

PRESS INFO

April 28, 2022



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 Q1 2022

Highlights:

- Sales revenue: MHRK **526.1**
- Gross margin: **15.8%**
- Operating profit: MHRK **69.6**
- Profit before tax: MHRK **71.0**
- Net profit: MHRK **59.7**
- Cash flow from operating activities: MHRK **-56.1**

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

“Ericsson Nikola Tesla Group started 2022 with successful implementation of projects and plans to contract new business deals in the domestic and export markets. Although the results for Q1 2022 show a significant growth of almost all business performance indicators, it should be noted that the war in Ukraine has a significant impact on the realization of contracted activities, as well as new business opportunities in Belarus and surrounding markets.

The activities of Ericsson Nikola Tesla Group in Belarus, where in Minsk our daughter company with 25 employees operates, include the expansion of LTE networks for local operators and the informatization of the central health system. In addition, signing of new contracts was also planned in this market. Due to sanctions imposed on Belarus, and consequently the expiration of validity of previously obtained export licenses, we have suspended all activities with the local customers and have submitted requests to Croatian authorities for issuing new export licenses. Their response, and the development of sanctions will significantly affect the future activities and the implementation of those projects. Depending on this, a longer disruption of our business in Belarus is also possible, which will reflect on our plans and results, especially on the planned sales revenue, operating margin and operating cash flow, however, we do not expect it to disrupt Ericsson Nikola Tesla Group's business and financial stability. We have been continuously monitoring the development of the situation, and during Q2 we expect to have an assessment of the actual value impact on the Group's results.

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In order to support the people of Ukraine, hit by this war and humanitarian crisis, the company has donated funds, and our employees have shown great empathy and are trying to help by donating money, collecting supplies and volunteering.

Compared to Q1 2021, sales revenue increased by 18%, and all market segments (domestic, export, services to Ericsson) recorded growth. Profitability also recorded significant growth; gross margin increased to 15.8%, while operating profit increased by 53.7% and amounted to MHRK 69.6. Negative cash flow from operating activities is in line with our expectations for Q1, and given the quarterly volatility, cash flow should be observed at the annual level. We have concluded Q1 with a healthy balance sheet and an equity ratio of 37.5%. Cash and cash equivalents, including short-term financial assets, amounted to MHRK 439.8 or 35.7% of the total assets. Business results for Q1 2022 do not include the impact of sanctions on Belarus, however, it is expected that their impact could be seen in the results for Q2.

In the domestic market, in the operator segment, we continued the implementation of the previously contracted activities with strategic partners A1 Hrvatska and Hrvatski Telekom, primarily related to mobile networks modernization, focusing on the implementation of 5G technology. Intensive activities are also ongoing on the build and maintenance of fixed and mobile telecommunication infrastructure of Hrvatski Telekom. The focus is on introducing fiber for end-users, as well as the preparatory activities related to contracts co-financed by European Funds, the purpose of which is to design and build the passive part of FTTH (*Fiber To The Home*) network for remote, not as densely populated and not as developed areas of the Republic of Croatia. In the segment Digital Society (*previously: Industry & Society*) the activities continued on the projects regarding e-Health, e-Business and public safety, and new agreements were also signed with Hrvatske ceste, the Ministry of the Interior, and several hospitals.

Despite the challenges in export markets, we have continued a quality cooperation with long-term customers in neighboring countries, operators HT Mostar and BH Telekom (Bosnia and Herzegovina), Ipko (Kosovo), and Crnogorski Telekom (Montenegro) on the modernization and expansion of their networks. I would like to highlight the activities on 5G technology with Crnogorski Telekom, the first operator in Montenegro to put 5G network into commercial operation.

The delivery of services to Ericsson has been continuously increasing. At the R&D Management Business Review meeting, held in March 2022, our Research & Development Center was again highly evaluated by all internal stakeholders, and was recognized as an organization that significantly contributes to the technology leadership of Ericsson Corporation. The possibility to gain new responsibilities was also expressed, which opens an opportunity for us to position even stronger within Ericsson market.

When we talk about global trends, the demand for digitalization of public services and solutions and services based on mobile technologies, which experienced strong growth during the pandemic, continues. Furthermore, there is a growing polarization of global politics and markets worldwide, which has an impact on the positioning of vendors of ICT solutions at the global level, and consequently requires our additional efforts and flexibility. Given the situation, our strong focus is on timely identification and mitigation of risks in order to better cope with the political crisis in certain markets, disruptions in global supply chains, significant increase in prices of energy, raw materials and services, as well as rising labor costs. In 2022, we will intensify investments in 5G and new technologies, Industry 4.0, new markets and customers, digital transformation of Ericsson Nikola Tesla Group and the retention of key people and attracting new talent. Considering the growing needs for experts in areas of new responsibilities we are focused on additional recruiting, and during Q1 our Group employed 78 experts. We are well positioned to continue the implementation of our strategy and I believe that with our technology leadership, strong leadership, motivation

