

Ericsson Nikola Tesla d.d.  
Statement of comprehensive income  
for the period ended 31 December 2017

	<b>2017</b>	<b>2016</b>
	<b>HRK '000</b>	<b>HRK '000</b>
Sales revenue	1.464.878	1.575.862
Cost of sales	-1.320.147	-1.389.129
<b>Gross profit</b>	<b>144.731</b>	<b>186.733</b>
Selling expenses	-44.847	-43.420
Administrative expenses	-33.103	-32.525
Other operating income	7.511	4.809
Other operating expenses	-3.070	-3.179
<b>Operating profit</b>	<b>71.222</b>	<b>112.418</b>
Finance expense/income – net	-2.715	5.250
<b>Profit before tax</b>	<b>68.507</b>	<b>117.668</b>
Income tax	-4.224	-8.101
<b>Profit for the year</b>	<b>64.283</b>	<b>109.567</b>
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>64.283</b>	<b>109.567</b>

Ericsson Nikola Tesla d.d.  
Statement of financial position  
as at 31 December 2017

	<b>2017</b>	<b>2016</b>
	<b>HRK '000</b>	<b>HRK '000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	98.011	107.933
Intangible assets	1.287	1.912
Loans and receivables	82.874	81.160
Equity securities	1.093	73
Deferred tax assets	14.336	13.558
<b>Total non-current assets</b>	<u>197.601</u>	<u>204.636</u>
<b>Current assets</b>		
Inventories	17.348	9.188
Trade receivables	140.802	173.363
Receivables from related parties	186.857	90.141
Other receivables	17.575	14.040
Financial assets at fair value through profit or loss	84.520	62.993
Prepayments and accrued income	5.068	4.422
Cash and cash equivalents	145.086	213.375
<b>Total current assets</b>	<u>597.256</u>	<u>567.522</u>
<b>TOTAL ASSETS</b>	<u>794.857</u>	<u>772.158</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	133.165	133.165
Treasury shares	-280	-1.630
Legal reserves	6.658	6.658
Retained earnings	83.913	140.057
<b>Total equity</b>	<u>223.456</u>	<u>278.250</u>
<b>Non-current liabilities</b>		
Interest-bearing borrowings	8.378	8.954
Employee benefits	5.279	5.487
Other non-current liabilities	6.843	9.946
<b>Total non-current liabilities</b>	<u>20.500</u>	<u>24.387</u>
<b>Current liabilities</b>		
Payables to related parties	135.508	96.211
Trade and other payables	197.123	130.460
Income tax payable	340	21.658
Provisions	26.619	15.967
Accrued charges and deferred revenue	191.311	205.225
<b>Total current liabilities</b>	<u>550.901</u>	<u>469.521</u>
<b>Total liabilities</b>	<u>571.401</u>	<u>493.908</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>794.857</u>	<u>772.158</u>

Ericsson Nikola Tesla d.d.  
Statement of cash flows  
for the period ended 31 December 2017

	2017 HRK '000	2016 HRK '000
<b>Cash flows from operating activities</b>		
<i>Profit before tax</i>	68.507	117.668
Adjustments for:		
Depreciation and amortisation	36.146	44.235
Impairment losses and reversals	10.902	16.359
Net increase of provisions	21.217	12.421
Gain on sale of property, plant and equipment	-136	-65
Net loss/(gain) on remeasurement of financial assets	644	-2.033
Amortisation of discount	0	-657
Interest income	-4.936	-3.332
Interest expense	256	563
Foreign exchange losses/(gains)	16.321	-5.274
Equity-settled transactions	268	1.262
	149.189	181.147
<i>Changes in working capital</i>		
In receivables	-82.748	-71.803
In inventories	-8.158	10.571
In payables	65.619	61.775
<i>Cash generated from operations</i>	123.902	181.690
Interest paid	-256	-563
Income taxes paid	-20.163	-
<b>Net cash from operating activities</b>	<b>103.483</b>	<b>181.127</b>
<b>Cash flows from investing activities</b>		
Interest received	2.388	2.745
Dividends received	77	212
Investments in a subsidiaries	-1.019	0
Proceeds from sale of property, plant and equipment	149	83
Purchases of property, plant and equipment, and intangible assets	-26.450	-28.224
Deposits given to financial institutions - net	-2.200	-19.846
Purchases of financial assets at fair value through profit and loss	-54.008	-89.000
Proceeds from sale of financial assets at fair value through profit and loss	31.760	81.745
<b>Net cash used in investing activities</b>	<b>-49.303</b>	<b>-52.285</b>
<b>Cash flows from financing activities</b>		
Purchase of treasury shares	-	-1.140
Dividends paid	-119.887	-132.846
<b>Net cash used in financing activities</b>	<b>-119.887</b>	<b>-133.986</b>
Effects of exchange rate changes on cash and cash equivalents	-2.582	20
<b>Net decrease in cash and cash equivalents</b>	<b>-68.289</b>	<b>-5.124</b>
Cash and cash equivalents at the beginning of the year	213.375	218.499
<b>Cash and cash equivalents at the end of the year</b>	<b>145.086</b>	<b>213.375</b>