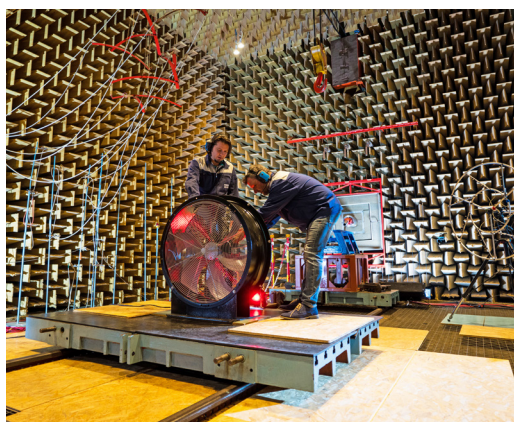


# january – september 2020

REPORT OF THE MANAGEMENT BOARD OF  
KONČAR – ELECTRICAL INDUSTRY Inc. ZAGREB

CONSOLIDATED REPORTS OF KONČAR GROUP  
AND REPORTS OF KONČAR – ELECTRICAL INDUSTRY Inc.



**KONČAR**



Solar power plant Vis

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## QIII 2020

Revenue

**+ 12,9 %**

Export

**+ 19 %**

Orders

**+ 7 %**

Book-to-bill ratio

**1.08**

EBITDA

**+ 43,7 %**

Net profit

**+ 185,3 %**

\*On a comparable basis for the same period in 2019

# A Report of the Management Board

## Comment by Gordan Kolak, Chairman of the Management Board



A global economic shock resulting from the COVID-19 pandemic, which, alongside the epidemiological measures undertaken, has caused a sudden halt to economic and social activities around the world, was the defining characteristic of our business operations in Q3 2020 as well.

KONČAR Group companies have managed to adjust their business processes in a short period of time, thus successfully continuing positive business trends. A change in thinking and a rapid response in emergency situations, supply chain management and the replacement of business travel by virtual meetings are only some of the activities contributing to the continuity of business operations in these extremely demanding circumstances. A substantial number of contracts concluded and a stable financial position of the Group are essential elements for overcoming the crisis efficiently, particularly under largely uncertain circumstances regarding the duration of the pandemic and worsening of the epidemiological situation in early autumn.

Despite the demanding circumstances surrounding our business activities, in the period from January to September 2020, KONČAR Group generated total revenue in the amount of HRK 2,172.0 million, representing a 12.9% increase compared to the result in the same period last year. Revenue from sale of products and services, which accounts for 94.4% of total revenue, amounts to HRK 2,051.0 million (a 12.7% increase). Export sale accounts for 66% of sales revenue. Newly contracted transactions amount to HRK 2,225.0 million, 70% of which pertaining to foreign markets. Transactions contracted in 2020 and transactions contracted in previous years which are to be performed in 2020 are sufficient to generate planned revenue from sale of products and services this year.

EBITDA amounts to HRK 120.2 million, representing an increase by 43.7% (HRK 36.6 million) compared to the result in the same period last year. EBITDA margin is 5.9% (4.6% in the same period of 2019).

End of year business assessments have been made at the Group level. Sales revenue is expected to grow by approximately 5% compared to the 2019 result and the backlog is also expected to increase significantly, which is a good indicator and creates space for revenue growth in the following years.

In addition to a good financial performance, there were two events that marked the Group's business operations during Q3 2020. Vis SP, the largest solar power plant in Croatia, was commissioned in early September. Although the contract is not that significant for the Group in terms of its value, it must be noted that the power plant management and monitoring system has been developed and produced at KONČAR. Five frequency converters with a rated power of 720 kW, which have been developed and produced by KONČAR, have been installed in the power plant as one of its key elements. This has allowed KONČAR's products to be placed in announced investments in the so-called green area and digitization. In addition to developing a new product, it is important to mention that in late August, an agreement on the purchase and sale of six low-floor trams was concluded with the Latvian company Liepajās tramvajs from Liepāja. The agreement is valued at EUR 8.8 million. The agreements for Latvia confirm that KONČAR's products can compete even with the largest companies in the world and in the demanding EU market.

In the upcoming period, KONČAR Group's priorities are the protection of health and safety of employees and business partners and sustainability of business operations. Ensuring liquidity, a stable balance sheet, low level of indebtedness and substantial number of contracts concluded for the upcoming period will surely help us in dealing with further consequences of the crisis.

A handwritten signature in blue ink, appearing to read 'Gordan Kolak'.

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

In HRK 000	Index			
Business performance indicators	Q1-Q3 2020	Q1-Q3 2019	Δ	2020/2019
<b>Operating income</b>	<b>2,110,618</b>	<b>1,886,415</b>	<b>224,203</b>	<b>111.9</b>
Sales revenue – total	2,051,024	1,819,588	231,436	112.7
Sales revenue – export	1,345,536	1,130,367	215,169	119.0
<b>Operating expenses</b>	<b>2,063,453</b>	<b>1,870,728</b>	<b>192,725</b>	<b>110.3</b>
Operating profit	47,165	15,687	31,478	300.7
Operating margin	2.30%	0.86%		+144 bps
Net profit	49,194	17,242	31,952	285.3
Depreciation and amortisation	73,031	67,954	5,077	107.5
<b>EBITDA</b>	<b>120,196</b>	<b>83,641</b>	<b>36,555</b>	<b>143.7</b>
EBITDA margin	5.86%	4.60%		+126 bps
<b>Normalised EBITDA</b>	<b>86,249</b>	<b>51,889</b>	<b>34,360</b>	<b>166.2</b>
Normalised EBITDA margin	4.21%	2.85%		+136 bps
Cash balance (deposits + cash)	731,242	662,614	68,628	110.4
Loans (long-term + short-term)	270,326	327,894	-57,568	82.4
<b>Orders</b>	<b>2,225,033</b>	<b>2,080,071</b>	<b>144,962</b>	<b>107.0</b>
Backlog	3,531,828	3,355,252	176,576	105.3
Book-to-bill ratio	1,08	1,14		

As was the case in the previous reporting period, KONČAR Group's business operations in Q1-Q3 2020 were affected by the outbreak of the COVID-19 pandemic in all markets in which the Group companies operate. Despite such extraordinary circumstances, the Group has managed to continue positive business trends.

Total consolidated revenue generated amounts to HRK 2,172.0 million, representing an increase by HRK 247.9 million (12.9%) compared to Q1-Q3 2019. Total expenses amounted to HRK 2,108.3 million, representing a 11.4% increase compared to the result in the period from January to September last year. Profit before tax amounts to HRK 63.7 million and it has doubled since last year. Some of the companies (primarily the transformer program) generated a significantly higher revenue than last year, regardless of the fact that the majority (90%) of the products were placed on foreign markets, where measures resulting from the pandemic were also implemented.

Out of 15 companies operating within the Group, 13 companies achieved a positive result, while two companies operated at a loss.

#### Consolidated profit and loss statement

Items (in HRK 000)	Q1-Q3 2020	Q1-Q3 2019	Δ	Index 2020/2019
<b>OPERATING INCOME</b>	<b>2,110,618</b>	<b>1,886,415</b>	<b>224,203</b>	<b>111.9</b>
<b>OPERATING EXPENSES</b>	<b>2,063,453</b>	<b>1,870,728</b>	<b>192,725</b>	<b>110.3</b>
Material costs and change in value of inventories	1,410,098	1,238,604	171,494	113.8
Staff costs	438,767	418,242	20,525	104.9
Depreciation and amortisation	73,031	67,954	5,077	107.5
Other costs	126,721	134,764	-8,043	94.0
Value adjustment of non-current and current assets	1,785	2,121	-336	84.2
Provisions	13,051	9,043	4,008	144.3
<b>OPERATING PROFIT</b>	<b>47,165</b>	<b>15,687</b>	<b>31,478</b>	<b>300.7</b>
SHARE IN PROFIT OF ASSOCIATED PARTIES	7,400	13,630	-6,230	54.3
SHARE IN LOSS OF ASSOCIATED PARTIES	1,019	1,420	-401	71.8
FINANCE INCOME	54,018	24,074	29,944	224.4
FINANCE COSTS	43,817	20,475	23,342	214.0
<b>TOTAL INCOME</b>	<b>2,172,036</b>	<b>1,924,119</b>	<b>247,917</b>	<b>112.9</b>
<b>TOTAL EXPENSES</b>	<b>2,108,289</b>	<b>1,892,623</b>	<b>215,666</b>	<b>111.4</b>
Profit before tax	63,747	31,496	32,251	202.4
Corporate tax	14,553	14,253	300	102.1
<b>PROFIT FOR THE PERIOD</b>	<b>49,194</b>	<b>17,243</b>	<b>31,951</b>	<b>285.3</b>

## Key Indicators of Profit and Loss Statement for Jan-Sep 2020

### Material Costs

Regarding operating expenses, material costs (cost of raw materials and supplies, costs of goods sold and other external costs) amounted to HRK 1,477.1 million. The share of material costs in operating income (adjusted for changes in inventories) was 67.8%, representing an increase by 1.2 percentage points compared to the same period last year. The increase resulted from the structure of sales and increased price of raw materials and supplies.

### Staff Costs

Staff costs for the reporting period amounted to HRK 438.8 million, representing a nominal increase by 4.9% compared to the same period last year. Staff costs increased in relation to the comparative period due to an increase in the number of employees (54 more employees at the Group level). The share of staff costs in operating income (adjusted for changes in inventories) was 20.1%, representing a decrease by 1.5 percentage points compared to the same period of 2019.

### Net Financial Expenses

Net financial result is positive and amounts to HRK 10.2 million. In the comparative period, it amounted to HRK 3.6 million. This is mostly related to positive fluctuations in foreign currency exchange rates in the most significant markets for the Group.

## Financial Position

### Summarised balance sheet (In 000 HRK)

	As at 30 September 2020	As at 31 December 2019	Δ	Index 2020/2019
<b>Assets</b>	<b>3,828,608</b>	<b>3,927,354</b>	<b>-98,746</b>	<b>97</b>
Non-current assets	1,591,738	1,626,743	-35,005	97.8
Current assets	2,236,870	2,300,611	-63,741	97.2
<b>Liabilities</b>	<b>1,254,652</b>	<b>1,385,193</b>	<b>-130,541</b>	<b>91</b>
Provisions	194,963	201,384	-6,421	96.8
Non-current liabilities	207,426	174,967	32,459	118.6
Current liabilities	852,263	1,008,842	-156,579	84.5
<b>Equity</b>	<b>2,573,956</b>	<b>2,542,161</b>	<b>31,795</b>	<b>101</b>

The structure of the consolidated balance sheet indicates a balance between funding sources and investments and overall financial stability of KONČAR Group.

Regarding the structure of funding sources, subscribed capital, reserves, retained earnings, current year's profit and non-controlling interest amount to HRK 2,574.0 million, accounting for 67.2% of total sources. Long-term provisions amount to HRK 195.0 million, accounting for 5.1% of total sources. Non-current and current liabilities amount to HRK 922.4 million, representing a decrease by HRK 90.3 million compared to the balance at the end of 2019, and account for 24.1% of total sources. Regarding current liabilities, trade payables amount to HRK 402.9 million, accounting for 10.5% of total sources. Total loans (long-term and short-term) amount to HRK 270.3 million, accounting for 7.1% of total sources.

