

# Business Results of KONČAR – Electrical Industry Inc.

## Unaudited Unconsolidated Financial Statements

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January – June  
2023



**KONČAR**

Inspired by challenge

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# A Management Board Report on the business activity of KONČAR - Electrical Industry Inc. for the period January - June 2023

## Introduction

KONČAR – Electrical Industry Inc. is the Parent Company of KONČAR Group. As the Parent Company, the Company prepares consolidated reports, which are presented separately.

This Statement for the period January - June 2023 is a report of the Company as a separate entity. The Company manages its wholly-owned subsidiaries and associate companies.

The subsidiaries within the Group are legally autonomous companies and the Parent Company oversees, strategically directs and supports them through the supervisory boards and general assemblies of the respective companies, all in compliance with the Companies Act, the Articles of Association of KONČAR – Electrical Industry Inc., and the Articles of Association and Memoranda of Incorporation of the member companies. The Parent Company manages the part of the assets that are not invested in subsidiaries but are directly and indirectly in the function of financial support for marketing, products and equipment of subsidiaries as a credit-guarantee potential.

As the Parent Company of the Group, KONČAR – Electrical Industry Inc. invoices the following services to its subsidiaries:

- Brand usage fee (fee for the usage of company name, trademark and service mark)
- Part of the cost of organized joint exhibitions at fairs,
- Part of the cost of branch offices abroad,
- Part of the cost of joint marketing activities,
- Management seminars, employee training.

in EUR 000	Index			
	Q 1-2 2022	Q 1-2 2023	Δ	2023/2022
<b>Total operating income</b>	<b>20,798</b>	<b>14,057</b>	<b>-6,741</b>	<b>67.6</b>
Sales income	12,232	14,035	1,803	114.7
Dividend received	7,853	8,685	832	110.6
Income from contracts with customers	4,379	5,350	971	122.2
Other operating income	8,566	22	-8,544	
<b>Operating expenses</b>	<b>5,259</b>	<b>5,413</b>	<b>154</b>	<b>102.9</b>
EBIT	15,539	8,644	-6,895	55.6
EBIT margin	127.0%	61.6%		
Net financial result	323	711	388	220.1
Net profit	15,862	9,355	-6,507	59.0
<b>EBITDA</b>	<b>16,100</b>	<b>9,197</b>	<b>-6,903</b>	<b>57.1</b>
EBITDA margin	131.6%	65.5%		
Normalized EBITDA <sup>1</sup>	7,539	9,188	1,649	121.9
EBITDA normalized margin <sup>1</sup>	61.6%	65.5%		

Normalized EBITDA<sup>1</sup>: EBITDA less the net effect of provisions, asset sale income, loss compensation income and other operating income.

## Business results

In H1 2023, KONČAR – Electrical Industry Inc. generated EUR 14.1 million in **operating income**, which represents a 32.4% decline year-on-year. Normalized data, in which one off items are excluded from operating income, is 15.6% higher than in the same period last year.

In the comparable period in 2022, a significant share of the operating income was realized from a one-off other income transaction amounting to EUR 8.5 million generated from the sale of facilities not in the function of the core business, loss compensation, purchase of accounts receivables and provisions reversed.

Revenues generated from sales of goods and services amount to EUR 5.4 million, which is a year-on-year increase of EUR 1 million. Dividend received from Group subsidiaries amounts to EUR 8.7 million (H1 2022: EUR 7.9 million).

Finance income amounting to EUR 713 thousand was realized. Finance income mostly includes interest rates on loans given to subsidiaries, and overnight rates.

**Operating expenses** amount to EUR 5.4 million, which is a EUR 154 thousand rise year-on-year.

Operating expenses comprise the following:

- Material costs amounting to EUR 1,409 thousand, of which EUR 1,301 thousand pertains to other external costs and EUR 108 thousand pertains to costs of commodities and raw materials. Other external costs predominantly pertain to services related to the operation and real estate management, utility and water supply fees, cleaning services, maintenance services and other services.
- Staff costs amount to EUR 1,639 thousand, which is a 24.2% increase year-on-year. The average number of employees in the reporting period was 67 employees, while in the corresponding period in 2022 it stood at 57 employees.
- Depreciation and amortization amounts to EUR 553 thousand, down by 1.3% year-on-year.
- Other costs amount to EUR 1,797 thousand and are 3.5% higher year-on-year. Other costs pertain to employee compensation fees, intellectual services, insurance premiums, fees for service contracts and training costs.
- In compliance with the 2022 tax return, the Company is under no obligation to pay the 2023 income tax advance. .

## Statement of financial position

UkThe value of total assets of KONČAR – Electrical Industry Inc. as at 30 June 2023 amounts to EUR 245.0 million, which is an increase of EUR 8.2 million, or 3.5% compared to the position as at 30 December 2022.

Total non-current assets amount to EUR 188.4 million, which is EUR 7.1 million (or 3.9%) higher than as at 31 December 2022. As a result of depreciation and amortization calculation, the non-current assets item remains on the same level as at 30 December 2022, while the tangible assets item increased by EUR 617 thousand compared to the balance as at 30 December 2022. The increase is attributed to investment in real estate.

Non-current financial assets grew by EUR 6.7 million compared to the balance as at 31 December 2022, which is attributed to the share increase in subsidiaries realized through capital injection. In the course of H1 2023 there were no other changes in investments in subsidiaries and associates compared to 31 December 2022. Loans given in the amount of EUR 20.6 million pertain to loans granted to a subsidiary.

Non-current receivables amount to EUR 1.3 million, a decline of EUR 247 thousand compared as at 31 December 2022, and they pertain to receivables from a subsidiary sell-off.

Total current assets amount to EUR 56.3 million, which is an increase of EUR 1.1 million compared to the balance as at 31 December 2022, resulting from an increase in cash in the amount of EUR 14.5 million, a decline in receivables in the amount of EUR 4.6 million, and a reduction in loans given in the amount of EUR 8.8 million.

Non-current assets held for sale stand at the same level as at 31 December 2022, amounting to EUR 2.1 million, and pertain to assets that are not in the function of core business.

