

Business Results and Consolidated Statements of KONČAR Group

Unaudited

January - December 2023

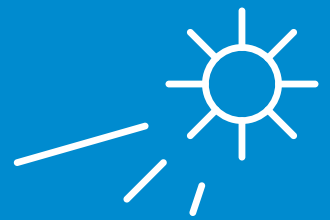


KONČAR

Inspired by challenge

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Key Performance Indicators

Export +36%	Sales revenue +28%
Order intake +54%	Order intake in export +81%
Book-to-bill ratio 1.5	Backlog +41%

*Compared to 2022
Backlog as at 31 December 2022*



Key Performance Indicators - normalized

EBITDA +84%	EBITDA margin +3.8 p.p.
EBIT +111%	EBIT margin +4.0 p.p.
Net profit +100.6%	Net margin +3.4 p.p.

Compared to 2022

A Report of the Management Board



CEO Statement Gordan Kolak, President of the Management Board

For KONČAR Group, 2023 was a year of remarkable achievements. Revenue, profit, and profit margin reached all-time highs, while order intake exceeded EUR 1.3 billion in value. The transformational initiatives and efforts undertaken over the past four years, prioritizing responsiveness to market trends and demands, have paved the way for these outstanding outcomes. The green transition in Europe has been gaining full momentum in recent years, a trend we timely recognized and fully leveraged. Swift adjustments in development, manufacturing, and business operations to align with the new electric power era have led to an unprecedented level of order intake.

Key performance indicators have seen growth across all business areas, with the power transmission and distribution segment demonstrating remarkable performance. The sustained high demand for transformers, a key component of KONČAR's product portfolio, has yielded excellent results and reinforced KONČAR's status as a regional leader in the development and production of high-tech solutions essential for advancing the green energy transition throughout the European Union.

Significant advancements have also been achieved in other business areas. In the domain of renewable energy, over the preceding three years, we have finalized agreements for the construction of six solar power plants for a number of partners, with the flagship project being the largest within HEP's portfolio. Our efforts towards green mobility in Europe have been marked by securing contracts to produce 30 new low-floor trams. These are intended for the only two cities in Croatia that operate tramway lines - 20 trams for Zagreb's public transport system and 10 for Osijek. These projects, won in international tenders, hold significant value and serve as a substantial incentive for the entire domestic industry. Alongside our established electric trains, we are actively working on the development and assembly of both battery-operated and hybrid trains. The digital solutions segment leverages four decades of experience in designing automation solutions for monitoring and managing energy facilities and systems. KONČAR - Digital achieved a new milestone in this segment when the renowned certification company TÜV NORD Adriatic awarded us a certificate of compliance with the latest international standards for cybersecurity in critical infrastructure management systems.

Amidst the positive trends brought by the green transition, the year 2023 was also marked by events that inevitably had an impact on our operations. The global economy has encountered significant geopolitical tensions. The continuing conflict in Ukraine, coupled with the emergence of new disputes in the Middle East and the risk of expansion beyond Gaza and Israel, has further destabilized energy markets. While the pace of inflation slowed in the final quarter of 2023, the economy remains under considerable pressure from rising operating expenses. In these challenging business conditions, KONČAR Group delivered outstanding business results, exceeding the ambitious targets set at the beginning of the year. From the total order intake of EUR 1.31 billion, a significant 76.6% pertains to export activities. The trust and reliability that we have been building up over decades have ensured a substantial influx of new orders, in particular from the advanced markets of Germany, Sweden, Austria, Norway and the Netherlands. There was also growth in order intake in other markets, with particular mention of the United States, where new contracts amounted to EUR 30.9 million. Backlog amounts to EUR 1.42 billion, with emphasis on the fact that the backlog for 2025 and subsequent years is steadily growing, with EUR 465.2 million in secured order intake.

Excellent order intake, expanding backlog and growing income have generated outstanding financial results. Consolidated income generated from the sales of products and services amounts to EUR 901.1 million, representing a year-on-year increase of EUR 197.2 million or 28%. Export constitutes a significant portion, accounting for over 65% of total sales revenue. Year-over-year, income from the sale of goods and services in foreign markets expanded across all markets, with significant revenue growth achieved in the EU market, where export rose by EUR 113.5 million. Export to the European Union countries reaches EUR 426 million or 73% of the total export.

Our exceptional sales results drive further profitability expansion. Reported net profit totals EUR 73.2 million, which is 48.9% up on year-on-year, despite the fact that last year's results were impacted by significant one-off items. Normalized net profit amounts to EUR 86 million, marking a twofold year-on-year increase. Normalized EBITDA amounts to EUR 111.3 million, marking a year-on-year increase of EUR 50.7 million or 83.8%. Normalized EBITDA margin stands at 12.4%, compared to 8.6% in the same period last year. We embark on the new year compelled with optimism and with expectations of good performance. Our goals remain the same - growing the income side and expanding exports, further investments in equipment and new product development, and crucially - investment in human resources, lifelong learning and professional development as the imperative for the realisation of strategic goals. Commitment to our customers, pursuit of excellence, fostering innovation, and preserving natural resources remain fundamental to our operations. Our reputation is built upon our dedication to our employees and the community, as well as our efforts to promote a thriving economy and a sustainable society.

Gordan Kolak
President of the Management Board

Significant events in 2023

A year of growth and business accomplishments

New business

- ZET Zagreb Electric Tram and KONČAR - Electric Vehicles signed a contract for the delivery of 20 new low-floor trams.
- KONČAR - Electric Vehicles and Gradski prijevoz putnika Osijek signed a contract for the purchase of new low-floor trams to modernize the city's tram fleet. The Agreement will see the delivery of 10 new low-floor trams. The integration of new trams depends on the successful completion of the Osijek tram infrastructure modernization project.
- KONČAR – Distribution and Special Transformers secured the majority of the tender in the competition between renowned European manufacturers of energy transformers for the German and Swedish branches of the E.ON Group.
- By signing the contract for the reconstruction of the 220 kV switchgear at HE Kidat, KONČAR – Engineering started the first project on the Tanzanian market in the business area of transmission and distribution.
- KONČAR – Engineering has contracted with the Swedish transmission system operator Svenska Kraftnät on a "turnkey" basis projects for the expansion of the 220 kV substation Linnvasselv and the reconstruction of the primary equipment as well as the protection and control systems at seven 220 kV substations near Stockholm.
- KONČAR – Engineering signed a new contract with the customer Joh. Achelis & Sohne GmbH (Bremen, Germany) for the partial rehabilitation of HPP Ruzizi 2 in Congo (Africa).
- KONČAR - Engineering and HEP - Production signed a contract for the design and construction of the Dugopolje solar power plant. The installed capacity of this solar power plant will be 13.54 MW, and the connected capacity will be 10 MW, while the expected annual electricity production of 17.2 million kWh will be sufficient to supply around 6,000 households.
- KONČAR – Engineering signed contracts for the reconstruction of TS 400/x kV Mostar 4 and RP 220 kV Mostar 3, power facilities that are of exceptional importance for the power system of Bosnia and Herzegovina and the entire region.
- At the international tender of the Macedonian Transmission System Operator, KONČAR – Switchgear was selected for the delivery of 120 high-voltage 123 kV disconnectors of the new generation that will be installed in the Skopje 1, Skopje 3, Štip and Bitola 1 substations.
- KONČAR – Digital and HŽ Infrastruktura signed a contract for the service of creating an IT system for the organization and regulation of traffic and access to infrastructure.
- KONČAR – Generators and Motors contracted the comprehensive revitalization of two hydroelectric power plants on the German-Austrian border with the Austrian electricity company Verbund. For the Egglfing-Obernberg project, they will produce six new generators, while for the Braunau-Simbach project, they will revitalize four generators and produce new stators and rotor poles.
- Karlovac County chose KONČAR - Digital to maintain the telemetry system of measuring telemetry devices. The work is part of the STREAM international project, which stands for the strategic development of the flood defense system. As part of the project, KONČAR - Digital provides a flood defense monitoring system based on KONČAR's MARS digital platform.
- KONČAR – Generators and Motors contracted two new projects for key customers on the Swedish market. With the company Fortum Sverige, the revitalization of both generators with an increase in power to 7.8 MVA at HPP Hermansboda, and with Sydkraft Hydropower AB (Uniper) the revitalization of generator G2 at HPP Gulsele with a power of 29.4 MVA.
- With the Czech national operator of the transmission system - ČEPS, KONČAR – Instrument Transformers entered into two new multi-year contracts for the delivery of 174 high-voltage transformers 245 and 420 kV.



Significant delivered and realised agreements

- KONČAR - Distribution and Special Transformers manufactured two medium power transformers with 100 MVA rated power, for the Cerca-Paul da Ota Solar Power Plant near Lisbon, Portugal, as part of their collaboration with a Spanish partner on renewable energy projects across Europe.
- KONČAR - Engineering completed the reconstruction project of the 110 kV plant as part of TS 110/20 kV Rakitje, and the main reason for the reconstruction of this important transformer station in the transmission network of the wider area of Zagreb was that the old equipment of the plant that was in operation was worn out more of 60 years.
- A new center for the supervision and management of hydropower plants was opened for the Albanian electricity company. It is also the first KONČAR - Engineering production center outside the borders of the Republic of Croatia.



- Completed revitalization of the Momina Klisura hydroelectric power plant in Bulgaria, as part of the revitalization project of three power plants contracted by KONČAR in a consortium with ČKD Blansko and RUDIS Trbovlje.
- KONČAR – Engineering completed the revitalization of the Vacha-1 hydroelectric power plant in Bulgaria, a project realized for the Bulgarian electricity industry.
- KONČAR – Engineering has completed activities in Salvador as part of the El Charrarral hydroelectric power plant construction project. It is a hydroelectric power plant with two production units, each of 36 MVA and one home generator with a power of 1.5 MVA. In addition, two fields were delivered and put into operation in the switchyard of the second hydroelectric power plant, with which the El Charrarral HPP switchyard is connected with one 115 kV transmission line.
- KONČAR – Motors and Electrical Systems delivered for ABS Sisak the largest centrifugal fan type VARSK 1250ZM with a high efficiency electric motor IE3 type H7AZ 200L-4.
- At the Borgforsen hydroelectric power plant in Sweden, KONČAR – Generator and Motors completed the revitalization and power increase project of the second generator for the Swedish Sydkraft Hydropower AB (Uniper).
- For a new waste-to-energy plant of up to 60 MW in Berkshire, UK, KONČAR - Distribution and Special Transformers supplied a 70 MVA, 33/15 kV medium power transformer filled with ester - Midel 7131, an environmentally acceptable insulating fluid.
- Two projects were delivered to the Dutch buyer of transformer boilers Royal SMIT Transformers by KONČAR – Metal Structures. We are talking about projects of large masses and dimensions and almost 1,200 shipping segments and extremely complex trial assembly.
- The Virje solar power plant with an installed capacity of 10.3 MWp, built for INA by KONČAR – Engineering, was put into trial operation. The latest technological solutions were used in the power plant, including KONČAR's PROZA NET platform, the backbone of plant digitalization. SE Sisak was also built by KONČAR for the same client.
- KONČAR – Metal Structures for the Dutch customer Royal SMIT Transformers delivered a transformer boiler for the final customer, the French power company EDF. Specially certified materials were used for the project and strict controls were carried out according to ITP.
- In KONČAR – Electrical Engineering Institute, Laboratory for Large Electrical Machines and Drives, a thermal stability test of the 800 kV oil-SF₆ transformer conductor was successfully conducted for a long-term customer from Sweden. It is an important step forward in the field of high-voltage testing and a valuable reference, as well as strengthening the global recognition of the Institute.
- A new train for regional transport, produced in KONČAR - Electric Vehicles, was put into regular traffic towards Sisak as part of the project to renew the rolling stock of the HŽ Passenger Transport (HŽPP) fleet with new electric trains. It is the first of ten regional trains from the contract for the purchase and sale of 21 electric trains, of which KONČAR - Electric Vehicles has already delivered all 11 for urban-suburban transport.
- Dalekovod has successfully completed the 400 kV Barsebäck-Sege project near Malmö in Sweden, which included works on a 28 kilometer long transmission line. During the shutdown of 52 days, in two stages, a total of 78 existing poles were removed, new foundations were built, poles were assembled and erected, and electrical installation work was performed. All old parts were carefully removed, and the terrain was restored to its original state with special emphasis on the protection of the environment, flora and fauna.
- KONČAR - Digital, in cooperation with the Faculty of Electrical Engineering and Computing of the University of Zagreb, successfully completed the important IRI project Platform for intelligent and energy-efficient management of industrial IoT devices.



