and employees' competences provide an excellent position for further growth and success of the company and create additional value for all our stakeholders.

I would like to use this opportunity to thank all the employees of Ericsson Nikola Tesla Group for their dedicated work, innovative approach and reliable support to our customers, and thank our customers and partners for their cooperation and trust. “

Financial highlights for the Group:

- Sales revenue amounted to MHRK 2,242.1 (2021: MHRK 2,203.9), up by 1.7% year-over-year, as a result of sales increase in services to Ericsson and sales in the Digital Society segment in the domestic market. In total sales revenue, the domestic market accounted for 43.3%, services to Ericsson accounted for 45.7%, while other export markets accounted for 11%. In the company's sales revenue, the share of total export accounted for 56.7%.

PRESS INFO

February 21, 2023



- Sales in the Networks segment amounted to MHRK 1,037.0 (2021: MHRK 957.3), Digital Services segment amounted to MHRK 645.9 (2021: MHRK 582.0), Managed Services segment amounted to MHRK 555.9 (2021: MHRK 658.9), and Other amounted to MHRK 3.3 (2021: MHRK 5.7).
- Gross profit was MHRK 183.8 (2021: MHRK 254.3), down by 27.7% year-over-year, primarily due to higher costs as a result of termination of eHealth implementation contract in Belarus, as well as business mix, increase of labor costs, increase of prices of services as well as energy, raw materials and materials. Gross margin decreased to 8.2% (2021: 11.5%). If we exclude the one-off impact of the termination of eHealth implementation contract in Belarus, gross margin was 9.7%.
- Selling and administrative expenses increased by 2.5% year-over-year, amounting to MHRK 95.1 (2021: MHRK 92.7). The share of selling and administrative expenses in sales revenue is at the previous year's level, amounting to 4.2%.
- Operating profit amounted to MHRK 128.5, down by 31.1% year-over-year (2021: MHRK 186.4), due to lower gross profit. If we exclude the one-off impact of the termination of eHealth implementation contract in Belarus, operating profit decreased by 15% to MHRK 158.4.
- Gain from financial activities amounted to MHRK 3.8 (2021: MHRK 7.8), due to the revaluation of financial assets, expiration of certain customer financing contracts, and exchange differences. Profit before tax amounted to MHRK 132.3 (2021: MHRK 194.2), down by 31.9% year-over-year.
- Net profit amounted to MHRK 119.2 (2021: MHRK 177.3), down by 32.8% year-over-year. Return on Sales (ROS) was 5.3% (2021: 8.0%).
- Cash flow from operating activities amounted to MHRK 187.0 (2021: MHRK 369.9) which is better than planned, considering the market environment.
- Working Capital Efficiency, expressed in WCD, increased to 13 days (2021: 8 days), and excluding services to Ericsson, Working Capital Efficiency was 32 days (2021: 25 days). The number of WCD is impacted by the implementation dynamics of the demanding/complex ongoing projects, price increase and disruptions in supply chains.
- Cash and cash equivalents, including short term financial assets, as at December 31, 2022, amounted to MHRK 557.5 (44.4% of the total assets), while at the end of 2021, they amounted to MHRK 510.5 (42.4% of the total assets) and are in line with the planned regular activities.
- The Group has a solid balance sheet with the total assets of MHRK 1,255.2 as at December 31, 2022, up by 4.3% compared to the end of 2021, mainly due to the increase in customer receivables and more cash and cash equivalents on the accounts on the date of the balance sheet. Equity ratio was 34.7% (end of 2021: 33.6%).
- With related parties, the transactions were as follows: sales of products and services amounted to MHRK 1,024.2 (during 2021: MHRK 900.0), while the procurement of products and services amounted to MHRK 277.2 (during 2021: MHRK 297.2).
- As at December 31, 2022, balances outstanding with related parties were as follows: receivables amounted to MHRK 134.7 (end of 2021: MHRK 76.8), and payables MHRK 52.7 (end of 2021: MHRK 12.6).