In the course of regular operations, receivables from ordinary activities declined by EUR 1.9 million and receivables for dividends decreased by EUR 3.3 million for the difference between receivables for dividends from subsidiaries as at 30 June 2023 and receivables for dividends from associate companies as at 31 December 2022. Other receivables are up by EUR 0.6 million.

Current financial assets decreased by EUR 8.8 million, compared to the balance as at 31 December 2022. Financial assets are in entirety comprised of loans given to subsidiaries. Loans are given for a period of one calendar year, with a maximum interest rate up to 2.2%.

There was an increase in the balance of cash compared to the balance as at 31 December 2022, resulting from net proceeds from financing activities in the amount of EUR 13.6 million and net proceeds from business operations amounting to EUR 0.9 million. Cash inflow from dividends from an associate company was realized in the amount of EUR 12 million, with EUR 16.3 million realized from returns on loans. Financing activities outflow resulted in a decline in the balance of cash, due to the capital injection and a loan given to a subsidiary. Changes in financing activities together with a positive cash flow of EUR 0.8 million from operating activities contributed to the EUR 14.5 million growth in the cash balance compared to 31 December 2022. Prepaid expenses stand at an approximately same level as of 31 December 2022, and amount to EUR 0.3 million. The respective expenses pertain to the costs of trade fairs, marketing activities and audit costs to be re-invoiced to subsidiaries.

Total capital and reserves as at 30 June 2023 amount to EUR 236.4 million, which is EUR 4.3 million rise compared to the balance as at 31 December 2022.

As at the Statement of Financial Position date, there were no recorded changes in provisions for pensions and jubilee awards item, which amount to EUR 1.2 million, and remain the same as at 31 December 2022.

Current liabilities rose by EUR 4.1 million, or 26.5% compared to the balance as at 31 December 2022. A decrease was recorded across two items; liabilities towards the state went down by EUR 0.9 million and liabilities towards employees declined by EUR 0.3 million, while the recorded increase pertains to dividend distribution in the amount of EUR 5.1 million, in compliance with the resolution of the General Assembly.

Current provisions and deferrals decreased compared to 31 December 2022 by EUR 0.1 million as a result of recording accrued un-invoiced liabilities from 2022. The balance currently amounts to EUR 0.2 million of the accrued cost of unused annual leave.

As at 30 June 2023, off-balance sheet items include mostly security instruments (including corporate guarantees to third parties) issued at the request of dependent companies of the Group for the requirements of financial institutions and suppliers in the amount of EUR 122.8 million (31 December 2022: EUR 126.8 million).



## BALANCE SHEET

### balance as at 30.06.2023

in EUR

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>	<b>181,319,673</b>	<b>188,399,208</b>
<b>I INTANGIBLE ASSETS (ADP 004 to 009)</b>	<b>003</b>	<b>44,135</b>	<b>44,079</b>
1 Research and development	<b>004</b>	0	0
2 Concessions, patents, licences, trademarks, software and other rights	<b>005</b>	44,135	44,079
3, Goodwill	<b>006</b>	0	0
4 Advances for the purchase of intangible assets	<b>007</b>	0	0
5 Intangible assets in preparation	<b>008</b>	0	0
6 Other intangible assets	<b>009</b>	0	0
<b>II TANGIBLE ASSETS (ADP 011 to 019)</b>	<b>010</b>	<b>46,736,411</b>	<b>47,352,951</b>
1 Land	<b>011</b>	442,521	442,521
2 Buildings	<b>012</b>	2,537,754	2,502,823
3 Plant and equipment	<b>013</b>	372,224	376,432
4 Tools, working inventory and transportation assets	<b>014</b>	29,112	17,725
5 Biological assets	<b>015</b>	0	0
6 Advances for the purchase of tangible assets	<b>016</b>	0	0
7 Tangible assets in preparation	<b>017</b>	4,575	29,393
8 Other tangible assets	<b>018</b>	7,398	7,398
9 Investment property	<b>019</b>	43,342,827	43,976,659
<b>III FIXED FINANCIAL ASSETS (ADP 021 to 030)</b>	<b>020</b>	<b>132,967,383</b>	<b>139,677,914</b>
1 Investments in holdings (shares) of undertakings within the group	<b>021</b>	103,071,946	109,708,086
2 Investments in other securities of undertakings within the group	<b>022</b>	0	0
3 Loans, deposits, etc, to undertakings within the group	<b>023</b>	0	0
4 Investments in holdings (shares) of companies linked by virtue of participating interests	<b>024</b>	8,988,288	8,988,288
5 Investment in other securities of companies linked by virtue of participating interests	<b>025</b>	0	0
6 Loans, deposits etc, to companies linked by virtue of participating interests	<b>026</b>	0	0
7 Investments in securities	<b>027</b>	288,661	363,052
8 Loans, deposits, etc, given	<b>028</b>	20,618,488	20,618,488
9 Other investments accounted for using the equity method	<b>029</b>	0	0
10 Other fixed financial assets	<b>030</b>	0	0
<b>IV RECEIVABLES (ADP 032 to 035)</b>	<b>031</b>	<b>1,571,744</b>	<b>1,324,264</b>
1 Receivables from undertakings within the group	<b>032</b>	0	0
2 Receivables from companies linked by virtue of participating interests	<b>033</b>	0	0
3 Customer receivables	<b>034</b>	1,571,744	1,324,264
4 Other receivables	<b>035</b>	0	0
<b>V DEFERRED TAX ASSETS</b>	<b>036</b>	<b>0</b>	<b>0</b>
<b>C) CURRENT ASSETS (ADP 038+046+053+063)</b>	<b>037</b>	<b>55,232,796</b>	<b>56,341,718</b>
<b>I INVENTORIES (ADP 039 to 045)</b>	<b>038</b>	<b>2,049,664</b>	<b>2,049,664</b>
1 Raw materials and consumables	<b>039</b>	0	0
2 Work in progress	<b>040</b>	0	0
3 Finished goods	<b>041</b>	0	0
4 Merchandise	<b>042</b>	0	0
5 Advances for inventories	<b>043</b>	0	0
6 Fixed assets held for sale	<b>044</b>	2,049,664	2,049,664
7 Biological assets	<b>045</b>	0	0

