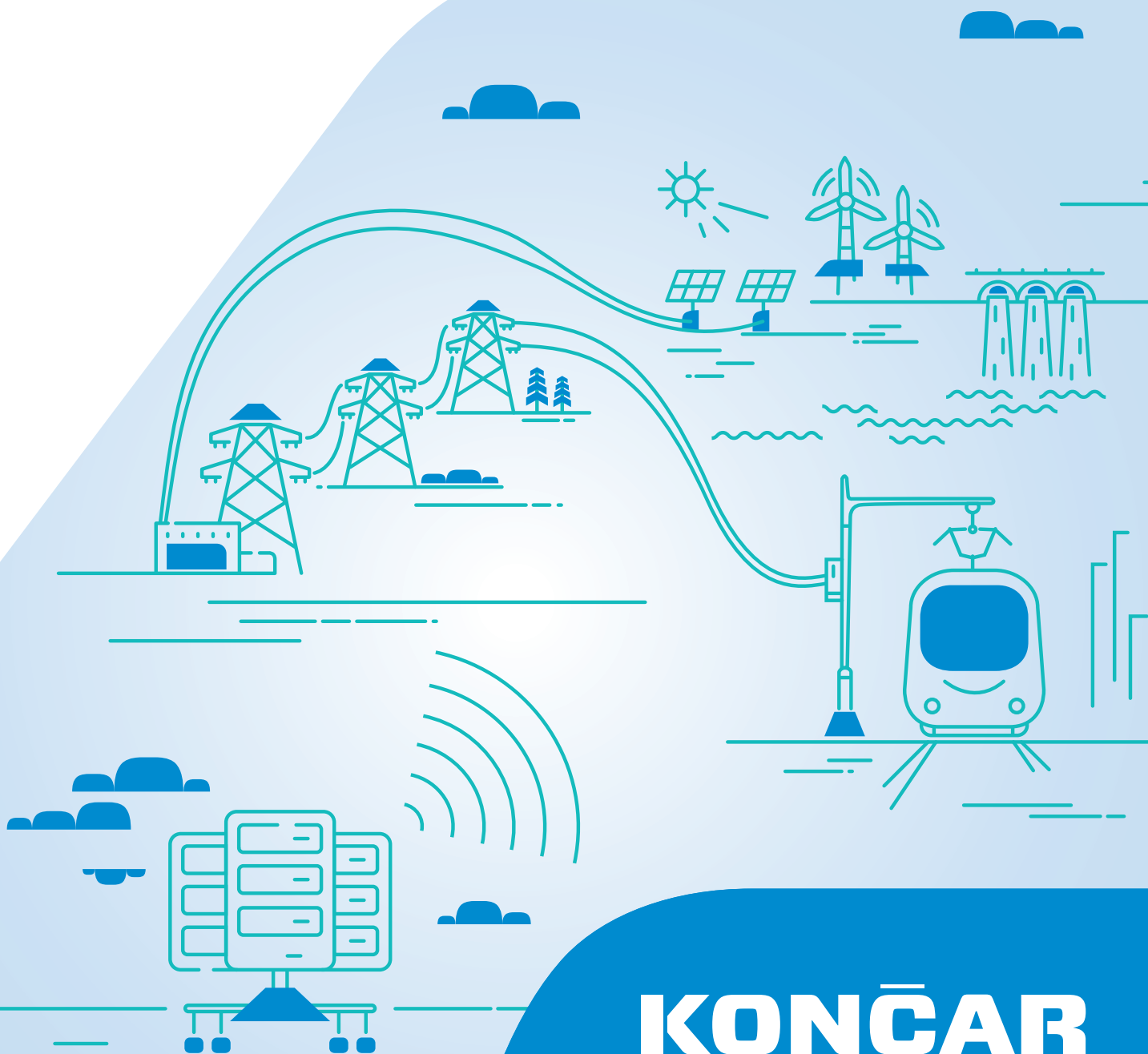


Unaudited Business Results of KONČAR Group

Unaudited Consolidated Statements for KONČAR Group

January – June
2023



KONČAR

Inspired by challenge

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Key performance indicators

Export	Sales revenue
+39%	+33%
Order intake	Order intake export
+97%	+117,4%
Backlog	Book-to-bill ratio
+37,6%	2,0

Compared to H1 2022
Backlog compared to 31 December 2022

Key performance indicators - normalized

EBITDA	EBITDA margin
+68,4%	+1,9 p.p.
EBIT	EBIT margin
+100,5%	+2,2 p.p.
Net profit	Net margin
+119,5%	+2,4 p.p.

