

REPORT OF THE MANAGEMENT BOARD OF
KONČAR – ELEKTROINDUSTRIJA d.d. ZAGREB

CONSOLIDATED REPORTS OF KONČAR GROUP
AND REPORTS OF KONČAR – ELEKTROINDUSTRIJA d.d.

Q1 2021



Excellent start of the financial year

Newly-contracted transactions

+41.8%

Backlog

+6.5%

Income

+14.6%

EBITDA

+76.6%

EBITDA margin

+312 bps

Export sales

+20.5%

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A Report of the Management Board

A Comment by Gordan Kolak, President of the Management Board



KONČAR started 2021 with the celebration of an important anniversary.

The Company's one-hundred-year-long history started on 24 January 1921, when the company Elektra was established. In the same year, the ownership of Elektra was transferred to Siemens Group and the company operated under that name until the end of WWII. KONČAR, located in Trešnjevka in Zagreb, started as a small workshop for the electrotechnical and mechanical engineering industry and over its one hundred years of existence, it has resisted wars and economical and political crises. The Company has witnessed the changes of social order, different states, and even had its name changed. However, one constant in its long history has always been creating the synergy of knowledge that has allowed it to deliver high-quality products in the field of electrical industry.

The tradition of knowledge, innovativeness and commitment to the Company has been nurtured and developed across generations. Generations of employees have participated in creating one of the leading technology companies in the region and faced competition with some of the world's largest manufacturers of electrical industry equipment. Throughout its existence, KONČAR has always been at the forefront of development in its field of activity, but also in Croatian economy as a whole. Its products and equipment are present on all the continents, and the USD 6.4 billion in exports realised in its hundred-year-long history speaks volumes of its quality, reliability and constant technological progress. We have installed more than 400,000 transformers of various types, voltage levels and power outputs in distribution networks around the world, built and revitalised 375 hydroelectric power plants, manufactured or refurbished 700 generators, and manufactured and supplied almost 200 low-floor trams and trains.

In Q1 2021, the Croatian economy, just like the regional and global economy, was still under the influence of the COVID-19 pandemic. In this extraordinary situation, emphasis is on protecting the most important economic sectors, assets, technology and infrastructure and especially jobs and employees.

The start of the financial year was excellent for KONČAR, as it achieved a strong organic sales growth in Q1. The Company generated consolidated operating income in the amount of HRK 709.2 million, representing a year-on-year increase by 15%. Export sales continued to grow and amounted to HRK 460.0 million, representing an increase by HRK 78.3 million (20.5%) compared to Q1 2020. The share of export in total revenue from sale of products and services was 67%. Newly-contracted transactions amounted to HRK 958.7 million, which was HRK 282.6 million (41.8%) more compared to 2020. Book-to-bill ratio for Jan-Mar 2021 was 1.39.

Apart from these sales-related results, the Company also achieved excellent financial results. EBITDA amounted to HRK 61.3 million, representing an increase by HRK 26.6 million compared to Q1 2020. EBITDA margin was 8.9% (Q1 2020: 5.7%). Net profit for Jan-Mar 2021 amounted to HRK 40.7 million and the consolidated result of the Group increased by HRK 40.2 million compared to the same financial period of the last year.

Backlog at the end of March amounted to HRK 4.4 billion, representing a 6.5% increase compared to the value at the beginning of the year. Transactions contracted to be realised in 2021 amount to HRK 2.2 billion, which allows for a realistic prognosis that this year's plans will be realised.

The pandemic has shown that we acted quickly in a short period of time and managed to adjust our business processes to new operating conditions, continuing positive business trends and proving our quality and competence. This is the direction we want to proceed in, to the satisfaction of our employees, owners and business partners.

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

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

in HRK 000				Index
Operating income	Q1 2020	Q2 2021	Δ	2021/2020
Sales revenue – total	618,982	709,212	90,230	114.6
Sales revenue – export	604,490	691,522	87,032	114.4
Operating expenses	381,757	460,012	78,255	120.5
Operating profit	608,841	672,178	63,337	110.4
Operating margin	10,141	37,034	26,893	365.2
Net profit	1.7%	5.4%		+368 bps
Depreciation and amortisation	536	40,745	40,209	
EBITDA	24,562	24,258	-304	98.8
EBITDA margin	34,703	61,292	26,589	176.6
Normalised EBITDA ¹	5.7%	8.9%		+312 bps
Normalised EBITDA margin ¹	29,406	53,102	23,696	114.0
Cash balance (deposits + cash) ²	4.9%	7.7%		+268 bps
Loans (long-term + short-term) ²	819,772	860,942	41,170	105.0
Transactions contracted	224,939	227,985	3,046	101.4
Backlog²	676,059	958,662	282,603	141.8
Book-to-bill-ratio	4,103,628	4,370,768	267,140	106.5
Book-to-bill-ratio	1.12	1.39		

Normalised EBITDA¹: EBITDA decreased by the net effect of provisions, asset sale revenue, loss compensation revenue, and increased by value adjustment of current assets

Cash balance, loans, back-log²: Balance as at 31 December 2020

In Q1 2021, the Croatian economy, just like the regional and global economy, was still under the influence of the COVID-19 pandemic. In this extraordinary situation, emphasis is on protecting the most important economic sectors, assets, technology and infrastructure and especially jobs and employees.

The start of the financial year was excellent for KONČAR, as it achieved a strong organic sales growth in Q1. Total consolidated revenue generated by the Group amounted to HRK 720.4 million, representing an increase by HRK 90.4 million (14.4%) compared to Q1 2020.

EBIT of HRK 37 million, share in profit of associated parties in the amount of HRK 4.1 million and a positive difference between finance income and expenses in the amount of HRK 5.8 million, resulted in consolidated profit before tax amounting to HRK 46.9 million. Income tax advance amounts to HRK 6.2 million. Net profit for Jan-Mar 2021 amounted to HRK 40.7 million, of which profit in the amount of HRK 9.4 million was attributable to non-controlling interest (minority interest), while profit attributable to parent company shareholders amounted to HRK 31.3 million.

Consolidated result of the Group increased by HRK 40.2 million compared to the same financial period of the last year. EBITDA amounted to HRK 61.3 million, representing an increase by HRK 26.6 million compared to Q1 2020. EBITDA margin was 8.9% (Q1 2020: 5.7%).

Normalised EBITDA amounted to HRK 53.1 million, representing an increase by HRK 23.7 million compared to 2020. Normalised EBITDA was calculated in the manner that EBITDA was decreased by revenue resulting from cancellation of provisions, asset sale revenue, and loss compensation revenue, and increased by value adjustment of inventories.

Consolidated profit and loss statement

Items (in HRK 000)	Index			
	Q1 2020	Q1 2021	Δ	2021/2020
OPERATING INCOME	618,982	709,212	90,230	114.6
OPERATING EXPENSES	608,841	672,178	63,337	110.4
Material costs and change in value of inventories	385,509	449,218	63,709	116.5
Staff costs	156,605	158,831	2,226	101.4
Depreciation and amortisation	24,562	24,258	-304	98.8
Other costs	41,870	39,260	-2,610	93.8
Value adjustment of non-current and current assets	295	611	316	207.1
OPERATING PROFIT	10,141	37,034	26,893	365.2
SHARE IN PROFIT OF ASSOCIATED PARTIES	0	4,202	4,202	
SHARE IN LOSS OF ASSOCIATED PARTIES	13,637	82	-13,555	
FINANCE INCOME	10,983	6,956	-4,027	63.3
FINANCE COSTS	1,505	1,125	-380	74.8
TOTAL INCOME	629,965	720,370	90,405	114.4
TOTAL EXPENSES	623,983	673,385	49,402	107.9
Profit before tax	5,982	46,985	41,003	785.4
Corporate tax	5,446	6,240	794	114.6
PROFIT FOR THE PERIOD	536	40,745	40,209	

Key Indicators of Profit and Loss Statement for Jan-Mar 2021

Operating expenses

Operating expenses amounted to HRK 672.2 million, representing a year-on-year increase by 10.4%. Regarding operating expenses, material costs (cost of raw materials and supplies, costs of goods sold and other external costs) amounted to HRK 493.8 million. The share of material costs in operating income, adjusted for inventory value changes, was 65.5% and decreased by 0.9 percentage points compared to the same period in the previous year.

Staff costs

Staff costs amounted to HRK 158.8 million, representing a year-on-year increase by HRK 2.2 million (1.4 %). The share of staff costs in operating income was 21.1%, representing a decrease by 1.4 percentage points compared to the period from January to March 2020. The average number of employees in Q1 2021 was 3,531 (Q1 2020: 3,487).

Net financial costs

Net financial result is positive and amounts to HRK 5.8 million. In the comparative period, it amounted to HRK 9.5 million. This is mostly related to fluctuations in foreign currency exchange rates in the most significant markets for the Group.

Financial Position

(in HRK 000)

Summarised balance sheet

	Index			
	31/12/2020	31/03/2021	Δ	2021/2020
Assets	4,174,893	4,150,019	-24,874	99.4
Non-current assets	1,598,223	1,597,736	-487	100.0
Current assets	2,576,670	2,552,283	-24,387	99.1
Liabilities	1,504,373	1,440,181	-64,192	95.7
Provisions	177,780	178,532	752	100.4
Non-current liabilities	123,116	126,024	2,908	102.4
Current liabilities	1,203,477	1,135,625	-67,852	94.4
Equity	2,670,520	2,709,838	39,318	101.5

Key Characteristics of the Balance Sheet as at 31 March 2021

Inventories

Inventories increased by HRK 60.1 million. Regarding the structure of inventories, the amount of inventories of raw materials and supplies increased by HRK 3.1 million, the amount of work in progress increased by HRK 37.5 million, the amount of inventories of finished and semi-finished goods increased by HRK 6.2 million, inventories of trade goods increased by HRK 0.3 million and the amount of advance payments for inventory purchases increased by HRK 13 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 125.7 million. Trade receivables and contract assets decreased by HRK 121.1 million. The decrease occurred in the companies that had increased deliverables in Q4 2020, for which payment was collected in the current accounting period. Dividend receivables decreased by HRK 25.6 million (dividend of an affiliated company). Other receivables increased by HRK 21 million, the majority of which pertained to receivables from the state in the amount of HRK 12.9 million (VAT in the amount of HRK 11.5 million and receivables for overpaid taxes in the amount of HRK 1.3 million) and to interest receivables in the amount of HRK 3.5 million.