## BALANCE SHEET

### balance as at 30.06.2023

in EUR

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. POTRAŽIVANJA (AOP 047 do 052)</b>			
1. Potraživanja od poduzetnika unutar grupe	047	6,331,718	6,307,109
2. Potraživanja od društava povezanih sudjelujućim interesom	048	5,152,404	117,075
3. Potraživanja od kupaca	049	32,829	41,953
4. Potraživanja od zaposlenika i članova poduzetnika	050	4,468	5,109
5. Potraživanja od države i drugih institucija	051	0	5,325
6. Ostala potraživanja	052	399,854	888,720
<b>III. KRATKOTRAJNA FINANCIJSKA IMOVINA (AOP 054 do 062)</b>			
1. Ulaganja u udjele (dionice) poduzetnika unutar grupe	054	0	0
2. Ulaganja u ostale vrijednosne papire poduzetnika unutar grupe	055	0	0
3. Dani zajmovi, depoziti i slično poduzetnicima unutar grupe	056	27,788,174	18,948,371
4. Ulaganja u udjele (dionice) društava povezanih sudjelujućim interesom	057	0	0
5. Ulaganja u ostale vrijednosne papire društava povezanih sudjelujućim interesom	058	0	0
6. Dani zajmovi, depoziti i slično društvima povezanim sudjelujućim interesom	059	0	0
7. Ulaganja u vrijednosne papire	060	0	0
8. Dani zajmovi, depoziti i slično	061	0	0
9. Ostala financijska imovina	062	0	0
IV. NOVAC U BANCII I BLAGAJNI	063	13,473,685	27,978,392
<b>D) PLAĆENI TROŠKOVI BUDUĆEG RAZDOBLJA I OBRAČUNATI PRIHODI</b>	<b>064</b>	296,406	300,909
<b>E) UKUPNO AKTIVA (AOP 001+002+037+064)</b>	<b>065</b>	<b>236,848,875</b>	<b>245,041,835</b>
<b>F) IZVANBILANČNI ZAPISI</b>	<b>066</b>	274,628,912	263,130,126
<b>PASIVA</b>			
<b>A) KAPITAL I REZERVE (AOP 068 do 070+076+077+083+086+089)</b>	<b>067</b>	232,182,166	236,444,434
I. TEMELJNI (UPISANI) KAPITAL	068	160,448,063	160,448,063
II. KAPITALNE REZERVE	069	95,505	95,505
III. REZERVE IZ DOBITI (AOP 071+072-073+074+075)	070	56,522,335	57,272,455
1. Zakonske rezerve	071	6,790,179	7,540,299
2. Rezerve za vlastite dionice	072	4,526,798	4,526,798
3. Vlastite dionice i udjeli (odbitna stavka)	073	-2,051,700	-2,051,700
4. Statutarne rezerve	074	28,891,636	28,891,636
5. Ostale rezerve	075	18,365,422	18,365,422
IV. REVALORIZACIJSKE REZERVE	076	0	0
V. REZERVE FER VRIJEDNOSTI (AOP 078 do 080)	077	0	0
1. Fer vrijednost financijske imovine kroz ostalu sveobuhvatnu dobit (odnosno raspoložive za prodaju)	078	0	0
2. Učinkoviti dio zaštite novčanih tokova	079	0	0
3. Učinkoviti dio zaštite neto ulaganja u inozemstvu	080	0	0
4. Ostale rezerve fer vrijednosti	081	0	0
5. Tečajne razlike iz preračuna inozemnog poslovanja (konsolidacija)	082	0	0
VI. ZADRŽANA DOBIT ILI PRENESENI GUBITAK (AOP 082-083)	083	113,854	9,273,862
1. Zadržana dobit	084	113,854	9,273,862
2. Preneseni gubitak	085	0	0
VII. DOBIT ILI GUBITAK POSLOVNE GODINE (AOP 085-086)	086	15,002,409	9,354,549
1. Dobit poslovne godine	087	15,002,409	9,354,549
2. Gubitak poslovne godine	088	0	0
VIII. MANJINSKI (NEKONTROLIRAJUĆI) INTERES	089	0	0



## BALANCE SHEET

### balance as at 30.06.2023

in EUR

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 091 to 096)</b>	<b>090</b>	<b>1,233,877</b>	<b>1,233,877</b>
1 Provisions for pensions, termination benefits and similar obligations	<b>091</b>	1,233,877	1,233,877
2 Provisions for tax liabilities	<b>092</b>	0	0
3 Provisions for ongoing legal cases	<b>093</b>	0	0
4 Provisions for renewal of natural resources	<b>094</b>	0	0
5 Provisions for warranty obligations	<b>095</b>	0	0
6 Other provisions	<b>096</b>	0	0
<b>C) LONG-TERM LIABILITIES (ADP 098 to 108)</b>	<b>097</b>	<b>0</b>	<b>0</b>
1 Liabilities to undertakings within the group	<b>098</b>	0	0
2 Liabilities for loans, deposits, etc., of undertakings within the group	<b>099</b>	0	0
3 Liabilities to companies linked by virtue of participating interests	<b>100</b>	0	0
4 Liabilities for loans, deposits etc., of companies linked by virtue of participating interests	<b>101</b>	0	0
5 Liabilities for loans, deposits etc.,	<b>102</b>	0	0
6 Liabilities to banks and other financial institutions	<b>103</b>	0	0
7 Liabilities for advance payments	<b>104</b>	0	0
8 Liabilities to suppliers	<b>105</b>	0	0
9 Liabilities for securities	<b>106</b>	0	0
10 Other long-term liabilities	<b>107</b>	0	0
11 Deferred tax liability	<b>108</b>	0	0
<b>D) SHORT-TERM LIABILITIES (ADP 110 to 123)</b>	<b>109</b>	<b>3,144,067</b>	<b>7,200,326</b>
1 Liabilities to undertakings within the group	<b>110</b>	940,672	906,592
2 Liabilities for loans, deposits, etc., of undertakings within the group	<b>111</b>	0	0
3 Liabilities to companies linked by virtue of participating interests	<b>112</b>	0	0
4 Liabilities for loans, deposits etc., of companies linked by virtue of participating interests	<b>113</b>	0	0
5 Liabilities for loans, deposits etc.,	<b>114</b>	0	0
6 Liabilities to banks and other financial institutions	<b>115</b>	0	0
7 Liabilities for advance payments	<b>116</b>	0	0
8 Liabilities to suppliers	<b>117</b>	453,484	585,041
9 Liabilities for securities	<b>118</b>	0	0
10 Liabilities to employees	<b>119</b>	540,589	192,895
11 Taxes, contributions and similar liabilities	<b>120</b>	1,110,341	296,428
12 Liabilities arising from the share in the result	<b>121</b>	61,180	5,153,086
13 Liabilities arising from fixed assets held for sale	<b>122</b>	0	0
14 Other short-term liabilities	<b>123</b>	37,801	66,284
<b>E) ACCRUALS AND DEFERRED INCOME</b>	<b>124</b>	<b>288,765</b>	<b>163,198</b>
<b>F) TOTAL – LIABILITIES (ADP 067+090+097+109+124)</b>	<b>125</b>	<b>236,848,875</b>	<b>245,041,835</b>
<b>G) OFF-BALANCE SHEET ITEMS</b>	<b>126</b>	<b>274,628,912</b>	<b>263,130,126</b>

