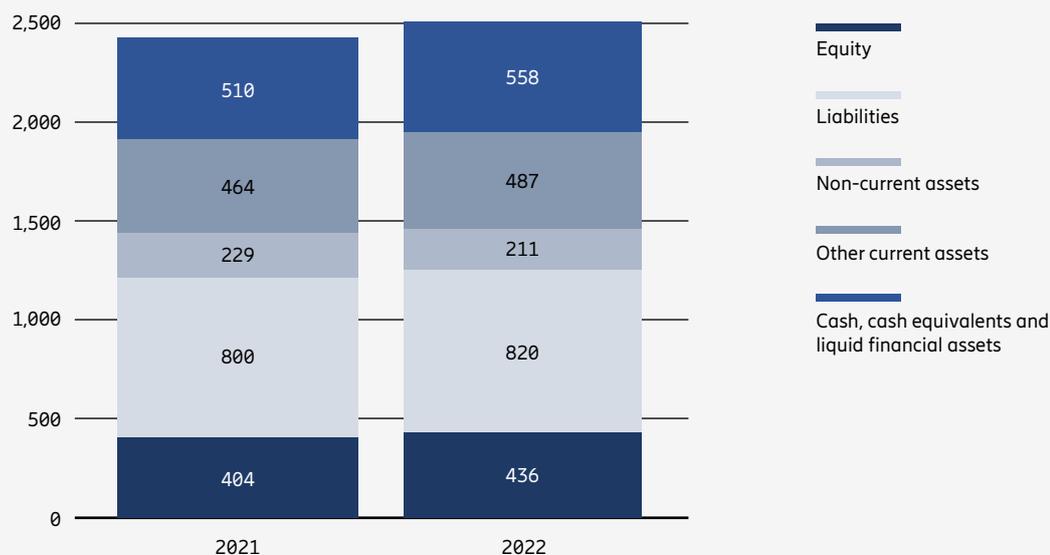


Financial highlights 2022

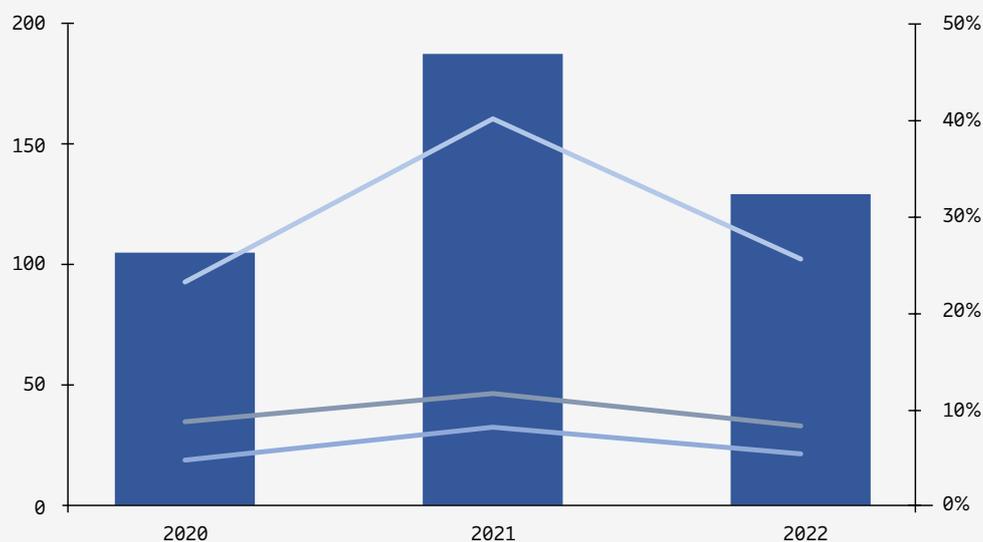
	Ericsson Nikola Tesla Group			Ericsson Nikola Tesla d.d.		
	2022	2021	2020	2022	2021	2020
Statement of comprehensive income and cash flow items (in HRK million)						
Sales revenue	2,242	2,204	2,023	1,661	1,523	1,417
Selling and Administration expenses	-95	-93	-84	-84	-83	-73
Operating profit	128	186	104	145	111	82
Profit for the year	119	177	95	148	115	76
Operating cash flow	187	370	308	201	247	276
Year-end position (in HRK million)						
Total assets	1,255	1,204	994	1,022	881	786
Cash, cash equivalents and liquid financial assets	558	510	314	488	364	279
Capital employed	473	464	425	402	348	372
Equity	436	404	346	371	303	307
Per share indicators						
Earnings per share (EPS) in HRK	90	133	71	111	87	57
Dividends per share in HRK	6 EUR*	64 HRK	82 HRK	6 EUR*	64 HRK	82 HRK
Number of shares outstanding, average (in millions)	1,323	1,331	1,331	1,323	1,331	1,331
Other information (in HRK million)						
Additions to property, plant and equipment	16	17	45	14	15	41
Depreciation of property, plant and equipment	29	36	35	27	34	31
Alternative Performance Measures (APMs)						
Gross margin	8.2%	11.5%	8.6%	7.9%	11.2%	10.2%
Operating margin	5.7%	8.5%	5.2%	8.7%	7.3%	5.8%
EBITDA Margin	7.9%	11.0%	7.9%	10.9%	10.2%	8.8%
Return on equity (ROE)	28.4%	47.3%	28.6%	43.8%	37.8%	25.5%
Return on capital employed (ROCE)	25.4%	39.9%	23.1%	39.3%	32.0%	21.1%
Return on sales (ROS)	5.3%	8.0%	4.7%	8.9%	7.6%	5.4%
Equity ratio	34.7%	33.6%	34.8%	36.3%	34.4%	39.1%
Capital turnover	4.8	5.0	4.9	4.4	4.2	3.9
Current ratio	1.3	1.3	1.3	1.3	1.3	1.3
P/E ratio	18.9	13.8	21.1	15.4	21.3	26.1