Financial Assets and Cash

Financial assets increased by HRK 2.6 million and pertained to the deposit balance, which increased by HRK 1.3 million, and loans granted in the amount of HRK 1 million. At the Group level, cash balance increased by HRK 39.9 million.

Current Liabilities and Trade Payables

Current liabilities amounted to HRK 982.0 million, representing a decrease by HRK 70 million compared to the balance as at 31 December 2020.

Regarding the structure of current liabilities, significant changes pertained to trade payables, which decreased by HRK 52.3 million. The amount of advances payable increased by HRK 4.1 million.

Current liabilities toward banks amounted to HRK 106.8 million, representing an increase by HRK 2.3 million compared to the balance at the end of 2020. Other current liabilities amounted to HRK 117.3 million, representing a decrease by HRK 24.1 million.

Accrued expenses and deferred income amounted to HRK 153.6 million, representing an increase by HRK 2.3 million.

Group companies settle trade payables properly and timely.

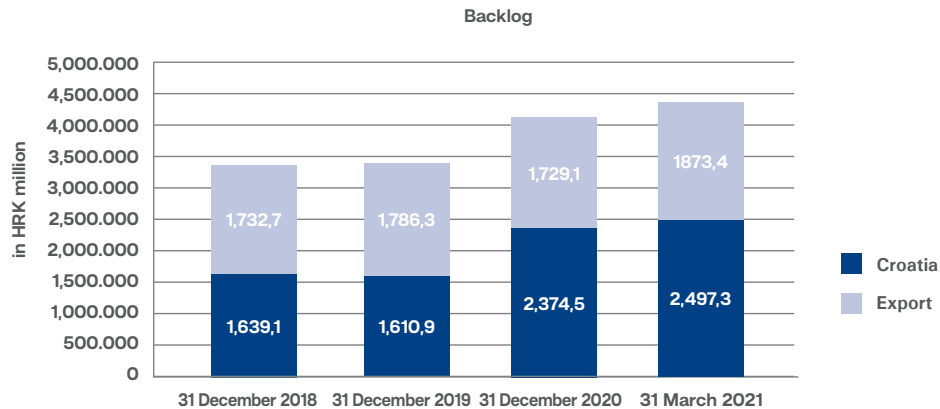
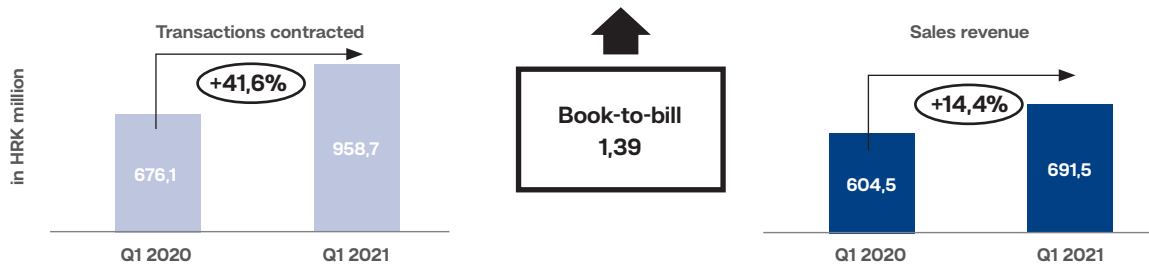
Long-Term and Short-Term Loans

Total loans (long-term and short-term) amounted to HRK 227.7 million, representing a decrease by HRK 3 million compared to the balance as at 31 December 2020. The Group has a low level of indebtedness to financial institutions and total loans account for 5.5% of total sources.

in HRK 000	31/12/2020	31/03/2021	Δ
Non-current liabilities toward banks	120,407	121,007	600
Current liabilities toward banks	104,533	106,722	2,189
Financial assets	77,985	79,367	1,382
Cash and cash equivalents	743,747	783,607	39,860
Net debt	-596,792	-635,245	-38,453
Normalised EBITDA	29,406	53,102	23,696
Net debt/normalised EBITDA	neg	neg	

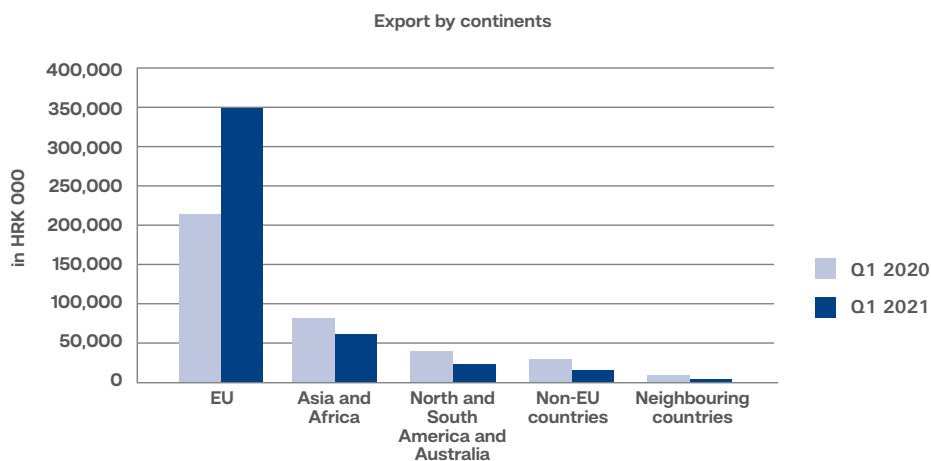
in HRK 000	31/12/2020	31/03/2021	Δ
Current assets	2,576,670	2,552,282	-24,388
Current liabilities	1,203,476	1,135,624	-67,852
Current ratio	2,1	2,2	

Market position



Operating Income by Sales Markets

in HRK 000	Q1 2020	%	Q1 2021	%
Croatia	222,764	36.8	231,510	33.5
EU countries	216,083	35.7	352,766	51.0
EU total	438,847	72.6	584,276	84.5
Asia and Africa	81,958	13.6	61,448	8.9
North and South America and Australia	39,955	6.6	23,382	3.4
Non-EU countries	32,606	5.4	17,106	2.5
Neighbouring countries	11,155	1.8	5,310	0.8
Other countries total	165,674	27.4	107,246	15.5
Total sales revenue	604,521	100.0	691,522	100.0



In the period from January to March 2021, KONČAR Group companies generated consolidated revenue from sale of products and services in the amount of HRK 691.5 million, representing an increase by HRK 87 million (14.4%) compared to the result achieved in the same period of 2020.

Revenue generated in the Croatian market amounted to HRK 231.5 million, which was HRK 8.8 million (3.9%) more than in the same period of 2020.

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 – Generation, HEP – Distribution System Operator and Croatian Transmission System Operator) amounted to HRK 61.5 million (26.6% of total revenue generated from sale of products and services in the Croatian market). The company supplied HRK 32.9 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 94.4 million. Revenue from sale of products and services to HŽ Passenger Transport, HŽ Infrastructure and Rolling Stock Technical Services amounted to HRK 32.5 million (14% of total revenue generated in the Croatian market).

Revenue generated from sale of products and services in foreign markets amounted to HRK 460.0 million, representing an increase by HRK 78.3 million (20.5%) compared to the result achieved in the previous year. The share of export in total revenue from sale of products and services was 66.5%.

When it comes to export by individual countries, the most significant export volume pertained to the German market, amounting to HRK 81.2 million or 17.6% of total export. Compared to the same period of the previous year, the value of goods and services exported to Germany increased by HRK 39.4 million. Goods and services exported to Sweden amounted to HRK 62.5 million (13.6% of total export); to the United Arab Emirates HRK 28.6 million (6.2% of total export); and to Austria HRK 27.9 million (6.1% of total export)

Compared to the same period in the previous year, apart from Germany and Sweden, a significant increase in revenue from export sale of products and services pertained to the following markets: the United Arab Emirates (HRK +24.2 million); Cyprus (+HRK 16.5 million); and the Netherlands, where the value of goods and services exported increased by HRK 15.2 million compared to the same period last year).

In Q1 2021, KONČAR Group companies signed contracts for new projects worth HRK 958.7 million. Compared to the previous year, the value of newly contracted projects increased by HRK 282.6 million (41.8%). The value of transactions contracted was higher by 26.0% than planned. Book-to-bill ratio for Jan-Mar 2021 was 1.39.

From the total amount of transactions contracted, HRK 354.3 million (36.9% of total transactions contracted) pertained to the Croatian market, whereas HRK 604.4 million (63.1% of total transactions contracted) pertained to export contracts. The crisis caused by the COVID-19 pandemic continued in Q1 2021 as well. Travel is still limited and investments in the power engineering sector must be made with caution, especially in the least developed countries. Consequently, there was a decrease in the volume of transactions contracted in far-away markets (North and South America, Australia, Africa and Asia).

The value of transactions contracted (backlog) as at 31 March 2021 amounted to HRK 4,370.8 million, representing a 6.5% increase compared to the value at the start of the year.

B Consolidated financial statements of KONČAR Group for Jan-Mar 2021

Annex 1

ISSUER'S GENERAL DATA

Reporting period:	01/01/2021	to:	31/03/2021
Year:	2021	Quarter:	1

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:	74780000HOSHMRW0115
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):	3544		
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 - Eng, for Plant Installation & Commissioning Inc.	Zagreb	3654362	
Končar - Power Plant and EI, 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 31.03.2021

in HRK

Submitter: KONCAR 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
A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID	001	0	0
B) FIXED ASSETS (ADP 003+010+020+031+036)	002	1,598,222,545	1,597,735,912
I INTANGIBLE ASSETS (ADP 004 to 009)	003	45,901,669	44,963,232
1 Research and development	004	20,555,919	19,176,312
2 Concessions, patents, licences, trademarks, software and other rights	005	12,405,805	12,646,457
3, Goodwill	006	7,342,331	7,342,331
4 Advances for the purchase of intangible assets	007	75,000	60,000
5 Intangible assets in preparation	008	5,522,614	5,730,771
6 Other intangible assets	009	0	7,361
II TANGIBLE ASSETS (ADP 011 to 019)	010	1,191,744,853	1,187,863,893
1 Land	011	163,997,809	163,974,819
2 Buildings	012	421,498,039	423,034,513
3 Plant and equipment	013	318,767,541	313,293,719
4 Tools, working inventory and transportation assets	014	61,371,579	61,957,499
5 Biological assets	015	0	0
6 Advances for the purchase of tangible assets	016	8,871,464	10,633,022
7 Tangible assets in preparation	017	66,244,827	63,591,095
8 Other tangible assets	018	1,894,713	1,934,237
9 Investment property	019	149,098,881	149,444,989
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	298,567,693	302,794,025
1 Investments in holdings (shares) of undertakings within the group	021	3,582,280	3,582,280
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	236,022,868	240,225,485
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	2,317,988	2,005,907
8 Loans, deposits, etc, given	028	2,648,852	2,723,735
9 Other investments accounted for using the equity method	029	51,200,356	51,118,334
10 Other fixed financial assets	030	2,795,349	3,138,284
IV RECEIVABLES (ADP 032 to 035)	031	24,654,923	24,969,326
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	17,976,133	17,976,133
4 Other receivables	035	6,678,790	6,993,193
V DEFERRED TAX ASSETS	036	37,353,407	37,145,436
C) CURRENT ASSETS (ADP 038+046+053+063)	037	2,567,173,396	2,543,576,469
I INVENTORIES (ADP 039 to 045)	038	744,775,526	804,892,427
1 Raw materials and consumables	039	364,577,853	367,678,701
2 Work in progress	040	244,360,544	287,132,661
3 Finished goods	041	90,229,157	91,174,699
4 Merchandise	042	199,302	512,745
5 Advances for inventories	043	36,423,695	49,408,646
6 Fixed assets held for sale	044	8,984,975	8,984,975
7 Biological assets	045	0	0

