

# Business Results and Unaudited Unconsolidated Financial Statements of KONČAR – Electrical Industry Inc. for manufacturing and services

January – December 2024



**KONČAR**

Inspired by challenge

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# A Management Board Report on the business activity of KONČAR - Electrical Industry Inc. for manufacturing and services for the period January - December 2024

## Introduction

KONČAR – Electrical Industry Inc. for manufacturing and services (the “Company”) is the Parent Company of the KONČAR Group. As the Parent Company, it prepares consolidated financial statements, which are presented separately.

This report for the period January – December 2024 represents the Company's report as a standalone entity. The Group's subsidiaries are legally independent companies, while the Parent Company supervises, strategically directs, and supports them through supervisory boards and general assemblies, in accordance with the Companies Act, the Articles of Association of KONČAR – Electrical Industry Inc. for manufacturing and services, as well as the Articles of Association and Memoranda of Incorporation of the subsidiaries.

The Parent Company also manages a portion of the assets not allocated to subsidiaries but used directly or indirectly as financial support for placements, products, and equipment of related companies, serving as a credit-guarantee potential.

As the Parent Company of the Group, KONČAR – Electrical Industry Inc. for manufacturing and services invoices the following services to its subsidiaries:

- Brand usage fees (including the company name, trademark, and service mark),
- A portion of costs for joint exhibitions at trade fairs,
- A portion of costs for joint marketing activities,
- Management seminars, employee training, and similar activities.

Pursuant to previously adopted resolutions, as of 1 July 2024, a statutory consolidation was effected, integrating KONČAR - Engineering Ltd. for manufacturing and services and KONČAR - Infrastructure and Services Ltd. for services into KONČAR - Electrical Industry Inc. for manufacturing and services, serving as the acquiring entity. Post-merger, the incorporated entities have seamlessly continued their regular business operations under the structure of KONČAR - Electrical Industry Inc. for manufacturing and services.

The year-over-year variances in the financial statements are largely attributed to the integration process. The merger's influence is most evident in operating income, which has demonstrated a significant increase, primarily due to the expanded portfolio from newly incorporated business segments.

Additionally, in 2024, the Company completed the merger of KONČAR – Investments Ltd. for business services (November 2024) and Advanced Energy Solutions Ltd. for investments (December 2024).

in EUR 000	2023	2024	Δ	Index
<b>Total operating income</b>	<b>30,499</b>	<b>133,290</b>	<b>102,791</b>	<b>437</b>
Sales income	10,756	98,095	87,339	912
Dividend received	16,702	34,679	17,977	208
Other operating income	3,040	516	-2,524	17
<b>Operating expenses</b>	<b>18,290</b>	<b>104,859</b>	<b>86,570</b>	<b>573</b>
EBIT	12,209	28,430	16,221	233
Net profit	13,707	31,507	17,799	230
<b>EBITDA</b>	<b>13,327</b>	<b>30,086</b>	<b>16,759</b>	<b>226</b>
<b>Normalized EBITDA<sup>1</sup></b>	<b>15,075</b>	<b>34,258</b>	<b>19,183</b>	<b>227</b>

<sup>1</sup> Normalized EBITDA: Adjusted for the net effect of provisions, proceeds from asset sales, compensation income, other operating income, and increased for impairment losses and other operating expenses

## Business results

In 2024, KONČAR - Electrical Industry Inc. for manufacturing and services generated total operating income of EUR 133.3 million, compared to EUR 30.5 million in the corresponding period of the previous year. The year-on-year increase was primarily driven by the new business segments acquired through the aforementioned mergers within the KONČAR Group ("Group").

Within the total operating income achieved in 2024, sales revenue amounted to EUR 98.1 million, primarily derived from contracts with customers across the Power Generation, Power Transmission and Distribution, and Urban Mobility and Infrastructure segments, as well as from real estate management activities, which the Company acquired following the mergers of related entities.

Dividend income from Group subsidiaries amounted to EUR 34.7 million, representing a year-on-year increase of 107.6%.

Total operating expenses for 2024 amounted to EUR 104.9 million, marking a significant year-on-year increase from EUR 18.3 million reported in the corresponding period of the previous year. As with revenue, the increase was primarily driven by the acquisition of new business segments through the merger of the aforementioned KONČAR Group companies.

Operating expenses comprised the following:

- Material costs of EUR 73.8 million, increasing by EUR 70.2 million year-on-year. The increase was primarily driven by procured goods and services required for the execution of customer contracts, while raw material and other costs remained at approximately the same level as in the previous year,
- Employee expenses amounted to EUR 15.3 million, a substantial year-on-year increase driven by a significant rise in headcount following the mergers. From 1 July to 31 December 2024, the average headcount was 586 (in 2023, the average number of employees was 71),
- Depreciation and amortization of EUR 1.7 million,
- Other expenses of EUR 9.4 million, including intellectual services, employee-related fees, and other costs,
- Impairment losses of EUR 2.3 million,
- Provisions of EUR 2.1 million, and
- Other operating expenses of EUR 0.3 million.

In 2024, financial income amounted to EUR 2.9 million, reflecting a 70.0% increase year-on-year. The majority of financial income was generated from interest on loans provided to related parties and deposits. Financial expenses totaled EUR 0.8 million, primarily related to interest expenses and foreign exchange differences arising from the execution of international projects.

Based on the income tax return, the Company does not have tax obligation, but the calculation based on the Pillar 2 regulation (Global minimum tax Act) is still on-going and might affect the final income tax cost.

## Statement of Financial Position

As of 31 December 2024, the total assets of KONČAR - Electrical Industry Inc. for manufacturing and services amounted to EUR 351.8 million, representing an increase of EUR 97.9 million (+38.6%) compared to the balance as at 31 December 2023.

Total non-current assets amounted to EUR 222.0 million, up by EUR 28.2 million (+14.5%) year-on-year.

The intangible assets position recorded an increase of EUR 0.9 million, primarily due to the acquisition of development projects through the executed merger, as well as increased investments in IT centralization.

The tangible assets position grew by EUR 7.3 million (+13.8%) compared to 31 December 2023, driven by both the effects of the mergers and new investments in real estate and equipment.

