

Business Results of KONČAR Group

Consolidated Report for KONČAR Group

for the period
January - June 2022



KONČAR
Inspired by challenge

Key indicators

Export

+23%

Sales revenue

+20.2%

Backlog

+14.2%

EBITDA

+119.4%

Book-to-bill ratio

1.37

Net profit

+205%

*Compared to 2021
Backlog compared to 31 Dec 2021
Without Dalekovod Group

- Surge in energy and commodities prices
- Retained profitability

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A Statement of the Management Board

Statement by Gordan Kolak, President of the Management Board



KONČAR sustained growth and achieved outstanding business results in the second quarter of 2022. When we compare key performance indicators with the corresponding period of the previous year, and even if we exclude the performance of Dalekovod, we record powerful progress.

Business operations continue to take place in an environment of high uncertainty driven by the Ukrainian crisis. In addition to the hardship brought about by the pandemic, the Russian invasion in Ukraine has further slowed down the global economy, which is now exposed to the threats of recession and soaring inflation. A likely new economic crisis exerts exceptional pressures on operational efficiency and necessitates an appropriate response with consistent communication with customers and suppliers.

The management is dedicated to negotiating existing agreements that had been concluded before the surge in the prices of raw materials, commodities and energy, all with the aim of reaching best mutual solutions and delivering within the agreed deadlines. In the upcoming period further pressure on profit margins is to be expected, despite considerable expansion in the volume of operations and productivity. This is due to the escalating prices of raw materials and commodities combined with volatile energy prices, which are unlikely to return to pre-crisis levels. Analyses indicate that it will not be possible to incorporate all cost elements into the final price of the product. The future development of the situation largely hinges on the geopolitical outlook and new political decisions.

In addition to activities pertaining to existing agreements, order intake continued to advance in the second quarter. In June, an agreement worth EURO 65 million was signed with Iraq's Ministry of Electricity for the revitalization of Haditha hydropower plant. Constructed by KONČAR in the early 1980s, Haditha is the largest hydropower facility in terms of installed power. Several KONČAR Group members will participate in the implementation of this project, spearheaded by KONČAR - Engineering, leveraging strong synergy effects in the Group. This agreement creates the prerequisites for expansion of business in Iraq, both at the Haditha HPP and across the rest of the Iraqi market.

Despite all the unpredictable and unfavourable circumstances, the order book continues to grow. New order intake amounts to HRK 2,624.6 million in H1 2022. Compared to the previous year, the value of order intake rose by HRK 446.4 million or 20.5 percent. The book-to-bill ratio is exceedingly favourable and amounts to 1.37. Backlog at the end of June amounted to HRK 5,717.6 million, representing a 14.2% growth compared to the value at year-start and is HRK 904.0 million higher year-over-year. The integration of Dalekovod has additionally increased backlog by nearly HRK 1 billion, and the total backlog amounts to HRK 6,707.0 million.

In addition to excellent results in order intake that are a tailwind of further business growth, good financial results were also delivered. KONČAR companies generated sales of products and services amounting to HRK 1,915.6 million, representing a year-on-year increase of HRK 322.5 million (20.2%). Following the integration of Dalekovod in KONČAR's Financial Statements, income increased by an additional HRK 261.4 million and amount to HRK 2,177.0 million.

Net profit of KONČAR companies stands at HRK 224 million, up by HRK 150.7 million. EBITDA amounts to HRK 284.6 million, representing an increase of HRK 154.9 million compared to H1 2021. EBITDA margin is 14.9 percent (compared to 8.1 percent in H1 2021). Normalized EBITDA amounts to HRK 140.1 million and is HRK 23.6 million higher year-on-year. Normalized EBITDA is EBITDA less the net effect of provisions, asset sale revenue, loss compensation revenue, income from state-issued subsidies and one-off effects of transactions related to Dalekovod and increased by value adjustment of non-current and current assets. Normalized EBITDA margin is 7.3%. The integration of Dalekovod resulted in an EBITDA upturn in the amount of HRK 13.3 million and it now reaches HRK 297.9 million.

Moving forward, in the wake of all the instabilities and barriers we have been facing, the priority is to maintain export orientation and an upward growth trajectory while boosting profitability, continuing investments and facilitating integration of Dalekovod into KONČAR's operations. The complete integration of Dalekovod will expand the range of services and comprehensive solutions, making the share of income from exports even more significant.

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

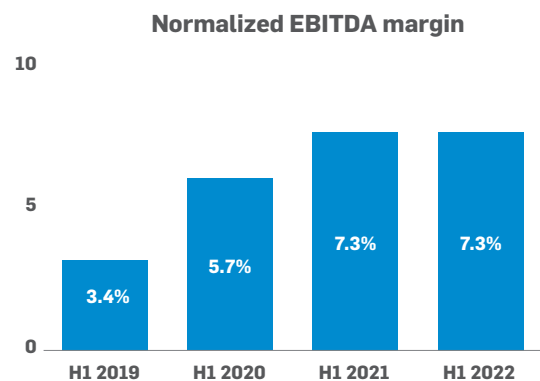
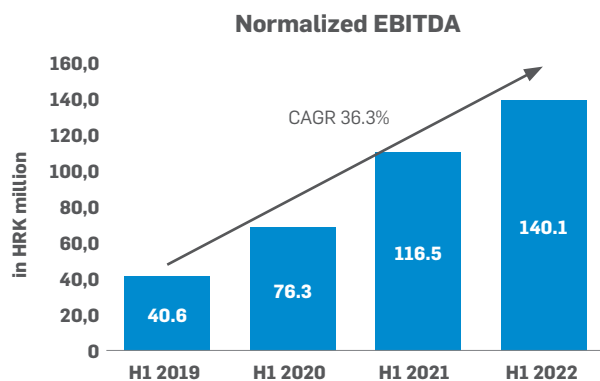
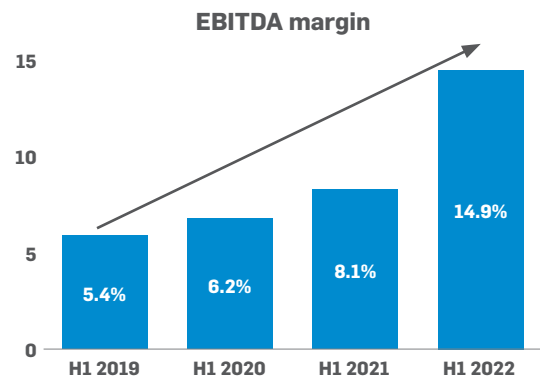
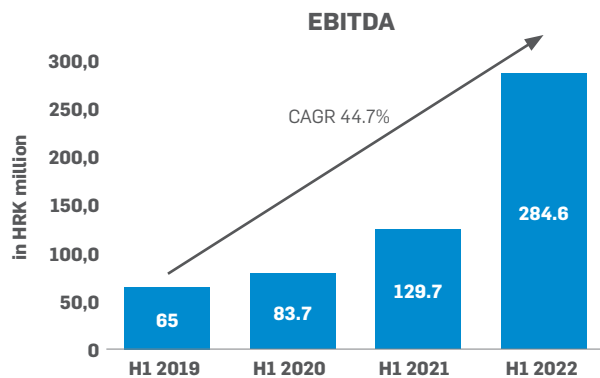
A handwritten signature in blue ink, appearing to read 'Gordan Kolak', written over a light blue horizontal line.

