

# KONČAR – ELECTRICAL INDUSTRY INC. MANAGEMENT BOARD REPORT

## KONČAR GROUP CONSOLIDATED REPORTS AND KONČAR – ELECTRICAL INDUSTRY INC. REPORTS



# Excellent results in extraordinary circumstances

Orders

**+21,3%**

Backlog

**+22,4%**

Income

**+6,8%**

EBITDA

**+33%**

EBITDA margin

**+122 bps**

Net profit

**+63,1 million HRK**

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# A Management Board Report

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



When you operate on 90 markets worldwide in a single fiscal year, and suddenly there's an outbreak of a global pandemic of an unknown virus, business processes have to be additionally adjusted to ensure business continuity and meet all our customers' expectations. When the pandemic began, KONČAR too was forced to face the new challenges of logistics in Europe. It should be emphasised that, owing to the EU's quick reaction in terms of opening the so-called "green corridors", and also thanks to coordination efforts with our suppliers resulting in fast procurement of all the necessary documents, we were able to quickly overcome the initial difficulties that arose in supply chains.

In all the activities we performed from the beginning of the pandemic until the end of the fiscal year with the aim of efficiently answering these challenges, the biggest attention was focused on the company's responsibility toward our employees and business partners, and on maintaining the company's stability. Health and safety of all participants in business processes were our priorities. By adjusting our operations, we were able to quickly restore business as usual and as a result, timely delivery and observance of time limits agreed with end buyers were not threatened at any moment.

Despite the many negative influences brought on by the pandemic (higher raw material and transport prices, more difficulty in contracting new business deals due to travel bans or limitations), KONČAR Group nevertheless achieved good results in 2020 and realized its plans to the greatest extent possible. With great commitment on the part of its employees, the company proved to be sufficiently agile and capable of adapting to unforeseen, extraordinary circumstances.

In 2020, the KONČAR Group generated operating income in the amount of HRK 3,189.4 million, which was a 6.8% increase compared to the result achieved in the previous year. Revenue from sale of products and services, which accounted for 96% of operating income, amounted to HRK 2,972.9 million. Compared to 2019, sales revenue increased by HRK 161.9 million or 5.8%. Export sale accounted for 62.2% of sales revenue. Newly contracted transactions amounted to HRK 3,734.6 million. Book-to-bill ratio was 1.26. Backlog at the end of 2020 amounted to HRK 4,159.0 million, which represents a 22.4% increase compared to the value at the start of the year. EBITDA amounted to HRK 177.6 million, representing an increase by 33% (HRK 44.1 million) compared to the result achieved in the same period in the previous year. EBITDA margin was 6% (it was 4.8% in the same period of 2019).

With good financial results, KONČAR was able to realize numerous business transactions in 2020, not only in the foreign markets but in the Croatian market as well. Share of export in total sales revenue amounted to just over 62%, two thirds of which pertained to EU countries. This is a good indicator of the fact that KONČAR Group's products and service are certainly competitive in the area of power engineering and transport. In the Croatian market, the company realized and contracted several important projects. For example, we commissioned Vis SPP, the largest solar power plant in Croatia. Although that 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 entirely by KONČAR, have been installed in the power plant as one of its key elements. Furthermore, 2020 saw the signing of an annex to an agreement concluded with HŽ Passenger Transport Ltd. (HŽ Putnički prijevoz d.o.o.) in 2014, under which Annex KONČAR is to supply twelve additional electric multiple units to that company. At the end of the year, another agreement was signed with the same buyer, for the sale and purchase of 21 electric multiple units, eleven of which for urban-suburban traffic and ten for regional traffic.

In recent decades we have been experiencing one of the most dynamic periods of development, and over the past few years, even the paradigm of the electric power system as we knew it has changed. Primary resources in electric power generation are changing, and power grids will soon be different, as consumer habits and customer expectations change. Energy efficiency, self-sufficiency and e-mobility are elements of a new power engineering reality, in which KONČAR is an active participant. In the upcoming period, KONČAR Group sees great potential in renewable energy sources and in further reduction of the harmful effects on the environment as well as in making a step forward toward digitisation of existing products, services and production capacities. Ensured liquidity, a low level of indebtedness and a substantial number of contracts concluded for the upcoming period will surely help us in fulfilling the plans and objectives we have set.

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

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

In HRK 000				Index
Business performance indicators	Q1 - Q4 2020	Q1 - Q4 2019	Δ	2020/2019
<b>Operating income</b>	<b>3,095,086</b>	<b>2,933,613</b>	<b>161,473</b>	<b>105.5</b>
Sales revenue – total	2,972,812	2,810,951	161,861	105.8
Sales revenue – export	1,849,842	1,650,471	199,371	112.1
<b>Operating expenses</b>	<b>3,015,045</b>	<b>2,891,603</b>	<b>123,442</b>	<b>104.3</b>
Operating profit	80,041	42,010	38,031	190.5
Operating margin	2.69%	1.49%		+120 bps
Net profit	115,167	52,051	63,116	221.3
Depreciation and amortisation	97,546	91,487	6,059	106.6
<b>EBITDA</b>	<b>177,587</b>	<b>133,497</b>	<b>44,090</b>	<b>133.0</b>
EBITDA margin	5.97%	4.75%		+122 bps
Normalised EBITDA	177,779	155,964	21,815	114.0
Normalised EBITDA margin	5.98%	5.55%		+43 bps
Cash balance (deposits + cash)	819,772	662,614	157,158	123.7
Loans (long-term + short-term)	226,355	327,894	-101,539	69.0
<b>Orders</b>	<b>3,734,640</b>	<b>3,079,211</b>	<b>655,429</b>	<b>121.3</b>
Backlog	4,159,046	3,397,218	761,828	122.4
Book-to-bill ratio	1,26	1,10		

Normalised EBITDA: EBITDA decreased by revenue resulting from cancellation of provisions, asset sale revenue and loss compensation revenue, and increased by value adjustment of non-current assets and provisioning costs.

Despite the many negative influences of the COVID-19 pandemic (higher raw material and transport prices, more difficulty in contracting new business deals due to travel bans or limitations), KONČAR Group nevertheless achieved good results in 2020 and realized its plans to the greatest extent possible. With great commitment on the part of its employees, the company proved to be sufficiently agile and capable of adapting to unforeseen, extraordinary circumstances.

Total consolidated revenue generated amounted to HRK 3,189.4 million, representing an increase by HRK 202.4 million (6.8%) compared to 2019. Total expenses amounted to HRK 3,078.1 million, representing a 5.5% increase compared to the result in the period from January to December last year. Profit before tax amounted to HRK 111.2 million and it has more than doubled since the previous year. Some of the companies generated a significantly higher revenue than in the previous year, regardless of the fact that the majority of the products were placed on foreign markets, where measures resulting from the pandemic were also implemented.

