

Ericsson Nikola Tesla d.d.
Consolidated statement of comprehensive income
for the period ended 31 December 2016

	2016	2015
	HRK '000	HRK '000
Sales revenue	1.591.602	1.364.258
Cost of sales	-1.401.797	-1.187.023
Gross profit	189.805	177.235
Selling expenses	-44.153	-49.066
Administrative expenses	-33.548	-33.121
Other operating income	4.658	4.489
Other operating expenses	-3.179	-8.168
Operating profit	113.583	91.369
Finance income	5.826	1.761
Finance expense	-582	-199
Finance income – net	5.244	1.562
Profit before tax	118.827	92.931
Income tax	-8.083	-1.582
Profit for the year	110.744	91.349
Other comprehensive income	-49	-17
Total comprehensive income for the year	110.695	91.332

Ericsson Nikola Tesla d.d.
Consolidated statement of financial position
as at 31 December 2016

	2016 HRK '000	2015 HRK '000
ASSETS		
Non-current assets		
Property, plant and equipment	122.897	137.667
Intangible assets	7.285	6.532
Loans and receivables	81.160	19.235
Equity securities	40	40
Deferred tax assets	14.250	-
Total non-current assets	225.632	163.474
Current assets		
Inventories	9.796	21.187
Trade receivables	174.952	131.800
Receivables from related parties	88.858	113.949
Other receivables	14.325	3.396
Income tax receivable	1.172	1.204
Financial assets at fair value through profit or loss	62.993	53.917
Prepayments and accrued income	5.671	1.744
Cash and cash equivalents	224.725	233.195
Total current assets	582.492	560.392
TOTAL ASSETS	808.124	723.866
EQUITY AND LIABILITIES		
Equity		
Share capital	133.165	133.165
Treasury shares	-1.630	-3.434
Legal reserves	6.658	6.658
Retained earnings	148.686	171.539
Total equity	286.879	307.928
Non-current liabilities		
Interest-bearing borrowings	13.354	-
Employee benefits	8.560	9.060
Other non-current liabilities	19.896	12.345
Total non-current liabilities	41.810	21.405
Current liabilities		
Payables to related parties	73.215	40.087
Interest-bearing borrowings	-	32
Trade and other payables	178.072	164.477
Provisions	16.011	10.003
Accrued charges and deferred revenue	212.137	179.934
Total current liabilities	479.435	394.533
Total liabilities	521.245	415.938
TOTAL EQUITY AND LIABILITIES	808.124	723.866

Ericsson Nikola Tesla d.d.
Consolidated statement of cash flows
for the period ended 31 December 2016

	2016 HRK '000	2015 HRK '000
Cash flows from operating activities		
<i>Profit before tax</i>	118.827	92.931
Adjustments for:		
Depreciation and amortisation	48.735	51.851
Impairment losses and reversals	16.398	2.748
Net increase of provisions	18.999	10.560
Gain on sale of property, plant and equipment	-104	-240
Net gain on remeasurement of financial assets	-2.033	21
Amortisation of discount	-657	-69
Interest income	-3.346	-3.833
Interest expense	582	199
Foreign exchange losses	-5.322	2.073
Equity-settled transactions	1.263	2.933
	193.342	159.174
<i>Changes in working capital</i>		
In receivables	-75.303	23.799
In inventories	11.391	9.759
In payables	60.289	52.793
	189.719	245.525
Interest paid	-582	-198
Income taxes paid	-2.100	-2.181
Net cash from operating activities	187.037	243.146
Cash flows from investing activities		
Interest received	2.753	2.945
Dividend received	212	-
Proceeds from sale of property, plant and equipment	83	355
Purchases of property, plant and equipment, and intangible assets	-37.488	-64.212
Deposits collected with financial institutions - net	-19.846	66
Purchases of financial assets at fair value through profit and loss	-89.000	-92.000
Proceeds from sale of financial assets at fair value through profit and loss	81.745	82.142
Net cash generated/(used) in investing activities	-61.541	-70.704
Cash flows from financing activities		
Purchase of treasury shares	-1.140	-4.062
Dividends paid	-132.846	-119.715
Net cash used in financing activities	-133.986	-123.777
Effects of exchange rate changes on cash and cash equivalents	20	-2.433
Net increase/decrease in cash and cash equivalents	-8.470	46.232
Cash and cash equivalents at the beginning of the year	233.195	186.963
Cash and cash equivalents at the end of the year	224.725	233.195