KEY PERFORMANCE INDICATORS

in HRK 000	KONČAR			Dalekovod	KONČAR Group		
	Q2 2021	Q2 2022	Index 2022/2021		Q2 2022	Δ	Index 2022/2021
Operating income	1,626,046	2,084,634	128.2	262,284	2,346,918	720,872	144.3
Sales revenue – total	1,593,104	1,915,617	120.2	261,370	2,176,987	583,883	136.7
Sales revenue – export	958,393	1,178,618	123.0	215,612	1,394,230	435,837	145.5
Operating expenses	1,544,741	1,852,081	119.9	256,542	2,108,623	563,882	136.5
Operating profit	81,305	232,553	286.0	5,742	238,295	156,990	293.1
Operating margin	5.1%	12.1%		2.2%	10.9%		
Net profit	73,337	224,024	305.5	582	224,606	151,269	306.3
Depreciation and amortisation	48,394	52,070	107.6	7,528	59,598	11,204	123.2
EBITDA	129,699	284,623	219.4	13,270	297,893	168,194	229.7
EBITDA margin	8.14%	14.9%		5.1%	13.7%		
Normalised EBITDA ¹	116,531	140,057	120.2	13,260	153,317	36,786	131.6
Normalised EBITDA margin ¹	7.3%	7.3%		5.1%	7.0%		
Cash balance (deposits + cash) ²	545,298	587,367	107.7	55,391	642,758	97,460	117.9
Loans (long-term + short-term) ²	300,275	525,605	175.0	36,393	561,998	261,723	187.2
Transactions contracted	2,178,148	2,624,568	120.5	237,036	2,861,604	683,456	131.4
Backlog ²	5,008,626	5,717,578	114.2	989,411	6,706,989	1,698,363	133.9
Book-to-bill ratio	1,37	1,37		0,91			

Normalised EBITDA¹: EBITDA less the net effect of provisions, asset sale gain, damage compensation income, income from state aid and one-off effects of transactions related to Dalekovod

Cash balance, loans, backlog²: Balance as at 31 December



Key Indicators of the Income Statement for the period January - June 2022

Following the session of the General Assembly of Dalekovod d.d and the election of the members of the Supervisory Board on 31 March 2022, the conditions for acquiring control over Dalekovod Group companies and integration into KONČAR's operations and consolidated financial statements were met. The consolidated financial statements of KONČAR include the consolidated results of Dalekovod Group for the period April - June 2022.

For the purpose of data comparability, the business results of Dalekovod are excluded from Consolidated Report of KONČAR Group for the period from January to June 2022, while the results which integrate Dalekovod for the period April - June 2022 are given separately.

Income Statement / excluding Dalekovod

Total operating income amounts to HRK 2,084.6 million, representing a year-on-year increase of HRK 458.6 million (28.2%) above the realisation for the comparable period 2021. In operating income, the one-off item in the amount of HRK 135.5 pertains to the acquisition of Dalekovod. When that amount is deduced from operating income, the year-on-year growth amounts to HRK 323.1 million or 20%.

Consolidated income generated from sales of products and services amounts to HRK 1,915.6 million, representing a year-on-year increase of HRK 322.5 million or 20.2%.

Other operating income for H1 2022 amounts to HRK 169.0 million, representing a year-on-year increase of HRK 136.1 million. Among other income, the most significant amount pertains to the one-off item related to the acquisition of Dalekovod in the amount of HRK 135.5 million. The remainder amount of HRK 33.5 million of other operating income pertains for the most part to other provisions, gain from the sale of non-core assets, income from insurance claims, income from state aid subsidies.

Operating expenses amount to HRK 1,852.1 million, representing a year-on-year increase of 19.9 percent. With reference to operating expenses, material costs (cost of raw materials and commodities, costs of goods sold and other external costs) amount to HRK 1,462.1 million. The share of material costs in sales income, adjusted for inventory value changes, amounts to 71.7%, representing an increase of 3.1 percentage points compared to the same period in the previous year. The share of costs of raw materials and commodities in sales income increased to 62.3% and is 5.1 percentage points higher year-on-year. The share of costs of goods sold in the income generated from sales is down by 0.7 percentage points. Other external costs stand at HRK 158.9 million, while their share in sales income amounts to 7.8%. The share of other expenses in sales income was reduced by 1.2 percentage points year-on-year.

Staff costs amount to HRK 353.9 million, representing a year-on-year increase of HRK 31.9 million or 9.9%. The share of staff costs in sales income amounts to 17.4%, representing a year-on-year decrease of 2.5 percentage points. The number of staff remains at approximately the same level as in the corresponding period in 2021, however productivity had significantly increased, and therefore the share of staff costs in sales income declined year-on-year.

Other operating expenses amount to HRK 100.1 million, representing a year-on-year increase of HRK 13.5 million. Other operating expenses pertaining to staff remuneration and other employees' rights amounting to HRK 44 million, and to non-production services, intellectual services, insurance premiums and other, amounting to HRK 56.1 million. The share of other expenses in adjusted sales income is 0.4 percentage points lower compared to the same period in 2021.

Operating profit (EBIT) amounts to HRK 232.5 million, representing a year-on-year increase of HRK 151.1 million. Operating margin stands at 12.1%. Normalized operating profit amounts to HRK 88 million, which is HRK 19.9 million higher year-over-year. Normalized EBIT margin is 4.6% which is a 0.3 percentage points improvement on last year's performance (4.3% for H1 2021).

Profit and loss of associated companies and joint ventures, attributable to holders of ownership interest and shareholders of the Group parent company, amounts to HRK 9.4 million.

The difference between financial income and expenses is positive, amounting to HRK 1.6 million.

Total consolidated income generated by the Group amounts to HRK 2,098.3 million, representing a growth of HRK 461.3 million (28.2%) compared to H1 2021. Operating profit of HRK 232.5 million, share in the profit of associated parties and joint ventures in the amount of HRK 9.4 million and a positive difference between finance income and expenses in the amount of HRK 1.6

million, resulted in consolidated profit before tax amounting to HRK 243.5 million. Corporate income tax advance amounts to HRK 19.5 million. Net profit for the period January - June 2022 amounts to HRK 224 million, of which non-controlling interest (minority interest) is attributed a profit of HRK 80.4 million (compared to HRK 20.2 million year-on-year) and parent company shareholders are attributed a profit in the amount of HRK 144.2 million (compared to HRK 54.1 million year-on-year). Consolidated result of the Group increased by HRK 149.7 million compared to the same financial period of the last year.

EBITDA amounts to HRK 284.6 million, representing an increase of HRK 154.9 million compared to H1 2021. EBITDA margin is 14.9% (H1 2021 it stood at 8.1%).

Normalized EBITDA amounts to HRK 140.1 million and is HRK 23.6 million higher year-on-year. Normalized EBITDA is EBITDA less the net effect of provisions, asset sale gain, loss compensation revenue, income from state-issued subsidies and one-off effects of transactions related to Dalekovod and increased by value adjustment of non-current and current assets. Normalized EBITDA margin is 7.3 percent (on the same level as in the same period in 2021).