#### Consolidated profit and loss statement

				Index
Items (in HRK 000)	Q1 - Q4 2020	Q1 - Q4 2019	Δ	2020/2019
<b>OPERATING INCOME</b>	<b>3,095,086</b>	<b>2,933,613</b>	<b>161,473</b>	<b>105.5</b>
<b>OPERATING EXPENSES</b>	<b>3,015,045</b>	<b>2,891,603</b>	<b>123,442</b>	<b>104.3</b>
Material costs and change in value of inventories	2,048,397	1,955,373	93,024	104.8
Staff costs	584,180	547,703	36,477	106.7
Depreciation and amortisation	97,546	91,487	6,059	106.6
Other costs	175,013	192,756	-17,743	90.8
Value adjustment of non-current and current assets	37,753	38,923	-1,170	97.0
Provisions	54,414	55,228	-814	98.5
OPERATING PROFIT	80,041	42,010	38,031	190.5
SHARE IN PROFIT OF ASSOCIATED PARTIES	26,905	18,021	8,884	149.3
SHARE IN LOSS OF ASSOCIATED PARTIES	1,246	1,865	-619	66.8
FINANCE INCOME	67,399	35,348	32,051	190.7
FINANCE COSTS	61,853	24,427	37,426	253.2
<b>TOTAL INCOME</b>	<b>3,189,390</b>	<b>2,986,982</b>	<b>202,408</b>	<b>106.8</b>
<b>TOTAL EXPENSES</b>	<b>3,078,144</b>	<b>2,917,895</b>	<b>160,249</b>	<b>105.5</b>
Profit before tax	111,246	69,087	42,159	161.0
Corporate tax	-3,921	17,036	-20,957	-23.0
<b>PROFIT FOR THE PERIOD</b>	<b>115,167</b>	<b>52,051</b>	<b>63,116</b>	<b>221.3</b>

## Key Indicators of Profit and Loss Statement for Jan-Dec 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 2,135.6 million. The share of material costs in operating income increased by 0.4 percentage points compared to the same period in the previous 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 584.2 million, representing a nominal increase by 6.7% compared to the same period in the previous year. Staff costs increased in relation to the comparative period due to an increase in the number of employees (53 more employees at the Group level). The share of staff costs in operating income was 18.4%, representing a decrease by 0.3 percentage points compared to the period from January to December 2019.

### Net Financial Expenses

Net financial result is positive and amounts to HRK 5.5 million. In the comparative period, it amounted to HRK 10.9 million. This is mostly related to fluctuations in foreign currency exchange rates in the most significant markets for the Group.

## Financial Position

Summarised balance sheet  
(in HRK 000)

	31/12/2020	31/12/2019	Δ	Index 2020/2019
<b>Assets</b>	<b>4,198,247</b>	<b>3,927,354</b>	<b>270,893</b>	<b>106.9</b>
Non-current assets	1,580,764	1,626,743	-45,979	97.2
Current assets	2,617,483	2,300,611	316,872	113.8
<b>Liabilities</b>	<b>1,538,939</b>	<b>1,355,720</b>	<b>183,219</b>	<b>113.5</b>
Provisions	178,921	171,911	7,010	104.1
Non-current liabilities	121,239	174,967	-53,728	69.3
Current liabilities	1,238,779	1,008,842	229,937	122.8
<b>Equity</b>	<b>2,659,308</b>	<b>2,571,634</b>	<b>87,674</b>	<b>103.4</b>

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

Long-term funding sources (equity, long-term provisions and non-current liabilities) exceed non-current assets and inventories by HRK 644.3 million. Total current assets and prepaid expenses are 2.1 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 the prospect of overall financial stability of KONČAR Group also in the upcoming period.

## Key Characteristics of the Balance Sheet as at 31/12/2020

### Inventories

Inventories increased by HRK 187.6 million. Regarding the structure of inventories, the amount of raw materials and supplies increased by HRK 73.4 million, the amount of work in progress increased by HRK 63.9 million, and the amount of inventories of finished and semi-finished goods increased by HRK 23.2 million. Increase in inventories was caused, for the most part, by increased level of inventories in companies which are expected to have increased deliverables in the upcoming period.

### Current Receivables

Total current receivables were reduced by HRK 27.4 million. Trade receivables and contract assets decreased by HRK 36.1 million, whereas dividend receivables increased by HRK 9.6 million (KPT dividend). Other receivables decreased by HRK 0.9 million.

### Financial Assets and Cash

Financial assets decreased by HRK 216.8 million, mostly in terms of deposits over 3 months. A significant decrease in deposits pertained to the parent company, amounting to HRK 200.9 million. In the same period, the parent company's cash balance increased by HRK 221 million. At the Group level, cash balance increased by HRK 374 million.

### Current Liabilities and Trade Payables

Current liabilities amounted to HRK 1,103.3 million, representing an increase by HRK 265.7 million compared to the balance as at 31 December 2019.

Regarding the structure of current liabilities, significant changes pertained to liabilities arising from advance payments, which increased by HRK 271.3 million. The significant changes in liabilities arising from advance payments resulted, for the most part, from the process of production preparation for supplying trains to the company HŽ Putnički prijevoz d.o.o. Trade payables increased by HRK 23.3 million.

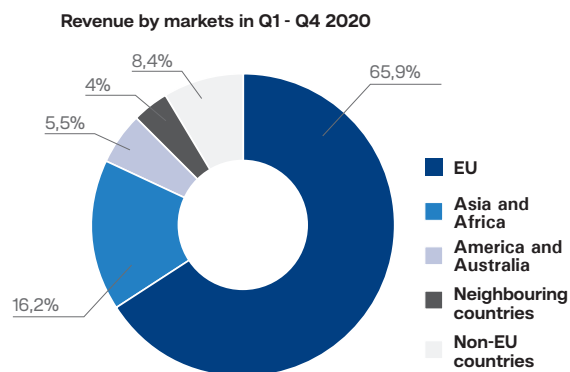
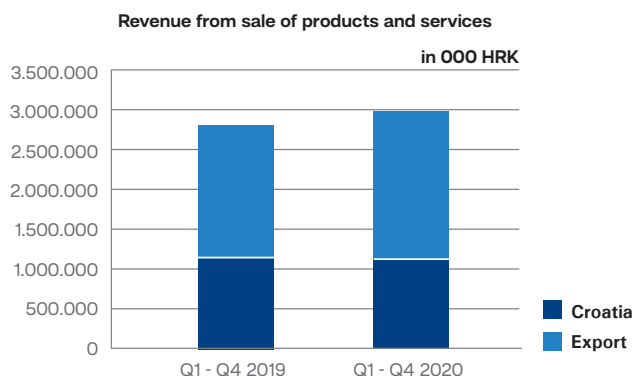
Group companies settle trade payables properly and timely.

### Long-Term and Short-Term Loans

Total loans (long-term and short-term) amount to HRK 226.3 million, representing a decrease by HRK 101.5 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 5.4% of total sources.

## Operating Income by Sales Markets

				Index
Sales revenue (in HRK 000)	Q1 - Q4 2020	Q1 - Q4 2019	Δ	2020/2019
<b>Croatia</b>	<b>1,122,970</b>	<b>1,160,480</b>	<b>-37,510</b>	<b>96.8</b>
<b>Export</b>	<b>1,849,842</b>	<b>1,650,471</b>	<b>199,371</b>	<b>112.1</b>
EU	1,219,050	1,063,706	155,344	114.6
Asia and Africa	299,677	251,673	48,004	119.1
America and Australia	100,923	97,013	3,910	104.0
Neighbouring countries	74,122	87,770	-13,648	84.5
Non-EU countries	156,070	150,309	5,761	103.8
<b>Total sales revenue</b>	<b>2,972,812</b>	<b>2,810,951</b>	<b>161,861</b>	<b>105.8</b>



In the period from January to December 2020, KONČAR Group companies generated consolidated revenue from sale of products and services in the amount of HRK 2,972.8 million, representing an increase by HRK 161.9 million (5.8%) compared to the result achieved in the same period of 2019.

