

Business performance and
unaudited non-consolidated
financial statements of
KONČAR Inc.

January –
December

**20
25**

KONČAR
Inspired by challenge

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A Business Report of KONČAR Inc. for January – December 2025

Introduction

KONČAR Inc. ("the Company") is the parent company of KONČAR Group. In its capacity as the parent, the Company prepares consolidated financial statements, which are presented separately.

This Report for January – December 2025 represents the report of the Company as a separate legal entity. The companies within the Group are legally independent entities, while the Parent exercises oversight, provides strategic direction, and support through supervisory boards and general meetings of the companies, in accordance with the Croatian Companies Act, the Articles of Association of KONČAR Inc., the Articles of Association and Memorandum of Incorporation of the respective subsidiaries.

The 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.

KONČAR Inc., as the parent company, invoices the following services to its subsidiaries:

- Fees in accordance with the execution of commercial agreements
- Fees for the use of the company name and trademark/brand identity
- Fees in accordance with ICT services agreements
- Fees related to co-debtor arrangements and corporate guarantees
- Part of the costs of jointly organized participation at trade fairs and marketing activities
- Part of the costs of training and education for employees and management

Following the status changes implemented in 2024, KONČAR Inc. reports revenue streams from engineering engagements within the Power Generation, Power Transmission and Distribution, and Urban Mobility and Infrastructure segments, as well as from asset and property management.

The year-on-year increase in revenue and expenses reflects the integration of new business segments acquired through the merger of two Group companies. However, it primarily stems from the continued strong growth of these segments following the merger, compared to the period prior to it, during the independent operations of the engineering company (in terms of revenue, profitability, and contracted projects).

	Index			
in EUR 000	2024	2025	Δ	2025/2024
Operating income	134,586	292,333	157,747	217.2
Sales revenue	132,774	286,153	153,379	215.5
Income from contracts with customers	98,095	214,546	116,451	218.7
Income from dividends	34,679	71,607	36,928	206.5
Other operating income	1,812	6,180	4,368	341.1
Operating expenses	105,848	214,934	109,086	203.1
EBIT	28,738	77,398	48,660	269.3
Net profit	31,454	80,269	48,815	255.2
EBITDA	30,394	80,830	50,436	265.9
Normalised EBITDA¹	34,254	77,006	42,752	224.8

¹ Normalised figures: Normalised for the net impact of provisions, decreased by income from the sale of assets, income from damage compensation, and other operating income, and increased for impairment losses and other operating expenses.

Business results

For the period from January to December 2025, the Company generated operating income in the amount of EUR 292.3 million, compared to EUR 134.6 million in the corresponding period of the previous year, representing an increase of EUR 157.7 million year-on-year. The significant year-on-year increase is primarily attributable to the status changes implemented in 2024 and the business segments that continued to operate under KONČAR Inc. following the mergers.

Sales revenue from contracts with customers amounted to EUR 214.5 million, representing an increase of EUR 116.5 million year-on-year. The majority relates to revenue from contracts with customers within the Power generation, Power transmission and distribution, and Urban mobility and infrastructure segments. Significant revenues were also generated from fees for the use of the company name, trademarks and service marks.

Dividend income from Group companies amounted to EUR 71.6 million, representing an increase of EUR 36.9 million year-on-year.

Other operating income amounted to EUR 6.2 million, representing an increase of EUR 4.4 million compared to the period January – December 2024. The most significant portion relates to gains on disposal of assets in the amount of EUR 3.1 million at the Zagreb – Jankomir and Zagreb – Siget locations. In addition to the sale of assets, the increase is largely attributable to the transaction involving the sale of the equity interest in Energetski park Pometeno Brdo Ltd. to a related company.

Operating expenses in 2025 totalled EUR 214.9 million, compared to EUR 105.8 million in the comparable period of the previous year. As with revenues, the difference in expenses year-on-year is primarily due to the merger of two KONČAR Group companies.

Operating expenses comprised the following:

- Material costs amounted to EUR 167.5 million (January – December 2024: EUR 73.8 million), representing a year-on-year increase of EUR 93.7 million. The most significant increase relates to the cost of goods sold in the amount of EUR 91.1 million, primarily due to the increased scope of operations following the implemented corporate status changes. Additionally, raw materials and supplies increased by EUR 0.4 million, while other external costs rose by EUR 2.3 million, mainly due to higher raw material prices, utility fees, and expenses associated with the structuring and implementation of KONČAR Group's strategic initiatives.
- Personnel expenses amounted to EUR 26.5 million and were significantly higher than in the comparable period of the previous year, driven by corporate status changes and an increase in the number of employees following the merger of two subsidiaries into the parent company. The average number of employees in the period from 1 January to 31 December 2025 was 584. In the period from 1 July to 31 December 2024, the average number was 586, while in the first six months of 2024, prior to the merger, the Company employed an average of 81 employees.
- Depreciation and amortisation amounted to EUR 3.4 million, an increase of EUR 1.8 million year-on-year.
- Other expenses totalled EUR 15.2 million, primarily relating to intellectual services, employee benefits and other operating costs, representing a year-on-year increase of EUR 5.7 million.
- Impairment losses and value adjustments amounted to EUR 1.3 million, decreasing by EUR 2.7 million year-on-year.
- Provisions totalled EUR 0.2 million, reflecting a year-on-year decrease of EUR 1.2 million.
- Other operating expenses amounted to EUR 0.9 million, up EUR 0.6 million compared to the previous year.

In 2025, financial income amounted to EUR 2.4 million, representing a decrease of EUR 0.5 million year-on-year. Financial income primarily comprises interest income on loans granted to related companies and interest on deposits. Financial expenses totalled EUR 1.3 million and mainly relate to interest expenses and foreign exchange differences.