BALANCE SHEET

balance as at 31.03.2021

in HRK

Submitter: KONCAR ELECTRICAL INDUSTRY INC.			
Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
II RECEIVABLES (ADP 047 to 052)			
	046	1,001,565,463	875,710,626
1 Receivables from undertakings within the group	047	0	0
2 Receivables from companies linked by virtue of participating interests	048	42,665,090	25,553,687
3 Customer receivables	049	876,782,299	747,028,430
4 Receivables from employees and members of the undertaking	050	761,901	1,251,672
5 Receivables from government and other institutions	051	31,307,176	44,221,817
6 Other receivables	052	50,048,997	57,655,020
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)			
	053	77,085,219	79,366,836
1 Investments in holdings (shares) of undertakings within the group	054	0	0
2 Investments in other securities of undertakings within the group	055	0	0
3 Loans, deposits, etc, to undertakings within the group	056	0	0
4 Investments in holdings (shares) of companies linked by virtue of participating interests	057	0	0
5 Investment in other securities of companies linked by virtue of participating interests	058	0	0
6 Loans, deposits etc, to companies linked by virtue of participating interests	059	0	0
7 Investments in securities	060	0	0
8 Loans, deposits, etc, given	061	76,414,310	79,173,375
9 Other financial assets	062	670,909	193,461
IV CASH AT BANK AND IN HAND			
	063	743,747,188	783,606,580
D) PREPAID EXPENSES AND ACCRUED INCOME			
	064	9,496,925	8,706,499
E) TOTAL ASSETS (ADP 001+002+037+064)			
	065	4,174,892,866	4,150,018,880
OFF-BALANCE SHEET ITEMS			
	066	3,716,143,789	3,624,998,013
LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to 070+076+077+081+084+087)			
	067	2,670,520,331	2,709,838,021
I INITIAL (SUBSCRIBED) CAPITAL			
	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	777,786,714	777,786,714
1 Legal reserves	071	70,601,681	70,601,681
2 Reserves for treasury shares	072	34,518,334	34,518,334
3 Treasury shares and holdings (deductible item)	073	-15,869,707	-15,869,707
4 Statutory reserves	074	458,880,493	458,880,493
5 Other reserves	075	229,655,913	229,655,913
IV REVALUATION RESERVES			
	076	0	0
V FAIR VALUE RESERVES AND OTHER (ADP 078 to 082)			
	077	-148,941	-382,810
1 Financial assets at fair value through other comprehensive income (i.e, available for sale)	078	0	0
2 Cash flow hedge - effective portion	079	0	0
3 Hedge of a net investment in a foreign operation - effective portion	080	0	0
4 Other fair value reserves	081	0	0
5 Exchange differences arising from the translation of foreign operations (consolidation)	082	-148,941	-382,810
VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 084-085)			
	083	319,397,188	390,187,955
1 Retained profit	084	319,397,188	390,187,955
2 Loss brought forward	085	0	0
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 087-088)			
	086	73,888,927	31,304,313
1 Profit for the business year	087	73,888,927	31,304,313
2 Loss for the business year	088	0	0
VIII MINORITY (NON-CONTROLLING) INTEREST			
	089	289,980,934	301,326,340

BALANCE SHEET

balance as at 31.03.2021

in HRK

Submitter: KONCAR 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) PROVISIONS (ADP 091 to 096)	090	177,779,842	178,532,225
1 Provisions for pensions, termination benefits and similar obligations	091	40,040,341	39,847,482
2 Provisions for tax liabilities	092	0	0
3 Provisions for ongoing legal cases	093	1,075,400	1,075,400
4 Provisions for renewal of natural resources	094	3,421,971	3,421,971
5 Provisions for warranty obligations	095	133,242,130	133,698,911
6 Other provisions	096	0	488,461
C) LONG-TERM LIABILITIES (ADP 098 to 108)	097	123,116,239	126,024,580
1 Liabilities to undertakings within the group	098	0	0
2 Liabilities for loans, deposits, etc, of undertakings within the group	099	0	0
3 Liabilities to companies linked by virtue of participating interests	100	0	0
4 Liabilities for loans, deposits etc, of companies linked by virtue of participating interests	101	0	0
5 Liabilities for loans, deposits etc,	102	0	0
6 Liabilities to banks and other financial institutions	103	120,406,692	121,007,368
7 Liabilities for advance payments	104	0	0
8 Liabilities to suppliers	105	0	0
9 Liabilities for securities	106	0	0
10 Other long-term liabilities	107	2,709,547	5,017,212
11 Deferred tax liability	108	0	0
D) SHORT-TERM LIABILITIES (ADP 110 to 123)	109	1,052,203,224	982,012,235
1 Liabilities to undertakings within the group	110	0	0
2 Liabilities for loans, deposits, etc, of undertakings within the group	111	0	0
3 Liabilities to companies linked by virtue of participating interests	112	69,964,603	27,563,271
4 Liabilities for loans, deposits etc, of companies linked by virtue of participating interests	113	0	0
5 Liabilities for loans, deposits etc,	114	0	0
6 Liabilities to banks and other financial institutions	115	104,532,728	106,702,366
7 Liabilities for advance payments	116	347,826,312	351,894,525
8 Liabilities to suppliers	117	388,573,753	378,543,803
9 Liabilities for securities	118	0	0
10 Liabilities to employees	119	40,831,596	43,435,400
11 Taxes, contributions and similar liabilities	120	76,953,401	45,529,510
12 Liabilities arising from the share in the result	121	568,889	567,123
13 Liabilities arising from fixed assets held for sale	122	0	0
14 Other short-term liabilities	123	22,951,942	27,776,237
E) ACCRUALS AND DEFERRED INCOME	124	151,273,230	153,611,819
F) TOTAL – LIABILITIES (ADP 067+090+097+109+124)	125	4,174,892,866	4,150,018,880
G) OFF-BALANCE SHEET ITEMS	126	3,716,143,789	3,624,998,013

STATEMENT OF PROFIT OR LOSS for the period 01.01.2021 to 31.03.2021

in HRK

Submitter: KONCAR ELECTRICAL INDUSTRY INC.					
Item	AOP code	Same period of the previous year		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
I OPERATING INCOME (ADP 002 to 006)	001	618,982,859	618,982,859	709,212,770	709,212,770
1 Income from sales with undertakings within the group	002	0	0	0	0
2 Income from sales (outside group)	003	604,520,694	604,520,694	691,521,124	691,521,124
3 Income from the use of own products, goods and services	004	0	0	0	0
4 Other operating income with undertakings within the group	005	0	0	0	0
5 Other operating income (outside the group)	006	14,462,165	14,462,165	17,691,646	17,691,646
II OPERATING EXPENSES (ADP 08+009+013+017+018+019+022+029)	007	608,841,399	608,841,399	672,178,022	672,178,022
1 Changes in inventories of work in progress and finished goods	008	-77,062,473	-77,062,473	-44,610,654	-44,610,654
2 Material costs (ADP 010 to 012)	009	462,571,536	462,571,536	493,828,010	493,828,010
a) Costs of raw materials and consumables	010	385,434,389	385,434,389	412,301,173	412,301,173
b) Costs of goods sold	011	14,451,165	14,451,165	17,919,423	17,919,423
c) Other external costs	012	62,685,982	62,685,982	63,607,414	63,607,414
3 Staff costs (ADP 014 to 016)	013	156,604,059	156,604,059	158,830,925	158,830,925
a) Net salaries and wages	014	93,179,479	93,179,479	97,601,577	97,601,577
b) Tax and contributions from salary costs	015	43,295,686	43,295,686	41,286,351	41,286,351
c) Contributions on salaries	016	20,128,894	20,128,894	19,942,997	19,942,997
4 Depreciation	017	24,562,402	24,562,402	24,258,044	24,258,044
5 Other costs	018	40,461,727	40,461,727	38,469,855	38,469,855
6 Value adjustments (ADP 020+021)	019	295,265	295,265	611,459	611,459
a) fixed assets other than financial assets	020	0	0	0	0
b) current assets other than financial assets	021	295,265	295,265	611,459	611,459
7 Provisions (ADP 023 to 028)	022	0	0	0	0
a) Provisions for pensions, termination benefits and similar obligations	023	0	0	0	0
b) Provisions for tax liabilities	024	0	0	0	0
c) Provisions for ongoing legal cases	025	0	0	0	0
d) Provisions for renewal of natural resources	026	0	0	0	0
e) Provisions for warranty obligations	027	0	0	0	0
f) Other provisions	028	0	0	0	0
8 Other operating expenses	029	1,408,883	1,408,883	790,383	790,383
III FINANCIAL INCOME (ADP 031 to 040)	030	10,984,335	10,984,335	6,956,322	6,956,322
1 Income from investments in holdings (shares) of undertakings within the group	031	0	0	0	0
2 Income from investments in holdings (shares) of companies linked by virtue of participating interests	032	0	0	0	0
3 Income from other long-term financial investment and loans granted to undertakings within the group	033	0	0	0	0
4 Other interest income from operations with undertakings within the group	034	0	0	0	0
5 Exchange rate differences and other financial income from operations with undertakings within the group	035	0	0	0	0
6 Income from other long-term financial investments and loans	036	0	0	0	0
7 Other interest income	037	2,487,219	2,487,219	2,875,627	2,875,627
8 Exchange rate differences and other financial income	038	8,418,645	8,418,645	3,880,928	3,880,928
9 Unrealised gains (income) from financial assets	039	1,675	1,675	0	0
10 Other financial income	040	76,796	76,796	199,767	199,767
IV FINANCIAL EXPENSES (ADP 042 to 048)	041	1,505,331	1,505,331	1,126,185	1,126,185
1 Interest expenses and similar expenses with undertakings within the group	042	0	0	0	0
2 Exchange rate differences and other expenses from operations with undertakings within the group	043	0	0	0	0