PRESS INFO

February 21, 2023



Business situation in major markets

In the domestic market, sales revenue amounted to MHRK 970.7 (2021: MHRK 1,051.2), down by 7.7% year-over-year. Sales in the operator segment decreased by 11%, while in the Digital Society segment sales increased by almost 20%.

With Hrvatski Telekom we have continued a quality cooperation in all business segments. Based on the existing 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, all the agreed targets were realized until the end of Q4. The deliveries related to contracts of design and build of the passive part of FTTH networks and procurement and installation of passive FTTH material, co-financed by the European Structural and Investment Funds, are also ongoing as planned.

Our strategic partnership in the domain of the radio part of mobile network has certainly contributed that Hrvatski Telekom wins, in addition to umlaut „Best in Test“ award, once again „Ookla Speedtest Awards“ recording the best annual Speed Score™ as well as the best Coverage Score™ result.

With the strategic partner A1 Hrvatska we have continued the activities related to the expansion of coverage and capacity of radio 5G network, as well as modernization and expansion of capacities of radio access network. At the same time, the cooperation continued on the realization of contracts related to build of convergent core network, as well as on the modernization of microwave transmission systems. The realization of contract for the delivery of radio access active equipment for the build of next generation mobile broadband access network in areas without broadband infrastructure and without sufficient market interest for investments, co-financed by the Operational Programme Competitiveness and Cohesion funds, is ongoing.

In the Digital Society segment, we have been working intensely on the realization of contracted activities as well as on new business opportunities in the segment of e-Health, management of spatial plans, digitalization of public administration and public safety, digitalization of cultural heritage, e-Environment, solutions for “Smart cities”, as well as other innovative solutions for the digital transformation of industry and society. During Q4, with the Ministry of Justice and Public Administration of the Republic of Croatia, a contract was signed for the development of modules with new functionalities for the improvement of Human Resources Management (HRM) system. With the Croatian Health Insurance Fund, a contract was signed for the procurement of adjustment and migration services of the CEZIH application system, which represents the continuation of the modernization of the Central Health Information System of the Republic of Croatia. With the Ministry of the Interior of the Republic of Croatia we have signed a contract for the maintenance of stationary thermal imaging systems of the green border in several locations.

In export markets (excluding services to Ericsson) sales revenue amounted to MHRK 247.2 (2021: MHRK 253.2), down by 2.3% year-over-year.

The quality cooperation with the operators HT Mostar, Crnogorski Telekom and IPKO continues on the expansion and modernization of their telecommunication networks.

With HT Mostar, we have contracted the final phase of the 4G/4G+ mobile network implementation project, as well as services of support and expansion of this operator’s transmission network. Based on these contracts, coverage and capacity will increase, and will provide HT Mostar users with higher speeds and a better user experience on the road to 5G.

In 2022, several contracts were also signed with Crnogorski Telekom. We would like to highlight a five-year contract signed in October, by which a long-term successful cooperation continues on the improvement and modernization of Crnogorski Telekom mobile network. During Q4, the activities continued on the mobile network

PRESS INFO

February 21, 2023



modernization which include an increase of capacity, expansion and coverage of Montenegro with 5G signal.

In Kosovo market, with the operator Telekom Kosova, we started the cooperation related to the modernization of core and radio network and maintenance of this operator's network. The contract encompasses the modernization and virtualization of the entire core network, introduction of the state-of-the-art equipment in radio part of the network and the implementation of Kosovo international code 383 in the network.

An unstable political environment in Belarus continues. After the sanctions had been introduced, we have terminated the contract for the project of implementation of eHealth of the Republic of Belarus and have stopped the signing of the already agreed new contracts in the operator segment. In line with the obtained time limited permits from sanctions committees of the Republic of Croatia and the European Union, we are finishing the realization of certain obligations in the operator segment for the contracts that were signed before the EU's sanctions for Belarus came into force, strictly adhering to the measures.

Services to Ericsson recorded sales revenue of MHRK 1,024.2 (2021: MHRK 899.5), up by 13.9% year-over-year.