Based on the 2025 corporate income tax return, the Company has no corporate income tax liability, primarily due to significant dividend income reducing the tax base. The calculation under the Pillar 2 regulation (Act on Minimum Global Corporate Income Tax) is still in progress and may affect the final corporate income tax expense, which will be recognised in the audited financial statements for 2025.

Financial position

As at 31 December 2025, total assets of KONČAR Inc. amounted to EUR 486.9 million, representing a year-on-year increase of EUR 127.1 million or 35.3% compared to 31 December 2024.

Total non-current assets totalled EUR 277.7 million, up EUR 46.1 million or 19.9% year-on-year.

Intangible assets increased by EUR 0.7 million compared to year-end 2024, primarily reflecting the capitalisation of acquired licences.

Tangible assets rose by EUR 14.4 million or 23.9% year-on-year, mainly driven by the acquisition of real estate from a related company, continued investment in infrastructure, and the recognition of right-of-use assets in accordance with IFRS 16 (Leases).

Non-current financial assets increased by EUR 29.5 million compared to 31 December 2024, primarily as a result of additional investments in ownership shares of subsidiaries.

Total current assets amounted to EUR 206.6 million, representing an increase of EUR 80.1 million or 63.4% year-on-year. The increase was primarily attributable to higher receivables (EUR 44.9 million), current financial assets (EUR 20.0 million), inventories (EUR 1.6 million), and an increase in cash and cash equivalents of EUR 13.6 million, primarily as a result of positive operating cash flows.

Prepaid expenses and accrued income totalled EUR 2.6 million, up EUR 0.9 million compared to year-end 2024, mainly relating to prepaid licence costs for future periods and deferred costs on commercial projects.

Total equity and reserves as at 31 December 2025 amounted to EUR 340.6 million, representing an increase of EUR 73.5 million or 27.5% compared to 31 December 2024. The increase reflects profit generated in 2025 and the distribution of 2024 retained earnings.

Long-term provisions decreased by EUR 0.8 million or 23.7% year-on-year, primarily due to updated actuarial calculations and the reclassification of a portion of provisions to short-term liabilities.

Non-current liabilities totalled EUR 4.2 million as at 31 December 2025, an increase of EUR 4.0 million compared to year-end 2024, largely reflecting the recognition of a long-term liability arising from the acquisition of an ownership shares in HELB Ltd.

Total current liabilities amounted to EUR 124.7 million, representing a year-on-year increase of EUR 41.1 million or 49.1%.

Loan liabilities increased by EUR 18.0 million and relate to a loan received from a subsidiary. Liabilities for advances received, relating to active customer contracts, totalled EUR 25.1 million, up EUR 1.4 million year-on-year. Trade payables (unrelated) increased by EUR 5.8 million, primarily reflecting higher business activity and increased project execution towards year-end. Liabilities to banks and other financial institutions rose by EUR 3.7 million, in line with the regular dynamics of short-term financing.

Deferred income and accrued expenses amounted to EUR 14.8 million as at 31 December 2025, representing an increase of EUR 9.4 million year-on-year.

Off-balance-sheet items totalled EUR 648.9 million as at 31 December 2025 and primarily comprise issued security instruments, predominantly bank guarantees, as well as instruments of security issued at the request of Group subsidiaries to financial institutions and suppliers.

B Financial Statements of KONČAR Inc. for January - December 2025

Annex 1

ISSUER'S GENERAL DATA

Reporting period:	1/1/2025	to	31/12/2025
Year:	2025	Quarter:	4

Quarterly financial statements

Registration number (MB):	03282635	Issuer's home Member State code: HR
Entity's registration number (MBS)	080040936	
Personal identification number (OIB):	45050126417	LEI: 74780000H0SHMRAW0115
Institution code:	501	
Name of the issuer:	KONČAR 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):	609	
Consolidated report:	KN	(KN-not consolidated/KD-consolidated)
Audited:	RN	(RN-not audited/RD-audited)

Names of subsidiaries (according to IFRS):	Registered office:	MB:

Bookkeeping firm:		(Yes/No)
Contact person:	Ivana Mršić (only name and surname of the contact person)	
Telephone:	01 3655 160	
E-mail address:	ivana.mrsic@koncar.hr	
Audit firm:	KPMG Ltd. Croatia (name of the audit firm)	
Certified auditor:	Igor Gošek (name and surname)	

BALANCE SHEET

balance as at 31.12.2025

in EUR

Submitter: KONČAR 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	231,562,859	277,711,490
I INTANGIBLE ASSETS (ADP 004 to 009)	003	995,633	1,668,167
1 Research and development	004	66,060	0
2 Concessions, patents, licences, trademarks, software and other rights	005	478,169	695,265
3 Goodwill	006	0	0
4 Advances for the purchase of intangible assets	007	0	0
5 Intangible assets in preparation	008	451,404	972,902
6 Other intangible assets	009	0	0
II TANGIBLE ASSETS (ADP 011 to 019)	010	60,122,193	74,500,084
1 Land	011	1,360,280	1,166,172
2 Buildings	012	5,246,311	4,704,797
3 Plant and equipment	013	5,723,384	5,488,476
4 Tools, working inventory and transportation assets	014	1,103,989	1,005,076
5 Biological assets	015	0	0
6 Advances for the purchase of tangible assets	016	0	0
7 Tangible assets in preparation	017	666,205	1,220,857
8 Other tangible assets	018	665,613	1,191,850
9 Investment property	019	45,356,411	59,722,856
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	168,359,252	197,843,444
1 Investments in holdings (shares) of undertakings within the Group	021	151,270,786	181,633,603
2 Investments in other securities of undertakings within the Group	022	0	0
3 Loans, deposits, etc. to undertakings within the Group	023	7,225,000	6,420,000
4 Investments in holdings (shares) of companies linked by virtue of participating interests	024	8,988,288	8,988,288
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	846,778	771,624
8 Loans, deposits, etc. given	028	28,400	29,929
9 Other investments accounted for using the equity method	029	0	0
10 Other fixed financial assets	030	0	0
IV RECEIVABLES (ADP 032 to 035)	031	924,702	587,710
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	924,702	4,876
4 Other receivables	035	0	582,834
V DEFERRED TAX ASSETS	036	1,161,079	3,112,085
C) CURRENT ASSETS (ADP 038+046+053+063)	037	126,459,476	206,587,542
I INVENTORIES (ADP 039 to 045)	038	2,438,619	4,023,304
1 Raw materials and consumables	039	366,108	371,214
2 Work in progress	040	0	0
3 Finished goods	041	0	0
4 Merchandise	042	1,315,255	3,089,821
5 Advances for inventories	043	0	0
6 Fixed assets held for sale	044	757,256	562,269
7 Biological assets	045	0	0