## STATEMENT OF PROFIT OR LOSS for the period 01.01.2023 to 30.06.2023

in EUR

Submitter: KONČAR - ELECTRICAL INDUSTRY Inc.					
Item	AOP code	Same period of the previous year		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
<b>I OPERATING INCOME (ADP 002 to 006)</b>	<b>001</b>	<b>20,797,952</b>	<b>2,473,248</b>	<b>14,056,646</b>	<b>2,614,945</b>
1 Income from sales with undertakings within the group	002	12,187,752	2,429,527	13,976,530	2,568,248
2 Income from sales (outside group)	003	44,135	23,559	59,204	33,829
3 Income from the use of own products, goods and services	004	0	0	0	0
4 Other operating income with undertakings within the group	005	1,444,217	991	1,994	997
5 Other operating income (outside the group)	006	7,121,848	19,171	18,918	11,871
<b>II OPERATING EXPENSES (ADP 08+009+013+017+018+019+022+029)</b>	<b>007</b>	<b>5,258,564</b>	<b>2,798,483</b>	<b>5,413,104</b>	<b>2,795,510</b>
1 Changes in inventories of work in progress and finished goods	008	0	0	0	0
2 Material costs (ADP 010 to 012)	009	1,517,559	832,188	1,409,648	759,268
a) Costs of raw materials and consumables	010	124,548	69,268	109,731	57,407
b) Costs of goods sold	011	0	0	0	0
c) Other external costs	012	1,393,011	762,920	1,299,917	701,861
3 Staff costs (ADP 014 to 016)	013	1,319,736	631,506	1,638,645	817,739
a) Net salaries and wages	014	736,348	355,213	914,351	458,746
b) Tax and contributions from salary costs	015	403,119	190,400	504,601	249,657
c) Contributions on salaries	016	180,269	85,893	219,693	109,336
4 Depreciation	017	560,615	280,385	553,424	280,459
5 Other costs	018	1,736,147	929,897	1,796,914	937,937
6 Value adjustments (ADP 020+021)	019	0	0	0	0
a) fixed assets other than financial assets	020	0	0	0	0
b) current assets other than financial assets	021	0	0	0	0
7 Provisions (ADP 023 to 028)	022	0	0	0	0
a) Provisions for pensions, termination benefits and similar obligations	023	0	0	0	0
b) Provisions for tax liabilities	024	0	0	0	0
c) Provisions for ongoing legal cases	025	0	0	0	0
d) Provisions for renewal of natural resources	026	0	0	0	0
e) Provisions for warranty obligations	027	0	0	0	0
f) Other provisions	028	0	0	0	0
8 Other operating expenses	029	124,507	124,507	14,473	107
<b>III FINANCIAL INCOME (ADP 031 to 040)</b>	<b>030</b>	<b>323,033</b>	<b>150,308</b>	<b>712,936</b>	<b>360,942</b>
1 Income from investments in holdings (shares) of undertakings within the group	031	0	0	0	0
2 Income from investments in holdings (shares) of companies linked by virtue of participating interests	032	0	0	0	0
3 Income from other long-term financial investment and loans granted to undertakings within the group	033	0	0	0	0
4 Other interest income from operations with undertakings within the group	034	246,766	126,654	481,598	233,784
5 Exchange rate differences and other financial income from operations with undertakings within the group	035	0	0	0	0
6 Income from other long-term financial investments and loans	036	0	0	20,601	20,601
7 Other interest income	037	25,887	27	136,334	116,571
8 Exchange rate differences and other financial income	038	1,486	56	0	0
9 Unrealised gains (income) from financial assets	039	25,323	0	74,403	-10,014
10 Other financial income	040	23,571	23,571	0	0
<b>IV FINANCIAL EXPENSES (ADP 042 to 048)</b>	<b>041</b>	<b>36</b>	<b>6</b>	<b>1,929</b>	<b>1,685</b>
1 Interest expenses and similar expenses with undertakings within the group	042	0	0	0	0
2. Tečajne razlike i drugi rashodi s poduzetnicima unutar grupe	043	0	0	1,801	1,619