Consolidated Profit and Loss Statement

Item (HRK 000)	Index			
	H1 2021	H1 2022	Δ	2022/2021
OPERATING INCOME	1,626,046	2,084,634	458,588	128.2
OPERATING EXPENSES	1,544,741	1,852,081	307,340	119.9
Material costs and changes in the value of inventories	1,083,794	1,339,205	255,411	123.6
Staff costs	322,076	353,932	31,856	109.9
Depreciation and amortisation	48,394	52,070	3,676	107.6
Other costs	86,602	100,072	13,470	115.6
Value adjustment of non-current and current assets	1,671	2,199	528	131.6
OPERATING PROFIT	81,305	232,553	151,248	286.0
SHARE IN PROFIT OF ASSOCIATED PARTIES	4,451	9,448	4,997	
SHARE IN LOSS OF ASSOCIATED PARTIES	360	53	-307	
FINANCE INCOME	6,414	4,170	-2,244	65.0
FINANCE COSTS	2,094	2,583	489	123.4
TOTAL INCOME	1,636,911	2,098,252	461,341	128.2
TOTAL EXPENSES	1,547,195	1,854,717	307,522	119.9
Profit before tax	89,716	243,535	153,819	271.5
Corporate tax	15,379	19,511	4,132	126.9
PROFIT FOR THE PERIOD	74,337	224,024	149,687	301.4

Consolidated Income Statement including Dalekovod

Dalekovod Group achieved operating income in the amount of HRK 262.3 million for the period April - June 2022. Sales income amounts to HRK 261.4 million and operating profit in the amount of HRK 5.7 million was realized. Realized EBITDA is HRK 13.3 million with 5.1% EBITDA margin. Normalized EBITDA and normalized EBITDA margin remain on the same level. The realized net profit stands at HRK 0.6 million.

When Dalekovod is integrated in the Consolidated Statements of KONČAR, operating income reaches the amount of HRK 2,346.9 million and is HRK 720.9 million higher compared to the amount achieved in the period January - June 2021. Income from the sales of products and services rose by HRK 583.9 million. Exports were realized in the amount of HRK 1,394.2 million and account for 60% of the total sales income. EBITDA amounts to HRK 297.9 million with 13.7% EBITDA margin. Consolidated net profit of KONČAR and Dalekovod amounts to HRK 224.6 million.

Consolidated Income Statement including Dalekovod

Item (HRK 000)	Index			
	H1 2021	H1 2022	Δ	2022/2021
OPERATING INCOME	1,626,046	2,346,918	720,872	144.3
OPERATING EXPENSES	1,544,741	2,107,986	563,245	136.5
Material costs and changes in the value of inventories	1,083,794	1,503,556	419,762	138.7
Staff costs	322,076	420,381	98,305	130.5
Depreciation and amortisation	48,394	59,598	11,204	123.2
Other costs	86,602	116,412	29,810	134.4
Value adjustment of non-current and current assets	1,671	2,199	528	131.6
OPERATING PROFIT	81,305	238,932	157,627	293.9
SHARE IN PROFIT OF ASSOCIATED PARTIES	4,451	9,448	4,997	
SHARE IN LOSS OF ASSOCIATED PARTIES	360	53	-307	
FINANCE INCOME	6,414	4,318	-2,096	67.3
FINANCE COSTS	2,094	7,944	5,850	379.4
TOTAL INCOME	1,636,911	2,360,684	723,773	144.2
TOTAL EXPENSES	1,547,195	2,115,983	568,788	136.8
Profit before tax	89,716	244,701	154,985	272.8
Corporate tax	15,379	19,458	4,079	126.5
PROFIT FOR THE PERIOD	74,337	225,243	150,906	303.0
Income/loss from discontinued operations		-637	-637	
	74,337	224,606	150,269	302.1

Statement of Financial Position

Key Performance Indicators of the Statement of Financial Position as at 30 June 2022 - including Dalekovod

Compared to the balance at year end 2021, significant changes occurred in the following items:

Balance of total consolidated funds and sources of funds as at 30 June 2022 amounts to HRK 5,679.0 million, representing an increase of HRK 1,231.7 million or 27.7% compared to the balance as at 31 December 2021.

- Inventories increased by HRK 338.4 million. There was an increase in inventories in all members of the Group and the most significant increase is with the companies where increased deliveries are expected in the upcoming period (rail vehicles, transformer segment). Assets held for sale amount to HRK 20.0 million, a decrease of HRK 33.0 million. The decrease resulted from sales of non-core property.
- Total current receivables increased by HRK 465.5 million. Trade receivables and contract assets grew by HRK 330.1 million. Total current receivables increased by HRK 458.0 million, following the integration of Dalekovod.
- Financial assets decreased by HRK 278.8 million. Deposits over three months amount to HRK 22.3 million and were down by HRK 99.4 million compared 2021 year-end. Other financial assets amount to HRK 0.3 million, representing a decrease of HRK 179.6 million compared to 31 December 2021, and pertain to the process of share capital increase of Dalekovod.
- At Group level, cash balance increased by HRK 218.9 million.
- Capital and reserves amount to HRK 3,141.5 million, an increase of HRK 297.8 million compared to the balance as at 31 December 2021.
- Non-controlling (minority interest) amounts to HRK 503.6 million, which is HRK 188.2 million more than as at 31 December 2021. The significant increase pertains to the integration of Dalekovod, in which the minority interest is HRK 129.6 million.
- Non-current provisions amount to HRK 207.5 million and are up by HRK 28.9 million compared to 2021 year-end.
- Non-current liabilities stand at HRK 389.3 million, representing an increase of HRK 284.4 million. Liabilities for long-term loans from banks increased by HRK 92.6 million and liabilities for loans in the amount of HRK 155 million pertaining to the loan issued to KONČAR - Advanced Energy Solutions Ltd. for the purpose of the share capital increase of Dalekovod.
- Current liabilities amount to HRK 1,713.5 million and are higher by HRK 541.5 million compared to the balance as at 31 December 2021.

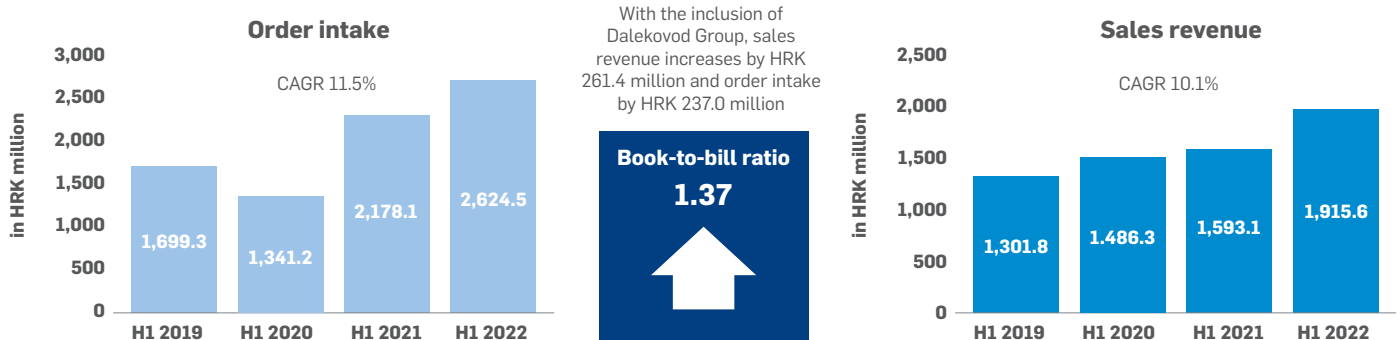
- In the structure of current liabilities, significant changes occurred in the item pertaining to trade payables, which increased by HRK 290.6 million, largely attributed to the companies operating in the transformer segment and integration of Dalekovod in the amount of HRK 145.2 million.
- Current liabilities toward banks amount to HRK 230.6 million, representing an increase by HRK 31.6 million compared to 2021 year-end.
- Accrued expenses and deferred income amount to HRK 227.3 million, representing an increase of HRK 79.1 million.