BALANCE SHEET

balance as at 31.12.2025

in EUR

Submitter: KONČAR 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)			
II RECEIVABLES (ADP 047 to 052)	046	116,727,244	161,610,049
1 Receivables from undertakings within the Group	047	18,343,638	17,865,381
2 Receivables from companies linked by virtue of participating interests	048	23,175,270	44,745,870
3 Customer receivables	049	61,504,160	78,248,359
4 Receivables from employees and members of the undertaking	050	4,214	4,614
5 Receivables from government and other institutions	051	3,056,233	7,230,386
6 Other receivables	052	10,643,729	13,515,439
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)			
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)	053	0	20,046,193
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	17,755,000
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	0	2,000,000
9 Other financial assets	062	0	291,193
IV CASH AT BANK AND IN HAND	063	7,293,613	20,907,996
D) PREPAID EXPENSES AND ACCRUED INCOME	064	1,753,931	2,628,061
E) TOTAL ASSETS (ADP 001+002+037+064)	065	359,776,266	486,927,093
OFF-BALANCE SHEET ITEMS			
	066	384,096,854	648,895,884
LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to 070+076+077+081+084+087)			
A) CAPITAL AND RESERVES (ADP 068 to 070+076+077+081+084+087)	067	267,113,548	340,598,368
I INITIAL (SUBSCRIBED) CAPITAL	068	159,471,378	159,471,378
II CAPITAL RESERVES	069	1,073,176	1,073,176
III RESERVES FROM PROFIT (ADP 071+072-073+074+075)	070	68,674,033	70,246,730
1 Legal reserves	071	9,325,953	9,325,953
2 Reserves for treasury shares	072	5,998,550	5,871,715
3 Treasury shares and holdings (deductible item)	073	-1,998,550	-1,871,715
4 Statutory reserves	074	34,899,714	34,899,714
5 Other reserves	075	20,448,366	22,021,063
IV REVALUATION RESERVES	076	0	0
V FAIR VALUE RESERVES AND OTHER (ADP 078 to 082)	077	0	0
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	0	0
VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 084-085)	083	6,441,028	29,538,507
1 Retained profit	084	6,441,028	29,538,507
2 Loss brought forward	085	0	0
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 087-088)	086	31,453,933	80,268,577
1 Profit for the business year	087	31,453,933	80,268,577
2 Loss for the business year	088	0	0
VIII MINORITY (NON-CONTROLLING) INTEREST	089	0	0

BALANCE SHEET

balance as at 31.12.2025

in EUR

Submitter: KONČAR 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	3,369,345	2,572,114
1 Provisions for pensions, termination benefits and similar obligations	091	1,550,347	1,355,604
2 Provisions for tax liabilities	092	0	0
3 Provisions for ongoing legal cases	093	0	0
4 Provisions for renewal of natural resources	094	0	0
5 Provisions for warranty obligations	095	1,818,998	1,216,510
6 Other provisions	096	0	0
C) LONG-TERM LIABILITIES (ADP 098 to 108)	097	249,972	4,227,874
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	0	0
6 Liabilities to banks and other financial institutions	103	160,145	303,427
7 Liabilities for advance payments	104	0	0
8 Liabilities to suppliers	105	0	0
9 Liabilities for securities	106	0	0
10 Other long-term liabilities	107	89,827	3,724,132
11 Deferred tax liability	108	0	200,315
D) SHORT-TERM LIABILITIES (ADP 110 to 123)	109	83,684,370	124,749,120
1 Liabilities to undertakings within the Group	110	10,427,638	20,053,294
2 Liabilities for loans, deposits, etc. of undertakings within the Group	111	5,012,440	23,013,787
3 Liabilities to companies linked by virtue of participating interests	112	5,184,256	4,605,606
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	10,484,082	14,231,290
7 Liabilities for advance payments	116	23,664,763	25,114,701
8 Liabilities to suppliers	117	23,461,730	29,283,149
9 Liabilities for securities	118	0	0
10 Liabilities to employees	119	3,295,520	4,387,764
11 Taxes, contributions and similar liabilities	120	1,937,210	2,264,037
12 Liabilities arising from the share in the result	121	28,581	25,178
13 Liabilities arising from fixed assets held for sale	122	0	0
14 Other short-term liabilities	123	188,150	1,770,314
E) ACCRUALS AND DEFERRED INCOME	124	5,359,031	14,779,617
F) TOTAL – LIABILITIES (ADP 067+090+097+109+124)	125	359,776,266	486,927,093
G) OFF-BALANCE SHEET ITEMS	126	384,096,854	648,895,884