Revenue generated in the Croatian market amounted to HRK 1,123.0 million, which was HRK 37.5 million (3.1%) less than was generated in 2019. The share of revenue generated in the Croatian market in total revenue from sale of products and services was 37.8%.

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 450.3 million (40% of total revenue generated from sale of products and services in the Croatian market). The company supplied HRK 133.6 million worth of products and services to the HEP Group indirectly via the companies Brodomerkur and Brodometalurgija, which resulted in total revenue from sale of products and services to the HEP Group amounting to HRK 583.9 million. Revenue from sale of products and services to HŽ Putnički prijevoz d.o.o., HŽ Infrastruktura d.o.o. and Tehnički servisi željezničkih vozila d.o.o. amounted to HRK 95.6 million (8.5% of total revenue generated in the Croatian market).

Revenue generated from sale of products and services in foreign markets amounted to HRK 1,849.8 million, representing an increase by HRK 199.4 million (12.1%) compared to the result achieved in the previous year. The share of export in total revenue from sale of products and services was 62.2%.

When it comes to export by individual countries, the most significant export volume pertains to the Swedish market, amounting to HRK 259.6 million or 14.1% of total export. Compared to the previous year, the value of goods and services exported to Sweden increased by HRK 63.4 million. Goods and services exported to Germany amounted to HRK 225.6 million (12.2% of total export); to Austria HRK 123.5 million (6.7% of total export); and to Bulgaria HRK 91.2 million (4.9% of total export).

Compared to the same period in the previous year, apart from Sweden, a significant increase in revenue from export sale of products and services pertained to the following markets: Great Britain (an HRK 55.3 million increase); Finland (an HRK 33.9 million); Iraq (an HRK 27.4 million increase); and Bulgaria (with HRK 27.3 million more in goods and services exported in comparison with the same period in the previous year).

In 2020, KONČAR Group companies signed contracts for new projects worth HRK 3,734.6 million. Compared to the previous year, the value of newly contracted projects was HRK 655.4 million (21.3%) higher. Book-to-bill ratio for 2020 was 1.26.

The value of transactions contracted (backlog) as at 31/12/2020 amounted to HRK 4,159.0 million, representing a 22.4% increase compared to the value at the beginning of the year.



## Information for Shareholders

KOEI-R-A	31/12/2019	31/12/2020	Index
Final price (HRK)	636.47	580.00	91.1
Highest price (HRK)	710.00	670.00	94.4
Lowest price (HRK)	520.00	430.00	82.7
Volume	85,915	95,131	110.7
Turnover (HRK)	55,681,745	51,579,683	92.6
Market capitalisation (HRK)	1,626,784,860	1,476,360,420	90.8

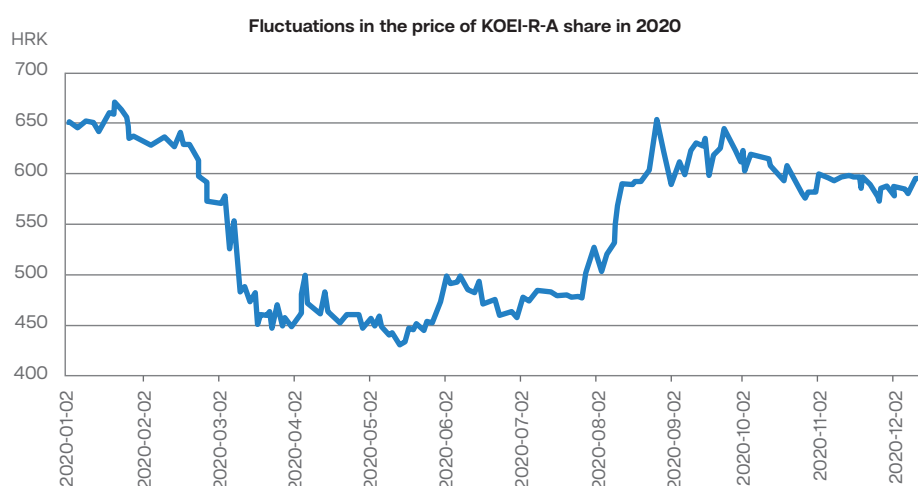
The shares of KONČAR – Elektroindustrija d.d. are quoted on the Official Market of Zagreb Stock Exchange. The shares are marked with the "KOEI-R-A" symbol. In accordance with the applicable regulations, the company provides access to the information about its operations and activities on a regular basis, 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 second quarter of 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 previous year. As the market situation stabilised, the price of KONČAR's shares grew and at the end of the reporting period it amounted to HRK 580.00, representing an 8.9% decrease compared to the end of the previous year. Market capitalisation as at 31 December 2020 amounted to HRK 1,476.4 million.

In 2020, the company bought 11,350 treasury shares at Zagreb Stock Exchange, with a total value of HRK 5.5 million. As at 31/12/2020, 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.



# B 2020 unaudited consolidated financial statements of KONČAR Group

## Annex 1

### SSUER'S GENERAL DATA

Reporting period:	1/1/20	to:	12/31/20
Year:	2020	Quarter:	4

### Quarterly financial statements

Registration number (MB):	03282635	Issuer's home Member State code:	HR
Entity's registration number (MBS):	080040936		
Personal identification number (OIB):	45050126417	LEI:	74780000HOSHMRW015
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):	3461		
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 31.12.2020

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	1,580,764,409
<b>I INTANGIBLE ASSETS (ADP 004 to 009)</b>	<b>003</b>	47,426,037	45,901,669
1 Research and development	004	21,193,174	20,555,919
2 Concessions, patents, licences, trademarks, software and other rights	005	14,427,244	12,405,805
3 Goodwill	006	7,342,331	7,342,331
4 Advances for the purchase of intangible assets	007	0	75,000
5 Intangible assets in preparation	008	4,463,288	5,522,614
6 Other intangible assets	009	0	0
<b>II TANGIBLE ASSETS (ADP 011 to 019)</b>	<b>010</b>	1,227,561,090	1,191,157,478
1 Land	011	166,589,706	163,997,809
2 Buildings	012	436,044,459	421,498,038
3 Plant and equipment	013	330,943,539	318,027,037
4 Tools, working inventory and transportation assets	014	60,423,061	61,372,202
5 Biological assets	015	0	0
6 Advances for the purchase of tangible assets	016	41,673,305	8,871,463
7 Tangible assets in preparation	017	41,265,580	66,244,826
8 Other tangible assets	018	1,337,757	2,047,220
9 Investment property	019	149,283,683	149,098,883
<b>III FIXED FINANCIAL ASSETS (ADP 021 to 030)</b>	<b>020</b>	320,305,638	298,584,314
1 Investments in holdings (shares) of undertakings within the group	021	62,280	3,582,301
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	236,022,868
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	2,116,397
8 Loans, deposits, etc. given	028	10,821,070	2,527,127
9 Other investments accounted for using the equity method	029	45,158,580	51,197,356
10 Other fixed financial assets	030	23,194,852	3,138,265
<b>IV RECEIVABLES (ADP 032 to 035)</b>	<b>031</b>	31,234,634	24,945,209
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	17,976,133
4 Other receivables	035	8,938,985	6,969,076
<b>V DEFERRED TAX ASSETS</b>	<b>036</b>	215,708	20,175,739
<b>C) CURRENT ASSETS (ADP 038+046+053+063)</b>	<b>037</b>	2,278,939,753	2,596,349,491
<b>I INVENTORIES (ADP 039 to 045)</b>	<b>038</b>	546,807,215	734,443,543
1 Raw materials and consumables	039	290,863,774	364,293,284
2 Work in progress	040	163,182,112	244,979,127
3 Finished goods	041	84,524,520	89,884,626
4 Merchandise	042	217,301	201,167
5 Advances for inventories	043	8,019,508	26,100,364
6 Fixed assets held for sale	044	0	8,984,975
7 Biological assets	045	0	0

