

Business Results and Consolidated Statements of KONČAR Group

Unaudited

January - June 2024



KONČAR

Inspired by challenge

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Key Performance Indicators

Export

+37%

Sales revenue

+25%

Book-to-bill ratio

1.8

Backlog

+35.3%

Net profit

+186.4%

EBITDA

+146.3%

*Compared to H1 2023
Backlog compared to 31 December 2023*

A Report of the Management Board



CEO Statement Gordan Kolak, President of the Management Board

The business results of KONČAR Group for the first half of 2024 have surpassed all expectations, setting new records in revenues, net profit, EBITDA, and margins. The most exciting aspect is the impressive growth in order intake and backlog, which paves the way for sustained success in the coming period. The strategic and operational transformations over recent years, along with KONČAR's leadership in the booming electrical equipment sector, have propelled the company to achieve results far surpassing those of four years ago.

The investment cycle has seen CAPEX double year-on-year in the first half, reaching EUR 18.4 million. The significant order intake drives the need for expanding and modernizing production capacities, while green and digital transformations demand additional investments in product development. Consolidated revenues from the sale of products and services reached EUR 478.7 million, representing a year-over-year increase of 25%, or EUR 95.8 million, compared to H1 2023. Export accounts for 73.4% of the total revenue from the sale of goods and services.

The most significant growth was seen in the power transmission and distribution with KONČAR – Distribution and Special Transformers, our flagship company, consistently excelling across all business segments. The green energy transition has led to a surge in demand for transformers, positioning KONČAR as a top high-tech manufacturer of this equipment in Europe and globally. We are thrilled by the positive momentum, driven by a remarkable order intake of EUR 866.2 million in the first half of the year. Our robust backlog stands at EUR 1.8 billion, with EUR 1.16 billion scheduled for realization in 2025 and beyond.

Strong sales performance has driven record-breaking profits. Reported net profit for the first half of 2024 stands at EUR 73.8 million, an increase of EUR 48.0 million year-on-year. EBITDA amounts to EUR 90.5 million, representing an expansion of EUR 53.8 million compared to H1 2023 EBITDA. The EBITDA margin is 18.9%, an impressive rise of 9.3 percentage points year-on-year.

Among the significant contracts for the entire KONČAR Group, it is worth highlighting the contract for the revitalization of the Vidraru hydropower plant in Romania, valued at nearly EUR 80 million, and the contract with the Croatian Transmission System Operator (HOPS d.d.) for the supply of equipment and reconstruction works on the Velebit pumped-storage hydropower plant; and the selection of Dalekovod as the most favourable bidder for the construction of a new 420 kV transmission line on the Vik – Sogndal section in Norway, valued at over EUR 14 million.

We have successfully realized, and in some segments even outperformed, on our H1 2024 plan. This exceptional performance fuels our confidence and determination to raise the bar even higher and achieve greater milestones in the upcoming period.

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

A handwritten signature in blue ink, appearing to read 'G. Kolak', written in a cursive style.

KEY PERFORMANCE INDICATORS OF KONČAR GROUP OPERATIONS FOR THE PERIOD JANUARY - JUNE 2024

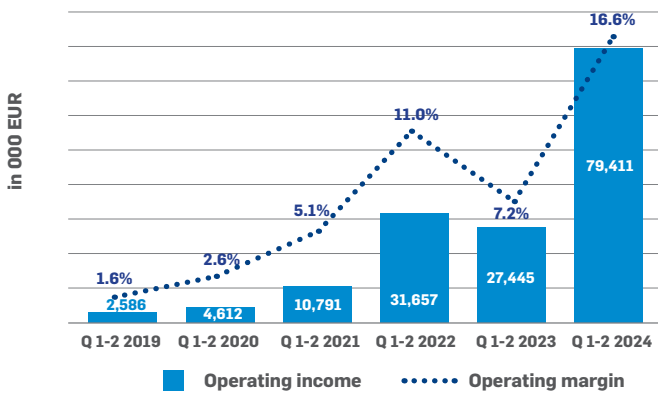
Key performance indicators

				Index
in EUR 000	Q1 2023	Q1 2024	Δ	2024/2023
Operating income	391,969	486,325	94,356	124.1
Sales income- total	382,922	478,693	95,771	125.0
Sales income- export	256,674	351,334	94,660	136.9
Operating expenses	364,524	406,914	42,390	111.6
Operating profit	27,445	79,411	51,966	289.3
Operating margin	7.2%	16.6%		
Normalized operating profit	22,435	76,951	54,516	343.0
Normalized operating margin	5.9%	16.1%		
Net profit	25,767	73,791	48,024	286.4
Normalized net profit	20,757	71,331	50,574	343.6
Normalized net profit margin	5.4%	14.9%		
Depreciation and amortization	9,320	11,130	1,810	119.4
EBITDA	36,765	90,541	53,776	246.3
EBITDA margin	9.6%	18.9%		
Normalized EBITDA ¹	31,755	88,081	56,326	277.4
Normalized EBITDA margin ¹	8.3%	18.4%		
Order intake	748,058	866,212	118,154	115.8
Backlog²	1,337,376	1,810,057	472,681	135.3
Book-to-bill ratio	2.0	1.8		

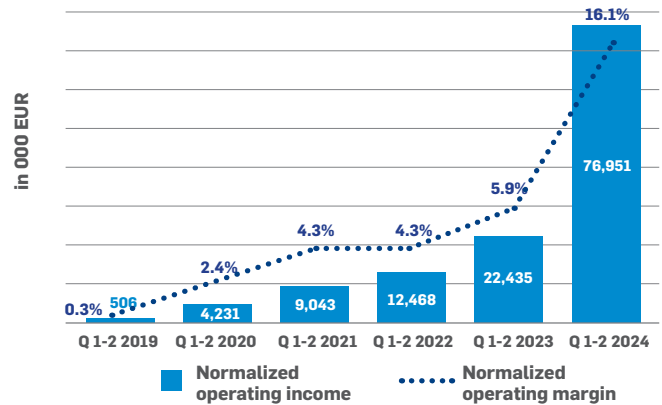
EBITDA Normalized¹: EBITDA less the net effect of provisions, asset sale income, loss compensation income and other operating income.

Backlog²: as at 30 June 2023

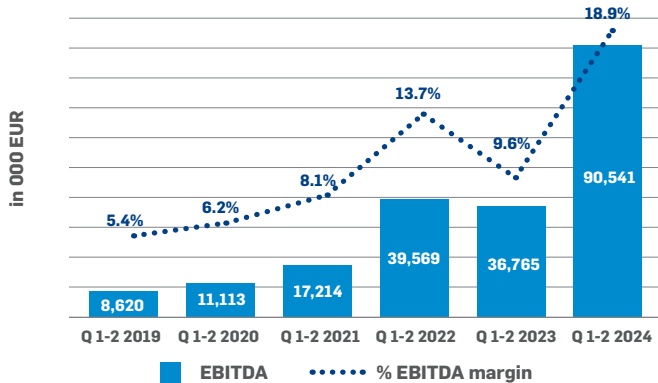
Operating income



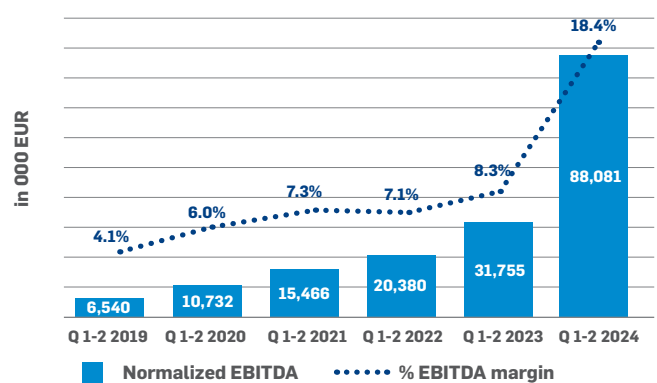
Normalized operating income



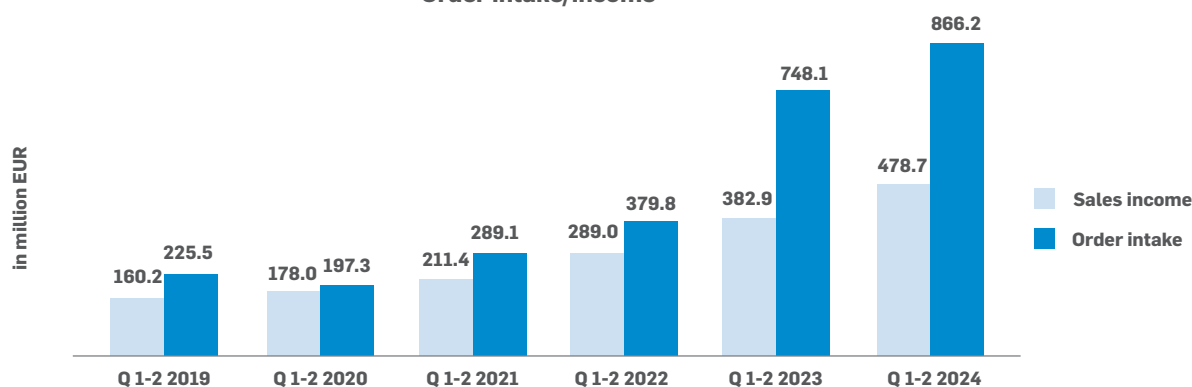
EBITDA



Normalized EBITDA



Order intake/income



Income Statement

For the first half of 2024, consolidated operating results significantly surpassed those recorded in the comparable period last year. Notably, KONČAR – Distribution and Special Transformers delivered exceptional performance, with its net result being three times higher year-on-year compared to H1 2023.