* As proposed by the Management Board and the Supervisory Board

Balance sheet structure (in MHRK)

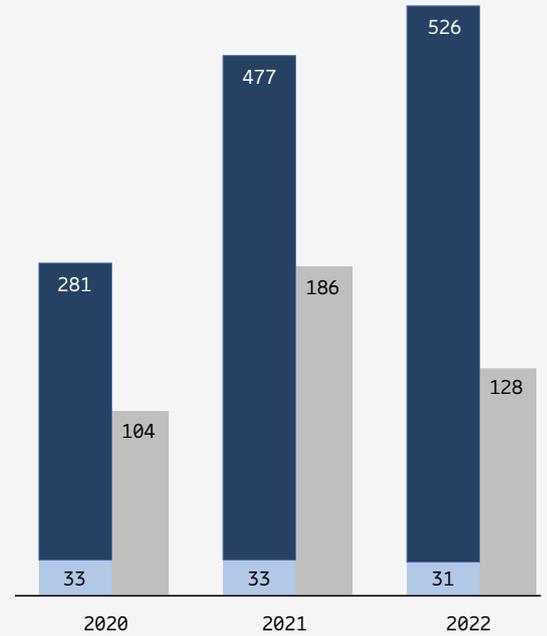


Operating profit (in MHRK), Gross margin, ROCE and ROS (in percentages)

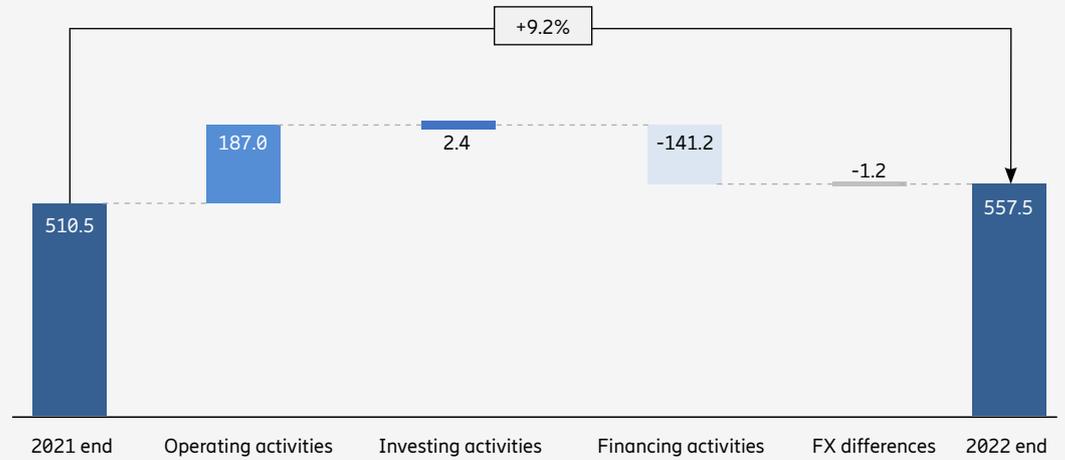


Development of liquid financial assets and operating profit (in MHRK)