STATEMENT OF PROFIT OR LOSS for the period 1.1.2025 to 31.12.2025

in EUR

Submitter: KONČAR 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	134,586,103	86,903,659	292,332,406	132,070,197
1 Income from sales with undertakings within the Group	002	52,425,548	28,670,858	114,740,911	54,917,208
2 Income from sales (outside Group)	003	80,348,463	56,656,945	171,411,882	75,293,335
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	23,407	902	3,595,054	878,301
5 Other operating income (outside the Group)	006	1,788,685	1,574,954	2,584,559	981,353
II OPERATING EXPENSES (ADP 08+009+013+017+018+019+022+029)	007	105,847,717	70,969,634	214,934,230	89,904,624
1 Changes in inventories of work in progress and finished goods	008	0	0	0	0
2 Material costs (ADP 010 to 012)	009	73,794,074	52,020,249	167,499,458	71,047,260
a) Costs of raw materials and consumables	010	832,866	590,325	1,212,347	377,074
b) Costs of goods sold	011	69,465,133	50,283,427	160,525,551	69,123,323
c) Other external costs	012	3,496,075	1,146,497	5,761,560	1,546,863
3 Staff costs (ADP 014 to 016)	013	15,282,799	8,271,829	26,497,046	10,020,521
a) Net salaries and wages	014	9,129,398	4,959,656	15,952,239	6,261,861
b) Tax and contributions from salary costs	015	4,231,179	2,337,105	7,123,622	2,566,228
c) Contributions on salaries	016	1,922,222	975,068	3,421,185	1,192,432
4 Depreciation	017	1,656,258	537,915	3,432,127	894,202
5 Other costs	018	9,442,898	4,531,068	15,150,876	5,639,447
6 Value adjustments (ADP 020+021)	019	3,987,706	3,987,586	1,259,366	1,259,366
a) fixed assets other than financial assets	020	2,473,494	2,473,374	8,454	8,454
b) current assets other than financial assets	021	1,514,212	1,514,212	1,250,912	1,250,912
7 Provisions (ADP 023 to 028)	022	1,414,440	1,414,440	181,708	181,708
a) Provisions for pensions, termination benefits and similar obligations	023	351,745	351,745	181,708	181,708
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	1,062,695	1,062,695	0	0
f) Other provisions	028	0	0	0	0
8 Other operating expenses	029	269,542	206,547	913,649	862,120
III FINANCIAL INCOME (ADP 031 to 040)	030	2,944,768	918,421	2,405,370	1,331,759
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	1,543,624	403,404	628,074	237,913
5 Exchange rate differences and other financial income from operations with undertakings within the Group	035	23,784	0	87,377	9,619
6 Income from other long-term financial investments and loans	036	0	2	70,732	13,421
7 Other interest income	037	735,994	92,736	259,081	86,638
8 Exchange rate differences and other financial income	038	212,722	207,365	596,337	247,221
9 Unrealised gains (income) from financial assets	039	389,813	214,914	763,769	736,947
10 Other financial income	040	38,831	0	0	0
IV FINANCIAL EXPENSES (ADP 042 to 048)	041	819,651	537,235	1,285,659	530,373
1 Interest expenses and similar expenses with undertakings within the Group	042	0	48,634	224,318	208,702
2 Exchange rate differences and other expenses from operations with undertakings within the Group	043	0	0	66,506	54,259

STATEMENT OF PROFIT OR LOSS for the period 1.1.2025 to 31.12.2025

in EUR

Submitter: KONČAR 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	499,155	388,189	341,831	104,596
4 Exchange rate differences and other expenses	045	320,496	236,362	551,099	158,161
5 Unrealised losses (expenses) from financial assets	046	0	0	101,905	4,655
6 Value adjustments of financial assets (net)	047	0	0	0	0
7 Other financial expenses	048	0	-135,950	0	0
V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VIRTUE OF PARTICIPATING INTERESTS	049	0	0	0	0
VI SHARE IN PROFIT FROM JOINT VENTURES	050	0	0	0	0
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	0	0	0	0
IX TOTAL INCOME (ADP 001+030+049 +050)	053	137,530,871	87,822,080	294,737,776	133,401,956
X TOTAL EXPENDITURE (ADP 007+041+051 + 052)	054	106,667,368	71,506,869	216,219,889	90,434,997
XI PRE-TAX PROFIT OR LOSS (ADP 053-054)	055	30,863,503	16,315,211	78,517,887	42,966,959
1 Pre-tax profit (ADP 053-054)	056	30,863,503	16,315,211	78,517,887	42,966,959
2 Pre-tax loss (ADP 054-053)	057	0	0	0	0
XII INCOME TAX	058	-590,430	-3,209,122	-1,750,690	-1,750,690
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 055-059)	059	31,453,933	19,524,333	80,268,577	44,717,649
1 Profit for the period (ADP 055-059)	060	31,453,933	19,524,333	80,268,577	44,717,649
2 Loss for the period (ADP 059-055)	061	0	0	0	0
DISCONTINUED OPERATIONS (to be filled in by undertakings subject to IFRS only with discontinued operations)					
XIV PRE-TAX PROFIT OR LOSS OF DISCONTINUED OPERATIONS (ADP 063-064)	062	0	0	0	0
1 Pre-tax profit from discontinued operations	063	0	0	0	0
2 Pre-tax loss on discontinued operations	064	0	0	0	0
XV INCOME TAX OF DISCONTINUED OPERATIONS	065	0	0	0	0
1 Discontinued operations profit for the period (ADP 062-065)	066	0	0	0	0
2 Discontinued operations loss for the period (ADP 065-062)	067	0	0	0	0
TOTAL OPERATIONS (to be filled in only by undertakings subject to IFRS with discontinued operations)					
XVI PRE-TAX PROFIT OR LOSS (ADP 055-+062)	068	0	0	0	0
1 Pre-tax profit (ADP 068)	069	0	0	0	0
2 Pre-tax loss (ADP 068)	070	0	0	0	0
XVII INCOME TAX (ADP 058+065)	071	0	0	0	0
XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 068-071)	072	0	0	0	0
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
APPENDIX to the P&L (to be filled in by undertakings that draw up consolidated annual financial statements)					
XIX PROFIT OR LOSS FOR THE PERIOD (AOP 076+077)	075	0	0	0	0
1 Attributable to owners of the parent	076	0	0	0	0
2 Attributable to minority (non-controlling) interest	077	0	0	0	0
STATEMENT OF OTHER COMPREHENSIVE INCOME (to be filled in by undertakings subject to IFRS)					
I PROFIT OR LOSS FOR THE PERIOD	078	31,453,933	19,524,333	80,268,577	44,717,649
II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 80+ 87)	079	0	0	0	0
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 1.1.2025 to 31.12.2025