Non-current financial assets increased by EUR 18.7 million, primarily due to the reclassification of loans granted, which matured in December 2024, as well as the merger of three subsidiaries, which resulted in a reduction of investments in associate companies.

Total current assets increased by EUR 69.1 million, largely as a result of the merger effect.

Inventories rose by EUR 1.7 million, while trade receivables (including contract assets) increased by EUR 61.5 million. At the same time, loans granted decreased by EUR 3.5 million, while cash and cash equivalents declined by EUR 31.0 million. The cash decrease was a result of a decrease in cash flow from investing and financing activities.

Prepaid expenses amounted to EUR 1.8 million, reflecting a EUR 0.6 million year-on-year increase. The majority relates to ICT project costs, trade fair expenses, marketing activities, and strategic project costs, which are expected to be recharged to subsidiaries.

As of 31 December 2024, total equity and reserves stood at EUR 256.9 million, marking an increase of EUR 16.1 million compared to the position as at 31 December 2023. This increase reflects the overall impact of the subsidiary mergers, the profit generated in 2024, and the distribution of earnings from 2023.

Total long-term provisions increased by EUR 3.6 million, primarily due to the business activities acquired with the mergers and the introduction of a new category of provisions for warranty-related costs.

Total short-term liabilities increased by EUR 73.9 million, largely due to the merger of subsidiaries.

Compared to 31 December 2023, loan liabilities increased by EUR 5.0 million, primarily related to a loan received from a subsidiary. Advances received, recorded in line with active customer contracts, amounted to EUR 23.7 million as of 31 December 2024. Trade payables increased by EUR 18.0 million, mainly attributable to suppliers of the merged entities, with the most significant amount related to the acquisition of engineering activities.

Deferred costs and deferred income totaled EUR 5.7 million, marking a EUR 3.9 million year-on-year increase.

Off-balance sheet items as of 31 December 2024 amounted to EUR 384.1 million, primarily consisting of issued financial guarantees, including bank guarantees and other security instruments, issued at the request of subsidiaries to financial institutions and suppliers.



# B Financial statements of KONČAR – Electrical Industry Inc. for manufacturing and services for the period January – December 2024

## Annex 1

### ISSUER'S GENERAL DATA

Reporting period:	<b>01/01/2024</b>	to	<b>31/12/2024</b>
Year:	<b>2024</b>	Quarter:	<b>4</b>

### Quarterly financial statements

Registration number (MB):	<b>03282635</b>	Issuer's home Member State code:	<b>HR</b>
Entity's registration number (MBS)	<b>080040936</b>		
Personal identification number (OIB):	<b>45050126417</b>	LEI:	<b>74780000H0SHMRAW0115</b>
Institution code:	<b>501</b>		
Name of the issuer:	<b>KONČAR - Electrical Industry Inc. for manufacturing and services</b>		
Postcode and town:	<b>10000</b>	<b>ZAGREB</b>	
Street and house number:	<b>FALLEROVO ŠETALIŠTE 22</b>		
E-mail address:	<b>koncar.finance@koncar.hr</b>		
Web address:	<b>www.koncar.hr</b>		
Number of employees (end of the reporting period):	<b>587</b>		
Consolidated report:	<b>KN</b>	(KN-not consolidated/KD-consolidated)	
Audited:	<b>RN</b>	(RN-not audited/RD-audited)	
Names of subsidiaries (according to IFRS):	Registered office:	MB:	

Bookkeeping firm:		(Yes/No)
Contact person:	<b>Ivana Mršić</b> (only name and surname of the contact person)	
Telephone:	<b>013655160</b>	
E-mail address:	<b>ivana.mrsic@koncar.hr</b>	
Audit firm:	<b>KPMG</b> (name of the audit firm)	
Certified auditor:	<b>Igor Gošek</b> (name and surname)	

## BALANCE SHEET

### balance as at 31.12.2024

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>A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID</b>	<b>001</b>	0	0
<b>B) FIXED ASSETS (ADP 003+010+020+031+036)</b>	<b>002</b>	<b>193,802,588</b>	<b>221,961,863</b>
<b>I INTANGIBLE ASSETS (ADP 004 to 009)</b>	<b>003</b>	<b>61,756</b>	<b>995,634</b>
1 Research and development	<b>004</b>	0	0
2 Concessions, patents, licences, trademarks, software and other rights	<b>005</b>	61,756	995,634
3, Goodwill	<b>006</b>	0	0
4 Advances for the purchase of intangible assets	<b>007</b>	0	0
5 Intangible assets in preparation	<b>008</b>	0	0
6 Other intangible assets	<b>009</b>	0	0
<b>II TANGIBLE ASSETS (ADP 011 to 019)</b>	<b>010</b>	<b>52,829,538</b>	<b>60,122,191</b>
1 Land	<b>011</b>	442,521	1,360,280
2 Buildings	<b>012</b>	2,436,105	5,246,311
3 Plant and equipment	<b>013</b>	643,075	5,765,356
4 Tools, working inventory and transportation assets	<b>014</b>	6,338	1,103,989
5 Biological assets	<b>015</b>	0	0
6 Advances for the purchase of tangible assets	<b>016</b>	0	0
7 Tangible assets in preparation	<b>017</b>	3,598,289	666,205
8 Other tangible assets	<b>018</b>	7,398	665,612
9 Investment property	<b>019</b>	45,695,812	45,314,438
<b>III FIXED FINANCIAL ASSETS (ADP 021 to 030)</b>	<b>020</b>	<b>139,624,132</b>	<b>158,331,186</b>
1 Investments in holdings (shares) of undertakings within the group	<b>021</b>	109,560,702	142,742,721
2 Investments in other securities of undertakings within the group	<b>022</b>	0	0
3 Loans, deposits, etc, to undertakings within the group	<b>023</b>	0	0
4 Investments in holdings (shares) of companies linked by virtue of participating interests	<b>024</b>	8,988,288	8,988,288
5 Investment in other securities of companies linked by virtue of participating interests	<b>025</b>	0	0
6 Loans, deposits etc, to companies linked by virtue of participating interests	<b>026</b>	0	0
7 Investments in securities	<b>027</b>	456,654	846,777
8 Loans, deposits, etc, given	<b>028</b>	20,618,488	5,753,400
9 Other investments accounted for using the equity method	<b>029</b>	0	0
10 Other fixed financial assets	<b>030</b>	0	0
<b>IV RECEIVABLES (ADP 032 to 035)</b>	<b>031</b>	<b>1,287,162</b>	<b>924,702</b>
1 Receivables from undertakings within the group	<b>032</b>	0	0
2 Receivables from companies linked by virtue of participating interests	<b>033</b>	0	0
3 Customer receivables	<b>034</b>	1,287,162	924,702
4 Other receivables	<b>035</b>	0	0
<b>V DEFERRED TAX ASSETS</b>	<b>036</b>	0	1,588,150
<b>C) CURRENT ASSETS (ADP 038+046+053+063)</b>	<b>037</b>	<b>58,929,392</b>	<b>128,063,928</b>
<b>I INVENTORIES (ADP 039 to 045)</b>	<b>038</b>	<b>757,255</b>	<b>2,438,619</b>
1 Raw materials and consumables	<b>039</b>	0	366,108
2 Work in progress	<b>040</b>	0	0
3 Finished goods	<b>041</b>	0	0
4 Merchandise	<b>042</b>	0	1,315,255
5 Advances for inventories	<b>043</b>	0	0
6 Fixed assets held for sale	<b>044</b>	757,255	757,256
7 Biological assets	<b>045</b>	0	0