 Cash and cash equivalents
 Liquid financial assets
 Operating profit

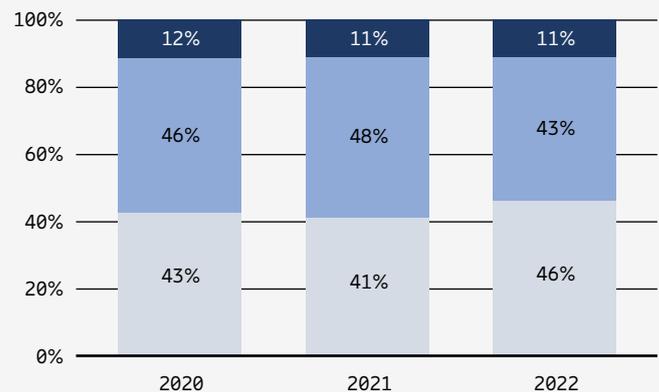


Change in liquid assets (in MHRK)



Sales revenue by market (in percentage)

 Export
 Domestic market
 Ericsson



Financial performance in 2022

In the last year's review on the achieved financial results of Ericsson Nikola Tesla Group for 2021, we had recognized the influences and risks that we have expected to affect business operations in 2022. Primarily, this was an unstable geopolitical situation accompanied by sanctions, inflation accompanied by an increase in the prices of goods, raw materials, energy and labor costs combined with problems in supply chains. The listed risks proved to be a reality during 2022, and we focused on their mitigation and timely adjustment in order to achieve our strategic directions and goals for 2022.

The achieved results for 2022 show that we are firmly on the outlined path and that we do not allow the situation development related to recognized risks to hinder us from achieving good and quality results, which is a prerequisite to continue good business performance in the coming years.

Due to war in Ukraine and EU sanctions against Belarus, we have terminated the contract for the eHealth implementation project for the Republic of Belarus, and all new sales activities on this market were stopped. The remaining activities are coming to an end and are under strict supervision. Due to such circumstances, already from the first quarter of 2022 we have focused more on other export markets and domestic market, with the intention of finding new business opportunities to compensate for the decline in sales caused by sanctions and the slowdown in investments by our customers.

In addition to the efforts to seize new business opportunities in accordance with our strategy, we have also seized the moment to see the aspects of our own business from the new post-pandemic perspective, and to continue implementing the necessary optimization. We continued to digitalize all aspects of business operations that also make it easier to exercise the legal right to work remotely, and wrapped up by optimizing resources in our company in Belarus. These were the required steps by which we create the necessary preconditions to additionally increase internal efficiency and cost effectiveness which, along with a continuous investment in knowledge and competencies of key employees and constant monitoring of the Group's processes, contribute to better profitability.

Ericsson Nikola Tesla Group's performance indicators in 2022 are influenced by the termination of a significant contract with a

Belarusian customer, and despite this they show an increase in sales by 1.7% from HRK 2,203.9 to HRK 2,242.1 million. This is primarily the result of stability and further growth in Ericsson's market and sales in the Digital Society segment in the domestic market. Gross margin reached 8.2% and is also influenced by the termination of the Belarusian contract, as well as by the increase in labor costs, energy, raw materials, and goods, which leads to a drop in operating profit compared to the previous year by 31.1% to HRK 128.5 million. If the one-off impact of the termination of the eHealth implementation contract in Belarus is excluded, gross margin is 9.7% compared to 11.5% in 2021, while the operating profit is 15% lower and amounts to HRK 158.4 million.

Timely recognition, assessment and mitigation of situations bearing risk are an integral part of the risk management process and system at the Group level. We believe that competent and proactive employees are the company's most valuable assets, and the backbone of protection against threats and risks in business. Investing in our employees, in their knowledge and skills, innovativeness, efficiency and quality in key areas, is the basis of business continuity and sustainable development, and we will continue to do so in 2023.