in EUR

Submitter: KONČAR 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	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
V NET OTHER COMPREHENSIVE INCOME OR LOSS (ADP 080+087- 086 - 096)	097	0	0	0	0
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 078+097)	098	31,453,933	19,524,333	80,268,577	44,717,649
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	0	0	0	0
1 Attributable to owners of the parent	100	0	0	0	0
2 Attributable to minority (non-controlling) interest	101	0	0	0	0

STATEMENT OF CASH FLOWS - direct method for the period 1.1.2025 to 31.12.2025

in EUR

Submitter: KONČAR 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	84,492,256	190,444,769
2 Cash receipts from royalties, fees, commissions and other revenue	002	0	0
3 Cash receipts from insurance premiums	003	34,681	117,373
4 Cash receipts from tax refund	004	4,506,550	1,105,739
5 Other cash receipts from operating activities	005	1,068,624	8,323,161
I Total cash receipts from operating activities (ADP 001 to 005)	006	90,102,111	199,991,042
1 Cash payments to suppliers	007	-60,026,542	-136,020,529
2 Cash payments to employees	008	-16,190,152	-27,561,829
3 Cash payments for insurance premiums	009	-350,372	-989,371
4 Interest paid	010	-30,946	-138,378
5 Income tax paid	011	-386,527	-110,732
6 Other cash payments from operating activities	012	-2,371,195	-8,399,747
II Total cash payments from operating activities (ADP 007 to 012)	013	-79,355,734	-173,220,586
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 006 + 013)	014	10,746,377	26,770,456
Cash flow from investment activities			
1 Cash receipts from sales of fixed tangible and intangible assets	015	849,255	2,149,804
2 Cash receipts from sales of financial instruments	016	0	135,811
3 Interest received	017	737,438	478,046
4 Dividends received	018	21,083,972	49,645,685
5 Cash receipts from the repayment of loans and deposits	019	10,370,000	16,580,000
6 Other cash receipts from investment activities	020	5,066,331	0
III Total cash receipts from investment activities (ADP 015 to 020)	021	38,106,996	68,989,346
1 Cash payments for the purchase of fixed tangible and intangible assets	022	-9,219,226	-15,119,346
2 Cash payments for the acquisition of financial instruments	023	-7,344,256	-24,478,991
3 Cash payments for loans and deposits	024	-42,590,000	-35,530,000
4 Acquisition of a subsidiary, net of cash acquired	025	0	0
5 Other cash payments from investment activities	026	-4,637	0
IV Total cash payments from investment activities (ADP 022 to 026)	027	-59,158,119	-75,128,337
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 021 + 027)	028	-21,051,123	-6,138,991
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	5,000,000	23,000,000
4 Other cash receipts from financing activities	032	922	349,105
V Total cash receipts from financing activities (ADP 029 to 032)	033	5,000,922	23,349,105
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	034	-19,297,820	-5,000,000
2 Cash payments for dividends	035	-6,417,292	-7,644,598
3 Cash payments for finance lease	036	-8,548	-201,061
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	-8,450	-17,497,095
VI Total cash payments from financing activities (ADP 034 to 038)	039	-25,732,110	-30,342,754
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 033 + 039)	040	-20,731,188	-6,993,649
1 Unrealised exchange rate differences in respect of cash and cash equivalents	041	-12,601	-23,433
D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 014 + 028 + 040 + 041)	042	-31,048,535	13,614,383
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	043	38,342,148	7,293,613
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (042+043)	044	7,293,613	20,907,996

STATEMENT OF CHANGES IN EQUITY

for the period from 1.1.2025 to 31.12.2025

B Financial Statements of KONČAR Inc. for January – December 2025

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 do 6 - 7 + 8 do 17)	19	20 (18+19)
Previous period																			
1 Balance on the first day of the previous business year	01	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	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	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	05	0	0	0	0	0	0	0	0	0	0	0	0	0	0	31,453,933	31,453,933	0	31,453,933
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	987	1,352,384	1,524,902	0	6,008,078	2,082,944	0	0	0	0	0	0	-9,887,328	0	1,081,967	0	1,081,967
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	0	-6,365,968	-6,365,968	0	-6,365,968
21 Other distributions and payments to members/shareholders	21	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	22	0	0	433,270	0	0	0	0	0	0	0	0	0	0	6,908,220	-7,341,490	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	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	6,441,028	31,453,933	267,113,548	0	267,113,548
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	987	1,352,384	1,524,902	0	6,008,078	2,082,944	0	0	0	0	0	0	-9,887,328	0	1,081,967	0	1,081,967
II COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP 05+25)	26	0	987	1,352,384	1,524,902	0	6,008,078	2,082,944	0	0	0	0	0	0	-9,887,328	31,453,933	32,535,900	0	32,535,900
III TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 23)	27	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