Sustainable business

- The Group has continuously reported on CSR activities since 2006 in the annual Corporate Social Responsibility Report. In all business operations, KONČAR is committed to UN Global Compact principles and integrates eight out of the total seventeen Sustainable Development Goals (SDG 4, 5, 7, 8, 9, 11, 12 and 13) and reports on them in line with GRI.
- KONČAR Group companies use ZelEn product i.e., energy produced solely from renewable sources, offered by HEP - Opskrba. Rational energy consumption, application of environmentally friendly technologies and materials suitable for recycling, use of energy generated exclusively from renewable sources, as well as promotion of environmental awareness among employees and suppliers are encouraged through the Environmental Policy. The Group has also implemented Sustainability Policy and HSEQ Policy.
- We harness innovation to create and add value to our customers and to unlock better performing solutions and low-carbon products.
- To enhance quality and productivity, KONČAR - Motors and Electrical Systems completed an investment in a new semi-automated paint shop, with the aim of improving quality and productivity, meeting the increasingly rigorous customer requirements in terms of corrosion protection, aesthetics and special RAL colours. The investment will also strengthen compliance with all international guidelines and environmental standards.
- KONČAR - Distribution and Special Transformers commissioned its own integrated photovoltaic power plant with a connected capacity of 1.1 MW. The plant is expected to generate 1,456.16 MWh annually, meeting up to 35 percent of electricity demand. As a result, it will contribute to reducing CO₂ emissions by about 35 percent, equivalent to approximately 480,532.80 kg of CO₂ per year.
- KONČAR - Generators and Motors, as well as KONČAR - Motors and Electrical Systems, commissioned their photovoltaic power plants. Projects for six more photovoltaic power plants are being prepared.



KEY PERFORMANCE INDICATORS OF KONČAR GROUP OPERATIONS FOR THE PERIOD JANUARY - DECEMBER 2023

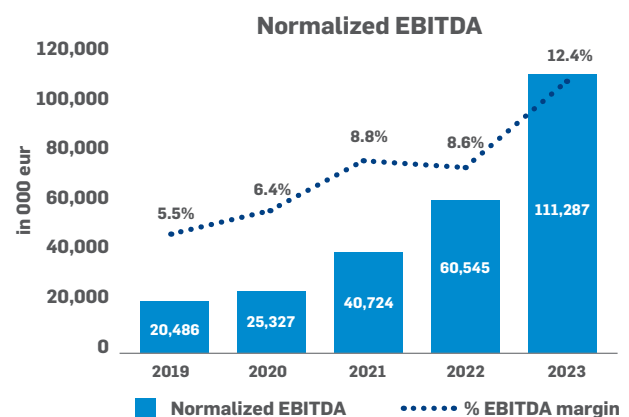
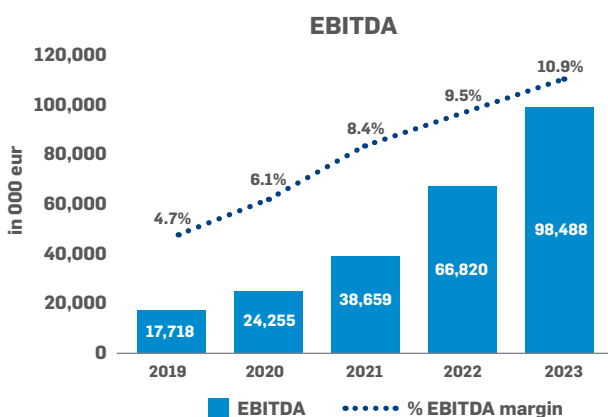
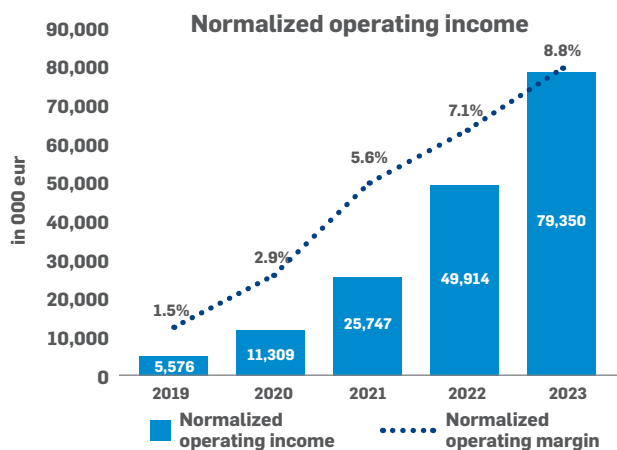
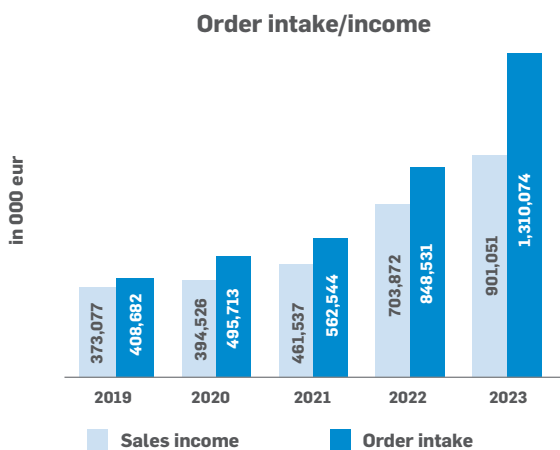
Key performance indicators

KEY PERFORMANCE INDICATORS - unaudited

in 000 eur	KONČAR						CAGR 2023/2019
	2019 1	2020 2	2021 3	2022 4	2023 5	2023/2022 6	
Operating income	381,842	401,655	471,731	725,260	915,593	26,2%	24.4%
Sales income - total	373,077	394,526	461,537	703,872	901,051	28,0%	24.7%
Sales income - export	219,055	245,483	273,772	430,543	586,121	36,1%	27.9%
Operating expenses	376,266	390,346	445,984	675,346	836,243	23,8%	22.1%
Operating profit	5,576	11,309	25,747	49,914	79,350	59,0%	94.2%
Operating margin	1.5%	2.9%	5.6%	7.1%	8.8%		
Net profit	6,908	16,932	28,056	49,128	73,175	48,9%	80.4%
Net margin	1.9%	4.3%	6.1%	7.0%	8.1%		
Normalized net profit	9,676	18,004	30,122	42,853	85,974	100,6%	72.6%
Normalized net profit margin	2,6%	4,6%	6,5%	6,1%	9,5%		
Depreciation and amortization	12,142	12,947	12,912	16,906	19,138	13,2%	12.0%
EBITDA	17,718	24,255	38,659	66,820	98,488	47,4%	53.5%
EBITDA margin	4.7%	6.1%	8.4%	9.5%	10.9%		
Normalized EBITDA ¹	20,486	25,327	40,724	60,545	111,287	83,8%	52.7%
Normalized EBITDA margin ¹	5.5%	6.4%	8.8%	8.6%	12.4%		
Order intake	408,682	495,713	562,544	848,531	1,310,074	54,4%	33.8%
Backlog²	462,566	563,752	661,901	1,006,543	1,415,566	40,6%	32.3%
Book-to-bill ratio	1.10	1.26	1.22	1.21	1.45		

EBITDA Normalized¹: EBITDA less the net effect of provisions, asset sale income, loss compensation income and other operating income and increased by impairment of non-current and current assets.

Backlog²: as at 31 December



Income Statement

For the period January - December 2023, KONČAR Group realized total operating income in the amount of EUR 915.6 million, representing a year-on-year increase of EUR 190.3 million or 26.2%.

Consolidated income generated from the sales of products and services amounts to EUR 901.1 million, representing a year-on-year increase of EUR 197.2 million or 28%.

Other operating income amounts to EUR 14.5 million, representing a year-on-year decline of EUR 6.8 million. In other operating income item, the most significant amount in 2022 pertains to a one-off item related to the sale of assets not in the function of core business, loss compensation income, other provisions and considerable badwill (negative goodwill). In 2023, the most significant part of other income was generated from the profit from the sale of land to an associate company, profits realized from the sale of non-operating assets, loss compensation income, and badwill from two acquisitions.

Operating expenses amounted to EUR 836.2 million, reflecting a 23.8% year-on-year increase. With reference to operating expenses, material costs (cost of raw materials and commodities, costs of goods sold and other external costs) amount to EUR 597.2 million, marking a year-on-year increase of EUR 112.7 million (23.3%). The share of material costs in sales income, adjusted for inventory value changes, amounts to 67.2%, representing a decrease of 2.3 percentage points compared to the previous year. There is a noticeable downward trend observed in raw material and material prices compared to 2022. Raw materials and commodities account for 51.9% of the sales revenue, down by 3.8 percentage points on the comparable period previous year. Costs of goods sold rose to 4.7% from 3.3% in 2022.

Staff costs amount to EUR 148.8 million, representing a year-on-year expansion of EUR 26.9 million or 22.1%. The share of staff costs in sales revenue amounts to 16.1%, down by 0.9 percentage points compared to the performance in 2022.

With respect to the period Jan-Dec 2022, other operating expenses increased by EUR 7.4 million and amount to EUR 51.9 million. Other operating expenses pertain to staff remuneration and other employees' rights amounting to EUR 25.3 million, and manufacturing services, intellectual services, insurance premiums and other, totalling EUR 26.6 million. The share of other expenses in adjusted sales revenue is 0.7 percentage points down year-over-year.

in EUR 000	2022	2023	Δ	Index 2023/2022
OPERATING INCOME	725,260	915,593	190,333	126.2
OPERATING EXPENSES	675,345	836,243	160,898	123.8
Material costs and change in value of inventories	484,523	597,220	112,697	123.3
Staff costs	121,841	148,773	26,932	122.1
Depreciation and amortization	16,906	19,138	2,232	113.2
Other costs	44,523	51,890	7,367	116.5
Provisions	1,414	7,821	6,407	553.1
Impairment of non-current and current assets	6,138	11,401	5,263	185.7
OPERATING PROFIT	49,915	79,350	29,435	159.0
SHARE IN PROFIT OF ASSOCIATED PARTIES	3,363	9,934	6,571	295.4
SHARE IN LOSS OF ASSOCIATED PARTIES	13	12	-1	92.3
FINANCE INCOME	2,076	3,298	1,222	158.9
FINANCE COSTS	1,784	3,685	1,901	206.6
TOTAL INCOME	730,699	928,825	198,126	127.1
TOTAL EXPENSES	677,142	839,940	162,798	124.0
Profit before taxation	53,557	88,885	35,328	166.0
Income tax	4,429	15,710	11,281	354.7
PROFIT FOR THE PERIOD	49,128	73,175	24,047	148.9

Operating profit (EBIT) amounts to EUR 79.4 million, which is a year-on-year increase of EUR 29.4 million. EBIT margin is 8.8% (in 2022 it stood at 7.1%).

EBIT normalized amounts to EUR 92.1 million, which represent a two-fold increase year-over-year. Normalized EBIT margin is 10.2% which is a 4 percentage points improvement on last year's performance (6.2% in 2022).

The associate company realized EUR 20.9 million in profits, marking a significant improvement compared to the 2022 performance, which amounted to EUR 2.3 million. Using the equity method, the total share of profit/loss from associate companies and joint ventures amounts to EUR 9.9 million.

The difference between finance income and expenses is negative, amounting to EUR 386 thousand.

Total consolidated income generated by the Group amounts to EUR 928.8 million, reflecting a year-over-year growth of EUR 198.1 million or 27.1%. The consolidated profit before taxation amounts to EUR 88.9 million, reflecting a year-over-year increase of 66%. Income tax amounts to EUR 15.7 million.