## STATEMENT OF PROFIT OR LOSS for the period 01.01.2023 to 30.06.2023

in EUR

Submitter: KONČAR - ELECTRICAL INDUSTRY Inc.					
Item	AOP code	Same period of the previous year		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
3 Interest expenses and similar expenses	044	36	6	128	66
4 Exchange rate differences and other expenses	045	0	0	0	0
5 Unrealised losses (expenses) from financial assets	046	0	0	0	0
6 Value adjustments of financial assets (net)	047	0	0	0	0
7 Other financial expenses	048	0	0	0	0
<b>V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VIRTUE OF PARTICIPATING INTERESTS</b>	<b>049</b>	0	0	0	0
<b>VI SHARE IN PROFIT FROM JOINT VENTURES</b>	<b>050</b>	0	0	0	0
<b>VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST</b>	<b>051</b>	0	0	0	0
<b>VIII SHARE IN LOSS OF JOINT VENTURES</b>	<b>052</b>	0	0	0	0
<b>IX TOTAL INCOME (ADP 001+030+049 +050)</b>	<b>053</b>	21,120,985	2,623,556	14,769,582	2,975,887
<b>X TOTAL EXPENDITURE (ADP 007+041+051 + 052)</b>	<b>054</b>	5,258,600	2,798,489	5,415,033	2,797,195
<b>XI PRE-TAX PROFIT OR LOSS (ADP 053-054)</b>	<b>055</b>	15,862,385	-174,933	9,354,549	178,692
1 Pre-tax profit (ADP 053-054)	056	15,862,385	0	9,354,549	178,692
2 Pre-tax loss (ADP 054-053)	057	0	-174,933	0	0
<b>XII INCOME TAX</b>	<b>058</b>	0	0	0	0
<b>XIII PROFIT OR LOSS FOR THE PERIOD (ADP 055-059)</b>	<b>059</b>	15,862,385	-174,933	9,354,549	178,692
1 Profit for the period (ADP 055-059)	060	15,862,385	0	9,354,549	178,692
2 Loss for the period (ADP 059-055)	061	0	-174,933	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 063-064)</b>	<b>062</b>	0	0	0	0
1 Pre-tax profit from discontinued operations	063	0	0	0	0
2 Pre-tax loss on discontinued operations	064	0	0	0	0
<b>XV INCOME TAX OF DISCONTINUED OPERATIONS</b>	<b>065</b>	0	0	0	0
1 Discontinued operations profit for the period (ADP 062-065)	066	0	0	0	0
2 Discontinued operations loss for the period (ADP 065-062)	067	0	0	0	0
<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 055-+062)</b>	<b>068</b>	0	0	0	0
1 Pre-tax profit (ADP 068)	069	0	0	0	0
2 Pre-tax loss (ADP 068)	070	0	0	0	0
<b>XVII INCOME TAX (ADP 058+065)</b>	<b>071</b>	0	0	0	0
<b>XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 068-071)</b>	<b>072</b>	0	0	0	0
1 Profit for the period (ADP 068-071)	073	0	0	0	0
2 Loss for the period (ADP 071-068)	074	0	0	0	0
<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 (AOP 076+077)</b>	<b>075</b>	0	0	0	0
<b>1 Attributable to owners of the parent</b>	<b>076</b>	0	0	0	0
<b>2 Attributable to minority (non-controlling) interest</b>	<b>077</b>	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>078</b>	15,862,385	-174,933	9,354,549	178,692
<b>II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 80+ 87)</b>	<b>079</b>	0	0	0	0
<b>III Items that will not be reclassified to profit or loss (ADP 081 to 085)</b>	<b>080</b>	0	0	0	0
1 Changes in revaluation reserves of fixed tangible and intangible assets	081	0	0	0	0

## STATEMENT OF PROFIT OR LOSS for the period 01.01.2023 to 30.06.2023

in EUR

Submitter: KONČAR - ELECTRICAL INDUSTRY Inc.					
Item	AOP code	Same period of the previous year		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
2 Gains or losses from subsequent measurement of equity instruments at fair value through other comprehensive income	082	0	0	0	0
3 Fair value changes of financial liabilities at fair value through statement of profit or loss, attributable to changes in their credit risk	083	0	0	0	0
4 Actuarial gains/losses on the defined benefit obligation	084	0	0	0	0
5 Other items that will not be reclassified	085	0	0	0	0
6 Income tax relating to items that will not be reclassified	086	0	0	0	0
<b>IV Items that may be reclassified to profit or loss</b> (ADP 088 to 095)	<b>087</b>	0	0	0	0
1 Exchange rate differences from translation of foreign operations	088	0	0	0	0
2 Gains or losses from subsequent measurement of debt securities at fair value through other comprehensive income	089	0	0	0	0
3 Profit or loss arising from effective cash flow hedging	090	0	0	0	0
4 Profit or loss arising from effective hedge of a net investment in a foreign operation	091	0	0	0	0
5 Share in other comprehensive income/loss of companies linked by virtue of participating interests	092	0	0	0	0
6 Changes in fair value of the time value of option	093	0	0	0	0
7 Changes in fair value of forward elements of forward contracts	094	0	0	0	0
8 Other items that may be reclassified to profit or loss	095	0	0	0	0
9 Income tax relating to items that may be reclassified to profit or loss	096	0	0	0	0
<b>V NET OTHER COMPREHENSIVE INCOME OR LOSS</b> (ADP 080+087- 086 - 096)	<b>097</b>	0	0	0	0
<b>VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD</b> (ADP 078+097)	<b>098</b>	15,862,385	-174,933	9,354,549	178,692
<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 100+101)	<b>099</b>	0	0	0	0
<b>1 Attributable to owners of the parent</b>	<b>100</b>	0	0	0	0
<b>2 Attributable to minority (non-controlling) interest</b>	<b>101</b>	0	0	0	0