STATEMENT OF PROFIT OR LOSS for the period 01.01.2021 to 31.03.2021

in HRK

Submitter: KONCAR 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	1,336,471	1,336,471	1,065,519	1,065,519
4 Exchange rate differences and other expenses	045	0	0	0	0
5 Unrealised losses (expenses) from financial assets	046	93,232	93,232	9,279	9,279
6 Value adjustments of financial assets (net)	047	0	0	0	0
7 Other financial expenses	048	75,628	75,628	51,387	51,387
V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VRTUE OF PARTICIPATING INTERESTS	049	0	0	4,202,617	4,202,617
VI SHARE IN PROFIT FROM JOINT VENTURES	050	0	0	0	0
VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST	051	13,573,099	13,573,099	0	0
VIII SHARE IN LOSS OF JOINT VENTURES	052	64,456	64,456	82,022	82,022
IX TOTAL INCOME (ADP 001+030+049 +050)	053	629,967,194	629,967,194	720,371,709	720,371,709
X TOTAL EXPENDITURE (ADP 007+041+051 + 052)	054	623,984,285	623,984,285	673,386,229	673,386,229
XI PRE-TAX PROFIT OR LOSS (ADP 053-054)	055	5,982,909	5,982,909	46,985,480	46,985,480
1 Pre-tax profit (ADP 053-054)	056	5,982,909	5,982,909	46,985,480	46,985,480
2 Pre-tax loss (ADP 054-053)	057	0	0	0	0
XII INCOME TAX	058	5,446,164	5,446,164	6,240,273	6,240,273
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 055-059)	059	536,745	536,745	40,745,207	40,745,207
1 Profit for the period (ADP 055-059)	060	536,745	536,745	40,745,207	40,745,207
2 Loss for the period (ADP 059-055)	061	0	0	0	0
DISCONTINUED OPERATIONS (to be filled in by undertakings subject to IFRS only with discontinued operations)					
XIV PRE-TAX PROFIT OR LOSS OF DISCONTINUED OPERATIONS (ADP 063-064)	062	0	0	0	0
1 Pre-tax profit from discontinued operations	063	0	0	0	0
2 Pre-tax loss on discontinued operations	064	0	0	0	0
XV INCOME TAX OF DISCONTINUED OPERATIONS	065	0	0	0	0
1 Discontinued operations profit for the period (ADP 062-065)	066	0	0	0	0
2 Discontinued operations loss for the period (ADP 065-062)	067	0	0	0	0
TOTAL OPERATIONS (to be filled in only by undertakings subject to IFRS with discontinued operations)					
XVI PRE-TAX PROFIT OR LOSS (ADP 055-+062)	068	5,982,909	5,982,909	46,985,480	46,985,480
1 Pre-tax profit (ADP 068)	069	5,982,909	5,982,909	46,985,480	46,985,480
2 Pre-tax loss (ADP 068)	070	0	0	0	0
XVII INCOME TAX (ADP 058+065)	071	5,446,164	5,446,164	6,240,273	6,240,273
XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 068-071)	072	536,745	536,745	40,745,207	40,745,207
1 Profit for the period (ADP 068-071)	073	536,745	536,745	40,745,207	40,745,207
2 Loss for the period (ADP 071-068)	074	0	0	0	0
APPENDIX to the P&L (to be filled in by undertakings that draw up consolidated annual financial statements)					
XIX PROFIT OR LOSS FOR THE PERIOD (ADP 076+077)	075	536,745	536,745	40,745,207	40,745,207
1 Attributable to owners of the parent	076	-7,068,512	-7,068,512	31,304,313	31,304,313
2 Attributable to minority (non-controlling) interest	077	7,605,257	7,605,257	9,440,894	9,440,894
STATEMENT OF OTHER COMPRHENSIVE INCOME (to be filled in by undertakings subject to IFRS)					
I PROFIT OR LOSS FOR THE PERIOD	078	536,745	536,745	40,745,207	40,745,207
II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 80+ 87)	079	-2,317,900	-2,317,900	-443,522	-443,522
III Items that will not be reclassified to profit or loss (ADP 081 to 085)	080	0	0	0	0
1 Changes in revaluation reserves of fixed tangible and intangible assets	081	0	0	0	0

STATEMENT OF PROFIT OR LOSS for the period 01.01.2021 to 31.03.2021

in HRK

Submitter: KONCAR 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
IV Items that may be reclassified to profit or loss (ADP 088 to 095)	087	-2,317,900	-2,317,900	-443,522	-443,522
1 Exchange rate differences from translation of foreign operations	088	-2,317,900	-2,317,900	-443,522	-443,522
2 Gains or losses from subsequent measurement of debt securities at fair value through other comprehensive income	089	0	0	0	0
3 Profit or loss arising from effective cash flow hedging	090	0	0	0	0
4 Profit or loss arising from effective hedge of a net investment in a foreign operation	091	0	0	0	0
5 Share in other comprehensive income/loss of companies linked by virtue of participating interests	092	0	0	0	0
6 Changes in fair value of the time value of option	093	0	0	0	0
7 Changes in fair value of forward elements of forward contracts	094	0	0	0	0
8 Other items that may be reclassified to profit or loss	095	0	0	0	0
9 Income tax relating to items that may be reclassified to profit or loss	096	0	0	0	0
V NET OTHER COMPREHENSIVE INCOME OR LOSS (ADP 080+087- 086 - 096)	097	-2,317,900	-2,317,900	-443,522	-443,522
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 078+097)	098	-1,781,155	-1,781,155	40,301,685	40,301,685
APPENDIX to the Statement on comprehensive income (to be filled in by undertakings that draw up consolidated statements)					
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 100+101)	099	-1,781,155	-1,781,155	40,301,685	40,301,685
1 Attributable to owners of the parent	100	-8,290,741	-8,290,741	31,070,444	31,070,444
2 Attributable to minority (non-controlling) interest	101	6,509,586	6,509,586	9,231,241	9,231,241

STATEMENT OF CASH FLOWS - direct method for the period 01.01.2021 to 31.03.2021

in HRK

Submitter: KONCAR ELECTRICAL INDUSTRY INC.			
Item	AOP code	Same period of the previous year	Current period
1	2	3	4
Cash flow from operating activities			
1 Cash receipts from customers	001	864,801,765	820,865,731
2 Cash receipts from royalties, fees, commissions and other revenue	002	0	0
3 Cash receipts from insurance premiums	003	5,674,202	779,662
4 Cash receipts from tax refund	004	28,948,103	16,047,552
5 Other cash receipts from operating activities	005	7,317,901	14,612,598
I Total cash receipts from operating activities (ADP 001 to 005)	006	906,741,971	852,305,543
1 Cash payments to suppliers	007	-597,520,195	-591,191,768
2 Cash payments to employees	008	-149,083,515	-156,158,563
3 Cash payments for insurance premiums	009	-2,947,998	-1,930,263
4 Interest paid	010	-1,324,565	-992,178
5 Income tax paid	011	-3,943,616	-5,246,147
6 Other cash payments from operating activities	012	-71,135,767	-68,928,584
II Total cash payments from operating activities (ADP 007 to 012)	013	-825,955,656	-824,447,503
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 006 + 013)	014	80,786,315	27,858,040
Cash flow from investment activities			
1 Cash receipts from sales of fixed tangible and intangible assets	015	338,079	319,562
2 Cash receipts from sales of financial instruments	016	0	0
3 Interest received	017	3,221,728	52,087
4 Dividends received	018	16,043,418	25,614,349
5 Cash receipts from the repayment of loans and deposits	019	210,331,393	500,000
6 Other cash receipts from investment activities	020	20,648,745	14,400
III Total cash receipts from investment activities (ADP 015 to 020)	021	250,583,363	26,500,398
1 Cash payments for the purchase of fixed tangible and intangible assets	022	-16,202,038	-17,724,562
2 Cash payments for the acquisition of financial instruments	023	0	-400,668
3 Cash payments for loans and deposits	024	-5,750,121	-2,053,709
4 Acquisition of a subsidiary, net of cash acquired	025	0	0
5 Other cash payments from investment activities	026	0	-8,000
IV Total cash payments from investment activities (ADP 022 to 026)	027	-21,952,159	-20,186,939
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 021 + 027)	028	228,631,204	6,313,459
Cash flow from financing activities			
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	29,952,012	21,872,676
4 Other cash receipts from financing activities	032	195,982	148,092
V Total cash receipts from financing activities (ADP 029 to 032)	033	30,147,994	22,020,768
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	034	-48,579,385	-17,719,824
2 Cash payments for dividends	035	-7,082	-4,884
3 Cash payments for finance lease	036	-123,352	-392,053
4 Cash payments for the redemption of treasury shares and decrease in initial (subscribed) capita	037	-5,151,979	0
5 Other cash payments from financing activities	038	-422,245	-396,900
VI Total cash payments from financing activities (ADP 034 to 038)	039	-54,284,043	-18,513,661
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 033 + 039)	040	-24,136,049	3,507,107
1 Unrealised exchange rate differences in respect of cash and cash equivalents	041	4,826,284	2,180,786
D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 014 + 028 + 040 + 041)	042	290,107,754	39,859,392
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	043	369,785,816	743,747,188
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (042+043)	044	659,893,570	783,606,580