Profit margins reached record levels, and the upward trend in order intake and backlog instills justified optimism that these strong results will continue in the coming periods.

For the period January - June 2024, total operating income was realized in the amount of EUR 486.3 million, which represents an increase of EUR 94.4 million or 24.1% year-on-year.

Consolidated revenue generated from the sale of goods and services amounts to EUR 478.7 million, representing a year-on-year increase of EUR 95.8 million or 25%.

Other operating income totalled EUR 7.6 million, marking a decrease of EUR 1.4 million compared to H1 2023.

Operating expenses were realized in the amount of EUR 406.9 million, which is a 11.6% rise on H1 2023 realization.

in EUR 000	Index			
	Q 1-2 2023	Q 1-2 2024	Δ	2024/2023
OPERATING INCOME	391,969	486,325	94,356	124.1
OPERATING EXPENSES	364,525	406,914	42,389	111.6
Material costs and change in value of inventories	264,235	283,535	19,300	107.3
Staff costs	68,798	84,537	15,739	122.9
Depreciation and amortization	9,320	11,130	1,810	119.4
Other costs	22,003	27,471	5,468	124.9
Impairment of non-current and current assets	169	241	72	142.6
OPERATING PROFIT	27,444	79,411	51,967	289.4
SHARE IN PROFIT OF ASSOCIATED PARTIES	3,381	8,931	5,550	264.2
SHARE IN LOSS OF ASSOCIATED PARTIES	6	10	4	166.7
FINANCE INCOME	691	2,636	1,945	381.5
FINANCE COSTS	1,508	2,619	1,111	173.7
TOTAL INCOME	396,041	497,892	101,851	125.7
TOTAL EXPENSES	366,039	409,543	43,504	111.9
Profit before taxation	30,002	88,349	58,347	294.5
Income tax	4,235	14,558	10,323	343.8
PROFIT FOR THE PERIOD	25,767	73,791	48,024	286.4

With reference to operating expenses, material costs (cost of raw materials and commodities, costs of goods sold and other external costs) amount to EUR 291.0 million and are EUR 1.2 million (0.4%) higher compared to H1 2023. The share of material costs account for 59.9% of adjusted sales revenues which is a 11.6 percentage points decrease compared to H1 2023.

Staff costs amount to EUR 84.5 million, representing a year-on-year expansion of EUR 15.7 million or 22.9%. The share of staff costs in sales revenue amounts to 17.4%, higher by 0.5 percentage points compared to H1 2023. Year-on-year, the number of employees rose by 446, resulting in a total workforce of 5,370 staff within the Group as of 30 June 2024.

With respect to H1 2023, other operating expenses increased by EUR 6.3 million and amount to EUR 26.5 million. Other operating expenses include staff remuneration and other employee benefits amounting to EUR 14.1 million (an increase of EUR 3.9 million compared to H1 2023), as well as non-manufacturing services amounting to EUR 3.7 million, and intellectual services, insurance premiums, and other costs totalling EUR 8.7 million.

Operating profit (EBIT) amounts to EUR 79.4 million, which is a year-on-year increase of EUR 52.0 million. EBIT margin is 16.6% (in H1 2023 it stood at 7.2%).

Normalized operating profit amounts to EUR 77.0 million, which is EUR 54.5 million rise year-over-year. Normalized EBIT margin is 16.1% which is a 10.2 percentage points improvement year-over-year, up from 5.9% in H1 2023.

Share of profit from an associate company amounted to EUR 8.9 million, representing a year-on-year increase of EUR 5.6 million.

Financial income and financial expenses are roughly equal, each amounting to EUR 2.6 million.

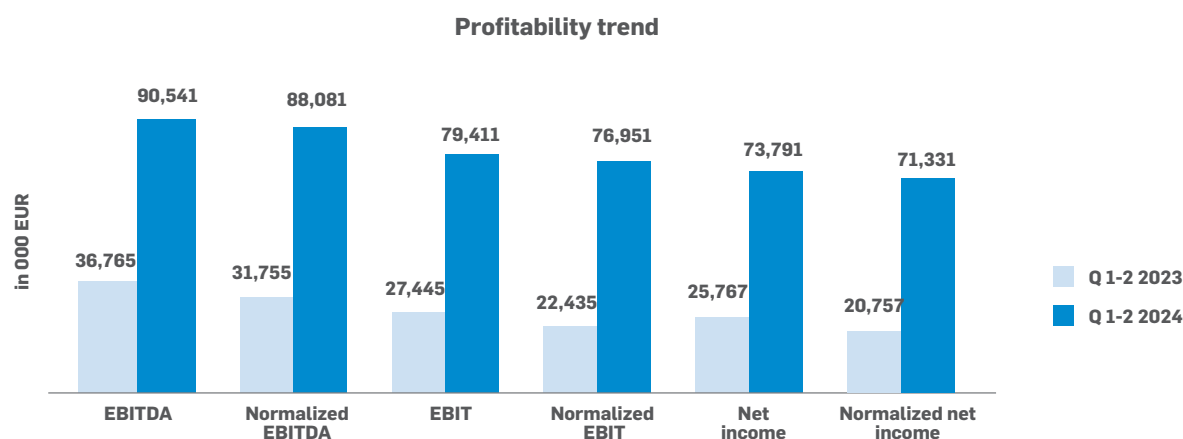
Total consolidated income generated by the Group amounts to EUR 497.9 million, a growth of EUR 101.9 million or 25.7% compared to H1 2023. Operating profit of EUR 79.4 million, share in the profit of associated parties and joint ventures in the amount of EUR 8.9 million result in the consolidated profit before tax amounting to EUR 88.3 million. Income tax advance amounts to EUR 14.5 million. Realized net profit for the reporting period stands at EUR 73.8 million. KONČAR Group recorded a growth in the consolidated result of EUR 48 million compared to the corresponding period in 2023.

Normalized net profit stands at EUR 71.3 million, marking an increase of EUR 50.6 million year-over-year. The normalized net margin is 14.9% (compared to 5.4% in H1 2023).

EBITDA amounts to EUR 90.5 million, representing an expansion of EUR 53.8 million compared to H1 2023 EBITDA. EBITDA margin is 18.9% (in 2023 it stood at 9.6%).

Normalized EBITDA amounts to EUR 88.1 million, reflecting a year-on-year increase of EUR 56.3 million.

Realized normalized EBITDA margin is 18.4% (it amounted to 8.3% in H1 2023).



Net debt

in EUR 000	31/12/2023	30/6/2024	Δ
Non-current liabilities for loans	46	0	-46
Non-current liabilities to banks and other financial institutions	35,206	32,542	-2,664
Non-current liabilities for future lease payments	688	1,642	955
TOTAL Non-current liabilities	35,940	34,184	-1,756
Current liabilities for loans	25	138	113
Liabilities to banks and other financial institutions	51,257	61,097	9,840
Interest payable	1,210	178	-1,032
Current liabilities for future lease payments	366	360	-6
TOTAL Current liabilities	52,858	61,773	8,915
TOTAL DEBT	88,798	95,957	7,160
Cash	153,824	144,169	-9,655
Current financial assets	536	4,552	4,016
NET DEBT	-65,563	-52,764	12,799
Net debt / normalized EBITDA	neg	neg	

Summarised statement of financial position

in EUR 000	31/12/2023	30/6/2024	Δ
Current assets	706,015	709,476	3,461
Current liabilities	413,781	411,764	-2,017
Current ratio	1.7	1.7	

in EUR 000	31/12/2023	30/6/2024	Δ
Non-current assets	313,353	341,139	27,786
Current assets and prepaid expenses	706,015	709,476	3,461
Assets	1,019,368	1,050,615	31,247
Capital and reserves	530,974	563,733	32,759
Non-current liabilities	74,613	75,118	505
Current liabilities	413,781	411,764	-2,017
Total equity and liabilities	1,019,368	1,050,615	31,247

Statement of Financial Position**Key indicators of the Statement of Financial Position as at 30 June 2024**

The balance of total consolidated funds and sources of funding as at 30 June 2024 amounts to EUR 1,050.6 million, representing a growth of EUR 31.2 million or 3.1% compared to the balance as at 31 December 2023.

In the structure of assets, total non-current assets amount to EUR 341.1 million, which accounts for 32.5% of the total assets. Intangible assets increased by EUR 4.6 million, while tangible assets rose by EUR 8.6 million. The most significant increase was seen in the advances for tangible assets and tangible assets under construction, reflecting the expansion of production capacities.

Non-current financial assets grew by EUR 14.8 million. This growth is primarily attributed to an increase of EUR 8.9 million in loans granted and equity-accounted investments.

As at 30 June 2024, total current assets amount to EUR 698.3 million, remaining nearly unchanged compared to the balance as at 31 December 2023. Within this category, total inventories increased by EUR 0.7 million compared to 31 December 2023. This includes a reduction in raw materials and supplies by EUR 2.1 million and a decrease in finished goods by EUR 10.7 million, offset by a notable increase in work-in-progress by EUR 10.2 million.

Relative to the situation as of 31 December 2023:

- Total current receivables increased by EUR 6.4 million. Trade receivables and contract assets increased by EUR 11.4 million. Dividend receivables are reduced by EUR 8.0 million. Other receivables are up by EUR 3.0 million.
- Financial assets increased by EUR 4.0 million, with the most significant rise attributed to deposits over three months. These deposits now total EUR 4.2 million, up by EUR 3.8 million from the year-end 2023 figures.
- At the Group level, the amount of cash balance decreased by EUR 9.7 million.

