

PRESS INFO

October 27, 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 the first nine months of 2022

Highlights:

- Sales revenue: MHRK **1,545.8**
- Gross margin: **9.0%**
- Operating profit: MHRK **102.6**
- Profit before tax: MHRK **107.8**
- Net profit: MHRK **79.3**
- Cash flow from operating activities: MHRK **64.8**

Gordana Kovačević, President of Ericsson Nikola Tesla, commented:

“In the first nine months of 2022, we have continued the implementation of many projects in the domestic and export markets and have achieved solid results with sales revenue of more than 1.5 billion HRK. As well as in the previous quarters, Q3 was marked by a complex geopolitical and economic environment caused by the war in Ukraine, inflationary pressures in the form of rising prices of labor, energy and materials, disruptions in supply chains, as well as the insufficient number of ICT experts. Despite all the challenges, we have continued a stable business performance, and recorded a slight increase in sales revenue compared to the same period of the excellent 2021, because of revenue growth in the operator segment in the neighboring markets and a continuous growth of services to Ericsson. This offset lower revenue in the domestic market, as well as decline in revenue in Belarus due to sanctions.

In the domestic market, with the strategic partners Hrvatski Telekom and A1 Hrvatska, we have continued the implementation of 5G technology and the related infrastructure. Due to negative global trends, such as rising prices of electricity and inflation, the operators had adjusted the investment dynamics, which reflected on our sales revenue. In the segment Digital Society, we have signed several significant contracts with the Ministry of Justice and Public Administration, State Geodetic Administration, Ministry of the Interior, and the City of Split.

In the neighboring markets, we have continued a quality cooperation with our long-term customers, HT Mostar, Crnogorski Telekom and IPKO on the expansion and modernization of their telecommunication networks. I would like to highlight that several days ago we have also signed a five-year agreement that includes activities on the

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introduction of 5G technology across Montenegro, and the modernization of the entire radio network of Crnogorski Telekom, by which a long-term successful cooperation continues. In order to better position ourselves and at the same time reduce the impact of crisis on business performance, we have been strongly focused on the requirements of the existing, as well as the potential new customers.

The delivery of services to Ericsson have been continuously growing, and significantly contribute to the financial stability of the Group. This is the result of quality, knowledge and innovativeness of our teams and individuals in Research and Development (R&D) Center and expert centers for Customer Solutions and Services, Digital Society and IT & Test Environment. At the regular semi-annual R&D Management Business Review meeting, the excellence of our R&D Center in all business segments was once again confirmed, which strategically positions us in the global organization, and opens new opportunities. We are proud that Ericsson Nikola Tesla has the biggest number of software designers in Croatia, as many as 1,800 of them, and we are the country's leading company in terms of software exports and the largest research and development center with the potential for further growth.

In regard to key performance indicators, at Group level sales revenue increased by 0.8% year-over-year. Gross margin decreased to 9.0%, primarily due to sanctions in Belarus, as well as the increase of labor costs and rising prices of energy, raw materials and materials, while operating profit decreased by 22.4%, amounting to MHRK 102.6. If we exclude the one-time impact of the termination of eHealth implementation project in Belarus, gross margin is 10.7% (first nine months 2021: 11.5%), while operating profit decreased by 2.2% year-over-year, amounting to MHRK 129.3, which indicates that our exceptional effort have enabled us to secure the company's stable business performance. A positive cash flow from operating activities was realized, amounting to MHRK 64.8, which is in line with expectations, considering the market environment. We concluded the end of the third quarter with a healthy balance sheet, with equity ratio of 34.7%. Cash and cash equivalents, including short-term financial assets, at the end Q3, amounted to MHRK 462.6 (40.0% of the total assets).

In September, we marked 40 years of successful business operations of Ericsson Nikola Tesla's site in Split that employs almost 700 experts. Most of them work on the development of the latest solutions in R&D center, and along with them, there are also experts for Customer Solutions and Services, Digital Society and IT & Test Environment. We can proudly say that we have the biggest research and development center in Dalmatia, which is included in the development of the state-of-the-art technologies.

During Q3, Ericsson Nikola Tesla held its 21st Summer Camp, where approximately fifty students, with the support of their mentors, worked on projects related to Big Data domain (Augmentative Reality/XR, Digital Twin, IoT, Security, AI, Quantum computing, ML/Speech recognition, eHealth, e-Environment). Over the years, Summer Camp has become a recognized and respected brand that represents a successful model of cooperation between the economy and the academic community, which enables students to work on innovative high-tech projects, through which we contribute to raise the quality of education. We believe that also among the participants of this year's Summer Camp, there will be those who will become our employees and together with us, continue to build an innovative organizational culture of high performance.

During 2022, we hired more than 200 new employees who, with the quality support from their mentors, are quickly included in the company's business processes.