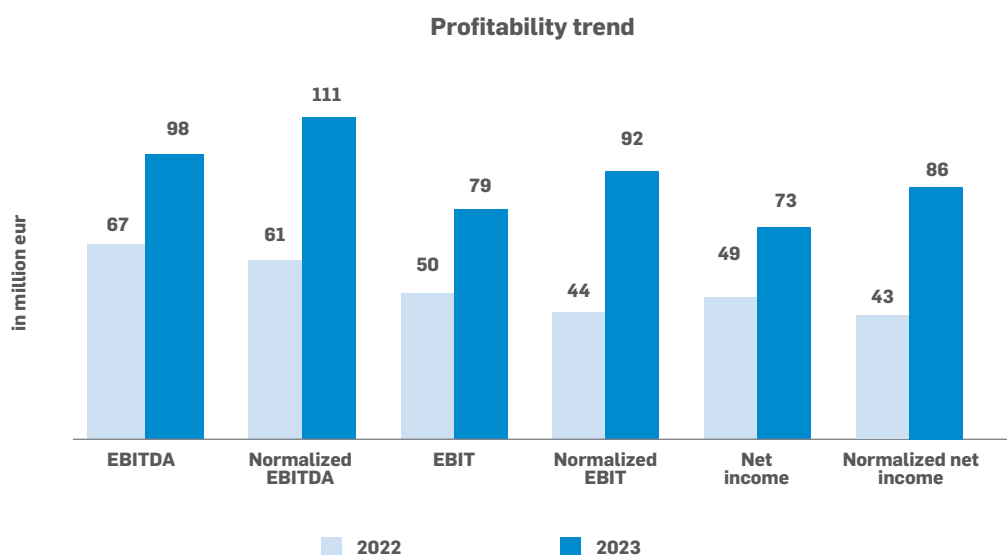
Realized net result for the reporting period stands at EUR 73.2 million. KONČAR Group recorded a growth in the consolidated result of EUR 24 million compared to the corresponding period in 2022.

Normalized net profit amounts to EUR 86 million, representing a two-fold increase of EUR 43.1 million year-over-year.

EBITDA amounts to EUR 98.5 million, representing an expansion of EUR 31.7 million compared to 2022. EBITDA margin is 10.9% (in 2022 it stood at 9.5%).

Normalized EBITDA amounts to EUR 111.3 million, reflecting a year-on-year increase of EUR 50.7 million or 83.8%. Normalized EBITDA margin is 12.4% (it amounted to 8.6% in 2022).

Normalized indicators are calculated by deducting the net effect of provisions, asset sale income, loss compensation income, income from transactions related to acquisitions of companies and increased by impairment of non-current and current assets.



Statement of financial position

in EUR 000	31/12/2022	31/12/2023	Δ
Liabilities for loans	46	46	0
Liabilities to bank and other financial institutions	25.608	35.181	9.573
Liabilities for advance payments	625	687	62
LONG -TERM LIABILITIES TOTAL	26.279	35.914	9.635
Liabilities for loans		132	132
Liabilities to bank and other financial institutions	58.168	50.053	-8.115
Liabilities for interest	667	1.180	513
Liabilities for future lease payments	328	336	8
SHORT -TERM LIABILITIES TOTAL	59.163	51.701	-7.462
TOTAL DEBT	85.442	87.615	2.173
Cash	57.263	152.595	95.332
Current financial assets	2.983	636	-2.347
NET DEBT	25.196	-65.616	-90.812
NET debt /EBITDA normalized	0,4	neg	

in EUR 000	31/12/2022	31/12/2023	Δ
Current assets	532,673	686,768	154,095
Current liabilities	259,981	368,669	108,688
Current ratio	2.0	1.9	

Summarised statement of financial position

in EUR 000	31/12/2022	31/12/2023	Δ
Non-current assets	262,541	308,724	46,183
Current assets	538,857	705,432	166,575
Assets	801,398	1,014,156	212,758
Capital and reserves	460,469	533,914	73,445
Non-current liabilities	55,665	77,334	21,669
Current liabilities	285,264	402,908	117,644
Total equity and liabilities	801,398	1,014,156	212,758

Statement of Financial Position**Key indicators of the Statement of Financial Position as at 31 December 2023**

The balance of total consolidated funds and sources of funding as at 31 December 2023 amounts to EUR 1,014.2 million, reflecting a growth of EUR 212.8 million or 26.5% compared to the balance as at December 31, 2022.

In the structure of assets, total non-current assets amount to EUR 308.7 million, which accounts for 30.4% of the total assets. A significant change is noted in the non-current assets category, particularly in intangible assets, which increased by EUR 14.2 million. The most significant increase in the item of tangible assets is in the category of buildings, which is higher by EUR 14.3 million. The growth mainly pertains to the commissioning of a new laboratory building at KONČAR – Electrical Engineering Institute and the acquisition of the limited liability company KONČAR – Electrical equipment in Split, and the commissioning of a new hall at KONČAR – Electric Vehicles. There has been an increase in the value of plant and equipment, totalling EUR 15.1 million. Investments in new equipment and facilities were made across several companies.

As at 31 December 2023, current assets amount to EUR 686.8 million, which is EUR 154.1 million rise compared to the balance as at 31 December 2022. Inventories increased by EUR 21.3 million. The inventories increase is a result of growing order intake which will lead to larger delivery volumes in the upcoming period, reflected primarily in the work in progress item (up by EUR 14.6 million).

- Total current receivables increased by EUR 39.7 million. Trade receivables and contract assets grew by EUR 37 million, particularly in companies that had increased delivery volumes in the last quarter of 2023. Dividend receivables decreased by EUR 2.9 million (dividend from an associate company). Receivables from the state increased by EUR 4.6 million, while other receivables remained at the same level as at the end of 2022.
- Financial assets are EUR 2.3 million below the balance as at 2022 year-end.
- At Group level, cash balance grew by EUR 95.3 million. The increase in the balance of cash compared to December 31, 2022, is the result of net proceeds from business activities amounting to EUR 154.3 million. The largest sum pertains to the collection of customer receivables from past deliveries and advances received for significant contracts scheduled for fulfillment. Negative cash flow of EUR 17.7 million was recorded from investment activities, along with a negative cash flow of EUR 41.9 million from financing activities. In the cash flow from financing activities, the most significant amounts are attributed to loan repayments and dividend payouts as per the General Assembly resolutions.

Sources of funding item records the following changes as at 31 December 2023:

- Equity, capital reserves, reserves from retained earnings, profit for the period amount to EUR 533.9 million, which represents an increase of EUR 73.4 million as at 2022 year-end and is the result of the realized net profit for the reporting period and the distribution of profits for 2022 pursuant to the Resolution of the General Assembly.
- Non - controlling (minority interest) amounts to EUR 128.4 million, which is EUR 33.6 million higher than as at 31 December 2022.
- Non - current provisions amount to EUR 32.6 million, an increase of EUR 7.3 million compared to 2022 year-end.
- Non - current liabilities stand at EUR 44.7 million, representing an increase of EUR 14.4 million. Non-current liabilities towards banks and other financial institutions rose by EUR 9.6 million, and other non-current liabilities are up by EUR 4.7 million.
- Current liabilities amount to EUR 368.7 million, which is an increase of EUR 112 million compared to the balance as at 31 December 2022.
- In the structure of current liabilities, there are prominent changes in liabilities for advances received, which went up by EUR 80.6 million. Current liabilities towards banks and other financial institutions are reduced by EUR 8.1 million and trade payables increased by EUR 15.3 million.
- Accrued expenses and deferred income amount to EUR 34.2 million, representing an increase of EUR 5.7 million.

In the structure of sources of funding, subscribed capital, reserves, reserves from retained earnings, profit for the year and non-controlling (minority) interest amount to EUR 533.9 million, which accounts for 53% of the total sources of funding. Non-current provisions amount to EUR 32.6 million, accounting for 3.2% of the total sources. Total non-current and current provisions amount to EUR 413.4 million and account for 40.8% of the total sources. In the structure of current liabilities, accounts payable in the amount of EUR 139.6 million make up 13.8% of the total sources. Total liabilities towards banks for loans (short-term and long-term) amount to EUR 85.2 million, or 8.4% of the total sources.

Contingent liabilities (off-balance sheet items) amount to EUR 789.0 million, which is higher by EUR 182.2 million compared to the balance as at 31 December 2022. Contingent liabilities pertain to issued payment securities (guarantees, letters of credit, promissory notes) and they largely pertain to issued payment securities for agreement completion with HŽ Passenger Transport, Senj HPP and similar.

Total current assets and prepaid expenses exceed 1.8 times total current liabilities, accrued expenses and deferred income. The structure of the Consolidated Statement of Financial Position indicates a sound balance between funding sources and investments and an overall financial stability of KONČAR Group.

Market position

Consolidated income generated from the sales of products and services amounts to EUR 901.1 million, representing a year-on-year increase of EUR 197.2 million or 28%.

Revenue generated in the domestic market amounts to EUR 314.9 million, which is EUR 41.6 million or 15.2% upturn on 2022. The share of sales revenue realized in the domestic market continues to shrink and accounts for 35% in the reporting period.

In the structure of revenue generated from sales in the domestic market, revenue from the sale of goods and services to HEP Group companies amounts to EUR 110.5 million (12.3% of total revenue from the sale of goods and services). Year-over-year, revenue generated from the sale of goods and services to HEP increased by EUR 3.9 million.

Revenue from the sale of goods and services to HŽ Passenger Transport, HŽ Infrastructure and Rolling Stock Technical Services amounts to EUR 69.7 million (7.7% of the total sales revenue). Sales realization remains roughly on the same level year-on-year. Revenue generated from the sale of goods and services in foreign markets outperforms 2022 realization. Exports amount to EUR

586.1 million, which is EUR 155.6 million or 36.1% surge year-on-year.

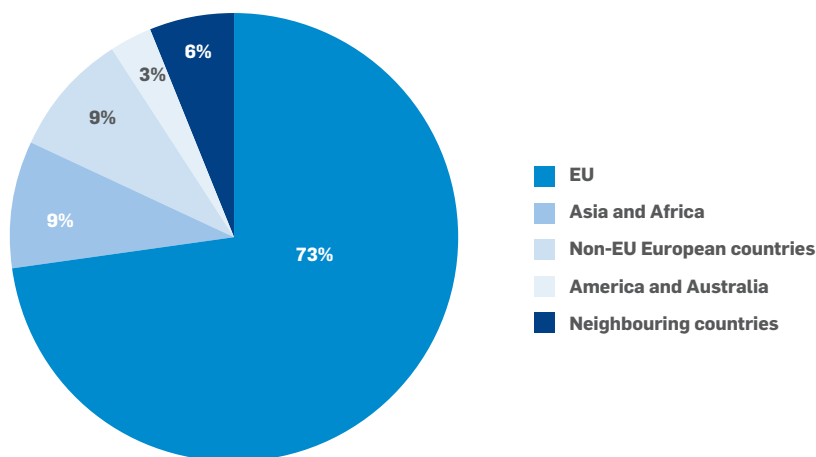
In the total revenue from sales of products and services, the share of exports increased by 3.8 percentage points year-on-year, reaching 65% in 2023.

By country, export volume delivered to the German market continues to rise sharply, reaching EUR 109.2 million, or 18.6% of the total export. Goods and services exported to Sweden amount to EUR 86.9 million (14.8% of the total export), followed by Austria with EUR 35.8 million (6.1% of the total export).

Year-over-year, goods and service export revenue expanded across all markets. The most significant growth in exports was realised in the EU market with an expansion of EUR 113.5 million. Export to the European Union countries reaches EUR 425.7 million or 72.6% of the total export.

In 2023 order intake in foreign markets continued to expand significantly, which created conditions for further export growth in the upcoming period.

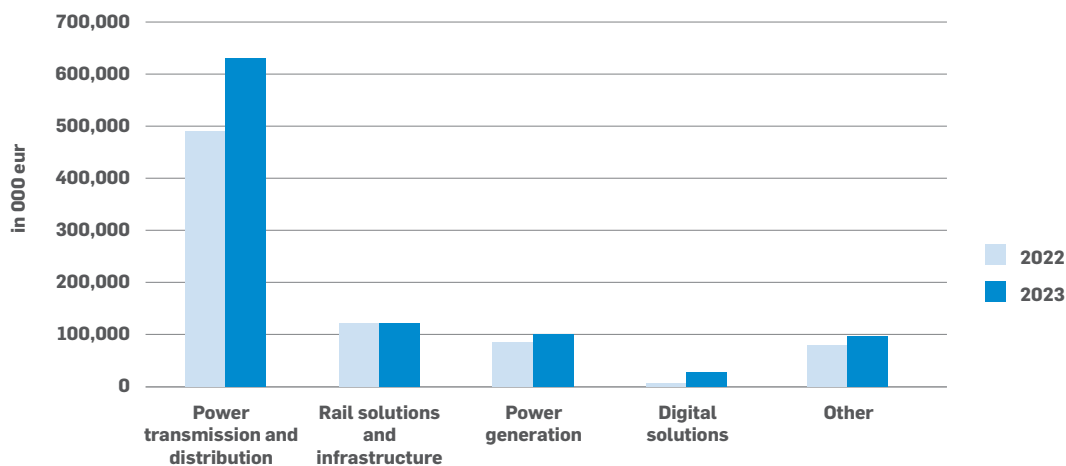
Export markets in 2023



Income by segments

in EUR 000

Segment	2022	2023
Power transmission and distribution	490,054	630,590
Rails solutions and infrastructure	118,506	124,384
Power generation	87,335	104,349
Digital solutions	7,845	27,516
Other	80,286	100,082
Total Sales Income Unconsolidated	784,026	986,921



Order intake and backlog

In Q4 2023, the trend of excellent new order intake persisted, with new contracts totalling EUR 269 million secured for the period from October to December. New order intake amounted to EUR 1,310.1 million in 2023.