## BALANCE SHEET

### balance as at 31.12.2020

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	1,041,136,532
2 Receivables from companies linked by virtue of participating interests	047	0	0
3 Customer receivables	048	46,170,267	41,382,359
4 Receivables from employees and members of the undertaking	049	928,019,246	906,260,483
5 Receivables from government and other institutions	050	1,135,962	755,217
6 Other receivables	051	44,767,093	39,997,091
6 Other receivables	052	48,445,965	52,741,382
<b>III CURRENT FINANCIAL ASSETS (ADP 054 to 062)</b>			
1 Investments in holdings (shares) of undertakings within the group	053	293,808,189	77,022,228
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	500,000
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	0	0
9 Other financial assets	061	293,299,800	76,286,971
IV CASH AT BANK AND IN HAND	062	508,389	235,257
IV CASH AT BANK AND IN HAND	063	369,785,816	743,747,188
<b>D ) PREPAID EXPENSES AND ACCRUED INCOME</b>	064	21,672,109	21,133,487
<b>E) TOTAL ASSETS (ADP 001+002+037+064)</b>	065	3,927,354,969	4,198,247,387
<b>F) OFF-BALANCE SHEET ITEMS</b>	066	2,244,877,904	4,146,921,494
<b>LIABILITIES</b>			
<b>A) CAPITAL AND RESERVES (ADP 068 to 070+076+077+081+084+087)</b>			
I INITIAL (SUBSCRIBED) CAPITAL	067	2,571,634,760	2,659,307,430
II CAPITAL RESERVES	068	1,208,895,930	1,208,895,930
III RESERVES FROM PROFIT (ADP 071+072-073+074+075)	069	719,579	719,579
1 Legal reserves	070	753,610,993	777,665,609
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
5 Other reserves	075	220,450,709	229,534,807
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	318,917,644	320,539,188
1 Retained profit	082	318,917,644	320,539,188
2 Loss brought forward	083	0	0
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 085-086)	084	27,371,314	61,480,469
1 Profit for the business year	085	27,371,314	61,480,469
2 Loss for the business year	086	0	0
VIII MINORITY (NON-CONTROLLING) INTEREST	087	262,119,300	290,006,655

## BALANCE SHEET

### balance as at 31.12.2020

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>171,910,702</b>	<b>178,921,376</b>
1 Provisions for pensions, termination benefits and similar obligations	089	36,833,190	41,181,689
2 Provisions for tax liabilities	090	0	0
3 Provisions for ongoing legal cases	091	1,912,985	1,075,400
4 Provisions for renewal of natural resources	092	1,247,440	3,421,971
5 Provisions for warranty obligations	093	131,917,087	132,742,422
6 Other provisions	094	0	499,894
<b>C) LONG-TERM LIABILITIES (ADP 096 to 106)</b>	<b>095</b>	<b>174,967,633</b>	<b>125,123,627</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	122,698,631
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	2,424,996
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>1,099,424,106</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	69,964,504
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	4,415,592
6 Liabilities to banks and other financial institutions	113	163,819,720	103,655,329
7 Liabilities for advance payments	114	125,804,837	397,133,572
8 Liabilities to suppliers	115	437,375,989	404,754,858
9 Liabilities for securities	116	0	0
10 Liabilities to employees	117	34,473,398	38,587,588
11 Taxes, contributions and similar liabilities	118	55,210,543	72,740,244
12 Liabilities arising from the share in the result	119	814,621	572,007
13 Liabilities arising from fixed assets held for sale	120	0	0
14 Other short-term liabilities	121	6,160,881	7,600,412
<b>E) ACCRUALS AND DEFERRED INCOME</b>	<b>122</b>	<b>171,194,191</b>	<b>135,470,848</b>
<b>F) TOTAL – LIABILITIES (ADP 067+088+095+107+122)</b>	<b>123</b>	<b>3,927,354,969</b>	<b>4,198,247,387</b>
<b>G) OFF-BALANCE SHEET ITEMS</b>	<b>124</b>	<b>2,244,877,904</b>	<b>4,146,921,494</b>

## STATEMENT OF PROFIT OR LOSS for the period 01.01.2020 to 31.12.2020

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>2,933,612,192</b>	<b>1,047,196,225</b>	<b>3,095,087,195</b>	<b>984,465,631</b>
1 Income from sales with undertakings within the group	126	0	0	0	0
2 Income from sales (outside group)	127	2,810,950,951	991,361,434	2,972,812,728	921,787,351
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	122,661,241	55,834,791	122,274,467	62,678,280
<b>II OPERATING EXPENSES (ADP 132+133+137+141+142+143+146+153)</b>	<b>131</b>	<b>2,891,599,749</b>	<b>1,020,870,161</b>	<b>3,015,051,046</b>	<b>951,595,722</b>
1 Changes in inventories of work in progress and finished goods	132	-4,768,425	45,589,477	-87,193,742	-20,239,189
2 Material costs (ADP 134 to 136)	133	1,960,137,137	671,178,097	2,135,591,045	658,538,403
a) Costs of raw materials and consumables	134	1,581,866,410	543,306,856	1,750,639,981	536,849,300
b) Costs of goods sold	135	67,812,062	12,829,883	86,497,218	37,752,329
c) Other external costs	136	310,458,665	115,041,358	298,453,846	83,936,774
3 Staff costs (ADP 138 to 140)	137	547,701,132	129,458,309	584,181,020	145,414,327
a) Net salaries and wages	138	322,546,665	73,884,049	346,731,336	87,102,633
b) Tax and contributions from salary costs	139	149,953,007	35,517,027	158,890,320	36,654,132
c) Contributions on salaries	140	75,201,460	20,057,233	78,559,364	21,657,562
4 Depreciation	141	91,487,404	23,532,954	97,545,761	24,513,788
5 Other costs	142	192,756,971	61,381,943	175,013,435	52,734,876
6 Value adjustments (ADP 144+145)	143	38,924,077	36,802,031	37,755,417	35,969,773
a) fixed assets other than financial assets	144	26,853,142	26,836,094	20,461,833	19,560,000
b) current assets other than financial assets	145	12,070,935	9,965,937	17,293,584	16,409,773
7 Provisions (ADP 147 to 152)	146	55,228,142	46,184,203	54,414,246	41,363,178
a) Provisions for pensions, termination benefits and similar obligations	147	10,750,241	10,750,241	8,881,721	8,881,721
b) Provisions for tax liabilities	148	0	0	0	0
c) Provisions for ongoing legal cases	149	597,367	597,367	224,914	224,914
d) Provisions for renewal of natural resources	150	0	0	0	0
e) Provisions for warranty obligations	151	39,904,790	32,644,184	25,630,302	16,664,395
f) Other provisions	152	3,975,744	2,192,411	19,677,309	15,592,148
8 Other operating expenses	153	10,133,311	6,743,147	17,743,864	13,300,566
<b>III FINANCIAL INCOME (ADP 155 to 164)</b>	<b>154</b>	<b>35,348,792</b>	<b>11,273,100</b>	<b>67,403,842</b>	<b>13,384,098</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	987,124	265,679	652,083	0
7 Other interest income	161	11,868,584	3,948,763	11,192,904	3,005,635
8 Exchange rate differences and other financial income	162	20,911,079	5,981,527	53,256,199	8,485,175
9 Unrealised gains (income) from financial assets	163	1,123,510	939,638	1,775,170	1,773,495
10 Other financial income	164	458,495	137,493	527,486	119,793
<b>IV FINANCIAL EXPENSES (ADP 166 to 172)</b>	<b>165</b>	<b>24,429,046</b>	<b>3,952,007</b>	<b>61,852,150</b>	<b>18,033,312</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 31.12.2020