At the official ceremony of the Croatian Index of Sustainability (HRIO) Awards, Ericsson Nikola Tesla won the annual award for sustainable corporate governance. This award confirms our practice of integrating sustainable development in the decision-making system, and thus manage the impact of our business on the society and the environment. Furthermore, we have also won the ECO Lider Invest recognition for the investment in the new Data Center. This investment reflects our strategy and focus on sustainable business, since by switching to the new

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infrastructure of the Data Center, we have additionally reduced the carbon footprint and energy consumption, while at the same time increasing efficient management and flexibility for our users.

Despite the challenging geopolitical and economic environment, we believe that our technology leadership in 5G, innovative solutions in the Digital Society segment and the quality of our experts, make us ready for future challenges and new business opportunities. We are committed to further strengthening the company's culture based on integrity, ethics and compliance management. In order to finalize 2022 in line with the plan and to prepare well for the next year, we remain strongly focused on the realization of all contractual obligations, cost and operational efficiency, and risk management."

Financial highlights for the Group:

- Sales revenue amounted to MHRK 1,545.8 (first nine months 2021: MHRK 1,533.0), up by 0.8% year-over-year, as a result of sales increase in the operator segment in the neighboring markets and a continuous increase in services to Ericsson. In total sales revenue, the domestic market accounted for 41.4%, services to Ericsson 47.9%, while other export markets accounted for 10.7%. In the company's sales revenue, the share of total export accounted for 58.6%.
- Sales in the Networks segment amounted to MHRK 745.2 (first nine months 2021: MHRK 671.5), Digital Services segment amounted to MHRK 421.1 (first nine months 2021: MHRK 407.1), Managed Services segment amounted to MHRK 376.9 (first nine months 2021: MHRK 449.4), and segment Other amounted to MHRK 2.6 (first nine months 2021: MHRK 5.0).
- Gross profit was MHRK 138.6 (first nine months 2021: MHRK 176.8), down by 21.6% year-over-year, primarily due to higher costs as a result of termination of eHealth implementation project in Belarus. Furthermore, gross profit was impacted by the increase of labor costs and the increase in the prices of energy, raw materials and materials. Gross margin decreased to 9.0% (first nine months 2021: 11.5%).
- Selling and administrative expenses increased by 3.9% year-over-year, amounting to MHRK 64.6 (first nine months 2021: MHRK 62.2). The share of selling and administrative expenses in sales revenue was 4.2% (first nine months 2021: 4.1%).
- Operating profit amounted to MHRK 102.6, down by 22.4% year-over-year (first nine months 2021: MHRK 132.2) due to lower gross profit.
- Gain from financial activities amounted to MHRK 5.2 (first nine months 2021: MHRK 3.2), mainly due to higher interest income and positive exchange differences.
- Profit before tax decreased by 20.4% year-over-year to MHRK 107.8 (first nine months 2021: MHRK 135.4).
- Net profit amounted to MHRK 79.3 (first nine months 2021: MHRK 114.7), down by 30.9% year-over-year. Return on Sales (ROS) was 5.1% (first nine months 2021: 7.5%).
- Cash flow from operating activities amounted to MHRK 64.8 (first nine months 2021: MHRK 235.3) due to lower cash collection from certain customers in the domestic and export markets. However, it is in line with the expectations, taking into consideration the market environment.

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- Working Capital Efficiency, expressed in WCD, was 12 days (first nine months 2021: 8 days), and excluding services to Ericsson, Working Capital Efficiency was 31 days (first nine months 2021: 22 days). The number of WCD is impacted by the implementation dynamics of the ongoing projects and disruptions in supply chains.
- Cash and cash equivalents, including short term financial assets, as at September 30, 2022, amounted to MHRK 462.6 (40.0% of the total assets), while at the end of 2021, they amounted to MHRK 510.5 (42.4% of the total assets), and are in line with the planned regular activities.
- The Group has a solid balance sheet with the total assets of MHRK 1,155.2 as at September 30, 2022, down by 4% compared to the end of 2021, mainly due to the regular process of the rights of use assets depreciation, and somewhat lower cash and cash equivalents recorded at the day of the balance sheet (in the meantime, the dividend for 2021 was paid). Equity ratio was 34.7% (end of 2021: 33.6%).
- With related parties, the transactions were as follows: sales of products and services amounted to MHRK 740.9 (first nine months 2021: MHRK 645.9), while the procurement of products and services amounted to MHRK 173.9 (first nine months 2021: MHRK 203.3).
- As at September 30, 2022, balances outstanding with related parties were as follows: receivables amounted to MHRK 107.7 (end of 2021: MHRK 76.8), and payables amounted to MHRK 60.8 (end of 2021: MHRK 12.6).

Business situation in major markets

In the domestic market, sales revenue amounted to MHRK 640.3 (first nine months 2021: MHRK 729.8), down by 12.3% year-over-year.