STATEMENT OF CHANGES IN EQUITY for the period from 1.1.2025 to 31.12.2025

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 do 6 - 7 + 8 do 17)	19	20 (18+19)
Current period																			
1 Balance on the first day of the previous business year	28	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	6,441,028	31,453,933	267,113,548	0	267,113,548
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	1,073,176	9,325,953	5,998,550	1,998,550	34,899,714	20,448,366	0	0	0	0	0	0	6,441,028	31,453,933	267,113,548	0	267,113,548
5 Profit/loss of the period	32	0	0	0	0	0	0	0	0	0	0	0	0	0	0	80,268,577	80,268,577	0	80,268,577
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	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	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	-7,641,705	-7,641,705	0	-7,641,705
21 Other distributions and payments to members/shareholders	48	0	0	0	-126,835	-126,835	0	0	0	0	0	0	0	0	857,948	0	857,948	0	857,948
22 Transfer to reserves according to the annual schedule	49	0	0	0	0	0	0	1,572,697	0	0	0	0	0	0	22,239,531	-23,812,228	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	5,871,715	1,871,715	34,899,714	22,021,063	0	0	0	0	0	0	29,538,507	80,268,577	340,598,368	0	340,598,368
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	0	0	0	0	0	0
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	0	0	80,268,577	80,268,577	0	80,268,577
III TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 42 to 50)	54	0	0	0	-126,835	-126,835	0	1,572,697	0	0	0	0	0	0	23,097,479	-31,453,933	-6,783,757	0	-6,783,757

NOTES TO THE FINANCIAL STATEMENTS

Name of issuer: KONČAR Inc.

PIN: 45050126417

Reporting period: 1 January 2025 - 31 December 2025

1 General information about the company

KONČAR Inc. (PIN: 45050126417), Zagreb, Fallerovo šetalište 22 (hereinafter: the "Company") is the Parent Company of the KONČAR Group. In its capacity as the parent, the Company prepares consolidated financial statements, which are presented separately. These unconsolidated financial statements represent the financial statements of the Company as a standalone entity. The Company manages its wholly-owned subsidiaries and associated companies.

During 2024, the Company underwent status changes, resulting in the merger of four companies. The mergers were carried out as follows:

- On 1 July 2024, the Company merged with KONČAR – Engineering Ltd. for manufacturing and services and KONČAR – Energy and Services Ltd. for services;
- On 11 November 2024, the Company merged with KONČAR – Investments Ltd. for business services;
- On 31 December 2024, the Company merged with Advanced Energy Solutions Ltd. for investments.

Significant differences in the financial statements compared to the same period of 2024 are a result of the aforementioned status changes.

The average number of employees during 2025 was 584. For comparison, in the same period of the previous year, the average headcount between 1 July and 31 December 2024 was 586, while the average number of employees in the Company during the first half of 2024, prior to the mergers, stood at 81.

2 Significant accounting policies

These interim financial statements for the period ended 31 December 2025 should be read in conjunction with the latest annual financial statements of the Company as at and for the year ended 31 December 2024 ("the latest annual financial statements"), as they do not include all the information required for a complete set of financial statements prepared in accordance with International Financial Reporting Standards (IFRS). However, selected explanatory notes are included to explain events and transactions that are significant for an understanding of the changes in the Company's financial position and performance since the last annual financial statements. The Company's separate and consolidated annual financial statements are available on the Company's website.

In preparing the financial statements, the Management used judgments and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. The resulting accounting estimates will, by definition, seldom equal the related actual results. The key accounting estimates remain consistent with those described in the latest annual financial statements. The accounting policies applied in these financial statements are the same as those applied in the financial statements as at and for the year ended 31 December 2024.

Seasonal effects

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

3 Sales revenue

	January - December 2025 EUR	January - December 2024 EUR
Income from dividends /i/	71,607,281	34,678,837
Revenue from contracts with customers /ii/	214,545,512	98,095,173
	286,152,793	132,774,010

/i/ Income from dividends

	January - December 2025 EUR	January - December 2024 EUR
Income from dividends – subsidiaries	28,627,623	13,384,701
Income from dividends – associates	42,979,658	21,294,136
	71,607,281	34,678,837

/ii/ Revenue from contracts with customers

<i>Type of service</i>	January - December 2025 EUR	January - December 2024 EUR
Brand usage fee (fee for the usage of company name, trade-mark and service mark)	18,843,295	7,885,204
Revenue from the Power Generation segment	63,599,023	35,566,723
Revenue from the Power Transmission and Distribution segment	103,570,971	39,526,548
Revenue from Urban Mobility and Infrastructure segment	18,889,136	8,947,767
Revenue from property management	7,058,158	5,138,666
Revenue from the provision of ICT services	1,389,478	-
Other fees	1,195,451	1,030,265
Total revenue from contracts with customers	214,545,512	98,095,173

4 Other income

In 2025, other income primarily comprised the disposal of the Siget property, which had been classified as held-for-sale. The balance includes the reversal of previously recognised provisions for warranty repairs and other provisions. Additionally, the Company sold land located in Jankomir to its associate company KONČAR – Power Transformers Ltd. Furthermore, in July, the Company completed the sale of its ownership shares in Energetski park Pometeno Brdo Ltd., which also contributed to the increase in other operating income from transactions with related parties during the reporting period.

5 Operating Expenses

During 2025, significant year-on-year differences were recorded in operating expenses compared to the same period of 2024. This was primarily attributable to the mergers completed during 2024, as well as to increased activity in the engineering segment and property management operations, accompanied by a substantial increase in headcount.

