

PRESS INFO

October 27, 2021



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 the first nine months of 2021

Highlights:

- Sales revenue: MHRK **1,533.0**
- Gross margin: **11.5%**
- Operating profit: MHRK **132.2**
- Profit before tax: MHRK **135.4**
- Net profit: MHRK **114.7**
- Cash flow from operating activities: MHRK **235.3**

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

"We have closed another successful quarter, during which we have continued to achieve excellent business results and position ourselves as the market leader in new technologies. The most significant event of the third quarter that will impact on the overall telecom market of the Republic of Croatia, was a public auction of the frequency spectrum for 5G network (700 MHz, 3600 MHz, and 26 GHz), held in August. By allocating 5G spectrum, for the operators in Croatia a new chapter was opened in the implementation of 5G technology, which has the potential to transform our economy. We shall therefore, in cooperation with all the stakeholders of the ecosystem, which includes key operators, industry, public administration and education sector, in the best way possible, try to use 5G innovation potential to create new opportunities and revenues in various sectors. This is the only way in which we can secure sustainability and global competitiveness of our economy, in addition to creating new job opportunities.

Compared with the first nine months of 2020, sales revenue increased by 6.2%, and revenue growth was recorder in all market segments. With the export share of 52.4% in total sales results, the company is highly ranked on the list of Croatia's largest exporters. Gross margin records a significant increase to 11.5% (first nine months of 2020: 8.7%), because of business mix, lower transition and transformation costs, and the effect of operating and cost efficiency programs. As a result of higher gross profit and retaining selling and administrative expenses at the approximately same level year-over-year, the operating profit increased by 73.3% to MHRK 132.2, while net profit increased by 70.9% to MHRK 114.7. A strong cash flow from operating activities was also realized, amounting to

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MHRK 235.3, and thus cash and cash equivalents, including the short-term financial assets, at the end of third quarter amounted to MHRK 400.9.

In the domestic market, our partners Hrvatski Telekom and A1 Hrvatska have continued to strongly focus on further 5G network development and the possibilities that 5G network implementation will offer to business sector and private users. The strategic cooperation with A1 Hrvatska on the implementation of 5G radio access network was expanded to the implementation of convergent 5G core solution, which is an important step towards the realization of full 5G user experience. With Hrvatski Telekom, we have continued a successful cooperation on the introduction of 5G technology and the development of fiber access network. Immediately after the allocation of radio-frequency spectrum for 5G, Hrvatski Telekom and A1 Hrvatska launched the full implementation of 5G across Croatia. Our company, as the provider of solutions, equipment, and services for 5G, provided an extensive support to operators in this demanding process. We are proud of the fact that we are recognized and valued as a reliable partner, who can provide the best user experience for the customer, on quality and safe infrastructure.

In ICT for Industry & Society, we have signed new contracts with the Croatian Ministry of Justice and Public Administration, State Geodetic Administration, and the Ministry of the Interior of the Republic of Croatia. We have been intensely working on innovative solutions in e-Health, e-Business, and public safety, thus strengthening our overall business results.

We have also made a step forward in e-Environment (Industry 4.0), which we have recognized as a strategically important segment in regard to new business opportunities, as well as our additional contribution to environmental protection. With the Ministry of Economy and Sustainable Development, and the Croatian Agency for SMEs, Innovations, and Investments, we have signed a contract for the grant from EU Structural and Investment Funds with the aim to implement WaterQ project (digital transformation of water quality monitoring). The company "Elektroprivreda Hrvatske zajednice Herceg Bosne d.d. Mostar" has chosen our ICT solution that will enable predictive analytics for the purpose of improving environmental protection and sustainable development.

The political and economic situation in certain export markets, such as the Belarussian market, remained unchanged since the last report. Respectively, we have been increasingly monitoring and estimating potential obstacles in business performance, as well as other business risks. We have given special attention also to disruptions in global supply chain and take certain measures to mitigate the negative impact on our contractual obligations on all markets. We expect that delivery issues will continue to represent a risk. Our integrated system of business risk management - Enterprise Risk Management, that has been a part of our management system for many years, and that we are continuously improving, makes it easier for us to perceive and mitigate potential business risks. We believe that, in addition to knowledge and skills, it is precisely our organizational culture – professionalism, respect, perseverance and integrity in doing business – what allows us to achieve good business results, even in challenging times.

During Q3, we have continued a quality cooperation with our major customers in export markets, focusing on timely delivery of contracted business deals, and new business opportunities.

The delivery of services to Ericsson has been continuously growing, and all the activities are ongoing as planned. At the recently held regular semi-annual R&D Management Business Review (OSG) meeting, a high level of satisfaction of internal users/sponsors of our R&D Center was once again confirmed in all categories and all business segments. The maturity and excellence of R&D Center according to technology, operational, collaboration and other criteria determines the business future, retaining of the existing and gaining new business and responsibilities, as well as positioning within the global R&D community. Our goal is to be the first choice of our sponsors for the expansion and taking over new responsibilities in propulsive, highly valued areas, and we can

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achieve this through knowledge and innovation, and quality of deliveries. Considering that services to Ericsson, on which the experts from R&D and other experts center work on (Networks, Digital services, including Media and Operations, ICT for Industry & Society, IT&Test Environment Operations), in addition to strategic importance, also account for 40% of the company's total revenue, this R&D Centre's accomplishment is especially important.

We have continued the activities of Ericsson Nikola Tesla Group's digital transformation with the aim to simplify and further automate processes, as well as improve user experience, in order to be an even more efficient and quality partner for our customers.

When we talk about the business trends, it is clear that the impact of COVID-19 pandemic continues to strongly reflect on all spheres of life and work. In operator segment, globally and locally, great efforts and investments in mobile network development continue. State administration bodies, companies and individuals demand better connectivity and service availability at any time and from any location. Therefore, it is necessary to encourage investments in faster introduction of high-capacity infrastructure, such as 5G, with the simultaneous improvement of availability, which will create prerequisites for society's digital transformation.

The challenges caused by the pandemic have once again showed that people are the strength of Ericsson Nikola Tesla Group. In addition to the prevention measures we have been undertaking with the aim to protect our employees' health, such as organizing vaccination, we remain focused on the care of other employee work conditions and benefits. The program PrevENTION, that we initiated with the purpose of a comprehensive approach to employee health, has received a very positive feedback. We continue the program with a series of lectures on healthy lifestyle, exercising workshops, as well as group and individual discussions with the aim to strengthen employee mental health.

The results realized during the first nine months, in addition to strong leadership and the dedication and motivation of our employees, support our belief that the Group's 2021 targets will be achieved. We continue the activities to realize contracted business, with a strong focus on quality, risk management, profitability, and operating cash flow. We have been continuously improving our ethics and compliance program, with the aim to further strengthen the company's culture based on integrity, compliance governance, and fighting corruption.

Furthermore, to stay competitive, we have been investing in strategic areas, development of new solutions and products, as well as competence development, and have continued hiring. In 2021, we hired 347 experts, and I would like to use this opportunity and invite ICT experts who are interested in working on interesting jobs, especially in software development, to join us.

The role of ICT industry has been growing and will continue to grow as a platform that will enable development, connectivity and create new opportunities for industries and individuals. In addition to the recognized Ericsson technology leadership in 5G, innovative solutions and products developed in Ericsson Nikola Tesla and the quality of our experts, which has been additionally verified on numerous projects worldwide, Ericsson Nikola Tesla is, and will remain, an important factor in creating a comprehensive 5G ecosystem. Therefore, our focused strategy with a vision of a world where unlimited connectivity and innovative ICT solutions improve lives, redefine business and create a sustainable future, remains unchanged and gains additional momentum. "

Financial highlights for the Group:

- Sales revenue amounted to MHRK 1,533.0 (first nine months 2020: MHRK 1,443.5), up by 6.2% year-over-year. In total sales revenue, the domestic market accounted for 47.6%, services to Ericsson accounted for 42.2%, while other export markets accounted for 10.2%.