The activities related to the design and build of the passive part of FTTH (*Fiber To The Home*) networks, based on the three contracts signed with Hrvatski Telekom, co-financed by the European Structural and Investment Funds, are ongoing as planned. In regard to build and monitoring of telecommunications infrastructure, monitoring of telecommunications network, field maintenance of fixed and mobile telecommunications infrastructure, and expansion and modernization of Hrvatski Telekom's mobile network, the realization based on the signed multi-year agreements, continues.

With A1 Hrvatska, the activities continue on the expansion of coverage and capacity of 5G radio network, as well as the realization of contract related to the build of convergent core network. At the same time, the cooperation continues on the modernization and expansion of capacities of 4G network, as well as on the modernization of microwave transfer systems.

Furthermore, with A1 Hrvatska, we have signed three contracts for the delivery of radio access active equipment for the build of mobile broadband access network of the next generation in areas without broadband infrastructure and without sufficient market interest for investments. The project is implemented within the "Build of the Next Generation Networks (NGN) / Next Generation Access Networks (NGA) in NGA white areas", co-financed by the Operational Programme Competitiveness and Cohesion funds.

In the Digital Society segment, with the Ministry of Justice and Public Administration we have contracted the upgrade of the information system of land registry and cadaster, including a digital assistant. With the State Geodetic Administration, we have contracted the basic and expanded maintenance of the Infrastructure Cadaster System, based on the two-year frame agreement. In cooperation with the Ministry of the Interior, the maintenance

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of the state border monitoring system of the Republic of Croatia continues (Green Border). With the City of Split, the activities have been contracted on the communication infrastructure relocation.

In export markets (excluding services to Ericsson) sales revenue amounted to MHRK 164.7 (first nine months 2021: MHRK 157.0), up by 4.9% year-over-year.

Unstable political and economic environment continues and impacts the realization of contracted activities in export markets, as well as new business opportunities.

In neighboring countries, during Q3, we have continued a quality cooperation with the operators HT Mostar, Crnogorski Telekom and IPKO, on the expansion and modernization of their telecommunication networks.

In Belarus, we have terminated the contract for the project of implementation of eHealth of the Republic of Belarus and have also stopped the signing of the already agreed new contracts. In line with the obtained time-limited permits from sanctions committees of the Republic of Croatia and the European Union, we are fulfilling certain obligations in the operator segment for the contracts that were signed before the EU's sanctions for Belarus came into force.

Services to Ericsson record sales revenue amounting to MHRK 740.8 (first nine months 2021: MHRK 646.2), up by 14.6% year-over-year.

The quality and innovativeness of our R&D Center in all business segments has once again been confirmed at the regular semi-annual R&D Management Business Review meeting, which creates prerequisites for further business development. In the business segment Networks, the development of main 5G features is ongoing as planned. In the business segment Mobile Switching Center preparations continued for the future consolidation of activities based on legacy systems, by engaging teams in both R&D and services work. Within the business segments Cloud and Unified Data Management, teams are working on critical features, progressing as planned.

The experts from the Customer Services and Solutions Center, in addition to projects for the customers of Ericsson Nikola Tesla Group, were engaged on projects for Ericsson customers through activities of creating solutions and defining network parameters, optimization and integration of solutions and technologies in Austria, Belgium, Denmark, Finland, France, Greece, Ireland, Italy, Luxembourg, Hungary, Germany, the Netherlands, Norway, Poland, Romania, Switzerland, Sweden, the United Kingdom, Slovenia, Serbia, North Macedonia, the United States of America, Canada, Japan, Singapore, Indonesia, India, Iraq, Jordan, Libya, Pakistan, Bahrain, Saudi Arabia, Qatar, Mexico, Tahiti, etc. These are complex projects that, among other, included the activities on the introduction of 5G technology, operational and business support systems, as well as projects of introduction of core solutions in Cloud. The work has also continued on the development and implementation of software tools for management and optimization of mobile networks that are used in the area of network build by numerous operators worldwide.

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

In the Digital Society segment, our experts, in addition to many projects for Ericsson Nikola Tesla's customers, have also achieved quality results on projects in IoT platforms and Connected Urban Traffic for the needs of Ericsson corporation.

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Other information

Ericsson Nikola Tesla's major shareholders (as at September 30, 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	27,618	2.07
Raiffeisenbank Austria d.d. / Raiffeisen voluntary pension fund	16,739	1.26
PBZ d.d. / custodian client account	10,388	0.78
OTP banka d.d. / OTP Index fund – open-end alternative investment fund with public offering	9,108	0.68
PBZ d.d. / The Bank of New York as Custodian	8,492	0.64
PBZ d.d. / Raiffeisen mandatory pension fund, A category	6,523	0.49
Ericsson Nikola Tesla d.d.	6,068	0.46
Other shareholders	429,413	32.23

Share price information in Q3 2022:

Highest (HRK)	Lowest (HRK)	Last (HRK)	Market cap. (in MHRK)
1,750.00	1,415.00	1,570.00	2,090.7

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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 September 30, 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:

Antonija Lončar

Director Marketing, Communication and CSR

Ericsson Nikola Tesla d.d.