## BALANCE SHEET

### balance as at 31.12.2024

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>II RECEIVABLES (ADP 047 to 052)</b>			
	<b>046</b>	<b>14,802,613</b>	<b>116,811,964</b>
1 Receivables from undertakings within the group	<b>047</b>	6,064,940	18,343,638
2 Receivables from companies linked by virtue of participating interests	<b>048</b>	8,145,892	23,175,270
3 Customer receivables	<b>049</b>	51,106	61,504,160
4 Receivables from employees and members of the undertaking	<b>050</b>	4,825	4,214
5 Receivables from government and other institutions	<b>051</b>	212,873	3,056,232
6 Other receivables	<b>052</b>	322,977	10,728,450
<b>III CURRENT FINANCIAL ASSETS (ADP 054 to 062)</b>			
	<b>053</b>	<b>5,027,376</b>	<b>1,519,732</b>
1 Investments in holdings (shares) of undertakings within the group	<b>054</b>	0	0
2 Investments in other securities of undertakings within the group	<b>055</b>	0	0
3 Loans, deposits, etc, to undertakings within the group	<b>056</b>	5,027,376	1,500,000
4 Investments in holdings (shares) of companies linked by virtue of participating interests	<b>057</b>	0	0
5 Investment in other securities of companies linked by virtue of participating interests	<b>058</b>	0	0
6 Loans, deposits etc, to companies linked by virtue of participating interests	<b>059</b>	0	0
7 Investments in securities	<b>060</b>	0	0
8 Loans, deposits, etc, given	<b>061</b>	0	0
9 Other financial assets	<b>062</b>	0	19,732
IV CASH AT BANK AND IN HAND	<b>063</b>	38,342,148	7,293,613
<b>D ) PREPAID EXPENSES AND ACCRUED INCOME</b>	<b>064</b>	1,168,335	1,758,138
<b>E ) TOTAL ASSETS (ADP 001+002+037+064)</b>	<b>065</b>	<b>253,900,315</b>	<b>351,783,929</b>
<b>OFF-BALANCE SHEET ITEMS</b>			
	<b>066</b>	301,355,775	384,096,854
<b>LIABILITIES</b>			
<b>A) CAPITAL AND RESERVES (ADP 068 to 070+076+077+081+084+087)</b>			
	<b>067</b>	240,834,045	256,940,435
<b>I INITIAL (SUBSCRIBED) CAPITAL</b>			
	<b>068</b>	159,471,378	159,471,378
<b>II CAPITAL RESERVES</b>			
	<b>069</b>	1,072,189	1,073,176
<b>III RESERVES FROM PROFIT (ADP 071+072-073+074+075)</b>			
	<b>070</b>	57,272,455	68,674,033
1 Legal reserves	<b>071</b>	7,540,299	9,325,953
2 Reserves for treasury shares	<b>072</b>	4,507,291	5,998,550
3 Treasury shares and holdings (deductible item)	<b>073</b>	-2,032,193	-1,998,550
4 Statutory reserves	<b>074</b>	28,891,636	34,899,714
5 Other reserves	<b>075</b>	18,365,422	20,448,366
<b>IV REVALUATION RESERVES</b>			
	<b>076</b>	0	0
<b>V FAIR VALUE RESERVES AND OTHER (ADP 078 to 082)</b>			
	<b>077</b>	0	0
1 Financial assets at fair value through other comprehensive income (i.e, available for sale)	<b>078</b>	0	0
2 Cash flow hedge - effective portion	<b>079</b>	0	0
3 Hedge of a net investment in a foreign operation - effective portion	<b>080</b>	0	0
4 Other fair value reserves	<b>081</b>	0	0
5 Exchange differences arising from the translation of foreign operations (consolidation)	<b>082</b>	0	0
<b>VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 084-085)</b>			
	<b>083</b>	9,310,565	-3,785,038
1 Retained profit	<b>084</b>	9,310,565	0
2 Loss brought forward	<b>085</b>	0	3,785,038
<b>VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 087-088)</b>			
	<b>086</b>	13,707,458	31,506,886
1 Profit for the business year	<b>087</b>	13,707,458	31,506,886
2 Loss for the business year	<b>088</b>	0	0
<b>VIII MINORITY (NON-CONTROLLING) INTEREST</b>			
	<b>089</b>	0	0