Long-term funding sources (equity, long-term provisions and non-current liabilities) exceed non-current assets and average inventory by HRK 686.1 million. Total current assets and prepaid expenses are 2.6 times larger than total current liabilities and accrued expenses and deferred income. The structure of the consolidated balance sheet indicates a balance between funding sources and investments and overall financial stability of KONČAR Group.

## Key Characteristics of the Balance Sheet as at 30 September 2020

### Inventories

Inventories increased by HRK 151.7 million. Regarding the structure of inventories, the amount of raw materials and supplies increased by HRK 73.7 million, the amount of work in progress increased by HRK 55.8 million, and the amount of inventories of finished goods increased by HRK 15.7 million. The amount of advance payments for inventory purchases increased by HRK 6.6 million. A significant increase in inventories resulted from increased deliveries projected for Q4 2020. According to the projections, approximately HRK 1 billion of revenue from sale of products and services would be generated in Q4, representing a 34% increase compared to the revenue generated by quarters by the end of September.

### Current Receivables

Current receivables decreased by HRK 286 million compared to the balance at the end of 2019. Trade receivables and contract assets decreased by HRK 271.8 million, which resulted from proper collection of trade receivables and the implementation of IFRS 15 (netting of contract assets and contract liabilities in the amount of HRK 192 million was carried out, representing an increase by HRK 112 million compared to the end of 2019).

### Financial Assets and Cash

Current financial assets decreased by HRK 217.3 million compared to 31 December 2019, mostly in terms of deposits over 3 months. A significant decrease in deposits pertained to the parent company. In the same period, the parent company's cash balance increased by HRK 240.8 million. At the Group level, cash balance increased by HRK 285.3 million compared to the observed period last year.

### Trade Payables

Regarding the structure of current liabilities, significant changes pertained to trade payables, which decreased by HRK 48.4 million compared to the balance as at 31 December 2019. Group companies settle trade payables properly and timely.

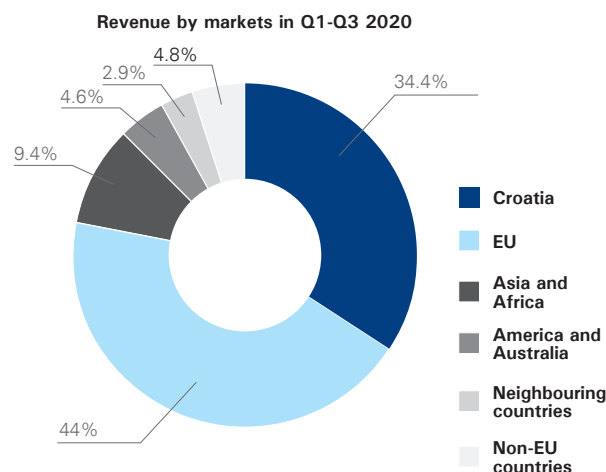
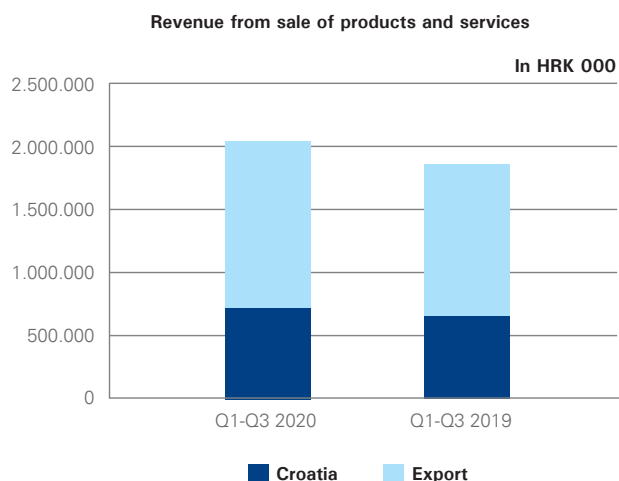
### Long-Term and Short-Term Loans

Total loans (long-term and short-term) amount to HRK 270.3 million, representing a decrease by HRK 57.6 million compared to the balance as at 31 December 2019. The Group has a low level of indebtedness to financial institutions and total loans account for 7.1% of total sources.



## Operating Income by Sales Markets

Sales revenue (in HRK 000)	Q1-Q3 2020	Q1-Q3 2019	Δ	Index 2020/2019
<b>Croatia</b>	<b>705,488</b>	<b>689,221</b>	<b>16,267</b>	<b>102.4</b>
<b>Export</b>	<b>1,345,536</b>	<b>1,130,367</b>	<b>215,169</b>	<b>119.0</b>
EU	902,422	763,727	138,695	118.2
Asia and Africa	192,518	163,901	28,617	117.5
America and Australia	93,363	73,256	20,107	127.4
Neighbouring countries	58,851	58,724	127	100.2
Non-EU countries	98,382	70,759	27,623	139.0
<b>Total sales revenue</b>	<b>2,051,024</b>	<b>1,819,588</b>	<b>231,436</b>	<b>112.7</b>



In the period from January to September 2020, KONČAR Group companies generated consolidated revenue from sale of products and services in the amount of HRK 2,051.0 million, representing an increase by HRK 231.4 million (12.7%) compared to the result in the same period of 2019.

Regarding the structure of revenue from sale of products and services in the Croatian market, revenue generated from sale of products and services to HEP Group companies (HEP Proizvodnja, HEP Operator distribucijskog sustava, HOPS) amounted to HRK 273.4 million (38.7% of total revenue generated from sale of products and services in the Croatian market), representing an increase by 2.9% (HRK 7.6 million) compared to the result in the same period of 2019.

Revenue generated from sale of products and services in foreign markets amounted to HRK 1,345.5 million, representing an increase by HRK 215.2 million (19%) compared to the result in the same period last year. The share of export in total revenue from sale of products and services is 66%.

When it comes to export by individual countries, the most significant export volume pertains to the Swedish market, amounting to HRK 183.9 million or 13.7% of total export. Goods and services exported to Germany amounted to HRK 160.7 million (11.9% of total export); to Austria HRK 106.3 million (7.9% of total export); and to Finland HRK 54.4 million (4.0% of total export).

Compared to the same period last year, a significant increase in revenue from export sale of products and services pertained to the following markets: Sweden (HRK +42.3 million); Iraq (HRK +27.3 million); Latvia (HRK +27.2 million); and Guinea (HRK +24.9 million of goods and services exported in comparison with the same period last year).

In the period from January to September 2020, KONČAR Group companies contracted new transactions valued at HRK 2,225 million. From the total amount of transactions contracted, HRK 664.3 million (29.9% of total transactions contracted) pertains to the Croatian market, whereas HRK 1,560.7 million (70.1% of total transactions contracted) pertains to export contracts. Compared to the same period last year, newly contracted transactions increased by 7% (HRK 145 million).

The value of backlog as at 30 September 2020 amounted to HRK 3,531.0 million, representing a 5.3% increase compared to the value at the beginning of the year.

## Information for Shareholders

KOEI-R-A	As at 31 December 2019	As at 30 September 2020	Index
Final price (HRK)	636,47	620,00	97.4
Highest price (HRK)	710,00	670,00	94.4
Lowest price (HRK)	520,00	430,00	82.7
Volume	85,915	71,147	82.8
Turnover (HRK)	55,681,745	37,423,813	67.2
Market capitalisation (HRK)	1,626,784,860	1,578,178,380	97.0

The shares of KONČAR – Elektroindustrija d.d. are quoted on the Official Market of Zagreb Stock Exchange. The shares are marked with the “KOEI-R-A” symbol. In accordance with the applicable regulations, the Company provides access to the information about its operations and activities on a regular basis, as well as the data about the facts and circumstances that may affect the price of shares (price-sensitive information).

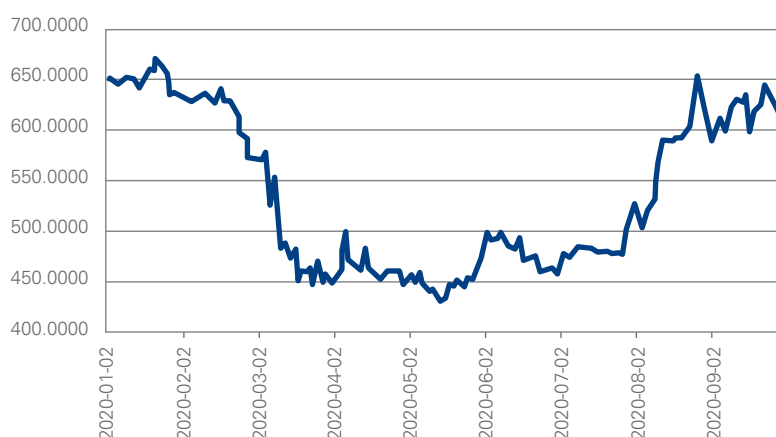
The Company’s share capital amounts to HRK 1,208,895,930.00 and is divided into 2,572,119 ordinary shares with a nominal value of HRK 470.00.

Financial markets all over the world have been strongly affected by the COVID-19 pandemic. Some global stock market indices plummeted by as much as 40% in this period. However, the majority of losses were recovered by the end of the reporting period. Uncertainty and fear of the pandemic disturbed the national capital market as well, especially in April and May 2020. Consequently, at one point, the value of the KOEI-R-A share amounted to HRK 430.00, representing a decrease by 32.3% compared to the closing price at the end of the last year. As the market situation stabilised, the price of KONČAR’s shares grew and at the end of the reporting period amounted to HRK 620.00, representing a 2.3% decrease compared to the end of the last year. Market capitalisation as at 30 September 2020 amounted to HRK 1,578.2 million.

During the reporting period, the company bought back 10,577 treasury shares at Zagreb Stock Exchange, with a total value of HRK 5.2 million. As at 30 June 2020, it owned 26,670 treasury shares, which accounted for 1.04% of the share in the Company’s share capital.

By virtue of the Decision of the General Assembly adopted in July 2020 in accordance with the proposal of the Management Board and Supervisory Board, the profit generated in 2019 was allocated to retained earnings.