In 2022, Research and Development (R&D) Center of Ericsson Nikola Tesla successfully delivered key functionalities in all business areas (Networks, Mobile Switching Center, Unified Data Management, Cloud). We would like to highlight a significant contribution of our experts in the development of *New Radio (NR) Dual Connectivity* feature by which Ericsson has achieved 4Gps, which is at the moment record speed in 5G telecom networks. The contribution of Ericsson Nikola Tesla's R&D teams was also recognized in developing the first Voice over New Radio release and its commercial launch at a few 5G networks. Due to this, the customers can start to deliver a new and superior user experience via a cloud-native 5G Standalone architecture. We are proud that we are able to contribute in such an important milestone, as standalone 5G is the future of wireless.

Ericsson Nikola Tesla's R&D Center also received new responsibilities. Within Cloud area, after Ericsson had discontinued assignments with the suppliers in Russia, we have dedicated additional teams and took over their responsibilities and have successfully delivered the projects/products in line with the initial plan. Thereby, we have proven the organization's strong flexibility in challenging and unpredictable situations.

Experts from Customer Services and Solutions Center, in addition to projects for the customers of Ericsson Nikola Tesla Group, have worked on projects for Ericsson customers on the activities of creating solutions and defining network parameters, optimization and integration of solutions and technologies in many EU member states and other countries such as the United Kingdom, Switzerland, the United States of America, Canada, Japan, Singapore, Indonesia, India, Saudi Arabia, etc. These are complex projects that, among other activities, include the introduction of 5G technology, operational and business support systems, as well as projects of introduction of core solutions in Cloud. The activities also continue on the development and implementation of software tools for management and optimization of mobile networks which are used in network rollout by many operators worldwide.

In the Digital Society segment, our experts, 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.

The teams working on activities in the area of 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 digital transformation processes of Ericsson Nikola Tesla Group and provided quality support for smooth work for Ericsson Nikola Tesla Group's employees, as well as remote support to customers.

PRESS INFO

February 21, 2023



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, 2022 to December 31, 2022 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".

PRESS INFO

February 21, 2023



For additional information, please contact:

Antonija Lončar

Director Marketing, Communication and CSR

Ericsson Nikola Tesla d.d.

Krapinska 45

HR-10 002 Zagreb

Tel.: +385 1 365 4473

Mob.: +385 91 365 4473

E-mail: antonija.loncar@ericsson.com

Orhideja Gjenero

Investor Relations Manager

Ericsson Nikola Tesla d.d.

Krapinska 45

HR-10 002 Zagreb

Tel.: +385 1 365 4431

Mob.: +385 91 365 4431

E-mail: orhideja.gjenero@ericsson.com

E-mail: odnosi.investitori@ericsson.com

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 2022

	2022	2021
	HRK '000	HRK '000
Sales revenue	2.242.084	2.203.897
Cost of sales	-2.058.312	-1.949.570
Gross profit	183.772	254.327
Selling expenses	-43.195	-42.455
Administrative expenses	-51.861	-50.290
Other operating income	40.104	26.000
Impairment loss on financial assets	-333	-1.158
Operating profit	128.487	186.424
Finance income	7.275	9.566
Finance expense	-3.505	-1.802
Finance income/(expense), net	3.770	7.764
Profit before tax	132.257	194.188
Income tax	-13.087	-16.840
Profit for the year	119.170	177.348
Other comprehensive income	375	-115
Total comprehensive income for the year	119.545	177.233
Earnings per share (HRK)	90	133

Ericsson Nikola Tesla d.d.
Consolidated statement of financial position
as at 31 December 2022