Normalized data:

Excluded income from:

- property sales
- collection of damages
- reservation balance
- revenues from bargain purchases

Compared to H1 2022

KONCAR

A Statement of the Management Board

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



KONČAR Group continues to deliver outstanding results in Q2 2023.

We have achieved another milestone with record-breaking order intake in H1 2023. New order intake reaches EUR 748.1 million, nearly doubling H1 2022 performance. Backlog currently stands at EUR 1,337.4 million and we are delighted to report that the 2024 backlog has already reached EUR 630 million. During H1 2023, we have also secured new orders for 2025 worth EUR 139 million.

Exceptionally strong performance was realized in the power transmission and distribution segment. Growing demand for transformers across the EU is driven by the accelerating green transition. Customers, primarily in competitive markets such as Germany, Sweden and Austria, have recognized the quality and reliability of KONČAR solutions, and the reputation we have been consistently building over the years has resulted in record-high order intake. Strong H1 2023 book-to-bill ratio in the German market stands at 3.2, reflecting market conditions and surging demand for power engineering equipment.

Excellent order intake, expanding backlog and growing income have generated outstanding financial results. All key performance indicators point to an upward trend despite rising operating costs which remain considerably above the pre-pandemic and pre-war in Ukraine levels.

Consolidated revenue generated from the sale of goods and services amounts to EUR 382.9 million, representing a year-on-year increase of EUR 93.9 million or 32.5%. Exports account for 67% of the total revenue from the sale of goods and services and continue to expand. While the EU remains our key export market, constituting nearly 75% of total exports, growth was recorded across all other markets.

Financial performance should be observed on a normalized basis year-over-year, as H1 2022 results were exposed to significant one-off items.

Normalized EBITDA amounts to EUR 34.3 million and is EUR 13.9 million or 68.4% higher year-on-year. Normalized EBITDA margin is 9 % (it amounted to 7.1% in H1 2022). Normalized net profit doubled from EUR 12.7 in H1 2022 to EUR 23.3 million in H1 2023. Although soaring prices of commodities and raw materials have levelled off, the market remains exposed to great uncertainty arising from the ongoing war in Ukraine.

One of the most significant events for KONČAR Group in Q2 was the EUR 37.8 Sales Agreement signed with Zagreb's public transit operator, Zagrebački električni tramvaj, for the purchase of 20 trams. The Agreement was signed as part of the project *The application of green technologies in railway passenger transport included in the 2021 - 2026 National Recovery and Resilience Plan*. This Agreement represents the continuation of the successful cooperation between KONČAR and ZET, which includes the delivery of the total of 142 low-floor trams in the period 2005-2010.

We have successfully realized, and in some segments even outperformed, our H1 2023 plan. We can therefore confidently set more ambitious targets and enhance our performance in the upcoming period.

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

A handwritten signature in blue ink, appearing to read 'G. Kolak', positioned below the printed name and title.