As of 30 June 2024, the sources of funding item show changes from 31 December 2023, as follows:

- Equity, including reserves and retained earnings, stands at EUR 563.7 million, up by EUR 32.8 million from the end of last year due to the allocation of 2023's profits/losses and net income earned during the reporting period.
- Non-controlling (minority interest) amounts to EUR 123.9 million, which is EUR 0.8 million lower than as at 31 December 2023.
- Non-current provisions amount to EUR 33.7 million, an increase of EUR 2.2 million compared to 2023 year-end.
- Non-current liabilities stand at EUR 41.5 million, representing a decrease of EUR 1.7 million. The amount of liabilities towards long-term bank loans decreased by EUR 2.7 million, while liabilities for future lease payments increased by EUR 0.9 million.
- The amount of other non-current liabilities remains approximately the same, at EUR 7.2 million.
- Current liabilities amount to EUR 387.1 million, which is EUR 9.7 million higher compared to the balance as at 31 December 2023.
- In the structure of current liabilities, there are significant changes in liabilities for advances received, which went up by EUR 18.9 million. Current liabilities towards banks and other financial institutions increased by EUR 9.9 million while trade payables marked a significant decrease of EUR 14.1 million.
- Accrued expenses and deferred income amount to EUR 24.6 million, representing a fall of EUR 11.7 million.

In the structure of sources of funding, subscribed capital, reserves, reserves from retained earnings, profit for the year and non-controlling (minority) interest amount to EUR 563.7 million, which accounts for 53.7% of the total sources of funding. Non-current provisions amount to EUR 33.7 million, accounting for 3.2% of the total sources. Total non-current and current liabilities amount to EUR 428.6 million and account for 40.8% of the total sources. In the structure of current liabilities, accounts payable in the amount of EUR 109.8 million make up 10.5% of the total sources. Total liabilities towards banks for loans (short-term and long-term) amount to EUR 93.6 million, or 8.9% of the total sources.

As of 30 June 2024 contingent liabilities (off-balance sheet items) amount to EUR 925.7 million, which represents an increase of EUR 149.7 million compared to the balance as at 31 December 2023. Contingent liabilities pertain to issued payment securities (guarantees, letters of credit, promissory notes).

Total current assets and prepaid expenses exceed 1.7 times total current liabilities, accrued expenses and deferred income. The structure of the Consolidated Statement of Financial Position indicates a sound balance between funding sources and investments and an overall financial stability of KONČAR Group.

Market position

Consolidated revenue generated from the sale of goods and services amounts to EUR 478.7 million, representing a year-on-year increase of EUR 95.8 million or 25%.

In the domestic market, revenue stagnation continued, resulting in revenues remaining at last year's level. Revenue generated amounts to EUR 127.3 million, representing a year-on-year increase of 1.1%. The share of domestic market revenue in total sales of products and services continued to decline, reaching 26.6% for the reporting period (compared to 28.8% in the Q1).

In the structure of revenue generated from sales in the domestic market, revenue from the sale of goods and services to HEP Group companies amounts to EUR 46.5 million (9.7% of total revenue from the sale of goods and services).

Revenues from sales to HŽ Passenger Transport and HŽ Infrastructure amounted to EUR 24.1 million (5% of total sales revenues).

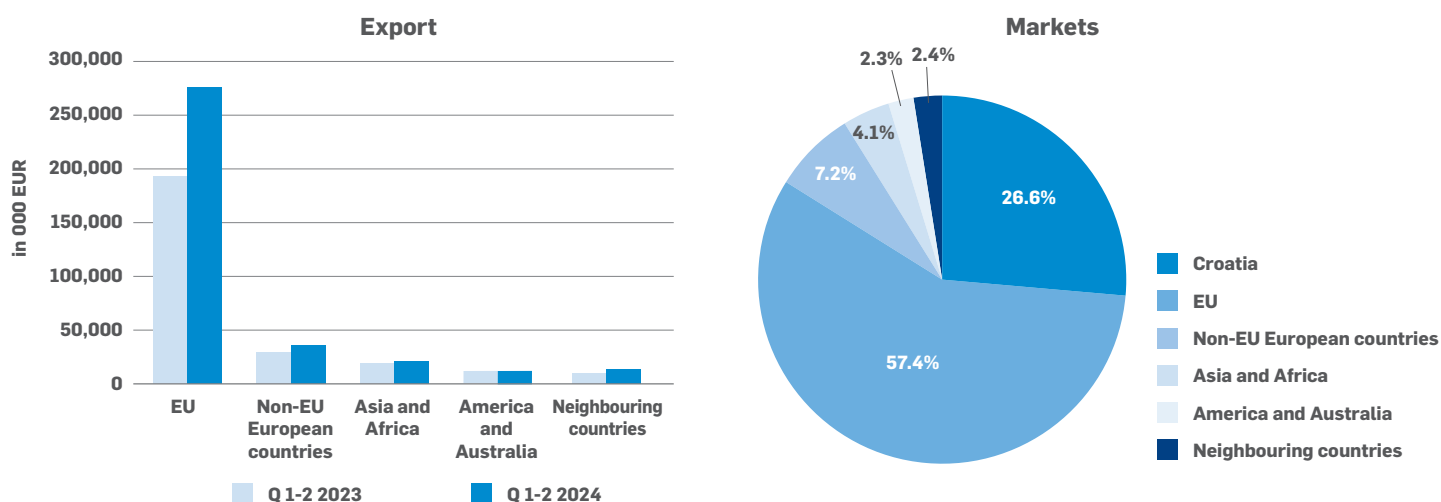
Exports amount to EUR 351.3 million, which is EUR 94.7 million surge year-on-year.

Export accounts for 73.4% of the total revenue from the sale of goods and services.

Compared to the corresponding period last year, the most significant increase in export sales revenues was in the European Union market, where export revenues grew by EUR 82.4 million year-over-year. Export to the European Union countries reaches EUR 274.9 million or 78.2% of the total export.

By country, the most significant export volume pertains to the German market, in the amount of EUR 56.1 million, accounting for 16% of the total exports (a growth of EUR 10.7 million year-on-year). Goods and services exported to Sweden amount to EUR 47.8 million (13,6% of the total export), followed by Austria with EUR 27.8 million (7.9% of the total export).

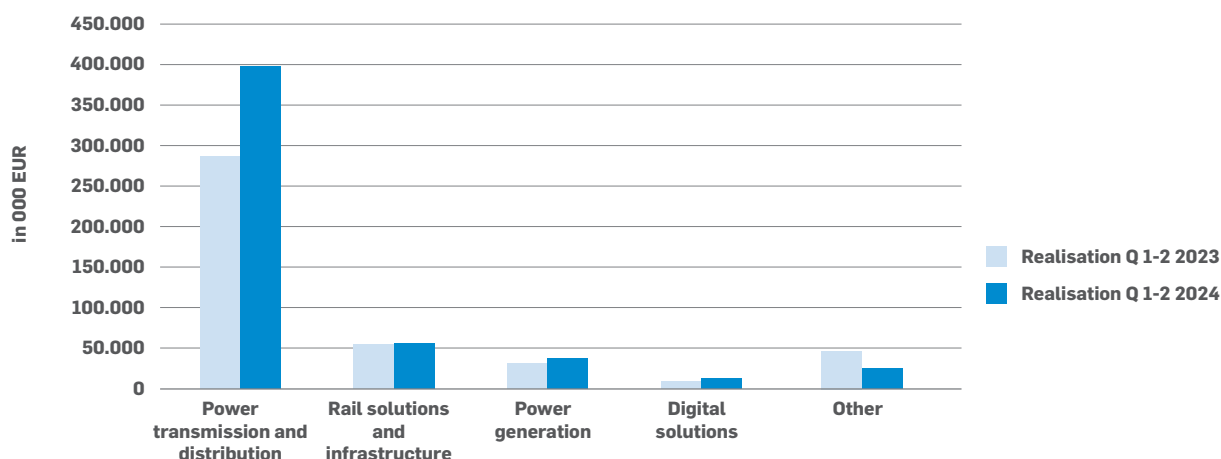
Order intake in the H1 amounted to EUR 866.2 million, creating conditions for further revenue growth in the upcoming period.



Income by segments

in EUR 000

Segment	Q 1-2 2023	Q 1-2 2024
Power transmission and distribution	284,098	394,536
Rails solutions and infrastructure	54,514	54,995
Power generation	30,873	36,450
Digital solutions	8,454	11,323
Other	45,513	25,260
Total Sales Income Unconsolidated	423,452	522,564



Order intake and backlog

The second quarter of 2024 continued the upward trend in new order intake for KONČAR Group.

In H1 2024, KONČAR Group companies contracted new projects worth EUR 866.2 million, Year-over-year, order intake increased by EUR 118.2 million.

Book-to-bill ratio for H1 2024 was 1.8, indicating a strong order intake relative to revenues.

International markets dominated the order intake, significantly exceeding domestic contract volumes. Export contracts comprised EUR 702.2 million or 81.1% of the total new order intake in the H1. It should be highlighted that the order intake for exports is double the amount realized in the H1 2024.

The order intake on the domestic market remains at last year's level, amounting to EUR 164.0 million. The most significant portion pertains to contracts with companies within the HEP Group, totalling EUR 91.1 million. HEP accounts for 10,5% of the total order intake. One of the significant contracts in the domestic market is the agreement for the maintenance and service of trams with Zagreb Holding.

Of the total order intake in foreign markets, the majority pertains to the the European Union countries, amounting to EUR 595.7 million, which is EUR 119.8 million upturn on the comparable period in 2023. The EU market accounts for 84,8% of the total order intake.

Significant increases in order intake were observed in neighbouring markets, with new business increasing by EUR 22,7 million compared to H1 2023. There is a downturn in order intake compared to H1 2023. Broken down by countries, the most significant order intake volume pertains to the German market, in the amount of EUR 169.5 million. The Netherlands; Romania and Sweden also saw notable growth, with the Netherlands securing new orders worth EUR 80.3 million, an increase of EUR 53.6 million over H1 2023.