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and commitment of employees, as well as the trust of customers and partners, we will mitigate the ahead of us. Having all this in mind, the Management Board and the Supervisory Board proposed to the Annual General Meeting to adopt a dividend proposal of HRK 64 per share, thus showing that, even in this very demanding year, we are taking care of sustainable and responsible business in the interest of all stakeholders.“

Financial highlights for the Group:

- Sales revenue amounted to MHRK 526.1 (Q1 2021: MHRK 445.9), up by 18.0% year-over-year. In total sales revenue, the domestic market accounted for 40.3%, services to Ericsson accounted for 49%, while other export markets accounted for 10.7%.
- Sales in the Networks segment amounted to MHRK 301.9 (Q1 2021: MHRK 219.9), Digital Services segment amounted to MHRK 111.5 (Q1 2021: MHRK 118.8), Managed Services segment amounted to MHRK 111.8 (Q1 2021: MHRK 105.4), and Emerging Business and Other amounted to MHRK 0.9 (Q1 2021: MHRK 1.7).
- Gross profit was MHRK 82.9 (Q1 2021: MHRK 63.1), up by 31.3% year-over-year, as a result of business mix (increased revenue in the segment of deliveries to Ericsson and intensified deliveries related to projects of modernization of our customers' networks) and operational and cost efficiency program. Gross margin increased to 15.8% (Q1 2021: 14.2%).
- Selling and administrative expenses slightly increased by 1.2% year-over-year to MHRK 22.1 (Q1 2021: MHRK 21.8). The share of selling and administrative expenses in sales revenue was 4.2% (Q1 2021: 4.9%).
- Operating profit amounted to MHRK 69.6, up by 53.7% year-over-year (Q1 2021: MHRK 45.3) as a result of significant growth of gross profit.
- Gain from financial activities amounted to MHRK 1.5 (Q1 2021: MHRK 3.2), mainly due to lower positive impact of exchange differences.
- Profit before tax increased by 46.6% year-over-year to MHRK 71.0 (Q1 2021: MHRK 48.4).
- Net profit amounted to MHRK 59.7 (Q1 2021: MHRK 40.8), up by 46.1% year-over-year. Return on Sales (ROS) was 11.3% (Q1 2021: 9.2%).
- Cash flow from operating activities amounted to MHRK -56.1 (Q1 2021: MHRK 22.6) and is in line with expectations for Q1. Given the quarterly volatility, cash flow should be observed at the annual level.
- Working Capital Efficiency, expressed in WCD, was 10 days (Q1 2021: 18 days), and excluding services to Ericsson, Working Capital Efficiency was 27 days (Q1 2021: 32 days). The current number of Working Capital Days is the result of finalization of several demanding network modernization projects.
- Cash and cash equivalents, including short term financial assets, as at March 31, 2022, amounted to MHRK 439.8 (35.7% of the total assets), while at the end of 2021, they amounted to MHRK 510.5 (42.4% of the total assets), and is in line with the planned regular activities for the quarter, including the payment of annual bonus.

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- The Group has a solid balance sheet with the total assets of MHRK 1,230.4 as at March 31, 2022, up by 2.2% compared to the end of 2021. The increase of balance sheet is still affected by the increase of work-in progress and inventory due to contract execution dynamics as well as the increase in customer receivables. Equity ratio was 37.5% (end of 2021: 33.6%).
- With related parties, the transactions were as follows: sales of products and services amounted to MHRK 257.7 (Q1 2021: MHRK 216.1), while the procurement of products and services amounted to MHRK 52.9 (Q1 2021: MHRK 60.6).
- As at March 31, 2022, balances outstanding with related parties were as follows: receivables amounted to MHRK 113.9 (end of 2021: MHRK 76.8), and payables MHRK 42.6 (end of 2021: MHRK 12.6).

Business situation in major markets

In the domestic market, sales revenue amounted to MHRK 212.1 (Q1 2021: MHRK 178.0), up by 19.2% year-over-year.

The first quarter of 2022 was marked by an intense cooperation with the strategic partner Hrvatski Telekom on preparatory activities related to the contracts co-financed by European Funds, which encompass the design and build of the passive part of FTTH network, and procurement and installation of material.

Based on the existing Management Services Agreement for the construction and maintenance of fixed and mobile telecommunications infrastructure, during last year fiber was introduced for new 100,000 end-users, and the build continues also during 2022.

In addition to build of fiber network, 2022 will be marked by further investments of Hrvatski Telekom in mobile network, with a focus on 5G and FWA (Fixed Wireless Access). FWA is a service that enables fixed access through mobile network, and by applying 5G technology it ensures great speeds and is applied primarily in rural, suburban and areas where there is no fiber.

With the strategic partner A1 Hrvatska, activities intensified related to the expansion of coverage and capacity of radio 5G network as well as the modernization of the existing radio access network and the expansion of capacities on LTE technology. Moreover, the cooperation continued on the realization of the second 5G contract signed in 2021 related to build of convergent 5G core network. At the same time, a successful partnership cooperation continues with the modernization of microwave transmission systems.