STATEMENT OF CHANGES IN EQUITY
for the period from 01/01/2021 to 31/03/2021

B Consolidated financial statements of KONČAR Group for Jan-Mar 2021

in HRK

Item	AOP code	Attributable to owners of the parent															Minority (non-controlling) interest	Total capital and reserves	
		Temeljni 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 through other comprehensive income (available for sale)	Cash flow hedge - effective portion	Hedge of a net investment in a foreign operation - effective portion	Other fair value reserves	Exchange rate differences from translation of foreign operations	Retained profit / loss brought forward	Profit/loss for the business year			Total attributable to owners of the parent
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18 (3 to 6 - 7 + 8 to 17)	19	20 (18+19)
Previous period																			
1 Balance on the first day of the previous business year	01	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	0	0	318,917,644	27,371,314	2,309,515,460	262,119,300	2,571,634,760
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	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	0	0	318,917,644	27,371,314	2,309,515,460	262,119,300	2,571,634,760
5 Profit/loss of the period	05	0	0	0	0	0	0	0	0	0	0	0	0	0	0	73,888,927	73,888,927	53,686,643	127,575,570
6 Exchange rate differences from translation of foreign operations	06	0	0	0	0	0	0	-1,268,376	0	0	0	0	0	0	0	0	-1,268,376	-1,137,040	-2,405,416
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	4,949,792	0	0	0	0	0	0	0	0	0	0	-4,949,792	0	-4,949,792
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	0	0	-13,096,323	-13,096,323
21 Other distributions and payments to members/shareholders	21	0	0	0	-574,025	0	0	0	0	0	0	0	0	0	3,927,203	0	3,353,178	-11,591,646	-8,238,468
22 Transfer to reserves according to the annual schedule	22	0	0	2,024,354	0	0	18,469,980	10,324,639	0	0	0	0	0	0	-3,447,659	-27,371,314	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	1,208,895,930	719,579	70,601,681	34,518,334	15,869,707	458,880,493	229,506,972	0	0	0	0	0	0	319,397,188	73,888,927	2,380,539,397	289,980,934	2,670,520,331
APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)																			
I OTHER COMPREHENSIVE INCOME OF THE PREVIOUS PERIOD, NET OF TAX (ADP 06 to 14)	25	0	0	0	0	0	0	-1,268,376	0	0	0	0	0	0	0	0	-1,268,376	-1,137,040	-2,405,416
II COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP 05+25)	26	0	0	0	0	0	0	-1,268,376	0	0	0	0	0	0	0	73,888,927	72,620,551	52,549,603	125,170,154
III TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 23)	27	0	0	2,024,354	-574,025	4,949,792	18,469,980	10,324,639	0	0	0	0	0	0	479,544	-27,371,314	-1,596,614	-24,687,969	-26,284,583

STATEMENT OF CHANGES IN EQUITY
for the period from 01/01/2021 to 31/03/2021

B Consolidated financial statements of KONČAR Group for Jan-Mar 2021

in HRK

Item	AOP code	Attributable to owners of the parent																Minority (non-controlling) interest	Total capital and reserves
		Temeljni 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 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)
Current period																			
1 Balance on the first day of the previous business year	28	1,208,895,930	719,579	70,601,681	34,518,334	15,869,707	458,880,493	229,506,972	0	0	0	0	0	0	319,397,188	73,888,927	2,380,539,397	289,980,934	2,670,520,331
2 Changes in accounting policies	29	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 Correction of errors	30	0	0	0	0	0	0	148,941	0	0	0	0	0	-148,941	0	0	0	0	0
4 Balance on the first day of the previous business year (restated) (ADP 28 to 30)	31	1,208,895,930	719,579	70,601,681	34,518,334	15,869,707	458,880,493	229,655,913	0	0	0	0	0	-148,941	319,397,188	73,888,927	2,380,539,397	289,980,934	2,670,520,331
5 Profit/loss of the period	32	0	0	0	0	0	0	0	0	0	0	0	0	0	0	31,304,313	31,304,313	9,440,893	40,745,206
6 Exchange rate differences from translation of foreign operations	33	0	0	0	0	0	0	0	0	0	0	0	0	-233,869	0	0	-233,869	-209,683	-443,552
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	0	0	0	0
21 Other distributions and payments to members/shareholders	48	0	0	0	0	0	0	0	0	0	0	0	0	0	-3,098,160	0	-3,098,160	2,114,196	-983,964
22 Transfer to reserves according to the annual schedule	49	0	0	0	0	0	0	0	0	0	0	0	0	0	73,888,927	-73,888,927	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	1,208,895,930	719,579	70,601,681	34,518,334	15,869,707	458,880,493	229,655,913	0	0	0	0	0	-382,810	390,187,955	31,304,313	2,408,511,681	301,326,340	2,709,838,021
APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)																			
I OTHER COMPREHENSIVE INCOME OF THE CURRENT PERIOD, NET OF TAX (ADP 33 to 41)	52	0	0	0	0	0	0	0	0	0	0	0	0	-233,869	0	0	-233,869	-209,683	-443,552
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	-233,869	0	31,304,313	31,070,444	9,231,210	40,301,654
III TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 42 to 50)	54	0	0	0	0	0	0	0	0	0	0	0	0	0	70,790,767	-73,888,927	-3,098,160	2,114,196	-983,964

NOTES TO THE FINANCIAL STATEMENTS - TFI

Name of issuer: Končar – Electrical Industry Inc.

PIN: 45050126417

Reporting period: 1 January 2021 to 31 March 2021

1 GENERAL INFORMATION

Activity

The main activities of Končar – Electrical Industry Group, Zagreb (hereinafter: "the Group") include manufacture of electrical machines and switchgear, manufacture of vehicles, mechanical engineering and metalworking activities.

Končar Group business areas are as follows:

I Energy and transport: design and construction of electricity generation, transmission and distribution facilities and equipment, electric locomotives, electric multiple units, trams and electrical equipment for railway infrastructure;

II Industry: electric motor drives, low voltage electrical equipment;

III Special activities: product research and development, infrastructure services.

Group structure

In addition to the Parent Company, the Group includes 11 subsidiaries performing core business activities and two dependent companies performing special activities, namely product research and development and infrastructure services.

The Group also has two affiliated companies and two joint ventures in China and Croatia.

The Parent Company of the Group is Končar – Electrical Industry Inc. (PIN: 45050126417), Zagreb, Fallerovo šetalište 22 (hereinafter: "the Company").

The Company manages its wholly-owned companies.

Number of employees

As at 31 March 2021, the Group had 3,544 employees (31 December 2020: 3,532 employees).

The average number of employees in Q1 2021 was 3,531 (Q1 2020: 3,487).

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

Basis of preparation

Consolidated financial statements for the quarterly period ended 31 March 2021 are drawn up in accordance with the International Accounting Standard 34 – Interim Financial Reporting as adopted by the EU.

Consolidated financial statements do not include all information and disclosures required in consolidated annual financial statements and they must be read together with the consolidated annual financial statements of the Group as at 31 December 2020. The consolidated annual financial statements of the Group are drawn up in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU.

The consolidated annual statements of the Group are available on the official website of Zagreb Stock Exchange (www.zse.hr), Croatian Financial Services Supervisory Agency (www.hanfa.hr) and on the Company's website (www.koncar.hr).

Going concern assumption

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

Significant accounting policies

Consolidated financial statements for the quarterly period ended 31 March 2021 are drawn up on the basis of the same accounting policies, disclosures and calculation methods used in the consolidated annual financial statements of the Group as at 31 December 2020.

Key accounting estimates

While drawing up quarterly consolidated financial statements, the Management Board used the judgments and estimates affecting the application of accounting policies and the recorded amounts of assets and liabilities, 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.

Seasonal effects

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

3 SUBSIDIARIES

	31 March 2021	31 December 2020
	Voting rights (%)	Voting rights (%)
Dependent companies registered in Croatia that are consolidated:		
Končar – Small Electrical Machines, Zagreb	100,00	100,00
Končar – Power Plant and Electric Traction Engineering, Zagreb	100,00	100,00
Končar – Infrastructure and Services, Zagreb	100,00	100,00
Končar – Electrical Engineering Institute, Zagreb	100,00	100,00
Končar – Generators and Motors, Zagreb	100,00	100,00
Končar – Steel Structures, Zagreb	100,00	100,00
Končar – Switchgear	100,00	100,00
<i>Končar – Renewable Energy Sources, Zagreb</i>	100,00	100,00
<i>Direct ownership</i>	90,30	90,30
<i>Indirect ownership</i>	9,70	9,70
Končar - Electric Vehicles Inc., Zagreb	75,04	75,04
Končar - Electronics and Informatics, Zagreb	88,98	88,98
Končar – Instrument Transformers, Zagreb	99,77	99,77
Končar – Distribution and Special Transformers, Zagreb	67,90	67,90
Končar – Engineering for Plant Installation & Commissioning, Zagreb	100,00	100,00
Subsidiaries registered abroad that are consolidated:		
Power Engineering Transformatory Sp. z o.o. (PET), Poznań, Poland (Indirect ownership through the subsidiary Končar – Distribution and Special Transformers)	100,00	100,00
Dependent companies not consolidated due to immateriality:		
Konell Ltd., Sofia, Bulgaria (Indirect ownership through the subsidiary Končar – Electric Vehicles)	85,00	85,00
Wind Farm Rust Ltd. (Indirect ownership through the subsidiary Končar – Renewable Energy Sources)	100,00	100,00

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

	31 March 2021	31 December 2020
	Ownership share (%)	Ownership share (%)
Končar – Instrument Transformers, Zagreb	61,97	61,97
Končar – Distribution and Special Transformers, Zagreb	52,73	52,73
Končar – Engineering for Plant Installation & Commissioning, Zagreb	98,55	96,79

4 SEGMENT REPORTING

For management purposes, the Group is organised in business units based on the similarity in the nature of individual product groups and has therefore identified the following reportable segments:

Transformers: includes activities of production and sale of distribution, special, instrument and other transformers in the energy sector;

Rotating machines: includes activities of production and sale of generators and motors and small electrical machines in the energy sector;

Engineering: includes the execution of more complex projects for construction of plant and equipment in the energy and transport sector and related design and engineering services;

Industrial electronics: includes the production and sale of devices and solutions for electronics systems in the energy sector and similar;

Railway vehicles: includes the construction and sale of railway vehicles, such as trains and trams, and related maintenance services in the transport sector.

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

Other operations include the activity of renting real estate, production and sale of switches, circuit breakers, small appliances and machines, and metal processing, which do not represent a separate operating segment.

Segment revenues

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

	1 January 2021 - 31 March 2021 HRK 000	1 January 2020 - 31 March 2020 HRK 000
Transformers	364,658	280,874
Rotating machines	84,920	77,310
Railway vehicles	54,905	31,577
Engineering works	84,425	114,542
Industrial electronics and development	24,377	27,095
Other	78,236	73,123
Total income from contracts with customers	691,521	604,521
Affiliated companies	21,728	32,401
Unaffiliated companies	669,793	572,120
Total income from contracts with customers	691,521	604,521

5 OTHER OPERATING INCOME AND EXPENSES

During Q1 2021, there were no items of income or operating expenses of exceptional size or incidence that would consequently require additional disclosure.

