

Contents

01

General report

Ericsson Nikola Tesla Group in brief / 8
Our business model / 10
Our focused strategy / 12
Annual Report on Group performance / 14
Business responsibilities and activities / 16
Products and services / 17
Sales by markets / 18
Scientific and research activities / 20
Important events / 22
Membership in associations; Initiatives / 24
2018 financial highlights / 25
Financial performance in 2018 / 28
Information for shareholders / 29

02

Non-financial report

About the non-financial report / 34
Statement by the President / 36
Statement by Director of Marketing, Communications and Corporate Social Responsibility / 37
We contribute to the achievement of global goals / 38
Our approach to corporate social responsibility / 40
5G open for business / 42
Engagement of all our stakeholders / 44
Our material topics / 46

● Business responsibility

Doing business responsibly / 50
Corporate governance / 52
We respect human rights / 58
The right to privacy / 59
Sales compliance guarantees ethics in international business / 60
Anti-corruption / 61
Responsible sourcing / 62
Occupational health and safety / 64
People are the key to our success / 67
Diversity and inclusion / 70
Our approach to learning / 71
Facts and figures / 72

● Environmental responsibility

"Green" ICT solutions / 78
Increasing energy efficiency / 79
Reducing carbon footprint – a part of business strategy / 80
Energy and water consumption / 81
Focused on circular economy / 82
Supplier environmental responsibility / 83

● Social responsibility

Social responsibility / 86
We prepare the youth for a digital society / 87
Partnership for socio-economic development / 90
Helping the community / 91

● Objectives, achievements and indicators

Collaborate with us / 94
Awards and recognitions / 95
Objectives and achievements / 96
Statement on the application of the Code of Corporate Governance / 97
The ten principles of the UN Global Compact / 98
GRI index / 99

03

Consolidated Financial Statements

Profile of the Parent Company and its subsidiaries
(the Group) / 107
Responsibilities of the Management and Supervisory Boards
for the preparation and approval of the annual consolidated
financial statements / 109
Independent Auditor's Report / 110
Consolidated statement of comprehensive income / 116
Consolidated statement of financial position / 117
Consolidated statement of changes in equity / 119
Consolidated statement of cash flows / 120
Notes to the consolidated financial statements / 122

04

Financial Statements of Ericsson Nikola Tesla d.d.

Company profile / 179
Responsibilities of the Management and Supervisory Boards
for the preparation and approval of the annual financial
statements / 181
Independent Auditor's Report / 182
Statement of comprehensive income/ 188
Statement of financial position / 189
Statement of changes in equity / 191
Statement of cash flows / 192
Notes to the financial statements / 194