Total current assets and prepaid expenses exceed 1.9 times total current liabilities, accrued expenses and deferred income. The structure of the Consolidated Statement of Financial Position indicates a balance between funding sources and investments and an overall financial stability of KONČAR Group.

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Summarised balance sheet (in HRK 000)	31/12/2021	30/6/2022	Δ	2022/2021
Assets	4,447,304	5,678,985	1,231,681	127.7
Non-current assets	1,502,885	1,985,998	483,113	132.1
Current assets	2,944,419	3,692,987	748,568	125.4
Liabilities	1,603,663	2,537,533	933,870	158.2
Provisions	178,661	207,452	28,791	116.1
Non-current liabilities	104,914	389,281	284,367	371.0
Current liabilities	1,320,088	1,940,800	620,712	147.0
Equity	2,843,641	3,141,452	297,811	110.5

Market position



HRK 000

Segments	Realised January - June 2021	Share in total	Realised January - June 2022	Share in total
Power generation	215,460	12.2	210,149	8.8
Power transmission and distribution total	1,159,507	65.8	1,534,020	64.1
Transmission	403,746	22.9	633,327	26.4
Distribution	755,761	42.9	900,693	37.6
Rail solutions and infrastructure	232,498	13.2	364,005	15.2
Rail solutions	205,289	11.7	331,975	13.9
Construction and modernisation of rail infrastructure	27,209	1.5	32,030	1.3
Digital solutions	9,431	0.5	14,186	0.6
Other	144,780	8.2	272,589	11.4
Total unconsolidated sales income	1,761,676	100.0	2,394,949	100.0
Intercompany eliminations	168,572		217,962	
Total consolidated sales income	1,593,104		2,176,987	

In the period from January to June 2022, KONČAR companies generated consolidated income from the sales of products and services in the amount of HRK 1,915.6 million, representing an increase by HRK 322.5 million (20.2%) compared to the result achieved in the same period in 2021.

Income generated in the Croatian market amounts to HRK 737.0 million, which is HRK 127.5 million (20.9%) more year-on-year and 8.2% above plans. Sales in the domestic market accounted for 38.5% of total sales income.

In the structure of income from sales in the domestic market, income from the sales of products and services to HEP Group Companies (HEP Generation, HEP Distribution System Operator, and Croatian Transmission System Operator) amount to HRK 286.1 million (14.9% of total income from the sales of products and services). The realized amount is HRK 104.6 million higher year-on-year.

Income from the sales of products and services to HŽ Passenger Transport, HŽ Infrastructure and Rolling Stock Technical Services amounts to HRK 207.3 million (10.8% of the total income generated from sales). The most significant amount, HRK 193 million, pertains to the realization of the agreement for the delivery of trains to HŽ Passenger Transport. Seven trains were delivered in the first half of the year.

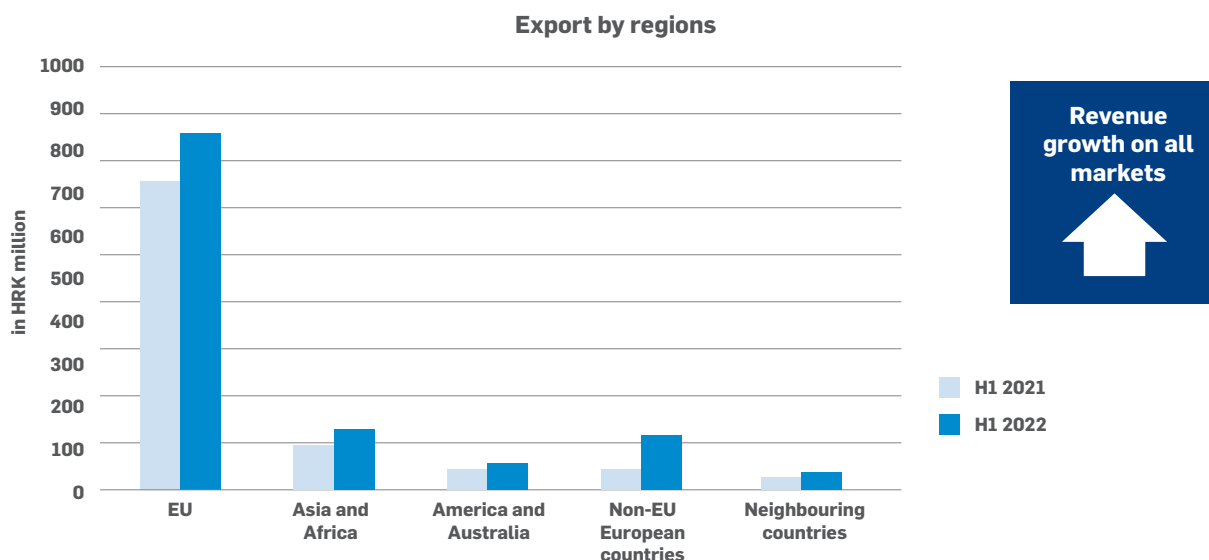
Income generated from the sales of products and services in foreign markets amounts to HRK 1,178.6 million, representing an increase of HRK 195 million or 23 percent year-on-year. Exports account for 61.5 percent of the total product and service sales income.

By country, the most significant export volume pertains to the German market, in the amount of HRK 199.7 million, accounting for 16.9 percent of the total exports (an increase of HRK 18.1 million year-on-year). Goods and services exported to Sweden amount to HRK 144.1 million or 12.2% of total exports, while UAE accounts for HRK 69.8 million or 5.9% of total realised exports.

Year-over-year, product and service export income increased across all markets. Exports to the EU countries amount to HRK 863.0 million, accounting for 73.2% of total exports. This represents a year-on-year increase of HRK 105,3 million. Exports to Asian and African countries amount to HRK 124.0 million (an increase of HRK 26.6 million), exports to European countries outside the EU amount to HRK 114.2 million (an increase of HRK 75.1 million), while exports to the Americas and Australia amount to HRK 47.2 million, an increase of HRK 7.2 million year-on-year. Exports to the neighbouring countries amount to HRK 30.3 million (a rise of HRK 6.1 million).

In the period from January to June 2022, order intake in foreign markets grew significantly, which created conditions for further export growth in the upcoming period.

Consolidated income including Dalekovod Group in the amount of HRK 2,177.0 million was generated from the sales of products and services. In total income, Dalekovod accounts for HRK 261.4 million or 12%, 82% of which was realised in foreign markets. In the first half of the year, the most significant amounts were realized in the Swedish market, HRK 67.7 million, Norway accounts for HRK 63.8 million, followed by Slovenia with HRK 29.5 million and Bosnia and Herzegovina with HRK 23.9 million. In the domestic market, Dalekovod achieved HRK 45.8 million which accounts for 5.8% share in the consolidated income. Dalekovod realized the most significant income in Croatia from projects with HEP Group members (HOPS and HEP - Generation).



Order intake and backlog

In H1 2022, KONČAR Group companies contracted new projects worth HRK 2,624.6 million. Compared to the previous year, the value of order intake rose by HRK 446.4 million (20.5%).

Book-to-bill ratio for H1 2022 was 1.37.

Out of the total amount of order intake, HRK 2,030.3 million (77.7% of total order intake) pertains to export contracts, whereas HRK 594.3 million (22.3% of the total order intake) pertains to the Croatian market.