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	5,860,091	1,738,261	5,344,526	1,319,076
4 Exchange rate differences and other expenses	169	17,326,966	2,191,328	53,895,138	14,987,430
5 Unrealised losses (expenses) from financial assets	170	375,545	22,418	2,090,054	1,712,867
6 Value adjustments of financial assets (net)	171	0	0	0	0
7 Other financial expenses	172	866,444	0	522,432	13,939
<b>V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VIRTUE OF PARTICIPATING INTERESTS</b>	<b>173</b>	<b>16,718,417</b>	<b>3,087,744</b>	<b>22,783,847</b>	<b>15,383,625</b>
<b>VI SHARE IN PROFIT FROM JOINT VENTURES</b>	<b>174</b>	<b>1,303,210</b>	<b>1,303,210</b>	<b>4,120,664</b>	<b>4,120,664</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>1,865,228</b>	<b>445,191</b>	<b>1,245,888</b>	<b>226,397</b>
<b>IX TOTAL INCOME (ADP 125+154+173 + 174)</b>	<b>177</b>	<b>2,986,982,611</b>	<b>1,062,860,279</b>	<b>3,189,395,548</b>	<b>1,017,354,018</b>
<b>X TOTAL EXPENDITURE (ADP 131+165+175 + 176)</b>	<b>178</b>	<b>2,917,894,023</b>	<b>1,025,267,359</b>	<b>3,078,149,084</b>	<b>969,855,431</b>
<b>XI PRE-TAX PROFIT OR LOSS (ADP 177-178)</b>	<b>179</b>	<b>69,088,588</b>	<b>37,592,920</b>	<b>111,246,464</b>	<b>47,498,587</b>
1 Pre-tax profit (ADP 177-178)	180	69,088,588	37,592,920	111,246,464	47,498,587
2 Pre-tax loss (ADP 178-177)	181	0	0	0	0
<b>XII INCOME TAX</b>	<b>182</b>	<b>17,036,889</b>	<b>2,783,477</b>	<b>-3,921,416</b>	<b>-18,475,210</b>
<b>XIII PROFIT OR LOSS FOR THE PERIOD (ADP 179-182)</b>	<b>183</b>	<b>52,051,699</b>	<b>34,809,443</b>	<b>115,167,880</b>	<b>65,973,797</b>
1 Profit for the period (ADP 179-182)	184	52,051,699	34,809,443	115,167,880	65,973,797
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>71,990,627</b>	<b>37,592,922</b>	<b>111,246,464</b>	<b>47,498,587</b>
1 Pre-tax profit (ADP 192)	193	71,990,627	37,592,922	111,246,464	47,498,587
2 Pre-tax loss (ADP 192)	194	0	0	0	0
<b>XVII INCOME TAX (ADP 182+189)</b>	<b>195</b>	<b>17,036,889</b>	<b>2,783,477</b>	<b>-3,921,416</b>	<b>-18,475,210</b>
<b>XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 192-195)</b>	<b>196</b>	<b>54,953,738</b>	<b>34,809,445</b>	<b>115,167,880</b>	<b>65,973,797</b>
1 Profit for the period (ADP 192-195)	197	54,953,738	34,809,445	115,167,880	65,973,797
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>54,953,738</b>	<b>34,809,445</b>	<b>115,167,880</b>	<b>65,973,797</b>
1 Attributable to owners of the parent	200	27,371,314	23,135,189	61,480,469	36,295,547
2 Attributable to minority (non-controlling) interest	201	27,582,424	11,674,256	53,687,411	29,678,250
<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>54,953,738</b>	<b>34,809,445</b>	<b>115,167,880</b>	<b>65,973,797</b>
<b>II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (AOP 204 do 211)</b>	<b>203</b>	<b>2,546,009</b>	<b>2,742,160</b>	<b>-2,352,628</b>	<b>1,475,463</b>
1 Exchange rate differences from translation of foreign operations	204	2,546,009	2,742,160	-2,352,628	1,475,463
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 31.12.2020

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>2,546,009</b>	<b>2,742,160</b>	<b>-2,352,628</b>	<b>1,475,463</b>
<b>V COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD</b> (ADP 202+213)	<b>214</b>	<b>57,499,747</b>	<b>37,551,605</b>	<b>112,815,252</b>	<b>67,449,260</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>57,499,747</b>	<b>37,551,605</b>	<b>112,815,252</b>	<b>67,449,260</b>
<b>1 Attributable to owners of the parent</b>	<b>216</b>	<b>28,713,825</b>	<b>24,581,131</b>	<b>60,239,928</b>	<b>37,073,558</b>
<b>2 Attributable to minority (non-controlling) interest</b>	<b>217</b>	<b>28,785,922</b>	<b>12,970,474</b>	<b>52,575,324</b>	<b>30,375,702</b>



## STATEMENT OF CASH FLOWS - direct method for the period 01.01.2020 to 31.12.2020

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	2,720,576,715	3,361,548,431
2 Cash receipts from royalties, fees, commissions and other revenue	002	0	64,142
3 Cash receipts from insurance premiums	003	12,847,304	11,447,278
4 Cash receipts from tax refund	004	114,570,365	132,121,180
5 Cash payments to suppliers	005	-2,050,828,468	-2,293,276,119
6 Cash payments to employees	006	-610,527,688	-644,419,182
7 Cash payments for insurance premiums	007	-10,385,496	-10,968,402
8 Other cash receipts and payments	008	-204,395,460	-218,983,602
<b>I Cash from operations (ADP 001 to 008)</b>	<b>009</b>	<b>-28,142,728</b>	<b>337,533,726</b>
9 Interest paid	010	-5,385,214	-5,283,085
10 Income tax paid	011	-17,730,241	-22,389,205
<b>A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 009 to 011)</b>	<b>012</b>	<b>-51,258,183</b>	<b>309,861,436</b>
<b>Cash flow from investment activities</b>			
1 Cash receipts from sales of fixed tangible and intangible assets	013	2,526,316	2,337,046
2 Cash receipts from sales of financial instruments	014	27,004,172	26,438,083
3 Interest received	015	10,359,454	6,504,502
4 Dividends received	016	62,587,154	16,895,003
5 Cash receipts from the repayment of loans and deposits	017	146,022,023	283,530,306
6 Other cash receipts from investment activities	018	0	20,989,308
<b>II Total cash receipts from investment activities (ADP 013 to 018)</b>	<b>019</b>	<b>248,499,119</b>	<b>356,694,248</b>
1 Cash payments for the purchase of fixed tangible and intangible assets	020	-152,034,670	-85,150,700
2 Cash payments for the acquisition of financial instruments	021	0	-24,563,515
3 Cash payments for loans and deposits	022	-388,398,173	-56,735,740
4 Acquisition of a subsidiary, net of cash acquired	023	0	0
5 Other cash payments from investment activities	024	0	-4,000
<b>III Total cash payments from investment activities (ADP 020 to 024)</b>	<b>025</b>	<b>-540,432,843</b>	<b>-166,453,955</b>
<b>B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 019 + 025)</b>	<b>026</b>	<b>-291,933,724</b>	<b>190,240,293</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	205,993,175	51,853,339
4 Other cash receipts from financing activities	030	0	1,256,818
<b>IV Total cash receipts from financing activities (ADP 027 to 030)</b>	<b>031</b>	<b>205,993,175</b>	<b>53,110,157</b>
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	032	-57,180,112	-159,965,034
2 Cash payments for dividends	033	-51,342,582	-13,117,989
3 Cash payments for finance lease	034	0	-1,577,711
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	-1,091,098	-2,026,255
<b>V Total cash payments from financing activities (ADP 032 to 036)</b>	<b>037</b>	<b>-110,441,348</b>	<b>-182,210,805</b>
<b>C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 031 + 037)</b>	<b>038</b>	<b>95,551,827</b>	<b>-129,100,648</b>
1 Unrealised exchange rate differences in respect of cash and cash equivalents	039	797,319	2,960,291
<b>D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 012+026+038+039)</b>	<b>040</b>	<b>-246,842,761</b>	<b>373,961,372</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>369,785,816</b>	<b>743,747,188</b>