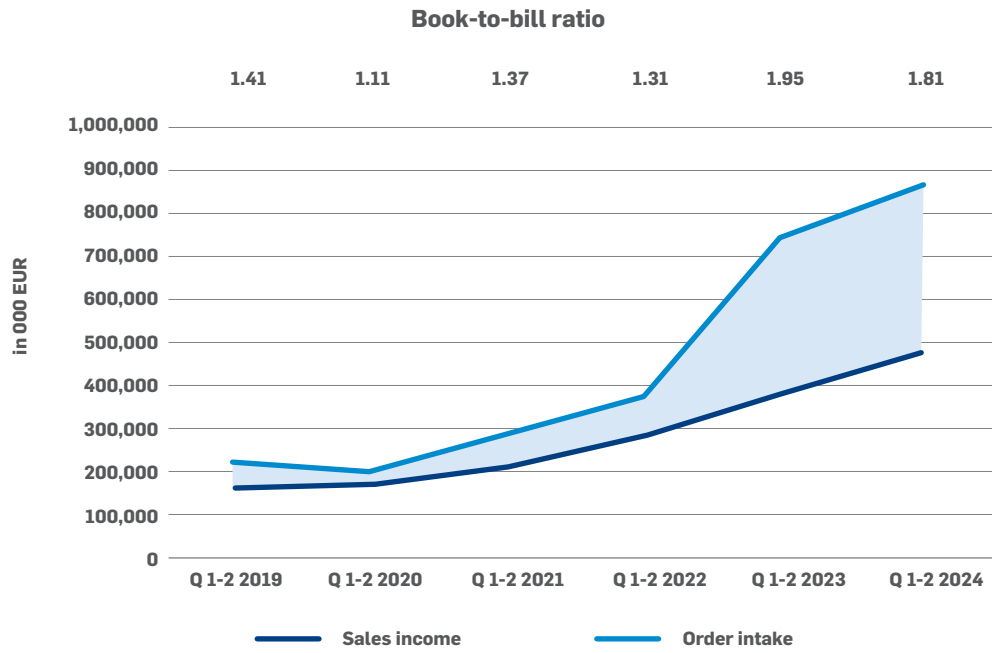
Looking ahead, in terms of delivery dynamics, EUR 250.0 million is contracted and scheduled for realization in 2024, which accounts for 28.8% of new order intake, followed by EUR 272.2 million, or 31.5%, contracted for realization in 2025, and the largest portion of new contracts, EUR 344.1 million, or 39.7%, is scheduled for realization in 2026 and beyond.

The value of order intake (backlog) as at the end of June 2024 amounts to EUR 1,810.1 million, representing a 27.2% increase compared to the value at year-start. Backlog at the end of June 2024 is up by EUR 472.7 million year-on-year.

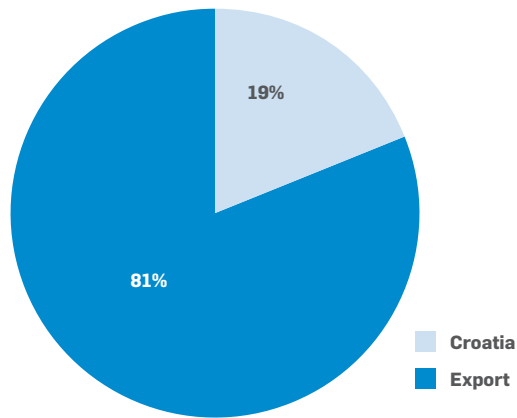
In the balance of open liabilities, orders for realization in 2024 amount to EUR 653.6 million, representing 100% realization of the sales income plan.

Among the significant contracts for the entire KONČAR Group, it is worth highlighting the contract for the revitalization of the Vidraru hydropower plant in Romania, valued at nearly €80 million, and the contract with the Croatian Transmission System Operator (HOPS d.d.) for the supply of equipment and reconstruction of the Velebit pumped-storage hydropower plant. The total value of the contracted work is EUR 14.2 million.

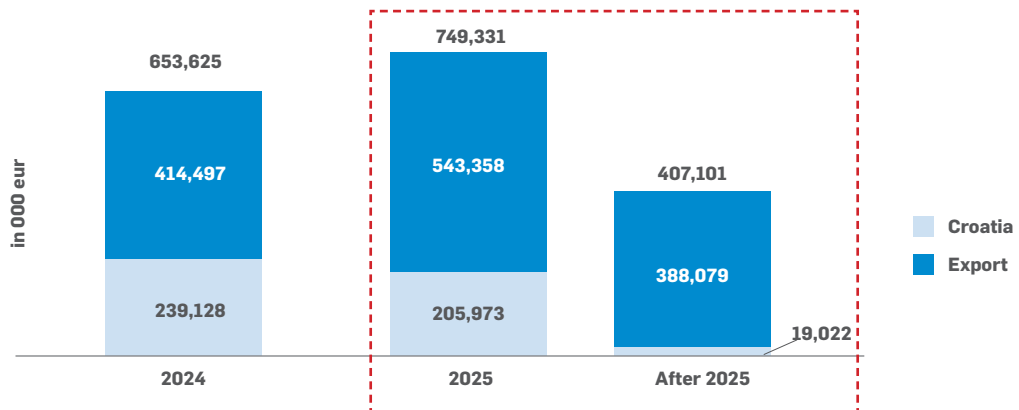
Dalekovod has been selected as the most favorable bidder for the construction of a new 420 kV transmission line on the Vik – Sogndal section in Norway. The contract is valued at EUR 14 million.



Order intake in Q 1-2 2024



Expected income in the upcoming period



Information for Shareholders

KOEI-R-A	30/6/2023	30/6/2024	Index
Final price (EUR)	151.00	260.00	172.2
Highest price (EUR)	153.00	274.00	179.1
Lowest price (EUR)	115.00	146.00	127.0
Volume	27,468	83,451	303.8
Turnover (EUR)	3,623,630,00	17,757,871,00	490.1
Market capitalisation (EUR)	384,467,140,00	661,996,400,00	172.2
EPS (EUR) (profit of the parent company/weighted average number of shares)	6.84	16.24	237.4

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

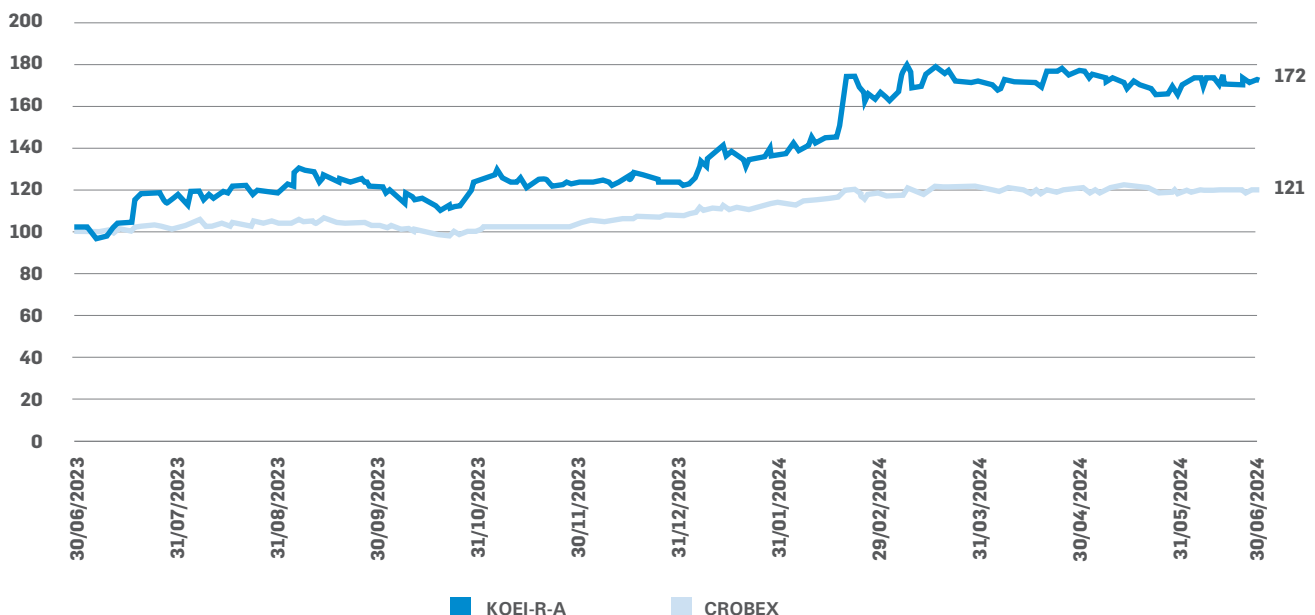
Over the past few months, KONČAR's shares have consistently topped the list of price increases on the Zagreb Stock Exchange. The shares reached a record high at the end of March 2024, with a value of EUR 274.00.

As of the end of June this year, the market capitalization stood at EUR 662 million, marking the growth of 72.2% compared to the figure recorded on 30 June 2023.

The earnings per share for the parent company were EUR 16.24, which is nearly two and a half times the earnings reported for the corresponding period in 2023.

The General Assembly of KONČAR - Electrical Industry Inc. was held on 12 June 2024. The General Assembly adopted a Resolution on the Distribution of Dividend to the Shareholders in the amount of EUR 2.50 per share.