In terms of order intake in the domestic market, the most significant portion in the amount of HRK 211.7 million pertains to the contracts for HEP Group (HEP - Generation, HEP - Distribution System Operator, HEP Transmission System Operator). The share of HEP in the total order intake stands at 8.1%. One of the significant contracts in the domestic market is the agreement for the maintenance and service of trams with Zagreb Holding in the amount of HRK 56.9 million.

In the period from January to June 2022, order intake in foreign markets amounted to HRK 2,030.3 million, an increase of HRK 808.1 million or 65.3% percent year-on-year.

Of the total order intake in foreign markets, the majority pertains to the the European Union countries, amounting to HRK 1,346.2 million, which is HRK 418.9 million or 45.2 percent more than contracted in the same period in 2021. There is an upturn in order intake across all markets compared to H1 2021. The volume of order intake outside EU increased by HRK 93.14 million, in the Americas, it grew by HRK 49 million, in Asian and African countries by HRK 22.1 million and in the neighbouring countries by HRK 26.5 million.

Broken down by countries, the most significant order intake volume pertains to the German market, in the amount of HRK 363.4 million, followed by Iraq as the the second market in terms of order intake in 2022. In June, an agreement, worth EUR 65 million was signed with Iraq's Ministry of Electricity for the revitalization of Haditha hydropower plant. Haditha is the largest hydropower facility in terms of installed power (6x128MVA) and was constructed by KONČAR 35 years ago. The consortium agreement with the Iraqi company includes the partial revitalization of the HPP. KONČAR - Engineering Co. will implement this project in a consortium with a local Iraqi company and other companies within KONČAR Group will also be involved in the project: Generators and Motors, Electronic and Informatics, Metal Structures, Instrument Transformers, Switchgear and Power Transformers. Of the total amount of the agreement, the amount of HRK 253.6 million pertains to KONČAR. The largest part of the contract is scheduled for implementation in 2023 and 2024.

Significant orders also include Sweden which accounts for HRK 202.9 million in H1, Spain with HRK 163.7 million, and Austria with HRK 112.4 million.

In terms of delivery dynamics, HRK 1,107.9 million was contracted to be realised in 2022, which accounts for 42% of order intake, and HRK 1,516.7 million (58 percent) was contracted for realization in the upcoming years.

The value of order intake (backlog) as at the end of June 2022 amounts to HRK 5,717.6 million, representing a 14.2% increase compared to the value at the year-start. Backlog at the end of H1 2022 is higher by HRK 904.0 million year-on-year (HRK 4,813.3 million as at 30 June 2021).

In the balance of open liabilities, orders for implementation in 2022 amount to HRK 2,321.3 million, which represents full realization of the sales plan.

The value of order intake (backlog) od Dalekovod at as the end of June stands at HRK 989.4 Total order intake (backlog) of KONČAR Group including Dalekovod amunts to HRK 6,707.0 million.

Information for Shareholders

KOEI-R-A	30 June 2021	30 June 2022	Index
Final price (HRK)	755,00	875,00	115.9
Highest price (HRK)	765,00	980,00	128.1
Lowest price (HRK)	580,00	710,00	122.4
Volume	60,074	70,215	116.9
Turnover (HRK)	40,543,870	59,542,715	146.9
Market capitalisation (HRK)	1,921,813,995	2,227,267,875	115.9
EPS (HRK) (profit of the parent company owner/weighted average number of shares)	21.26	56.66	266.5

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

The company's share capital amounts to HRK 1,208,895,930.00 and is divided into 2,572,119 ordinary shares with a nominal value of HRK 470.00.

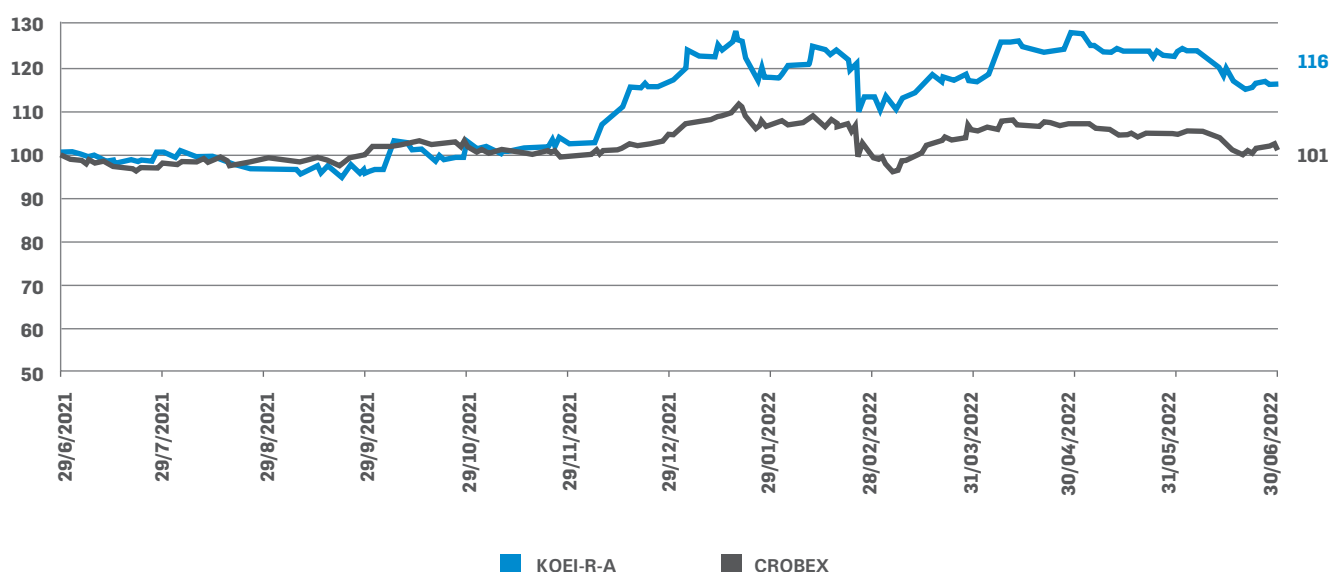
Compared to the same date in 2021, the final KONČAR share price increased by 15.9 percent.

Earnings per share amount to HRK 56.66, representing an increase by HRK 34.40 compared to earnings per share realized in H1 2021.

Market capitalisation amounts to HRK 2,227.3 million, representing an increase of HRK 305.5 million year-on-year.

On 10 June 2022, the General Assembly of the Shareholders of KONČAR – Electrical Industry Inc. was held. The Assembly adopted the resolution to distribute dividends to the Company's Shareholders in the amount of HRK 13.0 per share. The dividend was distributed on 10 July 2022 to all Shareholders registered in the Issuer's Register (Book of Shares) as at 25 June 2022.