In accordance with our plans to secure new contracts, we have intensified our work on new business opportunities. This, together with the implementation of the highest standards in our ethics and compliance programs, resulted in a slight increase in selling and administrative expenses by 2.5% to HRK 95.1 million. The share of selling and administrative expenses in sales revenue is at the level of the previous year and amounts to 4.2%. Financial income is most influenced by the movement of market prices on investments in financial assets and is lower than last year's also due to the absence of interest yield after the expiration of certain long-term customer financing contracts, amounting to HRK 3.8 million. The amount of net profit of HRK 119.2 million is in line with the expectations for the year, and the same applies for the 5.3% return on sales.

The financial positions of the balance sheet for the Group have not changed significantly compared to 2021. The increase of 4.3% was largely generated by



Damir Bušić
Director Finance, Sourcing and
Commercial Management

a slight increase in receivables and cash on the asset side and increase in liabilities to suppliers on the short-term liabilities side, as a result of regular business activities during 2022. We consider that the stable balance is the result of our effort to always respect the guidelines in the following areas: (i) strengthening the company's cash flow by generating business and monitoring its collection, (ii) implementing projects while optimizing costs and working capital, (iii) securing new contracts within our focus areas, in accordance with the set plans and strategy, (iv) overall optimization of the company's costs and management of business critical investments, and (v) further improvement of our ethics and compliance program and building a company culture based on integrity and moral principles. Adhering to these guidelines in their daily work and when fulfilling the set goals, our employees through their experience and focus on the key areas mentioned, ensure continuous quality, sustainability, results and competitiveness, thus preserving our position as a technology leader in Croatia and on our export markets.

We continue to focus on potential new, as well as already recognized existing risks. We are mastering the conversion from HRK to EUR without any major difficulties. Coming up next is making the planning, budgeting, and presentation of achieved results for the current year in our new currency a routine.

We feel confident to face all the challenges that the year 2023 may bring us in order to continue creating added value for all our stakeholders.

Information for shareholders

Shares of Ericsson Nikola Tesla d.d. are traded in the Regular Market of the Zagreb Stock Exchange under the ticker symbol ERNT-R-A.

Share trading and price trend

In 2022, share price decreased by 7.34% to HRK 1,705.00. At the end of 2022, Ericsson Nikola Tesla's market capitalization was MHRK 2,270.5 (end of 2021: MHRK 2,450.2). As regards the free float market capitalization, Ericsson Nikola Tesla is ranked ninth on the Zagreb Stock Exchange, with MHRK 1,139.2, which represents 3.15% of the

total free float market capitalization. At the end of 2022, Ericsson Nikola Tesla's share weight in CROBEX Index was 9.9%. According to regular turnover in 2022, Ericsson Nikola Tesla's share is ranked seventh on the Zagreb Stock Exchange with a turnover of MHRK 82.9 (2021: MHRK 84.1). In block transactions, additional MHRK 6.8 were traded (2021: MHRK 33.5).

The company won the "Building Public Trust Award" for the most transparent reporting, awarded by PwC Croatia in cooperation with the Zagreb Stock Exchange. Furthermore, the company was awarded the recognition for the best compliance with the Code of Corporate Governance among the issuers on the Regular Market of the Zagreb Stock Exchange awarded by the Croatian Financial Services Supervisory Agency.