In the segment Digital Society, in cooperation with the Slovenian company Realis informacijske tehnologije, as a Bidding Consortium, we have signed a contract with Hrvatske ceste to establish a national access point for multimodal information in transport, as well as to develop a route guide as part of the provision of multimodal information services in transport. Moreover, in consortium with King ICT, we signed a new three-year framework agreement with the Ministry of the Interior of the Republic of Croatia on the maintenance of the emergency call system.

In the e-Health segment, we continued the informatization of the central healthcare IT system with the Ministry of Health. The contracts related to maintenance and upgrade were also signed with several hospitals.

We have continued the delivery of software solutions for the Ministry of Justice and Public Administration and State Geodetic Administration on the Joint Information System of Land Registry and Cadaster (JIS). Moreover, activities are ongoing for the Ministry of Justice and Public Administration on the delivery of IT system to improve the quality of work of public administration, as well as an IT system with the aim to optimize the system of local and regional municipalities. For the Ministry of Culture and Media, the project of digitalization of the cultural heritage of the Republic of Croatia, continues. Furthermore, the implementation of interesting innovative solutions for Industry 4.0 related to e-Environment and smart cities, are ongoing.

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In export markets (excluding services to Ericsson) sales revenue amounted to MHRK 56.3 (Q1 2021: MHRK 50.8), up by 10.8% year-over-year.

The political crisis has a negative impact on the realization of contracted business activities of Ericsson Nikola Tesla in Belarus, as well as on new business opportunities. We have been continuously monitoring the development of situation in order to respond and mitigate risks, to the extent possible.

In other export markets, with the operator BH Telecom, we contracted the upgrade of a part of core network and the necessary services of implementation and integration. With the operator HT Mostar, a contract was signed related to management of software and licenses of Ericsson solutions in the network of this operator.

With Crnogorski Telekom, activities continued on the modernization and expansion of telecommunication network. Crnogorski Telekom is the first operator in Montenegro to put 5G network into commercial operation. Dynamic Spectrum Sharing (DSS) technology was implemented at several locations, and intense preparation is ongoing to increase the capacity and to modernize the entire radio network, i.e. coverage of the entire Montenegro with 5G signal.

With the operator Ipko activities are ongoing on the modernization of radio access network and microwave transmission systems, and 5G pilot project was agreed.

In Ericsson market, sales revenue amounted to MHRK 257.7 (Q1 2021: MHRK 217.1), up by 18.7% year-over-year.

In Q1, Ericsson Nikola Tesla's Research & Development Center continued to deliver the planned services. In business segment Networks, the development of main 5G features within Radio, Traffic Control and Compute Digital Silicon is ongoing as planned. Within the business segment Digital Services in the area Mobile Switching Center, activities of automation and virtualization continue. In the area Home Location Register, numerous features were delivered, and customer support requests were successfully realized. Within Cloud, transfer of new responsibilities is successfully finalizing. In the area Unified Data Management, the work on critical feature is progressing as planned. There is a possibility to gain new responsibilities, especially in the area Unified Data Management and Compute & Digital Silicon.

The experts from the Center for Services and Solutions for Networks, in addition to projects for the customers of Ericsson Nikola Tesla Group, are included in the activities of design and optimization and integration of various technologies for Ericsson customers in United Kingdom, Sweden, Norway, Ireland, Germany, Czech Republic, Switzerland, Denmark, Romania, Ukraine, Japan, Saudi Arabia, Malaysia, Pakistan, Oman, Jordan, Indonesia, Bahrain.

The activities also continued on the development and implementation of software tools for management and optimization of mobile networks which are used in the network rollout by many operators worldwide.

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, Italy, Belgium, Slovakia, Hungary, Macedonia, Greece, Serbia, Libya, Australia, 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 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 transformation processes of Ericsson Nikola Tesla Group and provided quality support for a smooth work from home and remote support to customers.

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In the segment Digital Society, 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 Ericsson.

Other information

At the meeting held on April 20, 2022, Ericsson Nikola Tesla Supervisory Board and Management Board made a joint proposal to the Annual General Meeting to adopt a decision regarding the dividend payment of HRK 64 per share.

Ericsson Nikola Tesla Annual General Meeting will be held on June 27, 2022. The shareholders who will have the Company shares registered on their securities account in the Central Depository & Clearing Company on July 01, 2022, are entitled to dividend payment. Ex-dividend date is June 30, 2022.

Ericsson Nikola Tesla's major shareholders (as at March 31, 2022)

	Number of shares	% of share capital
Telefonaktiebolaget LM Ericsson	653,473	49.07
PBZ d.d. / Raiffeisen mandatory pension fund, B category	123,514	9.28
Erste & Steiermarkische Bank d.d. / PBZ Croatia osiguranje mandatory pension fund, B category	40,490	3.04
OTP banka d.d. / Erste Plavi mandatory pension fund, B category	30,334	2.28
Raiffeisenbank Austria d.d. / Raiffeisen voluntary pension fund	16,739	1.26
PBZ d.d. / The Bank of New York as Custodian	9,860	0.74
OTP banka d.d. / OTP Index fund – open-end investment fund with public offering	9,474	0.71
PBZ d.d. / custodian client account	9,369	0.70
Ericsson Nikola Tesla d.d.	9,053	0.68
Vuleta Ivica	5,318	0.40
Other shareholders	424,026	31.84

Share price information in Q1 2022 :

Highest (HRK)	Lowest (HRK)	Last (HRK)	Market cap. (in MHRK)
2,040.00	1,450.00	1,880.00	2,503.5

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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, 2022 to March 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 dark ink, appearing to read "Gordana Kovačević".