Indices of KOEI price and CROBEX value changes through the past year



B Consolidated financial statements of KONČAR Group for the period January - June 2022

Annex 1

ISSUER'S GENERAL DATA

Reporting period:	01/01/2022	to	30/06/2022
Year:	2022	Quarter:	2

Tromjesečni financijski izvještaji

Registration number (MB):	03282635	Issuer's home Member State code:	HR
Entity's registration number (MBS):	080040936		
Personal identification number (OIB):	45050126417	LEI:	74780000HOSHMRAWO115
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):	4813		
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 - Infrastrucure and Services Ltd.	Zagreb	1343068
Končar - Electrical Engineering Institute Ltd.	Zagreb	3645363
Končar - Electronics and Informatics Inc.	Zagreb	3282899
Končar - Motors and Electrical Systems Ltd.	Zagreb	3282678
Končar - Generators and Motors Inc.	Zagreb	1356216
Končar - Renewable Sources Ltd.	Zagreb	2435071
Končar - Instrument Transformers Inc.	Zagreb	3654656
Končar - Distribution and Special Transformers Inc.	Zagreb	3654664
Končar - Switchgear Ltd.	Zagreb	3641287
Končar - Electric Vehicles Inc.	Zagreb	3282660
Končar - Engineering Co. Ltd.	Zagreb	3654354
Končar - Metal Structures Ltd.	Zagreb	1114328
Končar - Investments Ltd.	Zagreb	5423392
Končar - Digital Ltd.	Zagreb	5478421

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 31.06.2022

in HRK

Submitter: KONČAR ELECTRICAL INDUSTRY INC.			
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	1,502,885,341	1,985,997,786
I INTANGIBLE ASSETS (ADP 004 to 009)	003	50,281,675	90,808,337
1 Research and development	004	23,441,820	21,199,573
2 Concessions, patents, licences, trademarks, software and other rights	005	13,639,257	46,665,374
3, Goodwill	006	7,342,331	8,555,331
4 Advances for the purchase of intangible assets	007	0	0
5 Intangible assets in preparation	008	5,857,012	14,388,059
6 Other intangible assets	009	1,255	0
II TANGIBLE ASSETS (ADP 011 to 019)	010	1,128,124,352	1,509,132,846
1 Land	011	153,078,764	304,413,349
2 Buildings	012	423,354,403	468,618,858
3 Plant and equipment	013	282,923,461	396,585,181
4 Tools, working inventory and transportation assets	014	61,709,713	93,129,287
5 Biological assets	015	0	0
6 Advances for the purchase of tangible assets	016	7,290,898	44,411,007
7 Tangible assets in preparation	017	82,354,481	74,639,838
8 Other tangible assets	018	2,119,205	27,980,775
9 Investment property	019	115,293,427	99,354,551
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	275,512,196	289,516,463
1 Investments in holdings (shares) of undertakings within the group	021	9,882,280	9,882,280
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	236,796,078	243,717,689
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	2,475,644	2,592,685
8 Loans, deposits, etc, given	028	2,497,574	9,614,508
9 Other investments accounted for using the equity method	029	20,503,106	20,337,464
10 Other fixed financial assets	030	3,357,514	3,371,837
IV RECEIVABLES (ADP 032 to 035)	031	14,744,079	60,684,795
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	14,719,851	14,719,851
4 Other receivables	035	24,228	45,964,944
V DEFERRED TAX ASSETS	036	34,223,039	35,855,345
C) CURRENT ASSETS (ADP 038+046+053+063)	037	2,926,581,656	3,669,435,615
I INVENTORIES (ADP 039 to 045)	038	987,085,333	1,325,447,139
1 Raw materials and consumables	039	497,075,569	715,100,444
2 Work in progress	040	286,011,805	329,970,325
3 Finished goods	041	79,653,664	175,991,224
4 Merchandise	042	991,303	9,809,737
5 Advances for inventories	043	70,416,953	74,609,710
6 Fixed assets held for sale	044	52,936,039	19,965,699
7 Biological assets	045	0	0

BALANCE SHEET

balance as at 31.06.2022

in HRK

Submitter: KONČAR ELECTRICAL INDUSTRY INC.			
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	1,213,609,164	1,677,993,759
1 Receivables from undertakings within the group	047	0	0
2 Receivables from companies linked by virtue of participating interests	048	55,571,385	40,802,507
3 Customer receivables	049	995,792,393	1,307,735,366
4 Receivables from employees and members of the undertaking	050	678,444	1,920,615
5 Receivables from government and other institutions	051	36,365,969	65,627,813
6 Other receivables	052	125,200,973	261,907,458
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)			
	053	302,056,346	23,236,059
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	0
8 Loans, deposits, etc, given	061	121,468,792	22,865,060
9 Other financial assets	062	180,587,554	370,999
IV CASH AT BANK AND IN HAND			
	063	423,830,813	642,758,658
D) PREPAID EXPENSES AND ACCRUED INCOME			
	064	17,836,520	23,551,574
E) TOTAL ASSETS (ADP 001+002+037+064)			
	065	4,447,303,517	5,678,984,975
OFF-BALANCE SHEET ITEMS			
	066	4,853,437,636	4,258,892,389
LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to 070+076+077+081+084+087)			
	067	2,843,641,423	3,141,451,705
I INITIAL (SUBSCRIBED) CAPITAL			
	068	1,208,895,930	1,208,895,930
II CAPITAL RESERVES			
	069	719,579	719,579
III RESERVES FROM PROFIT (ADP 071+072-073+074+075)			
	070	805,599,688	841,340,930
1 Legal reserves	071	70,543,024	72,799,858
2 Reserves for treasury shares	072	34,518,334	34,518,334
3 Treasury shares and holdings (deductible item)	073	-15,869,707	-15,869,707
4 Statutory reserves	074	480,131,885	511,382,824
5 Other reserves	075	236,276,152	238,509,621
IV REVALUATION RESERVES			
	076	0	0
V FAIR VALUE RESERVES AND OTHER (ADP 078 to 082)			
	077	-114,657	-265,478
1 Financial assets at fair value through other comprehensive income (i.e, available for sale)	078	0	0
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	-114,657	-265,478
VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 084-085)			
	083	349,185,016	442,934,211
1 Retained profit	084	349,185,016	442,934,211
2 Loss brought forward	085	0	0
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 087-088)			
	086	163,945,197	144,220,700
1 Profit for the business year	087	163,945,197	144,220,700
2 Loss for the business year	088	0	0
VIII MINORITY (NON-CONTROLLING) INTEREST			
	089	315,410,670	503,605,833

BALANCE SHEET

balance as at 30.06.2022

in HRK

Submitter: KONČAR ELECTRICAL INDUSTRY INC.			
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	178,661,356	207,452,211
1 Provisions for pensions, termination benefits and similar obligations	091	38,356,892	40,676,414
2 Provisions for tax liabilities	092	0	0
3 Provisions for ongoing legal cases	093	4,451,979	26,070,244
4 Provisions for renewal of natural resources	094	5,940,601	5,940,601
5 Provisions for warranty obligations	095	119,186,884	123,072,995
6 Other provisions	096	10,725,000	11,691,957
C) LONG-TERM LIABILITIES (ADP 098 to 108)	097	104,913,819	389,281,140
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	350,000	155,350,000
6 Liabilities to banks and other financial institutions	103	100,912,003	175,987,550
7 Liabilities for advance payments	104	0	0
8 Liabilities to suppliers	105	0	39,232
9 Liabilities for securities	106	0	11,603,109
10 Other long-term liabilities	107	3,651,816	22,789,822
11 Deferred tax liability	108	0	23,511,427
D) SHORT-TERM LIABILITIES (ADP 110 to 123)	109	1,183,895,480	1,713,463,206
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	13,241,375	13,721,044
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	0
6 Liabilities to banks and other financial institutions	115	199,013,910	230,660,046
7 Liabilities for advance payments	116	306,826,207	402,193,470
8 Liabilities to suppliers	117	511,192,171	814,524,897
9 Liabilities for securities	118	0	1,412,562
10 Liabilities to employees	119	45,957,750	83,836,884
11 Taxes, contributions and similar liabilities	120	57,421,521	95,751,272
12 Liabilities arising from the share in the result	121	528,155	33,802,847
13 Liabilities arising from fixed assets held for sale	122	0	1,255,360
14 Other short-term liabilities	123	49,714,391	36,304,824
E) ACCRUALS AND DEFERRED INCOME	124	136,191,439	227,336,713
F) TOTAL – LIABILITIES (ADP 067+090+097+109+124)	125	4,447,303,517	5,678,984,975
G) OFF-BALANCE SHEET ITEMS	126	4,853,437,636	4,258,892,389