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- Sales in the Networks segment amounted to MHRK 671.5 (first nine months 2020: MHRK 731.8), Digital Services segment amounted to MHRK 407.1 (first nine months 2020: MHRK 317.6), Managed Services segment amounted to MHRK 449.4 (first nine months 2020: MHRK 388.1), and in the segment Emerging Business and Other, MHRK 5.0 (first nine months 2020: MHRK 6.1).
- Gross profit was MHRK 176.8 (first nine months 2020: MHRK 125.1), up by 41.3% 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% (first nine months 2020: 8.7%).
- Selling and administrative expenses was slightly up year-over-year, amounting to MHRK 62.2 (first nine months 2020: MHRK 62.1). The share of selling and administrative expenses in sales revenue was 4.1% (first nine months 2020: 4.3%).
- Operating profit amounted to MHRK 132.2, up by 73.3% year-over-year (first nine months 2020: MHRK 76.2) because of significant increase in gross profit.
- Gain from financial activities amounted to MHRK 3.2 (first nine months 2020: MHRK -1.1) because of positive exchange differences and interest income.
- Profit before tax increased by 80.2% year-over-year to MHRK 135.4 (first nine months 2020: MHRK 75.1).
- Net profit amounted to MHRK 114.7 (first nine months 2020: MHRK 67.2), up by 70.9% year-over-year. Return on Sales (ROS) was 7.5% (first nine months 2020: 4.7%).
- Cash flow from operating activities amounted to MHRK 235.3 (first nine months 2020: MHRK 232.9) because of received advanced payments and excellent cash collection from certain customers.
- Working Capital Efficiency, expressed in WCD, was 8 days (first nine months 2020: 35 days), and excluding services to Ericsson, Working Capital Efficiency was 22 days (first nine months 2020: 71 day). 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 September 30, 2021, amounted to MHRK 400.9 (34.5% 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, received advanced payments on certain contracts and less investment outflows/activities.
- The Group has a solid balance sheet with the total assets of MHRK 1,161.9 as at September 30, 2021, up by 16.9 % 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 and new demands, as well as strong growth of cash in the observed period. Equity ratio was 30.2% (end of 2020: 34.8%).
- With related parties, the transactions were as follows: sales of products and services amounted to MHRK 645.9 (first nine months 2020: MHRK 630.6), while the procurement of products and services amounted to MHRK 203.3 (first nine months 2020: MHRK 225.2).
- As at September 30, 2021, balances outstanding with related parties were as follows: receivables amounted to MHRK 85.6 (end of 2020: MHRK 89.0), and payables MHRK 38.4 (end of 2020: MHRK 10.9).

Business situation in major markets

In the domestic market, sales revenue amounted to MHRK 729.8 (first nine months 2020: MHRK 664,6), up by 9,8 % year-over-year.

In cooperation with Hrvatski Telekom d.d. (HT), we have enabled the commercial use of 5G technology in the existing spectrum significantly before 5G frequencies were allocated. HT has been continuously investing in the leading position when it comes to 5G turning-point in Croatia, and at the auction mentioned, for the investment amount of MHRK 130, HT secured the single largest amount of spectrum in the next 15 years on a national level, thus creating a strategic leverage for its further network development. Already now HT's network, through 5G radio access network and services, whose supplier is Ericsson Nikola Tesla Group, secures coverage for 2 million citizens.

One of HT's main goals is also investing in infrastructure, primarily in the development of fiber access network. Based on 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, Ericsson Nikola Tesla Group has been continuously participating in the rollout of fiber access network, and in the first nine months 2021, the realized amount of FTTH connections was almost double as compared to the previous year, which was also successful.

Ericsson Nikola Tesla Group remains focused on the realization of all agreed 2021 targets and a joint intensive planning of activities in 2022.

With A1 Hrvatska, the tests of radio 5G technology on frequency bands of 700 MHz and 3.5 GHz were successfully completed with excellent results. Following the implemented procedure of frequency spectrum allocation in August, A1 Hrvatska successfully launched 5G service into commercial operation, on new frequencies, as well as on the existing frequency spectrum, by using the Dynamic Spectrum Sharing (DSS) technology. A successful partnership cooperation on the implementation of 5G radio access network was extended also on the implementation of convergent 5G core solution. Owing to this cooperation, a comprehensive system to provide advanced 5G user experience will be implemented, as a response to an increasing demand of end users and business clients of A1 Hrvatska. After implemented, the system will create prerequisites for industrial automation and robotization in real time, assisted and autonomous driving, providing reliable low latency network and network slicing for special purposes. All these are prerequisites for Industry 4.0, and positioning Croatia as globally competitive country. Furthermore, 5G cloud native standalone technology brings additional benefits for the users of A1 Hrvatska, including a simple, and for end user's, unnoticeable migration from 4G towards 5G solution, modernization of the network's existing infrastructure and network layer, and automation and evolution of network towards the new 5G services.

In ICT for Industry & Society, with the Ministry of Justice and Public Administration we have signed a contract for the services of design, development and implementation of the system within the project: "Land Data Management". With the State Geodetic Administration, we have signed a contract for the upgrade of Joint Information System of Land Registry and Cadaster (JIS) with new functionalities within the loan from the World Bank for the project of implementation of an integrated land administration system. With the Ministry of Interior of the Republic of Croatia, we have contracted the maintenance of stationary systems for state border monitoring. We have continued with the new activities on upgrade of Central Healthcare Information System of the Republic of Croatia (CEZIH) regarding the processes of vaccination, as well as the healthcare portal upgrade.

In export markets (excluding services to Ericsson) sales revenue amounted to MHRK 157,0 (first nine months 2020: MHRK 145.8), up by 7,7% year-over-year. In addition to the negative impact of COVID-19 pandemic, the political and economic crisis in certain markets, primarily in Belarus and Bosnia and Herzegovina, additionally aggravates business performance.

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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 e-Health informatization in Belarus.

The activities continue on the modernization and maintenance of telecommunication networks with the operators HT Eronet (Bosnia and Herzegovina), Crnogorski Telekom (Montenegro) and IPKO (Kosovo). In Belarus, in addition to being cautious and focused on risk reduction, the activities continue with the operator beCloud on projects of LTE network expansion, and with the operator A1 Belarus on the expansion of transmission network.

In ICT for Industry & Society, the most significant activities are on the implementation of Central Software Platform for the Centralized e-Health System of the Republic of Belarus. The project's first phase was accepted (creating project documents with requested software platform specifications), and the activities within the second phase, referring to a detailed specification of platform functionalities, and software solution development, are ongoing. A contract was signed with the Ministry of Internal of Montenegro for the maintenance of 112 calls system.

In Ericsson market, sales revenue amounted to MHRK 646.2 (first nine months 2020: MHRK 633.1), up by 2,1% year-over-year.

Ericsson Nikola Tesla's Research and Development (R&D) Center continued with the realization of strategic business and projects. The regular semiannual review confirmed high level of internal users' satisfaction and showed maturity of the R&D Center, according to technological, operational and collaborative criteria. In business segment Networks, development of significant number of features related to classic and 5G products is ongoing with additional responsibilities within development process. Within the business area Digital Services, activities continue in the area Mobile Switching Center, on the development of the number of SIP features, planned to be released in Q4. In the area Home Location Register new features were delivered and customer support requests were successfully executed. Within Cloud, besides development and product verification, preparation for new responsibilities is ongoing. Centralized User Database delivered features according to plan. In Service Area Networks, Wireline and Legacy, number of customer support activities were successfully executed, and several integration projects are ongoing including new, complex features for specific customers.

The experts from the Center for Services and Solutions for Networks, in addition to the projects for the customers of Ericsson Nikola Tesla Group, are included in the activities of integration and optimization of various technologies for Ericsson customers in the United Kingdom, Germany, Sweden, Switzerland, Ireland, Spain, Denmark, Norway, Belgium, Czech Republic, Lithuania, Greece, Malta, Algeria, Canada, USA, Saudi Arabia, Bahrain, Singapore, Kenya, India, Pakistan, Japan, Indonesia, Malaysia, Taiwan, Vietnam, Hong Kong, Brazil, SAR, etc.

The work has also continued on the development and implementation of software tools for mobile networks management and optimization that 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, Czech Republic, Australia, Tahiti, Pakistan, Mexico, etc. These are complex projects of introduction of 5G technology, operational and business support systems, as well as projects of introduction of core solutions in Cloud.

The teams working in IT& Engineering Services, in addition to providing excellent support and are achieving excellent results on test environment management projects and IT operations for Ericsson corporation, also have a key role in transformation processes of Ericsson Nikola Tesla Group, and provide a quality support for a smooth

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work from home and remote support to customers.