	2022	2021
	HRK '000	HRK '000
ASSETS		
Non-current assets		
Property, plant and equipment	121.256	134.198
Right of use assets	44.644	52.087
Intangible assets	4.854	5.257
Loans and receivables	15.768	21.928
Deferred tax assets	24.013	15.606
Total non-current assets	210.535	229.076
Current assets		
Inventories	99.648	142.852
Trade receivables	228.220	201.473
Contract assets	0	-
Receivables from related parties	134.748	76.808
Other receivables	15.650	35.994
Income tax receivable	50	181
Prepayments	8.811	6.787
Financial assets at fair value through profit or loss	31.074	32.997
Cash and cash equivalents	526.448	477.487
Total current assets	1.044.649	974.579
TOTAL ASSETS	1.255.184	1.203.655
EQUITY AND LIABILITIES		
Equity		
Share capital	133.165	133.165
Treasury shares	-17.090	-12.422
Legal reserves	6.658	6.658
Reserve for treasury shares	40.331	36.512
Reserve of currency conversion	-22	-397
Retained earnings	272.557	240.526
Total equity	435.599	404.042
Non-current liabilities		
Borrowings	1.621	17.031
Lease liabilities	27.901	33.674
Other non-current liabilities	4	446
Employee benefits	8.311	8.597
Total non-current liabilities	37.837	59.748
Current liabilities		
Payables to related parties	52.739	12.628
Borrowings	14.134	14.134
Trade and other payables	319.353	253.501
Income tax payable	4.224	16.806
Provisions	15.949	13.601
Accrued charges and deferred revenue	166.203	120.483
Contract liabilities	192.240	289.976
Lease liabilities	16.906	18.736
Total current liabilities	781.748	739.865
Total liabilities	819.585	799.613
TOTAL EQUITY AND LIABILITIES	1.255.184	1.203.655

Ericsson Nikola Tesla d.d.
Consolidated statement of cash flows
for the period ended 31 December 2022

	2022	2021
	HRK '000	HRK '000
Cash flows from operating activities		
<i>Profit before tax</i>	132.256	194.188
Adjustments for:		
Depreciation and amortisation	49.183	57.096
Effects of lease derecognition	-	-19
Impairment losses and reversals	-1.761	760
Gain on sale of property, plant and equipment	-638	-68
Net loss/(gain) on remeasurement of financial assets	1.923	-121
Amortisation of discount	1	52
Interest income	-3.141	-3.739
Interest expense	1.871	1.728
Foreign exchange (gains)/losses, net	-649	-4.806
Share-based payments	7.510	4.404
<i>Changes in working capital</i>		
In receivables	-49.108	9.841
In inventories	44.534	-58.162
In provisions	2.061	-1.903
In payables	36.902	177.205
<i>Cash generated from operations</i>	220.944	376.456
Interest paid	-1.667	-1.991
Income taxes paid	-32.319	-4.518
Net cash from operating activities	186.958	369.947
Cash flows from investing activities		
Interest received	3.430	2.835
Dividends received	-	59
Proceeds from sale of property, plant and equipment	884	108
Purchases of property, plant and equipment, and intangible assets	-14.805	-17.544
Deposits given to financial institutions - net	12.901	-1.236
Receipt of government grant	-	1.324
Net cash from / (used in) investing activities	2.410	-14.454
Cash flows from financing activities		
Repayment of borrowings	-26.190	-14.831
Purchase of treasury shares	-10.849	-14.307
Dividends paid	-84.751	-109.166
Payment of lease liabilities	-19.387	-22.807
Net cash used in financing activities	-141.177	-161.111
Effects of exchange rate changes on cash and cash equivalents	770	2.049
Net increase/(decrease) in cash and cash equivalents	48.961	196.431
Cash and cash equivalents at the beginning of the year	477.487	281.056
Cash and cash equivalents at the end of the year	526.448	477.487

Ericsson Nikola Tesla d.d.
Statement of comprehensive income
for the period ended 31 December 2022

	2022	2021
	HRK '000	HRK '000
Sales revenue	1.661.347	1.522.626
Cost of sales	-1.530.606	-1.351.875
Gross profit	130.741	170.751
Selling expenses	-42.568	-42.775
Administrative expenses	-41.819	-39.965
Other operating income	98.766	22.918
Impairment loss on financial assets	-216	-385
Operating profit	144.904	110.544
Finance income	7.151	9.630
Finance expense	-3.046	-1.142
Finance income/(expense), net	4.105	8.488
Profit before tax	149.009	119.032
Income tax	-1.491	-3.825
Profit for the year	147.519	115.207
Other comprehensive income	-	-
Total comprehensive income for the year	147.519	115.207
Earnings per share (HRK)	111	87