Indices of KOEI price and CROBEX value changes



B Unaudited Consolidated Financial Statements of KONČAR Group for the period January - June 2024

Annex 1

ISSUER'S GENERAL DATA

Reporting period:	01/01/2024	to	30/06/2024
Year:	2024	Quarter:	2

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:	74780000HOSHMRW0I15
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):	5370		
Consolidated report:	KD	(KN-not consolidated/KD-consolidated)	
Audited:	RN	(RN-not audited/RD-audited)	

Names of subsidiaries (according to IFRS):	Registered office:	MB:
KONČAR - Infrastructure and Services Ltd. for services	Zagreb	1343068
KONČAR - Electrical Engineering Institute Ltd. for research, development and services	Zagreb	3645363
KONČAR - Electronics and Informatics Inc. for production and services	Zagreb	3282899
KONČAR - Motors and Electrical Systems Ltd. for production	Zagreb	3282678
KONČAR - Generators and Motors Inc. for production	Zagreb	1356216
KONČAR - Renewable Energy Sources Ltd. for production	Zagreb	2435071
KONČAR - Instrument Transformers Inc. for production	Zagreb	3654656
KONČAR - Distribution and Special Transformers Inc. for manufacturing	Zagreb	3654664
KONČAR - Switchgear Ltd. for production	Zagreb	3641287
KONČAR - Electric Vehicles Inc. for manufacturing	Zagreb	3282660
KONČAR - Engineering Co. Ltd. for production and services	Zagreb	3654354
KONČAR - Metal Structures Ltd. for production	Zagreb	1114328
KONČAR - Investments Ltd. for business services	Zagreb	5423392
KONČAR - Digital Ltd. for digital services	Zagreb	5478421
KONČAR - Transformer Tanks Ltd.	Zagreb	5853184

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

BALANCE SHEET

balance as at 30.06.2024

in EUR

Submitter: KONČAR - Electrical Industry Inc. for manufacturing and services			
Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID	001	0	0
B) FIXED ASSETS (ADP 003+010+020+031+036)	002	313,353,712	341,138,781
I INTANGIBLE ASSETS (ADP 004 to 009)	003	25,742,275	30,311,222
1 Research and development	004	5,466,207	5,334,691
2 Concessions, patents, licences, trademarks, software and other rights	005	8,659,143	8,906,438
3, Goodwill	006	8,352,686	11,388,214
4 Advances for the purchase of intangible assets	007	0	0
5 Intangible assets in preparation	008	3,249,291	4,580,633
6 Other intangible assets	009	14,948	101,246
II TANGIBLE ASSETS (ADP 011 to 019)	010	232,818,877	241,458,526
1 Land	011	41,479,811	42,496,740
2 Buildings	012	76,451,357	76,015,713
3 Plant and equipment	013	68,760,791	69,826,714
4 Tools, working inventory and transportation assets	014	15,803,304	16,474,448
5 Biological assets	015	0	0
6 Advances for the purchase of tangible assets	016	8,213,025	7,237,103
7 Tangible assets in preparation	017	4,009,859	10,387,197
8 Other tangible assets	018	98,036	427,317
9 Investment property	019	18,002,694	18,593,294
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	39,185,883	53,997,081
1 Investments in holdings (shares) of undertakings within the group	021	8,265	8,265
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	33,334,461	41,708,433
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	5,725,000
7 Investments in securities	027	357,088	620,150
8 Loans, deposits, etc, given	028	1,274,770	1,295,499
9 Other investments accounted for using the equity method	029	3,848,230	4,407,841
10 Other fixed financial assets	030	363,069	231,893
IV RECEIVABLES (ADP 032 to 035)	031	6,690,107	6,943,062
1 Receivables from undertakings within the group	032	0	0
2 Receivables from companies linked by virtue of participating interests	033	0	0
3 Customer receivables	034	1,295,391	1,560,102
4 Other receivables	035	5,394,716	5,382,960
V DEFERRED TAX ASSETS	036	8,916,570	8,428,890
C) CURRENT ASSETS (ADP 038+046+053+063)	037	696,811,983	698,295,045
I INVENTORIES (ADP 039 to 045)	038	220,533,216	221,249,257
1 Raw materials and consumables	039	109,032,506	106,915,294
2 Work in progress	040	62,825,081	74,591,055
3 Finished goods	041	36,842,270	26,150,235
4 Merchandise	042	3,815,037	3,884,272
5 Advances for inventories	043	7,255,067	8,940,809
6 Fixed assets held for sale	044	763,255	767,592
7 Biological assets	045	0	0

BALANCE SHEET

balance as at 30.06.2024

in EUR

Submitter: KONČAR - Electrical Industry Inc. for manufacturing and services			
Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
II RECEIVABLES (ADP 047 to 052)			
II RECEIVABLES (ADP 047 to 052)	046	321,918,665	328,324,495
1 Receivables from undertakings within the group	047	0	0
2 Receivables from companies linked by virtue of participating interests	048	12,507,096	5,343,507
3 Customer receivables	049	273,362,113	284,001,355
4 Receivables from employees and members of the undertaking	050	77,977	219,044
5 Receivables from government and other institutions	051	14,428,326	13,904,955
6 Other receivables	052	21,543,153	24,855,634
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)			
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)	053	536,361	4,551,899
1 Investments in holdings (shares) of undertakings within the group	054	0	0
2 Investments in other securities of undertakings within the group	055	0	0
3 Loans, deposits, etc, to undertakings within the group	056	0	0
4 Investments in holdings (shares) of companies linked by virtue of participating interests	057	0	0
5 Investment in other securities of companies linked by virtue of participating interests	058	0	0
6 Loans, deposits etc, to companies linked by virtue of participating interests	059	0	0
7 Investments in securities	060	0	11,662
8 Loans, deposits, etc, given	061	475,991	4,508,196
9 Other financial assets	062	60,370	32,041
IV CASH AT BANK AND IN HAND			
IV CASH AT BANK AND IN HAND	063	153,823,741	144,169,394
D) PREPAID EXPENSES AND ACCRUED INCOME			
D) PREPAID EXPENSES AND ACCRUED INCOME	064	9,202,598	11,181,204
E) TOTAL ASSETS (ADP 001+002+037+064)			
E) TOTAL ASSETS (ADP 001+002+037+064)	065	1,019,368,293	1,050,615,030
OFF-BALANCE SHEET ITEMS			
OFF-BALANCE SHEET ITEMS	066	776,014,997	925,715,294
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)			
I INITIAL (SUBSCRIBED) CAPITAL			
I INITIAL (SUBSCRIBED) CAPITAL	068	159,471,379	159,471,379
II CAPITAL RESERVES			
II CAPITAL RESERVES	069	1,072,189	1,072,189
III RESERVES FROM PROFIT (ADP 071+072-073+074+075)			
III RESERVES FROM PROFIT (ADP 071+072-073+074+075)	070	106,637,562	109,015,323
1 Legal reserves	071	9,726,616	10,159,885
2 Reserves for treasury shares	072	4,507,291	6,032,193
3 Treasury shares and holdings (deductible item)	073	-2,032,193	-2,032,193
4 Statutory reserves	074	65,869,433	65,869,433
5 Other reserves	075	28,566,415	28,986,005
IV REVALUATION RESERVES			
IV REVALUATION RESERVES	076	0	0
V FAIR VALUE RESERVES AND OTHER (ADP 078 to 082)			
V FAIR VALUE RESERVES AND OTHER (ADP 078 to 082)	077	624,455	1,175,800
1 Financial assets at fair value through other comprehensive income (i.e, available for sale)	078	830,229	830,229
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	-205,774	345,571
VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 084-085)			
VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 084-085)	083	92,084,350	127,694,794
1 Retained profit	084	92,084,350	127,694,794
2 Loss brought forward	085	0	0
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 087-088)			
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 087-088)	086	46,328,381	41,364,687
1 Profit for the business year	087	46,328,381	41,364,687
2 Loss for the business year	088	0	0
VIII MINORITY (NON-CONTROLLING) INTEREST			
VIII MINORITY (NON-CONTROLLING) INTEREST	089	124,755,316	123,941,037

BALANCE SHEET

balance as at 30.06.2024

in EUR

Submitter: KONČAR - Electrical Industry Inc. for manufacturing and services			
Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
B) PROVISIONS (ADP 091 to 096)	090	31,414,110	33,660,551
1 Provisions for pensions, termination benefits and similar obligations	091	6,067,206	6,050,958
2 Provisions for tax liabilities	092	0	714,321
3 Provisions for ongoing legal cases	093	3,066,319	3,495,412
4 Provisions for renewal of natural resources	094	609,529	609,529
5 Provisions for warranty obligations	095	21,631,366	21,617,741
6 Other provisions	096	39,690	1,172,590
C) LONG-TERM LIABILITIES (ADP 098 to 108)	097	43,200,203	41,457,477
1 Liabilities to undertakings within the group	098	0	0
2 Liabilities for loans, deposits, etc, of undertakings within the group	099	0	0
3 Liabilities to companies linked by virtue of participating interests	100	0	0
4 Liabilities for loans, deposits etc, of companies linked by virtue of participating interests	101	0	0
5 Liabilities for loans, deposits etc,	102	46,453	0
6 Liabilities to banks and other financial institutions	103	31,774,344	29,880,951
7 Liabilities for advance payments	104	0	0
8 Liabilities to suppliers	105	0	754,464
9 Liabilities for securities	106	1,345,000	1,142,571
10 Other long-term liabilities	107	6,247,316	5,846,790
11 Deferred tax liability	108	3,787,090	3,832,701
D) SHORT-TERM LIABILITIES (ADP 110 to 123)	109	377,486,959	387,144,237
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	15,501,708	8,519,954
4 Liabilities for loans, deposits etc, of companies linked by virtue of participating interests	113	0	0
5 Liabilities for loans, deposits etc,	114	10,000	137,091
6 Liabilities to banks and other financial institutions	115	28,081,379	34,822,957
7 Liabilities for advance payments	116	132,754,442	151,703,757
8 Liabilities to suppliers	117	123,888,897	109,774,894
9 Liabilities for securities	118	195,000	202,836
10 Liabilities to employees	119	11,706,100	12,930,076
11 Taxes, contributions and similar liabilities	120	24,490,575	19,871,067
12 Liabilities arising from the share in the result	121	322,252	6,917,786
13 Liabilities arising from fixed assets held for sale	122	41,226	34,126
14 Other short-term liabilities	123	40,495,380	42,229,693
E) ACCRUALS AND DEFERRED INCOME	124	36,293,389	24,617,556
F) TOTAL – LIABILITIES (ADP 067+090+097+109+124)	125	1,019,368,293	1,050,615,030
G) OFF-BALANCE SHEET ITEMS	126	776,014,997	925,715,294