Year-over-year, order intake surged by EUR 461.5 million (comparable period in 2022: EUR 848.5 million).

Book-to-bill ratio for the period Jan - Dec 2023 is 1.5.

A considerable improvement in order intake continues to be recorded in the companies operating in the power transmission and distribution segment, with KONČAR - Distribution and Special Transformers and KONČAR - Instrument Transformers outperforming on their plans. In most other companies, the new order intake exceeded the planned figures significantly, with particularly strong performance observed in Dalekovod, KONČAR – Electric Vehicles, KONČAR – Metal Structures, KONČAR - Digital, and KONČAR – Switchgear.

The order intake for export markets in 2023 exceeds EUR 1 billion (EUR 1,004.0 million), comprising 76.7% of the total order intake. On the domestic market, the order intake amounted to EUR 306.0 million, the most meaningful volume in the amount of EUR 113.5 million pertains to the agreements with HEP Group. HEP accounts for 8.6% of the total new order intake.

More prominent new orders in the domestic market include the Procurement Agreement with Gradski prijevoz putnika Osijek, for new low-floor trams for the purpose of modernization of the tram fleet in Osijek. The Agreement will see the delivery of 10 new low-floor trams within the project The application of green technologies in railway passenger transport included in the 2021 – 2026 National Recovery and Resilience Plan (NRRP), with the completion and delivery deadline of 24 months from the agreement signing.

From the order intake on the domestic market in 2023, it is noteworthy to mention the order for tram delivery to ZET, Dalekovod's contract with HOPS, HŽ Infrastructure and KONČAR – Digital signed an agreement for new IT system for the organization and regulation of railway traffic and access to railway infrastructure.

New order intake in foreign markets amounts to EUR 1 billion.

Of the total order intake in foreign markets, the majority pertains to the the European Union countries, amounting to EUR 765.5 million, which is EUR 380.2 million upturn on the comparable period in 2022. The EU market accounts for 76.2% of the total order intake.

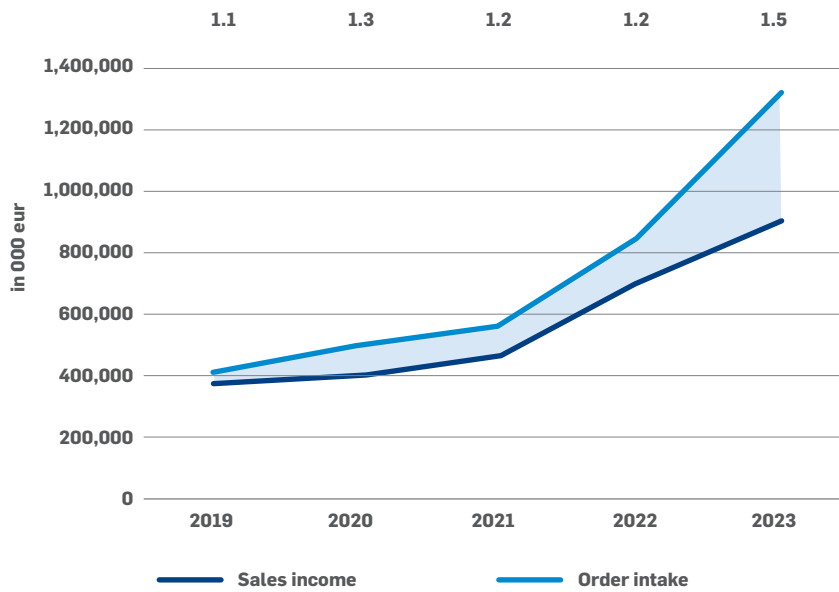
Year-over-year, order intake expanded across all other markets, most notably in the American and Australian markets, where EUR 44.4 million was contracted (EUR 21.0 million rise on 2022). The most meaningful advancement was achieved in the USA, with EUR 30.9 million in new order intake.

Broken down by countries, the most significant order intake volume pertains to the German market, in the amount of EUR 235.5 million. Book-to-bill ratio in the German market is significantly high and stands at 2.2. Another market in terms of order volume is Sweden, with EUR 158.2 million in order intake, followed by the Austrian market with EUR 77.9 million and the Netherlands with EUR 40.4 million.

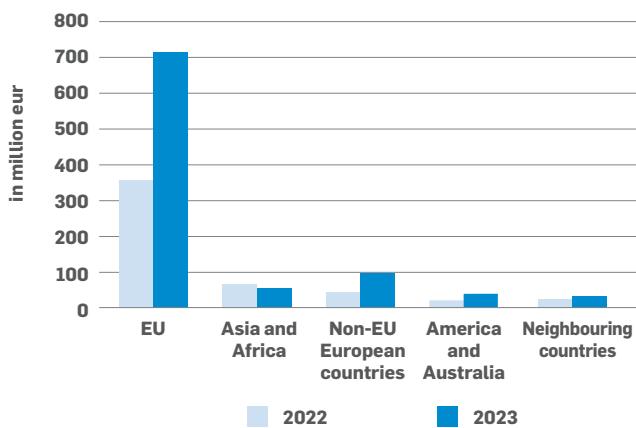
The status of order intake (backlog) as at 2023 year end amounts to EUR 1,415.6 million, representing a 40.6% increase compared to the value at year start. Backlog at the end of the year is up by EUR 409.5 million year-on-year (EUR 1,006.5 million as at 31 December 2022).

In the balance of open liabilities, orders for realization in 2024 amount to EUR 950.4 million, representing 100% realization of the sales income plan.

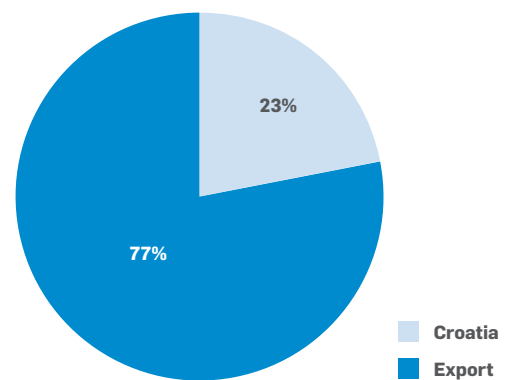
Book-to-bill ratio



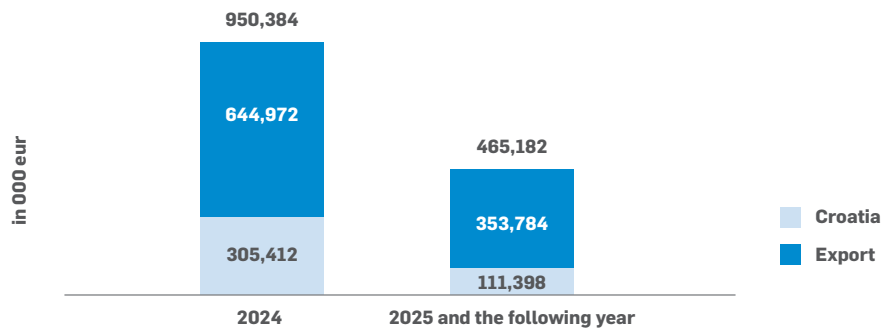
Order intake - export



Order intake in 2023



Expected revenue generated from the backlog



Information for shareholders

KOEI-R-A	31/12/2022	31/12/2023	Index
Final price (EUR)	114.80	187.00	162.9
Highest price (EUR)	130.00	200.00	153.8
Lowest price (EUR)	107.49	115.00	107.0
Volume	56,466	65,201	115.5
Turnover (EUR)	6,647,779	10,501,587,00	158.0
Market capitalisation (EUR)	292,250,837	476,149,872	162.9
EPS (EUR) (profit of the parent company/weighted average number of shares)	13.57	18.29	134.8

Shares of KONČAR – Electrical Industry Inc. are listed in the Official Market of the Zagreb Stock Exchange. The shares are identified by the identification code KOEI-R-A. In accordance with applicable regulations, the Company ensures regular access to information on its operations and activities, and information on any facts and circumstances that may influence the share price (price sensitive information).

KONČAR's share price surged and peaked at EUR 200.00 per share in September 2023. Over the course of the year, the share price fluctuated from EUR 115.00 per share, reaching EUR 187.00 at the end of the reporting period.

Market capitalization on 31 December 2023 amounts to EUR 476.1 million, which is an increase of EUR 183.9 million year-over-year.

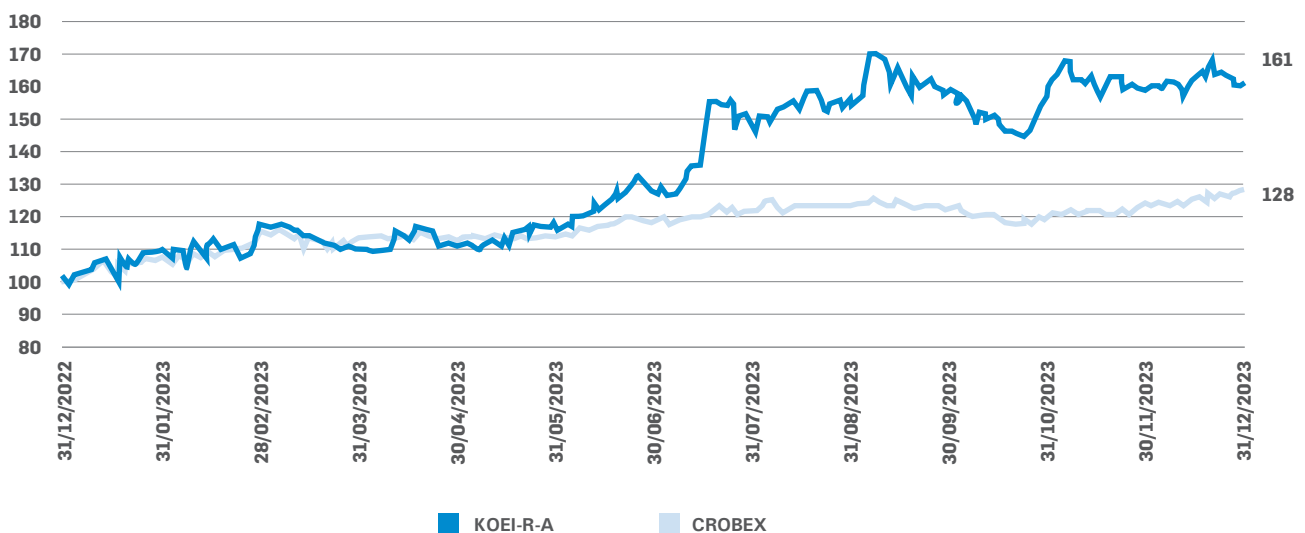
Earnings per share for the parent company in 2023 amount to EUR 18.29, representing a gain of 58.6% compared to earnings per share realized in 2022.

The General Assembly of KONČAR - Electrical Industry Inc. was held on 13 June 2023. The General Assembly adopted a Resolution on the Distribution of Dividend to the Shareholders in the amount of EUR 2.0 per share. The Resolution on the Distribution of Dividend was passed unanimously.

Pursuant to the provisions of the Act on the Introduction of Euro as the Official Currency in the Republic of Croatia, and following the registration with the Court Register at the Commercial Court in Zagreb, on 4 October 2023, the Central Clearing and Depository Company issued a notification that the share capital of the Company has been reduced from EUR 160,448,062.09 by EUR 976,684.91 and now amounts to EUR 159,471,378.00, by way of reducing the individual nominal amount of ordinary shares identified by the identification code KOEI-R-A by EUR 0.38 from EUR 62.38 to EUR 62.00.

Upon the completion of the reduction, the share capital of the Company registered with the CCDC database amounts to EUR 159,471,378.00 divided into 2,572,119 ordinary shares identified by the identification code KOEI-R-A each with the nominal value of EUR 62.00.