6 CAPITALISED SALARY COSTS

During Q1 2021, Group companies capitalised salaries in a total amount of HRK 2,632 thousand (net salaries in the amount of HRK 1,596 thousand, taxes, surcharges and salary contributions paid by the employee in the amount of HRK 665 thousand, and salary contributions paid by the employer in the amount of HRK 371 thousand).

7 EARNINGS PER SHARE

	1 January 2021 - 31 March 2021 HRK 000	1 January 2020 - 31 March 2020 HRK 000
Net profit attributable to the owners of the parent company	31,304	(7,069)
Weighted average number of shares	2,547,936	2,554,533
Basic and diluted earnings per share	12,29	(2,77)

8 NON-CURRENT TANGIBLE AND INTANGIBLE ASSETS

During Q1 2021, the Group procured assets in the amount of HRK 17,867 thousand. Depreciation costs in Q1 2021 amounted to HRK 24,258 thousand (Q1 2020: HRK 24,137 thousand).

9 INVENTORIES

During Q1 2021, the Group recognised value adjustment of inventories in the amount of HRK 611 thousand (Q1 2020: HRK 295 thousand).

10 CAPITAL AND RESERVES

Share (subscribed) capital has a nominal value of HRK 1,208,895,930 (31 December 2020: HRK 1,208,895,930) and consists of 2,572,119 shares with a nominal value of HRK 470.00. The Company's ordinary shares are listed on the Official Market of Zagreb Stock Exchange, identified by the symbol KOEI-R-A. As at 31 March 2021, the Company owned 26,670 treasury shares (31 December 2020: 26,670 shares).

11 LIABILITIES UNDER LOANS

	31 March 2021 HRK 000	31 March 2020 HRK 000
Liabilities under loans		
Non-current	121,143	120,406
Current	106,842	104,533
	227,985	224,939

Bank loans are secured by a lien on immovable and movable property. The current value of immovable property on which a lien has been registered amounts to HRK 301,681 thousand, while the current value of movable property on which a lien has been registered amounts to HRK 35,678 thousand.

Liabilities under loans fall due for payment as follows:

	31 March 2021 HRK 000
Within one year	106,842
In 1 to 2 years	26,227
In 2 to 5 years	47,921
In over 5 years	46,995
	227,985

12 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party, is under joint control or has a significant influence on the business operations of the other party. The Republic of Croatia and other companies under control or a significant influence of the Republic of Croatia also have significant ownership of the Group. Accordingly, the Group is related to state institutions and other majority state-owned companies or significantly state-influenced companies. For the purpose of disclosing transactions with affiliated companies, the Group does not regard routine transactions (such as payment of taxes, duties, etc.) with local utility companies (under direct or indirect state ownership) or with other state authorities as transactions with affiliated companies. The most significant transactions between the Group and state-owned companies pertain to electricity and heat supply and similar services. In addition to said transactions, in Q1 2021, the Group generated revenue from sale to state institutions and other majority state-owned companies or significantly state-influenced companies in a total amount of HRK 114,489 thousand (Q1 2020: HRK 122,907 thousand), the majority of which pertained to revenue from engineering works, railway vehicles and industrial electronics.

All related party transactions are based on usual commercial terms (procurement of goods, sale of products and provision of services).

	31 March 2021 HRK 000	31 December 2020 HRK' 000
Receivables		
Affiliated companies	24,168	41,971
Joint ventures	104	694
	24,272	42,665
Liabilities		
Affiliated companies	27,563	69,865
Joint ventures	-	-
	27,563	69,865
	1 January 2021 - 31 March 2021 HRK 000	1 January 2020 - 31 March 2020 HRK 000
Sales revenue		
Affiliated companies	21,611	32,359
Joint ventures	117	42
	21,728	32,401
Operating expenses		
Affiliated companies	14,454	19,268
Joint ventures	1,469	2,007
	15,923	21,275

13 EVENTS AFTER THE BALANCE SHEET DATE

There have been no events occurring between the reporting date and the date of approval of the financial statements that could have a significant impact on the quarterly consolidated financial statements of the Group for Q1 2021 and as a result, those financial statements are appropriate for publication.

BALANCE SHEET

balance as at 31.03.2021

in HRK

Submitter: KONCAR 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
A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID	001	0	0
B) FIXED ASSETS (ADP 003+010+020+031+036)	002	1,374,357,323	1,373,229,264
I INTANGIBLE ASSETS (ADP 004 to 009)	003	1,787,121	1,691,296
1 Research and development	004	0	0
2 Concessions, patents, licences, trademarks, software and other rights	005	0	0
3, Goodwill	006	0	0
4 Advances for the purchase of intangible assets	007	0	0
5 Intangible assets in preparation	008	1,787,121	1,691,296
6 Other intangible assets	009	0	0
II TANGIBLE ASSETS (ADP 011 to 019)	010	399,483,617	398,050,715
1 Land	011	95,924,738	95,924,738
2 Buildings	012	123,576,316	123,510,859
3 Plant and equipment	013	10,414,660	10,006,783
4 Tools, working inventory and transportation assets	014	1,117,298	873,662
5 Biological assets	015	0	0
6 Advances for the purchase of tangible assets	016	0	0
7 Tangible assets in preparation	017	5,221,465	4,113,226
8 Other tangible assets	018	69,446	69,446
9 Investment property	019	163,159,694	163,552,001
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	948,476,293	948,876,961
1 Investments in holdings (shares) of undertakings within the group	021	845,127,059	845,527,727
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	101,672,262	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	1,676,972	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
IV RECEIVABLES (ADP 032 to 035)	031	24,610,292	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	17,976,133	17,976,133
4 Other receivables	035	6,634,159	6,634,159
V DEFERRED TAX ASSETS	036	0	0
C) CURRENT ASSETS (ADP 038+046+053+063)	037	314,591,161	357,182,294
I INVENTORIES (ADP 039 to 045)	038	8,984,975	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	8,984,975	8,984,975
7 Biological assets	045	0	0

BALANCE SHEET

balance as at 31.03.2021

in HRK

Submitter: KONCAR ELECTRICAL INDUSTRY INC.			
Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
II RECEIVABLES (ADP 047 to 052)			
1 Receivables from undertakings within the group	046	41,252,017	61,628,333
2 Receivables from companies linked by virtue of participating interests	047	10,301,956	56,488,231
3 Customer receivables	048	25,954,728	283,491
4 Receivables from employees and members of the undertaking	049	1,296,199	1,421,943
5 Receivables from government and other institutions	050	44,092	43,722
6 Other receivables	051	0	599
6 Other receivables	052	3,655,042	3,390,347
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)			
1 Investments in holdings (shares) of undertakings within the group	053	0	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	0	0
5 Investment in other securities of companies linked by virtue of participating interests	057	0	0
6 Loans, deposits etc, to companies linked by virtue of participating interests	058	0	0
7 Investments in securities	059	0	0
8 Loans, deposits, etc, given	060	0	0
9 Other financial assets	061	0	0
IV CASH AT BANK AND IN HAND	062	264,354,169	286,568,986
D) PREPAID EXPENSES AND ACCRUED INCOME	063	700,135	1,698,019
E) TOTAL ASSETS (ADP 001+002+037+064)	064	1,689,648,619	1,732,109,577
OFF-BALANCE SHEET ITEMS	065	1,437,223,225	1,432,277,979
LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to 070+076+077+081+084+087)			
I INITIAL (SUBSCRIBED) CAPITAL	067	1,208,895,930	1,208,895,930
II CAPITAL RESERVES	068	719,579	719,579
III RESERVES FROM PROFIT (ADP 071+072-073+074+075)	069	421,603,127	421,603,127
1 Legal reserves	070	48,982,462	48,982,462
2 Reserves for treasury shares	071	34,518,334	34,518,334
3 Treasury shares and holdings (deductible item)	072	-15,869,707	-15,869,707
4 Statutory reserves	073	217,684,029	217,684,029
5 Other reserves	074	136,288,009	136,288,009
IV REVALUATION RESERVES	075	0	0
V FAIR VALUE RESERVES AND OTHER (ADP 078 to 082)	076	0	0
1 Financial assets at fair value through other comprehensive income (i.e, available for sale)	077	0	0
2 Cash flow hedge - effective portion	078	0	0
3 Hedge of a net investment in a foreign operation - effective portion	079	0	0
4 Other fair value reserves	080	0	0
5 Exchange differences arising from the translation of foreign operations (consolidation)	081	0	0
VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 084-085)	082	8,830,096	15,642,403
1 Retained profit	083	8,830,096	15,642,403
2 Loss brought forward	084	0	0
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 087-088)	085	6,812,307	39,248,574
1 Profit for the business year	086	6,812,307	39,248,574
2 Loss for the business year	087	0	0
VIII MINORITY (NON-CONTROLLING) INTEREST	088	0	0
	089	0	0

BALANCE SHEET

balance as at 31.03.2021

in HRK

Submitter: KONCAR 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) PROVISIONS (ADP 091 to 096)	090	9,304,479	9,304,479
1 Provisions for pensions, termination benefits and similar obligations	091	9,304,479	9,304,479
2 Provisions for tax liabilities	092	0	0
3 Provisions for ongoing legal cases	093	0	0
4 Provisions for renewal of natural resources	094	0	0
5 Provisions for warranty obligations	095	0	0
6 Other provisions	096	0	0
C) LONG-TERM LIABILITIES (ADP 098 to 108)	097	0	0
1 Liabilities to undertakings within the group	098	0	0
2 Liabilities for loans, deposits, etc, of undertakings within the group	099	0	0
3 Liabilities to companies linked by virtue of participating interests	100	0	0
4 Liabilities for loans, deposits etc, of companies linked by virtue of participating interests	101	0	0
5 Liabilities for loans, deposits etc,	102	0	0
6 Liabilities to banks and other financial institutions	103	0	0
7 Liabilities for advance payments	104	0	0
8 Liabilities to suppliers	105	0	0
9 Liabilities for securities	106	0	0
10 Other long-term liabilities	107	0	0
11 Deferred tax liability	108	0	0
D) SHORT-TERM LIABILITIES (ADP 110 to 123)	109	32,762,425	35,966,616
1 Liabilities to undertakings within the group	110	23,413,757	25,496,298
2 Liabilities for loans, deposits, etc, of undertakings within the group	111	0	0
3 Liabilities to companies linked by virtue of participating interests	112	0	0
4 Liabilities for loans, deposits etc, of companies linked by virtue of participating interests	113	0	0
5 Liabilities for loans, deposits etc,	114	0	0
6 Liabilities to banks and other financial institutions	115	0	0
7 Liabilities for advance payments	116	0	0
8 Liabilities to suppliers	117	2,376,923	1,867,395
9 Liabilities for securities	118	0	0
10 Liabilities to employees	119	3,031,673	3,114,430
11 Taxes, contributions and similar liabilities	120	3,428,737	4,931,421
12 Liabilities arising from the share in the result	121	336,560	336,560
13 Liabilities arising from fixed assets held for sale	122	0	0
14 Other short-term liabilities	123	174,775	220,512
E) ACCRUALS AND DEFERRED INCOME	124	720,676	728,869
F) TOTAL – LIABILITIES (ADP 067+090+097+109+124)	125	1,689,648,619	1,732,109,577
G) OFF-BALANCE SHEET ITEMS	126	1,437,223,225	1,432,277,979