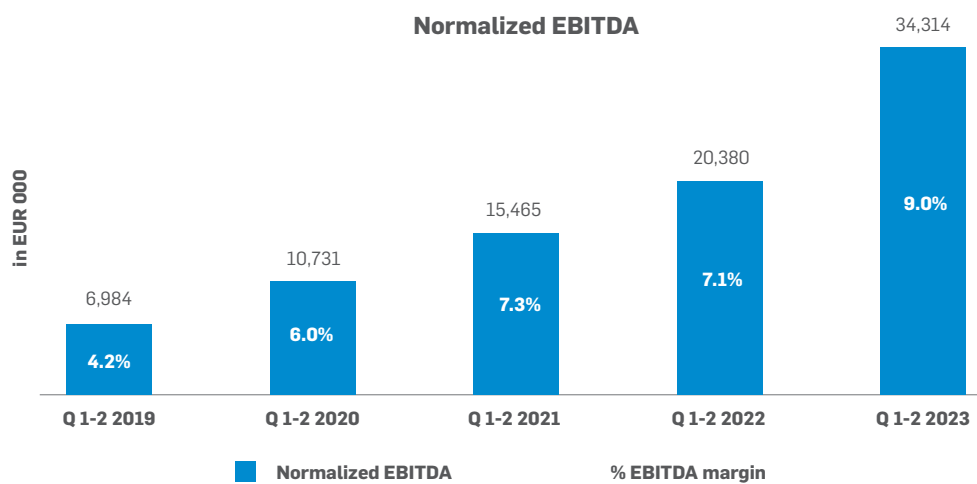
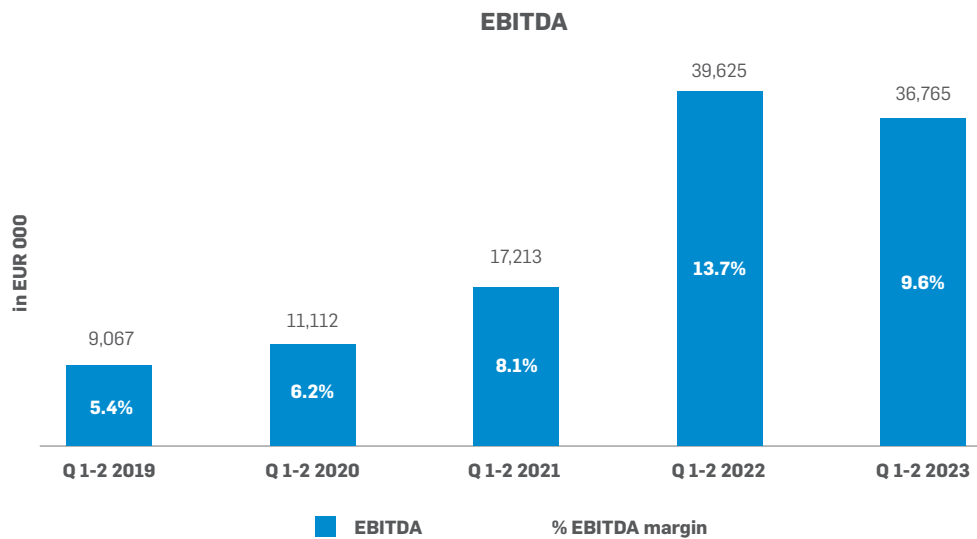
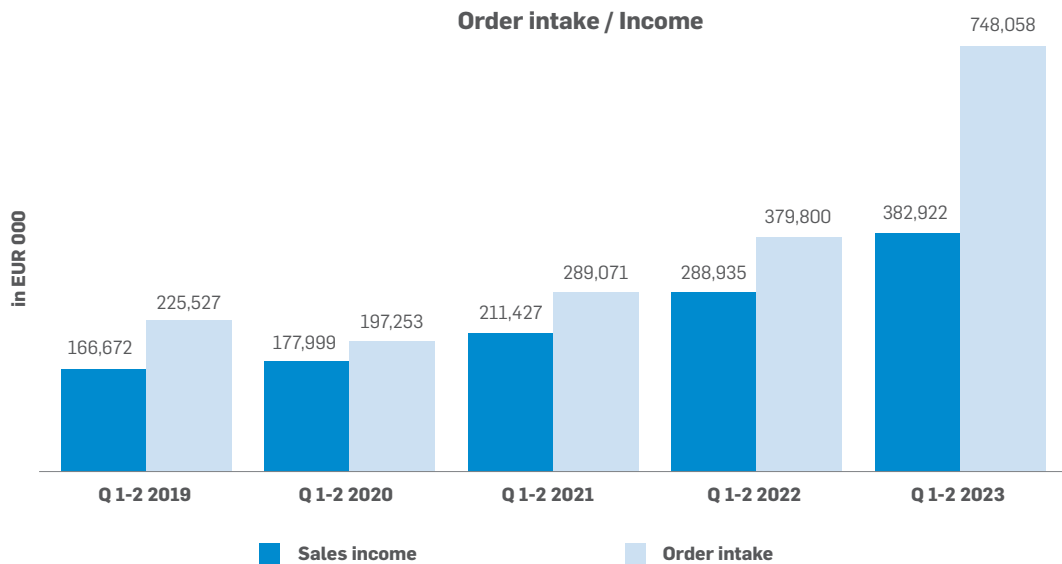
KEY PERFORMANCE INDICATORS OF KONČAR GROUP OPERATIONS FOR THE PERIOD JANUARY - JUNE 2023