## STATEMENT OF CASH FLOWS - direct method for the period 01.01.2023 to 30.06.2023

in EUR

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	1,868,267	6,538,981
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 Other cash receipts from operating activities	005	246,028	771,916
<b>I Total cash receipts from operating activities (ADP 001 to 005)</b>	<b>006</b>	<b>2,114,295</b>	<b>7,310,897</b>
1 Cash payments to suppliers	007	-1,808,337	-2,435,450
2 Cash payments to employees	008	-2,136,126	-2,449,265
3 Cash payments for insurance premiums	009	0	0
4 Interest paid	010	-3	-69
5 Income tax paid	011	0	0
6 Other cash payments from operating activities	012	-894,721	-1,528,089
<b>II Total cash payments from operating activities (ADP 007 to 012)</b>	<b>013</b>	<b>-4,839,187</b>	<b>-6,412,873</b>
<b>A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 006 + 013)</b>	<b>014</b>	<b>-2,724,892</b>	<b>898,024</b>
<b>Cash flow from investment activities</b>			
1 Cash receipts from sales of fixed tangible and intangible assets	015	5,993,798	60,366
2 Cash receipts from sales of financial instruments	016	6,636,140	0
3 Interest received	017	28,905	340,480
4 Dividends received	018	8,168,466	11,975,177
5 Cash receipts from the repayment of loans and deposits	019	13,272,281	16,339,803
6 Other cash receipts from investment activities	020	15,065,468	0
<b>III Total cash receipts from investment activities (ADP 015 to 020)</b>	<b>021</b>	<b>49,165,058</b>	<b>28,715,826</b>
1 Cash payments for the purchase of fixed tangible and intangible assets	022	-507,969	-970,745
2 Cash payments for the acquisition of financial instruments	023	-1,275,154	-6,636,140
3 Cash payments for loans and deposits	024	-9,318,037	-7,500,000
4 Acquisition of a subsidiary, net of cash acquired	025	0	0
5 Other cash payments from investment activities	026	-2,434	0
<b>IV Total cash payments from investment activities (ADP 022 to 026)</b>	<b>027</b>	<b>-11,103,594</b>	<b>-15,106,885</b>
<b>B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 021 + 027)</b>	<b>028</b>	<b>38,061,464</b>	<b>13,608,941</b>
<b>Cash flow from financing activities</b>			
1 Cash receipts from the increase in initial (subscribed) capital	029	0	0
2 Cash receipts the from issue of equity financial instruments and debt financial instruments	030	0	0
3 Cash receipts from credit principals, loans and other borrowings	031	0	0
4 Other cash receipts from financing activities	032	0	0
<b>V Total cash receipts from financing activities (ADP 029 to 032)</b>	<b>033</b>	<b>0</b>	<b>0</b>
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	034	0	0
2 Cash payments for dividends	035	-1,249	-374
3 Cash payments for finance lease	036	0	0
4 Cash payments for the redemption of treasury shares and decrease in initial (subscribed) capita	037	0	0
5 Other cash payments from financing activities	038	0	0
<b>VI Total cash payments from financing activities (ADP 034 to 038)</b>	<b>039</b>	<b>-1,249</b>	<b>-374</b>
<b>C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 033 + 039)</b>	<b>040</b>	<b>-1,249</b>	<b>-374</b>
1 Unrealised exchange rate differences in respect of cash and cash equivalents	041	-2,424	-1,904
<b>D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 014 + 028 + 040 + 041)</b>	<b>042</b>	<b>35,332,899</b>	<b>14,504,687</b>
<b>E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>043</b>	<b>2,948,885</b>	<b>13,473,705</b>
<b>F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (042+043)</b>	<b>044</b>	<b>38,281,784</b>	<b>27,978,392</b>

# STATEMENT OF CHANGES IN EQUITY

## for the period from 01.01.2023 to 30.06.2023

B Financial statements of KONČAR – Electrical Industry Inc. for the period January - June 2023

in EUR

Item	AOP code	Attributable to owners of the parent																Minority (non-controlling) interest	Total capital and reserves
		Initial (subscribed) capital	Capital re-serves	Legal reserves	Reserves for treasury shares	Treasury shares and holdings (deductible item)	Statutory reserves	Other reserves	Re-valuation reserves	Fair value of financial assets through other comprehensive income (available for sale)	Cash flow hedge - effective portion	Hedge of a net investment in a foreign operation - effective portion	Other fair value reserves	Exchange rate differences from translation of foreign operations	Retained profit / loss brought forward	Profit/loss for the business year	Total attributable to owners of the parent		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18 (3 to 6 - 7 + 8 to 17)	19	20 (18+19)
<b>Previous period</b>																			
1 Balance on the first day of the previous business year	01	160,448,063	95,505	6,546,297	4,581,370	2,106,272	28,891,636	18,133,735	0	0	0	0	0	0	26,222	4,877,629	221,494,185	0	221,494,185
2 Changes in accounting policies	02	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 Correction of errors	03	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4 Balance on the first day of the previous business year (restated) (ADP 01 to 03)	04	160,448,063	95,505	6,546,297	4,581,370	2,106,272	28,891,636	18,133,735	0	0	0	0	0	0	26,222	4,877,629	221,494,185	0	221,494,185
5 Profit/loss of the period	05	0	0	0	0	0	0	0	0	0	0	0	0	0	0	15,008,205	15,008,205	0	15,008,205
6 Exchange rate differences from translation of foreign operations	06	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7 Changes in revaluation reserves of fixed tangible and intangible assets	07	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8 Gains or losses from subsequent measurement of financial assets at fair value through other comprehensive income (available for sale)	08	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9 Profit or loss arising from effective cash flow hedge	09	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10 Profit or loss arising from effective hedge of a net investment in a foreign operation	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11 Share in other comprehensive income/loss of companies linked by virtue of participating interests	11	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12 Actuarial gains/losses on the defined benefit obligation	12	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13 Other changes in equity unrelated to owners	13	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14 Tax on transactions recognised directly in equity	14	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15 Decrease in initial (subscribed) capital (other than arising from the pre-bankruptcy settlement procedure or from the reinvestment of profit)	15	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16 Decrease in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	16	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17 Decrease in initial (subscribed) capital arising from the reinvestment of profit	17	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18 Redemption of treasury shares/holdings	18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19 Payments from members/shareholders	19	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20 Payment of share in profit/dividend	20	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-4,391,909	-4,391,909	0	-4,391,909
21 Other distributions and payments to members/shareholders	21	0	0	0	-54,572	-54,572	0	0	0	0	0	0	0	0	77,481	0	77,481	0	77,481
22 Transfer to reserves according to the annual schedule	22	0	0	243,881	0	0	0	231,687	0	0	0	0	0	0	10,152	-485,720	0	0	0
23 Increase in reserves arising from the pre-bankruptcy settlement procedure	23	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24 Balance on the last day of the previous business year reporting period (ADP 04 to 23)	24	160,448,063	95,505	6,790,178	4,526,798	2,051,700	28,891,636	18,365,422	0	0	0	0	0	0	113,855	15,008,205	232,187,962	0	232,187,962
<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)	25	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
II COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP 05+25)	26	0	0	0	0	0	0	0	0	0	0	0	0	0	0	15,008,205	15,008,205	0	15,008,205
III TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 23)	27	0	0	243,881	-54,572	-54,572	0	231,687	0	0	0	0	0	0	87,633	-4,877,629	-4,314,428	0	-4,314,428