Fluctuations in the KOEI-R-A share price



# B Consolidated financial statements of the KONČAR Group for the third quarter of 2020

## Annex 1

### ISSUER'S GENERAL DATA

Reporting period:	1/1/20	to:	9/30/20
Year:	2020	Quarter:	3

### 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:	74780000HOSHMRAWO115
Institution code:	501		
Name of the issuer:	Končar Group		
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):	3445		
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.	Zagreb	1343068	
Končar - Electrical Engineering Institute Inc.	Zagreb	3645363	
Končar - Electronics and Informatics Inc.	Zagreb	3282899	
Končar - Small Electrical Machines Inc.	Zagreb	3282678	
Končar - Generators and Motors Inc.	Zagreb	1356216	
Končar - Renewable Sources Ltd.	Zagreb	2435071	
Končar - Instrument Transformers Inc.	Zagreb	3654656	
Končar - Distribution and Special Transformers Inc.	Zagreb	3654664	
Končar - Switchgear Inc.	Zagreb	3641287	
Končar - Electric Vehicles Inc.	Zagreb	3282660	
Končar - Low Voltage Switches and Circuit Breakers Ltd.	Zagreb	3228398	
Končar - Eng. for Plant Installation & Commissioning Inc.	Zagreb	3654362	
Končar - Power Plant and El. Traction Engineering Inc.	Zagreb	3654354	
Končar - Metal Structures Inc.	Zagreb	1114328	
Power Engineering Transformatory Sp. z o.o.	Czerwonaka, Poznan, Poland		
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 30.09.2020

in HRK

Submitter: KONČAR - ELECTRICAL INDUSTRY, Inc.			
Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
<b>A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID</b>	<b>001</b>	0	0
<b>B) FIXED ASSETS (ADP 003+010+020+031+036)</b>	<b>002</b>	1,626,743,107	1,591,738,433
I INTANGIBLE ASSETS (ADP 004 to 009)	003	47,426,037	42,718,776
1 Research and development	004	21,193,174	17,412,446
2 Concessions, patents, licences, trademarks, software and other rights	005	14,427,244	13,717,949
3 Goodwill	006	7,342,331	7,342,331
4 Advances for the purchase of intangible assets	007	0	0
5 Intangible assets in preparation	008	4,463,288	4,246,050
6 Other intangible assets	009	0	0
II TANGIBLE ASSETS (ADP 011 to 019)	010	1,227,561,090	1,212,404,844
1 Land	011	166,589,706	166,491,835
2 Buildings	012	436,044,459	419,924,817
3 Plant and equipment	013	330,943,539	318,423,127
4 Tools, working inventory and transportation assets	014	60,423,061	62,119,318
5 Biological assets	015	0	0
6 Advances for the purchase of tangible assets	016	41,673,305	12,271,921
7 Tangible assets in preparation	017	41,265,580	81,986,693
8 Other tangible assets	018	1,337,757	2,042,050
9 Investment property	019	149,283,683	149,145,083
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	320,305,638	307,754,334
1 Investments in holdings (shares) of undertakings within the group	021	62,280	3,582,305
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	239,066,545	246,246,811
5 Investment in other securities of companies linked by virtue of participating interests	025	0	0
6 Loans, deposits etc. to companies linked by virtue of participating interests	026	0	0
7 Investments in securities	027	2,002,311	1,605,548
8 Loans, deposits, etc. given	028	10,821,070	5,874,119
9 Other investments accounted for using the equity method	029	45,158,580	47,310,045
10 Other fixed financial assets	030	23,194,852	3,135,506
IV RECEIVABLES (ADP 032 to 035)	031	31,234,634	28,350,930
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	22,295,649	19,723,315
4 Other receivables	035	8,938,985	8,627,615
V DEFERRED TAX ASSETS	036	215,708	509,549
<b>C) CURRENT ASSETS (ADP 038+046+053+063)</b>	<b>037</b>	<b>2,278,939,753</b>	<b>2,212,406,897</b>
I INVENTORIES (ADP 039 to 045)	038	546,807,215	698,544,046
1 Raw materials and consumables	039	290,863,774	364,540,480
2 Work in progress	040	163,182,112	219,020,117
3 Finished goods	041	84,524,520	100,184,675
4 Merchandise	042	217,301	212,325
5 Advances for inventories	043	8,019,508	14,586,449
6 Fixed assets held for sale	044	0	0
7 Biological assets	045	0	0

## BALANCE SHEET

### balance as at 30.09.2020

in HRK

Submitter: KONČAR - ELECTRICAL INDUSTRY, Inc.			
Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
<b>II RECEIVABLES (ADP 047 to 052)</b>			
1 Receivables from undertakings within the group	046	1,068,538,533	782,282,878
2 Receivables from companies linked by virtue of participating interests	047	0	0
3 Customer receivables	048	46,170,267	26,550,490
4 Receivables from employees and members of the undertaking	049	928,019,246	659,727,606
5 Receivables from government and other institutions	050	1,135,962	1,529,414
6 Other receivables	051	44,767,093	41,760,478
	052	48,445,965	52,714,890
<b>III CURRENT FINANCIAL ASSETS (ADP 054 to 062)</b>			
1 Investments in holdings (shares) of undertakings within the group	053	293,808,189	76,543,720
2 Investments in other securities of undertakings within the group	054	0	0
3 Loans, deposits, etc. to undertakings within the group	055	0	0
4 Investments in holdings (shares) of companies linked by virtue of participating interests	056	0	0
5 Investment in other securities of companies linked by virtue of participating interests	057	0	0
6 Loans, deposits etc. to companies linked by virtue of participating interests	058	0	0
7 Investments in securities	059	0	0
8 Loans, deposits, etc. given	060	293,299,800	76,288,966
9 Other financial assets	061	508,389	254,754
<b>IV CASH AT BANK AND IN HAND</b>			
	062	369,785,816	655,036,253
<b>D ) PREPAID EXPENSES AND ACCRUED INCOME</b>			
	063	21,672,109	24,463,299
<b>E) TOTAL ASSETS (ADP 001+002+037+064)</b>			
	064	3,927,354,969	3,828,608,629
<b>F) OFF-BALANCE SHEET ITEMS</b>			
	065	2,244,877,904	2,643,780,403
<b>LIABILITIES</b>			
<b>A) CAPITAL AND RESERVES (ADP 068 to 070+076+077+081+084+087)</b>			
<b>I INITIAL (SUBSCRIBED) CAPITAL</b>			
	067	2,542,161,316	2,573,954,074
<b>II CAPITAL RESERVES</b>			
	068	1,208,895,930	1,208,895,930
<b>III RESERVES FROM PROFIT (ADP 071+072-073+074+075)</b>			
	069	719,579	719,579
1 Legal reserves	070	753,610,993	776,887,598
2 Reserves for treasury shares	071	68,577,327	70,601,681
3 Treasury shares and holdings (deductible item)	072	35,092,359	34,518,335
4 Statutory reserves	073	-10,919,915	-15,869,707
5 Other reserves	074	440,410,513	458,880,493
<b>IV REVALUATION RESERVES</b>			
	075	220,450,709	228,756,796
<b>V FAIR VALUE RESERVES (ADP 078 to 080)</b>			
	076	0	0
1 Fair value of financial assets available for sale	077	0	0
2 Cash flow hedge - effective portion	078	0	0
3 Hedge of a net investment in a foreign operation - effective portion	079	0	0
<b>VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 082-083)</b>			
	080	0	0
1 Retained profit	081	303,376,297	304,563,874
2 Loss brought forward	082	303,376,297	304,563,874
<b>VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 085-086)</b>			
	083	0	0
1 Profit for the business year	084	27,371,314	25,184,922
2 Loss for the business year	085	27,371,314	25,184,922
	086	0	0
<b>VIII MINORITY (NON-CONTROLLING) INTEREST</b>			
	087	248,187,203	257,702,171

## BALANCE SHEET

### balance as at 30.09.2020

in HRK

Submitter: KONČAR - ELECTRICAL INDUSTRY, Inc.			
Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
<b>B) PROVISIONS (ADP 089 to 094)</b>	<b>088</b>	<b>201,384,146</b>	<b>194,965,735</b>
1 Provisions for pensions, termination benefits and similar obligations	089	46,746,634	45,409,004
2 Provisions for tax liabilities	090	0	0
3 Provisions for ongoing legal cases	091	1,912,985	1,315,618
4 Provisions for renewal of natural resources	092	1,247,440	1,247,440
5 Provisions for warranty obligations	093	151,477,087	146,497,704
6 Other provisions	094		495,969
<b>C) LONG-TERM LIABILITIES (ADP 096 to 106)</b>	<b>095</b>	<b>174,967,633</b>	<b>207,426,971</b>
1 Liabilities to undertakings within the group	096	0	0
2 Liabilities for loans, deposits, etc. of undertakings within the group	097	0	0
3 Liabilities to companies linked by virtue of participating interests	098	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	099	0	0
5 Liabilities for loans, deposits etc.	100	0	0
6 Liabilities to banks and other financial institutions	101	164,073,437	205,248,025
7 Liabilities for advance payments	102	0	0
8 Liabilities to suppliers	103	0	0
9 Liabilities for securities	104	0	0
10 Other long-term liabilities	105	10,894,196	2,178,946
11 Deferred tax liability	106	0	0
<b>D) SHORT-TERM LIABILITIES (ADP 108 to 121)</b>	<b>107</b>	<b>837,647,683</b>	<b>714,936,503</b>
1 Liabilities to undertakings within the group	108	0	0
2 Liabilities for loans, deposits, etc. of undertakings within the group	109	0	0
3 Liabilities to companies linked by virtue of participating interests	110	13,987,694	48,045,356
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	111	0	0
5 Liabilities for loans, deposits etc.	112	0	0
6 Liabilities to banks and other financial institutions	113	163,819,720	65,077,819
7 Liabilities for advance payments	114	125,804,837	144,014,297
8 Liabilities to suppliers	115	437,375,989	354,877,414
9 Liabilities for securities	116	0	0
10 Liabilities to employees	117	34,473,398	40,719,028
11 Taxes, contributions and similar liabilities	118	55,210,543	37,270,669
12 Liabilities arising from the share in the result	119	814,621	902,941
13 Liabilities arising from fixed assets held for sale	120	0	0
14 Other short-term liabilities	121	6,160,881	24,028,979
<b>E) ACCRUALS AND DEFERRED INCOME</b>	<b>122</b>	<b>171,194,191</b>	<b>137,325,346</b>
<b>F) TOTAL – LIABILITIES (ADP 067+088+095+107+122)</b>	<b>123</b>	<b>3,927,354,969</b>	<b>3,828,608,629</b>
<b>G) OFF-BALANCE SHEET ITEMS</b>	<b>124</b>	<b>2,244,877,904</b>	<b>2,643,780,403</b>