Key Performance Indicators

	Index			
in EUR 000	Q 1-2 2022	Q 1-2 2023	Δ	2023/2022
Operating income	311,490	391,969	80,479	125.8
Sales income- total	288,935	382,922	93,987	132.5
Sales income- export	184,917	256,674	71,757	138.8
Operating expenses	279,777	364,524	84,747	130.3
Operating profit	31,713	27,445	-4,268	86.5
Operating margin	11.0%	7.2%		
Normalized operating profit	12,524	24,994	12,470	199.6
Normalized operating margin	4.3%	6.5%		
Net profit	29,810	25,767	-4,043	86.4
Normalized net profit	10,621	23,316	12,695	219.5
Normalized net profit margin	3.7%	6.1%		
Depreciation and amortization	7,912	9,320	1,408	117.8
EBITDA	39,625	36,765	-2,860	92.8
EBITDA margin	13.7%	9.6%		
Normalized EBITDA ¹	20,436	34,314	13,878	167.9
Normalized EBITDA margin ¹	7.1%	9.0%		
Order intake	379,800	748,058	368,258	197.0
Backlog²	972,240	1,337,376	365,136	137.6
Book-to-bill ratio	1.3	2.0		

Normalized EBITDA¹: EBITDA less the net effect of provisions, asset sale income, loss compensation income and other operating income.
Backlog²: as at 31 December 2022.





Income Statement

For the period January - June 2023, KONČAR Group member companies realized total operating income in the amount of EUR 392.0 million, which represents an increase of EUR 80.5 million or 25.8% rise year-on-year. Revenue generated from the sale of goods and services accounts for 97.7% of the total operating income.

Consolidated revenue generated from the sale of goods and services amounts to EUR 382.9 million, representing EUR 93.9 million or 32.5% increase year-on-year.

Other operating income amounts to EUR 9.0 million, representing a year-on-year decline of EUR 13.4 million.

Operating expenses amount to HRK 364.5 million, which is a year-over-year increase of 30.3%. With reference to operating expenses, material costs (cost of raw materials and commodities, costs of goods sold and other external costs) amount to EUR 289.8 million and are EUR 74.6 million (35%) higher compared to H1 2022. The share of material costs in sales revenue, adjusted for inventory value changes, amounts to 70.9%, representing a rise of 0.2 percentage points compared to the same period in the previous year. Over the course of Q2, the costs of raw materials and commodities levelled off. The share of raw materials and materials in sales revenue stands at 56.7% which represents a 1% decline year-over-year. Costs of goods sold rose from 2.5% in H1 2022 to 5%.

Staff costs amount to EUR 68.8 million, representing a year-on-year increase of EUR 13 million or 23.3%. The share of staff costs in sales revenue amounts to 16.8%, down by 1.5 percentage points year-over-year.

With respect to H1 2022, other operating expenses increased by EUR 4.7 million and amount to EUR 20.2 million. Other operating expenses pertain to staff remuneration and other employees' benefits, manufacturing services, intellectual services, insurance premiums and other. The share of other costs in adjusted sales revenue is down by 0.2 percentage points year-on-year.

Operating profit (EBIT) amounts to EUR 27.4 million, which is a year-over-year decrease of EUR 4.2 million. Operating margin stands at 7.2%. Normalized operating profit amounts to EUR 25 million, which is EUR 12.5 million rise year-over-year. Normalized EBIT margin is 6.5% which is a 2.2 percentage points improvement on last year's performance (4.3% in H1 2022).

The associate company realized EUR 8.9 million in profit, significantly outperforming H1 2022.

The share in profit of associated parties and joint ventures amounts to EUR 3 million. The balance of profit and loss from the associate company and joint ventures stands at EUR 3.4 million.

in EUR 000	Index			
	Q 1-2 2022	Q 1-2 2023	Δ	2023/2022
OPERATING INCOME	311,490	391,969	80,479	125.8
OPERATING EXPENSES	279,777	364,525	84,748	130.3
Material costs and change in value of inventories	199,555	264,235	64,680	132.4
Staff costs	55,793	68,798	13,005	123.3
Depreciation and amortization	7,912	9,320	1,408	117.8
Other costs	16,225	22,003	5,778	135.6
Value adjustment of non-current and current assets	292	169	-123	57.9
OPERATING PROFIT	31,713	27,444	-4,269	86.5
SHARE IN PROFIT OD ASSOCIATED PARTIES	1,254	3,381	2,127	269.6
SHARE IN LOSS OD ASSOCIATED PARTIES	7	6	-1	85.7
FINANCE INCOME	573	691	118	120.6
FINANCE EXPENSES	1,055	1,508	453	142.9
TOTAL INCOME	313,317	396,041	82,724	126.4
TOTAL EXPENSES	280,839	366,039	85,200	130.3
Profit before taxation	32,478	30,002	-2,476	92.4
Income tax	2,583	4,235	1,652	164.0
Gubitak iz prekinutog poslovanja	-85			
PROFIT FOR THE PERIOD	29,810	25,767	-4,043	86.4

The difference between finance income and expenses is negative amounting to EUR 0.8 million.