STATEMENT OF PROFIT OR LOSS for the period 01.01.2024 to 30.06.2024

in EUR

Submitter: KONČAR - Electrical Industry Inc. for manufacturing and services					
Item	AOP code	Same period of the previous year		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
I OPERATING INCOME (ADP 002 to 006)	001	391,969,489	215,998,688	486,324,330	273,781,798
1 Income from sales with undertakings within the group	002	0	0	0	0
2 Income from sales (outside group)	003	382,922,223	211,396,442	478,692,610	268,657,698
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	9,047,266	4,602,246	7,631,720	5,124,100
II OPERATING EXPENSES (ADP 08+009+013+017+018+019+022+029)	007	364,524,095	199,289,480	406,911,937	224,349,028
1 Changes in inventories of work in progress and finished goods	008	-25,591,325	-4,786,528	-7,490,832	4,564,857
2 Material costs (ADP 010 to 012)	009	289,826,333	151,551,998	291,025,899	153,597,725
a) Costs of raw materials and consumables	010	231,695,955	120,000,589	219,448,673	111,340,450
b) Costs of goods sold	011	20,467,947	11,103,984	19,370,203	11,421,517
c) Other external costs	012	37,662,431	20,447,425	52,207,023	30,835,758
3 Staff costs (ADP 014 to 016)	013	68,796,588	35,934,697	84,537,089	45,057,251
a) Net salaries and wages	014	43,003,938	22,553,701	53,244,994	28,283,285
b) Tax and contributions from salary costs	015	17,251,551	8,908,943	21,030,720	11,442,362
c) Contributions on salaries	016	8,541,099	4,472,053	10,261,375	5,331,604
4 Depreciation	017	9,320,135	4,383,169	11,129,868	6,227,195
5 Other costs	018	20,150,025	11,378,897	26,452,984	14,180,684
6 Value adjustments (ADP 020+021)	019	168,872	97,192	240,943	172,163
a) fixed assets other than financial assets	020	62,307	62,307	15,689	6,548
b) current assets other than financial assets	021	106,565	34,885	225,254	165,615
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	1,853,467	730,055	1,015,986	549,153
III FINANCIAL INCOME (ADP 031 to 040)	030	691,023	873,955	2,636,325	1,391,630
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	160,417	137,207	41,931	41,931
7 Other interest income	037	407,228	272,122	2,316,255	1,249,584
8 Exchange rate differences and other financial income	038	0	431,449	0	0
9 Unrealised gains (income) from financial assets	039	74,403	0	128,971	26,329
10 Other financial income	040	48,975	33,177	149,168	73,786
IV FINANCIAL EXPENSES (ADP 042 to 048)	041	1,508,365	750,348	2,619,691	1,260,381
1 Interest expenses and similar expenses with undertakings within the group	042	0	0	0	0
2 Exchange rate differences and other expenses from operations with undertakings within the group	043	0	0	0	0

STATEMENT OF PROFIT OR LOSS for the period 01.01.2024 to 30.06.2024

in EUR

Submitter: KONČAR - Electrical Industry Inc. for manufacturing and services					
Item	AOP code	Same period of the previous year		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
3 Interest expenses and similar expenses	044	1,344,162	736,961	2,050,142	1,147,428
4 Exchange rate differences and other expenses	045	159,828	0	562,881	112,897
5 Unrealised losses (expenses) from financial assets	046	0	10,014	0	0
6 Value adjustments of financial assets (net)	047	0	0	0	0
7 Other financial expenses	048	4,375	3,373	6,668	56
V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VIRTUE OF PARTICIPATING INTERESTS	049	3,025,913	890,843	8,373,972	4,514,756
VI SHARE IN PROFIT FROM JOINT VENTURES	050	354,959	253,101	556,907	556,907
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	6,223	3,150	9,668	1,893
IX TOTAL INCOME (ADP 001+030+049 +050)	053	396,041,384	218,016,587	497,891,534	280,245,091
X TOTAL EXPENDITURE (ADP 007+041+051 + 052)	054	366,038,683	200,042,978	409,541,296	225,611,302
XI PRE-TAX PROFIT OR LOSS (ADP 053-054)	055	30,002,701	17,973,609	88,350,238	54,633,789
1 Pre-tax profit (ADP 053-054)	056	30,002,701	17,973,609	88,350,238	54,633,789
2 Pre-tax loss (ADP 054-053)	057	0	0	0	0
XII INCOME TAX	058	4,235,274	2,533,089	14,557,801	9,243,082
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 055-059)	059	25,767,427	15,440,520	73,792,437	45,390,707
1 Profit for the period (ADP 055-059)	060	25,767,427	15,440,520	73,792,437	45,390,707
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	25,767,427	15,440,520	73,792,437	45,390,707
1 Attributable to owners of the parent	076	17,426,038	9,960,243	41,364,687	25,857,266
2 Attributable to minority (non-controlling) interest	077	8,341,389	5,480,277	32,427,750	19,533,441
STATEMENT OF OTHER COMPREHENSIVE INCOME (to be filled in by undertakings subject to IFRS)					
I PROFIT OR LOSS FOR THE PERIOD	078	25,767,427	15,440,520	73,792,437	45,390,707
II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 80+ 87)	079	150,006	-52,432	1,271,129	964,087
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 01.01.2024 to 30.06.2024

in EUR

Submitter: KONČAR - Electrical Industry Inc. for manufacturing and services					
Item	AOP code	Same period of the previous year		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
2 Gains or losses from subsequent measurement of equity instruments at fair value through other comprehensive income	082	0	0	0	0
3 Fair value changes of financial liabilities at fair value through statement of profit or loss, attributable to changes in their credit risk	083	0	0	0	0
4 Actuarial gains/losses on the defined benefit obligation	084	0	0	0	0
5 Other items that will not be reclassified	085	0	0	0	0
6 Income tax relating to items that will not be reclassified	086	0	0	0	0
IV Items that may be reclassified to profit or loss (ADP 088 to 095)	087	150,006	-52,432	1,271,129	964,087
1 Exchange rate differences from translation of foreign operations	088	150,006	-52,432	1,271,129	964,087
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	150,006	-52,432	1,271,129	964,087
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 078+097)	098	25,917,433	15,388,088	75,063,566	46,354,794
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	25,917,433	15,388,088	75,063,566	46,354,794
1 Attributable to owners of the parent	100	17,505,136	9,932,596	42,034,953	26,365,629
2 Attributable to minority (non-controlling) interest	101	8,412,297	5,455,492	33,028,613	19,989,165

STATEMENT OF CASH FLOWS - direct method for the period 01.01.2024 to 30.06.2024

in EUR

Submitter: KONČAR - Electrical Industry Inc. for manufacturing and services			
item	AOP code	Same period of the previous year	Current period
1	2	3	4
Cash flow from operating activities			
1 Cash receipts from customers	001	452,518,123	498,923,399
2 Cash receipts from royalties, fees, commissions and other revenue	002	0	4,695
3 Cash receipts from insurance premiums	003	583,015	321,022
4 Cash receipts from tax refund	004	14,186,524	19,728,766
5 Other cash receipts from operating activities	005	7,334,660	4,959,161
I Total cash receipts from operating activities (ADP 001 to 005)	006	474,622,322	523,937,043
1 Cash payments to suppliers	007	-306,144,511	-325,192,139
2 Cash payments to employees	008	-71,843,842	-89,536,284
3 Cash payments for insurance premiums	009	-2,025,541	-2,028,702
4 Interest paid	010	-710,622	-1,098,476
5 Income tax paid	011	-4,971,688	-17,407,108
6 Other cash payments from operating activities	012	-32,285,709	-25,069,130
II Total cash payments from operating activities (ADP 007 to 012)	013	-417,981,913	-460,331,839
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 006 + 013)	014	56,640,409	63,605,204
Cash flow from investment activities			
1 Cash receipts from sales of fixed tangible and intangible assets	015	148,622	160,419
2 Cash receipts from sales of financial instruments	016	0	0
3 Interest received	017	206,229	2,756,405
4 Dividends received	018	5,225,703	8,123,800
5 Cash receipts from the repayment of loans and deposits	019	2,543,558	4,353,678
6 Other cash receipts from investment activities	020	140	40,066
III Total cash receipts from investment activities (ADP 015 to 020)	021	8,124,252	15,434,368
1 Cash payments for the purchase of fixed tangible and intangible assets	022	-9,713,325	-18,406,916
2 Cash payments for the acquisition of financial instruments	023	-5,839,804	-6,196,267
3 Cash payments for loans and deposits	024	-2,816,206	-13,514,739
4 Acquisition of a subsidiary, net of cash acquired	025	0	0
5 Other cash payments from investment activities	026	-1,100	-32,002,334
IV Total cash payments from investment activities (ADP 022 to 026)	027	-18,370,435	-70,120,256
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 021 + 027)	028	-10,246,183	-54,685,888
Cash flow from financing activities			
1 Cash receipts from the increase in initial (subscribed) capital	029	169	0
2 Cash receipts the from issue of equity financial instruments and debt financial instruments	030	0	0
3 Cash receipts from credit principals, loans and other borrowings	031	11,659,609	25,392,503
4 Other cash receipts from financing activities	032	701,438	352,313
V Total cash receipts from financing activities (ADP 029 to 032)	033	12,361,216	25,744,816
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	034	-22,028,777	-19,082,726
2 Cash payments for dividends	035	-3,815,666	-7,732,844
3 Cash payments for finance lease	036	-670,379	-800,446
4 Cash payments for the redemption of treasury shares and decrease in initial (subscribed) capita	037	0	0
5 Other cash payments from financing activities	038	-4,967,963	-16,472,519
VI Total cash payments from financing activities (ADP 034 to 038)	039	-31,482,785	-44,088,535
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 033 + 039)	040	-19,121,569	-18,343,719
1 Unrealised exchange rate differences in respect of cash and cash equivalents	041	-48,077	-229,944
D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 014 + 028 + 040 + 041)	042	27,224,580	-9,654,347
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	043	57,262,703	153,823,741
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (042+043)	044	84,487,283	144,169,394