Krapinska 45

HR-10 002 Zagreb

Tel.: +385 1 365 4473

Mob.: +385 91 365 4473

E-mail: antonija.loncar@ericsson.com

Orhideja Gjenero

Investor Relations Manager

Ericsson Nikola Tesla d.d.

Krapinska 45

HR-10 002 Zagreb

Tel.: +385 1 365 4431

Mob.: +385 91 365 4431

E-mail: orhideja.gjenero@ericsson.com

E-mail: odnosi.investitori@ericsson.com

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

Ericsson Nikola Tesla d.d.
Statement of comprehensive income
for the period ended 30 September 2022

	2022 HRK '000	2021 HRK '000
Sales revenue	1.151.967	1.071.903
Cost of sales	-1.050.028	-944.595
Gross profit	101.939	127.309
Selling expenses	-28.330	-28.720
Administrative expenses	-28.749	-26.510
Other operating income	88.009	16.428
Impairment loss on financial assets	-375	-132
Operating profit	132.494	88.375
Finance income	8.795	4.519
Finance expense	-3.043	-859
Finance income/(expense), net	5.752	3.660
Profit before tax	138.246	92.035
Income tax	-23.384	-11.648
Profit for the year	114.862	80.387
Other comprehensive income	-	-
Total comprehensive income for the year	114.862	80.387
Earnings per share (HRK)	87	60

Ericsson Nikola Tesla d.d.
Statement of financial position
as at 30 September 2022

	2022 HRK '000	2021 HRK '000
ASSETS		
Non-current assets		
Property, plant and equipment	121.575	129.380
Right of use assets	31.518	29.231
Intangible assets	778	1.080
Investments in subsidiaries	1.053	1.053
Loans and receivables	21.198	21.976
Deferred tax assets	12.555	12.555
Total non-current assets	188.677	195.275
Current assets		
Inventories	92.114	89.048
Trade receivables	144.762	108.484
Receivables from related parties	111.912	80.178
Other receivables	5.645	36.236
Financial assets at fair value through profit or loss	30.814	32.997
Prepayments	6.218	6.335
Cash and cash equivalents	349.760	332.301
Total current assets	741.225	685.579
TOTAL ASSETS	929.902	880.854
EQUITY AND LIABILITIES		
Equity		
Share capital	133.165	133.165
Treasury shares	-10.825	-12.421
Legal reserves	6.658	6.658
Reserve for treasury shares	40.538	36.512
Retained earnings	165.427	139.322
Total equity	334.963	303.236
Non-current liabilities		
Borrowings	6.928	16.982
Lease liabilities	24.832	21.314
Other non-current liabilities	260	442
Employee benefits	5.689	6.102
Total non-current liabilities	37.709	44.840
Current liabilities		
Payables to related parties	48.643	5.797
Borrowings	14.088	14.088
Trade and other payables	142.924	148.676
Income tax payable	18.873	4.103
Provisions	10.206	13.307
Accrued charges and deferred revenue	136.211	91.365
Contract liabilities	179.545	247.309
Lease liabilities	6.740	8.133
Total current liabilities	557.230	532.778
Total liabilities	594.939	577.618
TOTAL EQUITY AND LIABILITIES	929.902	880.854

Ericsson Nikola Tesla d.d.
Statement of cash flows
for the period ended 30 September 2022

	2022 HRK '000	2021 HRK '000
Cash flows from operating activities		
<i>Profit before tax</i>	138.246	92.035
Adjustments for:		
Depreciation and amortisation	27.969	34.483
Impairment losses and reversals	13	-126
Gain on sale of property, plant and equipment	-171	-15
Net loss/(gain) on remeasurement of financial assets	1.920	-229
Interest income	-3.674	-2.490
Dividend income	-57.493	-
Interest expense	1.176	807
Foreign exchange (gains)/losses, net	-3.921	-2.679
Share-based payments	5.892	2.285
<i>Changes in working capital</i>		
In receivables	-54.310	-32.106
In inventories	-3.067	-37.550
In provisions	-3.515	1.259
In payables	18.709	107.634
<i>Cash generated from operations</i>	67.774	163.308
Interest paid	-856	-980
Income taxes paid	-7.181	-79
Net cash from operating activities	59.737	162.250
Cash flows from investing activities		
Interest received	3.154	2.580
Dividends received	57.493	60
Proceeds from sale of property, plant and equipment	196	100
Purchases of property, plant and equipment, and intangible assets	-4.041	-9.311
Deposits given to financial institutions - net	12.901	-1.208
Net change of financial assets at fair value through profit and loss	-	1.325
Net cash used in investing activities	69.704	-6.455
Cash flows from financing activities		
Repayment of borrowings	-17.596	-11.308
Purchase of treasury shares	-4.377	-3.240
Dividends paid	-84.701	-109.166
Payment of lease liabilities	-7.211	-8.912
Net cash used in financing activities	-113.884	-132.625
Effects of exchange rate changes on cash and cash equivalents	1.903	275
Net increase/(decrease) in cash and cash equivalents	17.459	23.445
Cash and cash equivalents at the beginning of the year	332.301	245.833
Cash and cash equivalents at the end of the year	349.760	269.278