Total consolidated income generated by the Group amounts to EUR 396.0 million, a growth of EUR 82.7 million or 26.4% year-over-year. Operating profit of EUR 27.4 million, share in the profit of associated parties and joint ventures in the amount of EUR 3.4 million and a negative difference between finance income and expenses in the amount of EUR 0.8 million, result in consolidated profit before tax amounting to EUR 30 million. Income tax advance amounts to EUR 4.2 million. Realized net profit for the reporting period stands at EUR 25.8 million. KONČAR Group recorded a decline in the consolidated result of EUR 4.1 million compared to the corresponding period in 2022.

Normalized net profit doubled from EUR 12.7 million in H1 2022 to EUR 23.3 million in H1 2023. Normalized net margin outperformed the plan by 14.2%.

EBITDA amounts to EUR 36.8 million, down by EUR 2.8 million compared to H1 2022 EBITDA. EBITDA margin is 9.6% (in H1 2022 it stood at 13.7%).

Normalized EBITDA amounts to EUR 34.3 million and is HRK 13.9 million or 68.4% higher year-on-year. Normalized EBITDA is EBITDA less the net effect of provisions, asset sale income, loss compensation income, and a one-off effect of the transaction related to Dalekovod in 2022, income realized from the acquisition of the limited liability companies Electrical Equipment and Telenerg, and increased by value adjustment of non-current and current assets. Normalized EBITDA margin is 9 percent (it amounted to 7.1% in H1 2022).

Statement of Financial position

in EUR 000	31 December 2022	30 June 2023	Δ
Loan liabilities to banks and other financial institutions	74,868	74,146	-722
Lease liabilities	5,233	4,559	-674
Loan liabilities to related parties (non-current)	47	47	0
Financial assets	2,916	2,075	-841
Cash and cash equivalents	57,263	84,487	27,224
Net debt	19,969	-7,810	-27,779
Net debt / normalizes EBITDA	0.3	neg	

in EUR 000	31 December 2022	30 June 2023	Δ
Current assets	538,857	582,780	43,923
Current liabilities	285,264	320,205	34,941
Current ratio	1.9	1.8	

Summarised Statement of Financial position

in EUR 000	31 December 2022	30 June 2023	Δ
Non-current assets	262,541	284,668	22,127
Current assets	538,857	582,782	43,925
Assets	801,398	867,450	66,052
Capital and reserves	460,469	477,180	16,711
Long-term liabilities	55,665	70,065	14,400
Short-term liabilities	285,264	320,205	34,941
Total equity and liabilities	801,398	867,450	66,052

in EUR 000	31 December 2022	30 June 2023	Δ
Net debt	19,969	-7,810	
Equity	460,469	470,720	10,251
Debt indicator	4.3%	-1.7%	

Statement of Financial Position

Key Indicators of the Statement of Financial Position as at 30 June 2023

The balance of total consolidated funds and sources of funding as at 30 June 2023 amounts to EUR 867.5 million, representing a growth of EUR 66.1 million or 8.2% compared to the balance as at 31 December 2022.

In the structure of assets, total non-current assets amount to EUR 284.7 million, which accounts for 32.8% of the total assets. In the non-current assets, a significant change is recorded in intangible assets which expanded by EUR 12.5 million (the most significant share pertains to goodwill from an company acquisition in the amount of EUR 10.8 million) and in the buildings item, which is up by EUR 9.6 million. The growth mainly pertains to the commissioning of a new laboratory building at KONČAR - Electrical Engineering Institute and the acquisition of the limited liability company KONČAR - Electrical Equipment in Split. At the same time, plant and equipment under construction decreased by EUR 4.3 million (the most significant share pertains to the commissioning of the laboratory at KONČAR - Electrical Engineering Institute).