Indices of KOEI price and CROBEX value changes



B Unaudited Consolidated Financial Statements of KONČAR Group for the period January - December 2023

Annex 1

ISSUER'S GENERAL DATA

Reporting period:	01/01/2023	to	31/12/2023
Year:	2023	Quarter:	4

Quarterly financial statements

Registration number (MB):	03282635	Issuer's home Member State code:	HR
Entity's registration number (MBS):	080040936		
Personal identification number (OIB):	45050126417	LEI:	74780000HOSHMRW0115
Institution code:	501		
Name of the issuer:	KONČAR - ELECTRICAL INDUSTRY INC.		
Postcode and town:	10000	ZAGREB	
Street and house number:	FALLEROVO ŠETALIŠTE 22		
E-mail address:	koncar.finance@koncar.hr		
Web address:	www.koncar.hr		
Number of employees (end of the reporting period):	5271		
Consolidated report:	KD	(KN-not consolidated/KD-consolidated)	
Audited:	RN	(RN-not audited/RD-audited)	

Names of subsidiaries (according to IFRS):	Registered office:	MB:
KONČAR - Infrastructure and services Ltd. for services	Zagreb	1343068
KONČAR - Electrical engineering institute Ltd. for research, development and services	Zagreb	3645363
KONČAR - Electronics and Informatics Inc. for production and services	Zagreb	3282899
KONČAR - Motors and electrical systems Ltd. for production	Zagreb	3282678
KONČAR - Generators and motors Inc. for production	Zagreb	1356216
KONČAR - Renewable energy sources Ltd. for production	Zagreb	2435071
KONČAR - Instrument transformers Inc. for production	Zagreb	3654656
KONČAR - Distribution and special transformers Inc. for production	Zagreb	3654664
KONČAR - Switchgear Ltd. for production	Zagreb	3641287
KONČAR - Electric vehicles Inc. for production	Zagreb	3282660
KONČAR - Engineering Co. Ltd. for production and services	Zagreb	3654354
KONČAR - Metal structures Ltd. for production	Zagreb	1114328
KONČAR - Investments Ltd. for business services	Zagreb	5423392
KONČAR - Digital Ltd. for digital services	Zagreb	5478421
KONČAR - Transformer Boilers Ltd. for manufacturing	Zagreb	5853184

Bookkeeping firm:	No	(Yes/No)
Contact person:	MARINA MARKUŠIĆ (only name and surname of the contact person)	
Telephone:	01 3667 175	
E-mail address:	marina.markusic@koncar.hr	
Audit firm:	KPMG Croatia d.o.o. (name of the audit firm)	
Certified auditor:	Igor Gošek (name and surname)	

BALANCE SHEET

balance as at 31.12.2023

in EUR

Submitter: KONČAR - Electrical Industry Inc. for manufacturing and services			
Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID	001	0	0
B) FIXED ASSETS (ADP 003+010+020+031+036)	002	262,540,875	308,723,840
I INTANGIBLE ASSETS (ADP 004 to 009)	003	11,794,794	26,010,008
1 Research and development	004	2,931,309	5,494,506
2 Concessions, patents, licences, trademarks, software and other rights	005	3,456,994	8,626,264
3, Goodwill	006	1,135,920	8,620,939
4 Advances for the purchase of intangible assets	007	0	0
5 Intangible assets in preparation	008	4,267,838	3,253,351
6 Other intangible assets	009	2,733	14,948
II TANGIBLE ASSETS (ADP 011 to 019)	010	202,746,228	234,690,382
1 Land	011	39,517,143	41,754,301
2 Buildings	012	63,068,977	77,104,421
3 Plant and equipment	013	53,837,485	68,705,767
4 Tools, working inventory and transportation assets	014	12,015,966	15,544,633
5 Biological assets	015	0	0
6 Advances for the purchase of tangible assets	016	6,588,811	4,009,981
7 Tangible assets in preparation	017	11,165,793	9,164,581
8 Other tangible assets	018	316,047	404,227
9 Investment property	019	16,236,006	18,002,471
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	35,453,356	35,794,952
1 Investments in holdings (shares) of undertakings within the group	021	10,921	8,268
2 Investments in other securities of undertakings within the group	022	0	0
3 Loans, deposits, etc, to undertakings within the group	023	0	0
4 Investments in holdings (shares) of companies linked by virtue of participating interests	024	29,022,513	29,943,594
5 Investment in other securities of companies linked by virtue of participating interests	025	0	0
6 Loans, deposits etc, to companies linked by virtue of participating interests	026	0	0
7 Investments in securities	027	322,839	485,247
8 Loans, deposits, etc, given	028	2,242,527	1,274,702
9 Other investments accounted for using the equity method	029	3,100,603	3,848,230
10 Other fixed financial assets	030	753,953	234,911
IV RECEIVABLES (ADP 032 to 035)	031	6,319,888	6,689,897
1 Receivables from undertakings within the group	032	0	0
2 Receivables from companies linked by virtue of participating interests	033	0	0
3 Customer receivables	034	1,582,841	1,560,102
4 Other receivables	035	4,737,047	5,129,795
V DEFERRED TAX ASSETS	036	6,226,609	5,538,601
C) CURRENT ASSETS (ADP 038+046+053+063)	037	532,673,112	686,767,778
I INVENTORIES (ADP 039 to 045)	038	191,523,085	212,860,846
1 Raw materials and consumables	039	114,009,424	109,085,149
2 Work in progress	040	41,355,158	55,028,002
3 Finished goods	041	24,260,468	36,841,998
4 Merchandise	042	806,136	3,856,806
5 Advances for inventories	043	9,026,043	7,285,463
6 Fixed assets held for sale	044	2,065,856	763,428
7 Biological assets	045	0	0

BALANCE SHEET

balance as at 31.12.2023

in EUR

Submitter: KONČAR - Electrical Industry Inc. for manufacturing and services			
Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
II RECEIVABLES (ADP 047 to 052)			
	046	280,904,899	320,675,965
1 Receivables from undertakings within the group	047	0	0
2 Receivables from companies linked by virtue of participating interests	048	8,458,383	12,507,096
3 Customer receivables	049	237,067,484	272,945,560
4 Receivables from employees and members of the undertaking	050	81,354	87,354
5 Receivables from government and other institutions	051	9,817,351	14,413,929
6 Other receivables	052	25,480,327	20,722,026
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)			
	053	2,982,425	636,308
1 Investments in holdings (shares) of undertakings within the group	054	0	0
2 Investments in other securities of undertakings within the group	055	0	0
3 Loans, deposits, etc, to undertakings within the group	056	0	0
4 Investments in holdings (shares) of companies linked by virtue of participating interests	057	0	0
5 Investment in other securities of companies linked by virtue of participating interests	058	0	0
6 Loans, deposits etc, to companies linked by virtue of participating interests	059	0	0
7 Investments in securities	060	0	11,662
8 Loans, deposits, etc, given	061	2,078,807	586,413
9 Other financial assets	062	903,618	38,233
IV CASH AT BANK AND IN HAND			
	063	57,262,703	152,594,659
D) PREPAID EXPENSES AND ACCRUED INCOME			
	064	6,184,248	18,663,889
E) TOTAL ASSETS (ADP 001+002+037+064)			
	065	801,398,235	1,014,155,507
OFF-BALANCE SHEET ITEMS			
	066	606,800,054	789,011,766
LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to 070+076+077+081+084+087)			
	067	460,468,534	533,913,846
I INITIAL (SUBSCRIBED) CAPITAL			
	068	160,448,063	159,471,379
II CAPITAL RESERVES			
	069	95,505	1,072,189
III RESERVES FROM PROFIT (ADP 071+072-073+074+075)			
	070	111,871,146	106,402,753
1 Legal reserves	071	9,662,202	9,726,616
2 Reserves for treasury shares	072	4,526,798	4,507,291
3 Treasury shares and holdings (deductible item)	073	-2,051,700	-2,032,193
4 Statutory reserves	074	67,872,168	65,869,433
5 Other reserves	075	31,861,678	28,331,606
IV REVALUATION RESERVES			
	076	0	0
V FAIR VALUE RESERVES AND OTHER (ADP 078 to 082)			
	077	-16,144	1,232,215
1 Financial assets at fair value through other comprehensive income (i.e, available for sale)	078	0	990,224
2 Cash flow hedge - effective portion	079	0	0
3 Hedge of a net investment in a foreign operation - effective portion	080	0	0
4 Other fair value reserves	081	0	0
5 Exchange differences arising from the translation of foreign operations (consolidation)	082	-16,144	241,991
VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 084-085)			
	083	58,812,800	90,801,896
1 Retained profit	084	58,812,800	90,801,896
2 Loss brought forward	085	0	0
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 087-088)			
	086	34,555,177	46,582,315
1 Profit for the business year	087	34,555,177	46,582,315
2 Loss for the business year	088	0	0
VIII MINORITY (NON-CONTROLLING) INTEREST			
	089	94,701,987	128,351,099

BALANCE SHEET

balance as at 31.12.2023

in EUR

Submitter: KONČAR - Electrical Industry Inc. for manufacturing and services			
Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
B) PROVISIONS (ADP 091 to 096)	090	25,364,022	32,646,600
1 Provisions for pensions, termination benefits and similar obligations	091	4,781,289	6,653,124
2 Provisions for tax liabilities	092	0	43,538
3 Provisions for ongoing legal cases	093	3,402,745	3,260,063
4 Provisions for renewal of natural resources	094	837,337	889,252
5 Provisions for warranty obligations	095	16,302,287	20,636,275
6 Other provisions	096	40,364	1,164,348
C) LONG-TERM LIABILITIES (ADP 098 to 108)	097	30,301,402	44,687,140
1 Liabilities to undertakings within the group	098	0	0
2 Liabilities for loans, deposits, etc, of undertakings within the group	099	0	0
3 Liabilities to companies linked by virtue of participating interests	100	0	0
4 Liabilities for loans, deposits etc, of companies linked by virtue of participating interests	101	0	0
5 Liabilities for loans, deposits etc,	102	46,453	46,454
6 Liabilities to banks and other financial institutions	103	22,533,270	31,774,344
7 Liabilities for advance payments	104	0	0
8 Liabilities to suppliers	105	0	0
9 Liabilities for securities	106	1,540,381	1,345,408
10 Other long-term liabilities	107	3,755,328	7,440,889
11 Deferred tax liability	108	2,425,970	4,080,045
D) SHORT-TERM LIABILITIES (ADP 110 to 123)	109	259,980,793	368,669,094
1 Liabilities to undertakings within the group	110	0	0
2 Liabilities for loans, deposits, etc, of undertakings within the group	111	0	0
3 Liabilities to companies linked by virtue of participating interests	112	9,390,355	15,501,707
4 Liabilities for loans, deposits etc, of companies linked by virtue of participating interests	113	0	0
5 Liabilities for loans, deposits etc,	114	0	131,592
6 Liabilities to banks and other financial institutions	115	52,334,533	26,850,801
7 Liabilities for advance payments	116	45,502,012	126,108,314
8 Liabilities to suppliers	117	110,720,056	126,014,978
9 Liabilities for securities	118	187,537	195,035
10 Liabilities to employees	119	9,213,419	11,481,176
11 Taxes, contributions and similar liabilities	120	17,022,118	23,647,208
12 Liabilities arising from the share in the result	121	97,265	322,252
13 Liabilities arising from fixed assets held for sale	122	119,185	41,226
14 Other short-term liabilities	123	15,394,313	38,374,805
E) ACCRUALS AND DEFERRED INCOME	124	25,283,484	34,238,827
F) TOTAL – LIABILITIES (ADP 067+090+097+109+124)	125	801,398,235	1,014,155,507
G) OFF-BALANCE SHEET ITEMS	126	606,800,054	789,011,766