Annex 1**ISSUER'S GENERAL DATA**

Reporting period:

1.1.2022

to

30.9.2022

Year:

2022

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

2699

Consolidated report:

KN

(KN-not consolidated/KD-consolidated)

Audited:

RN

(RN-not audited/RD-audited)

Names of subsidiaries (according to IFRS):

Registered office:

MB:

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 30.09.2022

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	195.275.264	186.676.923
INTANGIBLE ASSETS (ADP 004 to 009)	003	1.079.766	777.579
1 Research and development	004	0	0
2 Concessions, patents, licences, trademarks, software and other rights	005	1.079.766	777.579
3 Goodwill	006	0	0
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	156.211.427	152.062.323
1 Land	011	15.605.344	15.605.344
2 Buildings	012	81.500.293	80.481.008
3 Plant and equipment	013	46.233.527	39.694.172
4 Tools, working inventory and transportation assets	014	15.009.657	13.648.816
5 Biological assets	015	0	0
6 Advances for the purchase of tangible assets	016	0	0
7 Tangible assets in preparation	017	217.724	3.624.961
8 Other tangible assets	018	44.862	39.026
9 Investment property	019	0	0
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	17.533.295	16.877.960
1 Investments in holdings (shares) of undertakings within the group	021	1.052.798	1.052.798
2 Investments in other securities of undertakings within the group	022	0	0
3 Loans, deposits, etc. to undertakings within the group	023	48.531	48.596
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	16.431.966	15.776.566
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	5.495.145	5.372.969
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	5.011.361
4 Other receivables	035	368.606	361.631
V DEFERRED TAX ASSETS	036	12.555.071	12.555.071
C) CURRENT ASSETS (ADP 038+046+053+063)	037	679.244.958	735.007.076
INVENTORIES (ADP 039 to 045)	038	69.047.636	62.114.343
1 Raw materials and consumables	039	0	16.312.276
2 Work in progress	040	89.047.839	75.802.071
3 Finished goods	041	0	0
4 Merchandise	042	0	0
5 Advances for inventories	043	0	0
6 Fixed assets held for sale	044	0	0
7 Biological assets	045	0	0
II RECEIVABLES (ADP 047 to 062)	046	214.981.416	260.216.164
1 Receivables from undertakings within the group	047	5.786.039	5.497.182
2 Receivables from companies linked by virtue of participating interests	048	74.392.078	106.414.812
3 Customer receivables	049	198.484.202	144.761.323
4 Receivables from employees and members of the undertaking	050	0	0
5 Receivables from government and other institutions	051	4.496.122	301.739
6 Other receivables	052	18.422.977	3.543.117
III CURRENT FINANCIAL ASSETS (ADP 064 to 065)	053	46.314.419	32.614.298
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	30.814.294
8 Loans, deposits, etc. given	061	13.316.970	1.800.000
9 Other financial assets	062	0	0
IV CASH AT BANK AND IN HAND	063	332.301.292	349.760.252
D) PREPAID EXPENSES AND ACCRUED INCOME	064	6.334.220	6.218.077
E) TOTAL ASSETS (ADP 001+002+037+064)	065	289.254.472	925.902.082
OFF-BALANCE SHEET ITEMS	066	0	0
LIABILITIES	067	363.276.797	334.962.873
A) CAPITAL AND RESERVES (ADP 068 to 069)	067	363.276.797	334.962.873
I 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	35.745.156	36.371.198
1 Legal reserves	071	6.658.250	6.658.250
2 Reserves for treasury shares	072	36.511.636	40.537.606
3 Treasury shares and holdings (deductible item)	073	-12.421.930	-10.824.670
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	0	0
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	0	0
VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 084-085)	083	24.115.806	50.565.014
1 Retained profit	084	24.115.806	50.565.014
2 Loss brought forward	085	0	0
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 087-088)	086	115.206.955	114.861.672
1 Profit for the business year	087	115.206.955	114.861.672
2 Loss for the business year	088	0	0
VIII MINORITY (NON-CONTROLLING) INTEREST	089	0	0
IX PROVISIONS (ADP 091 to 096)	090	6.102.034	5.688.877
1 Provisions for pensions, termination benefits and similar obligations	091	6.102.034	5.688.877
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	38.738.296	32.019.977
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	38.265.580	31.758.706
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	442.700	260.271
11 Deferred tax liability	108	0	0
D) SHORT-TERM LIABILITIES (ADP 110 to 123)	109	246.632.950	272.095.500
1 Liabilities to undertakings within the group	110	1.821.627	4.036.745
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	3.975.002	44.606.106
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	22.221.607	20.828.534
7 Liabilities for advance payments	116	52.527.963	30.621.489
8 Liabilities to suppliers	117	14.406.438	27.234.190
9 Liabilities for securities	118	0	0
10 Liabilities to employees	119	111.900.908	88.716.048
11 Taxes, contributions and similar liabilities	120	26.471.734	45.846.574
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	13.307.381	10.205.814
E) ACCRUALS AND DEFERRED INCOME	124	286.145.711	285.134.896
F) TOTAL - LIABILITIES (ADP 067+090+097+109+124)	125	680.854.472	925.902.082
G) OFF-BALANCE SHEET ITEMS	126	0	0