**STATEMENT OF CHANGES IN EQUITY**  
for the period from 01/01/20 to 31/12/20

B 2020 unaudited consolidated financial statements of KONČAR Group

in HRK

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	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 do 6 - 7 + 8 do 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	15,541,347	0	15,541,347	13,932,097	29,473,444
<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>327,665,891</b>	<b>102,837,087</b>	<b>2,322,809,720</b>	<b>244,146,016</b>	<b>2,566,955,736</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>318,917,644</b>	<b>27,371,314</b>	<b>2,309,515,460</b>	<b>262,119,300</b>	<b>2,571,634,760</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 31/12/20

B 2020 unaudited consolidated financial statements of KONČAR Group

in HRK

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	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 do 6 - 7 + 8 do 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	318,917,644	27,371,314	2,309,515,460	262,119,300	2,571,634,760
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>318,917,644</b>	<b>27,371,314</b>	<b>2,309,515,460</b>	<b>262,119,300</b>	<b>2,571,634,760</b>
5 Profit/loss of the period	31	0	0	0	0	0	0	0	0	0	0	0	0	61,480,469	61,480,469	53,687,411	115,167,880
6 Exchange rate differences from translation of foreign operations	32	0	0	0	0	0	0	-1,240,541	0	0	0	0	0	0	-1,240,541	-1,112,087	-2,352,628
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	3,517,321	0	3,517,321	196,695	3,714,016
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	1,551,882	0	1,551,882	-11,788,341	-10,236,459
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	229,534,807	0	0	0	0	320,539,188	61,480,469	2,369,300,775	290,006,655	2,659,307,430
<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>-1,240,541</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,517,321</b>	<b>0</b>	<b>2,276,780</b>	<b>-915,392</b>	<b>1,361,388</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>-1,240,541</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,517,321</b>	<b>61,480,469</b>	<b>63,757,249</b>	<b>52,772,019</b>	<b>116,529,268</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>-1,895,777</b>	<b>-27,371,314</b>	<b>-3,971,934</b>	<b>-24,884,664</b>	<b>-28,856,598</b>

## Notes to the consolidated financial statements

**Name of issuer: KONČAR - ELECTRICAL INDUSTRY Inc.**

**PIN: 45050126417**

**Reporting period: 1 January 2020 to 31 December 2020**

### 1 Stock splits

There have been no stock splits.

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### 2 Change in ownership structure

Compared to the previous quarter, there have been no significant changes in ownership structure.

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### 3 Acquisitions and mergers

By virtue of the Acquisition Agreement of 13 November 2020, the company KONČAR - Niskonaponske sklopke i prekidači d.o.o. was merged as of 31 December 2020 with acquirer KONČAR - Aparati i postrojenja d.d. (Commercial Court's decision on completed acquisition and due record thereof in the court register, issued on 31 December 2020).

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### 4 Description of products or services

Manufacturing of electrical equipment for generation, transmission and consumption of electricity and manufacturing of transport equipment.

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### 5 Uncertainty (description of events involving any uncertainty in terms of income collection or possible future expenses)

There are no new material uncertainties regarding collection or future expenses.

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### 6 Financial results

Data provided in the profit and loss statement for the interrupted operations in the period from January to December 2019 pertain to the company KONČAR - Kućanski aparati d.d., the stocks of which were sold to the employees and management through an M&E buyout model, and to a part of the product range of company KONČAR - Niskonaponske sklopke i prekidači d.o.o. that was sold to Lovato Electric S.P.A from Bergamo.

Financial results that pertain to uninterrupted operations were as follows:

Total income earned in the period from January to December 2020 amounted to HRK 3,189.40 million, which was an HRK 202.41 million (6.8%) increase compared to total income earned in the same period in the previous year. Operating income amounted to HRK 3,095.09 million, which was a 5.5% increase compared to the period from January to December 2019. Operating income accounted for 97.0% of total income. In terms of elements of operating income, sales revenue amounted to HRK 2,972.81 million or 96.0% of total operating income.

Finance income (accounting for 2.1% of total income) increased by HRK 32.05 million, whereas finance costs (accounting for 2.0% of total expenses) increased by HRK 37.42 million compared to the same period in the previous year.

Share in profit of companies associated through participating interests and joint ventures amounted to HRK 25.65 million, which was an HRK 9.50 million increase compared to the same period in the previous year.

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### 7 Operating and other expenses

When compared to the same period in the previous year, the period from January to December 2020 saw an increase in the share of material costs in operating income by 0.3 percentage points, and a decrease in the share of staff costs by 0.3 percentage points, as well as a 0.1 percentage points decrease in the share of depreciation costs, value adjustment costs and provisioning costs, and a 0.8 percentage points decrease in the share of other costs and expenses.

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### 8 Profit or loss

Group's total profit after tax was HRK 115.18 million, which was an HRK 60.21 million increase compared to the result achieved in the same period in the previous year, or HRK 63.11 million increase if the 2019 profit were observed without the profit of interrupted operations, which amounted to HRK 2.90 million.

Parent company's shareholders had a profit HRK 61.48 million, which was HRK 34.11 million more than in the same period in the previous year, or HRK 37.01 million more if one were to exclude the 2019 interrupted operations profit.

Net minority interest profit amounted to HRK 53.69 million, which was an HRK 26.10 million increase compared to the same period in the previous year.

Out of the 15 KONČAR Group companies, three of them recognised loss in the amount of HRK 37.75 million, all attributed to parent company's shareholders.

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### **9 Earnings per share**

Earnings per share in the period from January to December 2020 amounted to HRK 24.15, which was a 14.58 increase compared to earnings per share achieved in the same period in the previous year, or HRK 13.44 increase if one were to exclude the 2019 interrupted operations profit.

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### **10 Liquidity**

Balance of cash and cash equivalents at end of Q3 2020 was HRK 373.96 million higher than the balance existing at the beginning of the year.

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### **11 Accounting policies**

In the process of preparing the consolidated financial statements for Končar Group, the same accounting policies were used as for the previous financial statements, those for 2019.