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

Other information

Ericsson Nikola Tesla major shareholders (as at September 30, 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
Addiko 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	38,965	2.93
PBZ d.d. / The Bank of New York as Custodian	13,608	1.02
PBZ d.d. / custodian client account	11,103	0.83
OTP banka d.d. / OTP Index fund - open-end alternative investment fund with public offering	9,474	0.71
Raiffeisenbank Austria d.d. / Raiffeisen voluntary pension fund	8,094	0.61
Vuleta Ivica	5,318	0.40
PBZ d.d. / /NLB Skladi _Slovenija mešani	3,947	0.30
Other shareholders	423,664	31.81

Share price information in Q3 2021:

Highest (HRK)	Lowest (HRK)	Closing (HRK)	Market cap. (in MHRK)
1,750.00	1,580.00	1,705.00	2,270.5

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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 September 30, 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 dark ink, appearing to read "Gordana Kovačević".

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For additional information, please contact:

Snježana Bahtijari

Company Communications Director

Ericsson Nikola Tesla d.d.

Krapinska 45

HR-10 002 Zagreb

Tel.: +385 1 365 4556

Mob.: +385 91 365 4556

Fax: +385 1 365 3156

E-mail: snjezana.bahtijari@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

Fax: +385 1 365 3156

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 30 September 2021

	2021 HRK '000	2020 HRK '000
Sales revenue	1.533.027	1.443.534
Cost of sales	-1.356.232	-1.318.396
Gross profit	176.795	125.138
Selling expenses	-28.216	-31.238
Administrative expenses	-34.015	-30.886
Other operating income	17.724	13.879
Other operating expenses	-132	-648
Operating profit	132.156	76.246
Finance income	4.560	1.827
Finance expense	-1.361	-2.941
Finance income/(expense), net	3.199	-1.114
Profit before tax	135.355	75.132
Income tax	-20.626	-7.981
Profit for the year	114.729	67.151
Other comprehensive income	-161	-103
Total comprehensive income for the year	114.568	67.048
Earnings per share (HRK)	86,67	50,45

Ericsson Nikola Tesla d.d.
Consolidated statement of financial position
as at 30 September 2021

	2021 HRK '000	2020 HRK '000
ASSETS		
Non-current assets		
Property, plant and equipment	134.874	153.802
Right of use assets	55.631	53.955
Intangible assets	4.437	4.522
Loans and receivables	20.785	37.867
Deferred tax assets	9.562	9.541
Total non-current assets	225.288	259.688
Current assets		
Inventories	147.850	86.616
Trade receivables	262.281	193.332
Receivables from related parties	85.833	89.002
Other receivables	25.807	6.226
Income tax receivable	241	11.979
Prepayments	13.657	33.411
Financial assets at fair value through profit or loss	33.058	32.966
Cash and cash equivalents	367.851	281.056
Total current assets	936.578	734.588
TOTAL ASSETS	1.161.866	994.275
EQUITY AND LIABILITIES		
Equity		
Share capital	133.165	133.165
Treasury shares	-3.746	-506
Legal reserves	6.658	6.658
Reserve for treasury shares	38.903	13.904
Reserve of currency conversion	-442	-281
Retained earnings	175.786	192.934
Total equity	350.325	345.874
Non-current liabilities		
Borrowings	20.369	30.387
Lease liabilities	35.822	37.384
Other non-current liabilities	380	1.095
Employee benefits	8.355	10.388
Total non-current liabilities	64.926	79.254
Current liabilities		
Payables to related parties	38.389	10.937
Borrowings	14.109	14.316
Trade and other payables	270.990	230.553
Income tax payable	12.619	2.463
Provisions	16.514	13.718
Accrued charges and deferred revenue	125.488	87.262
Contract liabilities	248.520	192.322
Lease liabilities	19.987	17.576
Total current liabilities	746.615	569.147
Total liabilities	811.541	648.401
TOTAL EQUITY AND LIABILITIES	1.161.866	994.275

Ericsson Nikola Tesla d.d.
Consolidated statement of cash flows
for the period ended 30 September 2021

	2021 HRK '000	2020 HRK '000
Cash flows from operating activities		
<i>Profit before tax</i>	135.355	75.132
Adjustments for:		
Depreciation and amortisation	43.153	42.380
Impairment losses and reversals	-126	2.028
Gain on sale of property, plant and equipment	-33	-164
Net loss/(gain) on remeasurement of financial assets	-229	-95
Interest income	-2.487	-1.795
Interest expense	1.306	1.574
Foreign exchange (gains)/losses, net	-2.963	3.508
Equity-settled transactions	2.285	2.451
	176.261	125.019
<i>Changes in working capital</i>		
In receivables	-54.446	-18.995
In inventories	-61.234	57.494
In provisions	768	-5.348
In payables	179.240	76.879
<i>Cash generated from operations</i>	240.589	235.050
Interest paid	-1.555	-1.088
Income taxes paid	-3.722	-1.107
Net cash from operating activities	235.312	232.855
Cash flows from investing activities		
Interest received	2.581	898
Dividends received	60	59
Proceeds from sale of property, plant and equipment	100	155
Purchases of property, plant and equipment, and intangible assets	-10.822	-43.037
Deposits given to financial institutions - net	-1.236	0
Receipt of government grant	1.325	9.115
Net change of financial assets at fair value through profit and loss	0	5.105
Net cash used in investing activities	-7.993	-27.706
Cash flows from financing activities		
Proceeds from borrowings	0	52.099
Repayment of borrowings	-11.308	-32.573
Purchase of treasury shares	-3.240	-1.235
Dividends paid	-109.166	0
Payment of lease liability	-17.086	-17.287
Net cash used in financing activities	-140.800	1.003
Effects of exchange rate changes on cash and cash equivalents	277	-1.552
Net increase/(decrease) in cash and cash equivalents	86.796	204.600
Cash and cash equivalents at the beginning of the year	281.056	97.906
Cash and cash equivalents at the end of the year	367.851	302.506

Annex 1

ISSUER'S GENERAL DATA

Reporting period:

1.1.2021

to

30.9.2021

Year:

2021

Quarter:

3.

Quarterly financial statements

Registration number (MB):

03272699

Issuer's home Member

State code:

HR

Entity's registration
number (MBS):

0800002028

Personal identification
number (OIB):

84214771175

LEI:

5299001W91BFWSUOVD63

Institution
code:

233

Name of the issuer: ERICSSON NIKOLA TESLA D.D. ZAGREB

Postcode and town:

10000

Zagreb

Street and house number:

Krapinska 45

E-mail address:

etk.company@ericsson.com

Web address:

www.ericsson.hr

Number of employees
(end of the reporting

3420

Consolidated report:

KD

(KN-not consolidated/KD-consolidated)

Audited:

RN

(RN-not audited/RD-audited)

Names of subsidiaries (according to IFRS):

Registered office:

MB:

Libratel d.o.o.

Zagreb, Selska 93

1449613

ETK BH d.o.o.

Mostar, Kralja Petra Krešimira 4

5-01-0996-1

on Nikola Tesla d.d. - Branch office of Kosovo

Republika Kosova, Kalabria, Obj 1., Bli 1, Kati 1 Nr.13

70633647

Ericsson Nikola Tesla Servisi d.o.o.

Zagreb, Krapinska 45

80921748

Ericsson Nikola Tesla BY d.o.o.

Bjelorusija, Minsk, Ulica Zibickaja 2

192753195

Bookkeeping firm:

No

(Yes/No)

(name of the bookkeeping firm)

Contact person:

Tatjana Ricijaš

(only name and surname of the contact person)

Telephone:

+385(0)13653343

E-mail address:

tatjana.ricijas@ericsson.com

Audit firm:

KPMG Croatia d.o.o.