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For additional information, please contact:

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Ericsson Nikola Tesla d.d.

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

Ericsson Nikola Tesla d.d.
Consolidated statement of comprehensive income
for the period ended 31 March 2022

	2022	2021
	HRK '000	HRK '000
Sales revenue	526.070	445.858
Cost of sales	-443.199	-382.732
Gross profit	82.871	63.126
Selling expenses	-10.078	-10.617
Administrative expenses	-11.991	-11.201
Other operating income	8.794	4.074
Impairment loss on financial assets	-33	-116
Operating profit	69.563	45.267
Finance income	2.451	3.510
Finance expense	-980	-338
Finance income/(expense), net	1.472	3.172
Profit before tax	71.035	48.439
Income tax	-11.373	-7.603
Profit for the year	59.662	40.836
Other comprehensive income	66	-10
Total comprehensive income for the year	59.728	40.826
Earnings per share (HRK)	45	31

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

	2022 HRK '000	2021 HRK '000
ASSETS		
Non-current assets		
Property, plant and equipment	129.048	134.198
Right of use assets	47.388	52.087
Intangible assets	5.161	5.257
Loans and receivables	26.228	21.928
Deferred tax assets	15.597	15.606
Total non-current assets	223.422	229.076
Current assets		
Inventories	176.702	142.852
Trade receivables	250.724	201.473
Receivables from related parties	113.904	76.808
Other receivables	19.404	35.994
Income tax receivable	238	181
Prepayments	6.151	6.787
Financial assets at fair value through profit or loss	32.349	32.997
Cash and cash equivalents	407.469	477.487
Total current assets	1.006.941	974.579
TOTAL ASSETS	1.230.363	1.203.655
EQUITY AND LIABILITIES		
Equity		
Share capital	133.165	133.165
Treasury shares	-16.133	-12.422
Legal reserves	6.658	6.658
Reserve for treasury shares	36.512	36.512
Reserve of currency conversion	-331	-397
Retained earnings	302.118	240.526
Total equity	461.989	404.042
Non-current liabilities		
Borrowings	13.530	17.031
Lease liabilities	30.920	33.674
Other non-current liabilities	412	446
Employee benefits	8.289	8.597
Total non-current liabilities	53.151	59.748
Current liabilities		
Payables to related parties	42.587	12.628
Borrowings	14.123	14.134
Trade and other payables	212.222	253.501
Income tax payable	27.129	16.806
Provisions	10.862	13.601
Accrued charges and deferred revenue	119.184	120.483
Contract liabilities	272.266	289.976
Lease liabilities	16.850	18.736
Total current liabilities	715.223	739.865
Total liabilities	768.374	799.613
TOTAL EQUITY AND LIABILITIES	1.230.363	1.203.655

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

	2022 HRK '000	2021 HRK '000
Cash flows from operating activities		
<i>Profit before tax</i>	71.035	48.439
Adjustments for:		
Depreciation and amortisation	13.258	14.358
Impairment losses and reversals	-42	-114
Gain on sale of property, plant and equipment	-139	-49
Net loss/(gain) on remeasurement of financial assets	648	-188
Interest income	-353	-370
Interest expense	328	335
Foreign exchange (gains)/losses, net	-1.364	-2.635
Share-based payments	1.929	583
<i>Changes in working capital</i>		
In receivables	-81.091	-8.704
In inventories	-33.850	-24.340
In provisions	-3.048	-4.154
In payables	-22.100	211
<i>Cash generated from operations</i>	-54.788	23.371
Interest paid	-507	-627
Income taxes paid	-797	-193
Net cash from operating activities	-56.092	22.551
Cash flows from investing activities		
Interest received	328	362
Proceeds from sale of property, plant and equipment	85	15
Purchases of property, plant and equipment, and intangible assets	-618	-2.166
Deposits given to financial institutions - net	723	-
Receipt of government grant	-	1.241
Net change of financial assets at fair value through profit and loss	-	3
Net cash used in investing activities	518	-546
Cash flows from financing activities		
Repayment of borrowings	-5.795	-3.522
Purchase of treasury shares	-3.711	-
Dividends paid	-10	-3
Payment of lease liabilities	-5.573	-5.730
Net cash used in financing activities	-15.088	-9.256
Effects of exchange rate changes on cash and cash equivalents	645	1.029
Net increase/(decrease) in cash and cash equivalents	-70.018	13.779
Cash and cash equivalents at the beginning of the year	477.487	281.056
Cash and cash equivalents at the end of the year	407.469	294.834

Annex 1

ISSUER'S GENERAL DATA

Reporting period:

1.1.2022

to

31.3.2022

Year:

2022

Quarter:

1.