## BALANCE SHEET

### balance as at 31.12.2024

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>B) PROVISIONS (ADP 091 to 096)</b>	<b>090</b>	<b>1,449,235</b>	<b>5,074,254</b>
1 Provisions for pensions, termination benefits and similar obligations	<b>091</b>	1,449,235	1,550,347
2 Provisions for tax liabilities	<b>092</b>	0	0
3 Provisions for ongoing legal cases	<b>093</b>	0	0
4 Provisions for renewal of natural resources	<b>094</b>	0	0
5 Provisions for warranty obligations	<b>095</b>	0	3,523,907
6 Other provisions	<b>096</b>	0	0
<b>C) LONG-TERM LIABILITIES (ADP 098 to 108)</b>	<b>097</b>	<b>0</b>	<b>315,935</b>
1 Liabilities to undertakings within the group	<b>098</b>	0	0
2 Liabilities for loans, deposits, etc., of undertakings within the group	<b>099</b>	0	0
3 Liabilities to companies linked by virtue of participating interests	<b>100</b>	0	0
4 Liabilities for loans, deposits etc., of companies linked by virtue of participating interests	<b>101</b>	0	0
5 Liabilities for loans, deposits etc.,	<b>102</b>	0	0
6 Liabilities to banks and other financial institutions	<b>103</b>	0	160,145
7 Liabilities for advance payments	<b>104</b>	0	0
8 Liabilities to suppliers	<b>105</b>	0	0
9 Liabilities for securities	<b>106</b>	0	0
10 Other long-term liabilities	<b>107</b>	0	89,827
11 Deferred tax liability	<b>108</b>	0	65,963
<b>D) SHORT-TERM LIABILITIES (ADP 110 to 123)</b>	<b>109</b>	<b>9,841,921</b>	<b>83,788,822</b>
1 Liabilities to undertakings within the group	<b>110</b>	2,497,665	10,427,638
2 Liabilities for loans, deposits, etc., of undertakings within the group	<b>111</b>	0	5,012,440
3 Liabilities to companies linked by virtue of participating interests	<b>112</b>	0	5,184,256
4 Liabilities for loans, deposits etc., of companies linked by virtue of participating interests	<b>113</b>	0	0
5 Liabilities for loans, deposits etc.,	<b>114</b>	0	0
6 Liabilities to banks and other financial institutions	<b>115</b>	0	10,484,082
7 Liabilities for advance payments	<b>116</b>	0	23,664,763
8 Liabilities to suppliers	<b>117</b>	5,471,168	23,461,730
9 Liabilities for securities	<b>118</b>	0	0
10 Liabilities to employees	<b>119</b>	676,973	3,295,520
11 Taxes, contributions and similar liabilities	<b>120</b>	872,478	1,937,210
12 Liabilities arising from the share in the result	<b>121</b>	60,625	28,581
13 Liabilities arising from fixed assets held for sale	<b>122</b>	0	0
14 Other short-term liabilities	<b>123</b>	263,012	292,602
<b>E) ACCRUALS AND DEFERRED INCOME</b>	<b>124</b>	<b>1,775,114</b>	<b>5,664,483</b>
<b>F) TOTAL – LIABILITIES (ADP 067+090+097+109+124)</b>	<b>125</b>	<b>253,900,315</b>	<b>351,783,929</b>
<b>G) OFF-BALANCE SHEET ITEMS</b>	<b>126</b>	<b>301,355,775</b>	<b>384,096,854</b>

## STATEMENT OF PROFIT OR LOSS for the period 01.01.2024 to 31.12.2024

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
<b>I OPERATING INCOME (ADP 002 to 006)</b>	<b>001</b>	30,498,642	10,681,413	133,289,598	85,607,154
1 Income from sales with undertakings within the group	002	27,329,828	10,542,615	52,425,548	28,670,858
2 Income from sales (outside group)	003	128,923	38,040	80,348,463	56,656,945
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	2,745,951	997	23,407	902
5 Other operating income (outside the group)	006	293,940	99,761	492,180	278,449
<b>II OPERATING EXPENSES (ADP 08+009+013+017+018+019+022+029)</b>	<b>007</b>	18,289,546	10,329,734	104,859,367	69,981,284
1 Changes in inventories of work in progress and finished goods	008	0	0	0	0
2 Material costs (ADP 010 to 012)	009	3,616,193	1,487,542	73,789,867	52,016,042
a) Costs of raw materials and consumables	010	204,895	51,551	832,866	590,325
b) Costs of goods sold	011	0	0	69,465,133	50,283,427
c) Other external costs	012	3,411,298	1,435,991	3,491,868	1,142,290
3 Staff costs (ADP 014 to 016)	013	4,276,660	1,840,078	15,282,799	8,271,829
a) Net salaries and wages	014	2,343,326	980,219	9,129,398	4,959,656
b) Tax and contributions from salary costs	015	1,383,475	637,712	4,231,179	2,337,105
c) Contributions on salaries	016	549,859	222,147	1,922,222	975,068
4 Depreciation	017	1,118,387	282,732	1,656,258	537,915
5 Other costs	018	4,490,827	1,653,390	9,442,898	4,531,068
6 Value adjustments (ADP 020+021)	019	4,357,000	4,650,000	2,289,706	2,289,586
a) fixed assets other than financial assets	020	4,357,000	4,650,000	775,614	775,494
b) current assets other than financial assets	021	0	0	1,514,092	1,514,092
7 Provisions (ADP 023 to 028)	022	384,204	384,204	2,128,297	2,128,297
a) Provisions for pensions, termination benefits and similar obligations	023	384,204	384,204	351,745	351,745
b) Provisions for tax liabilities	024	0	0	0	0
c) Provisions for ongoing legal cases	025	0	0	0	0
d) Provisions for renewal of natural resources	026	0	0	0	0
e) Provisions for warranty obligations	027	0	0	1,776,552	1,776,552
f) Other provisions	028	0	0	0	0
8 Other operating expenses	029	46,275	31,788	269,542	206,547
<b>III FINANCIAL INCOME (ADP 031 to 040)</b>	<b>030</b>	1,732,136	579,306	2,944,768	918,421
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	798,631	143,925	1,552,229	403,404
5 Exchange rate differences and other financial income from operations with undertakings within the group	035	0	0	23,783	0
6 Income from other long-term financial investments and loans	036	0	-20,601	38,832	2
7 Other interest income	037	722,514	343,144	727,389	92,736
8 Exchange rate differences and other financial income	038	286	0	212,722	207,365
9 Unrealised gains (income) from financial assets	039	167,993	70,121	389,813	214,914
10 Other financial income	040	42,712	42,717	0	0
<b>IV FINANCIAL EXPENSES (ADP 042 to 048)</b>	<b>041</b>	4,413	1,184	819,651	537,235
1 Interest expenses and similar expenses with undertakings within the group	042	0	0	110,966	48,634
2 Exchange rate differences and other expenses from operations with undertakings within the group	043	0	-2,738	0	0