(name of the audit firm)

Certified auditor:

Domagoj Hrkać

(name and surname)

BALANCE SHEET
balance as at 30.09.2021

in HRK

Submitter: ERICSSON NIKOLA TESLA D.D.			
Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID	001	0	0
B) FIXED ASSETS (ADP 003+010+020+031+036)	002	259.687.508	225.287.944
I) INTANGIBLE ASSETS (ADP 004 to 009)	003	4.522.336	4.436.793
1 Research and development	004	0	0
2 Concessions, patents, licences, trademarks, software and other rights	005	349.090	263.539
3 Goodwill	006	4.173.246	4.173.246
4 Advances for the purchase of intangible assets	007	0	0
5 Intangible assets in preparation	008	0	0
6 Other intangible assets	009	0	0
II) TANGIBLE ASSETS (ADP 011 to 019)	010	287.756.432	190.504.610
1 Land	011	15.605.344	15.605.344
2 Buildings	012	77.990.000	93.483.851
3 Plant and equipment	013	69.927.031	47.385.010
4 Tools, working inventory and transportation assets	014	21.111.662	32.497.851
5 Biological assets	015	0	0
6 Advances for the purchase of tangible assets	016	0	0
7 Tangible assets in preparation	017	32.069.751	1.475.747
8 Other tangible assets	018	52.644	46.807
9 Investment property	019	0	0
III) FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	23.742.294	18.192.554
1 Investments in holdings (shares) of undertakings within the group	021	0	0
2 Investments in other securities of undertakings within the group	022	0	0
3 Loans, deposits, etc. to undertakings within the group	023	0	0
4 Investments in holdings (shares) of companies linked by virtue of participating interests	024	0	0
5 Investment in other securities of companies linked by virtue of participating interests	025	0	0
6 Loans, deposits etc. to companies linked by virtue of participating interests	026	0	0
7 Investments in securities	027	0	0
8 Loans, deposits, etc. given	028	23.742.294	18.192.554
9 Other investments accounted for using the equity method	029	0	0
10 Other fixed financial assets	030	0	0
IV) RECEIVABLES (ADP 032 to 035)	031	14.124.593	2.992.161
1 Receivables from undertakings within the group	032	0	0
2 Receivables from companies linked by virtue of participating interests	033	0	0
3 Customer receivables	034	13.688.818	2.221.237
4 Other receivables	035	436.135	370.928
V) DEFERRED TAX ASSETS	036	9.541.493	9.561.830
C) CURRENT ASSETS (ADP 038+046+053+063)	037	701.176.687	922.920.863
I) INVENTORIES (ADP 039 to 045)	038	96.616.233	147.399.144
1 Raw materials and consumables	039	22.285.408	38.746.057
2 Work in progress	040	64.329.125	109.102.287
3 Finished goods	041	0	0
4 Merchandise	042	0	0
5 Advances for inventories	043	1.800	1.800
6 Fixed assets held for sale	044	0	0
7 Biological assets	045	0	0
II) RECEIVABLES (ADP 047 to 052)	046	286.468.110	363.020.766
1 Receivables from undertakings within the group	047	0	0
2 Receivables from companies linked by virtue of participating interests	048	89.001.784	85.566.090
3 Customer receivables	049	193.332.095	262.547.561
4 Receivables from employees and members of the undertaking	050	0	0
5 Receivables from government and other institutions	051	12.714.303	921.943
6 Other receivables	052	1.450.188	1.365.191
III) CURRENT FINANCIAL ASSETS (ADP 054 to 062)	053	37.006.145	44.158.553
1 Investments in holdings (shares) of undertakings within the group	054	0	0
2 Investments in other securities of undertakings within the group	055	0	0
3 Loans, deposits, etc. to undertakings within the group	056	0	0
4 Investments in holdings (shares) of companies linked by virtue of participating interests	057	0	0
5 Investment in other securities of companies linked by virtue of participating interests	058	0	0
6 Loans, deposits etc. to companies linked by virtue of participating interests	059	0	0
7 Investments in securities	060	32.936.148	33.046.379
8 Loans, deposits, etc. given	061	4.070.000	11.152.183
9 Other financial assets	062	0	0
IV) CASH AT BANK AND IN HAND	063	281.055.836	367.851.378
D) PREPAID EXPENSES AND ACCRUED INCOME	064	33.410.824	13.657.453
E) TOTAL ASSETS (ADP 001+002+037+064)	065	994.275.010	1.161.866.260
OFF-BALANCE SHEET ITEMS	066	0	0
LIABILITIES			
I) CAPITAL AND RESERVES (ADP 068 to 076)	067	345.873.801	350.324.924
A) INITIAL (SUBSCRIBED) CAPITAL	068	133.165.000	133.165.000
II) CAPITAL RESERVES	069	0	0
III) RESERVES FROM PROFIT (ADP 071+072+073+074+075)	070	20.055.496	41.815.765
1 Legal reserves	071	6.658.250	6.658.250
2 Reserves for treasury shares	072	13.903.446	36.903.446
3 Treasury shares and holdings (deductible item)	073	-506.200	-3.745.930
4 Statutory reserves	074	0	0
5 Other reserves	075	0	0
IV) REVALUATION RESERVES	076	0	0
V) FAIR VALUE RESERVES AND OTHER (ADP 078 to 082)	077	-281.331	-442.017
1 Financial assets at fair value through other comprehensive income (i.e. available for sale)	078	0	0
2 Cash flow hedge - effective portion	079	0	0
3 Hedge of a net investment in a foreign operation - effective portion	080	0	0
4 Other fair value reserves	081	0	0
5 Exchange differences arising from the translation of foreign operations (consolidation)	082	-281.331	-442.017
VI) RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 084-085)	083	98.394.847	61.057.020
1 Retained profit	084	98.394.847	61.057.020
2 Loss brought forward	085	0	0
VII) PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 087-088)	086	94.539.989	114.729.055
1 Profit for the business year	087	94.539.989	114.729.055
2 Loss for the business year	088	0	0
VIII) MINORITY (NON-CONTROLLING) INTEREST	089	0	0
B) PROVISIONS (ADP 091 to 096)	090	10.387.874	8.354.921
1 Provisions for pensions, termination benefits and similar obligations	091	10.387.874	8.354.921
2 Provisions for tax liabilities	092	0	0
3 Provisions for ongoing legal cases	093	0	0
4 Provisions for renewal of natural resources	094	0	0
5 Provisions for warranty obligations	095	0	0
6 Other provisions	096	0	0
C) LONG-TERM LIABILITIES (ADP 098 to 108)	097	68.886.529	56.571.221
1 Liabilities to undertakings within the group	098	0	0
2 Liabilities for loans, deposits, etc. of undertakings within the group	099	0	0
3 Liabilities to companies linked by virtue of participating interests	100	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	101	0	0
5 Liabilities for loans, deposits etc.	102	0	0
6 Liabilities to banks and other financial institutions	103	67.771.047	56.191.285
7 Liabilities for advance payments	104	0	0
8 Liabilities to suppliers	105	0	0
9 Liabilities for securities	106	0	0
10 Other long-term liabilities	107	1.095.477	379.938
11 Deferred tax liability	108	0	0
D) SHORT-TERM LIABILITIES (ADP 110 to 123)	109	300.070.009	406.976.361
1 Liabilities to undertakings within the group	110	0	0
2 Liabilities for loans, deposits, etc. of undertakings within the group	111	0	0
3 Liabilities to companies linked by virtue of participating interests	112	10.936.701	38.388.592
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	113	0	0
5 Liabilities for loans, deposits etc.	114	0	0
6 Liabilities to banks and other financial institutions	115	31.891.618	34.095.535
7 Liabilities for advance payments	116	10.512.321	36.371.187
8 Liabilities to suppliers	117	103.431.762	128.851.418
9 Liabilities for securities	118	0	0
10 Liabilities to employees	119	99.116.679	113.484.938
11 Taxes, contributions and similar liabilities	120	30.467.967	41.272.454
12 Liabilities arising from the share in the result	121	0	0
13 Liabilities arising from fixed assets held for sale	122	0	0
14 Other short-term liabilities	123	13.713.138	16.514.225
E) ACCRUALS AND DEFERRED INCOME	124	269.076.614	337.636.951
F) TOTAL - LIABILITIES (ADP 067+090+097+109+124)	125	994.275.010	1.161.866.260
G) OFF-BALANCE SHEET ITEMS	126	0	0

STATEMENT OF PROFIT OR LOSS
for the period 01.01.2021 to 30.09.2021

in HRK

Submitter: ERICSSON NIKOLA TESLA D.D.