STATEMENT OF PROFIT OR LOSS for the period 01.01.2021 to 31.03.2021

in HRK

Submitter: KONCAR ELECTRICAL INDUSTRY INC.					
Item	AOP code	Same period of the previous year		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
I OPERATING INCOME (ADP 002 to 006)	001	50,398,709	50,398,709	54,367,764	54,367,764
1 Income from sales with undertakings within the group	002	48,532,572	48,532,572	54,134,203	54,134,203
2 Income from sales (outside group)	003	131,802	131,802	174,479	174,479
3 Income from the use of own products, goods and services	004	0	0	0	0
4 Other operating income with undertakings within the group	005	0	0	51,547	51,547
5 Other operating income (outside the group)	006	1,734,335	1,734,335	7,535	7,535
II OPERATING EXPENSES (ADP 08+009+013+017+018+019+022+029)	007	20,496,740	20,496,740	16,217,684	16,217,684
1 Changes in inventories of work in progress and finished goods	008	0	0	0	0
2 Material costs (ADP 010 to 012)	009	7,089,876	7,089,876	5,410,465	5,410,465
a) Costs of raw materials and consumables	010	1,524,881	1,524,881	493,258	493,258
b) Costs of goods sold	011	0	0	0	0
c) Other external costs	012	5,564,995	5,564,995	4,917,207	4,917,207
3 Staff costs (ADP 014 to 016)	013	7,261,692	7,261,692	5,238,906	5,238,906
a) Net salaries and wages	014	3,656,779	3,656,779	2,870,961	2,870,961
b) Tax and contributions from salary costs	015	2,576,899	2,576,899	1,619,080	1,619,080
c) Contributions on salaries	016	1,028,014	1,028,014	748,865	748,865
4 Depreciation	017	2,475,762	2,475,762	2,216,530	2,216,530
5 Other costs	018	3,656,770	3,656,770	3,348,629	3,348,629
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	12,640	12,640	3,154	3,154
III FINANCIAL INCOME (ADP 031 to 040)	030	5,552,250	5,552,250	1,099,386	1,099,386
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	17,768	17,768	0	0
5 Exchange rate differences and other financial income from operations with undertakings within the group	035	0	0	0	0
6 Income from other long-term financial investments and loans	036	0	0	0	0
7 Other interest income	037	253,836	253,836	17,352	17,352
8 Exchange rate differences and other financial income	038	5,280,646	5,280,646	1,082,034	1,082,034
9 Unrealised gains (income) from financial assets	039	0	0	0	0
10 Other financial income	040	0	0	0	0
IV FINANCIAL EXPENSES (ADP 042 to 048)	041	64,924	64,924	892	892
1 Interest expenses and similar expenses with undertakings within the group	042	5,328	5,328	0	0
2 Exchange rate differences and other expenses from operations with undertakings within the group	043	0	0	0	0

STATEMENT OF PROFIT OR LOSS for the period 01.01.2021 to 31.03.2021

in HRK

Submitter: KONCAR 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	0	0	892	892
4 Exchange rate differences and other expenses	045	59,596	59,596	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
V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VRITUE OF PARTICIPATING INTERESTS	049	0	0	0	0
VI SHARE IN PROFIT FROM JOINT VENTURES	050	0	0	0	0
VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST	051	0	0	0	0
VIII SHARE IN LOSS OF JOINT VENTURES	052	0	0	0	0
IX TOTAL INCOME (ADP 001+030+049 +050)	053	55,950,959	55,950,959	55,467,150	55,467,150
X TOTAL EXPENDITURE (ADP 007+041+051 + 052)	054	20,561,664	20,561,664	16,218,576	16,218,576
XI PRE-TAX PROFIT OR LOSS (ADP 053-054)	055	35,389,295	35,389,295	39,248,574	39,248,574
1 Pre-tax profit (ADP 053-054)	056	35,389,295	35,389,295	39,248,574	39,248,574
2 Pre-tax loss (ADP 054-053)	057	0	0	0	0
XII INCOME TAX	058	0	0	0	0
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 055-059)	059	35,389,295	35,389,295	39,248,574	39,248,574
1 Profit for the period (ADP 055-059)	060	35,389,295	35,389,295	39,248,574	39,248,574
2 Loss for the period (ADP 059-055)	061	0	0	0	0
DISCONTINUED OPERATIONS (to be filled in by undertakings subject to IFRS only with discontinued operations)					
XIV, DOBIT ILI GUBITAK PREKINUTOG POSLOVANJA PRIJE OPOREZIVANJA (AOP 063-064)	062	0	0	0	0
1, Dobit prekinutog poslovanja prije oporezivanja	063	0	0	0	0
2, Gubitak prekinutog poslovanja prije oporezivanja	064	0	0	0	0
XV, POREZ NA DOBIT PREKINUTOG POSLOVANJA	065	0	0	0	0
1, Dobit prekinutog poslovanja za razdoblje (AOP 062-065)	066	0	0	0	0
2, Gubitak prekinutog poslovanja za razdoblje (AOP 065-062)	067	0	0	0	0
TOTAL OPERATIONS (to be filled in only by undertakings subject to IFRS with discontinued operations)					
XVI, DOBIT ILI GUBITAK PRIJE OPOREZIVANJA (AOP 055+062)	068	0	0	0	0
1, Dobit prije oporezivanja (AOP 068)	069	0	0	0	0
2, Gubitak prije oporezivanja (AOP 068)	070	0	0	0	0
XVII, POREZ NA DOBIT (AOP 058+065)	071	0	0	0	0
XVIII, DOBIT ILI GUBITAK RAZDOBLJA (AOP 068-071)	072	0	0	0	0
1, Dobit razdoblja (AOP 068-071)	073	0	0	0	0
2, Gubitak razdoblja (AOP 071-068)	074	0	0	0	0
APPENDIX to the P&L (to be filled in by undertakings that draw up consolidated annual financial statements)					
XIX, DOBIT ILI GUBITAK RAZDOBLJA (AOP 076+077)	075	0	0	0	0
1, Pripisana imateljima kapitala matice	076	0	0	0	0
2, Pripisana manjinskom (nekontrolirajućem) interesu	077	0	0	0	0
STATEMENT OF OTHER COMPREHENSIVE INCOME (to be filled in by undertakings subject to IFRS)					
I PROFIT OR LOSS FOR THE PERIOD	078	35,389,295	35,389,295	39,248,574	39,248,574
II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 80+ 87)	079	0	0	0	0
III Items that will not be reclassified to profit or loss (ADP 081 to 085)	080	0	0	0	0
1 Changes in revaluation reserves of fixed tangible and intangible assets	081	0	0	0	0

STATEMENT OF PROFIT OR LOSS for the period 01.01.2021 to 31.03.2021

in HRK

Submitter: KONCAR 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
IV Items that may be reclassified to profit or loss (ADP 088 to 095)	087	0	0	0	0
1 Exchange rate differences from translation of foreign operations	088	0	0	0	0
2 Gains or losses from subsequent measurement of debt securities at fair value through other comprehensive income	089	0	0	0	0
3 Profit or loss arising from effective cash flow hedging	090	0	0	0	0
4 Profit or loss arising from effective hedge of a net investment in a foreign operation	091	0	0	0	0
5 Share in other comprehensive income/loss of companies linked by virtue of participating interests	092	0	0	0	0
6 Changes in fair value of the time value of option	093	0	0	0	0
7 Changes in fair value of forward elements of forward contracts	094	0	0	0	0
8 Other items that may be reclassified to profit or loss	095	0	0	0	0
9 Income tax relating to items that may be reclassified to profit or loss	096	0	0	0	0
V NET OTHER COMPREHENSIVE INCOME OR LOSS (ADP 080+087- 086 - 096)	097	0	0	0	0
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 078+097)	098	35,389,295	35,389,295	39,248,574	39,248,574
APPENDIX to the Statement on comprehensive income (to be filled in by undertakings that draw up consolidated statements)					
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 100+101)	099	0	0	0	0
1 Attributable to owners of the parent	100	0	0	0	0
2 Attributable to minority (non-controlling) interest	101	0	0	0	0

STATEMENT OF CASH FLOWS - direct method for the period 01.01.2021 to 31.03.2021

in HRK

Submitter: KONCAR ELECTRICAL INDUSTRY INC.			
Item	AOP code	Same period of the previous year	Current period
1	2	3	4
Cash flow from operating activities			
1 Cash receipts from customers	001	5,825,156	7,348,716
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 Other cash receipts from operating activities	005	1,514,408	821,559
I Total cash receipts from operating activities (ADP 001 to 005)	006	7,339,564	8,170,275
1 Cash payments to suppliers	007	-4,597,980	-5,932,286
2 Cash payments to employees	008	-6,432,480	-5,315,766
3 Cash payments for insurance premiums	009	0	0
4 Interest paid	010	0	0
5 Income tax paid	011	0	0
6 Other cash payments from operating activities	012	-1,439,860	-1,269,624
II Total cash payments from operating activities (ADP 007 to 012)	013	-12,470,320	-12,517,676
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 006 + 013)	014	-5,130,756	-4,347,401
Cash flow from investment activities			
1 Cash receipts from sales of fixed tangible and intangible assets	015	303,904	259,705
2 Cash receipts from sales of financial instruments	016	0	0
3 Interest received	017	1,149,541	30,259
4 Dividends received	018	16,043,418	25,614,349
5 Cash receipts from the repayment of loans and deposits	019	208,124,630	0
6 Other cash receipts from investment activities	020	0	0
III Total cash receipts from investment activities (ADP 015 to 020)	021	225,621,493	25,904,313
1 Cash payments for the purchase of fixed tangible and intangible assets	022	-516,633	-19,300
2 Cash payments for the acquisition of financial instruments	023	0	-400,668
3 Cash payments for loans and deposits	024	-4,400,000	0
4 Acquisition of a subsidiary, net of cash acquired	025	0	0
5 Other cash payments from investment activities	026	0	0
IV Total cash payments from investment activities (ADP 022 to 026)	027	-4,916,633	-419,968
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 021 + 027)	028	220,704,860	25,484,345
Cash flow from financing activities			
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
V Total cash receipts from financing activities (ADP 029 to 032)	033	0	0
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	-6,520	0
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	-5,151,979	0
5 Other cash payments from financing activities	038	0	0
VI Total cash payments from financing activities (ADP 034 to 038)	039	-5,158,499	0
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 033 +039)	040	-5,158,499	0
1 Unrealised exchange rate differences in respect of cash and cash equivalents	041	1,478,953	1,077,875
D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 014 + 028 + 040 + 041)	042	211,894,558	22,214,819
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	043	43,379,091	264,354,168
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (042+043)	044	255,273,649	286,568,987