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

3493

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 31.03.2022

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	229 075 936	223 421 595
INTANGIBLE ASSETS (ADP 004 to 009)	003	5 257 405	5 180 901
1 Research and development	004	0	0
2 Concessions, patents, licences, trademarks, software and other rights	005	1 084 163	987 655
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	188 284 651	176 435 624
1 Land	011	15 605 344	15 605 344
2 Buildings	012	91 238 625	86 973 842
3 Plant and equipment	013	46 800 325	42 081 358
4 Tools, working inventory and transportation assets	014	32 007 853	29 750 352
5 Biological assets	015	0	0
6 Advances for the purchase of tangible assets	016	0	0
7 Tangible assets in preparation	017	587 641	1 981 811
8 Other tangible assets	018	44 982	42 917
9 Investment property	019	0	0
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	16 432 018	15 766 955
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	16 432 018	15 766 955
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	5 495 741	10 491 381
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	5 127 139	10 095 104
4 Other receivables	035	368 606	396 278
V DEFERRED TAX ASSETS	036	15 606 113	15 596 733
C) CURRENT ASSETS (ADP 038+046+053+063)	037	997 792 434	1 000 790 247
INVENTORIES (ADP 039 to 045)	038	142 851 833	176 702 493
1 Raw materials and consumables	039	39 150 582	52 774 070
2 Work in progress	040	103 699 551	123 926 532
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	301 127 701	370 659 481
1 Receivables from undertakings within the group	047	0	0
2 Receivables from companies linked by virtue of participating interests	048	76 808 031	113 904 109
3 Customer receivables	049	201 472 625	250 724 441
4 Receivables from employees and members of the undertaking	050	0	0
5 Receivables from government and other institutions	051	3 467 925	3 183 696
6 Other receivables	052	19 376 120	2 947 244
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)	053	48 325 762	45 959 611
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	32 997 449	32 349 299
8 Loans, deposits, etc. given	061	13 328 313	13 610 311
9 Other financial assets	062	0	0
IV CASH AT BANK AND IN HAND	063	477 487 036	407 468 835
D) PREPAID EXPENSES AND ACCRUED INCOME	064	6 767 111	6 151 271
E) TOTAL ASSETS (ADP 001+002+037+064)	065	1 203 655 481	1 230 363 113
OFF-BALANCE SHEET ITEMS	066	0	0
LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to 074)	067	454 042 075	461 988 582
INITIAL (UNSUBSCRIBED) 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	30 748 150	27 037 555
1 Legal reserves	071	6 658 250	6 658 250
2 Reserves for treasury shares	072	36 511 836	36 511 836
3 Treasury shares and holdings (deductible item)	073	-12 421 930	-16 132 530
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	-385 587	-330 735
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	-396 587	-330 735
VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 084-085)	083	83 177 357	242 454 921
1 Retained profit	084	63 177 357	242 454 921
2 Loss brought forward	085	0	0
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 087-088)	086	177 348 149	59 661 840
1 Profit for the business year	087	177 348 149	59 661 840
2 Loss for the business year	088	0	0
VIII MINORITY (NON-CONTROLLING) INTEREST	089	0	0
B) PROVISIONS (ADP 091 to 096)	090	8 597 453	8 288 775
1 Provisions for pensions, termination benefits and similar obligations	091	8 597 453	8 288 775
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	51 150 940	44 852 441
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	50 705 458	44 450 694
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	445 482	411 749
11 Deferred tax liability	108	0	0
D) SHORT-TERM LIABILITIES (ADP 110 to 123)	109	381 934 070	392 067 491
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	12 628 233	42 586 663
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	32 870 157	30 972 750
7 Liabilities for advance payments	116	52 527 993	38 294 592
8 Liabilities to suppliers	117	94 629 185	120 770 587
9 Liabilities for securities	118	0	0
10 Liabilities to employees	119	132 549 730	63 754 008
11 Taxes, contributions and similar liabilities	120	43 127 961	54 827 245
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	13 600 813	10 861 650
E) ACCRUALS AND DEFERRED INCOME	124	357 930 940	353 155 820
F) TOTAL - LIABILITIES (ADP 067+090+097+109+124)	125	1 203 655 481	1 230 363 113
G) OFF-BALANCE SHEET ITEMS	126	0	0