Item	ADP code	Same period of the previous year		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
I OPERATING INCOME (ADP 002 to 006)	001	1.457.413.138	481.483.175	1.550.751.392	527.936.428
1 Income from sales with undertakings within the group	002	0	0	0	0
2 Income from sales (outside group)	003	1.443.533.663	477.239.237	1.533.027.119	518.810.301
3 Income from the use of own products, goods and services	004	0	0	0	0
4 Other operating income with undertakings within the group	005	0	0	0	0
5 Other operating income (outside the group)	006	13.879.475	4.243.938	17.724.273	9.126.127
II OPERATING EXPENSES (ADP 008+009+013+017+019+019+022+029)	007	1.381.166.937	447.986.865	1.418.595.742	515.074.489
1 Changes in inventories of work in progress and finished goods	008	80.219.695	35.147.211	-44.868.053	-5.995.063
2 Material costs (ADP 010 to 012)	009	597.162.595	183.522.442	704.100.825	255.417.940
a) Costs of raw materials and consumables	010	222.204.211	44.036.814	243.602.027	94.136.944
b) Costs of goods sold	011	0	0	0	0
c) Other external costs	012	374.958.685	139.485.628	460.498.798	161.280.996
3 Staff costs (ADP 014 to 016)	013	614.362.716	203.100.282	668.197.138	235.020.386
a) Net salaries and wages	014	386.257.858	122.082.472	413.856.761	143.538.285
b) Tax and contributions from salary costs	015	177.130.781	56.601.271	177.689.078	63.856.737
c) Contributions on salaries	016	70.974.097	24.416.539	76.651.299	27.625.364
4 Depreciation	017	42.380.069	15.170.918	43.153.434	14.545.970
5 Other costs	018	35.050.293	9.305.936	36.427.825	12.876.506
6 Value adjustments (ADP 020+021)	019	1.532.950	563.671	1.360.492	354.958
a) fixed assets other than financial assets	020	0	0	0	0
b) current assets other than financial assets	021	1.532.950	563.671	1.360.492	354.958
7 Provisions (ADP 023 to 028)	022	9.810.765	806.038	10.092.300	3.272.482
a) Provisions for pensions, termination benefits and similar	023	9.585.658	639.861	6.109.287	3.221.899
b) Provisions for tax liabilities	024	0	0	0	0
c) Provisions for ongoing legal cases	025	0	0	0	0
d) Provisions for renewal of natural resources	026	0	0	0	0
e) Provisions for warranty obligations	027	225.107	166.177	628.698	50.583
f) Other provisions	028	0	0	3.354.315	-418.686
8 Other operating expenses	029	647.552	370.367	131.781	-418.686
III FINANCIAL INCOME (ADP 031 to 040)	030	1.826.767	-161.840	4.559.670	2.143.233
1 Income from investments in holdings (shares) of undertakings within the group	031	0	0	0	0
2 Income from investments in holdings (shares) of companies linked by virtue of participating interests	032	0	0	0	0
3 Income from other long-term financial investment and loans granted to undertakings within the group	033	0	0	0	0
4 Other interest income from operations with undertakings within the group	034	0	0	0	0
5 Exchange rate differences and other financial income from operations with undertakings within the group	035	88.601	-4.677	0	0
6 Income from other long-term financial investments and loans	036	0	0	0	0
7 Other interest income	037	1.738.166	553.345	2.487.385	1.130.537
8 Exchange rate differences and other financial income	038	0	-710.508	1.902.684	1.089.086
9 Unrealised gains (income) from financial assets	039	0	0	0	0
10 Other financial income	040	0	0	169.601	-76.390
IV FINANCIAL EXPENSES (ADP 042 to 048)	041	2.941.239	1.892.151	1.360.636	477.180
1 Interest expenses and similar expenses with undertakings within the group	042	0	0	0	0
2 Exchange rate differences and other expenses from operations with undertakings within the group	043	0	0	22.095	3.629
3 Interest expenses and similar expenses	044	1.466.133	659.877	1.338.541	473.551
4 Exchange rate differences and other expenses	045	1.406.926	1.406.926	0	0
5 Unrealised losses (expenses) from financial assets	046	0	0	0	0
6 Value adjustments of financial assets (net)	047	0	0	0	0
7 Other financial expenses	048	68.180	-174.652	0	0
V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VIRTUE OF PARTICIPATING INTERESTS	049	0	0	0	0
VI SHARE IN PROFIT FROM JOINT VENTURES	050	0	0	0	0
VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST	051	0	0	0	0
VIII SHARE IN LOSS OF JOINT VENTURES	052	0	0	0	0
IX TOTAL INCOME (ADP 001+030+049 +050)	053	1.459.239.905	481.321.335	1.555.311.062	530.079.681
X TOTAL EXPENDITURE (ADP 007+041+051 + 052)	054	1.384.108.176	449.879.016	1.419.956.378	515.551.673
XI PRE-TAX PROFIT OR LOSS (ADP 053-054)	055	75.131.729	31.442.319	135.354.684	14.527.988
1 Pre-tax profit (ADP 053-054)	056	75.131.729	31.442.319	135.354.684	14.527.988
2 Pre-tax loss (ADP 054-053)	057	0	0	0	0
XII INCOME TAX	058	7.980.565	-732.806	20.625.629	1.242.225
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 055-059)	059	67.151.164	32.175.125	114.729.055	13.285.763
1 Profit for the period (ADP 055-059)	060	67.151.164	32.175.125	114.729.055	13.285.763
2 Loss for the period (ADP 059-055)	061	0	0	0	0
DISCONTINUED OPERATIONS (to be filled in by undertakings subject to IFRS only with discontinued operations)					
XIV PRE-TAX PROFIT OR LOSS OF DISCONTINUED OPERATIONS (ADP 063-064)	062	0	0	0	0
1 Pre-tax profit from discontinued operations	063	0	0	0	0
2 Pre-tax loss on discontinued operations	064	0	0	0	0
XV INCOME TAX OF DISCONTINUED OPERATIONS	065	0	0	0	0
1 Discontinued operations profit for the period (ADP 062-065)	066	0	0	0	0
2 Discontinued operations loss for the period (ADP 065-062)	067	0	0	0	0
TOTAL OPERATIONS (to be filled in only by undertakings subject to IFRS with discontinued operations)					
XVI PRE-TAX PROFIT OR LOSS (ADP 055+062)	068	0	0	0	0
1 Pre-tax profit (ADP 068)	069	0	0	0	0
2 Pre-tax loss (ADP 069)	070	0	0	0	0
XVII INCOME TAX (ADP 058+065)	071	0	0	0	0
XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 068-071)	072	0	0	0	0
1 Profit for the period (ADP 068-071)	073	0	0	0	0
2 Loss for the period (ADP 071-068)	074	0	0	0	0
APPENDIX to the PAL (to be filled in by undertakings that draw up consolidated annual financial statements)					
XIX PROFIT OR LOSS FOR THE PERIOD (ADP 076+077)	075	0	0	0	0
1 Attributable to owners of the parent	076	0	0	0	0
2 Attributable to minority (non-controlling) interest	077	0	0	0	0
STATEMENT OF OTHER COMPREHENSIVE INCOME (to be filled in by undertakings subject to IFRS)					
I PROFIT OR LOSS FOR THE PERIOD	078	67.151.164	32.175.125	114.729.055	13.285.763
II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 080+ 87)	079	-102.745	-206.767	-160.686	39.359
III Items that will not be reclassified to profit or loss (ADP 081 to 085)	080	0	0	0	0
1 Changes in revaluation reserves of fixed tangible and intangible assets	081	0	0	0	0
2 Gains or losses from subsequent measurement of equity instruments at fair value through other comprehensive income	082	0	0	0	0
3 Fair value changes of financial liabilities at fair value through statement of profit or loss, attributable to changes in their credit risk	083	0	0	0	0
4 Actuarial gains/losses on the defined benefit obligation	084	0	0	0	0
5 Other items that will not be reclassified	085	0	0	0	0
6 Income tax relating to items that will not be reclassified	086	0	0	0	0
IV Items that may be reclassified to profit or loss (ADP 088 to 095)	087	-102.745	-206.767	-160.686	39.359
1 Exchange rate differences from translation of foreign operations	088	-102.745	-206.767	-160.686	39.359
2 Gains or losses from subsequent measurement of debt securities at fair value through other comprehensive income	089	0	0	0	0
3 Profit or loss arising from effective cash flow hedging	090	0	0	0	0
4 Profit or loss arising from effective hedge of a net investment in a foreign operation	091	0	0	0	0
5 Share in other comprehensive income/loss of companies linked by virtue of participating interests	092	0	0	0	0
6 Changes in fair value of the time value of option	093	0	0	0	0
7 Changes in fair value of forward elements of forward contracts	094	0	0	0	0
8 Other items that may be reclassified to profit or loss	095	0	0	0	0
9 Income tax relating to items that may be reclassified to profit or loss	096	0	0	0	0
V NET OTHER COMPREHENSIVE INCOME OR LOSS (ADP 080+087-086 - 096)	097	-102.745	-206.767	-160.686	39.359
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 078+097)	098	67.048.419	31.968.358	114.568.369	13.325.122
APPENDIX to the Statement on comprehensive income (to be filled in by undertakings that draw up consolidated statements)					
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 100+101)	099	67.048.419	31.968.358	114.568.369	13.325.122
1 Attributable to owners of the parent	100	67.048.419	31.968.358	114.568.369	13.325.122
2 Attributable to minority (non-controlling) interest	101	0	0	0	0