## STATEMENT OF PROFIT OR LOSS for the period 01.01.2024 to 31.12.2024

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	254	49	388,189	388,189
4 Exchange rate differences and other expenses	045	4,159	3,873	320,496	236,362
5 Unrealised losses (expenses) from financial assets	046	0	0	0	0
6 Value adjustments of financial assets (net)	047	0	0	0	0
7 Other financial expenses	048	0	0	0	-135,950
<b>V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VIRTUE OF PARTICIPATING INTERESTS</b>	<b>049</b>	0	0	0	0
<b>VI SHARE IN PROFIT FROM JOINT VENTURES</b>	<b>050</b>	0	0	0	0
<b>VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST</b>	<b>051</b>	0	0	0	0
<b>VIII SHARE IN LOSS OF JOINT VENTURES</b>	<b>052</b>	0	0	0	0
<b>IX TOTAL INCOME (ADP 001+030+049 +050)</b>	<b>053</b>	<b>32,230,778</b>	<b>11,260,719</b>	<b>136,234,366</b>	<b>86,525,575</b>
<b>X TOTAL EXPENDITURE (ADP 007+041+051 + 052)</b>	<b>054</b>	<b>18,293,959</b>	<b>10,330,918</b>	<b>105,679,018</b>	<b>70,518,519</b>
<b>XI PRE-TAX PROFIT OR LOSS (ADP 053-054)</b>	<b>055</b>	<b>13,936,819</b>	<b>929,801</b>	<b>30,555,348</b>	<b>16,007,056</b>
1 Pre-tax profit (ADP 053-054)	056	13,936,819	929,801	30,555,348	16,007,056
2 Pre-tax loss (ADP 054-053)	057	0	0	0	0
<b>XII INCOME TAX</b>	<b>058</b>	<b>229,361</b>	<b>0</b>	<b>-951,538</b>	<b>-3,570,230</b>
<b>XIII PROFIT OR LOSS FOR THE PERIOD (ADP 055-059)</b>	<b>059</b>	<b>13,707,458</b>	<b>929,801</b>	<b>31,506,886</b>	<b>19,577,286</b>
1 Profit for the period (ADP 055-059)	060	13,707,458	929,801	31,506,886	19,577,286
2 Loss for the period (ADP 059-055)	061	0	0	0	0
<b>DISCONTINUED OPERATIONS (to be filled in by undertakings subject to IFRS only with discontinued operations)</b>					
<b>XIV PRE-TAX PROFIT OR LOSS OF DISCONTINUED OPERATIONS (ADP 063-064)</b>	<b>062</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Pre-tax profit from discontinued operations	063	0	0	0	0
2 Pre-tax loss on discontinued operations	064	0	0	0	0
<b>XV INCOME TAX OF DISCONTINUED OPERATIONS</b>	<b>065</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
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
<b>TOTAL OPERATIONS (to be filled in only by undertakings subject to IFRS with discontinued operations)</b>					
<b>XVI PRE-TAX PROFIT OR LOSS (ADP 055-+062)</b>	<b>068</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Pre-tax profit (ADP 068)	069	0	0	0	0
2 Pre-tax loss (ADP 068)	070	0	0	0	0
<b>XVII INCOME TAX (ADP 058+065)</b>	<b>071</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 068-071)</b>	<b>072</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Profit for the period (ADP 068-071)	073	0	0	0	0
2 Loss for the period (ADP 071-068)	074	0	0	0	0
<b>APPENDIX to the P&amp;L (to be filled in by undertakings that draw up consolidated annual financial statements)</b>					
<b>XIX PROFIT OR LOSS FOR THE PERIOD (AOP 076+077)</b>	<b>075</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>1 Attributable to owners of the parent</b>	<b>076</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2 Attributable to minority (non-controlling) interest</b>	<b>077</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>STATEMENT OF OTHER COMPREHENSIVE INCOME (to be filled in by undertakings subject to IFRS)</b>					
<b>I PROFIT OR LOSS FOR THE PERIOD</b>	<b>078</b>	<b>13,707,458</b>	<b>929,801</b>	<b>31,506,886</b>	<b>19,577,286</b>
<b>II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 80+ 87)</b>	<b>079</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>III Items that will not be reclassified to profit or loss (ADP 081 to 085)</b>	<b>080</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Changes in revaluation reserves of fixed tangible and intangible assets	081	0	0	0	0

## STATEMENT OF PROFIT OR LOSS for the period 01.01.2024 to 31.12.2024

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	0	0
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
<b>IV Items that may be reclassified to profit or loss</b> (ADP 088 to 095)	<b>087</b>	0	0	0	0
1 Exchange rate differences from translation of foreign operations	088	0	0	0	0
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
<b>V NET OTHER COMPREHENSIVE INCOME OR LOSS</b> (ADP 080+087- 086 - 096)	<b>097</b>	0	0	0	0
<b>VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD</b> (ADP 078+097)	<b>098</b>	13,707,458	929,801	31,506,886	19,577,286
<b>APPENDIX to the Statement on comprehensive income (to be filled in by undertakings that draw up consolidated statements)</b>					
<b>VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD</b> (ADP 100+101)	<b>099</b>	0	0	0	0
<b>1 Attributable to owners of the parent</b>	<b>100</b>	0	0	0	0
<b>2 Attributable to minority (non-controlling) interest</b>	<b>101</b>	0	0	0	0