## STATEMENT OF PROFIT OR LOSS for the period 01.01.2020 to 30.09.2020

in HRK

Submitter: KONČAR - ELECTRICAL INDUSTRY, Inc.					
Item	ADP code	Same period of the previous year		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
<b>I OPERATING INCOME (ADP 126 to 130)</b>	<b>125</b>	<b>1,886,415,967</b>	<b>634,615,236</b>	<b>2,110,621,564</b>	<b>725,571,964</b>
1 Income from sales with undertakings within the group	126	0	0	0	0
2 Income from sales (outside group)	127	1,819,589,517	612,285,965	2,051,025,377	709,799,513
3 Income from the use of own products, goods and services	128	0	0	0	0
4 Other operating income with undertakings within the group	129	0	0	0	0
5 Other operating income (outside the group)	130	66,826,450	22,329,271	59,596,187	15,772,451
<b>II OPERATING EXPENSES (ADP 132+133+137+141+142+143+146+153)</b>	<b>131</b>	<b>1,870,729,588</b>	<b>638,410,326</b>	<b>2,063,455,324</b>	<b>713,155,691</b>
1 Changes in inventories of work in progress and finished goods	132	-50,357,902	-11,912,432	-66,954,553	-18,305,753
2 Material costs (ADP 134 to 136)	133	1,288,959,040	442,607,517	1,477,052,642	506,011,973
a) Costs of raw materials and consumables	134	1,038,559,554	369,963,422	1,213,790,681	407,283,383
b) Costs of goods sold	135	54,982,179	23,259,186	48,744,889	19,134,166
c) Other external costs	136	195,417,307	49,384,909	214,517,072	79,594,424
3 Staff costs (ADP 138 to 140)	137	418,242,823	147,880,447	438,766,693	151,225,177
a) Net salaries and wages	138	248,662,616	89,429,583	259,628,703	89,190,334
b) Tax and contributions from salary costs	139	114,435,980	38,039,849	122,236,188	42,862,868
c) Contributions on salaries	140	55,144,227	20,411,015	56,901,802	19,171,975
4 Depreciation	141	67,954,450	22,484,775	73,031,973	24,047,721
5 Other costs	142	131,375,028	34,911,174	122,278,559	45,526,215
6 Value adjustments (ADP 144+145)	143	2,122,046	410,035	1,785,644	1,144,435
a) fixed assets other than financial assets	144	17,048	0	901,833	901,833
b) current assets other than financial assets	145	2,104,998	410,035	883,811	242,602
7 Provisions (ADP 147 to 152)	146	9,043,939	-27,273	13,051,068	1,983,140
a) Provisions for pensions, termination benefits and similar obligations	147	0	0		
b) Provisions for tax liabilities	148	0	0	0	0
c) Provisions for ongoing legal cases	149	0	0	0	0
d) Provisions for renewal of natural resources	150	0	0	0	0
e) Provisions for warranty obligations	151	7,260,606	272,727	8,965,907	1,686,592
f) Other provisions	152	1,783,333	-300,000	4,085,161	296,548
8 Other operating expenses	153	3,390,164	2,056,083	4,443,298	1,522,783
<b>III FINANCIAL INCOME (ADP 155 to 164)</b>	<b>154</b>	<b>24,075,692</b>	<b>8,234,507</b>	<b>54,019,744</b>	<b>13,109,123</b>
1 Income from investments in holdings (shares) of undertakings within the group	155	0	0	0	0
2 Income from investments in holdings (shares) of companies linked by virtue of participating interests	156	0	0	0	0
3 Income from other long-term financial investment and loans granted to undertakings within the group	157	0	0	0	0
4 Other interest income from operations with undertakings within the group	158	0	0	0	0
5 Exchange rate differences and other financial income from operations with undertakings within the group	159	0	0	0	0
6 Income from other long-term financial investments and loans	160	721,445	721,445	654,866	654,866
7 Other interest income	161	7,919,821	2,740,407	8,184,486	2,717,183
8 Exchange rate differences and other financial income	162	14,929,552	4,737,743	44,771,024	9,737,074
9 Unrealised gains (income) from financial assets	163	183,872	34,912	1,675	0
10 Other financial income	164	321,002	0	407,693	0
<b>IV FINANCIAL EXPENSES (ADP 166 to 172)</b>	<b>165</b>	<b>20,477,039</b>	<b>5,401,608</b>	<b>43,818,838</b>	<b>13,671,046</b>
1 Interest expenses and similar expenses with undertakings within the group	166	0	0	0	0
2 Exchange rate differences and other expenses from operations with undertakings within the group	167		0	0	0

## STATEMENT OF PROFIT OR LOSS for the period 01.10.2020 to 30.09.2020

in HRK

Submitter: KONČAR - ELECTRICAL INDUSTRY, Inc.					
Item	ADP 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	168	4,121,830	1,549,074	4,025,450	1,323,670
4 Exchange rate differences and other expenses	169	11,457,241	3,852,534	38,907,708	12,063,421
5 Unrealised losses (expenses) from financial assets	170	353,127	0	377,187	283,955
6 Value adjustments of financial assets (net)	171	0	0	0	0
7 Other financial expenses	172	4,544,841	0	508,493	0
<b>V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VIRTUE OF PARTICIPATING INTERESTS</b>	<b>173</b>	<b>13,630,673</b>	<b>9,310,948</b>	<b>7,400,222</b>	<b>8,643,934</b>
<b>VI SHARE IN PROFIT FROM JOINT VENTURES</b>	<b>174</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST</b>	<b>175</b>	<b>0</b>	<b>0</b>	<b>6,956</b>	<b>6,956</b>
<b>VIII SHARE IN LOSS OF JOINT VENTURES</b>	<b>176</b>	<b>1,420,037</b>	<b>463,195</b>	<b>1,012,535</b>	<b>298,431</b>
<b>IX TOTAL INCOME (ADP 125+154+173 + 174)</b>	<b>177</b>	<b>1,924,122,332</b>	<b>652,160,691</b>	<b>2,172,041,530</b>	<b>747,325,021</b>
<b>X TOTAL EXPENDITURE (ADP 131+165+175 + 176)</b>	<b>178</b>	<b>1,892,626,664</b>	<b>644,275,129</b>	<b>2,108,293,653</b>	<b>727,132,124</b>
<b>XI PRE-TAX PROFIT OR LOSS (ADP 177-178)</b>	<b>179</b>	<b>31,495,668</b>	<b>7,885,562</b>	<b>63,747,877</b>	<b>20,192,897</b>
1 Pre-tax profit (ADP 177-178)	180	31,495,668	7,885,562	63,747,877	20,192,897
2 Pre-tax loss (ADP 178-177)	181	0	0	0	0
<b>XII INCOME TAX</b>	<b>182</b>	<b>14,253,412</b>	<b>3,986,106</b>	<b>14,553,794</b>	<b>4,141,292</b>
<b>XIII PROFIT OR LOSS FOR THE PERIOD (ADP 179-182)</b>	<b>183</b>	<b>17,242,256</b>	<b>3,899,456</b>	<b>49,194,083</b>	<b>16,051,605</b>
1 Profit for the period (ADP 179-182)	184	17,242,256	3,899,456	49,194,083	16,051,605
2 Loss for the period (ADP 182-179)	185	0	0	0	0
<b>DISCONTINUED OPERATIONS (to be filled in by undertakings subject to IFRS only with discontinued operations)</b>					
<b>XIV PRE-TAX PROFIT OR LOSS OF DISCONTINUED OPERATIONS (ADP 187-188)</b>	<b>186</b>	<b>2,902,039</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Pre-tax profit from discontinued operations	187	2,902,039	0	0	0
2 Pre-tax loss on discontinued operations	188	0	0	0	0
<b>XV INCOME TAX OF DISCONTINUED OPERATIONS</b>	<b>189</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Discontinued operations profit for the period (ADP 186-189)	190	2,902,039	0	0	0
2 Discontinued operations loss for the period (ADP 189-186)	191	0	0	0	0
<b>TOTAL OPERATIONS (to be filled in only by undertakings subject to IFRS with discontinued operations)</b>					
<b>XVI PRE-TAX PROFIT OR LOSS (ADP 179+186)</b>	<b>192</b>	<b>34,397,705</b>	<b>7,885,560</b>	<b>63,747,877</b>	<b>20,192,897</b>
1 Pre-tax profit (ADP 192)	193	34,397,705	7,885,560	63,747,877	20,192,897
2 Pre-tax loss (ADP 192)	194	0	0	0	0
<b>XVII INCOME TAX (ADP 182+189)</b>	<b>195</b>	<b>14,253,412</b>	<b>3,986,106</b>	<b>14,553,794</b>	<b>4,141,292</b>
<b>XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 192-195)</b>	<b>196</b>	<b>20,144,293</b>	<b>3,899,454</b>	<b>49,194,083</b>	<b>16,051,605</b>
1 Profit for the period (ADP 192-195)	197	20,144,293	3,899,454	49,194,083	16,051,605
2 Loss for the period (ADP 195-192)	198	0	0	0	0
<b>APPENDIX to the P&amp;L (to be filled in by undertakings that draw up consolidated annual financial statements)</b>					
<b>XIX PROFIT OR LOSS FOR THE PERIOD (ADP 200+201)</b>	<b>199</b>	<b>20,144,293</b>	<b>3,899,454</b>	<b>49,194,083</b>	<b>16,051,605</b>
1 Attributable to owners of the parent	200	4,236,125	-1,500,426	25,184,922	9,122,461
2 Attributable to minority (non-controlling) interest	201	15,908,168	5,399,880	24,009,161	6,929,144
<b>STATEMENT OF OTHER COMPREHENSIVE INCOME (to be filled in by undertakings subject to IFRS)</b>					
<b>I PROFIT OR LOSS FOR THE PERIOD</b>	<b>202</b>	<b>20,144,293</b>	<b>3,899,454</b>	<b>49,194,083</b>	<b>16,051,605</b>
<b>II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (AOP 204 do 211)</b>	<b>203</b>	<b>-196,151</b>	<b>-307,731</b>	<b>-3,828,091</b>	<b>-1,004,400</b>
1 Exchange rate differences from translation of foreign operations	204	-196,151	-307,731	-3,828,091	-1,004,400
2 Changes in revaluation reserves of fixed tangible and intangible assets	205	0	0	0	0



## STATEMENT OF PROFIT OR LOSS for the period 01.01.2020 to 30.09.2020

in HRK

Submitter: KONČAR - ELECTRICAL INDUSTRY, Inc.					
Item	ADP code	Same period of the previous year		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
3 Profit or loss arising from subsequent measurement of financial assets available for sale	206	0	0	0	0
4 Profit or loss arising from effective cash flow hedging	207	0	0	0	0
5 Profit or loss arising from effective hedge of a net investment in a foreign operation	208	0	0	0	0
6 Share in other comprehensive income/loss of companies linked by virtue of participating interests	209	0	0	0	0
7 Actuarial gains/losses on the defined benefit obligation	210	0	0	0	0
8 Other changes in equity unrelated to owners	211	0	0	0	0
<b>III TAX ON OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>212</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>IV NET OTHER COMPREHENSIVE INCOME OR LOSS</b> (ADP 203-212)	<b>213</b>	<b>-196,151</b>	<b>-307,731</b>	<b>-3,828,091</b>	<b>-1,004,400</b>
<b>V COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD</b> (ADP 202+213)	<b>214</b>	<b>19,948,142</b>	<b>3,591,723</b>	<b>45,365,992</b>	<b>15,047,205</b>
<b>APPENDIX to the Statement on comprehensive income (to be filled in by undertakings that draw up consolidated statements)</b>					
<b>VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD</b> (ADP 216+217)	<b>215</b>	<b>19,948,142</b>	<b>3,591,723</b>	<b>45,365,992</b>	<b>15,047,205</b>
<b>1 Attributable to owners of the parent</b>	<b>216</b>	<b>4,132,694</b>	<b>-1,662,693</b>	<b>23,166,370</b>	<b>8,592,841</b>
<b>2 Attributable to minority (non-controlling) interest</b>	<b>217</b>	<b>15,815,448</b>	<b>5,254,416</b>	<b>22,199,622</b>	<b>6,454,364</b>