# STATEMENT OF CHANGES IN EQUITY

## for the period from 01.01.2023 to 30.06.2023

B Financial statements of KONČAR – Electrical Industry Inc. for the period January - June 2023

in EUR

Item	AOP code	Attributable to owners of the parent																Minority (non-controlling) interest	Total capital and reserves
		Initial (subscribed) capital	Capital reserves	Legal reserves	Reserves for treasury shares	Treasury shares and holdings (deductible item)	Statutory reserves	Other reserves	Re-valuation reserves	Fair value of financial assets through other comprehensive income (available for sale)	Cash flow hedge - effective portion	Hedge of a net investment in a foreign operation - effective portion	Other fair value reserves	Exchange rate differences from translation of foreign operations	Retained profit / loss brought forward	Profit/loss for the business year	Total attributable to owners of the parent		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18 (3 to 6 - 7 + 8 to 17)	19	20 (18+19)
<b>Current period</b>																			
1 Balance on the first day of the previous business year	28	160,448,063	95,505	6,790,178	4,526,798	2,051,700	28,891,636	18,365,422	0	0	0	0	0	0	113,854	15,008,205	232,187,961	0	232,187,961
2 Changes in accounting policies	29	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-5,796	-5,796	0	-5,796
3 Correction of errors	30	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4 Balance on the first day of the previous business year (restated) (ADP 28 to 30)	31	160,448,063	95,505	6,790,178	4,526,798	2,051,700	28,891,636	18,365,422	0	0	0	0	0	0	113,854	15,002,409	232,182,165	0	232,182,165
5 Profit/loss of the period	32	0	0	0	0	0	0	0	0	0	0	0	0	0	0	9,354,549	9,354,549	0	9,354,549
6 Exchange rate differences from translation of foreign operations	33	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7 Changes in revaluation reserves of fixed tangible and intangible assets	34	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8 Gains or losses from subsequent measurement of financial assets at fair value through other comprehensive income (available for sale)	35	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9 Profit or loss arising from effective cash flow hedge	36	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10 Profit or loss arising from effective hedge of a net investment in a foreign operation	37	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11 Share in other comprehensive income/loss of companies linked by virtue of participating interests	38	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12 Actuarial gains/losses on the defined benefit obligation	39	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13 Other changes in equity unrelated to owners	40	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14 Tax on transactions recognised directly in equity	41	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15 Decrease in initial (subscribed) capital (other than arising from the pre-bankruptcy settlement procedure or from the reinvestment of profit)	42	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16 Decrease in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	43	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17 Decrease in initial (subscribed) capital arising from the reinvestment of profit	44	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18 Redemption of treasury shares/holdings	45	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19 Payments from members/shareholders	46	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20 Payment of share in profit/dividend	47	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-5,092,280	-5,092,280	0	-5,092,280
21 Other distributions and payments to members/shareholders	48	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
22 Transfer to reserves according to the annual schedule	49	0	0	750,120	0	0	0	0	0	0	0	0	0	0	9,160,008	-9,910,128	0	0	0
23 Increase in reserves arising from the pre-bankruptcy settlement procedure	50	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24 Balance on the last day of the previous business year reporting period (ADP 31 to 50)	51	160,448,063	95,505	7,540,298	4,526,798	2,051,700	28,891,636	18,365,422	0	0	0	0	0	0	9,273,862	9,354,550	236,444,434	0	236,444,434
<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 CURRENT PERIOD, NET OF TAX (ADP 33 to 41)	52	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
II COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 32 to 52)	53	0	0	0	0	0	0	0	0	0	0	0	0	0	0	9,354,549	9,354,549	0	9,354,549
III TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 42 to 50)	54	0	0	750,120	0	0	0	0	0	0	0	0	0	0	9,160,008	-15,002,408	-5,092,280	0	-5,092,280

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS - TFI

**Name of issuer: KONČAR – Electrical Industry Inc.**

**PIN: 45050126417**

**Reporting period: 1 January 2023 to 30 June 2023**

### 1 General information about the company

KONČAR – Electrical Industry Inc. (PIN: 45050126417) Zagreb, Fallerovo šetalište 22 (the Company) is the Parent Company of the KONČAR Group. As the parent company, the Company also prepares consolidated reports, which are presented separately. These unconsolidated financial statements of the Company are financial statements of the company as a separate entity. The Company manages its subsidiaries and associates.

The average number of employees in Q2 2023 was 67 (Q2 2022.: 57 employees).

### 2 Significant accounting policies

These semi-annual reports for the period ended 30 June 2023 are to be read together with the most recent annual financial statement of the Company as of and for the year ended 31 December 2022 ("the most recent annual financial statements") considering the fact that they do not include all the necessary information for the entire set of financial statements drawn up in accordance with the International Financial Reporting Standards. However, the explanations selected include explanations of the events and transactions significant for understanding changes in the financial position and performance of the Company since the most recent annual financial statement. Annual individual and consolidated financial statements have been published on the Company's website.

While drawing up semi-annual financial statements, the Management Board used the judgments and estimates affecting the application of accounting policies and the recorded amounts of assets and liabilities, revenue and expenses. The resulting accounting estimates will, by definition, seldom equal the related actual results. Key accounting estimates are equal to those described in the most recent annual financial statement. The accounting policies applied in these semi-annual financial statements are equal to those applied in the financial statements of the Company as of and for the year ended 31 December 2022.