STATEMENT OF PROFIT OR LOSS
for the period 01.01.2022 to 31.03.2022

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	449.931.953	449.931.953	534.864.342	534.864.342
1 Income from sales with undertakings within the group	002	0	0	0	0
2 Income from sales (outside group)	003	445.858.417	445.858.417	526.070.259	526.070.259
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	4.073.536	4.073.536	8.794.083	8.794.083
II OPERATING EXPENSES (ADP 008+009+013+017+018+019+022+029)	007	404.665.336	404.665.336	465.301.127	465.301.127
1 Changes in inventories of work in progress and finished goods	008	-24.147.427	-24.147.427	-20.204.043	-20.204.043
2 Material costs (ADP 010 to 012)	009	189.535.521	189.535.521	218.915.131	218.915.131
a) Costs of raw materials and consumables	010	66.276.155	66.276.155	102.445.311	102.445.311
b) Costs of goods sold	011	0	0	0	0
c) Other external costs	012	123.259.366	123.259.366	116.469.820	116.469.820
3 Staff costs (ADP 014 to 016)	013	213.022.732	213.022.732	234.079.366	234.079.366
a) Net salaries and wages	014	132.822.170	132.822.170	142.770.315	142.770.315
b) Tax and contributions from salary costs	015	56.818.850	56.818.850	65.328.039	65.328.039
c) Contributions on salaries	016	23.381.712	23.381.712	25.981.012	25.981.012
4 Depreciation	017	14.357.753	14.357.753	13.258.366	13.258.366
5 Other costs	018	10.510.738	10.510.738	17.985.045	17.985.045
6 Value adjustments (ADP 020+021)	019	661.021	661.021	0	0
a) fixed assets other than financial assets	020	0	0	0	0
b) current assets other than financial assets	021	661.021	661.021	0	0
7 Provisions (ADP 023 to 028)	022	609.260	609.260	1.233.791	1.233.791
a) Provisions for pensions, termination benefits and similar	023	153.033	153.033	1.177.257	1.177.257
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	456.227	456.227	56.534	56.534
f) Other provisions	028	0	0	0	0
8 Other operating expenses	029	115.738	115.738	33.471	33.471
III FINANCIAL INCOME (ADP 031 to 040)	030	3.509.917	3.509.917	2.451.263	2.451.263
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	29.803	29.803	0	0
6 Income from other long-term financial investments and loans	036	0	0	0	0
7 Other interest income	037	370.404	370.404	353.338	353.338
8 Exchange rate differences and other financial income	038	2.921.947	2.921.947	2.097.925	2.097.925
9 Unrealised gains (income) from financial assets	039	0	0	0	0
10 Other financial income	040	187.763	187.763	0	0
IV FINANCIAL EXPENSES (ADP 042 to 048)	041	337.958	337.958	979.738	979.738
1 Interest expenses and similar expenses with undertakings within the group	042	29.658	29.658	0	0
2 Exchange rate differences and other expenses from operations with undertakings within the group	043	0	0	0	0
3 Interest expenses and similar expenses	044	308.301	308.301	331.589	331.589
4 Exchange rate differences and other expenses	045	0	0	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	0	0	648.149	648.149
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 01+030+049 +050)	053	453.441.870	453.441.870	537.315.605	537.315.605
X TOTAL EXPENDITURE (ADP 007+041+051 + 052)	054	405.003.295	405.003.295	466.280.865	466.280.865
XI PRE-TAX PROFIT OR LOSS (ADP 053-054)	055	48.438.575	48.438.575	71.034.740	71.034.740
1 Pre-tax profit (ADP 053-054)	056	48.438.575	48.438.575	71.034.740	71.034.740
2 Pre-tax loss (ADP 054-053)	057	0	0	0	0
XII INCOME TAX	058	7.602.573	7.602.573	11.372.900	11.372.900
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 055-059)	059	40.836.002	40.836.002	59.661.840	59.661.840
1 Profit for the period (ADP 055-059)	060	40.836.002	40.836.002	59.661.840	59.661.840
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 068)	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 P&L (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	40.836.002	40.836.002	59.661.840	59.661.840
II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 080+ 87)	079	-9.517	-9.517	65.852	65.852
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	-9.517	-9.517	65.852	65.852
1 Exchange rate differences from translation of foreign operations	088	-9.517	-9.517	65.852	65.852
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	-9.517	-9.517	65.852	65.852
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 078+087)	098	40.826.485	40.826.485	59.727.692	59.727.692
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	40.826.485	40.826.485	59.727.692	59.727.692
1 Attributable to owners of the parent	100	40.826.485	40.826.485	59.727.692	59.727.692
2 Attributable to minority (non-controlling) interest	101	0	0	0	0

STATEMENT OF CASH FLOWS - indirect method
for the period 01.01.2022 to 31.03.2022