## STATEMENT OF CASH FLOWS - direct method for the period 01.01.2020 to 30.09.2020

in HRK

Submitter: KONČAR - ELECTRICAL INDUSTRY, Inc.			
Item	AOP code	Same period of the previous year	Current period
1	2	3	4
<b>Cash flow from operating activities</b>			
1 Cash receipts from customers	001	2,032,436,155	2,373,680,163
2 Cash receipts from royalties, fees, commissions and other revenue	002	0	0
3 Cash receipts from insurance premiums	003	9,005,481	10,067,072
4 Cash receipts from tax refund	004	83,446,962	91,754,142
5 Cash payments to suppliers	005	-1,501,990,314	-1,653,193,665
6 Cash payments to employees	006	-449,941,651	-467,491,324
7 Cash payments for insurance premiums	007	-8,731,140	-7,820,273
8 Other cash receipts and payments	008	-145,954,480	-181,585,124
<b>I Cash from operations (ADP 001 to 008)</b>	<b>009</b>	<b>18,271,013</b>	<b>165,410,991</b>
9 Interest paid	010	-3,941,615	-3,991,263
10 Income tax paid	011	-13,483,318	-17,095,717
<b>A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 009 to 011)</b>	<b>012</b>	<b>846,080</b>	<b>144,324,011</b>
<b>Cash flow from investment activities</b>			
1 Cash receipts from sales of fixed tangible and intangible assets	013	1,844,755	1,779,793
2 Cash receipts from sales of financial instruments	014	27,004,172	26,438,083
3 Interest received	015	7,432,542	5,739,452
4 Dividends received	016	62,321,475	16,895,001
5 Cash receipts from the repayment of loans and deposits	017	111,304,201	276,287,492
6 Other cash receipts from investment activities	018	0	20,987,738
<b>II Total cash receipts from investment activities (ADP 013 to 018)</b>	<b>019</b>	<b>209,907,145</b>	<b>348,127,559</b>
1 Cash payments for the purchase of fixed tangible and intangible assets	020	-126,385,561	-59,555,267
2 Cash payments for the acquisition of financial instruments	021	0	-12,673,171
3 Cash payments for loans and deposits	022	-356,981,961	-52,732,403
4 Acquisition of a subsidiary, net of cash acquired	023	0	0
5 Other cash payments from investment activities	024	-20,055,672	0
<b>III Total cash payments from investment activities (ADP 020 to 024)</b>	<b>025</b>	<b>-503,423,194</b>	<b>-124,960,841</b>
<b>B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 019 + 025)</b>	<b>026</b>	<b>-293,516,049</b>	<b>223,166,718</b>
<b>Cash flow from financing activities</b>			
1 Cash receipts from the increase in initial (subscribed) capital	027	0	0
2 Cash receipts from the issue of equity financial instruments and debt financial instruments	028	0	0
3 Cash receipts from credit principals, loans and other borrowings	029	144,935,123	36,802,829
4 Other cash receipts from financing activities	030	536,975	1,036,339
<b>IV Total cash receipts from financing activities (ADP 027 to 030)</b>	<b>031</b>	<b>145,472,098</b>	<b>37,839,168</b>
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	032	-28,902,518	-103,354,672
2 Cash payments for dividends	033	-51,421,778	-13,113,571
3 Cash payments for finance lease	034	-501,749	-1,111,621
4 Cash payments for the redemption of treasury shares and decrease in initial (subscribed) capital	035	-827,556	-5,523,816
5 Other cash payments from financing activities	036	-679,052	-1,541,215
<b>V Total cash payments from financing activities (ADP 032 to 036)</b>	<b>037</b>	<b>-82,332,653</b>	<b>-124,644,895</b>
<b>C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 031 + 037)</b>	<b>038</b>	<b>63,139,445</b>	<b>-86,805,727</b>
1 Unrealised exchange rate differences in respect of cash and cash equivalents	039	-177,675	4,565,435
<b>D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 012+026+038+039)</b>	<b>040</b>	<b>-229,708,199</b>	<b>285,250,437</b>
<b>E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>041</b>	<b>616,628,577</b>	<b>369,785,816</b>
<b>F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (ADP 040+041)</b>	<b>042</b>	<b>386,920,378</b>	<b>655,036,253</b>

# STATEMENT OF CHANGES IN EQUITY

## for the period from 01/01/20 to 30/09/20

B Consolidated financial statements of the KONČAR Group for the third quarter of 2020

in HRK

Item	AOP code	Attributable to owners of the parent														Minority (non-controlling) interest	Total capital and reserves
		Initial (subscribed) capital	Capital reserves	Legal reserves	Reserves for treasury shares	Treasury shares and holdings (deductible item)	Statutory reserves	Other reserves	Revaluation reserves	Fair value of financial assets available for sale	Cash flow hedge – effective portion	Hedge of a net investment in a foreign operation – effective portion	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 (3 to 6 - 7 + 8 to 15)	17	18
<b>Previous period</b>																	
<b>1 Balance on the first day of the previous business year</b>	<b>01</b>	1,208,895,930	719,579	62,447,461	10,092,359	10,092,359	421,760,811	198,482,961	0	0	0	0	312,124,544	102,837,087	2,307,268,373	230,213,919	2,537,482,292
2 Changes in accounting policies	02	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
<b>4 Balance on the first day of the previous business year (restated) (ADP 01 to 03)</b>	<b>04</b>	<b>1,208,895,930</b>	<b>719,579</b>	<b>62,447,461</b>	<b>10,092,359</b>	<b>10,092,359</b>	<b>421,760,811</b>	<b>198,482,961</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>312,124,544</b>	<b>102,837,087</b>	<b>2,307,268,373</b>	<b>230,213,919</b>	<b>2,537,482,292</b>
5 Profit/loss of the period	05	0	0	0	0	0	0	0	0	0	0	0	0	27,371,314	27,371,314	27,582,424	54,953,738
6 Exchange rate differences from translation of foreign operations	06	0	0	0	0	0	0	1,342,511	0	0	0	0	0	0	1,342,511	1,203,498	2,546,009
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
8 Profit or loss arising from subsequent measurement of financial assets available for sale	08	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
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
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
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
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
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
15 Increase/decrease in initial (subscribed) capital (other than from reinvesting profit and other than arising from the pre-bankruptcy settlement procedure)	15	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16 Increase in initial (subscribed) capital arising from the reinvestment of profit	16	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17 Increase in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	17	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	827,556	0	0	0	0	0	0	0	0	-827,556	0	-827,556
19 Payment of share in profit/dividend	19	0	0	0	0	0	0	0	0	0	0	0	-38,358,860	0	-38,358,860	-13,030,069	-51,388,929
20 Other distribution to owners	20	0	0	0	25,000,000	0	0	-24,980,366	0	0	0	0	-2,841,303	0	-2,821,669	2,217,431	-604,238
21 Transfer to reserves according to the annual schedule	21	0	0	6,129,866	0	0	18,649,702	45,605,603	0	0	0	0	32,451,916	-102,837,087	0	0	0
22 Increase in reserves arising from the pre-bankruptcy settlement procedure	22	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>23 Balance on the last day of the previous business year reporting period (04 to 22)</b>	<b>23</b>	<b>1,208,895,930</b>	<b>719,579</b>	<b>68,577,327</b>	<b>35,092,359</b>	<b>10,919,915</b>	<b>440,410,513</b>	<b>220,450,709</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>303,376,297</b>	<b>27,371,314</b>	<b>2,293,974,113</b>	<b>248,187,203</b>	<b>2,542,161,316</b>
<b>APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)</b>																	
<b>I OTHER COMPREHENSIVE INCOME OF THE PREVIOUS PERIOD, NET OF TAX (ADP 06 to 14)</b>	<b>24</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,342,511</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,342,511</b>	<b>1,203,498</b>	<b>2,546,009</b>
<b>II COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP 05+24)</b>	<b>25</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,342,511</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>27,371,314</b>	<b>28,713,825</b>	<b>28,785,922</b>	<b>57,499,747</b>
<b>III TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 22)</b>	<b>26</b>	<b>0</b>	<b>0</b>	<b>6,129,866</b>	<b>25,000,000</b>	<b>827,556</b>	<b>18,649,702</b>	<b>20,625,237</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-8,748,247</b>	<b>-102,837,087</b>	<b>-42,008,085</b>	<b>-10,812,638</b>	<b>-52,820,723</b>

# STATEMENT OF CHANGES IN EQUITY

## for the period from 01/01/20 to 30/09/20

B Consolidated financial statements of the KONČAR Group for the third quarter of 2020

in HRK

Item	AOP code	Attributable to owners of the parent														Minority (non-controlling) interest	Total capital and reserves
		Initial (subscribed) capital	Capital reserves	Legal reserves	Reserves for treasury shares	Treasury shares and holdings (deductible item)	Statutory reserves	Other reserves	Revaluation reserves	Fair value of financial assets available for sale	Cash flow hedge – effective portion	Hedge of a net investment in a foreign operation – effective portion	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 (3 to 6 - 7 + 8 to 15)	17	18
<b>Current period</b>																	
<b>1 Balance on the first day of the current business year</b>	<b>27</b>	1,208,895,930	719,579	68,577,327	35,092,359	10,919,915	440,410,513	220,450,709	0	0	0	0	303,376,297	27,371,314	2,293,974,113	248,187,203	2,542,161,316
2 Changes in accounting policies	28	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 Correction of errors	29	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>4 Balance on the first day of the current business year (restated) (ADP 27 to 29)</b>	<b>30</b>	<b>1,208,895,930</b>	<b>719,579</b>	<b>68,577,327</b>	<b>35,092,359</b>	<b>10,919,915</b>	<b>440,410,513</b>	<b>220,450,709</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>303,376,297</b>	<b>27,371,314</b>	<b>2,293,974,113</b>	<b>248,187,203</b>	<b>2,542,161,316</b>
5 Profit/loss of the period	31	0	0	0	0	0	0	0	0	0	0	0	0	25,184,922	25,184,922	24,009,161	49,194,083
6 Exchange rate differences from translation of foreign operations	32	0	0	0	0	0	0	-2,018,552	0	0	0	0	0	0	-2,018,552	-1,809,539	-3,828,091
7 Changes in revaluation reserves of fixed tangible and intangible assets	33	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8 Profit or loss arising from subsequent measurement of financial assets available for sale	34	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	35	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	36	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	37	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	38	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13 Other changes in equity unrelated to owners	39	0	0	0	0	0	0	0	0	0	0	0	3,301,552	0	3,301,552	0	3,301,552
14 Tax on transactions recognised directly in equity	40	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15 Increase/decrease in initial (subscribed) capital (other than from reinvesting profit and other than arising from the pre-bankruptcy settlement procedure)	41	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16 Increase in initial (subscribed) capital arising from the reinvestment of profit	42	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17 Increase 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
18 Redemption of treasury shares/holdings	44	0	0	0	0	5,523,816	0	0	0	0	0	0	0	0	-5,523,816	0	-5,523,816
19 Payment of share in profit/dividend	45	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-13,096,323	-13,096,323
20 Other distribution to owners	46	0	0	0	-574,024	-574,024	0	0	0	0	0	0	1,333,684	0	1,333,684	411,669	1,745,353
21 Transfer to reserves according to the annual schedule	47	0	0	2,024,354	0	0	18,469,980	10,324,639	0	0	0	0	-3,447,659	-27,371,314	0	0	0
22 Increase in reserves arising from the pre-bankruptcy settlement procedure	48	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23 Balance on the last day of the current business year reporting period (ADP 30 to 48)	49	1,208,895,930	719,579	70,601,681	34,518,335	15,869,707	458,880,493	228,756,796	0	0	0	0	304,563,874	25,184,922	2,316,251,903	257,702,171	2,573,954,074
<b>APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)</b>																	
<b>I OTHER COMPREHENSIVE INCOME FOR THE CURRENT PERIOD, NET OF TAX (AOP 32 to 40)</b>	<b>50</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-2,018,552</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,301,552</b>	<b>0</b>	<b>1,283,000</b>	<b>-1,809,539</b>	<b>-526,539</b>
<b>II COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 31+50)</b>	<b>51</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-2,018,552</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,301,552</b>	<b>25,184,922</b>	<b>26,467,922</b>	<b>22,199,622</b>	<b>48,667,544</b>
<b>III TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 41 to 48)</b>	<b>52</b>	<b>0</b>	<b>0</b>	<b>2,024,354</b>	<b>-574,024</b>	<b>4,949,792</b>	<b>18,469,980</b>	<b>10,324,639</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-2,113,975</b>	<b>-27,371,314</b>	<b>-4,190,132</b>	<b>-12,684,654</b>	<b>-16,874,786</b>

## Notes to consolidated financial statements

**Issuer's name: Končar – Elektroindustrija d.d. (Končar – Electrical Industry Inc.)**

**Tax identification number (PIN): 45050126417**

**Reporting period: 1 January 2020 to 30 September 2020**

### 1. Division of shares

There has been no division of shares.