STATEMENT OF PROFIT OR LOSS for the period 01.03.2022 to 30.06.2022

in HRK

Submitter: KONČAR ELECTRICAL INDUSTRY INC.					
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	1,626,046,131	916,833,361	2,346,920,504	1,392,936,554
1 Income from sales with undertakings within the group	002	0	0	0	0
2 Income from sales (outside group)	003	1,593,104,117	901,582,993	2,176,987,952	1,292,840,580
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	32,942,014	15,250,368	169,932,552	100,095,974
II OPERATING EXPENSES (ADP 08+009+013+017+018+019+022+029)	007	1,544,741,170	872,563,148	2,107,986,518	1,267,631,507
1 Changes in inventories of work in progress and finished goods	008	-29,384,613	15,226,041	-117,724,423	-22,350,423
2 Material costs (ADP 010 to 012)	009	1,113,177,678	619,349,668	1,621,280,291	930,856,250
a) Costs of raw materials and consumables	010	928,247,741	515,946,568	1,323,777,877	714,250,148
b) Costs of goods sold	011	38,504,681	20,585,258	57,788,160	41,497,065
c) Other external costs	012	146,425,256	82,817,842	239,714,254	175,109,037
3 Staff costs (ADP 014 to 016)	013	322,076,742	163,245,817	420,381,401	247,879,897
a) Net salaries and wages	014	197,882,184	100,280,607	268,464,746	162,853,364
b) Tax and contributions from salary costs	015	80,945,369	39,659,018	99,376,706	55,532,662
c) Contributions on salaries	016	43,249,189	23,306,192	52,539,949	29,493,871
4 Depreciation	017	48,394,615	24,136,571	59,598,486	33,967,419
5 Other costs	018	86,600,357	48,130,502	116,410,932	72,639,923
6 Value adjustments (ADP 020+021)	019	1,671,841	1,060,382	2,199,579	923,770
a) fixed assets other than financial assets	020	0	0	0	0
b) current assets other than financial assets	021	1,671,841	1,060,382	2,199,579	923,770
7 Provisions (ADP 023 to 028)	022	0	0	0	0
a) Provisions for pensions, termination benefits and similar obligations	023	0	0	0	0
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	0	0
f) Other provisions	028	0	0	0	0
8 Other operating expenses	029	2,204,550	1,414,167	5,840,252	3,714,671
III FINANCIAL INCOME (ADP 031 to 040)	030	6,415,048	3,063,263	4,319,054	2,035,570
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	0
6 Income from other long-term financial investments and loans	036	0	0	1,384,395	816,532
7 Other interest income	037	5,414,932	2,539,305	2,180,395	957,267
8 Exchange rate differences and other financial income	038	276,391	0	0	0
9 Unrealised gains (income) from financial assets	039	237,767	237,767	190,795	0
10 Other financial income	040	485,958	286,191	563,469	261,771
IV FINANCIAL EXPENSES (ADP 042 to 048)	041	2,094,167	4,572,519	7,946,567	7,182,034
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	3,604,537	0	0

STATEMENT OF PROFIT OR LOSS for the period 01.03.2022 to 30.06.2022

in HRK

Submitter: KONČAR ELECTRICAL INDUSTRY INC.					
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	2,021,350	955,831	4,563,936	2,753,584
4 Exchange rate differences and other expenses	045	0	0	3,204,768	4,329,552
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	72,817	12,151	177,863	98,898
V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VIRTUE OF PARTICIPATING INTERESTS	049	4,451,103	248,486	7,167,611	582,155
VI SHARE IN PROFIT FROM JOINT VENTURES	050	0	0	2,280,998	1,284,868
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	360,663	278,641	53,209	30,069
IX TOTAL INCOME (ADP 001+030+049 +050)	053	1,636,912,282	920,145,110	2,360,688,167	1,396,839,147
X TOTAL EXPENDITURE (ADP 007+041+051 + 052)	054	1,547,196,000	877,414,308	2,115,986,294	1,274,843,610
XI PRE-TAX PROFIT OR LOSS (ADP 053-054)	055	89,716,282	42,730,802	244,701,873	121,995,537
1 Pre-tax profit (ADP 053-054)	056	89,716,282	42,730,802	244,701,873	121,995,537
2 Pre-tax loss (ADP 054-053)	057	0	0	0	0
XII INCOME TAX	058	15,378,956	9,138,683	19,458,629	8,950,827
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 055-059)	059	74,337,326	33,592,119	225,243,244	113,044,710
1 Profit for the period (ADP 055-059)	060	74,337,326	33,592,119	225,243,244	113,044,710
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	-637,151	-637,151
1 Pre-tax profit from discontinued operations	063	0	0	0	0
2 Pre-tax loss on discontinued operations	064	0	0	637,151	637,151
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	637,151	637,151
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	0	0	244,064,722	121,358,386
1 Pre-tax profit (ADP 068)	069	0	0	244,064,722	121,358,386
2 Pre-tax loss (ADP 068)	070	0	0	0	0
XVII INCOME TAX (ADP 058+065)	071	0	0	19,458,629	8,950,827
XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 068-071)	072	0	0	224,606,093	112,407,559
1 Profit for the period (ADP 068-071)	073	0	0	224,606,093	112,407,559
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 (ADP 076+077)	075	74,337,326	33,592,119	224,606,093	112,407,559
1 Attributable to owners of the parent	076	54,117,605	22,813,292	144,220,700	45,680,064
2 Attributable to minority (non-controlling) interest	077	20,219,721	10,778,827	80,385,393	66,727,495
STATEMENT OF OTHER COMPREHENSIVE INCOME (to be filled in by undertakings subject to IFRS)					
I PROFIT OR LOSS FOR THE PERIOD	078	74,337,326	33,592,119	224,606,093	112,407,559
II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 80+ 87)	079	-766,326	-322,804	-653,861	743,661
III Items that will not be reclassified to profit or loss (ADP 081 to 085)	080	0	0	0	0
1 Changes in revaluation reserves of fixed tangible and intangible assets	081	0	0	0	0

STATEMENT OF PROFIT OR LOSS for the period 01.03.2022 to 30.06.2022

in HRK

Submitter: KONČAR ELECTRICAL INDUSTRY INC.					
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
IV Items that may be reclassified to profit or loss (ADP 088 to 095)	087	-766,326	-322,804	-653,861	743,661
1 Exchange rate differences from translation of foreign operations	088	-766,326	-322,804	-653,861	743,661
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	-766,326	-322,804	-653,861	743,661
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 078+097)	098	73,571,000	33,269,315	223,952,232	113,151,220
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	73,571,000	33,269,315	223,952,232	113,151,220
1 Attributable to owners of the parent	100	53,713,521	22,643,077	144,069,879	46,266,157
2 Attributable to minority (non-controlling) interest	101	19,857,479	10,626,238	79,882,353	66,885,063