STATEMENT OF CASH FLOWS - indirect method
for the period 01.01.2021 to 30.09.2021

in HRK

Submitter: ERICSSON NIKOLA TESLA D.D.			
Item	ADP code	Same period of the previous year	Current period
1	2	3	4
Cash flow from operating activities			
1 Pre-tax profit	001	75.131.729	135.354.684
2 Adjustments (ADP 003 to 010):	002	49.887.613	40.906.442
a) Depreciation	003	42.380.069	43.153.434
b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets	004	-164.176	-32.906
c) Gains and losses from sale and unrealised gains and losses and value adjustment of financial assets	005	-95.102	-229.325
d) Interest and dividend income	006	-1.795.275	-2.487.385
e) Interest expenses	007	1.574.359	1.306.372
f) Provisions	008	0	0
g) Exchange rate differences (unrealised)	009	3.508.194	-2.962.923
h) Other adjustments for non-cash transactions and unrealised gains and losses	010	4.479.544	2.159.175
I Cash flow increase or decrease before changes in working capital (ADP 001+002)	011	125.019.342	176.261.126
3 Changes in the working capital (ADP 013 to 016)	012	110.030.719	64.327.771
a) Increase or decrease in short-term liabilities	013	76.878.531	179.239.668
b) Increase or decrease in short-term receivables	014	-18.994.746	-54.446.219
c) Increase or decrease in inventories	015	57.494.498	-61.233.811
d) Other increase or decrease in working capital	016	-5.347.564	768.133
II Cash from operations (ADP 011+012)	017	235.050.061	240.588.897
4 Interest paid	018	-1.088.449	-1.555.451
5 Income tax paid	019	-1.106.899	-3.721.765
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)	020	232.854.713	235.311.681
Cash flow from investment activities			
1 Cash receipts from sales of fixed tangible and intangible assets	021	154.979	100.493
2 Cash receipts from sales of financial instruments	022	5.104.666	0
3 Interest received	023	897.724	2.580.568
4 Dividends received	024	58.616	59.724
5 Cash receipts from repayment of loans and deposits	025	0	0
6 Other cash receipts from investment activities	026	9.115.046	1.324.521
III Total cash receipts from investment activities (ADP 021 to 026)	027	15.331.031	4.065.306
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-43.037.460	-10.821.783
2 Cash payments for the acquisition of financial instruments	029	0	0
3 Cash payments for loans and deposits for the period	030	0	-1.236.427
4 Acquisition of a subsidiary, net of cash acquired	031	0	0
5 Other cash payments from investment activities	032	0	0
IV Total cash payments from investment activities (ADP 028 to 032)	033	-43.037.460	-12.058.210
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)	034	-27.706.429	-7.992.904
Cash flow from financing activities			
1 Cash receipts from the increase in initial (subscribed) capital	035	0	0
2 Cash receipts from the issue of equity financial instruments and debt financial instruments	036	0	0
3 Cash receipts from credit principals, loans and other borrowings	037	52.098.986	0
4 Other cash receipts from financing activities	038	0	0
V Total cash receipts from financing activities (ADP 035 to 038)	039	52.098.986	0
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	040	-32.573.235	-11.308.105
2 Cash payments for dividends	041	-390	-109.165.903
3 Cash payments for finance lease	042	-17.287.113	-17.086.067
4 Cash payments for the redemption of treasury shares and decrease in initial (subscribed) capital	043	-1.234.760	-3.239.730
5 Other cash payments from financing activities	044	0	0
VI Total cash payments from financing activities (ADP 040 to 044)	045	-51.095.498	-140.799.805
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)	046	1.003.488	-140.799.805
1 Unrealised exchange rate differences in respect of cash and cash equivalents	047	-1.552.062	276.570
D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 020+034+046+047)	048	204.599.710	86.795.542
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	049	97.906.291	281.055.836
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD(ADP 048+049)	050	302.506.001	367.851.378

STATEMENT OF CASH FLOWS - direct method
for the period 01.01.2021 to 30.09.2021

in HRK

Submitter: ERICSSON NIKOLA TESLA D.D.			
Item	ADP code	Same period of the previous year	Current period
1	2	3	4
Cash flow from operating activities			
1 Cash receipts from customers	001		
2 Cash receipts from royalties, fees, commissions and other revenue	002		
3 Cash receipts from insurance premiums	003		
4 Cash receipts from tax refund	004		
5 Other cash receipts from operating activities	005		
I Total cash receipts from operating activities (ADP 001 to 005)	006	0	0
1 Cash payments to suppliers	007		
2 Cash payments to employees	008		
3 Cash payments for insurance premiums	009		
4 Interest paid	010		
5 Income tax paid	011		
6 Other cash payments from operating activities	012		
II Total cash payments from operating activities (ADP 007 to 012)	013	0	0
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 006 + 013)	014	0	0
Cash flow from investment activities			
1 Cash receipts from sales of fixed tangible and intangible assets	015		
2 Cash receipts from sales of financial instruments	016		
3 Interest received	017		
4 Dividends received	018		
5 Cash receipts from the repayment of loans and deposits	019		
6 Other cash receipts from investment activities	020		
III Total cash receipts from investment activities (ADP 015 to 020)	021	0	0
1 Cash payments for the purchase of fixed tangible and intangible assets	022		
2 Cash payments for the acquisition of financial instruments	023		
3 Cash payments for loans and deposits	024		
4 Acquisition of a subsidiary, net of cash acquired	025		
5 Other cash payments from investment activities	026		
IV Total cash payments from investment activities (ADP 022 to 026)	027	0	0
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 021 + 027)	028	0	0
Cash flow from financing activities			
1 Cash receipts from the increase in initial (subscribed) capital	029		
2 Cash receipts from the issue of equity financial instruments and debt financial instruments	030		
3 Cash receipts from credit principals, loans and other borrowings	031		
4 Other cash receipts from financing activities	032		
V Total cash receipts from financing activities (ADP 029 to 032)	033	0	0
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	034		
2 Cash payments for dividends	035		
3 Cash payments for finance lease	036		
4 Cash payments for the redemption of treasury shares and decrease in initial (subscribed) capital	037		
5 Other cash payments from financing activities	038		
VI Total cash payments from financing activities (ADP 034 to 038)	039	0	0
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 033 + 039)	040	0	0
1 Unrealised exchange rate differences in respect of cash and cash equivalents	041		
D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 014 + 028 + 040 + 041)	042	0	0
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	043		
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (042+043)	044	0	0