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	48.438.574	71.034.740
2 Adjustments (ADP 003 to 010):	002	11.919.488	14.266.044
a) Depreciation	003	14.357.753	13.258.366
b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets	004	-49.492	-139.050
c) Gains and losses from sale and unrealised gains and losses and value adjustment of financial assets	005	-187.763	648.149
d) Interest and dividend income	006	-370.404	-353.338
e) Interest expenses	007	335.363	328.458
f) Provisions	008	0	
g) Exchange rate differences (unrealised)	009	-2.635.166	-1.363.818
h) Other adjustments for non-cash transactions and unrealised gains and losses	010	469.197	1.887.277
I Cash flow increase or decrease before changes in working capital (ADP 001+002)	011	60.358.062	85.300.784
3 Changes in the working capital (ADP 013 to 016)	012	-36.987.001	-140.088.875
a) Increase or decrease in short-term liabilities	013	210.875	-22.099.907
b) Increase or decrease in short-term receivables	014	-8.704.331	-81.090.657
c) Increase or decrease in inventories	015	-24.339.920	-33.850.469
d) Other increase or decrease in working capital	016	-4.153.625	-3.047.842
II Cash from operations (ADP 011+012)	017	23.371.061	-54.788.091
4 Interest paid	018	-627.419	-507.403
5 Income tax paid	019	-192.504	-796.807
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)	020	22.551.138	-56.092.301
Cash flow from investment activities			
1 Cash receipts from sales of fixed tangible and intangible assets	021	15.362	85.074
2 Cash receipts from sales of financial instruments	022	2.663	
3 Interest received	023	361.830	327.653
4 Dividends received	024	0	
5 Cash receipts from repayment of loans and deposits	025	0	722.721
6 Other cash receipts from investment activities	026	1.240.573	
III Total cash receipts from investment activities (ADP 021 to 026)	027	1.620.428	1.135.448
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-2.166.310	-617.858
2 Cash payments for the acquisition of financial instruments	029	0	0
3 Cash payments for loans and deposits for the period	030	0	0
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	-2.166.310	-617.858
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)	034	-545.882	517.590
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	0	0
4 Other cash receipts from financing activities	038	0	0
V Total cash receipts from financing activities (ADP 035 to 038)	039	0	0
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	040	-3.522.066	-5.794.592
2 Cash payments for dividends	041	-3.485	-9.891
3 Cash payments for finance lease	042	-5.729.997	-5.573.295
4 Cash payments for the redemption of treasury shares and decrease in initial (subscribed) capital	043	0	-3.710.600
5 Other cash payments from financing activities	044	0	0
VI Total cash payments from financing activities (ADP 040 to 044)	045	-9.255.548	-15.088.378
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)	046	-9.255.548	-15.088.378
1 Unrealised exchange rate differences in respect of cash and cash equivalents	047	1.028.845	644.886
D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 020+034+046+047)	048	13.778.553	-70.018.203
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	049	281.055.836	477.487.038
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD(ADP 048+049)	050	294.834.389	407.468.835

STATEMENT OF CASH FLOWS - direct method
for the period 01.01.2022 to 31.03.2022

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	0	0
2 Cash receipts from royalties, fees, commissions and other revenue	002	0	0
3 Cash receipts from insurance premiums	003	0	0
4 Cash receipts from tax refund	004	0	0
5 Other cash receipts from operating activities	005	0	0
I Total cash receipts from operating activities (ADP 001 to 005)	006	0	0
1 Cash payments to suppliers	007	0	0
2 Cash payments to employees	008	0	0
3 Cash payments for insurance premiums	009	0	0
4 Interest paid	010	0	0
5 Income tax paid	011	0	0
6 Other cash payments from operating activities	012	0	0
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	0	0
2 Cash receipts from sales of financial instruments	016	0	0
3 Interest received	017	0	0
4 Dividends received	018	0	0
5 Cash receipts from the repayment of loans and deposits	019	0	0
6 Other cash receipts from investment activities	020	0	0
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	0	0
2 Cash payments for the acquisition of financial instruments	023	0	0
3 Cash payments for loans and deposits	024	0	0
4 Acquisition of a subsidiary, net of cash acquired	025	0	0
5 Other cash payments from investment activities	026	0	0
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	0	0
2 Cash receipts from the issue of equity financial instruments and debt financial instruments	030	0	0
3 Cash receipts from credit principals, loans and other borrowings	031	0	0
4 Other cash receipts from financing activities	032	0	0
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	0	0
2 Cash payments for dividends	035	0	0
3 Cash payments for finance lease	036	0	0
4 Cash payments for the redemption of treasury shares and decrease in initial (subscribed) capital	037	0	0
5 Other cash payments from financing activities	038	0	0
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	0	0
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	0	0
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 **1.1.2022** to **31.3.2022**