STATEMENT OF PROFIT OR LOSS for the period 01.01.2023 to 31.12.2023

in EUR

Submitter: KONČAR - Electrical Industry Inc. for manufacturing and services					
Item	AOP code	Same period of the previous year		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
I OPERATING INCOME (ADP 002 to 006)	001	725,259,834	226,458,209	915,592,028	300,429,811
1 Income from sales with undertakings within the group	002	0	0	0	0
2 Income from sales (outside group)	003	703,872,357	226,458,209	901,050,924	299,966,667
3 Income from the use of own products, goods and services	004	0	0	0	0
4 Other operating income with undertakings within the group	005	0	0	0	0
5 Other operating income (outside the group)	006	21,387,477	0	14,541,104	463,144
II OPERATING EXPENSES (ADP 08+009+013+017+018+019+022+029)	007	675,345,890	216,872,893	836,243,388	271,099,887
1 Changes in inventories of work in progress and finished goods	008	-14,569,729	-1,591,168	-25,780,653	-4,997,675
2 Material costs (ADP 010 to 012)	009	499,092,728	158,821,096	623,001,200	191,920,582
a) Costs of raw materials and consumables	010	400,220,507	123,977,379	480,702,111	142,553,555
b) Costs of goods sold	011	24,008,736	11,419,489	43,345,359	12,169,740
c) Other external costs	012	74,863,485	23,424,228	98,953,730	37,197,287
3 Staff costs (ADP 014 to 016)	013	121,841,187	32,782,151	148,773,363	41,265,464
a) Net salaries and wages	014	77,408,683	20,522,800	93,057,562	25,665,179
b) Tax and contributions from salary costs	015	29,635,203	8,360,042	37,419,741	10,593,979
c) Contributions on salaries	016	14,797,301	3,899,309	18,296,060	5,006,306
4 Depreciation	017	16,906,366	4,463,703	19,138,408	5,127,970
5 Other costs	018	42,379,636	14,240,858	48,479,519	17,714,555
6 Value adjustments (ADP 020+021)	019	6,138,389	5,437,702	11,401,073	11,167,577
a) fixed assets other than financial assets	020	663,535	663,535	1,216,918	1,154,611
b) current assets other than financial assets	021	5,474,854	4,774,167	10,184,155	10,012,966
7 Provisions (ADP 023 to 028)	022	1,414,234	1,414,234	7,821,489	7,821,489
a) Provisions for pensions, termination benefits and similar obligations	023	0	0	1,310,918	1,310,918
b) Provisions for tax liabilities	024	0	0	0	0
c) Provisions for ongoing legal cases	025	0	0	2,206,824	2,206,824
d) Provisions for renewal of natural resources	026	0	0	51,915	51,915
e) Provisions for warranty obligations	027	1,414,234	1,414,234	4,251,832	4,251,832
f) Other provisions	028	0	0	0	0
8 Other operating expenses	029	2,143,079	1,304,317	3,408,989	1,079,925
III FINANCIAL INCOME (ADP 031 to 040)	030	2,075,818	1,221,450	3,298,325	2,319,542
1 Income from investments in holdings (shares) of undertakings within the group	031	0	0	0	0
2 Income from investments in holdings (shares) of companies linked by virtue of participating interests	032	0	0	0	0
3 Income from other long-term financial investment and loans granted to undertakings within the group	033	0	0	0	0
4 Other interest income from operations with undertakings within the group	034	0	0	0	0
5 Exchange rate differences and other financial income from operations with undertakings within the group	035	0	0	0	310,251
6 Income from other long-term financial investments and loans	036	280,454	82,911	142,330	46,941
7 Other interest income	037	708,775	281,624	2,055,838	1,016,300
8 Exchange rate differences and other financial income	038	830,520	614,289	727,901	727,639
9 Unrealised gains (income) from financial assets	039	23,144	105,396	194,706	96,834
10 Other financial income	040	232,925	137,230	177,550	121,577
IV FINANCIAL EXPENSES (ADP 042 to 048)	041	1,783,569	692,236	3,683,705	1,438,505
1 Interest expenses and similar expenses with undertakings within the group	042	0	0	0	0
2 Exchange rate differences and other expenses from operations with undertakings within the group	043	0	0	0	0

STATEMENT OF PROFIT OR LOSS for the period 01.01.2023 to 31.12.2023

in EUR

Submitter: KONČAR - Electrical Industry Inc. for manufacturing and services					
Item	AOP code	Same period of the previous year		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
3 Interest expenses and similar expenses	044	1,728,351	682,318	3,298,289	1,063,607
4 Exchange rate differences and other expenses	045	0	0	1,760	0
5 Unrealised losses (expenses) from financial assets	046	15,819	0	13	13
6 Value adjustments of financial assets (net)	047	0	0	0	0
7 Other financial expenses	048	39,399	9,918	383,643	374,885
V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VIRTUE OF PARTICIPATING INTERESTS	049	2,692,207	1,448,325	9,037,950	2,489,576
VI SHARE IN PROFIT FROM JOINT VENTURES	050	670,948	213,191	895,294	366,583
VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST	051	0	0	0	0
VIII SHARE IN LOSS OF JOINT VENTURES	052	12,590	2,365	12,372	3,073
IX TOTAL INCOME (ADP 001+030+049 +050)	053	730,698,807	229,341,175	928,823,597	305,605,512
X TOTAL EXPENDITURE (ADP 007+041+051 + 052)	054	677,142,049	217,567,494	839,939,465	272,541,465
XI PRE-TAX PROFIT OR LOSS (ADP 053-054)	055	53,556,758	11,773,681	88,884,132	33,064,047
1 Pre-tax profit (ADP 053-054)	056	53,556,758	11,773,681	88,884,132	33,064,047
2 Pre-tax loss (ADP 054-053)	057	0	0	0	0
XII INCOME TAX	058	4,428,770	-138,000	15,709,603	8,200,219
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 055-059)	059	49,127,988	11,911,681	73,174,529	24,863,828
1 Profit for the period (ADP 055-059)	060	49,127,988	11,911,681	73,174,529	24,863,828
2 Loss for the period (ADP 059-055)	061	0	0	0	0
DISCONTINUED OPERATIONS (to be filled in by undertakings subject to IFRS only with discontinued operations)					
XIV PRE-TAX PROFIT OR LOSS OF DISCONTINUED OPERATIONS (ADP 063-064)	062	0	0	0	0
1 Pre-tax profit from discontinued operations	063	0	0	0	0
2 Pre-tax loss on discontinued operations	064	0	0	0	0
XV INCOME TAX OF DISCONTINUED OPERATIONS	065	0	0	0	0
1 Discontinued operations profit for the period (ADP 062-065)	066	0	0	0	0
2 Discontinued operations loss for the period (ADP 065-062)	067	0	0	0	0
TOTAL OPERATIONS (to be filled in only by undertakings subject to IFRS with discontinued operations)					
XVI PRE-TAX PROFIT OR LOSS (ADP 055-+062)	068	53,556,758	11,773,681	88,884,132	33,064,047
1 Pre-tax profit (ADP 068)	069	53,556,758	11,773,681	88,884,132	33,064,047
2 Pre-tax loss (ADP 068)	070	0	0	0	0
XVII INCOME TAX (ADP 058+065)	071	4,428,770	-138,000	15,709,603	8,200,219
XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 068-071)	072	49,127,988	11,911,681	73,174,529	24,863,828
1 Profit for the period (ADP 068-071)	073	49,127,988	11,911,681	73,174,529	24,863,828
2 Loss for the period (ADP 071-068)	074	0	0	0	0
APPENDIX to the P&L (to be filled in by undertakings that draw up consolidated annual financial statements)					
XIX PROFIT OR LOSS FOR THE PERIOD (AOP 076+077)	075	49,127,988	11,911,681	73,174,529	24,863,828
1 Attributable to owners of the parent	076	34,555,176	10,109,076	46,582,315	15,692,927
2 Attributable to minority (non-controlling) interest	077	14,572,812	1,802,605	26,592,214	9,170,901
STATEMENT OF OTHER COMPREHENSIVE INCOME (to be filled in by undertakings subject to IFRS)					
I PROFIT OR LOSS FOR THE PERIOD	078	49,127,988	11,911,681	73,174,529	24,863,828
II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 80+ 87)	079	-6,461	62,959	2,354,064	2,153,578
III Items that will not be reclassified to profit or loss (ADP 081 to 085)	080	0	0	1,877,913	1,877,913
1 Changes in revaluation reserves of fixed tangible and intangible assets	081	0	0	0	0

STATEMENT OF PROFIT OR LOSS for the period 01.01.2023 to 31.12.2023

in EUR

Submitter: KONČAR - Electrical Industry Inc. for manufacturing and services					
Item	AOP code	Same period of the previous year		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
2 Gains or losses from subsequent measurement of equity instruments at fair value through other comprehensive income	082	0	0	1,877,913	1,877,913
3 Fair value changes of financial liabilities at fair value through statement of profit or loss, attributable to changes in their credit risk	083	0	0	0	0
4 Actuarial gains/losses on the defined benefit obligation	084	0	0	0	0
5 Other items that will not be reclassified	085	0	0	0	0
6 Income tax relating to items that will not be reclassified	086	0	0	0	0
IV Items that may be reclassified to profit or loss (ADP 088 to 095)	087	-6,461	62,959	476,151	275,665
1 Exchange rate differences from translation of foreign operations	088	-6,461	62,959	476,151	275,665
2 Gains or losses from subsequent measurement of debt securities at fair value through other comprehensive income	089	0	0	0	0
3 Profit or loss arising from effective cash flow hedging	090	0	0	0	0
4 Profit or loss arising from effective hedge of a net investment in a foreign operation	091	0	0	0	0
5 Share in other comprehensive income/loss of companies linked by virtue of participating interests	092	0	0	0	0
6 Changes in fair value of the time value of option	093	0	0	0	0
7 Changes in fair value of forward elements of forward contracts	094	0	0	0	0
8 Other items that may be reclassified to profit or loss	095	0	0	0	0
9 Income tax relating to items that may be reclassified to profit or loss	096	0	0	0	0
V NET OTHER COMPREHENSIVE INCOME OR LOSS (ADP 080+087- 086 - 096)	097	-6,461	62,959	2,354,064	2,153,578
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 078+097)	098	49,121,527	11,974,640	75,528,593	27,017,406
APPENDIX to the Statement on comprehensive income (to be filled in by undertakings that draw up consolidated statements)					
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 100+101)	099	49,121,527	11,974,641	75,528,593	27,017,406
1 Attributable to owners of the parent	100	34,554,251	10,144,757	47,821,136	16,826,032
2 Attributable to minority (non-controlling) interest	101	14,567,276	1,829,884	27,707,457	10,191,374

STATEMENT OF CASH FLOWS - direct method for the period 01.01.2023 to 31.12.2023

in EUR

Submitter: KONČAR - Electrical Industry Inc. for manufacturing and services			
item	AOP code	Same period of the previous year	Current period
1	2	3	4
Cash flow from operating activities			
1 Cash receipts from customers	001	634,080,691	968,312,774
2 Cash receipts from royalties, fees, commissions and other revenue	002	0	0
3 Cash receipts from insurance premiums	003	468,139	1,299,029
4 Cash receipts from tax refund	004	28,260,137	29,225,508
5 Other cash receipts from operating activities	005	12,435,436	11,860,719
I Total cash receipts from operating activities (ADP 001 to 005)	006	675,244,403	1,010,698,030
1 Cash payments to suppliers	007	-535,512,052	-623,936,275
2 Cash payments to employees	008	-125,890,934	-154,729,337
3 Cash payments for insurance premiums	009	-2,940,438	-3,444,901
4 Interest paid	010	-851,400	-1,580,507
5 Income tax paid	011	-4,267,899	-8,508,381
6 Other cash payments from operating activities	012	-40,173,278	-64,158,653
II Total cash payments from operating activities (ADP 007 to 012)	013	-709,636,001	-856,358,054
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 006 + 013)	014	-34,391,598	154,339,976
Cash flow from investment activities			
1 Cash receipts from sales of fixed tangible and intangible assets	015	2,811,471	4,594,297
2 Cash receipts from sales of financial instruments	016	380,213	390,643
3 Interest received	017	1,694,000	1,447,788
4 Dividends received	018	5,198,656	5,437,762
5 Cash receipts from the repayment of loans and deposits	019	15,997,601	5,184,202
6 Other cash receipts from investment activities	020	26,991,405	7,120
III Total cash receipts from investment activities (ADP 015 to 020)	021	53,073,346	17,061,812
1 Cash payments for the purchase of fixed tangible and intangible assets	022	-21,863,776	-22,552,626
2 Cash payments for the acquisition of financial instruments	023	-216,027	-9,267,346
3 Cash payments for loans and deposits	024	-2,597,139	-2,932,490
4 Acquisition of a subsidiary, net of cash acquired	025	0	0
5 Other cash payments from investment activities	026	-16,468	-14,140
IV Total cash payments from investment activities (ADP 022 to 026)	027	-24,693,410	-34,766,602
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 021 + 027)	028	28,379,936	-17,704,790
Cash flow from financing activities			
1 Cash receipts from the increase in initial (subscribed) capital	029	63,380	169
2 Cash receipts from the issue of equity financial instruments and debt financial instruments	030	0	0
3 Cash receipts from credit principals, loans and other borrowings	031	56,544,399	29,238,179
4 Other cash receipts from financing activities	032	824,768	2,013,346
V Total cash receipts from financing activities (ADP 029 to 032)	033	57,432,547	31,251,694
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	034	-22,969,493	-53,540,899
2 Cash payments for dividends	035	-7,175,884	-9,154,011
3 Cash payments for finance lease	036	-1,094,347	-1,585,152
4 Cash payments for the redemption of treasury shares and decrease in initial (subscribed) capital	037	0	0
5 Other cash payments from financing activities	038	-18,756,941	-8,844,550
VI Total cash payments from financing activities (ADP 034 to 038)	039	-49,996,665	-73,124,612
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 033 + 039)	040	7,435,882	-41,872,918
1 Unrealised exchange rate differences in respect of cash and cash equivalents	041	-412,533	569,688
D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 014 + 028 + 040 + 041)	042	1,011,687	95,331,956
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	043	56,252,016	57,262,703
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (042+043)	044	57,263,703	152,594,659