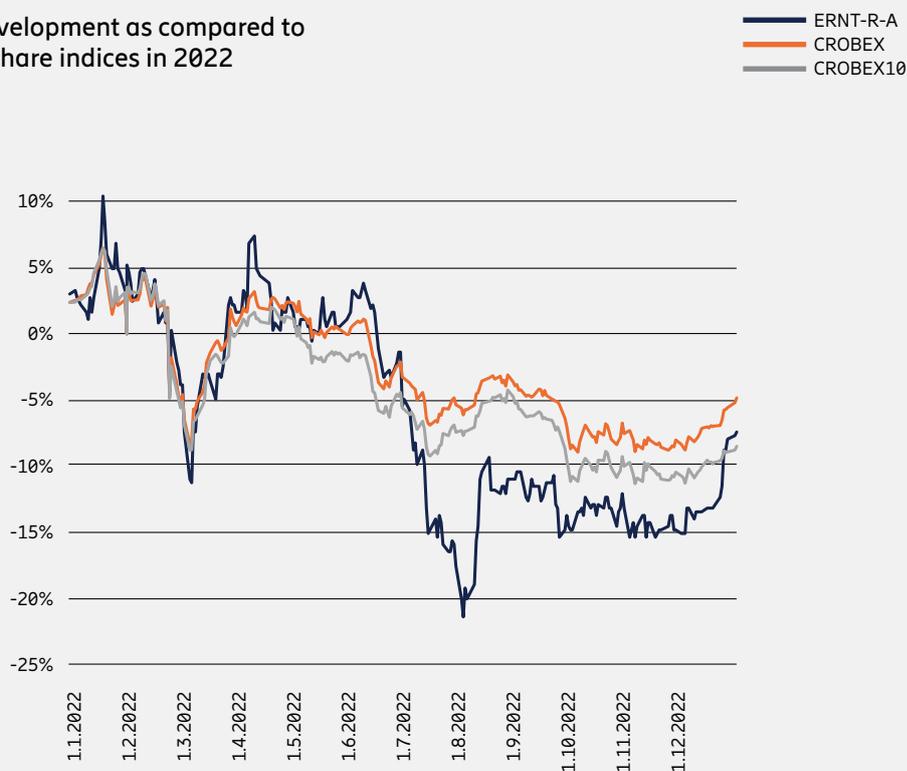
Average ERNT-R-A share price trend 2018 - 2022 (in HRK)



Share price and turnover	2018	2019	2020	2021	2022
Highest (HRK)	1,240	1,415	1,530	1,950	2,040
Lowest (HRK)	976	972	1,020	1,500	1,415
Last - end of year (HRK)	1,010	1,400	1,500	1,840	1,705
Turnover (in MHRK) - within the orderbook	39.3	58.0	121.1	84.1	82.9
Turnover (in MHRK) - block transactions	-	-	5.3	33.5	6.8
Trade volume - within the orderbook	36,116	49,652	93,010	50,525	47,841
Trade volume - block transactions	-	-	3,500	19,638	4,171
Dividend per share	70.6 HRK	49 HRK	82 HRK	64 HRK	6 EUR*

* As proposed by the Management Board and Supervisory Board

ERNT-R-A share price development as compared to Zagreb Stock Exchange share indices in 2022



ERNT-R-A share turnover and average price trend in 2022 (in HRK)



Capital market in 2022

2022 was the most turbulent year for the world economy since the 2008 financial crisis. Many risks, such as the energy crisis, record inflation, a noticeable slowdown of the world's leading economies, tightening of monetary policy and geopolitical tensions resulted in the decline of the leading share indices. The value of the American index S&P 500 decreased by 19.4%, while EURO STOXX 50 decreased by 11.7%. In response to rising inflation, the central banks around the world have started an aggressive cycle of increasing reference interest rates. This particularly hit the technology sector, whose valuations are significantly more dependent on the movement of interest rates than an average company. Thus, the technology index Nasdaq recorded a loss of 32.51%.

In the domestic market, the year started with excellent trade statistics and a positive market dynamic, however February and the beginning of conflict in Ukraine brought intense trading, with corrections of indices and market capitalization. The rest of the year brought mainly positive sentiment, and thus the year ended with only -1.5% correction of share turnover within the orderbook, while the total share turnover was as much as +21.7% compared to the previous year. The performances of indices varied: from -8.4% as recorded by CROBEX10 to +52.5% as recorded by CROBEXtransport.

distributed in 1,331,650 ordinary registered Class A shares. Each share carries one vote at the company's General Meeting. The total number of treasury shares at the end of 2022 was 10,011, representing 0.75% of the share capital. The shares were owned by 6,607 shareholders.

Share capital

As at 31 December 2022, Ericsson Nikola Tesla joint-stock company had a share capital amounting to HRK 133,165,000

Ericsson Nikola Tesla d.d. major shareholders as at 31 December 2022

Shareholders	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	18,360	1.38
PBZ d.d. / custodian client account	10,449	0.78
Ericsson Nikola Tesla d.d.	10,011	0.75
OTP banka d.d. / OTP Index fund – open-end alternative investment fund with public offering	9,761	0.73
PBZ d.d. / Raiffeisen mandatory pension fund, A category	6,523	0.49
PBZ d.d. / The Bank of New York as Custodian	5,503	0.41
Other shareholders	425,948	32.00