## STATEMENT OF CASH FLOWS - direct method for the period 01.01.2024 to 31.12.2024

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
<b>Cash flow from operating activities</b>			
1 Cash receipts from customers	001	12,195,748	84,492,256
2 Cash receipts from royalties, fees, commissions and other revenue	002	0	0
3 Cash receipts from insurance premiums	003	0	34,681
4 Cash receipts from tax refund	004	0	4,506,550
5 Other cash receipts from operating activities	005	1,901,733	6,132,435
<b>I Total cash receipts from operating activities (ADP 001 to 005)</b>	<b>006</b>	<b>14,097,481</b>	<b>95,165,922</b>
1 Cash payments to suppliers	007	-5,236,811	-60,026,542
2 Cash payments to employees	008	-4,239,051	-13,360,912
3 Cash payments for insurance premiums	009	0	-350,372
4 Interest paid	010	-89	-30,946
5 Income tax paid	011	0	-386,527
6 Other cash payments from operating activities	012	-2,734,475	-5,200,435
<b>II Total cash payments from operating activities (ADP 007 to 012)</b>	<b>013</b>	<b>-12,210,426</b>	<b>-79,355,734</b>
<b>A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 006 + 013)</b>	<b>014</b>	<b>1,887,055</b>	<b>15,810,188</b>
<b>Cash flow from investment activities</b>			
1 Cash receipts from sales of fixed tangible and intangible assets	015	3,414,972	849,255
2 Cash receipts from sales of financial instruments	016	390,643	0
3 Interest received	017	1,001,805	737,438
4 Dividends received	018	13,793,431	21,083,972
5 Cash receipts from the repayment of loans and deposits	019	43,275,698	10,370,000
6 Other cash receipts from investment activities	020	0	2,520
<b>III Total cash receipts from investment activities (ADP 015 to 020)</b>	<b>021</b>	<b>61,876,549</b>	<b>33,043,185</b>
1 Cash payments for the purchase of fixed tangible and intangible assets	022	-2,665,120	-9,219,226
2 Cash payments for the acquisition of financial instruments	023	-10,620,040	-7,344,256
3 Cash payments for loans and deposits	024	-20,514,900	-42,590,000
4 Acquisition of a subsidiary, net of cash acquired	025	0	0
5 Other cash payments from investment activities	026	0	-4,637
<b>IV Total cash payments from investment activities (ADP 022 to 026)</b>	<b>027</b>	<b>-33,800,060</b>	<b>-59,158,119</b>
<b>B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 021 + 027)</b>	<b>028</b>	<b>28,076,489</b>	<b>-26,114,934</b>
<b>Cash flow from financing activities</b>			
1 Cash receipts from the increase in initial (subscribed) capital	029	0	0
2 Cash receipts the from issue of equity financial instruments and debt financial instruments	030	0	0
3 Cash receipts from credit principals, loans and other borrowings	031	0	5,000,000
4 Other cash receipts from financing activities	032	0	922
<b>V Total cash receipts from financing activities (ADP 029 to 032)</b>	<b>033</b>	<b>0</b>	<b>5,000,922</b>
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	034	0	0
2 Cash payments for dividends	035	-5,092,836	-6,417,292
3 Cash payments for finance lease	036	0	-8,548
4 Cash payments for the redemption of treasury shares and decrease in initial (subscribed) capita	037	0	0
5 Other cash payments from financing activities	038	0	-19,306,270
<b>VI Total cash payments from financing activities (ADP 034 to 038)</b>	<b>039</b>	<b>-5,092,836</b>	<b>-25,732,110</b>
<b>C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 033 + 039)</b>	<b>040</b>	<b>-5,092,836</b>	<b>-20,731,188</b>
1 Unrealised exchange rate differences in respect of cash and cash equivalents	041	-2,265	-12,601
<b>D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 014 + 028 + 040 + 041)</b>	<b>042</b>	<b>24,868,443</b>	<b>-31,048,535</b>
<b>E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>043</b>	<b>13,473,705</b>	<b>38,342,148</b>
<b>F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (042+043)</b>	<b>044</b>	<b>38,342,148</b>	<b>7,293,613</b>

# STATEMENT OF CHANGES IN EQUITY

## for the period from 01.01.2024 to 31.12.2024

B Financial statements of KONČAR – Electrical Industry Inc. for manufacturing and services for the period January - December 2024

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)
<b>Previous period</b>																			
1 Balance on the first day of the previous business year	01	160.448.063	95.505	6.790.178	4.526.798	2.051.700	28.891.636	18.365.422	0	0	0	0	0	0	113.855	15.002.409	232.182.166	0	232.182.166
2 Changes in accounting policies	02	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
4 Balance on the first day of the previous business year (restated) (ADP 01 to 03)	04	160.448.063	95.505	6.790.178	4.526.798	2.051.700	28.891.636	18.365.422	0	0	0	0	0	0	113.855	15.002.409	232.182.166	0	232.182.166
5 Profit/loss of the period	05	0	0	0	0	0	0	0	0	0	0	0	0	0	0	13.707.458	13.707.458	0	13.707.458
6 Exchange rate differences from translation of foreign operations	06	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
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
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
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
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
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
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
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	0
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
15 Decrease in initial (subscribed) capital (other than arising from the pre-bankruptcy settlement procedure or from the reinvestment of profit)	15	-976.685	976.685	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
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
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
19 Payments from members/shareholders	19	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	-5.092.281	-5.092.281	0	-5.092.281
21 Other distributions and payments to members/shareholders	21	0	0	0	-19.507	-19.507	0	0	0	0	0	0	0	0	36.701	0	36.701	0	36.701
22 Transfer to reserves according to the annual schedule	22	0	0	750.120	0	0	0	0	0	0	0	0	0	0	9.160.009	-9.910.128	1	0	1
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
24 Balance on the last day of the previous business year reporting period (ADP 04 to 23)	24	159.471.378	1.072.190	7.540.298	4.507.291	2.032.193	28.891.636	18.365.422	0	0	0	0	0	0	9.310.565	13.707.458	240.834.045	0	240.834.045
<b>APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)</b>																			
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	0	0	0	0	0
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	0	13.707.458	13.707.458	0	13.707.458
III TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 23)	27	-976.685	976.685	750.120	-19.507	-19.507	0	0	0	0	0	0	0	0	9.196.710	-15.002.409	-5.055.579	0	-5.055.579

# STATEMENT OF CHANGES IN EQUITY

## for the period from 01.01.2024 to 31.12.2024

B Financial statements of KONČAR – Electrical Industry Inc. for manufacturing and services for the period January - December 2024

