

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

	2017	2016
	HRK '000	HRK '000
Sales revenue	1.481.555	1.591.602
Cost of sales	-1.330.699	-1.401.797
Gross profit	150.856	189.805
Selling expenses	-45.621	-44.153
Administrative expenses	-33.943	-33.548
Other operating income	7.455	4.658
Other operating expenses	-3.069	-3.179
Operating profit	75.678	113.583
Finance expense/income – net	-2.632	5.244
Profit before tax	73.046	118.827
Income tax	-5.159	-8.083
Profit for the year	67.887	110.744
Other comprehensive income	-114	-49
Total comprehensive income for the year	67.773	110.695

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

	2017	2016
	HRK '000	HRK '000
ASSETS		
Non-current assets		
Property, plant and equipment	108.712	122.897
Intangible assets	6.160	7.285
Loans and receivables	82.874	81.160
Equity securities	40	40
Deferred tax assets	14.901	14.250
Total non-current assets	212.687	225.632
Current assets		
Inventories	18.872	9.796
Trade receivables	144.445	174.952
Receivables from related parties	104.483	88.858
Other receivables	90.289	14.325
Income tax receivable	986	1.172
Financial assets at fair value through profit or loss	84.520	62.993
Prepayments and accrued income	6.456	5.671
Cash and cash equivalents	159.261	224.725
Total current assets	609.313	582.492
TOTAL ASSETS	822.000	808.124
EQUITY AND LIABILITIES		
Equity		
Share capital	133.165	133.165
Treasury shares	-280	-1.630
Legal reserves	6.658	6.658
Retained earnings	96.031	148.686
Total equity	235.574	286.879
Non-current liabilities		
Interest-bearing borrowings	8.381	8.962
Employee benefits	8.576	8.560
Other non-current liabilities	13.104	24.288
Total non-current liabilities	30.061	41.810
Current liabilities		
Payables to related parties	113.078	73.215
Interest-bearing borrowings	5	0
Trade and other payables	220.385	156.413
Income tax payable	528	21.659
Provisions	26.619	16.011
Accrued charges and deferred revenue	195.750	212.137
Total current liabilities	556.365	479.435
Total liabilities	586.426	521.245
TOTAL EQUITY AND LIABILITIES	822.000	808.124

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

	2017	2016
	HRK '000	HRK '000
Cash flows from operating activities		
<i>Profit before tax</i>	73.046	118.827
Adjustments for:		
Depreciation and amortisation	41.314	48.734
Impairment losses and reversals	10.916	16.398
Net increase of provisions	21.172	18.999
Gain on sale of property, plant and equipment	-150	-102
Net loss/(gain) on remeasurement of financial assets	644	-2.033
Amortisation of discount	3	-657
Interest income	-4.948	-3.346
Interest expense	267	582
Foreign exchange losses/(gains)	16.207	-5.322
Equity-settled transactions	268	1.262
	<u>158.739</u>	<u>193.342</u>
<i>Changes in working capital</i>		
In receivables	-76.264	-75.303
In inventories	-9.076	11.391
In payables	55.731	60.289
	<u>129.130</u>	<u>189.719</u>
<i>Cash generated from operations</i>	<u>129.130</u>	<u>189.719</u>
Interest paid	-267	-582
Income taxes paid	-20.628	-2.100
	<u>108.235</u>	<u>187.037</u>
Net cash from operating activities	108.235	187.037
Cash flows from investing activities		
Interest received	2.397	2.753
Dividend received	77	212
Proceeds from sale of property, plant and equipment	149	83
Purchases of property, plant and equipment, and intangible assets	-29.405	-37.488
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	31.760	81.745
	<u>-51.230</u>	<u>-61.541</u>
Net cash used in investing activities	-51.230	-61.541
Cash flows from financing activities		
Purchase of treasury shares	-	-1.140
Dividends paid	-119.887	-132.846
	<u>-119.887</u>	<u>-133.986</u>
Net cash from financing activities	-119.887	-133.986
Effects of exchange rate changes on cash and cash equivalents	-2.582	20
	<u>-65.464</u>	<u>-8.470</u>
Net decrease in cash and cash equivalents	-65.464	-8.470
Cash and cash equivalents at the beginning of the year	224.725	233.195
	<u>159.261</u>	<u>224.725</u>
Cash and cash equivalents at the end of the year	159.261	224.725