STATEMENT OF PROFIT OR LOSS
for the period 01.01.2022 to 30.09.2022

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	1,088,331,019	336,289,911	1,239,975,946	425,096,331
1 Income from sales with undertakings within the group	002	4,493,501	-5,067,823	5,755,500	1,918,124
2 Income from sales (outside group)	003	1,067,409,734	333,776,606	1,146,211,010	354,826,794
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	1,361,469	462,362	59,342,128	58,148,055
5 Other operating income (outside the group)	006	15,066,315	7,118,746	28,967,308	10,193,358
II OPERATING EXPENSES (ADP 08+009+013+017+018+019+022+029)	007	999,956,403	341,516,726	1,107,482,223	351,247,329
1 Changes in inventories of work in progress and finished goods	008	-37,549,746	-8,007,774	13,249,858	3,715,781
2 Material costs (ADP 010 to 012)	009	395,013,247	128,126,874	408,921,563	115,508,183
a) Costs of raw materials and consumables	010	221,342,472	86,474,330	209,407,979	54,849,983
b) Costs of goods sold	011	0	0	0	0
c) Other external costs	012	173,670,775	39,654,544	199,513,583	60,658,220
3 Staff costs (ADP 014 to 016)	013	568,150,063	196,496,960	607,337,913	208,162,789
a) Net salaries and wages	014	349,330,275	120,372,196	399,609,458	125,402,086
b) Tax and contributions from salary costs	015	155,001,644	55,238,719	170,538,109	59,690,472
c) Contributions on salaries	016	63,818,144	22,888,055	67,090,348	23,070,231
4 Depreciation	017	34,482,899	11,415,959	27,968,652	8,762,488
5 Other costs	018	28,564,186	10,309,429	45,745,115	14,297,465
6 Value adjustments (ADP 020+021)	019	1,357,399	353,308	0	0
a) Fixed assets other than financial assets	020	0	0	0	0
b) Current assets other than financial assets	021	1,357,399	353,308	0	0
7 Provisions (ADP 023 to 028)	022	9,806,573	3,235,754	3,884,464	637,079
a) Provisions for pensions, termination benefits and similar obligations	023	5,927,404	3,187,735	3,792,549	619,896
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	524,854	48,019	91,915	17,183
f) Other provisions	028	3,354,315	0	0	0
8 Other operating expenses	029	131,782	-415,784	374,659	163,544
III FINANCIAL INCOME (ADP 031 to 040)	030	4,519,425	2,235,896	8,794,741	2,895,977
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	0	0	13,090	2,840
6 Income from other long-term financial investments and loans	036	0	0	0	0
7 Other interest income	037	2,490,289	1,130,468	3,673,975	833,741
8 Exchange rate differences and other financial income	038	1,859,535	1,181,829	5,107,676	2,259,396
9 Unrealised gains (income) from financial assets	039	0	0	0	0
10 Other financial income	040	169,601	-76,391	0	0
IV FINANCIAL EXPENSES (ADP 042 to 048)	041	859,234	310,225	3,042,523	570,473
1 Interest expenses and similar expenses with undertakings within the group	042	30,511	3,128	5,630	1,457
2 Exchange rate differences and other expenses from operations with undertakings within the group	043	22,095	3,629	0	0
3 Interest expenses and similar expenses	044	806,628	303,468	853,738	283,405
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	2,183,155	285,611
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+002+009+050)	053	1,092,850,444	338,525,807	1,248,770,687	427,982,308
X TOTAL EXPENDITURE (ADP 007+041+051+052)	054	1,000,815,637	341,828,951	1,110,524,745	351,817,803
XI PRE-TAX PROFIT OR LOSS (ADP 053-054)	055	92,034,807	-3,303,144	138,245,941	76,164,506
1 Pre-tax profit (ADP 053-054)	056	92,034,807	-3,303,144	138,245,941	76,164,506
2 Pre-tax loss (ADP 054-053)	057	0	-3,303,144	0	0
XII INCOME TAX	058	11,647,726	-2,512,745	23,384,269	15,209,611
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 055-059)	059	80,387,081	-788,399	114,861,672	60,954,895
1 Profit for the period (ADP 055-059)	060	80,387,081	-788,399	114,861,672	60,954,895
2 Loss for the period (ADP 059-055)	061	0	-788,399	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	80,387,081	-788,399	114,861,672	60,954,895
II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 08+087)	079	0	0	0	0
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	0	0	0	0
1 Exchange rate differences from translation of foreign operations	088	0	0	0	0
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 088+087-086-096)	097	0	0	0	0
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 078+097)	098	80,387,081	-788,399	114,861,672	60,954,895
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	80,387,081	-788,399	114,861,672	60,954,895
1 Attributable to owners of the parent	100	80,387,081	-788,399	114,861,672	60,954,895
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 30.09.2022

