

Ericsson Nikola Tesla d.d.  
Consolidated statement of comprehensive income  
for the period ended 31 December 2018

	<b>2018</b>	<b>2017</b>
	<b>HRK '000</b>	<b>HRK '000</b>
Sales revenue	1.558.155	1.481.555
Cost of sales	-1.396.729	-1.330.699
<b>Gross profit</b>	<b>161.426</b>	<b>150.857</b>
Selling expenses	-37.502	-45.621
Administrative expenses	-30.473	-33.943
Other operating income	25.375	7.455
Other operating expenses	-534	-3.069
<b>Operating profit</b>	<b>118.292</b>	<b>75.678</b>
Finance expense/income – net	2.340	-2.633
<b>Profit before tax</b>	<b>120.632</b>	<b>73.046</b>
Income tax	-6.988	-5.159
<b>Profit for the year</b>	<b>113.644</b>	<b>67.887</b>
Other comprehensive income	-68	-114
<b>Total comprehensive income for the year</b>	<b>113.576</b>	<b>67.773</b>

Ericsson Nikola Tesla d.d.  
Consolidated statement of financial position  
as at 31 December 2018

	<b>2018</b>	<b>2017</b>
	<b>HRK '000</b>	<b>HRK '000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	114.654	108.712
Intangible assets	5.070	6.160
Loans and receivables	51.657	82.874
Equity securities	0	40
Deferred tax assets	21.358	14.901
<b>Total non-current assets</b>	<b>192.739</b>	<b>212.687</b>
<b>Current assets</b>		
Inventories	110.695	18.872
Trade receivables	157.389	144.445
Contract assets*	3.335	0
Receivables from related parties	113.235	104.483
Other receivables	14.170	90.289
Income tax receivable	472	986
Financial assets at fair value through profit or loss	48.490	84.520
Prepayments and accrued income	12.086	6.457
Cash and cash equivalents	187.888	159.261
<b>Total current assets</b>	<b>647.760</b>	<b>609.313</b>
<b>TOTAL ASSETS</b>	<b>840.499</b>	<b>822.000</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	133.165	133.165
Treasury shares	-241	-280
Legal reserves	6.658	6.658
Retained earnings	165.396	96.031
<b>Total equity</b>	<b>304.979</b>	<b>235.574</b>
<b>Non-current liabilities</b>		
Borrowings	5.734	8.381
Employee benefits	8.662	8.576
Other non-current liabilities	6.519	13.104
<b>Total non-current liabilities</b>	<b>20.916</b>	<b>30.061</b>
<b>Current liabilities</b>		
Payables to related parties	33.306	113.078
Borrowings	36	0
Trade and other payables	179.179	220.390
Contract liabilities*	171.375	0
Income tax payable	270	528
Provisions	16.023	26.619
Accrued charges and deferred revenue	114.416	195.750
<b>Total current liabilities</b>	<b>514.604</b>	<b>556.365</b>
<b>Total liabilities</b>	<b>535.520</b>	<b>586.426</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>840.499</b>	<b>822.000</b>

\* Following IFRS 15 application

Ericsson Nikola Tesla d.d.  
Consolidated statement of cash flows  
for the period ended 31 December 2018

	<b>2018</b>	<b>2017</b>
	<b>HRK '000</b>	<b>HRK '000</b>
<b>Cash flows from operating activities</b>		
<i>Profit before tax</i>	120.631	73.046
Adjustments for:		
Depreciation and amortisation	34.872	41.314
Impairment losses and reversals	9.408	10.916
Net increase in provisions	39.111	21.172
Gain on sale of property, plant and equipment	-58	-150
Net loss/(gain) on remeasurement of financial assets	121	644
Amortisation of discount	-2.550	3
Interest income	-1.498	-4.948
Interest expense	19	267
Foreign exchange losses/(gains)	-6.876	16.207
Equity-settled transactions		268
	193.180	158.739
<i>Changes in working capital</i>		
In receivables	85.358	-76.264
In inventories	-91.824	-9.076
In payables	-109.898	55.731
<i>Cash generated from operations</i>	76.817	129.130
Interest paid	-19	-267
Income taxes paid	-1.622	-20.628
<b>Net cash from operating activities</b>	<b>75.176</b>	<b>108.235</b>
<b>Cash flows from investing activities</b>		
Interest received	2.218	2.397
Dividends received	70	77
Disposal of/(investment in) subsidiaries	40	0
Proceeds from sale of property, plant and equipment	143	149
Purchases of property, plant and equipment, and intangible assets	-41.116	-29.405
Deposits given to financial institutions - net	0	-2.200
Purchases of financial assets at fair value through profit and loss	0	-54.008
Proceeds from sale of financial assets at fair value through profit and loss	35.909	31.760
<b>Net cash used in investing activities</b>	<b>-2.735</b>	<b>-51.230</b>
<b>Cash flows from financing activities</b>		
Dividends paid	-43.291	-119.887
<b>Net cash used in financing activities</b>	<b>-43.291</b>	<b>-119.887</b>
Effects of exchange rate changes on cash and cash equivalents	-523	-2.582
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>28.627</b>	<b>-65.464</b>
Cash and cash equivalents at the beginning of the year	159.261	224.725
<b>Cash and cash equivalents at the end of the year</b>	<b>187.888</b>	<b>159.261</b>