STATEMENT OF CHANGES IN EQUITY

for the period from 01.01.2023 to 31.12.2023

B Unaudited Consolidated Financial Statements of KONČAR Group for the period January - December 2023

in EUR

Item	AOP code	Attributable to owners of the parent																Minority (non-controlling) interest	Total capital and reserves	
		Initial (subscribed) capital	Capital re-serves	Legal reserves	Reserves for treasury shares	Treasury shares and holdings (deductible item)	Statutory reserves	Other reserves	Re-valuation reserves	Fair value of financial assets through other comprehensive income (available for sale)	Cash flow hedge - effective portion	Hedge of a net investment in a foreign operation - effective portion	Other fair value reserves	Exchange rate differences from translation of foreign operations	Retained profit / loss brought forward	Profit/loss for the business year	Total attributable to owners of the parent			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18 (3 to 6 - 7 + 8 to 17)	19	20 (18+19)	
Previous period																				
1 Balance on the first day of the previous business year	01	160,448,063	95,505	9,362,669	4,581,370	2,106,272	63,724,452	31,359,234	0	0	0	0	0	0	-15,218	46,344,816	21,759,267	335,553,887	41,862,190	377,416,077
2 Changes in accounting policies	02	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 Correction of errors	03	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4 Balance on the first day of the previous business year (restated) (ADP 01 to 03)	04	160,448,063	95,505	9,362,669	4,581,370	2,106,272	63,724,452	31,359,235	0	0	0	0	0	0	-15,218	46,344,816	21,759,267	335,553,887	41,862,190	377,416,077
5 Profit/loss of the period	05	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	34,555,177	34,555,177	14,572,812	49,127,989
6 Exchange rate differences from translation of foreign operations	06	0	0	0	0	0	0	0	0	0	0	0	0	0	-926	0	0	-926	-5,535	-6,461
7 Changes in revaluation reserves of fixed tangible and intangible assets	07	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8 Gains or losses from subsequent measurement of financial assets at fair value through other comprehensive income (available for sale)	08	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9 Profit or loss arising from effective cash flow hedge	09	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10 Profit or loss arising from effective hedge of a net investment in a foreign operation	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11 Share in other comprehensive income/loss of companies linked by virtue of participating interests	11	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12 Actuarial gains/losses on the defined benefit obligation	12	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13 Other changes in equity unrelated to owners	13	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	41,278,579	41,278,579
14 Tax on transactions recognised directly in equity	14	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15 Decrease in initial (subscribed) capital (other than arising from the pre-bankruptcy settlement procedure or from the reinvestment of profit)	15	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16 Decrease in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	16	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17 Decrease in initial (subscribed) capital arising from the reinvestment of profit	17	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18 Redemption of treasury shares/holdings	18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19 Payments from members/shareholders	19	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20 Payment of share in profit/dividend	20	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-4,391,909	0	-4,391,909	-2,793,210	-7,185,119
21 Other distributions and payments to members/shareholders	21	0	0	0	-54,572	-54,572	0	-37,222	0	0	0	0	0	0	0	87,540	0	50,318	-212,849	-162,531
22 Transfer to reserves according to the annual schedule	22	0	0	299,533	0	0	4,147,716	539,665	0	0	0	0	0	0	0	16,772,353	-21,759,267	2	0	2
23 Increase in reserves arising from the pre-bankruptcy settlement procedure	23	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24 Balance on the last day of the previous business year reporting period (ADP 04 to 23)	24	160,448,063	95,505	9,662,202	4,526,798	2,051,700	67,872,168	31,861,678	0	0	0	0	0	0	-16,144	58,812,800	34,555,177	365,766,547	94,701,987	460,468,534
APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)																				
I OTHER COMPREHENSIVE INCOME OF THE PREVIOUS PERIOD, NET OF TAX (ADP 06 to 14)	25	0	0	0	0	0	0	0	0	0	0	0	0	0	-926	0	0	-926	41,273,044	41,272,118
II COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP 05+25)	26	0	0	0	0	0	0	0	0	0	0	0	0	0	-926	0	34,555,177	34,554,251	55,845,856	90,400,107
III TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 23)	27	0	0	299,533	-54,572	-54,572	4,147,716	502,443	0	0	0	0	0	0	0	12,467,984	-21,759,267	-4,341,591	-3,006,059	-7,347,650

STATEMENT OF CHANGES IN EQUITY

for the period from 01.01.2023 to 31.12.2023

B Unaudited Consolidated Financial Statements of KONČAR Group for the period January - December 2023

in EUR

Item	AOP code	Attributable to owners of the parent																Minority (non-controlling) interest	Total capital and reserves
		Initial (subscribed) capital	Capital reserves	Legal reserves	Reserves for treasury shares	Treasury shares and holdings (deductible item)	Statutory reserves	Other reserves	Re-valuation reserves	Fair value of financial assets through other comprehensive income (available for sale)	Cash flow hedge - effective portion	Hedge of a net investment in a foreign operation - effective portion	Other fair value reserves	Exchange rate differences from translation of foreign operations	Retained profit / loss brought forward	Profit/loss for the business year	Total attributable to owners of the parent		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18 (3 to 6 - 7 + 8 to 17)	19	20 (18+19)
Current period																			
1 Balance on the first day of the previous business year	28	160,448,063	95,505	9,662,202	4,526,798	2,051,700	67,872,168	31,861,678	0	0	0	0	0	0	58,812,800	34,555,177	365,766,547	94,701,987	460,468,534
2 Changes in accounting policies	29	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 Correction of errors	30	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4 Balance on the first day of the previous business year (restated) (ADP 28 to 30)	31	160,448,063	95,505	9,662,202	4,526,798	2,051,700	67,872,168	31,861,678	0	0	0	0	0	0	58,812,800	34,555,177	365,766,547	94,701,987	460,468,534
5 Profit/loss of the period	32	0	0	0	0	0	0	0	0	0	0	0	0	0	0	46,582,315	46,582,315	26,592,214	73,174,529
6 Exchange rate differences from translation of foreign operations	33	0	0	0	0	0	0	0	0	0	0	0	0	258,135	0	0	258,135	218,016	476,151
7 Changes in revaluation reserves of fixed tangible and intangible assets	34	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8 Gains or losses from subsequent measurement of financial assets at fair value through other comprehensive income (available for sale)	35	0	0	0	0	0	0	0	990,224	0	0	0	0	0	0	0	990,224	887,689	1,877,913
9 Profit or loss arising from effective cash flow hedge	36	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10 Profit or loss arising from effective hedge of a net investment in a foreign operation	37	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11 Share in other comprehensive income/loss of companies linked by virtue of participating interests	38	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12 Actuarial gains/losses on the defined benefit obligation	39	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13 Other changes in equity unrelated to owners	40	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	6,015,240	6,015,240
14 Tax on transactions recognised directly in equity	41	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15 Decrease in initial (subscribed) capital (other than arising from the pre-bankruptcy settlement procedure or from the reinvestment of profit)	42	-976,684	976,684	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16 Decrease in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	43	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17 Decrease in initial (subscribed) capital arising from the reinvestment of profit	44	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18 Redemption of treasury shares/holdings	45	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19 Payments from members/shareholders	46	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20 Payment of share in profit/dividend	47	0	0	0	0	0	0	0	0	0	0	0	0	0	-5,092,280	0	-5,092,280	-3,812,002	-8,904,282
21 Other distributions and payments to members/shareholders	48	0	0	0	-19,507	-19,507	-163,688	-3,986,538	0	0	0	0	0	0	1,208,032	0	-2,942,194	3,747,955	805,761
22 Transfer to reserves according to the annual schedule	49	0	0	64,414	0	0	-1,839,047	456,466	0	0	0	0	0	0	35,873,344	-34,555,177	0	0	0
23 Increase in reserves arising from the pre-bankruptcy settlement procedure	50	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24 Balance on the last day of the previous business year reporting period (ADP 31 to 50)	51	159,471,379	1,072,189	9,726,616	4,507,291	2,032,193	65,869,433	28,331,606	0	990,224	0	0	0	241,991	90,801,896	46,582,315	405,562,747	128,351,099	533,913,846
APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)																			
I OTHER COMPREHENSIVE INCOME OF THE CURRENT PERIOD, NET OF TAX (ADP 33 to 41)	52	0	0	0	0	0	0	0	0	990,224	0	0	0	258,135	0	0	1,248,359	7,120,945	8,369,304
II COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 32 to 52)	53	0	0	0	0	0	0	0	0	990,224	0	0	0	258,135	0	46,582,315	47,830,674	33,713,159	81,543,833
III TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 42 to 50)	54	-976,684	976,684	64,414	-19,507	-19,507	-2,002,735	-3,530,072	0	0	0	0	0	0	31,989,096	-34,555,177	-8,034,474	-64,047	-8,098,521

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

Name of issuer: KONČAR - Electrical Industry Inc. for manufacturing and services

PIN: 45050126417

Reporting period: 1 January 2023 to 31 December 2023

1 GENERAL INFORMATION

Business segments

The core business segments of KONČAR Group (hereinafter: the Group) are:

- power generation
- power transmission and distribution
- rail solutions and infrastructure
- digital solutions and platforms

Group structure

In addition to the Parent Company, the Group includes 12 subsidiaries operating in the core business segments and 3 subsidiaries performing special activities, specifically product research and development, infrastructure services and investments, including Dalekovod Group members.

The Group has one associate company in Croatia.

The Parent Company of the Group is KONČAR – Electrical Industry Inc. (PIN 45050126417), Zagreb, Fallerovo šetalište 22 (hereinafter: the Company).

The Company manages its wholly-owned subsidiaries.

Number of employees

As at 31 December 2023, the Group had 5,271 employees, while as at 31 December 2022 the Group had 4,826 employees.

The average number of employees in the period January - December 2023 was 4,952 (Jan - Dec 2022: 4,820).

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

Basis of preparation

The Consolidated Financial Statements for the period January - December 2023 have been drawn up in accordance with the International Accounting Standard 34 – Interim Financial Reporting as adopted by the European Union.

The Consolidated Financial Statements do not include all information and disclosures required in consolidated annual financial statements and they must be read together with the Consolidated Annual Financial Statements of the Group as at 31 December 2022. The Consolidated Annual Financial Statements of the Group are drawn up in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU.

The Consolidated Annual Financial Statements of the Group are available at the official website of Zagreb Stock Exchange (www.zse.hr), Croatian Financial Services Supervisory Agency (www.hanfa.hr) and at the Company's official website (www.koncar.hr).

Going concern assumption

The Company's Management Board believes that the Group has sufficient resources to continue its operations in the foreseeable future and has not found any significant uncertainties pertaining to business events and conditions that may cast doubt about the Group's going concern assumption.

Significant accounting policies

The Consolidated Financial Statements for the period January - December 2023 have been drawn up on the basis of the same accounting policies, disclosures and calculation methods used in the Consolidated Annual Financial Statements of the Group as at 31 December 2022.

Key accounting estimates and judgments

While drawing up quarterly consolidated financial statements, the Management Board used the judgments and estimates affecting the application of accounting policies and the recorded amounts of assets and liabilities, income and expenses. The resulting accounting estimates will, by definition, seldom equal the related actual results. Key accounting estimates are equal to those described in the most recent annual financial statement.

Seasonal effects

The Group is not exposed to significant seasonal or cyclical changes in its business operations.