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)
<b>Current period</b>																			
1 Balance on the first day of the previous business year	28	159.471.378	1.072.189	7.540.299	4.507.291	2.032.193	28.891.636	18.365.422	0	0	0	0	0	0	9.310.565	13.707.458	240.834.045	0	240.834.045
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	159.471.378	1.072.189	7.540.299	4.507.291	2.032.193	28.891.636	18.365.422	0	0	0	0	0	0	9.310.565	13.707.458	240.834.045	0	240.834.045
5 Profit/loss of the period	32	0	0	0	0	0	0	0	0	0	0	0	0	0	0	31.506.886	31.506.886	0	31.506.886
6 Exchange rate differences from translation of foreign operations	33	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
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	0	0	0	0	0	0	0	0	0	0	0
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	987	1.352.384	1.524.902	0	6.008.078	2.082.944	0	0	0	0	0	0	-20.113.394	0	-9.144.099	0	-9.144.099
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	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	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	0	-6.365.968	-6.365.968	0	-6.365.968
21 Other distributions and payments to members/shareholders	48	0	0	0	-33.643	-33.643	0	0	0	0	0	0	0	0	109.571	0	109.571	0	109.571
22 Transfer to reserves according to the annual schedule	49	0	0	433.270	0	0	0	0	0	0	0	0	0	6.908.220	-7.341.490	0	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	159.471.378	1.073.176	9.325.953	5.998.550	1.998.550	34.899.714	20.448.366	0	0	0	0	0	0	-3.785.038	31.506.886	256.940.435	0	256.940.435
<b>APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)</b>																			
I OTHER COMPREHENSIVE INCOME OF THE CURRENT PERIOD, NET OF TAX (ADP 33 to 41)	52	0	987	1.352.384	1.524.902	0	6.008.078	2.082.944	0	0	0	0	0	0	-20.113.394	0	-9.144.099	0	-9.144.099
II COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 32 to 52)	53	0	987	1.352.384	1.524.902	0	6.008.078	2.082.944	0	0	0	0	0	0	-20.113.394	31.506.886	22.362.787	0	22.362.787
III TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 42 to 50)	54	0	0	433.270	-33.643	-33.643	0	0	0	0	0	0	0	0	7.017.791	-13.707.458	-6.256.397	0	-6.256.397

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

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

**PIN: 45050126417**

**Reporting period: 1 January 2024 to 31 December 2024**

### 1. General information about the company

KONČAR – Electrical Industry Inc. for manufacturing and services (PIN: 45050126417), Zagreb, Fallerovo šetalište 22 (the “Company”) is the parent company of the KONČAR Group. As the parent company, the Company prepares and presents consolidated financial statements separately. These unconsolidated financial statements represent the financial statements of the Company as a standalone entity. The Company is engaged in the management of its subsidiaries and associates. Pursuant to previously adopted decisions, as of 1 July 2024, a statutory merger was executed, whereby the subsidiary companies KONČAR – Engineering Ltd. for manufacturing and services and KONČAR – Infrastructure and Services Ltd. for services were merged into KONČAR – Electrical Industry Inc. for manufacturing and services as the acquiring company. The merged entities continued their regular operations within KONČAR – Electrical Industry Inc. for manufacturing and services. Significant differences in financial statements compared to the same period in 2023 result from this statutory change. Additionally, during 2024, KONČAR – Investments Ltd. for business services (November 11, 2024) and Advanced Energy Solutions Ltd. for investment (December 31, 2024) were merged into the company.

The average number of employees in the first half of 2024 was 81, while for the period from 1 July to 31 December 2024, the average number was 586 (2023: an average of 71 employees).

### 2. Significant accounting policies

These financial statements for the period ended 31 December 2024 should be read in conjunction with the most recent annual financial statements of the Company as of and for the year ended 31 December 2023 (“latest annual financial statements”), as they do not include all required disclosures for a complete set of financial statements prepared in accordance with International Financial Reporting Standards. However, selected explanatory notes provide insight into significant events and transactions relevant for understanding changes in the financial position and performance of the Company since the latest annual financial statements. The annual standalone and consolidated financial statements are published on the Company’s website.

In preparing these financial statements, management has applied judgments and estimates affecting the application of accounting policies and the recognized amounts of assets, liabilities, revenues, and expenses. Accounting estimates, by definition, may occasionally differ from actual results. Key accounting estimates remain unchanged from those described in the latest annual financial statements. The accounting policies applied in these financial statements are consistent with those used in the Company’s financial statements as of and for the year ended 31 December 2023.

### Seasonal effects

The Company is not exposed to significant seasonal changes in its business operations.

### 3. Revenue from sales

	<b>2024</b> EUR	<b>2023</b> EUR
Dividend income /i/	34,678,837	16,702,304
Revenue from contracts with customers /ii/	98,095,173	10,756,447
	<b>132,774,010</b>	<b>27,458,751</b>

/i/ Dividend income

	<b>2024</b> EUR	<b>2023</b> EUR
Dividend income – subsidiaries	13,384,701	8,685,435
Dividend income – associate companies	21,294,136	8,016,869
	<b>34,678,837</b>	<b>16,702,304</b>



/i/ Dividend income

	<b>2024</b> EUR	<b>2023</b> EUR
<i>Type of service</i>		
Brand fee income (fees for using the company name, trademarks, and joint marketing activities)	7,921,090	6,840,056
Revenue from the Power generation segment	35,566,723	0
Revenue from the Power transmission and distribution segment	39,526,548	0
Revenue from the Urban mobility and infrastructure segment	8,947,767	0
Revenue from property management	5,138,666	3,230,143
Revenue from other fees	994,379	686,248
<b>Total Revenue from contracts with customers</b>	<b>98,095,173</b>	<b>10,756,447</b>

#### 4. Other income

During 2024, there were no significant transactions classified as other income, whereas in 2023, a gain was recorded from the sale of real estate and land.

#### 5. Operating expenses

In 2024, significant differences arose in operating expenses compared to 2023, primarily due to mergers executed in 2024, the realization of engineering activities, and property management operations, accompanied by a substantial increase in the number of employees.

#### 6. Impairment and Provisions

In 2024, an impairment of non-current assets amounting to EUR 0.8 million was recorded, along with an impairment of current assets, which almost entirely relates to the adjustment of receivables calculated using the expected credit loss method. In 2023, an impairment of investments in a subsidiary was recognized in the amount of EUR 4.65 million.

Provisions in 2024 relate to warranty period repairs amounting to EUR 1.8 million, which pertain to the engineering segment of the business that the Company did not have in 2023.

#### 7. Income tax

Income tax expense is recognized based on multiplying the profit before tax for the reporting period by management's best estimate of the annual effective tax rate expected for the full financial year. Income tax expense is adjusted for the tax effects of items recognized entirely in the reporting period. As of 31 December 2024, the Company recognized deferred tax assets on carried forward tax losses and temporary tax differences.