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	92.034.807	138.245.941
2 Adjustments (ADP 003 to 010):	002	32.035.362	-28.289.963
a) Depreciation	003	34.482.899	27.968.652
b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets	004	-14.987	-170.865
c) Gains and losses from sale and unrealised gains and losses and value adjustment of financial assets	005	-229.325	1.919.770
d) Interest and dividend income	006	-2.490.289	-61.167.159
e) Interest expenses	007	806.628	1.175.924
f) Provisions	008	0	0
g) Exchange rate differences (unrealised)	009	-2.678.739	-3.921.195
h) Other adjustments for non-cash transactions and unrealised gains and losses	010	2.159.175	5.904.910
I Cash flow increase or decrease before changes in working capital (ADP 001+002)	011	124.070.169	109.955.978
3 Changes in the working capital (ADP 013 to 016)	012	39.238.026	-42.181.790
a) Increase or decrease in short-term liabilities	013	107.634.463	18.709.287
b) Increase or decrease in short-term receivables	014	-32.105.779	-54.309.845
c) Increase or decrease in inventories	015	-37.549.746	-3.066.508
d) Other increase or decrease in working capital	016	1.259.088	-3.514.724
II Cash from operations (ADP 011+012)	017	163.308.195	67.774.188
4 Interest paid	018	-979.981	-856.455
5 Income tax paid	019	-78.545	-7.180.920
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)	020	162.249.669	59.736.813
Cash flow from investment activities			
1 Cash receipts from sales of fixed tangible and intangible assets	021	100.493	196.393
2 Cash receipts from sales of financial instruments	022	0	0
3 Interest received	023	2.579.979	3.153.952
4 Dividends received	024	59.724	57.493.183
5 Cash receipts from repayment of loans and deposits	025	0	12.900.523
6 Other cash receipts from investment activities	026	1.324.523	0
III Total cash receipts from investment activities (ADP 021 to 026)	027	4.064.719	73.744.051
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-9.311.079	-4.040.550
2 Cash payments for the acquisition of financial instruments	029	0	0
3 Cash payments for loans and deposits for the period	030	-1.208.484	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	-10.519.563	-4.040.550
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)	034	-6.454.844	69.703.501
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	-11.308.105	-17.595.971
2 Cash payments for dividends	041	-109.165.903	-84.700.530
3 Cash payments for finance lease	042	-8.911.636	-7.210.866
4 Cash payments for the redemption of treasury shares and decrease in initial (subscribed) capital	043	-3.239.730	-4.376.970
5 Other cash payments from financing activities	044	0	0
VI Total cash payments from financing activities (ADP 040 to 044)	045	-132.625.374	-113.884.337
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)	046	-132.625.374	-113.884.337
1 Unrealised exchange rate differences in respect of cash and cash equivalents	047	275.231	1.902.983
D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 020+034+046+047)	048	23.444.682	17.458.960
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	049	245.833.070	332.301.292
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD(ADP 048+049)	050	269.277.752	349.760.252