STATEMENT OF CHANGES IN EQUITY
for the period from 01/01/2021 to 31/03/2021

in HRK

Item	AOP code	Attributable to owners of the parent																Minority (non-controlling) interest	Total capital and reserves
		Temeljni 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 through other comprehensive income (available for sale)	Cash flow hedge - effective portion	Hedge of a net investment in a foreign operation - effective portion	Other fair value reserves	Exchange rate differences from translation of foreign operations	Retained profit / loss brought forward	Profit/loss for the business year	Total attributable to owners of the parent		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18 (3 to 6 - 7 + 8 to 17)	19	20 (18+19)
Previous period																			
1 Balance on the first day of the previous business year	01	1,208,895,930	719,579	48,614,954	35,092,358	10,919,914	217,684,029	132,796,686	0	0	0	0	0	0	4,764,752	7,350,152	1,644,998,526	0	1,644,998,526
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	1,208,895,930	719,579	48,614,954	35,092,358	10,919,914	217,684,029	132,796,686	0	0	0	0	0	0	4,764,752	7,350,152	1,644,998,526	0	1,644,998,526
5 Profit/loss of the period	05	0	0	0	0	0	0	0	0	0	0	0	0	0	0	6,812,307	6,812,307	0	6,812,307
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	-574,023	4,949,794	0	0	0	0	0	0	0	0	574,023	0	-4,949,794	0	-4,949,794
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	0	0	0	0
21 Other distributions and payments to members/shareholders	21	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	22	0	0	367,508	0	0	0	3,491,322	0	0	0	0	0	0	3,491,322	-7,350,152	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	1,208,895,930	719,579	48,982,462	34,518,335	15,869,708	217,684,029	136,288,008	0	0	0	0	0	0	8,830,097	6,812,307	1,646,861,039	0	1,646,861,039
APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)																			
I OTHER COMPREHENSIVE INCOME OF THE PREVIOUS PERIOD, NET OF TAX (ADP 06 to 14)	25	0	0	0	0	0	0	0	0	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	6,812,307	6,812,307	0	6,812,307
III TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 23)	27	0	0	367,508	-574,023	4,949,794	0	3,491,322	0	0	0	0	0	0	4,065,345	-7,350,152	-4,949,794	0	-4,949,794

STATEMENT OF CHANGES IN EQUITY
for the period from 01/01/2021 to 31/03/2021

Item	AOP code	Attributable to owners of the parent																Minority (non-controlling) interest	Total capital and reserves
		Temeljni 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 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)
Current period																			
1 Balance on the first day of the previous business year	28	1,208,895,930	719,579	48,982,462	34,518,335	15,869,708	217,684,029	136,288,008	0	0	0	0	0	0	8,830,097	6,812,307	1,646,861,039	0	1,646,861,039
2 Changes in accounting policies	29	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 Correction of errors	30	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4 Balance on the first day of the previous business year (restated) (ADP 28 to 30)	31	1,208,895,930	719,579	48,982,462	34,518,335	15,869,708	217,684,029	136,288,008	0	0	0	0	0	0	8,830,097	6,812,307	1,646,861,039	0	1,646,861,039
5 Profit/loss of the period	32	0	0	0	0	0	0	0	0	0	0	0	0	0	0	39,248,574	39,248,574	0	39,248,574
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	0	0	0	0
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	0	0	0	0	0	0	0	0	0	0	0	6,812,307	-6,812,307	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	1,208,895,930	719,579	48,982,462	34,518,335	15,869,708	217,684,029	136,288,008	0	0	0	0	0	0	15,642,404	39,248,574	1,686,109,613	0	1,686,109,613
APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)																			
I OTHER COMPREHENSIVE INCOME OF THE CURRENT PERIOD, NET OF TAX (ADP 33 to 41)	52	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
II COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 32 to 52)	53	0	0	0	0	0	0	0	0	0	0	0	0	0	0	39,248,574	39,248,574	0	39,248,574
III TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 42 to 50)	54	0	0	0	0	0	0	0	0	0	0	0	0	0	6,812,307	-6,812,307	0	0	0

NOTES TO THE FINANCIAL STATEMENTS - TFI

Name of issuer: Končar – Electrical Industry Inc.

PIN: 45050126417

Reporting period: 1 January 2021 to 31 March 2021

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 – Electrical Industry 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 wholly-owned dependent and affiliated companies. The average number of employees in Q1 2021 was 53 (Q1 2020: 53 employees).

2 Significant accounting policies

These quarterly statements for the period ended 31 March 2021 are to be read together with the most recent annual financial statement of the Company as of and for the year ended 31 December 2020 ("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 at <https://www.koncar.hr/investitori/tromjesečna-financijska-izvješća/>.

While drawing up quarterly 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 quarterly financial statements are equal to those applied in the financial statements of the Company as of and for the year ended 31 December 2020.

Seasonal effects

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

3 Sales revenue

	January-March 2021 HRK	January-March 2020 HRK
Income from dividends /i/	41,495,381	36,225,199
Income from contracts with customers /ii/	12,813,301	12,426,752
	54,308,682	48,651,951
<i>/i/ Income from dividends</i>		
	January-March 2021 HRK	January-March 2020 HRK
Income from dividends – dependent companies	41,495,381	36,225,199
Income from dividends – affiliated companies	-	-
	41,495,381	36,225,199
<i>/ii/ Income from contracts with customers</i>		
	January-March 2021 HRK	January-March 2020 HRK
<i>Type of service</i>		
Income from brand fees (fees for using the company name, trademark and service mark)	5,839,830	5,851,631
Income from real estate management	6,000,000	6,000,000
Income from other fees	973,471	575,121
Total income from contracts with customers	12,813,301	12,426,752

4 Other income and operating expenses

During Q1 2021, there were no items of income or operating expenses of exceptional size or incidence that would consequently require additional disclosure.

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-March 2021 HRK	January-March 2020 HRK
Profit for the year	39,248,571	35,389,295
Weighted average number of shares	2,547,936	2,554,533
Earnings per share in HRK	15.4	13.85

7 Property, plant and equipment

During Q1 2021, the Company procured assets in the amount of HRK 688 thousand (Q1 2020: HRK 1,690 thousand), while depreciation costs amounted to HRK 2,121 thousand (Q1 2020: HRK 2,476 thousand).

8 Investments in subsidiaries

Compared to 31 December 2020, 554 shares of the company Končar – Engineering for Plant Installation & Commissioning were bought back. During Q1 2021, there were no changes regarding other investments in dependent and affiliated companies compared to 31 December 2020.

	31-Mar-21 HRK 000	31-Dec-20 HRK 000	31-Mar-21 Share in %	31-Dec-20 Share in %
Stakes (shares) in subsidiaries in Croatia				
Končar – Switchgear	134,364	134,364	100	100
Končar – Steel Structures, Zagreb	126,419	126,419	100	100
Končar – Generators and Motors, Zagreb	107,928	107,928	100	100
Končar – Distribution and Special Transformers, Zagreb	62,118	62,118	52,73	52,73
Končar – Electrical Engineering Institute, Zagreb	60,936	60,936	100	100
Končar – Infrastructure and Services, Zagreb	56,691	56,691	100	100
Končar – Electronics and Informatics, Zagreb	55,436	55,436	88,98	88,98
Končar – Renewable Energy Sources, Zagreb	55,207	55,207	90,3	90,3
Končar – Power Plant and Electric Traction Engineering, Zagreb	51,773	51,773	100	100
Končar – Small Electrical Machines, Zagreb	48,601	48,601	100	100
Končar – Electric Vehicles, Zagreb	36,409	36,409	75,04	75,04
Končar – Instrument Transformers, Zagreb	30,446	30,446	61,97	61,97
Končar – Engineering for Plant Installation & Commissioning, Zagreb	19,200	18,799	98,55	96,79
	845,528	845,127		

9 Capital and reserves

Share (subscribed) capital has a nominal value of HRK 1,208,895,930 (31 December 2020: HRK 1,208,895,930) and consists of 2,572,119 shares with a nominal value of HRK 470.00. The Company's ordinary shares are listed on the Official Market of Zagreb Stock Exchange, identified by the symbol KOEI-R-A. As at 31 March 2021, the Company owned 26,670 treasury shares (31 December 2020: 26,670 shares).

10 Contingent liabilities and off-balance sheet items

As at 31 March 2020, off-balance sheet items included mostly security instruments (also 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 HRK 736,408 thousand (31 December 2020: HRK 738,830 thousand); at the same time, the dependent companies issued security instruments to the Company with regard to the aforementioned transactions in the amount of HRK 686,970 thousand (31 December 2020: HRK 691,794 thousand).

11 Transactions with affiliated companies

<i>in HRK thousand</i>	Transactions for the quarter ended		Balance sheet	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
Income from services				
Dependent companies	12,384	11,889	14,993	10,289
Affiliated companies	262	418	283	340
Cost of services				
Dependent companies	4,152	5,387	25,496	23,414
Income from dividends				
Dependent companies	41,495	36,225	41,495	-
Affiliated companies	-	-	-	25,614
Finance income				
Dependent companies	-	18	-	13

12 Events after the balance sheet date

There have been no events occurring between the reporting date and the date of approval of the financial statements that could have a significant impact on the quarterly financial statements of the Company and as a result, those financial statements are appropriate for publication.

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 2021 to 31 March 2021 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 March 2021 gives a true and fair view of the company's business performance.

Signed on behalf of the Management Board:

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



Josip Lasić, CFA
Member of the Management Board and CFO



Zagreb, 29 April 2021