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### 2. Changes in ownership structure

There have been no significant changes in ownership structure compared to the previous quarter.

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### 3. Mergers and amalgamations

There have been no new mergers or amalgamations

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### 4. Description of products and services

Manufacture of electrical equipment for generation, transmission and consumption of electric power and manufacture of transport equipment.

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### 5. Uncertainty (description of cases for which there are some uncertainties regarding collection of income or possible future costs)

There have been no significant uncertainties regarding the collection of income or possible future costs.

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### 6. Business operation results

Profit and loss account data related to discontinued operations in the period January-September 2019. years refer to company Končar - Home Appliances d.d. whose shares were sold to employees and management through the M&E buyout model, and part of the production program of the Company Končar - Low voltage switches and circuit breakers d.o.o. which was sold to Lovato Electric S.P.A. from Bergamo.

Business results related to business continuity are as follows:

Realized total revenues in the period January - September 2020, they amount to HRK 2,172.04 million and are higher by HRK 247.92 million of total revenues generated in the same period last year, or 12.9%. Operating income was realized in the amount of HRK 2,110.62 million, which is 11.9% more than in the period January - September previous year. Share of operating income in total revenue is 97.2%. In operating revenues, sales revenues amount to 2,051.02 million or 97.2% of the total operating income.

Financial revenues (which make up 2.5% of total revenues) are higher by HRK 29.94 million, and financial expenses (whose share is in total expenses 2.1%) are higher by HRK 23.34 million compared to the same period last year.

The share in the profit from companies related by participating interests and joint ventures amounts to HRK 6.38 million.

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### 7. Operating and other expenditures

In the period January-September 2020. compared to the same period last year, the share of material costs in operating income by 1.2 percentage points and the share of provisioning costs by 0.1 percentage points, and reduced is the share of staff costs by 1.5 percentage points, the share of depreciation costs and value adjustment costs by 0.2 percentage points, and the share of other costs and expenses by 1.1 percentage points.

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### 8. Profit or loss

The Group's total profit after tax amounts to HRK 49.19 million and is higher than in the same period last year.

HRK 29.05 million, or HRK 31.95 million if the profit from discontinued operations is excluded from the 2019 profit in the amount of HRK 2.90 million.

Holders of parent shares are entitled to a profit of HRK 25.18 million, which is HRK 20.95 million more than the same period of the previous year, ie HRK 23.85 million more if the profit of discontinued operations in 2019 is excluded.

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Net profit attributable to minority interest amounts to HRK 24.01 million, which is HRK 8.10 million more than in the same period previous year.

Of the 15 companies that make up the Končar Group, two companies reported a loss of HRK 18.44 million and all belong to holders of parent shares.

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#### **9. Earnings per share**

Earnings per share in the period January - September 2020 is HRK 9.89, which is HRK 8.23 more than the salary per shares in the same period last year, or HRK 9.37 more if the profit of discontinued operations in 2019 is excluded.

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#### **10. Liquidity**

Balance of cash and cash equivalents at the end of the third quarter of 2020 compared to the beginning of the year it is higher by HRK 285.25 million.

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#### **11. Accounting policies**

In preparing the consolidated financial statements of the Končar Group, the same accounting policies were applied as in the most recent annual financial statements for 2019.

The financial reports for 2019 are available for review on the official website of the Zagreb Stock Exchange ([www.zse.hr](http://www.zse.hr)), Croatian Financial Services Supervisory Agency ([www.hanfa.hr](http://www.hanfa.hr)) and the company's web site ([www.koncar.hr](http://www.koncar.hr)).

# C Financial statements of KONČAR – Electrical Industry Inc. for the third quarter of 2020

## Annex 1

### ISSUER'S GENERAL DATA

Reporting period:	1/1/20	to	30/9/20
Year:	2020	Quarter:	3

### 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 - 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):	49		
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:	No	(Yes/No)	
Contact person:	Ivana Baždar (only name and surname of the contact person)		
Telephone:	01 3655 978		
E-mail address:	ivana.bazdar@koncar.hr		
Audit firm:	KPMG Croatia d.o.o. (name of the audit firm)		
Certified auditor:	Domagoj Hrkač (name and surname)		

## BALANCE SHEET

### balance as at 30.09.2020

in HRK

Submitter: KONČAR - ELECTRICAL INDUSTRY, Inc.			
Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
<b>A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID</b>	<b>001</b>	0	0
<b>B) FIXED ASSETS (ADP 003+010+020+031+036)</b>	<b>002</b>	1,400,003,357	1,397,072,066
<b>I INTANGIBLE ASSETS (ADP 004 to 009)</b>	<b>003</b>	3,161,796	3,184,446
1 Research and development	004	0	0
2 Concessions, patents, licences, trademarks, software and other rights	005	0	1,500,750
3 Goodwill	006	0	0
4 Advances for the purchase of intangible assets	007	0	0
5 Intangible assets in preparation	008	3,161,796	1,683,696
6 Other intangible assets	009	0	0
<b>II TANGIBLE ASSETS (ADP 011 to 019)</b>	<b>010</b>	413,214,642	406,552,990
1 Land	011	98,596,896	98,596,896
2 Buildings	012	132,843,744	130,473,192
3 Plant and equipment	013	13,102,190	10,826,424
4 Tools, working inventory and transportation assets	014	1,728,557	1,360,936
5 Biological assets	015	0	0
6 Advances for the purchase of tangible assets	016	0	0
7 Tangible assets in preparation	017	3,714,115	2,066,402
8 Other tangible assets	018	69,446	69,446
9 Investment property	019	163,159,694	163,159,694
<b>III FIXED FINANCIAL ASSETS (ADP 021 to 030)</b>	<b>020</b>	953,038,132	959,318,177
1 Investments in holdings (shares) of undertakings within the group	021	846,818,715	853,382,715
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	104,776,367	104,776,367
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	1,443,050	1,159,095
8 Loans, deposits, etc. given	028	0	0
9 Other investments accounted for using the equity method	029	0	0
10 Other fixed financial assets	030	0	0
<b>IV RECEIVABLES (ADP 032 to 035)</b>	<b>031</b>	30,588,787	28,016,453
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	22,296,088	19,723,754
4 Other receivables	035	8,292,699	8,292,699
<b>V DEFERRED TAX ASSETS</b>	<b>036</b>	0	0
<b>C) CURRENT ASSETS (ADP 038+046+053+063)</b>	<b>037</b>	281,978,782	296,099,322
<b>I INVENTORIES (ADP 039 to 045)</b>	<b>038</b>	0	0
1 Raw materials and consumables	039	0	0
2 Work in progress	040	0	0
3 Finished goods	041	0	0
4 Merchandise	042	0	0
5 Advances for inventories	043	0	0
6 Fixed assets held for sale	044	0	0
7 Biological assets	045	0	0



## BALANCE SHEET

### balance as at 30.09.2020

in HRK

Submitter: KONČAR - ELECTRICAL INDUSTRY, Inc.			
Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
II RECEIVABLES (ADP 047 to 052)	046	35,024,023	11,884,602
1 Receivables from undertakings within the group	047	9,447,805	7,283,839
2 Receivables from companies linked by virtue of participating interests	048	16,256,928	1,029,649
3 Customer receivables	049	1,246,441	789,184
4 Receivables from employees and members of the undertaking	050	0	0
5 Receivables from government and other institutions	051	0	0
6 Other receivables	052	8,072,849	2,781,930
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)	053	203,575,667	0
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	2,500,000	0
4 Investments in holdings (shares) of companies linked by virtue of participating interests	057	0	0
5 Investment in other securities of companies linked by virtue of participating interests	058	0	0
6 Loans, deposits etc. to companies linked by virtue of participating interests	059	0	0
7 Investments in securities	060	0	0
8 Loans, deposits, etc. given	061	201,075,667	0
9 Other financial assets	062	0	0
IV CASH AT BANK AND IN HAND	063	43,379,092	284,214,720
<b>D ) PREPAID EXPENSES AND ACCRUED INCOME</b>	064	847,090	495,199
<b>E) TOTAL ASSETS (ADP 001+002+037+064)</b>	065	1,682,829,229	1,693,666,587
<b>F) OFF-BALANCE SHEET ITEMS</b>	066	459,846,136	516,789,597
<b>LIABILITIES</b>			
<b>A) CAPITAL AND RESERVES (ADP 068 to 070+076+077+081+084+087)</b>	067	1,644,998,526	1,665,453,361
I INITIAL (SUBSCRIBED) CAPITAL	068	1,208,895,930	1,208,895,930
II CAPITAL RESERVES	069	719,579	719,579
IIII RESERVES FROM PROFIT (ADP 071+072-073+074+075)	070	423,268,113	421,603,127
1 Legal reserves	071	48,614,954	48,982,462
2 Reserves for treasury shares	072	35,092,357	34,518,334
3 Treasury shares and holdings (deductible item)	073	-10,919,913	-15,869,707
4 Statutory reserves	074	217,684,029	217,684,029
5 Other reserves	075	132,796,686	136,288,009
IV REVALUATION RESERVES	076	0	0
V FAIR VALUE RESERVES (ADP 078 to 080)	077	0	0
1 Fair value of financial assets 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
VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 082-083)	081	4,764,752	8,830,096
1 Retained profit	082	4,764,752	8,830,096
2 Loss brought forward	083	0	0
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 085-086)	084	7,350,152	25,404,629
1 Profit for the business year	085	7,350,152	25,404,629
2 Loss for the business year	086	0	0
VIII MINORITY (NON-CONTROLLING) INTEREST	087	0	0

## BALANCE SHEET

### balance as at 30.09.2020

in HRK

Submitter: KONČAR - ELECTRICAL INDUSTRY, Inc.			
Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
<b>B) PROVISIONS (ADP 089 to 094)</b>	<b>088</b>	<b>2,579,172</b>	<b>2,579,172</b>
1 Provisions for pensions, termination benefits and similar obligations	089	2,579,172	2,579,172
2 Provisions for tax liabilities	090	0	0
3 Provisions for ongoing legal cases	091	0	0
4 Provisions for renewal of natural resources	092	0	0
5 Provisions for warranty obligations	093	0	0
6 Other provisions	094	0	0
<b>C) LONG-TERM LIABILITIES (ADP 096 to 106)</b>	<b>095</b>	<b>1,245,038</b>	<b>0</b>
1 Liabilities to undertakings within the group	096	1,173,304	0
2 Liabilities for loans, deposits, etc. of undertakings within the group	097	0	0
3 Liabilities to companies linked by virtue of participating interests	098	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	099	0	0
5 Liabilities for loans, deposits etc.	100	0	0
6 Liabilities to banks and other financial institutions	101	0	0
7 Liabilities for advance payments	102	0	0
8 Liabilities to suppliers	103	0	0
9 Liabilities for securities	104	0	0
10 Other long-term liabilities	105	71,734	0
11 Deferred tax liability	106	0	0
<b>D) SHORT-TERM LIABILITIES (ADP 108 to 121)</b>	<b>107</b>	<b>29,704,301</b>	<b>24,416,560</b>
1 Liabilities to undertakings within the group	108	25,470,080	19,967,852
2 Liabilities for loans, deposits, etc. of undertakings within the group	109	0	0
3 Liabilities to companies linked by virtue of participating interests	110	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	111	0	0
5 Liabilities for loans, deposits etc.	112	0	0
6 Liabilities to banks and other financial institutions	113	0	0
7 Liabilities for advance payments	114	0	0
8 Liabilities to suppliers	115	1,075,733	548,675
9 Liabilities for securities	116	0	0
10 Liabilities to employees	117	1,100,715	1,278,250
11 Taxes, contributions and similar liabilities	118	1,170,101	1,809,433
12 Liabilities arising from the share in the result	119	682,918	676,068
13 Liabilities arising from fixed assets held for sale	120	0	0
14 Other short-term liabilities	121	204,754	136,282
<b>E) ACCRUALS AND DEFERRED INCOME</b>	<b>122</b>	<b>4,302,192</b>	<b>1,217,494</b>
<b>F) TOTAL – LIABILITIES (ADP 067+088+095+107+122)</b>	<b>123</b>	<b>1,682,829,229</b>	<b>1,693,666,587</b>
<b>G) OFF-BALANCE SHEET ITEMS</b>	<b>124</b>	<b>459,846,136</b>	<b>516,789,597</b>