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

# C 2020 unaudited financial statements of KONČAR – Electrical Industry Inc.

## Annex 1

### ISSUER'S GENERAL DATA

Reporting period:	1/1/20	to	31/12/20
Year:	2020	Quarter:	4

### Quarterly financial statements

Registration number (MB):	03282635	Issuer's home Member State code:	HR
Entity's registration number (MBS):	080040936		
Personal identification number (OIB):	45050126417	LEI:	74780000H0SHMRAW0115
Institution code:	501		
Name of the issuer:	KONČAR - 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):	48		
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:	Ruža Podborkić	(only name and surname of the contact person)	
Telephone:	01 3655 160		
E-mail address:	ruza.podborkic@koncar.hr		
Audit firm:	KPMG Croatia d.o.o.	(name of the audit firm)	
Certified auditor:	Igor Gošek	(name and surname)	

## BALANCE SHEET

### balance as at 31.12.2020

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>		
<b>B) FIXED ASSETS (ADP 003+010+020+031+036)</b>	<b>002</b>	1,400,003,357	1,374,357,325
<b>I INTANGIBLE ASSETS (ADP 004 to 009)</b>	<b>003</b>	3,161,796	1,787,121
1 Research and development	004	0	0
2 Concessions, patents, licences, trademarks, software and other rights	005	0	1,787,121
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	0
6 Other intangible assets	009	0	0
<b>II TANGIBLE ASSETS (ADP 011 to 019)</b>	<b>010</b>	413,214,642	399,483,619
1 Land	011	98,596,896	95,924,738
2 Buildings	012	132,843,744	123,576,316
3 Plant and equipment	013	13,102,190	10,484,106
4 Tools, working inventory and transportation assets	014	1,728,557	1,117,299
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	5,221,465
8 Other tangible assets	018	69,446	0
9 Investment property	019	163,159,694	163,159,695
<b>III FIXED FINANCIAL ASSETS (ADP 021 to 030)</b>	<b>020</b>	953,038,132	948,476,293
1 Investments in holdings (shares) of undertakings within the group	021	846,818,715	845,127,059
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	101,672,262
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	1,676,972
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	24,610,292
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	17,976,133
4 Other receivables	035	8,292,699	6,634,159
<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	314,591,160
<b>I INVENTORIES (ADP 039 to 045)</b>	<b>038</b>	0	8,984,975
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	8,984,975
7 Biological assets	045	0	0

in HRK

## BALANCE SHEET

### balance as at 31.12.2020

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	35,024,023	41,252,016
2 Receivables from companies linked by virtue of participating interests	047	9,447,805	10,301,956
3 Customer receivables	048	16,256,928	25,954,728
4 Receivables from employees and members of the undertaking	049	1,246,441	1,296,199
5 Receivables from government and other institutions	050	0	0
6 Other receivables	051	0	0
6 Other receivables	052	8,072,849	3,699,133
<b>III CURRENT FINANCIAL ASSETS (ADP 054 to 062)</b>			
1 Investments in holdings (shares) of undertakings within the group	053	203,575,667	0
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	2,500,000	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	201,075,667	0
9 Other financial assets	061	0	0
9 Other financial assets	062	0	0
IV CASH AT BANK AND IN HAND	063	43,379,092	264,354,169
<b>D ) PREPAID EXPENSES AND ACCRUED INCOME</b>	064	847,090	700,135
<b>E) TOTAL ASSETS (ADP 001+002+037+064)</b>	065	1,682,829,229	1,689,648,620
<b>F) OFF-BALANCE SHEET ITEMS</b>	066	459,846,136	1,437,223,225
<b>LIABILITIES</b>			
<b>A) CAPITAL AND RESERVES (ADP 068 to 070+076+077+081+084+087)</b>			
I INITIAL (SUBSCRIBED) CAPITAL	067	1,644,998,526	1,646,861,040
II CAPITAL RESERVES	068	1,208,895,930	1,208,895,930
II CAPITAL RESERVES	069	719,579	719,579
III RESERVES FROM PROFIT (ADP 071+072-073+074+075)	070	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	6,812,308
1 Profit for the business year	085	7,350,152	6,812,308
2 Loss for the business year	086	0	0
VIII MINORITY (NON-CONTROLLING) INTEREST	087	0	0



## BALANCE SHEET

### balance as at 31.12.2020

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>9,304,479</b>
1 Provisions for pensions, termination benefits and similar obligations	089	2,579,172	9,304,479
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>32,765,120</b>
1 Liabilities to undertakings within the group	108	25,470,080	23,413,757
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	2,376,923
9 Liabilities for securities	116	0	0
10 Liabilities to employees	117	1,100,715	3,041,235
11 Taxes, contributions and similar liabilities	118	1,170,101	3,428,737
12 Liabilities arising from the share in the result	119	682,918	330,298
13 Liabilities arising from fixed assets held for sale	120	0	0
14 Other short-term liabilities	121	204,754	174,170
<b>E) ACCRUALS AND DEFERRED INCOME</b>	<b>122</b>	<b>4,302,192</b>	<b>717,981</b>
<b>F) TOTAL – LIABILITIES (ADP 067+088+095+107+122)</b>	<b>123</b>	<b>1,682,829,229</b>	<b>1,689,648,620</b>
<b>G) OFF-BALANCE SHEET ITEMS</b>	<b>124</b>	<b>459,846,136</b>	<b>1,437,223,225</b>

## STATEMENT OF PROFIT OR LOSS for the period 01.01.2020 to 31.12.2020

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>	117,361,477	28,952,412	113,354,893	38,700,023
1 Income from sales with undertakings within the group	126	95,009,557	27,912,889	110,998,584	38,378,532
2 Income from sales (outside group)	127	615,158	190,452	711,893	186,837
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	12,080,775	0	134,654	134,654
5 Other operating income (outside the group)	130	9,655,987	849,071	1,509,762	0
<b>II OPERATING EXPENSES (ADP 132+133+137+141+142+143+146+153)</b>	<b>131</b>	112,788,592	52,706,980	111,213,268	58,054,985
1 Changes in inventories of work in progress and finished goods	132	0	0	0	0
2 Material costs (ADP 134 to 136)	133	31,484,101	9,612,054	26,462,320	7,547,189
a) Costs of raw materials and consumables	134	6,216,940	2,431,876	4,921,976	1,433,528
b) Costs of goods sold	135	0	0	0	0
c) Other external costs	136	25,267,161	7,180,178	21,540,344	6,113,661
3 Staff costs (ADP 138 to 140)	137	22,085,220	5,067,771	26,527,963	9,197,860
a) Net salaries and wages	138	11,502,910	2,736,221	13,432,034	4,504,977
b) Tax and contributions from salary costs	139	7,466,564	1,618,880	9,342,017	3,397,573
c) Contributions on salaries	140	3,115,746	712,670	3,753,912	1,295,310
4 Depreciation	141	9,309,434	2,692,084	9,726,228	2,438,438
5 Other costs	142	18,655,661	4,080,895	14,598,100	5,042,181
6 Value adjustments (ADP 144+145)	143	28,718,142	28,718,142	26,468,645	26,468,645
a) fixed assets other than financial assets	144	28,718,142	28,718,142	26,468,645	26,468,645
b) current assets other than financial assets	145	0	0	0	0
7 Provisions (ADP 147 to 152)	146	2,536,034	2,536,034	6,852,841	6,852,841
a) Provisions for pensions, termination benefits and similar obligations	147	2,536,034	2,536,034	6,852,841	6,852,841
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	0	0	0	0
f) Other provisions	152	0	0	0	0
8 Other operating expenses	153	0	0	577,171	507,831
<b>III FINANCIAL INCOME (ADP 155 to 164)</b>	<b>154</b>	4,925,354	3,106,344	10,721,905	1,825,427
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	229,270	5,592	144,474	12,907
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	1,534,502	1,232,937	955,675	187,236
8 Exchange rate differences and other financial income	162	2,763,811	1,867,815	8,781,064	812,591
9 Unrealised gains (income) from financial assets	163	242,060	0	517,438	517,438
10 Other financial income	164	155,711	0	323,254	295,255
<b>IV FINANCIAL EXPENSES (ADP 166 to 172)</b>	<b>165</b>	2,148,087	644,299	6,051,222	1,062,786
1 Interest expenses and similar expenses with undertakings within the group	166	25,160	25,160	7,030	7,030
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 31.12.2020