6 Income tax

Based on the 2025 corporate income tax return, the Company has no corporate income tax liability, mainly as a result of significant dividend income reducing the taxable base (similarly, no corporate income tax liability arose in 2024). However, as at 31 December 2025, the Company recognised a deferred tax asset relating to tax loss carryforwards and deductible temporary differences.

7 Earnings per share

	January - December 2025 EUR	January - December 2024 EUR
Profit for the year	80,268,577	31,453,933
Weighted average number of shares	2,547,777	2,546,603
Earnings per share (EUR)	31.51	12.35

8 Property, plant and equipment and investment property

During 2025, the Company invested EUR 17.4 million in assets (2024: EUR 6.2 million), while depreciation and amortisation expense amounted to EUR 3.4 million (2024: EUR 1.7 million). The significant increase in capital expenditure primarily relates to the acquisition of real estate from the related company KONČAR – Generators and Motors Ltd.

9 Investments in subsidiaries

Compared to 31 December 2024, the Company made an additional capital contribution to the capital reserves of KONČAR – Transformer Tanks Ltd. It also sold a portion of its equity interest in the same company, resulting in Siemens Energy acquiring a 40% ownership stake. In June and September 2025, decisions were adopted to make capital contributions to the capital reserves of KONČAR – Metal Structures Ltd. On 31 July 2025, a share transfer agreement was signed under which KONČAR Inc. acquired a 75% ownership interest in HELB Ltd. In July 2025, an additional capital increase of KONČAR – Digital Ltd. was approved and executed. The capital increase was implemented in order to support the execution of the adopted strategy and strategic business objectives of KONČAR Group. Also in July 2025, KONČAR Inc. and KONČAR – Renewable Sources Ltd. signed a share purchase and transfer agreement. Under this agreement, the ownership interest in Energetski park Pometeno Brdo Ltd. was transferred to KONČAR – Renewable Sources Ltd. This transaction was likewise executed in alignment with the KONČAR Group's strategic objectives. Through the acquisition of shares in KONČAR – Electric Vehicles Inc., the Company increased its investment in that entity by a total of EUR 0.1 million. At the end of 2025, KONCAR Switzerland GmbH was incorporated.

	31 Decem- ber 2025	31 Decem- ber 2024	31 Decem- ber 2025	31 Decem- ber 2024
	EUR' 000	EUR' 000	Share in %	Share in %
Stakes (shares) in subsidiaries in Croatia and abroad				
KONČAR - Switchgear Ltd. for manufacturing, Zagreb	11,197	11,197	100	100
KONČAR - Metal Structures Ltd. for manufacturing, Zagreb	21,979	16,779	100	100
KONČAR - Generators and Motors Ltd. for manufacturing, Zagreb	7,902	7,902	100	100
KONČAR - Distribution and Special Transformers Inc. for manufacturing, Zagreb	8,245	8,245	52.73	52.73
KONČAR - Electrical Engineering Institute Ltd. for research, development and services, Zagreb	8,087	8,087	100	100
KONČAR - Electronics and Informatics Ltd. for manufacturing and services, Zagreb	8,353	8,353	100	100
KONČAR - Renewable Energy Sources Ltd., Zagreb	7,290	222	100	100
KONČAR - Motors and Electrical Systems Ltd. for manufacturing and services, Zagreb	6,450	6,450	100	100
KONČAR - Electric Vehicles Inc. for manufacturing, Zagreb	5,725	5,641	85.73	84.73
KONČAR - Instrument Transformers Inc. for manufacturing, Zagreb	4,041	4,041	61.97	61.97
KONČAR - Digital Ltd. for digital services, Zagreb	24,684	14,684	100	100
KONČAR - Transformer Tanks Ltd. for manufacturing, Sesvetski Kraljevec	7,300	1,102	60	100
Dalekovod Inc., Zagreb	51,370	51,370	75.16	75.16
Energy Park Pometeno brdo Ltd., Zagreb	-	6,061	-	100
TELENERG-ENGINEERING Ltd., Zagreb	1,008	1,008	100	100
INK PROJEKT Ltd., Zagreb	206	126	100	100
KONČAR - Hydro Turbine Ltd., Zagreb	3	3	100	100
HELB Ltd., Božjakovina	7,772	-	75	-
KONCAR Switzerland GmbH	22	-	100	-
	181,634	151,271		

10 Capital and reserves

The Company's share capital is set at EUR 159,471,378 (31 December 2024: EUR 159,471,378), comprising 2,572,119 ordinary shares with a nominal value of EUR 62 each. The Company's shares are listed on the Official Market of the Zagreb Stock Exchange under the ticker symbol KOEI-R-A. As at 31 December 2025, the Company held 23,700 treasury shares (31 December 2024: 25,306 shares).

11 Contingent liabilities and off-balance sheet items

As at 31 December 2025, off-balance sheet items mainly comprised issued financial guarantees, primarily bank guarantees, as well as other security instruments issued at the request of the Company's subsidiaries in favour of financial institutions and suppliers.

12 Related party transactions

EUR'000	Transactions for the reporting period	
	2025	2024
Revenue from operating activities		
Subsidiaries	32,251	15,035
Associates	10,882	2,711
Proceeds from sale of property		
Subsidiaries	16	21
Associates	2,572	-
Income from dividends		
Subsidiaries	28,628	13,385
Associates	42,980	21,294
Finance income		
Subsidiaries	1,449	1,567
Other income		
Subsidiaries	1,007	2
Procurement costs		
Subsidiaries	38,426	22,708
Associates	1,965	-
Finance costs		
Subsidiaries	271	-
Associates	20	-
EUR'000	31 December 2025	31 December 2024
Trade receivables		
Subsidiaries	9,931	7,981
Associates	1,766	1,881
Dividend receivables		
Associates	42,980	21,294
Interest receivables		
Subsidiaries	696	321
Other receivables		
Subsidiaries	7,238	10,041
Receivables from financing activities		
Subsidiaries	24,175	7,225
Liabilities from operating activities		
Subsidiaries	19,983	10,395
Associates	4,606	5,184
Interest liabilities		
Subsidiaries	70	32
Liabilities from financing activities		
Subsidiaries	23,014	5,012

13 Events after the reporting date

Commercial Court in Zagreb, on 31 December 2025, issued decisions No. Tt-25/71794-2 and Tt-25/71797-2, on the basis of which the merger of the company INK PROJEKT Ltd., as the merged company will be carried out with KONČAR Inc., as the acquiring company in 2026.