Ericsson Nikola Tesla d.d.
Statement of financial position
as at 31 December 2022

	2022 HRK '000	2021 HRK '000
ASSETS		
Non-current assets		
Property, plant and equipment	117.111	129.380
Right of use assets	30.928	29.231
Intangible assets	677	1.080
Investments in subsidiaries	1.052	1.053
Loans and receivables	15.817	21.976
Deferred tax assets	19.763	12.555
Total non-current assets	185.348	195.275
Current assets		
Inventories	56.145	89.048
Trade receivables	118.686	108.484
Receivables from related parties	144.466	80.178
Other receivables	20.649	36.236
Financial assets at fair value through profit or loss	31.074	32.997
Prepayments	8.359	6.335
Cash and cash equivalents	457.185	332.301
Total current assets	836.564	685.579
TOTAL ASSETS	1.021.912	880.854
EQUITY AND LIABILITIES		
Equity		
Share capital	133.165	133.165
Treasury shares	-17.090	-12.421
Legal reserves	6.658	6.658
Reserve for treasury shares	40.331	36.512
Retained earnings	207.478	139.322
Total equity	370.542	303.236
Non-current liabilities		
Borrowings	1.619	16.982
Lease liabilities	24.269	21.314
Other non-current liabilities	-	442
Employee benefits	5.782	6.102
Total non-current liabilities	31.670	44.840
Current liabilities		
Payables to related parties	44.977	5.797
Borrowings	14.088	14.088
Trade and other payables	221.823	148.676
Income tax payable	2.089	4.103
Provisions	15.771	13.307
Accrued charges and deferred revenue	129.883	91.365
Contract liabilities	184.214	247.309
Lease liabilities	6.855	8.133
Total current liabilities	619.700	532.778
Total liabilities	651.370	577.618
TOTAL EQUITY AND LIABILITIES	1.021.912	880.854

Ericsson Nikola Tesla d.d.
Statement of cash flows
for the period ended 31 December 2022

	2022	2021
	HRK '000	HRK '000
Cash flows from operating activities		
<i>Profit before tax</i>	149.009	119.032
Adjustments for:		
Depreciation and amortisation	36.613	45.171
Effects of lease derecognition	-	-3
Impairment losses and reversals	-310	-400
Gain on sale of property, plant and equipment	-584	-43
Net loss/(gain) on remeasurement of financial assets	1.923	-121
Amortisation of discount	1	52
Interest income	-3.154	-3.741
Dividend income	-57.493	-
Interest expense	1.438	1.058
Foreign exchange (gains)/losses, net	-1.034	-4.651
Share-based payments	7.510	4.405
<i>Changes in working capital</i>		
In receivables	-39.902	4.580
In inventories	32.904	-44.869
In provisions	2.144	-1.524
In payables	82.487	128.943
<i>Cash generated from operations</i>	211.552	247.889
Interest paid	-1.113	-1.238
Income taxes paid	-9.188	-78
Net cash from operating activities	201.251	246.573
Cash flows from investing activities		
Loans given	-7.535	-
Interest received	3.429	2.834
Dividends received	57.493	59
Proceeds from sale of property, plant and equipment	621	108
Purchases of property, plant and equipment, and intangible assets	-12.838	-15.262
Deposits given to financial institutions - net	12.901	-1.208
Receipt of government grant	-	1.325
Net cash from / (used in) investing activities	54.071	-12.144
Cash flows from financing activities		
Repayment of borrowings	-26.190	-14.831
Purchase of treasury shares	-10.849	-14.307
Dividends paid	-84.751	-109.166
Payment of lease liabilities	-9.409	-11.697
Net cash used in financing activities	-131.199	-150.001
Effects of exchange rate changes on cash and cash equivalents	761	2.040
Net increase/(decrease) in cash and cash equivalents	124.884	86.468
Cash and cash equivalents at the beginning of the year	332.301	245.833
Cash and cash equivalents at the end of the year	457.185	332.301