STATEMENT OF CHANGES IN EQUITY
for the period from **1.1.2021** to **30.9.2021**

for the period from 1.1.2021 to 30.9.2021																			in HRK	
Item	ADP code	Attributable to owners of the parent																Minority (non-controlling) interest	Total capital and reserves	
		Initial (subscribed) capital	Capital reserves	Legal reserves	Reserves for treasury shares	Treasury shares and holdings (deductible item)	Statutory reserves	Other reserves	Revaluation reserves	Fair value of financial assets through other comprehensive income (available for sale)	Cash flow hedge - effective portion	Hedge of a net investment in a foreign operation - effective portion	Other fair value reserves	Exchange rate differences from translation of foreign operations	Retained profit / loss brought forward	Profit/loss for the business year	Total attributable to owners of the parent			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18 (3 to 6 - 7 + 8 to 17)	19	20 (18+19)	
Previous period																				
1 Balance on the first day of the previous business year	01	133.165.000		6.658.250	14.872.546	240.540		-59.649					0		160.357.289	0	314.752.896		314.752.896	
2 Changes in accounting policies	02														0	0	0		0	
3 Correction of errors	03														0	0	0		0	
4 Balance on the first day of the previous business year (restated) (ADP 01 to 03)	04	133.165.000	0	6.658.250	14.872.546	240.540	0	-59.649	0	0	0	0	0	0	160.357.289	0	314.752.896	0	314.752.896	
5 Profit/loss of the period	05	0	0	0	0	0	0	0	0	0	0	0	0	0		94.539.989	94.539.989		94.539.989	
6 Exchange rate differences from translation of foreign operations	06	0	0	0	0	0	0	-221.682	0	0	0	0	0	0		0	-221.682		-221.682	
7 Changes in revaluation reserves of fixed tangible and intangible assets	07	0	0	0	0	0	0	0	0	0	0	0	0	0			0		0	
8 Gains or losses from subsequent measurement of financial assets at fair value through other comprehensive income (available for sale)	08	0	0	0	0	0	0	0	0	0	0	0	0	0			0		0	
9 Profit or loss arising from effective cash flow hedge	09	0	0	0	0	0	0	0	0	0	0	0	0	0			0		0	
10 Profit or loss arising from effective hedge of a net investment in a foreign operation	10	0	0	0	0	0	0	0	0	0	0	0	0	0			0		0	
11 Share in other comprehensive income/loss of companies linked by virtue of participating interests	11	0	0	0	0	0	0	0	0	0	0	0	0	0			0		0	
12 Actuarial gains/losses on the defined benefit obligation	12	0	0	0	0	0	0	0	0	0	0	0	0	0			0		0	
13 Other changes in equity unrelated to owners	13																0		0	
14 Tax on transactions recognised directly in equity	14	0	0	0	0	0	0	0	0	0	0	0	0	0			0		0	
15 Decrease in initial (subscribed) capital (other than arising from the pre-bankruptcy settlement procedure or from the reinvestment of profit)	15																0		0	
16 Decrease in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	16																0		0	
17 Decrease in initial (subscribed) capital arising from the reinvestment of profit	17																0		0	
18 Redemption of treasury shares/holdings	18					1.234.760									0	0	-1.234.760		-1.234.760	
19 Payments from members/shareholders	19	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	
20 Payment of share in profit/dividend	20														-65.230.956	0	-65.230.956		-65.230.956	
21 Other distributions and payments to members/shareholders	21					-969.100	-969.100								3.268.314	0	3.268.314		3.268.314	
22 Transfer to reserves according to the annual schedule	22	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	
23 Increase in reserves arising from the pre-bankruptcy settlement procedure	23	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	
24 Balance on the last day of the previous business year reporting period (ADP 04 to 23)	24	133.165.000	0	6.658.250	13.903.446	506.200	0	-281.331	0	0	0	0	0	0	98.394.647	94.539.989	345.873.801	0	345.873.801	
APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)																				
I OTHER COMPREHENSIVE INCOME OF THE PREVIOUS PERIOD, NET OF TAX (ADP 06 to 14)	25	0	0	0	0	0	0	-221.682	0	0	0	0	0	0	0	0	-221.682	0	-221.682	
II COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP 05+25)	26	0	0	0	0	0	0	-221.682	0	0	0	0	0	0	0	94.539.989	94.318.307	0	94.318.307	
III TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 23)	27	0	0	0	0	-969.100	265.660	0	0	0	0	0	0	0	-61.962.642	0	-63.197.402	0	-63.197.402	
Current period																				
1 Balance on the first day of the current business year	28	133.165.000		6.658.250	13.903.446	506.200		-281.331							98.394.647	94.539.989	345.873.801		345.873.801	
2 Changes in accounting policies	29														0	0	0		0	
3 Correction of errors	30														0	0	0		0	
4 Balance on the first day of the current business year (restated) (ADP 28 to 30)	31	133.165.000	0	6.658.250	13.903.446	506.200	0	-281.331	0	0	0	0	0	0	98.394.647	94.539.989	345.873.801	0	345.873.801	
5 Profit/loss of the period	32	0	0	0	0	0	0	0	0	0	0	0	0	0		114.729.055	114.729.055		114.729.055	
6 Exchange rate differences from translation of foreign operations	33	0	0	0	0	0	0	-160.686	0	0	0	0	0	0		0	-160.686		-160.686	
7 Changes in revaluation reserves of fixed tangible and intangible assets	34	0	0	0	0	0	0	0	0	0	0	0	0	0			0		0	
8 Gains or losses from subsequent measurement of financial assets at fair value through other comprehensive income (available for sale)	35	0	0	0	0	0	0	0	0	0	0	0	0	0			0		0	
9 Profit or loss arising from effective cash flow hedge	36	0	0	0	0	0	0	0	0	0	0	0	0	0			0		0	
10 Profit or loss arising from effective hedge of a net investment in a foreign operation	37	0	0	0	0	0	0	0	0	0	0	0	0	0			0		0	
11 Share in other comprehensive income/loss of companies linked by virtue of participating interests	38	0	0	0	0	0	0	0	0	0	0	0	0	0			0		0	
12 Actuarial gains/losses on the defined benefit obligation	39	0	0	0	0	0	0	0	0	0	0	0	0	0			0		0	
13 Other changes in equity unrelated to owners	40																0		0	
14 Tax on transactions recognised directly in equity	41	0	0	0	0	0	0	0									0		0	
15 Decrease in initial (subscribed) capital (other than arising from the pre-bankruptcy settlement procedure or from the reinvestment of profit)	42																0		0	
16 Decrease in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	43																0		0	
17 Decrease in initial (subscribed) capital arising from the reinvestment of profit	44																0		0	
18 Redemption of treasury shares/holdings	45	0	0	0	0	25.000.000	3.239.730	0	0	0	0	0	0	0	-25.000.000	0	-3.239.730		-3.239.730	
19 Payments from members/shareholders	46	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	
20 Payment of share in profit/dividend	47	0	0	0	0	0	0	0	0	0	0	0	0	0	-109.162.418	0	-109.162.418		-109.162.418	
21 Other distributions and payments to members/shareholders	48	0	0	0	0	0	0	0	0	0	0	0	0	0	2.284.802	0	2.284.802		2.284.802	
22 Carryforward per annual plans	49	0	0	0	0	0	0	0	0	0	0	0	0	0	94.539.989	-94.539.989	0		0	
23 Increase in reserves arising from the pre-bankruptcy settlement procedure	50																0		0	
24 Balance on the last day of the current business year reporting period (ADP 31 to 50)	51	133.165.000	0	6.658.250	38.903.446	3.745.930	0	-442.017	0	0	0	0	0	0	61.057.020	114.729.055	350.324.824	0	350.324.824	
APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)																				
I OTHER COMPREHENSIVE INCOME FOR THE CURRENT PERIOD, NET OF TAX (ADP 33 to 41)	52	0	0	0	0	0	0	-160.686	0	0	0	0	0	0	0	0	-160.686	0	-160.686	
II COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 32 do 52)	53	0	0	0	0	0	0	-160.686	0	0	0	0	0	0	0	114.729.055	114.568.369	0	114.568.369	
III TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 42 to 50)	54	0	0	0	0	25.000.000	3.239.730	0	0	0	0	0	0	0	-37.337.827	-94.539.989	-110.117.346	0	-110.117.346	

NOTES TO FINANCIAL STATEMENTS - TFI
(drawn up for quarterly reporting periods)

Name of the issuer: ERICSSON NIKOLA TESLA D.D.
Personal identification number (OIB): 842147711175

Reporting period: Q3 2021

Notes to financial statements for quarterly periods include:

- a) explanation of business events relevant to understanding changes in the statement of financial position and financial performance for the reporting semi-annual period of the issuer with respect to the last business year: information is provided regarding these events and relevant information published in the last annual financial statement is updated (Items 15 to 15C IAS 34 - Interim financial reporting)
- b) information on the access to the latest annual financial statements, for the purpose of understanding information published in the notes to financial statements drawn up for the semi-annual reporting period
- c) a statement explaining that the same accounting policies are applied while drawing up financial statements for the semi-annual reporting period as in the latest annual financial statements or, in the case where the accounting policies have changed, a description of the nature and effect of the changes (Item 16.A (a) IAS 34 - Interim financial reporting)
- d) a description of the financial performance in the case of the issuer whose business is seasonal (Items 37 and 38 IAS 34 - Interim financial reporting)
- e) other comments prescribed by IAS 34 - Interim financial reporting
- f) in the notes to quarterly periods financial statements, in addition to the information stated above, information in respect of the following matters shall be disclosed:
1. undertaking's name, registered office (address), legal form, country of establishment, entity's registration number and, if applicable, the indication whether the undertaking is undergoing liquidation, bankruptcy proceedings, shortened termination proceedings or extraordinary administration
 2. adopted accounting policies (only an indication of whether there has been a change from the previous period)
 3. the total amount of any financial commitments, guarantees or contingencies that are not included in the balance sheet, and an indication of the nature and form of any valuable security which has been provided; any commitments concerning pensions of the undertaking within the group or company linked by virtue of participating interest shall be disclosed separately
 4. the amount and nature of individual items of income or expenditure which are of exceptional size or incidence
 5. amounts owed by the undertaking and falling due after more than five years, as well as the total debts of the undertaking covered by valuable security furnished by the undertaking, specifying the type and form of security
 6. average number of employees during the financial year
 7. where, in accordance with the regulations, the undertaking capitalised on the cost of salaries in part or in full, information on the amount of the total cost of employees during the year broken down into the amount directly debiting the costs of the period and the amount capitalised on the value of the assets during the period, showing separately the total amount of net salaries and the amount of taxes, contributions from salaries and contributions on salaries
 8. where a provision for deferred tax is recognised in the balance sheet, the deferred tax balances at the end of the financial year, and the movement in those balances during the financial year
 9. the name and registered office of each of the undertakings in which the undertaking, either itself or through a person acting in their own name but on the undertaking's behalf, holds a participating interest, showing the proportion of the capital held, the amount of capital and reserves, and the profit or loss for the latest financial year of the undertaking concerned for which financial statements have been adopted; the information concerning capital and reserves and the profit or loss may be omitted where the undertaking concerned does not publish its balance sheet and is not controlled by another undertaking
 10. the number and the nominal value or, in the absence of a nominal value, the accounting par value of the shares subscribed during the financial year within the limits of the authorised capital
 11. the existence of any participation certificates, convertible debentures, warrants, options or similar securities or rights, with an indication of their number and the rights they confer
 12. the name, registered office and legal form of each of the undertakings of which the undertaking is a member having unlimited liability
 13. the name and registered office of the undertaking which draws up the consolidated financial statements of the largest group of undertakings of which the undertaking forms part as a controlled group member
 14. the name and registered office of the undertaking which draws up the consolidated financial statements of the smallest group of undertakings of which the undertaking forms part as a controlled group member and which is also included in the group of undertakings referred to in point 13
 15. the place where copies of the consolidated financial statements referred to in points 13 and 14 may be obtained, provided that they are available
 16. the nature and business purpose of the undertaking's arrangements that are not included in the balance sheet and the financial impact on the undertaking of those arrangements, provided that the risks or benefits arising from such arrangements are material and in so far as the disclosure of such risks or benefits is necessary for the purposes of assessing the financial position of the undertaking
 17. the nature and the financial effect of material events arising after the balance sheet date which are not reflected in the profit and loss account or balance sheet

- a) Explanation of business events relevant to understanding changes in the statement of financial position and financial performance are published in The financial statements have been prepared in accordance with International Financial Reporting Standards adopted by the European Union
- b) Last issued annual financial statements are available at ZSE and as well at www.ericsson.hr/en/reports
- c) www.ericsson.hr/en/reports
- d) The interim financial statements for the reporting period are prepared applying the same accounting policies as in the latest annual financial
- e) The issuer does not have seasonal business activities.

Segment reporting	Networks		Digital Services		Managed Services		Other		Unallocated		Total	
	30.09.2021	30.09.2020	30.09.2021	30.09.2020	30.09.2021	30.09.2020	30.09.2021	30.09.2020	30.09.2021	30.09.2020	30.09.2021	30.09.2020
	'000 kn	'000 kn	'000 kn	'000 kn	'000 kn	'000 kn	'000 kn	'000 kn	'000 kn	'000 kn	'000 kn	'000 kn
Segment sales revenue	671,497	731,773	407,138	317,598	449,360	398,103	5,032	6,060	0	0	1,533,027	1,443,534
Operating profit	81,888	68,678	40,671	36,023	43,189	6,287	444	803	-34,018	-35,545	132,156	76,246

Transactions with related parties:

	30.9.2021	30.9.2020
	HRK 000	HRK 000
Sales	645,929	630,579
Purchases	293,311	225,197

Balances with related parties

	30.9.2021	31.12.2020
	HRK 000	HRK 000
Receivable	85,565	88,000
Payable	38,389	10,937

- f)
1. Issuer's name, registered office (address), legal form, country of establishment, entity's registration number are disclosed in the sheet General
 2. Accounting policies have not been changed in relation to previous reporting period.
 3. Financial commitments in term of guarantees that are not included in the balance sheet are not material and Management Board believes that
 4. In the reporting period there were no individual items of income or expenditure of exceptional size or incidence.
 5. The Group has no debt falling due after more than five years.
 6. At the balance sheet date, the Group does not have debts covered by valuable securities/insurance.
 7. The average number of employees during the reporting period is 3332 (Q1-Q3 2020: 3212). The Group does not categorise employees.
 8. No cost of salaries was capitalised in the reporting period.
 9. Provision for deferred tax is calculated annually, at balance sheet date 31 December. There were no movement in deferred tax balances during
 10. The Group has no participating interest.
 11. There were no shares subscribed during the financial year within the limits of the authorised capital.
 12. The Group has no participation certificates, convertible debentures, warrants, options or similar securities or rights.
 13. and 14. The Group has no shares in companies having unlimited liability.
 15. The company Telefonaktiebolaget LM Ericsson (Sweden, Torshamnsgatan 21, SE-164 83 Stockholm) prepares the consolidated financial
 16. These consolidated financial reports are available at www.ericsson.com/en/newsroom/financial-reports
 17. The Company did not have any arrangements that are not included in the balance sheet, where the risks or benefits arising from such
 18. There are no material events arising after the balance sheet date which are not reflected in the profit and loss account or balance sheet.

APPENDIX (Reconciliation of the differences arising due to structure and classification of the positions in TFI-POD in XLS format compared to

Balance Sheet

Within the category Non-current assets in Statement of financial position total amount of Loans and receivables is indicated in TFI-POD form under AOP 028 Loans, deposits, etc. given, 034 Customer receivables, 035 Other receivables.

Within the category Current assets in Statement of financial position total amount of Other receivables, Income tax receivables, Financial assets at fair value through profit or loss is indicated in TFI-POD form under AOP 051 Receivables from government and other institutions, 052 Other receivables, 060 Investments in securities, 061 Loans, deposits, etc. given.

Within the category Equity in Statement of financial position total amount of Retained earnings is indicated in TFI-POD form under AOP 083 Retained profits/losses brought forward and 086 Profit or Loss for the business year.

Additionally, within the category Non-current liabilities in Statement of Financial position total amount of Borrowings and Lease liabilities are shown under AOP 103 Liabilities to bank and other financial institutions

Within the category Current liabilities in Statement of financial position total amount of Trade and other payables and Income tax payable is indicated in TFI-POD in AOP 117 Liabilities to suppliers, 119 Liabilities to employees, 120 Taxes, contributions and similar liabilities.

Within the category Current liabilities in Statement of financial position total amount of Accrued charges and deferred revenue and Contract liabilities is indicated in TFI-POD form under AOP 116 Liabilities for advance payments, 124 Accruals and deferred income.

Also, within the category Current liabilities in Statement of financial position total amount of Provisions is indicated in TFI-POD form under AOP 123 Other short-term liabilities.

Additionally, within the category Current liabilities in Statement of Financial position total amount of Borrowings and Lease liabilities are shown under AOP 115 Liabilities to bank and other financial institutions

P&L

Cost structure in Statement of comprehensive income (FS form) is according to function and the presentation is different from TFI-POD forms where cost is