#### 8. Earnings per share

	<b>2024</b> EUR	<b>2023</b> EUR
Profit for the year	31,506,886	13,707,458
Weighted average number of shares	2,546,603	2,546,256
<b>Earnings per share (EUR)</b>	<b>12.37</b>	<b>5.38</b>

#### 9. Property, plant, equipment, and investment property

In 2024, the Company acquired property amounting to EUR 6.2 million (2023: EUR 6.4 million), while depreciation expense amounted to EUR 1.7 million (2023: EUR 1.1 million).

	<b>31 December 2024</b>	<b>31 December 2023</b>	<b>31 December 2024</b>	<b>31 December 2023</b>
	EUR' 000	EUR' 000	Ownership %	Ownership %
<b>Investments (shares) in subsidiaries in Croatia</b>				
KONČAR – Switchgear Ltd., Zagreb	11,197	11,197	100	100
KONČAR – Metal Structures Ltd., Zagreb	16,779	16,779	100	100
KONČAR – Generators and Motors Ltd., Zagreb	9,600	9,600	100	100
KONČAR – Distribution and Special Transformers Inc., Zagreb	8,245	8,245	52.73	52.73
KONČAR – Electrical Engineering Institute Ltd., Zagreb	8,087	8,087	100	100
KONČAR – Energy and Services Ltd., Zagreb	0	7,524	-	100
KONČAR – Electronics and Informatics Ltd., Zagreb	8,353	8,353	100	100
KONČAR – Renewable Energy Sources Ltd., Zagreb	222	5,733	100	91.25
KONČAR – Engineering Ltd., Zagreb	0	9,304	-	100
KONČAR – Motors and Electrical Systems Ltd., Zagreb	6,450	6,450	100	100
KONČAR – Electric Vehicles Inc., Zagreb	5,641	5,058	84.73	77.74
KONČAR – Instrument Transformers Inc., Zagreb	4,041	4,041	61.97	61.97
KONČAR – Digital Ltd., Zagreb	14,684	9,184	100	100
KONČAR – Investments Ltd., Zagreb	0	3	-	100
KONČAR – Transformer Tanks Ltd., Sesvetski Kraljevec	1,102	3	100	100
Dalekovod d.d., Zagreb	41,144	-	75.16	-
Energetski park Pometeno brdo d.o.o., Zagreb	6,061	-	100	100
TELENERG-INŽENJERING Ltd., Zagreb	1,008	-	100	100
INK PROJEKT Ltd., Zagreb	126	-	100	100
KONČAR - Hydro Turbine Ltd., Zagreb	3	-	100	-
	<b>142,743</b>	<b>109,561</b>		

## 10. Equity and reserves

The share capital (subscribed capital) is determined at a nominal value of EUR 159,471,378 (as of 31 December 2023: EUR 159,471,378) and consists of 2,572,119 shares, each with a nominal value of EUR 62. The Company's ordinary shares are listed on the Official Market of the Zagreb Stock Exchange under the ticker KOEI-R-A. As of 31 December 2024, the Company holds 25,306 treasury shares (31 December 2023: 25,732 treasury shares). Pursuant to the resolution of the General Assembly dated 13 June 2023, the Company's share capital was aligned with the euro, and this adjustment was registered in the court register on 28 September 2023.

## 11. Contingent liabilities and off-balance sheet items

As of 31 December 2024, off-balance sheet records mainly include issued security instruments, primarily bank guarantees, as well as security instruments issued at the request of the Group's subsidiaries to financial institutions and suppliers.

**12. Related party transactions**

<i>in EUR '000</i>	<b>Transactions for the reporting period</b>	
	<b>2024</b>	<b>2023</b>
<b>Revenue from operating activities</b>		
Subsidiaries	15,032	10,154
Associated companies	2,715	477
<b>Gain on asset disposal</b>		
Subsidiaries	21	-
Associated companies	-	2,742
<b>Dividend income</b>		
Subsidiaries	13,385	8,685
Associated companies	21,294	8,017
<b>Financial income</b>		
Subsidiaries	1,552	799
<b>Other income</b>		
Subsidiaries	2	-
<b>Cost of goods and services procured</b>		
Subsidiaries	22,708	-
<b>Financial expenses</b>		
Subsidiaries	111	3,562

<i>in EUR '000</i>	<b>31 Dec 2024</b>	<b>31 Dec 2023</b>
<b>Trade receivables</b>		
Subsidiaries	7,891	4,583
Associated companies	1,881	128
<b>Dividend receivables</b>		
Subsidiaries	-	-
Associated companies	21,294	8,017
<b>Interest receivables</b>		
Subsidiaries	321	980
<b>Other receivables</b>		
Subsidiaries	10,041	504
<b>Receivables from financial activities</b>		
Subsidiaries	7,225	26,626
<b>Trade payables</b>		
Subsidiaries	10,395	2,498
Associated companies	5,184	-
<b>Interest payables</b>		
Subsidiaries	32	-
<b>Liabilities from financial activities</b>		
Subsidiaries	5,012	-

### **13. Events after the reporting date**

On 10 February 2025, KONČAR – Electrical Industry Inc. for manufacturing and services has signed a Share Purchase Agreement on the purchase of a 75% ownership share in a limited liability company HELB d.o.o. with its registered office in Božjakovina, Industrijska ulica 1, Republic of Croatia.

# C Management's Statement of Responsibility

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The unaudited financial statements of KONČAR – Electrical Industry Inc. for manufacturing and services for the period 1 January – 31 December 2024 have been prepared in accordance with the International Financial Reporting Standards (IFRS) and the Croatian Accounting Act.

The unaudited financial statements for the period 1 January – 31 December 2024 provide a comprehensive and fair view of the assets and liabilities, profit and loss, financial position, and operations of the issuer and the Company.

The Management Board Report for the period up to 31 December 2024 presents a true and accurate view of the Company's business performance.

Signed on behalf of the Management Board:

M. Sc. Eng. Gordan Kolak,  
President of the Management Board



Mario Radaković, CFA  
Member of the Management Board in charge of Finance



Zagreb, 26 February 2025



# KONČAR

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