STATEMENT OF CHANGES IN EQUITY

for the period from 01.01.2024 to 30.06.2024

B Unaudited Consolidated Financial Statements of KONČAR Group for the period January - June 2024

in EUR

Item	AOP code	Attributable to owners of the parent																Minority (non-controlling) interest	Total capital and reserves
		Initial (subscribed) capital	Capital reserves	Legal reserves	Reserves for treasury shares	Treasury shares and holdings (deductible item)	Statutory reserves	Other reserves	Re-valuation reserves	Fair value of financial assets through other comprehensive income (available for sale)	Cash flow hedge - effective portion	Hedge of a net investment in a foreign operation - effective portion	Other fair value reserves	Exchange rate differences from translation of foreign operations	Retained profit / loss brought forward	Profit/loss for the business year	Total attributable to owners of the parent		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18 (3 to 6 - 7 + 8 to 17)	19	20 (18+19)
Previous period																			
1 Balance on the first day of the previous business year	01	160,448,063	95,505	9,662,202	4,526,798	2,051,700	67,872,168	31,861,678	0	0	0	0	0	-16,144	58,812,800	34,555,177	365,766,547	94,701,987	460,468,534
2 Changes in accounting policies	02	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 Correction of errors	03	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4 Balance on the first day of the previous business year (restated) (ADP 01 to 03)	04	160,448,063	95,505	9,662,202	4,526,798	2,051,700	67,872,168	31,861,678	0	0	0	0	0	-16,144	58,812,800	34,555,177	365,766,547	94,701,987	460,468,534
5 Profit/loss of the period	05	0	0	0	0	0	0	0	0	0	0	0	0	0	0	46,328,381	46,328,381	24,574,007	70,902,388
6 Exchange rate differences from translation of foreign operations	06	0	0	0	0	0	0	0	0	0	0	0	0	-189,630	0	0	-189,630	-253,465	-443,095
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	830,229	0	0	0	0	0	0	830,229	744,261	1,574,490
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	6,534,342	6,534,342
14 Tax on transactions recognised directly in equity	14	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15 Decrease in initial (subscribed) capital (other than arising from the pre-bankruptcy settlement procedure or from the reinvestment of profit)	15	-976,684	976,684	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16 Decrease in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	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	-5,092,280	0	-5,092,280	-3,812,002	-8,904,282
21 Other distributions and payments to members/shareholders	21	0	0	0	-19,507	-19,507	0	0	0	0	0	0	0	0	-1,424,931	0	-1,424,931	2,266,186	841,255
22 Transfer to reserves according to the annual schedule	22	0	0	64,414	0	0	-2,002,735	-3,295,263	0	0	0	0	0	0	39,788,761	-34,555,177	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	159,471,379	1,072,189	9,726,616	4,507,291	2,032,193	65,869,433	28,566,415	0	830,229	0	0	0	-205,774	92,084,350	46,328,381	406,218,316	124,755,316	530,973,632
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	830,229	0	0	0	-189,630	0	0	640,599	7,025,138	7,665,737
II COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP 05+25)	26	0	0	0	0	0	0	0	0	830,229	0	0	0	-189,630	0	46,328,381	46,968,980	31,599,145	78,568,125
III TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 23)	27	-976,684	976,684	64,414	-19,507	-19,507	-2,002,735	-3,295,263	0	0	0	0	0	0	33,271,550	-34,555,177	-6,517,211	-1,545,816	-8,063,027

STATEMENT OF CHANGES IN EQUITY

for the period from 01.01.2024 to 30.06.2024

B Unaudited Consolidated Financial Statements of KONČAR Group for the period January - June 2024

in EUR

Item	AOP code	Attributable to owners of the parent																Minority (non-controlling) interest	Total capital and reserves
		Initial (subscribed) capital	Capital re-serves	Legal reserves	Reserves for treasury shares	Treasury shares and holdings (deductible item)	Statutory reserves	Other reserves	Re-valuation reserves	Fair value of financial assets through other comprehensive income (available for sale)	Cash flow hedge - effective portion	Hedge of a net investment in a foreign operation - effective portion	Other fair value reserves	Exchange rate differences from translation of foreign operations	Retained profit / loss brought forward	Profit/loss for the business year	Total attributable to owners of the parent		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18 (3 do 6 - 7 + 8 do 17)	19	20 (18+19)
Current period																			
1 Balance on the first day of the previous business year	28	159,471,379	1,072,189	9,726,616	4,507,291	2,032,193	65,869,433	28,566,415	0	830,229	0	0	0	-205,774	92,084,350	46,328,381	406,218,316	124,755,316	530,973,632
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	159,471,379	1,072,189	9,726,616	4,507,291	2,032,193	65,869,433	28,566,415	0	830,229	0	0	0	-205,774	92,084,350	46,328,381	406,218,316	124,755,316	530,973,632
5 Profit/loss of the period	32	0	0	0	0	0	0	0	0	0	0	0	0	0	0	41,364,687	41,364,687	32,427,750	73,792,437
6 Exchange rate differences from translation of foreign operations	33	0	0	0	0	0	0	0	0	0	0	0	0	551,345	0	0	551,345	412,742	964,087
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	1,524,902	0	0	-1,524,902	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	-6,365,968	0	-6,365,968	-8,200,440	-14,566,408
21 Other distributions and payments to members/shareholders	48	0	0	0	0	0	0	-1,157,380	0	0	0	0	0	0	-816,828	0	-1,974,208	-25,454,331	-27,428,539
22 Transfer to reserves according to the annual schedule	49	0	0	433,269	0	0	0	3,101,872	0	0	0	0	0	0	42,793,240	-46,328,381	0	0	0
23 Increase in reserves arising from the pre-bankruptcy settlement procedure	50	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24 Balance on the last day of the previous business year reporting period (ADP 31 to 50)	51	159,471,379	1,072,189	10,159,885	6,032,193	2,032,193	65,869,433	28,986,005	0	830,229	0	0	0	345,571	127,694,794	41,364,687	439,794,172	123,941,037	563,735,209
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	1,524,902	0	0	-1,524,902	0	0	0	0	0	551,345	0	0	551,345	412,742	964,087
II COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 32 to 52)	53	0	0	0	1,524,902	0	0	-1,524,902	0	0	0	0	0	551,345	0	41,364,687	41,916,032	32,840,492	74,756,524
III TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 42 to 50)	54	0	0	433,269	0	0	0	1,944,492	0	0	0	0	0	0	35,610,444	-46,328,381	-8,340,176	-33,654,771	-41,994,947

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS - TFI

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

PIN: 45050126417

Reporting period: 1 January 2024 to 30 June 2024

1 GENERAL INFORMATION

Business segments

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

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

Group structure

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

The Group has one associate company in Croatia.

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

The Company manages its wholly-owned subsidiaries.

Number of employees

As at 30 June 2024, the Group has 5,370 employees (31 December 2023: 5,271 employees).

The average number of employees in the period January - June 2024 was 5,342 (Jan - Dec 2023: 4,922).

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

Basis of preparation

The Consolidated Financial Statements for the period January - June 2024 have been drawn up in accordance with the International Accounting Standard 34 – Interim Financial Reporting as adopted by the European Union.

The Consolidated Financial Statements do not include all information and disclosures required in consolidated annual financial statements and they must be read together with the Consolidated Annual Financial Statements of the Group as at 31 December 2023.

The Consolidated Annual Financial Statements of the Group are drawn up in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU.

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

Going concern assumption

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

Significant accounting policies

The Consolidated Financial Statements for the period January - June 2024 have been drawn up on the basis of the same accounting policies, disclosures and calculation methods used in the Consolidated Annual Financial Statements of the Group as at 31 December 2023.