STATEMENT OF CASH FLOWS - direct method for the period 01.01.2022 to 30.06.2022

in HRK

Submitter: KONČAR ELECTRICAL INDUSTRY INC.			
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	1,542,884,483	2,125,384,505
2 Cash receipts from royalties, fees, commissions and other revenue	002	0	0
3 Cash receipts from insurance premiums	003	4,003,079	2,512,015
4 Cash receipts from tax refund	004	46,755,927	93,355,278
5 Other cash receipts from operating activities	005	25,040,451	21,525,826
I Total cash receipts from operating activities (ADP 001 to 005)	006	1,618,683,940	2,242,777,624
1 Cash payments to suppliers	007	-1,251,946,105	-1,745,649,408
2 Cash payments to employees	008	-324,729,765	-413,038,422
3 Cash payments for insurance premiums	009	-6,536,854	-7,418,009
4 Interest paid	010	-2,030,051	-2,119,271
5 Income tax paid	011	-12,758,564	-29,597,516
6 Other cash payments from operating activities	012	-117,397,548	-128,803,677
II Total cash payments from operating activities (ADP 007 to 012)	013	-1,715,398,887	-2,326,626,303
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 006 + 013)	014	-96,714,947	-83,848,679
Cash flow from investment activities			
1 Cash receipts from sales of fixed tangible and intangible assets	015	965,078	8,612,554
2 Cash receipts from sales of financial instruments	016	340,666	0
3 Interest received	017	2,870,824	3,746,284
4 Dividends received	018	25,662,349	35,847,554
5 Cash receipts from the repayment of loans and deposits	019	57,407,578	113,590,757
6 Other cash receipts from investment activities	020	23,906	114,003,599
III Total cash receipts from investment activities (ADP 015 to 020)	021	87,270,401	275,800,748
1 Cash payments for the purchase of fixed tangible and intangible assets	022	-33,395,722	-89,936,244
2 Cash payments for the acquisition of financial instruments	023	-750,698	-1,607,650
3 Cash payments for loans and deposits	024	-25,092,267	-11,345,700
4 Acquisition of a subsidiary, net of cash acquired	025	0	-220,656,466
5 Other cash payments from investment activities	026	-17,000	-79,281
IV Total cash payments from investment activities (ADP 022 to 026)	027	-59,255,687	-323,625,341
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 021 + 027)	028	28,014,714	-47,824,593
Cash flow from financing activities			
1 Cash receipts from the increase in initial (subscribed) capital	029	0	0
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	53,705,845	438,486,775
4 Other cash receipts from financing activities	032	748,706	737,779
V Total cash receipts from financing activities (ADP 029 to 032)	033	54,454,551	439,224,554
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	034	-38,886,531	-57,984,116
2 Cash payments for dividends	035	-31,747,626	-21,058,441
3 Cash payments for finance lease	036	-557,348	-2,633,420
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	-740,405	-6,438,595
VI Total cash payments from financing activities (ADP 034 to 038)	039	-71,931,910	-88,114,572
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 033 + 039)	040	-17,477,359	351,109,982
1 Unrealised exchange rate differences in respect of cash and cash equivalents	041	-1,999,729	-508,865
D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 014 + 028 + 040 + 041)	042	-88,177,321	218,927,845
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	043	743,747,188	423,830,813
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (042+043)	044	655,569,867	642,758,658

STATEMENT OF CHANGES IN EQUITY for the period 01.01.2022 to 31.06.2022

B Consolidated financial statements of KONČAR Group for the period January - June 2022

in HRK

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	Revaluation 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	1,208,895,930	719,579	70,601,681	34,518,334	15,869,707	458,880,493	229,655,913	0	0	0	0	0	-148,941	319,397,188	73,888,927	2,380,539,397	289,980,934	2,670,520,331
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	1,208,895,930	719,579	70,601,681	34,518,334	15,869,707	458,880,493	229,655,913	0	0	0	0	0	-148,941	319,397,188	73,888,927	2,380,539,397	289,980,934	2,670,520,331
5 Profit/loss of the period	05	0	0	0	0	0	0	0	0	0	0	0	0	0	0	163,945,197	163,945,197	47,446,027	211,391,224
6 Exchange rate differences from translation of foreign operations	06	0	0	0	0	0	0	0	0	0	0	0	0	34,284	0	0	34,284	30,734	65,018
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	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
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	-14,763,604	0	-14,763,604	-16,978,617	-31,742,221
21 Other distributions and payments to members/shareholders	21	0	0	0	0	0	0	0	0	0	0	0	0	0	-1,524,521	0	-1,524,521	-5,068,408	-6,592,929
22 Transfer to reserves according to the annual schedule	22	0	0	-58,657	0	0	21,251,392	6,620,239	0	0	0	0	0	0	46,075,953	-73,888,927	0	0	0
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	1,208,895,930	719,579	70,543,024	34,518,334	15,869,707	480,131,885	236,276,152	0	0	0	0	0	-114,657	349,185,016	163,945,197	2,528,230,753	315,410,670	2,843,641,423
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	34,284	0	0	34,284	30,734	65,018
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	34,284	0	163,945,197	163,979,481	47,476,761	211,456,242
III TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 23)	27	0	0	-58,657	0	0	21,251,392	6,620,239	0	0	0	0	0	0	29,787,828	-73,888,927	-16,288,125	-22,047,025	-38,335,150

STATEMENT OF CHANGES IN EQUITY for the period 01.01.2022 to 31.06.2022

B Consolidated financial statements of KONČAR Group for the period January - June 2022

in HRK

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	Revaluation 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	1,208,895,930	719,579	70,543,024	34,518,334	15,869,707	480,131,885	236,276,152	0	0	0	0	0	-114,657	349,185,016	163,945,197	2,528,230,753	315,410,670	2,843,641,423
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	1,208,895,930	719,579	70,543,024	34,518,334	15,869,707	480,131,885	236,276,152	0	0	0	0	0	-114,657	349,185,016	163,945,197	2,528,230,753	315,410,670	2,843,641,423
5 Profit/loss of the period	32	0	0	0	0	0	0	0	0	0	0	0	0	0	0	144,220,700	144,220,700	80,385,393	224,606,093
6 Exchange rate differences from translation of foreign operations	33	0	0	0	0	0	0	0	0	0	0	0	0	-150,821	0	0	-150,821	-503,040	-653,861
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	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	129,602,000	129,602,000
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	-33,090,837	0	-33,090,837	-21,045,441	-54,136,278
21 Other distributions and payments to members/shareholders	48	0	0	0	0	0	0	0	0	0	0	0	0	0	-1,363,923	0	-1,363,923	-243,749	-1,607,672
22 Transfer to reserves according to the annual schedule	49	0	0	2,256,834	0	0	31,250,939	2,233,469	0	0	0	0	0	0	128,203,955	-163,945,197	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	1,208,895,930	719,579	72,799,858	34,518,334	15,869,707	511,382,824	238,509,621	0	0	0	0	0	-265,478	442,934,211	144,220,700	2,637,845,872	503,605,833	3,141,451,705
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	0	0	0	0	-150,821	0	0	-150,821	129,098,960	128,948,139
II COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 32 to 52)	53	0	0	0	0	0	0	0	0	0	0	0	0	-150,821	0	144,220,700	144,069,879	209,484,353	353,554,232
III TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 42 to 50)	54	0	0	2,256,834	0	0	31,250,939	2,233,469	0	0	0	0	0	0	93,749,195	-163,945,197	-34,454,760	-21,289,190	-55,743,950

Management's Statement of Responsibility

Consolidated Financial Statements of KONČAR Group are prepared 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 30 June 2022 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 30 June 2022 gives a true and fair view of the group's business performance.

Signed on behalf of the Management Board:

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



Josip Lasić, CFA
Member of the Management Board and CFO



Zagreb, 28 July 2022



KONČAR

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