3 SUBSIDIARIES

	31/12/2023	31/12/2022
	Voting rights (%)	Voting rights (%)
Consolidated subsidiaries registered in Croatia:		
KONČAR - MES Ltd., Zagreb	100.00	100.00
KONČAR - KET Ltd., Zagreb	100.00	100.00
KONČAR - Infrastructure and Services Ltd., Zagreb	100.00	100.00
KONČAR - Electrical engineering institute Ltd., Zagreb	100.00	100.00
KONČAR - GIM Ltd., Zagreb	100.00	100.00
KONČAR - Metal Structures Ltd., Zagreb	100.00	100.00
KONČAR - Switchgear Ltd.	100.00	100.00
KONČAR - Renewable energy sources Ltd., Zagreb	100.00	100.00
Direct ownership	91.25	91.25
Indirect ownership	8.75	8.75
KONČAR - Electric vehicles Inc., Zagreb	77.74	75.04
KONČAR - INEM Ltd., Zagreb	100.00	100.00
KONČAR - Instrument transformers Inc., Zagreb	99.77	99.77
KONČAR - D&ST Inc., Zagreb	67.90	67.90
KONČAR - Investments Ltd.	100.00	100.00
KONČAR - Digital Ltd., Zagreb	100.00	100.00
KONČAR - Transformer Boilers Ltd. for manufacturing	100.00	-
Consolidated indirectly owned companies registered in Croatia:		
Advanced Energy Solutions Ltd., Zagreb (indirect ownership through the subsidiary KONČAR - Investments Ltd. for business services)	51.00	51.00
Dalekovod d.d., Zagreb (indirect ownership through Advanced Energy Solutions Ltd. for investment)	38.33	38.33
DALEKOVOD MK d.o.o., Vela Luka (indirect ownership through Dalekovod d.d.)	38.33	38.33
DALEKOVOD OSO d.o.o., Vela Luka (indirect ownership through Dalekovod d.d.)	38.33	38.33
Dalekovod Projekt d.o.o., Zagreb (indirect ownership through Dalekovod d.d.)	38.33	38.33
Dalekovod EMU d.o.o., Vela Luka (indirect ownership through Dalekovod d.d.)	38.33	38.33
EL-RA d.o.o., Vela Luka (indirect ownership through Dalekovod d.d.)	38.33	38.33
Dalekovod Adria d.o.o., Zagreb (indirect ownership through Dalekovod d.d.)	-	38.33
Cinčaonica usluge d.o.o. in liquidation, Velika Gorica, (indirect ownership through Dalekovod d.d.)	38.33	38.33
Wind Farm Rust Ltd. for power generation (Indirect ownership through the subsidiary KONČAR - Renewable Energy Sources Ltd. for manufacturing)	100.00	100.00
Solar power plant Deponija fosfopipsa d.o.o., Zagreb (indirect ownership through the subsidiary KONČAR - Renewable Energy Sources Ltd. for manufacturing)	51.00	51.00
Telenerg - Inženjering d.o.o., Zagreb (indirect ownership through the subsidiary KONČAR - Engineering Ltd. for manufacturing and services)	100.00	-
INK PROJEKT Ltd. for civil engineering and architectural design (indirect ownership through the subsidiary KONČAR - Engineering Ltd. for manufacturing and services)	100.00	-
KODEKS SISTEMSKJE INTEGRACIJE d.o.o. for production and trade, Zagreb (indirect ownership through the subsidiary KONČAR - Digital Ltd. for digital services)	75.00	-
FEROKOTAO Ltd. for manufacturing of transformer tanks and other metal components (indirect ownership through the subsidiary KONČAR - Distribution and Special Transformers Inc. for manufacturing)	51.80	16.00
Consolidated indirectly owned companies not registered in Croatia:		
Power Engineering Transformatory Sp. z o.o. (PET) Poznań, Poland (indirect ownership through the subsidiary KONČAR - Distribution and Special Transformers Inc. for manufacturing)	67.90	67.90
Dalekovod Mostar d.o.o., Mostar, Bosnia and Herzegovina (indirect ownership through Dalekovod d.d.)	38.33	38.33
Dalekovod Ljubljana d.o.o., Ljubljana, Slovenia (indirect ownership through Dalekovod d.d.)	38.33	38.33
Dalekovod Norge AS, Oslo, Norway (indirect ownership through Dalekovod d.d.)	38.33	38.33
Dalekovod Ukrajina d.o.o., Kiev, Ukraine (indirect ownership through Dalekovod d.d.)	38.33	38.33
Indirectly owned companies not consolidated due to immateriality:		
Konell Ltd., Sofia, Bulgaria (indirect ownership through the subsidiary KONČAR - Electric Vehicles Ltd. for manufacturing)	85.00	85.00

The Group has control over several subsidiaries arising from the majority of voting rights. However, the ownership share in these subsidiaries does not correspond to the share of voting rights due to the fact that the companies also have issued preference shares, which carry the same rights as ordinary shares, but with no voting rights. The share in the ownership of these subsidiaries is as follows:

	31/12/2023	31/12/2022
	Ownership share (%)	Ownership share (%)
KONČAR - Instrument transformers Inc., Zagreb	61.97	61.97
KONČAR - D&ST Inc., Zagreb	52.73	52.73

4 SEGMENT REPORTING

For management purposes, the Group is organised into business units based on the similarity in the nature of individual product groups and has identified reportable segments. The reportable segments of the Group are as follows:

- power generation - manufacturing and revitalization of generators, construction and revitalization of HPPs, construction of solar power plants, manufacturing of converters, manufacturing and installation of wind turbines, management, maintenance and servicing
- power transmission and distribution - manufacturing and sales of distribution, special, instrument and other types of transformers, transformer tanks, substations, equipment for primary and secondary power distribution, low voltage plants, monitoring systems, diagnostics, testing and technical control
- rail solutions and infrastructure - construction and sales of rail vehicles such as trains and trams, and related maintenance services digital solutions and platforms - digital solutions, digital services, digitalization of products and production, business support systems, ICT infrastructure and services.

The reportable segments are an integral part of internal financial statements. The Company's Management Board reviews the internal financial statements regularly and as the main business decision maker, it assesses performance based on those reports in order to take business decisions.

Other segments include leasing real estate that is not in the function of the core business segments, as well as the part of the manufacturing of small motors and electrical machines, and as such does not represent a separate operating segment.

Sales revenue by segment

An analysis of the Group's sales revenue by reportable segments disclosed in accordance with IFRS 8 – Operating Segments is presented below.

	1/1/2023 - 31/12/2023	1/1/2022 - 31/12/2022
	EUR' 000	EUR' 000
Power generation	104,349	87,335
Power transmission and distribution	630,590	490,054
- transmission	224,588	193,590
- distribution	406,002	296,464
Rails solutions and infrastructure	124,385	118,506
- rail solutions	93,390	101,018
- construction and modernization of railway infrastructure	30,995	17,488
Digital solutions	27,515	7,845
Total reportable segments	886,839	703,740
Other	100,082	80,286
Total revenue from contracts with customers	986,921	784,026
Intercompany eliminations	(85,870)	(80,154)
Revenue from contracts with customers	901,051	703,872
Associate companies	20,639	16,432
Unaffiliated companies	880,412	687,441
Total revenue from contracts with customers	901,051	703,872

5 OTHER OPERATING INCOME

Other operating income amounts to EUR 14.54 million and pertains to asset sale revenue, loss compensation, income from state aid and other income.

6 CAPITALISED SALARY COSTS

In the period January - December 2023, the Group companies capitalised salaries in the total amount of EUR 1.446 thousand (net salaries in the amount of EUR 861 thousand, taxes, surcharges and salary contributions paid by the employee amounting to EUR 412 thousand, and salary contributions paid by the employer in the amount EUR 173 thousand).

7 EARNINGS PER SHARE

	1/1/2023 - 31/12/2023 EUR' 000	1/1/2022 - 31/12/2022 EUR' 000
Net profit attributable to the Parent Company Shareholders	46,582	34,555
Weighted average number of shares	2,546,256	2,545,739
Basic and diluted earnings per share in EUR	18.29	13.57

8 NON-CURRENT TANGIBLE AND INTANGIBLE ASSETS

Over the course of the period January - December 2023, the Group procured assets in the amount of EUR 37,955 thousand (Jan - Dec 2022: EUR 32,278 thousand). Depreciation and amortization expenses in the period January - December 2023 amount to EUR 19,138 thousand (Jan - Dec 2022: EUR 19,906 thousand).

9 INVENTORIES

Over the course of the period January - December 2023, the Group recognised value adjustment of inventories in the amount of EUR 3,411 thousand (Jan - Dec 2022: EUR 3,372 thousand).

10 EQUITY AND RESERVES

Share (subscribed) capital is determined in the nominal amount of EUR 159,471,378 (as at 31 December 2022: EUR 160,448,063) divided in 2,572,119 shares each in the nominal value of EUR 62. The Company's ordinary shares are listed on the Official Market of Zagreb Stock Exchange, identified by the symbol KOEI-R-A. As at 31 September 2023, the Company holds 25,732 treasury shares (as at 31 December 2022: 25,979 shares). Pursuant to the Resolution of the Company's General Assembly of 13 June 2023, the share capital of the Company was established in the euro and the Resolution was subsequently entered into the Court Register as at 28 September 2023.

11 LIABILITIES UNDER LOANS

	31/12/2023 EUR' 000	31/12/2022 EUR' 000
Liabilities under loans		
Non-current	31,774	22,533
Current	26,851	52,335
	58,625	74,868

Bank borrowings are secured by mortgages over the Group's immovable property and pledges over its movable property. The current value of immovable property on which a lien has been registered amounts to EUR 22,573 thousand, while the current value of movable property on which a lien has been registered amounts to EUR 3,905 thousand.

Long-term bank borrowings mature as follows:

	31/12/2023
	EUR' 000
Within one year	26,851
In 1 to 2 years	7,200
In 2 to 5 years	18,413
More than 5 years	6,161
	58,625

12 RELATED PARTY TRANSACTIONS

Parties are considered related if one party has the ability to control the other party, if it is under joint control or has a significant impact on the business of the other party. The Republic of Croatia and other companies under control or a significant influence of the Republic of Croatia also have significant ownership of the Group. Accordingly, the Group is related to state institutions and other majority state-owned companies or significantly state-influenced companies. For the purpose of related party disclosures, the Group does not consider routine transactions (such as taxes, levies, etc.) with various local utility entities (directly or indirectly owned by the State) or with other bodies to be related party transactions. The most significant transactions between the Group and state-owned companies pertain to electricity and heat supply and similar services. Apart from the above, over the course of the period January - December 2023 the Group realised the total of EUR 208.7 million of sales revenue with state institutions and other companies where the State is a majority owner or has a significant influence (Jan - Dec 2022: EUR 193.3 million), which mostly pertains to engineering services in the energy sector, rail vehicles and industrial electronics.

	31/12/2023	31/12/2022
	EUR' 000	EUR' 000
Receivables		
Associate companies	10,516	8,175
Joint ventures	1,991	283
	12,507	8,458
Liabilities		
Associate companies	14,086	9,374
Joint ventures	1,416	16
	15,502	9,390
	1/1/2023 - 31/12/2023	1/1/2022 - 31/12/2022
	EUR' 000	EUR' 000
Sales revenue		
Associate companies	15,279	15,978
Joint ventures	5,359	454
	20,638	16,432
Operating expenses		
Associate companies	28,627	12,198
Joint ventures	437	40
	29,064	12,238

13 EVENTS AFTER THE REPORTING DATE

There have been no events occurring between the reporting date and the date of approval of the Financial Statements that could have a significant impact on the quarterly Consolidated Financial Statements of the Group for the period January - December 2023 and as a result, these financial statements are appropriate for disclosure.

Management's Statement of Responsibility

Consolidated Financial Statements of KONČAR Group have been drawn up in accordance with the International Financial Reporting Standards (IFRS) and with the Croatian Accounting Act.

Consolidated Financial Statements of KONČAR Group for the period from 1 January to 31 December 2023 give a comprehensive and true view of assets and liabilities, profit and loss, financial position and business operations of the issuer and the companies included in the consolidation as a whole.

The Management Statement for the period ending 31 December 2023 gives a true and fair view of the company's business performance.

Signed on behalf of the Management Board:

Gordan Kolak, M.Sc.
President of the Management Board / CEO



Josip Lasić, CFA
Member of the Management Board in charge of Finance / CFO



Zagreb, 26 February 2024



KONČAR

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