for the period from 1.1.2022 to 31.3.2022		Attributable to owners of the parent																	in HRK	
Item	ADP code	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	Minority (non-controlling interest)	Total capital and reserves	
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	0	6.658.250	13.903.446	506.200	0	0	0	0	0	0	0	-281.331	98.394.647	94.539.989	345.873.801	0	345.873.801	
2 Changes in accounting policies	02	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
3 Correction of errors	03	0	0	0	0	0	0	0	0	0	0	0	0	0	0	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	13.903.446	506.200	0	0	0	0	0	0	0	-281.331	98.394.647	94.539.989	345.873.801	0	345.873.801	
5 Profit/loss of the period	05	0	0	0	0	0	0	0	0	0	0	0	0	0	0	177.348.149	177.348.149	0	177.348.149	
6 Exchange rate differences from translation of foreign operations	06	0	0	0	0	0	0	0	0	0	0	0	0	-115.256	0	0	-115.256	0	-115.256	
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	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	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	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	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	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	0	0	0	
13 Other changes in equity unrelated to owners	13	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	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	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	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
16 Decrease in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	16	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
17 Decrease in initial (subscribed) capital arising from the reinvestment of profit	17	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
18 Redemption of treasury shares/holdings	18	0	0	0	25.000.000	14.307.340	0	0	0	0	0	0	0	0	-25.000.000	0	-14.307.340	0	-14.307.340	
19 Payments from members/shareholders	19	0	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	0	0	0	0	0	0	0	0	0	0	0	0	0	-109.162.418	0	-109.162.418	0	-109.162.418	
21 Other distributions and payments to members/shareholders	21	0	0	0	-2.391.610	-2.391.610	0	0	0	0	0	0	0	0	4.405.139	0	4.405.139	0	4.405.139	
22 Transfer to reserves according to the annual schedule	22	0	0	0	0	0	0	0	0	0	0	0	0	0	94.539.989	-94.539.989	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	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	36.511.836	12.421.930	0	0	0	0	0	0	0	-396.587	63.177.357	177.348.149	404.042.075	0	404.042.075	
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	0	0	0	0	0	0	-115.256	0	0	-115.256	0	-115.256	
II COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP 05+25)	26	0	0	0	0	0	0	0	0	0	0	0	0	-115.256	0	177.348.149	177.232.893	0	177.232.893	
III TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 23)	27	0	0	0	22.608.390	11.915.730	0	0	0	0	0	0	0	0	-35.217.290	-94.539.989	-119.064.619	0	-119.064.619	
Current period																				
1 Balance on the first day of the current business year	28	133.165.000	0	6.658.250	36.511.836	12.421.930	0	0	0	0	0	0	0	-396.587	240.525.506	0	404.042.075	0	404.042.075	
2 Changes in accounting policies	29	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
3 Correction of errors	30	0	0	0	0	0	0	0	0	0	0	0	0	0	0	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	36.511.836	12.421.930	0	0	0	0	0	0	0	-396.587	240.525.506	0	404.042.075	0	404.042.075	
5 Profit/loss of the period	32	0	0	0	0	0	0	0	0	0	0	0	0	0	0	59.661.840	59.661.840	0	59.661.840	
6 Exchange rate differences from translation of foreign operations	33	0	0	0	0	0	0	0	0	0	0	0	0	65.852	0	0	65.852	0	65.852	
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	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	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	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	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	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	0	0	0	
13 Other changes in equity unrelated to owners	40	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
14 Tax on transactions recognised directly in equity	41	0	0	0	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)	42	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
16 Decrease in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	43	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
17 Decrease in initial (subscribed) capital arising from the reinvestment of profit	44	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
18 Redemption of treasury shares/holdings	45	0	0	0	0	3.710.600	0	0	0	0	0	0	0	0	0	0	-3.710.600	0	-3.710.600	
19 Payments from members/shareholders	46	0	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	0	0	0	0	0	
21 Other distributions and payments to members/shareholders	48	0	0	0	0	0	0	0	0	0	0	0	0	0	1.929.415	0	1.929.415	0	1.929.415	
22 Carryforward per annual plans	49	0	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	50	0	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 current business year reporting period (ADP 31 to 50)	51	133.165.000	0	6.658.250	36.511.836	16.132.530	0	0	0	0	0	0	0	-330.735	242.454.921	59.661.840	461.988.582	0	461.988.582	
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	0	0	0	0	0	0	65.852	0	0	65.852	0	65.852	
II COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 32 to 52)	53	0	0	0	0	0	0	0	0	0	0	0	0	65.852	0	59.661.840	59.727.692	0	59.727.692	
III TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 42 to 50)	54	0	0	0	0	3.710.600	0	0	0	0	0	0	0	0	1.929.415	0	-1.781.185	0	-1.781.185	

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: Q1 2022

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 Press The financial statements have been prepared in accordance with International Financial Reporting Standards adopted by the European Union (IFRSs), on
- 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 statements presented in the Annual Report.
- e) The issuer does not have seasonal business activities.

Segment reporting	Networks		Digital Services		Managed Services		Other		Unallocated		Total	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
	'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	301.893	219.872	111.498	118.800	111.792	106.464	947	1.792	0	0	826.079	445.858
Operating profit	51.784	33.280	13.423	13.882	16.287	9.201	80	102	-11.991	-11.195	69.563	46.267

Transactions with related parties:

	31.3.2022	31.3.2021
	HRK 000	HRK 000
Sales	257.655	216.132
Purchases	52.930	60.635

Balances with related parties

	31.3.2022	31.12.2021
	HRK 000	HRK 000
Receivable	113.804	76.808
Payable	42.587	12.628

- f)
1. Issuer's name, registered office (address), legal form, country of establishment, entity's registration number are disclosed in the sheet General data of this
 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 possibility of any outflow is remote. The Group has no commitments concerning pensions that are in scope of IAS 19.
 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 3492 (Q1 2021: 3262). The Group does not calculate average 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 reporting period.
 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 statements for the
 16. Those consolidated reports are available at www.ericsson.com/investors/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 arrangements are
- 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 classification

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 profit/loss 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 presented by nature. Total amount of Cost of Sales, Selling, Administrative and Other operating expenses equals to amount of AOP 007 Operating expenses.