### Seasonal effects

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

### 3 Sales revenue

	<b>January-June 2023</b>	<b>January-June 2022</b>
	EUR	EUR
Income from dividends /i/	8,685,435	7,853,178
Income from contracts with customers /ii/	5,350,299	4,378,709
	<b>14,035,734</b>	<b>12,231,887</b>
<i>/i/ Income from dividends</i>		
	<b>January-June 2023</b>	<b>January-June 2022</b>
	EUR	EUR
Income from dividends – subsidiaries	8,685,435	7,853,178
Income from dividends – associates	-	-
	<b>8,685,435</b>	<b>7,853,178</b>
<i>/ii/ Income from contracts with customers</i>		
	<b>January-June 2023</b>	<b>January-June 2022</b>
	EUR	EUR
<i>Type of service</i>		
Income from brand fees (fees for using the company name, trademark and service mark)	3,436,922	2,535,221
Income from real estate management	1,577,244	1,535,308
Income from other fees	336,133	308,180
<b>Total income from contracts with customers</b>	<b>5,350,299</b>	<b>4,378,709</b>



#### 4 Other income and operating expenses

During Q2 2023, there were no items of operating expenses of exceptional size or incidence that would consequently require additional disclosure.

During Q2 2022 other income mostly relates to the gain from the sale of land and buildings and to the gain based on return of redemption of claims on loans.

#### 5 Income tax

Income tax expense is recognised at an amount determined by multiplying the profit before tax for the reporting period by the management's best estimate of the average annual income tax rate expected for the full financial year. Income tax expense is adjusted for the tax effect of certain items recognised in full in the reporting period. Considering the tax loss carryforwards, the Company does not recognise income tax expense.

#### 6 Earnings per share

	January-June 2023 EUR	January-June 2022 EUR
Profit for the year	9,354,549	15,862,385
Weighted average number of shares	2,546,140	2,545,449
<b>Earnings per share in EUR</b>	<b>3.67</b>	<b>6.23</b>

#### 7 Property, plant and equipment

During Q2 2023, the Company purchased assets in the amount of EUR 1.2 million (Q2 2022: EUR 489 thousand), while depreciation costs amounted to EUR 547 thousand (Q2 2022: EUR 535 thousand).

#### 8 Investments in subsidiaries

The increase relate to the recapitalization of KONČAR – Digital Ltd. During Q2 2023, there were no changes regarding other investments in subsidiaries and associates compared to 31 December 2022.

	30 June 2023 EUR' 000	31 December 2022 EUR' 000	30 June 2023 Share in %	31 December 2022 Share in %
<b>Stakes (shares) in subsidiaries in Croatia</b>				
KONČAR – Switchgear; Zagreb	11,197	11,197	100	100
KONČAR – Steel Structures, Zagreb	16,779	16,779	100	100
KONČAR – Generators and Motors, Zagreb	11,302	11,302	100	100
KONČAR – Distribution and Special Transformers, Zagreb	8,245	8,245	52.73	52.73
KONČAR – Electrical Engineering Institute, Zagreb	8,088	8,088	100	100
KONČAR – Infrastructure and Services, Zagreb	7,524	7,524	100	100
KONČAR – Electronics and Informatics, Zagreb	8,353	8,353	100	100
KONČAR – Renewable Energy Sources, Zagreb	5,733	5,733	91.25	91.25
KONČAR – Engineering Co. Ltd. , Zagreb	9,304	9,304	100	100
KONČAR – Motors and electrical systems Ltd., Zagreb	6,450	6,450	100	100
KONČAR – Electric Vehicles, Zagreb	4,832	4,832	75.04	75.04
KONČAR – Instrument Transformers, Zagreb	4,041	4,041	61.97	61.97
KONČAR – Digital, Zagreb	7,857	1221	100	100
KONČAR – Investments, Zagreb	3	3	100	100
	<b>109,708</b>	<b>103,072</b>		

#### 9 Capital and reserves

Share (subscribed) capital has a nominal value of EUR 160,448,062.91 (31 December 2022: EUR 160,448,062.91) and consists of 2,572,119 shares with a nominal value of EUR 62.38. The Company's ordinary shares are listed on the Official Market of Zagreb Stock Exchange, identified by the symbol KOEI-R-A. As at 30 June 2023, the Company owned 25.979 treasury shares (31 December 2022: 25.979 shares).

**10 Contingent liabilities and off-balance sheet items**

Off-balance sheet records as at 30 June 2023 include collaterals issued (including corporate guarantees to third parties) at the request of the Group's subsidiaries to financial institutions and suppliers in the amount of EUR 122,764 thousand (31 December 2022: EUR 126,837 thousand).

**11 Related party transactions**

<i>in EUR thousand</i>	Transactions for the period ended	
	30 June 2023	30 June 2022
<b>Income from services</b>		
Subsidiaries	5,082	4,170
Associates	211	168
<b>Gain on sale of assets</b>		
Subsidiaries	0	1,442
Associates	0	0
<b>Income from dividends</b>		
Subsidiaries	8,685	7,853
Associates	0	0
<b>Finance income</b>		
Subsidiaries	482	247
<b>Cost of services</b>		
Subsidiaries	1,793	1,673
<i>in EUR thousand</i>	Transactions for the period ended	
	30 June 2023	31 December 2022
<b>Receivables</b>		
Subsidiaries	3,013	5,139
Associates	117	87
<b>Dividend receivables</b>		
Subsidiaries	1,796	0
Associates	0	5,065
<b>Other receivables</b>		
Subsidiaries	737	684
<b>Receivables from financing activities</b>		
Subsidiaries	40,328	48,915
<b>Liabilities from operating activities</b>		
Subsidiaries	907	941

**12 Events after the reporting date**

After the reporting date, until the date of approval of the financial statements, there were no events that would significantly affect the Company's financial statements, which should, consequently, be adjusted and/or disclosed.

## C Management's Statement of Responsibility

Unaudited Financial Statements of KONČAR – Electrical Industry Inc. for the period 1 January to 30 June 2023 have been drawn up in accordance with the International Financial Reporting Standards (IFRS) and with the Croatian Accounting Act.

Unaudited Financial Statements of KONČAR – Electrical Industry Inc. for the period from 1 January 2023 to 30 June 2022 give a comprehensive and a true and fair view of assets and liabilities, profit and loss, financial position and business operations of the issuer and the Company.

The Management Statement for the period ending 30 June 2023 gives a true and fair view of the company's business performance.

Signed on behalf of the Management Board:

Gordan Kolak  
President of the Management Board



Josip Lasić  
Member of the Management Board in charge of Finance



Zagreb, 27 July 2023



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