KONČAR and Siemens Energy put into operation a new factory KONČAR – Transformer Tanks in Sesevski Kraljevec on 23 January. This modern, state-of-the-art manufacturing facility of KONČAR – Transformer Tanks is a company in which KONČAR holds a majority stake of 60%, while Siemens Energy owns 40%.

After the reporting date until the date of approval of the financial statements, other than the above, there were no events that would have a significant impact on the Company's financial statements for the period January - December 2025, which should be published.

C Management's Statement of Responsibility

The unaudited financial statements of KONČAR Inc. for the period from 1 January to 31 December 2025 have been prepared in accordance with the International Financial Reporting Standards (IFRS) and the Croatian Accounting Act.

The unaudited financial statements of KONČAR Inc. for the period from 1 January to 31 December 2025 present, in all material respects, a complete and accurate view of the Company's assets and liabilities, profit and loss, financial position, and performance.

The Management Report for the period up to 31 December 2025 contains a true and fair presentation of the Company's operating results.

On behalf of the Board, signed by:

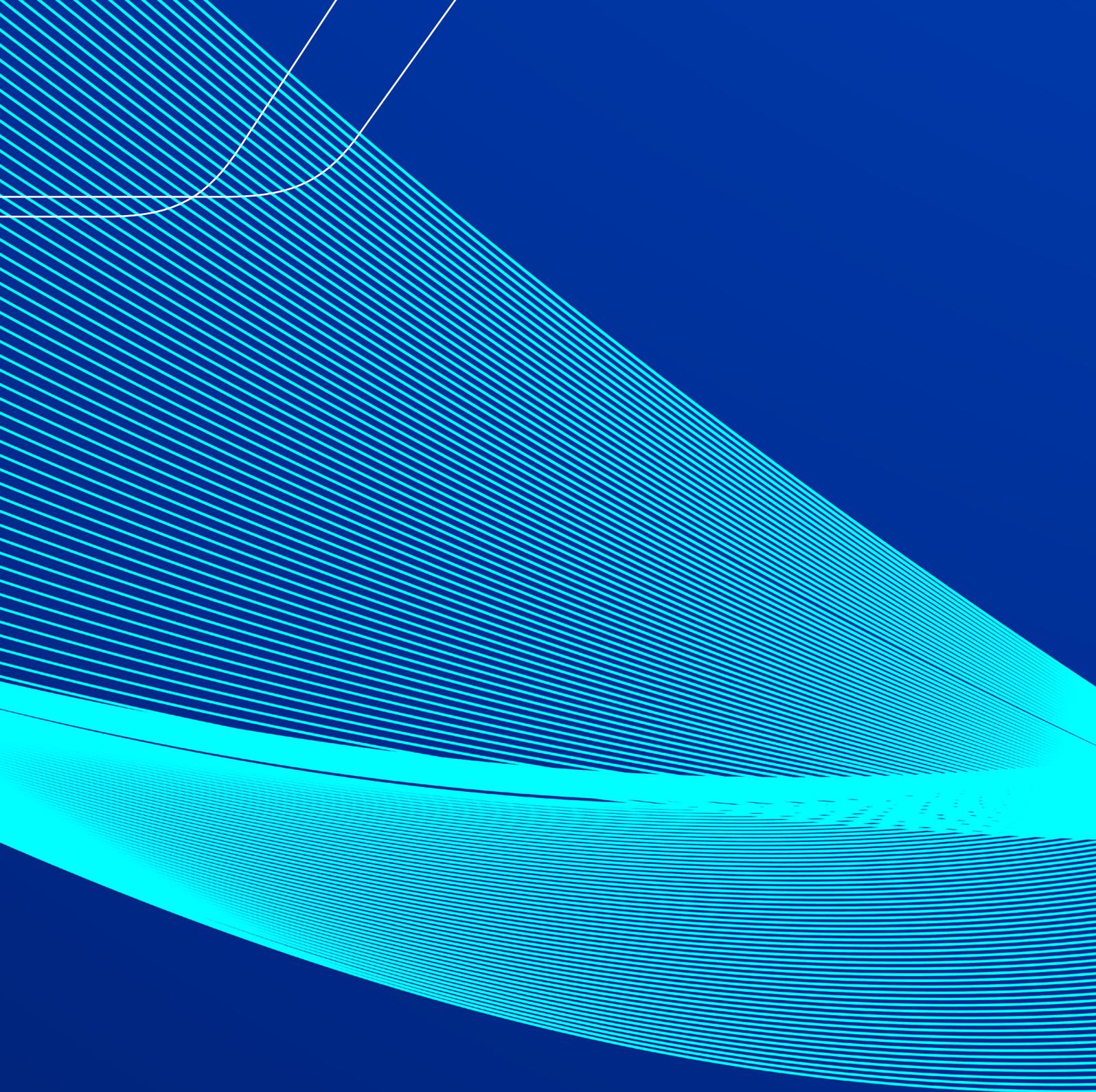
Gordan Kolak, MSc, BSc Eng.
President of the Management Board



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



Zagreb, 26 February 2026



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