## STATEMENT OF PROFIT OR LOSS for the period 01.01.2020 to 30.09.2020

in HRK

Submitter: KONČAR - ELECTRICAL INDUSTRY, Inc.					
Item	ADP code	Same period of the previous year		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
<b>I OPERATING INCOME (ADP 126 to 130)</b>	<b>125</b>	<b>80,986,755</b>	<b>24,001,482</b>	<b>76,314,505</b>	<b>13,057,736</b>
1 Income from sales with undertakings within the group	126	67,096,668	12,090,100	72,620,052	12,772,552
2 Income from sales (outside group)	127	424,706	28,759	525,056	209,772
3 Income from the use of own products, goods and services	128	0	0	0	0
4 Other operating income with undertakings within the group	129	0	0	0	0
5 Other operating income (outside the group)	130	13,465,381	11,882,623	3,169,397	75,412
<b>II OPERATING EXPENSES (ADP 132+133+137+141+142+143+146+153)</b>	<b>131</b>	<b>60,336,400</b>	<b>19,555,041</b>	<b>54,817,918</b>	<b>16,161,307</b>
1 Changes in inventories of work in progress and finished goods	132	0	0	0	0
2 Material costs (ADP 134 to 136)	133	21,872,047	7,293,423	18,915,131	5,524,491
<i>a) Costs of raw materials and consumables</i>	134	3,785,064	454,715	3,488,448	888,798
<i>b) Costs of goods sold</i>	135	0	0	0	0
<i>c) Other external costs</i>	136	18,086,983	6,838,708	15,426,683	4,635,693
3 Staff costs (ADP 138 to 140)	137	17,017,449	4,513,122	18,989,738	5,651,829
<i>a) Net salaries and wages</i>	138	8,766,689	2,435,089	9,713,433	2,930,114
<i>b) Tax and contributions from salary costs</i>	139	5,847,684	1,443,892	6,592,478	1,924,230
<i>c) Contributions on salaries</i>	140	2,403,076	634,141	2,683,827	797,485
4 Depreciation	141	6,617,350	2,299,304	7,287,790	2,411,824
5 Other costs	142	14,448,230	5,431,162	9,555,919	2,573,163
6 Value adjustments (ADP 144+145)	143	0	0	0	0
<i>a) fixed assets other than financial assets</i>	144	0	0	0	0
<i>b) current assets other than financial assets</i>	145	0	0	0	0
7 Provisions (ADP 147 to 152)	146	0	0	0	0
<i>a) Provisions for pensions, termination benefits and similar obligations</i>	147	0	0	0	0
<i>b) Provisions for tax liabilities</i>	148	0	0	0	0
<i>c) Provisions for ongoing legal cases</i>	149	0	0	0	0
<i>d) Provisions for renewal of natural resources</i>	150	0	0	0	0
<i>e) Provisions for warranty obligations</i>	151	0	0	0	0
<i>f) Other provisions</i>	152	0	0	0	0
8 Other operating expenses	153	381,324	18,030	69,340	0
<b>III FINANCIAL INCOME (ADP 155 to 164)</b>	<b>154</b>	<b>9,496,107</b>	<b>817,668</b>	<b>8,896,478</b>	<b>1,641,213</b>
1 Income from investments in holdings (shares) of undertakings within the group	155	0	0	0	0
2 Income from investments in holdings (shares) of companies linked by virtue of participating interests	156	0	0	0	0
3 Income from other long-term financial investment and loans granted to undertakings within the group	157	0	0	0	0
4 Other interest income from operations with undertakings within the group	158	223,678	5,960	131,567	85,254
5 Exchange rate differences and other financial income from operations with undertakings within the group	159	0	0	0	0
6 Income from other long-term financial investments and loans	160	0	0	0	0
7 Other interest income	161	301,563	79,266	768,439	140,001
8 Exchange rate differences and other financial income	162	895,997	384,554	7,968,473	1,415,958
9 Unrealised gains (income) from financial assets	163	496,848	347,888	0	0
10 Other financial income	164	7,578,021	0	27,999	0
<b>IV FINANCIAL EXPENSES (ADP 166 to 172)</b>	<b>165</b>	<b>1,503,788</b>	<b>708,548</b>	<b>4,988,436</b>	<b>2,340,021</b>
1 Interest expenses and similar expenses with undertakings within the group	166	0	0	0	0
2 Exchange rate differences and other expenses from operations with undertakings within the group	167	0	0	0	0

## STATEMENT OF PROFIT OR LOSS for the period 01.01.2020 to 30.09.2020

in HRK

Submitter: KONČAR - ELECTRICAL INDUSTRY, Inc.					
Item	ADP 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	168	641	563	7,382	199
4 Exchange rate differences and other expenses	169	1,372,807	707,985	4,697,099	2,055,867
5 Unrealised losses (expenses) from financial assets	170	130,340	0	283,955	283,955
6 Value adjustments of financial assets (net)	171	0	0	0	0
7 Other financial expenses	172	0	0	0	0
<b>V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VIRTUE OF PARTICIPATING INTERESTS</b>	<b>173</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>VI SHARE IN PROFIT FROM JOINT VENTURES</b>	<b>174</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST</b>	<b>175</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>VIII SHARE IN LOSS OF JOINT VENTURES</b>	<b>176</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>IX TOTAL INCOME (ADP 125+154+173 + 174)</b>	<b>177</b>	<b>90,482,862</b>	<b>24,819,150</b>	<b>85,210,983</b>	<b>14,698,949</b>
<b>X TOTAL EXPENDITURE (ADP 131+165+175 + 176)</b>	<b>178</b>	<b>61,840,188</b>	<b>20,263,589</b>	<b>59,806,354</b>	<b>18,501,328</b>
<b>XI PRE-TAX PROFIT OR LOSS (ADP 177-178)</b>	<b>179</b>	<b>28,642,674</b>	<b>4,555,561</b>	<b>25,404,629</b>	<b>-3,802,379</b>
1 Pre-tax profit (ADP 177-178)	180	28,642,674	4,555,561	25,404,629	0
2 Pre-tax loss (ADP 178-177)	181	0	0	0	-3,802,379
<b>XII INCOME TAX</b>	<b>182</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>XIII PROFIT OR LOSS FOR THE PERIOD (ADP 179-182)</b>	<b>183</b>	<b>28,642,674</b>	<b>4,555,561</b>	<b>25,404,629</b>	<b>-3,802,379</b>
1 Profit for the period (ADP 179-182)	184	28,642,674	4,555,561	25,404,629	0
2 Loss for the period (ADP 182-179)	185	0	0	0	-3,802,379
<b>DISCONTINUED OPERATIONS (to be filled in by undertakings subject to IFRS only with discontinued operations)</b>					
<b>XIV PRE-TAX PROFIT OR LOSS OF DISCONTINUED OPERATIONS (ADP 187-188)</b>	<b>186</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Pre-tax profit from discontinued operations	187	0	0	0	0
2 Pre-tax loss on discontinued operations	188	0	0	0	0
<b>XV INCOME TAX OF DISCONTINUED OPERATIONS</b>	<b>189</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Discontinued operations profit for the period (ADP 186-189)	190	0	0	0	0
2 Discontinued operations loss for the period (ADP 189-186)	191	0	0	0	0
<b>TOTAL OPERATIONS (to be filled in only by undertakings subject to IFRS with discontinued operations)</b>					
<b>XVI PRE-TAX PROFIT OR LOSS (ADP 179+186)</b>	<b>192</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Pre-tax profit (ADP 192)	193	0	0	0	0
2 Pre-tax loss (ADP 192)	194	0	0	0	0
<b>XVII INCOME TAX (ADP 182+189)</b>	<b>195</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 192-195)</b>	<b>196</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Profit for the period (ADP 192-195)	197	0	0	0	0
2 Loss for the period (ADP 195-192)	198	0	0	0	0
<b>APPENDIX to the P&amp;L (to be filled in by undertakings that draw up consolidated annual financial statements)</b>					
<b>XIX PROFIT OR LOSS FOR THE PERIOD (ADP 200+201)</b>	<b>199</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Attributable to owners of the parent	200	0	0	0	0
2 Attributable to minority (non-controlling) interest	201	0	0	0	0
<b>STATEMENT OF OTHER COMPREHENSIVE INCOME (to be filled in by undertakings subject to IFRS)</b>					
<b>I PROFIT OR LOSS FOR THE PERIOD</b>	<b>202</b>	<b>28,642,674</b>	<b>4,555,561</b>	<b>25,404,629</b>	<b>-3,802,379</b>
<b>II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (AOP 204 do 211)</b>	<b>203</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Exchange rate differences from translation of foreign operations	204	0	0	0	0
2 Changes in revaluation reserves of fixed tangible and intangible assets	205	0	0	0	0

## STATEMENT OF PROFIT OR LOSS for the period 01.01.2020 to 30.09.2020

in HRK

Submitter: KONČAR - ELECTRICAL INDUSTRY, Inc.					
Item	ADP code	Same period of the previous year		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
3 Profit or loss arising from subsequent measurement of financial assets available for sale	206	0	0	0	0
4 Profit or loss arising from effective cash flow hedging	207	0	0	0	0
5 Profit or loss arising from effective hedge of a net investment in a foreign operation	208	0	0	0	0
6 Share in other comprehensive income/loss of companies linked by virtue of participating interests	209	0	0	0	0
7 Actuarial gains/losses on the defined benefit obligation	210	0	0	0	0
8 Other changes in equity unrelated to owners	211	0	0	0	0
<b>III TAX ON OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>212</b>	0	0	0	0
<b>IV NET OTHER COMPREHENSIVE INCOME OR LOSS</b> (ADP 203-212)	<b>213</b>	0	0	0	0
<b>V COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD</b> (ADP 202+213)	<b>214</b>	28,642,674	4,555,561	25,404,629	-3,802,379
<b>APPENDIX to the Statement on comprehensive income (to be filled in by undertakings that draw up consolidated statements)</b>					
<b>VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD</b> (ADP 216+217)	<b>215</b>	0	0	0	0
<b>1 Attributable to owners of the parent</b>	<b>216</b>	0	0	0	0
<b>2 Attributable to minority (non-controlling) interest</b>	<b>217</b>	0	0	0	0