Key accounting estimates and judgments

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

Seasonal effects

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

3 SUBSIDIARIES

	Country	30/06/2024		31/12/2023	
		Voting rights (%)	Effective share (%)	Voting rights (%)	Effective share (%)
Consolidated subsidiaries:					
KONČAR - Motors and Electrical Systems Ltd. for manufacturing	Croatia	100.00	100.00	100.00	100.00
KONČAR - Engineering Ltd., Zagreb	Croatia	100.00	100.00	100.00	100.00
TELENERG-ENGINEERING Llc., for design and manufacturing	Croatia	100.00	100.00	100.00	100.00
INK PROJEKT d.o.o. za građevinarstvo i usluge	Croatia	100.00	100.00	100.00	100.00
KONČAR - Infrastructure and Services Ltd. for services	Croatia	100.00	100.00	100.00	100.00
KONČAR - Electrical Engineering Institute Ltd. for research, development and services	Croatia	100.00	100.00	100.00	100.00
KONČAR - Generators and Motors Ltd. for manufacturing	Croatia	100.00	100.00	100.00	100.00
KONČAR - Metal Structures Ltd. for manufacturing	Croatia	100.00	100.00	100.00	100.00
KONČAR - SWITCHGEAR Ltd. for production	Croatia	100.00	100.00	100.00	100.00
KONČAR - Renewable Energy Sources Ltd. for production	Croatia	100.00	100.00	100.00	100.00
Wind Farm Rust Ltd.	Croatia	100.00	100.00	100.00	100.00
Solar power plant Deponija fosfogipsa d.o.o., Zagreb	Croatia	51.00	51.00	51.00	51.00
Liburnia Solar d.o.o. za proizvodnju električne energije, Zagreb	Croatia	76.00	76.00	-	-
South East Energy d.o.o. za usluge, Zagreb	Croatia	75.20	75.20	-	-
KONČAR - Electric Vehicles Inc for manufacturing	Croatia	83.62	83.62	77.74	77.44
Konnell d.o.o., Sofia, Bulgaria*	Bulgaria	85.00	71.08	85.00	66.08
KONČAR - Electronics and Informatics Ltd., Zagreb	Croatia	100.00	100.00	100.00	100.00
KONČAR - Instrument Transformers Inc., Zagreb	Croatia	99.77	99.77	99.77	99.77
KONČAR - Distribution and Special Transformers Inc., Zagreb	Croatia	67.90	67.90	67.90	67.90
FEROKOTAO d.o.o.	Croatia	51.80	35.17	51.80	35.17
Power Engineering Transformatory Sp.z.o.o. (PET)	Poland	100.00	67.90	100.00	67.90
KONČAR - Digital Ltd., Zagreb	Croatia	100.00	100.00	100.00	100.00
KODEKS SISTEMSKE INTEGRACIJE d.o.o.	Croatia	75.00	75.00	75.00	75.00
ADNET d.o.o.	Croatia	26.00	26.00	-	-
KREANCA SUSTAVI d.o.o.	Croatia	52.00	52.00	-	-
ADNET d.o.o.	Croatia	50.00	26.00	-	-
KONČAR - Transformer tanks Ltd.	Croatia	100.00	100.00	100.00	100.00
KONČAR - Investments Ltd., Zagreb	Croatia	100.00	100.00	100.00	100.00
Advanced Energy Solutions Ltd., Zagreb (indirect ownership through the subsidiary Končar - Investments Ltd.)	Croatia	100.00	100.00	51.00	51.00
Dalekovod Inc., Zagreb	Croatia	75.16	75.16	75.16	38.33
DALEKOVOD MK Ltd., Velika Gorica	Croatia	100.00	75.16	100.00	38.33
DALEKOVOD OSO Ltd., Velika Gorica	Croatia	100.00	75.16	100.00	38.33
Dalekovod Projekt d.o.o., Zagreb	Croatia	100.00	75.16	100.00	38.33
Dalekovod EMU d.o.o., Vela Luka	Croatia	100.00	75.16	100.00	38.33
EL-RA d.o.o., Vela Luka	Croatia	100.00	75.16	100.00	38.33
Cinčaonica usluge d.o.o. in liquidation, Dugo selo	Croatia	100.00	75.16	100.00	38.33
Dalekovod Mostar d.o.o., Mostar, Bosnia and Herzegovina	B&H	100.00	75.16	100.00	38.33
Dalekovod Ljubljana d.o.o., Ljubljana, Slovenia	Slovenia	100.00	75.16	100.00	38.33
Dalekovod Norge AS, Oslo, Norway	Norway	100.00	75.16	100.00	38.33
Dalekovod Ukrajina d.o.o., Kiev, Ukraine	Ukraine	100.00	75.16	100.00	38.33

*the company is not subject to consolidation due to its immateriality

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

	30/06/2024	31/12/2023
	Ownership share (%)	Ownership share (%)
KONČAR - Instrument transformers Inc., Zagreb	61.97	61.97
KONČAR - D&ST Inc., Zagreb	52.73	52.73

4 SEGMENT REPORTING

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

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

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

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

Sales revenue by segment

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

	01/01/2024 - 30/06/2024	01/01/2023 - 30/06/2023
	EUR' 000	EUR' 000
Power generation	36,450	30,873
Power transmission and distribution	394,536	284,098
- transmission	132,810	103,187
- distribution	261,726	180,911
Rails solutions and infrastructure	54,995	54,515
- rail solutions	37,047	45,577
- construction and modernization of railway infrastructure	17,948	8,937
Digital solutions	11,323	8,454
Total reportable segments	497,304	377,940
Other	25,260	45,513
Total revenue from contracts with customers	522,564	423,452
Intercompany eliminations	(43,871)	(40,530)
Revenue from contracts with customers	478,693	382,922
Associate companies	5,955	10,223
Unaffiliated companies	472,738	372,699
Total revenue from contracts with customers	478,693	382,922

5 OTHER OPERATING INCOME

Other operating income amounts to EUR 7.63 million and pertains to asset sale revenue, loss compensation, income from state aid and other income.

6 CAPITALIZED SALARY COSTS

In the period from January to June 2024, the group companies capitalized salary costs totaling EUR 1,491 thousand (H1 2023: EUR 867 thousand). This includes net salaries of EUR 890 thousand (H1 2023: EUR 516 thousand), taxes, surtaxes, and employee contributions from salaries amounting to EUR 400 thousand (H1 2023: EUR 244 thousand), and employer contributions of EUR 201 thousand (H1 2023: EUR 107 thousand).

7 EARNINGS PER SHARE

	01/01/2024 - 30/06/2024	01/01/2023 - 30/06/2023
Net profit attributable to the Parent Company Shareholders (EUR' 000)	41,365	17,426
Weighted average number of shares	2,546,387	2,546,140
Basic and diluted earnings per share in EUR	16.24	6.84

8 NON-CURRENT TANGIBLE AND INTANGIBLE ASSETS

Over the course of H1 2024, the Group procured assets in the amount of EUR 13,620 thousand (H1 2023: EUR 9,160 thousand). Depreciation and amortization expenses in the period January - June 2024 amount to EUR 11,130 thousand (Jan - Dec 2023: EUR 9,320 thousand).

9 INVENTORIES

Over the course of H1 2024, the Group recognised value adjustment of inventories in the amount of EUR 202 thousand (H1 2023: EUR 105 thousand).

10 EQUITY AND RESERVES

Share (subscribed) capital is determined in the nominal amount of EUR 159,471,378 (as at 31 December 2023: EUR 159,471,378) divided in 2,572,119 shares each in the nominal value of EUR 62. The Company's ordinary shares are listed on the Official Market of Zagreb Stock Exchange, identified by the symbol KOEI-R-A. As at 30 June 2024, the Company holds 25,732 treasury shares (as at 30 December 2023: 25,732 shares).

11 LIABILITIES UNDER LOANS

	30/06/2024 EUR' 000	31/12/2023 EUR' 000
Liabilities under loans		
Non-current	29,881	31,774
Current	34,823	28,081
	64,704	59,855

Bank borrowings are secured by mortgages over the Group's immovable property and pledges over its movable property. The current value of immovable property on which a lien has been registered amounts to EUR 27,779 thousand, while the current value of movable property on which a lien has been registered amounts to EUR 6,592 thousand.

Long-term bank borrowings mature as follows:

	30/06/2024 EUR' 000
Within one year	34,823
In 1 to 2 years	10,323
In 2 to 5 years	14,291
More than 5 years	5,267
	64,704

12 RELATED PARTY TRANSACTIONS

Parties are considered related if one party has the ability to control the other party, if it is under joint control or has a significant impact on the business of the other party. The Republic of Croatia and other companies under control or a significant influence of the Republic of Croatia also have significant ownership of the Group. Accordingly, the Group is related to state institutions and other majority state-owned companies or significantly state-influenced companies. For the purpose of related party disclosures, the Group does not consider routine transactions (such as taxes, levies, etc.) with various local utility entities (directly or indirectly owned by the State) or with other bodies to be related party transactions. The most significant transactions between the Group and state-owned companies pertain to electricity and heat supply and similar services. Apart from the above, over the course of H1 2024 the Group realised the total of EUR 81.4 million of sales revenue with state institutions and other companies where the State is a majority owner or has a significant influence (H1 2023: EUR 78.1 million), which mostly pertains to engineering services in the energy sector, rail vehicles and industrial electronics.

	30/06/2024 EUR' 000	31/12/2023 EUR' 000
Receivables		
Associate companies	1,424	10,516
Joint ventures	3,920	1,991
	5,344	12,507
Liabilities		
Associate companies	7,714	14,085
Joint ventures	806	1,416
	8,520	15,501
	01/01/2024 - 30/06/2024 EUR' 000	01/01/2023 - 30/06/2023 EUR' 000
Sales revenue		
Associate companies	2,848	8,607
Joint ventures	3,107	1,616
	5,955	10,223
Operating expenses		
Associate companies	7,230	8,834
Joint ventures	7	0
	7,237	8,834

13 EVENTS AFTER THE REPORTING DATE

There have been no events occurring between the reporting date and the date of approval of the Financial Statements that could have a significant impact on the quarterly Consolidated Financial Statements of the Group for the period January - June 2024 and as a result, these financial statements are appropriate for disclosure.

Management's Statement of Responsibility

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

Consolidated Financial Statements of KONČAR Group for the period from 1 January to 30 June 2024 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 2024 gives a true and fair view of the company's business performance.

Signed on behalf of the Management Board:

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



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



Zagreb, 26 July 2024



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