

Ericsson Nikola Tesla d.d.
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COUNTERPROPOSAL

to the Agenda of the Annual General Meeting

Shareholder: **OTP banka d.d., Domovinskog rata 61, 21000 Split for and on behalf of Erste Plavi mandatory pensions fund B category**

OTP banka d.d., Split, Domovinskog rata 61, PIN (OIB):52508873833 (hereinafter: OTP banka) for and on behalf of Erste Plavi mandatory pension fund B category, PIN (OIB): 37688683890 (hereinafter: the Fund), based on 24,140 (in words: twenty-four thousand one hundred forty) ordinary shares of the issuer Ericsson Nikola Tesla d.d., ISIN HRERNTRA0000 Zagreb, Krapinska 45, PIN (OIB): 84214771175 (hereinafter: the Company) (the Fund's account in CDCC: 9677119) makes the following

COUNTERPROPOSAL

to the proposal of decision under Item 9 of the Agenda of the Annual General Meeting of the Company that will be held on June 14, 2023, at 11 a.m. at the registered office of the Company in Zagreb, Krapinska 45, and so that the counterproposal to the proposal of decision under Item 9 of the Agenda of the Company's Annual General Meeting reads;

Item 9

"It is determined that the Company's net profit for the year 2022 amounts to HRK 147,518,760.85 (EUR 19,579,104.23).

The Company's realized net profit for the year 2022 will be allocated as follows:

- the amount of EUR 15,860,328.00 (HRK 119.499.641,32) will be allocated for the Company's dividend payment,
- the amount of EUR 3,718,776.23 (HRK 28.019.119,53) will be allocated to retained earnings.

The dividend payment to Company's shareholders who are holders of ordinary shares code ERNT-R-A in gross amount of EUR 12.00 per share is approved. The highest amount of the dividend is EUR 15,860,328.00 (HRK 119.499.641,32). The paid dividend amount will depend on the number of shares that will belong to the registered shareholders in the depository of the Central Depository & Clearing Company (minus the dividend under own shares). The dividend shall be paid on July 11, 2023 (payment date) to all the Company's shareholders that on June 20, 2023 (*record date*) have the Company's shares registered on their securities account in the Central Depository & Clearing Company. The date on which the shares of the Company will be traded without dividend payment right is June 19, 2023 (*ex-date*)."

Explanation of the Counterproposal:

The proposer believes that the proposal of the decision under item 9 of the agenda, as it was stated in the Notice of the Annual General Meeting, does not maximize the value for the existing shareholders, especially taking into consideration the existing structure of the Company's balance sheet as follows:

- According to the latest non-consolidated financial statements of March 31, 2023, the Company has an extremely high amount of cash in the bank and treasury, i.e. a total of EUR 55.605.886.
- On March 31, 2023, the Company's non-current financial liabilities amounted to EUR 3,315,515 and the total current financial liabilities amounted to EUR 2,308,743.
- Total current assets of the Company as at March 31, 2023 amounted to EUR 109,982,926 and the total current liabilities amounted to EUR 39,107,450 which implies net positive working capital of EUR 70,875,476 and the current liquidity ratio of 2.81.
- Given the amount and the structure of the Company's assets and total liabilities and equity, in which share of own capital and reserves amounts to more than 41.6%, the Company has low debt and the capital expenditures for future periods can be financed by cash flows realized in these periods, i.e. new debt that would lead also to the reduction of the average cost of capital for the Company itself. By dividend payment, the share of own capital and reserves in the company's total equity and liabilities would still amount 33.9%, taking into consideration the financial statements for Q1 2023, which we consider acceptable given the company's expected profitable business in the future.

Due to the above, we believe that it is justifiable to pay a higher amount of dividend in relation to the amount proposed by the Company's Management Board.

It is proposed that voting is held about this counterproposal before voting about the proposal of the Company's Management Board and Supervisory Board under item 9 of the Agenda of the Company's Annual General Meeting, titled "Decision on allocating retained earnings from the year 2021 and the Company's profit achieved in the financial year 2022".

The counterproposal is filed for:

- **24,140** (in words: twenty-four thousand one hundred forty) ordinary shares of the issuer Ericsson NIKOLA TESLA d.d., (Zagreb, Krapinska 45, PIN (OIB): 84214771175 code ERNT, ISIN HRERNTA0000 (the Fund's account at CDCC: 9677119)

Zagreb, May 25, 2023

Martina Martek
Director of Securities Services Department
OTP banka d.d