## STATEMENT OF CASH FLOWS - direct method for the period 01.01.2020 to 30.09.2020

in HRK

Submitter: KONČAR - ELECTRICAL INDUSTRY, Inc.			
Item	AOP code	Same period of the previous year	Current period
1	2	3	4
<b>Cash flow from operating activities</b>			
1 Cash receipts from customers	001	17,278,579	18,785,172
2 Cash receipts from royalties, fees, commissions and other revenue	002	0	0
3 Cash receipts from insurance premiums	003	0	0
4 Cash receipts from tax refund	004	0	0
5 Cash payments to suppliers	005	-23,691,822	-10,648,458
6 Cash payments to employees	006	-20,336,762	-18,630,988
7 Cash payments for insurance premiums	007	0	0
8 Other cash receipts and payments	008	-3,205,979	392,494
<b>I Cash from operations (ADP 001 to 008)</b>	<b>009</b>	<b>-29,955,984</b>	<b>-10,101,780</b>
9 Interest paid	010	-30	0
10 Income tax paid	011	0	0
<b>A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 009 to 011)</b>	<b>012</b>	<b>-29,956,014</b>	<b>-10,101,780</b>
<b>Cash flow from investment activities</b>			
1 Cash receipts from sales of fixed tangible and intangible assets	013	35,203,939	1,725,832
2 Cash receipts from sales of financial instruments	014	5,115,798	2,916,246
3 Interest received	015	454,420	1,342,861
4 Dividends received	016	92,664,103	51,186,863
5 Cash receipts from the repayment of loans and deposits	017	29,299,000	235,144,436
6 Other cash receipts from investment activities	018	0	0
<b>II Total cash receipts from investment activities (ADP 013 to 018)</b>	<b>019</b>	<b>162,737,260</b>	<b>292,316,238</b>
1 Cash payments for the purchase of fixed tangible and intangible assets	020	-49,667,644	-952,996
2 Cash payments for the acquisition of financial instruments	021	-45,479,600	-6,564,000
3 Cash payments for loans and deposits	022	-200,229,246	-27,900,000
4 Acquisition of a subsidiary, net of cash acquired	023	0	0
5 Other cash payments from investment activities	024	0	0
<b>III Total cash payments from investment activities (ADP 020 to 024)</b>	<b>025</b>	<b>-295,376,490</b>	<b>-35,416,996</b>
<b>B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 019 + 025)</b>	<b>026</b>	<b>-132,639,230</b>	<b>256,899,242</b>
<b>Cash flow from financing activities</b>			
1 Cash receipts from the increase in initial (subscribed) capital	027	0	0
2 Cash receipts the from issue of equity financial instruments and debt financial instruments	028	0	0
3 Cash receipts from credit principals, loans and other borrowings	029	0	0
4 Other cash receipts from financing activities	030	0	0
<b>IV Total cash receipts from financing activities (ADP 027 to 030)</b>	<b>031</b>	<b>0</b>	<b>0</b>
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	032	0	0
2 Cash payments for dividends	033	-38,363,941	-6,925
3 Cash payments for finance lease	034	0	0
4 Cash payments for the redemption of treasury shares and decrease in initial (subscribed) capital	035	-827,556	-5,523,816
5 Other cash payments from financing activities	036	0	0
<b>V Total cash payments from financing activities (ADP 032 to 036)</b>	<b>037</b>	<b>-39,191,497</b>	<b>-5,530,741</b>
<b>C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 031 + 037)</b>	<b>038</b>	<b>-39,191,497</b>	<b>-5,530,741</b>
1 Unrealised exchange rate differences in respect of cash and cash equivalents	039	-94,909	-431,092
<b>D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 012+026+038+039)</b>	<b>040</b>	<b>-201,881,650</b>	<b>240,835,629</b>
<b>E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>041</b>	<b>261,470,979</b>	<b>43,379,091</b>
<b>F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (ADP 040+041)</b>	<b>042</b>	<b>59,589,329</b>	<b>284,214,720</b>

# STATEMENT OF CHANGES IN EQUITY

## for the period from 01/01/20 to 30/09/20

C Financial statements of KONČAR - Electrical Industry Inc. for the third quarter of 2020

in HRK

Item	AOP code	Attributable to owners of the parent														Minority (non-controlling) interest	Total capital and reserves
		Initial (subscribed) capital	Capital reserves	Legal reserves	Reserves for treasury shares	Treasury shares and holdings (deductible item)	Statutory reserves	Other reserves	Revaluation reserves	Fair value of financial assets available for sale	Cash flow hedge – effective portion	Hedge of a net investment in a foreign operation – effective portion	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 (3 to 6 - 7 + 8 to 15)	17	18
<b>Previous period</b>																	
<b>1 Balance on the first day of the previous business year</b>	<b>01</b>	1,208,895,930	719,579	44,839,799	10,092,358	10,092,358	217,684,029	124,407,972	0	0	0	0	4,764,752	75,503,105	1,676,815,166	0	1,676,815,166
2 Changes in accounting policies	02	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
<b>4 Balance on the first day of the previous business year (restated) (ADP 01 to 03)</b>	<b>04</b>	<b>1,208,895,930</b>	<b>719,579</b>	<b>44,839,799</b>	<b>10,092,358</b>	<b>10,092,358</b>	<b>217,684,029</b>	<b>124,407,972</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,764,752</b>	<b>75,503,105</b>	<b>1,676,815,166</b>	<b>0</b>	<b>1,676,815,166</b>
5 Profit/loss of the period	05	0	0	0	0	0	0	0	0	0	0	0	0	7,350,152	7,350,152	0	7,350,152
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
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
8 Profit or loss arising from subsequent measurement of financial assets available for sale	08	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
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
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
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
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
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
15 Increase/decrease in initial (subscribed) capital (other than from reinvesting profit and other than arising from the pre-bankruptcy settlement procedure)	15	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16 Increase in initial (subscribed) capital arising from the reinvestment of profit	16	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17 Increase in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	17	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	827,556	0	0	0	0	0	0	0	0	0	-827,556	-827,556
19 Payment of share in profit/dividend	19	0	0	0	0	0	0	0	0	0	0	0	0	-38,358,870	-38,358,870	0	-38,358,870
20 Other distribution to owners	20	0	0	0	0	0	0	19,634	0	0	0	0	0	0	19,634	0	19,634
21 Transfer to reserves according to the annual schedule	21	0	0	3,775,155	25,000,000	0	0	8,369,080	0	0	0	0	0	-37,144,235	0	0	0
22 Increase in reserves arising from the pre-bankruptcy settlement procedure	22	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>23 Balance on the last day of the previous business year reporting period (04 to 22)</b>	<b>23</b>	<b>1,208,895,930</b>	<b>719,579</b>	<b>48,614,954</b>	<b>35,092,358</b>	<b>10,919,914</b>	<b>217,684,029</b>	<b>132,796,686</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,764,752</b>	<b>7,350,152</b>	<b>1,644,998,526</b>	<b>0</b>	<b>1,644,998,526</b>
<b>APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)</b>																	
<b>I OTHER COMPREHENSIVE INCOME OF THE PREVIOUS PERIOD, NET OF TAX (ADP 06 to 14)</b>	<b>24</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>II COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP 05+24)</b>	<b>25</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7,350,152</b>	<b>7,350,152</b>	<b>0</b>	<b>7,350,152</b>
<b>III TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 22)</b>	<b>26</b>	<b>0</b>	<b>0</b>	<b>3,775,155</b>	<b>25,000,000</b>	<b>827,556</b>	<b>0</b>	<b>8,388,714</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-75,503,105</b>	<b>-39,166,792</b>	<b>0</b>	<b>-39,166,792</b>

# STATEMENT OF CHANGES IN EQUITY

## for the period from 01/01/20 to 30/09/20

C Financial statements of KONČAR - Electrical Industry Inc. for the third quarter of 2020

in HRK

Item	AOP code	Attributable to owners of the parent														Minority (non-controlling) interest	Total capital and reserves
		Initial (subscribed) capital	Capital reserves	Legal reserves	Reserves for treasury shares	Treasury shares and holdings (deductible item)	Statutory reserves	Other reserves	Revaluation reserves	Fair value of financial assets available for sale	Cash flow hedge – effective portion	Hedge of a net investment in a foreign operation – effective portion	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 (3 to 6 - 7 + 8 to 15)	17	18
<b>Current period</b>																	
<b>1 Balance on the first day of the current business year</b>	<b>27</b>	1,208,895,930	719,579	48,614,954	35,092,358	10,919,914	217,684,029	132,796,686	0	0	0	0	4,764,752	7,350,152	1,644,998,526	0	1,644,998,526
2 Changes in accounting policies	28	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 Correction of errors	29	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>4 Balance on the first day of the current business year (restated) (ADP 27 to 29)</b>	<b>30</b>	<b>1,208,895,930</b>	<b>719,579</b>	<b>48,614,954</b>	<b>35,092,358</b>	<b>10,919,914</b>	<b>217,684,029</b>	<b>132,796,686</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,764,752</b>	<b>7,350,152</b>	<b>1,644,998,526</b>	<b>0</b>	<b>1,644,998,526</b>
5 Profit/loss of the period	31	0	0	0	0	0	0	0	0	0	0	0	0	25,404,629	25,404,629	0	25,404,629
6 Exchange rate differences from translation of foreign operations	32	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	33	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8 Profit or loss arising from subsequent measurement of financial assets available for sale	34	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	35	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	36	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	37	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	38	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13 Other changes in equity unrelated to owners	39	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14 Tax on transactions recognised directly in equity	40	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15 Increase/decrease in initial (subscribed) capital (other than from reinvesting profit and other than arising from the pre-bankruptcy settlement procedure)	41	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16 Increase in initial (subscribed) capital arising from the reinvestment of profit	42	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17 Increase 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
18 Redemption of treasury shares/holdings	44	0	0	0	0	5,523,816	0	0	0	0	0	0	0	0	-5,523,816	0	-5,523,816
19 Payment of share in profit/dividend	45	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20 Other distribution to owners	46	0	0	0	-574,022	-574,022	0	0	0	0	0	0	574,022	0	574,022	0	574,022
21 Transfer to reserves according to the annual schedule	47	0	0	367,508	0	0	0	3,491,322	0	0	0	0	3,491,322	-7,350,152	0	0	0
22 Increase in reserves arising from the pre-bankruptcy settlement procedure	48	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23 Balance on the last day of the current business year reporting period (ADP 30 to 48)	49	1,208,895,930	719,579	48,982,462	34,518,336	15,869,708	217,684,029	136,288,008	0	0	0	0	8,830,096	25,404,629	1,665,453,361	0	1,665,453,361
<b>APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)</b>																	
<b>I OTHER COMPREHENSIVE INCOME FOR THE CURRENT PERIOD, NET OF TAX (AOP 32 to 40)</b>	<b>50</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>II COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 31+50)</b>	<b>51</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>25,404,629</b>	<b>25,404,629</b>	<b>0</b>	<b>25,404,629</b>
<b>III TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 41 to 48)</b>	<b>52</b>	<b>0</b>	<b>0</b>	<b>367,508</b>	<b>-574,022</b>	<b>4,949,794</b>	<b>0</b>	<b>3,491,322</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,065,344</b>	<b>-7,350,152</b>	<b>-4,949,794</b>	<b>0</b>	<b>-4,949,794</b>



## D Management's Statement of Responsibility

Consolidated financial statements of KONČAR Group and KONČAR – Elektroindustrija d.d. Zagreb are drawn up in accordance with the International Financial Reporting Standards (IFRS).

Unaudited consolidated financial statements of KONČAR Group and financial statements of KONČAR – Elektroindustrija d.d. for the period from 1 January 2020 to 30 September 2020 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 Report for the period ending 30 September 2020 gives a true and fair view of the Company's business performance.

Signed on behalf of the Management Board:

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



Josip Lasić, CFA  
Member of the Finance Department



Zagreb, 30 October 2020

**KONČAR**

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