STATEMENT OF CHANGES IN EQUITY
for the period from **1.1.2022** to **30.9.2022**

in HRK

		Attributable to owners of the parent																	Minority (non-controlling) interest		Total capital and reserves
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				
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	0	153.872.886	0	307.093.382	0	307.093.382		
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	0	153.872.886	0	307.093.382	0	307.093.382		
5 Profit/loss of the period	05	0	0	0	0	0	0	0	0	0	0	0	0	0	0	115.206.995	115.206.995	0	115.206.995		
6 Exchange rate differences from translation of foreign operations	06	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
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	4.405.138	0	4.405.138	0	4.405.138		
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	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	0	24.115.606	115.206.995	303.235.767	0	303.235.767		
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	0	0	0	0	0	0		
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	0	115.206.995	115.206.995	0	115.206.995			
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	-129.757.280	0	-119.064.620	0	-119.064.620		
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	0	139.322.601	0	303.235.767	0	303.235.767		
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	0	139.322.601	0	303.235.767	0	303.235.767		
5 Profit/loss of the period	32	0	0	0	0	0	0	0	0	0	0	0	0	0	0	114.861.672	114.861.672	0	114.861.672		
6 Exchange rate differences from translation of foreign operations	33	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
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	10.000.000	4.376.970	0	0	0	0	0	0	0	0	-10.000.000	0	-4.376.970	0	-4.376.970		
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	-84.649.088	0	-84.649.088	0	-84.649.088		
21 Other distributions and payments to members/shareholders	48	0	0	0	-5.974.230	-5.974.230	0	0	0	0	0	0	0	0	5.891.501	0	5.891.501	0	5.891.501		
22 Carryforward per annual plane	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	40.537.606	10.824.670	0	0	0	0	0	0	0	0	50.565.014	114.861.672	334.062.872	0	334.062.872		
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	0	0	0	0	0	0		
II COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 32 to 50)	53	0	0	0	0	0	0	0	0	0	0	0	0	0	114.861.672	114.861.672	0	114.861.672			
III TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 42 to 50)	54	0	0	0	4.025.770	-1.997.260	0	0	0	0	0	0	0	0	-88.757.587	0	-83.134.557	0	-83.134.557		

NOTES TO FINANCIAL STATEMENTS - TF1
(drawn up for quarterly reporting periods)

Name of the issuer: ERICSSON NKOLA TESLA D.D.

Personal identification number (OIB): 84214771175

Reporting period: Q3 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 persons 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 info/Management letter.
The financial statements have been prepared in accordance with International Financial Reporting Standards adopted by the European Union (IFRSs), on the historical cost basis, with the exception of financial instruments which are carried at fair value through profit or loss. Policies have been consistently applied to all the periods presented.

b)

Last issued annual financial statements are available at ZSE and as well at www.ericsson.hr/en/reports.

c)

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.

d)

The issuer does not have seasonal business activities.

e)

Segment report	Networks		Digital Services		Managed Services		Other		Unallocated		Total	
	30.09.2021	30.09.2021	30.09.2021	30.09.2021	30.09.2021	30.09.2021	30.09.2021	30.09.2021	30.09.2021	30.09.2021	30.09.2021	30.09.2021
	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	716,508	648,408	414,479	403,025	18,342	13,838	2,838	5,031	5	5	1,161,967	1,071,904
Operating profit	138,200	79,814	20,522	37,887	2,256	653	265	431	-26,749	-26,910	157,484	88,378

Transactions with related parties:

	30.09.2022	30.09.2021
	HRK 000	HRK 000
Sales	799,441	892,813
Purchases	177,195	204,145

Balances with related parties

	30.09.2022	31.12.2021
	HRK 000	HRK 000
Receivable	111,912	80,178
Payable	58,643	5,797

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 document.

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 Company 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 Company has no debt falling due after more than five years.

At the balance sheet date, the Company does not have debts covered by valuable securities/insurance.

6. The average number of employees during the reporting period is 2676 (Q1-Q3 2021: 2671). The Company does not categorise employees.

7. No cost of salaries was capitalised in the reporting period.

8. Provision for deferred tax is calculated annually, at balance sheet date 31 December. There were no movement in deferred tax balances during reporting period.

9.

The Company has no participating interest.

10. There were no shares subscribed during the financial year within the limits of the authorised capital.

11. The Company has no participation certificates, convertible debentures, warrants, options or similar securities or rights.

12. The Company has no shares in companies having unlimited liability.

13. and 14.

The company Telefonaktiebolaget LM Ericsson (Sweden, Tomtebodagatan 21, SE-164 83 Stockholm) prepares the consolidated financial statements for the larger group of companies, in which Ericsson Nikola Tesla Group is included as an associate member of Ericsson.

15. Those consolidated reports are available at www.ericsson.com/en/investors/financial-reports.

16.

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 material.

17.

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 TF1-POD in XLS format compared to classification of the positions in the audited annual report in PDF):

Balance Sheet

Within the category Non-current assets in Statement of financial position total amount of Loans and receivables is indicated in TF1-POD form under AOP 023 Loans, deposits, etc. to undertakings within the group, 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 is indicated in TF1-POD form under AOP 051 Receivables from government and other institutions, 052 Other receivables, 061 Loans, deposits, etc. given.

Within the category Equity in Statement of financial position total amount of Retained earnings is indicated in TF1-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 TF1-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 TF1-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 TF1-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 TF1-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.