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	0	0	0	0
4 Exchange rate differences and other expenses	169	1,987,595	614,147	5,759,339	1,054,858
5 Unrealised losses (expenses) from financial assets	170	130,340	0	283,955	0
6 Value adjustments of financial assets (net)	171	0	0	0	0
7 Other financial expenses	172	4,992	4,992	898	898
<b>V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VRTUE 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>122,286,831</b>	<b>32,058,756</b>	<b>124,076,798</b>	<b>40,525,450</b>
<b>X TOTAL EXPENDITURE (ADP 131+165+175 + 176)</b>	<b>178</b>	<b>114,936,679</b>	<b>53,351,279</b>	<b>117,264,490</b>	<b>59,117,771</b>
<b>XI PRE-TAX PROFIT OR LOSS (ADP 177-178)</b>	<b>179</b>	<b>7,350,152</b>	<b>-21,292,523</b>	<b>6,812,308</b>	<b>-18,592,321</b>
1 Pre-tax profit (ADP 177-178)	180	7,350,152	0	6,812,308	0
2 Pre-tax loss (ADP 178-177)	181	0	-21,292,523	0	-18,592,321
<b>XII INCOME TAX</b>	<b>182</b>	<b>0</b>			
<b>XIII PROFIT OR LOSS FOR THE PERIOD (ADP 179-182)</b>	<b>183</b>	<b>7,350,152</b>	<b>-21,292,523</b>	<b>6,812,308</b>	<b>-18,592,321</b>
1 Profit for the period (ADP 179-182)	184	7,350,152	0	6,812,308	0
2 Loss for the period (ADP 182-179)	185	0	-21,292,523	0	-18,592,321
<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>7,350,152</b>	<b>-21,292,523</b>	<b>6,812,308</b>	<b>-18,592,321</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 31.12.2020

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>	7,350,152	-21,292,523	6,812,308	-18,592,321
<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 31.12.2020

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	24,665,015	26,630,716
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	-37,077,909	-18,524,080
6 Cash payments to employees	006	-24,748,549	-25,078,997
7 Cash payments for insurance premiums	007	0	0
8 Other cash receipts and payments	008	-4,859,217	-1,249,884
<b>I Cash from operations (ADP 001 to 008)</b>	<b>009</b>	<b>-42,020,660</b>	<b>-18,222,245</b>
9 Interest paid	010	-23,796	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>-42,044,456</b>	<b>-18,222,245</b>
<b>Cash flow from investment activities</b>			
1 Cash receipts from sales of fixed tangible and intangible assets	013	35,553,358	2,121,677
2 Cash receipts from sales of financial instruments	014	5,115,798	2,916,246
3 Interest received	015	532,110	1,390,110
4 Dividends received	016	92,664,103	51,186,863
5 Cash receipts from the repayment of loans and deposits	017	29,299,000	240,144,436
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>163,164,369</b>	<b>297,759,332</b>
1 Cash payments for the purchase of fixed tangible and intangible assets	020	-51,541,536	-991,073
2 Cash payments for the acquisition of financial instruments	021	-45,479,600	-18,454,344
3 Cash payments for loans and deposits	022	-202,729,246	-32,900,000
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>-299,750,382</b>	<b>-52,345,417</b>
<b>B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 019 + 025)</b>	<b>026</b>	<b>-136,586,013</b>	<b>245,413,915</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	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	-38,283,920	-11,342
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	-349,943	0
<b>V Total cash payments from financing activities (ADP 032 to 036)</b>	<b>037</b>	<b>-39,461,419</b>	<b>-5,535,158</b>
<b>C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 031 + 037)</b>	<b>038</b>	<b>-39,461,419</b>	<b>-5,535,158</b>
1 Unrealised exchange rate differences in respect of cash and cash equivalents	039		-681,436
<b>D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 012+026+038+039)</b>	<b>040</b>	<b>-218,091,888</b>	<b>220,975,076</b>
<b>E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>041</b>	<b>261,470,980</b>	<b>43,379,092</b>
<b>F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (ADP 040+041)</b>	<b>042</b>	<b>43,379,092</b>	<b>264,354,168</b>

**STATEMENT OF CHANGES IN EQUITY**  
for the period from 01/01/20 to 31/12/20

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	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 do 6 - 7 + 8 do 15)	17	18
<b>Previous period</b>																	
1 Balance on the first day of the previous business year	01	1,208,895,930	719,579	44,839,799	10,092,357	10,092,357	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
4 Balance on the first day of the previous business year (restated) (ADP 01 to 03)	04	1,208,895,930	719,579	44,839,799	10,092,357	10,092,357	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
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	-827,556	0	-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
23 Balance on the last day of the previous business year reporting period (04 to 22)	23	1,208,895,930	719,579	48,614,954	35,092,357	10,919,913	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
<b>APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)</b>																	
I OTHER COMPREHENSIVE INCOME OF THE PREVIOUS PERIOD, NET OF TAX (ADP 06 to 14)	24	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
II COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP 05+24)	25	0	0	0	0	0	0	0	0	0	0	0	0	7,350,152	7,350,152	0	7,350,152
III TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 22)	26	0	0	3,775,155	25,000,000	827,556	0	8,388,714	0	0	0	0	0	-75,503,105	-39,166,792	0	-39,166,792

**STATEMENT OF CHANGES IN EQUITY**  
for the period from 01/01/20 to 31/12/20

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in HRK

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	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 do 6 - 7 + 8 do 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	35,092,357	10,919,913	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>35,092,357</b>	<b>10,919,913</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	6,812,308	6,812,308	0	6,812,308
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	574,023	0	-4,949,793	0	-4,949,793
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	-574,023	-574,023	0	0	0	0	0	0	0	0	0	0	0
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	34,518,334	15,869,706	217,684,029	136,288,008	0	0	0	0	8,830,097	6,812,308	1,646,861,041	0	1,646,861,041
<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>6,812,308</b>	<b>6,812,308</b>	<b>0</b>	<b>6,812,308</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>-574,023</b>	<b>4,949,793</b>	<b>0</b>	<b>3,491,322</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,065,345</b>	<b>-7,350,152</b>	<b>-4,949,793</b>	<b>0</b>	<b>-4,949,793</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) and with the Croatian Accounting Act.

Unaudited consolidated financial statements of KONČAR Group and financial statements of KONČAR – Elektroindustrija d.d. for the period from 1 January 2020 to 31 December 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 31 December 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 Management Board and CFO



Zagreb, 24 February 2021





**KONÇAR**