As at 30 June 2023, current assets amount to EUR 575.1 million, which is EUR 42.4 million rise compared to the balance as at 31 December 2022. Inventories increased by EUR 27.1 million. The inventories increase is a result of growing order intake which will lead to larger delivery volumes in the upcoming period, reflected primarily in the work in progress item (up by EUR 18.7 million) and finished goods item (up by EUR 7 million).

- Total current receivables are down by EUR 11.0 million. Trade receivables and contract assets decreased by EUR 9.4 million. Dividend receivables are reduced by EUR 5.1 million (dividend from KONČAR - Power Transformers). Other receivables are up by EUR 3.4 million.
- Financial assets are EUR 0.9 below the balance as at 2022 year-end.
- At Group level, cash balance grew by EUR 27.2 million. The rise is the result of receivables collection for deliveries realized in the previous period.

Sources of funding item records the following changes as at 30 June 2023:

- Equity, capital reserves, reserves from retained earnings, profit for the period amount to EUR 477.2 million, which represents an increase of EUR 16.7 million compared to the balance as at 2022 year-end and is the result of the realized net profit for the reporting period.
- Non-current provisions amount to EUR 26.4 million, an increase of EUR 1.0 million compared to 2022 year-end.
- Non-current liabilities stand at EUR 43.7 million, representing an increase of EUR 13.4 million. Non-current liabilities towards banks and other financial institutions rose by EUR 7.4 million, and other non-current liabilities are up by EUR 6 million.
- Current liabilities amount to EUR 286.0 million, which is an increase of EUR 26.0 million compared to the balance as at 31 December 2022.
- In the structure of current liabilities, there are significant changes in liabilities for advances received, which went up by EUR 44.1 million. Current liabilities towards banks and other financial institutions declined by EUR 15.5 million and trade payables decreased by EUR 8.0 million.
- Accrued expenses and deferred income amount to EUR 34.2 million, representing a fall of EUR 8.9 million.
- In the structure of sources of funding, subscribed capital, reserves, reserves from retained earnings, profit for the period and non-controlling (minority) interest amount to EUR 477.2 million, which accounts for 55% of the total sources of funding. Non-current provisions amount to EUR 26.4 million accounting for 3% of the total sources. Total non-current and current provisions amount to EUR 329.7 million and account for 38% of the total sources. In the structure of current liabilities, accounts payable in the amount of EUR 106.5 million make up 12.3% of the total sources. Total liabilities towards banks for loans (short-term and long-term) amount to EUR 67.1 million, or 7.7% of the total sources.

As of 30 June 2023, contingent liabilities (off-balance sheet items) amount to EUR 629.0 million, which represents an increase of EUR 22.2 million compared to the balance as at 31 December 2022. Contingent liabilities pertain to issued payment securities (guarantees, letters of credit, promissory notes) and they largely pertain to issued payment securities at KONČAR-Electric Vehicles (agreement completion with HŽ Passenger Transport), KONČAR - Engineering and KONČAR - Generators and Motors (Senj HPP), and KONČAR - Distribution and Special Transformers.

Total current assets and prepaid expenses exceed 1.8 times total current liabilities, accrued expenses and deferred income. The structure of the Consolidated Statement of Financial Position indicates a sound balance between sources of funding and investments and an overall financial stability of KONČAR Group.

Market position

Consolidated revenue generated from the sale of goods and services amounts to EUR 382.9 million, representing a year-on-year increase of EUR 93.9 million or 32.5%, and 7.3% above plan.

Revenue generated in the Croatian market amounts to EUR 126.2 million, which is EUR 22.1 million or 21.3% upturn on H1 2022. The share of sales revenue realized in the domestic market continues to shrink and amounts to 33% for the reporting period.

In the structure of sales revenue realized in the domestic market, revenue from the sale of goods and services to HEP Group companies (HEP-Generation, HEP-Distribution System Operator, Croatian Transmission System Operator, Brodamerkur and Brodometalurgija for HEP) amount to EUR 44.4 million (11.6% of the total revenue from the sale of goods and services). Year-over-year, revenue generated from the sale of goods and services to HEP increased by EUR 2.9 million, with realization on plan.

Revenue from the sale of goods and services to HŽ Passenger Transport, HŽ Infrastructure and Rolling Stock Technical Services amounts to EUR 27.9 million (7.3% of the total sales revenue). Sales realization remains steady year-on-year.

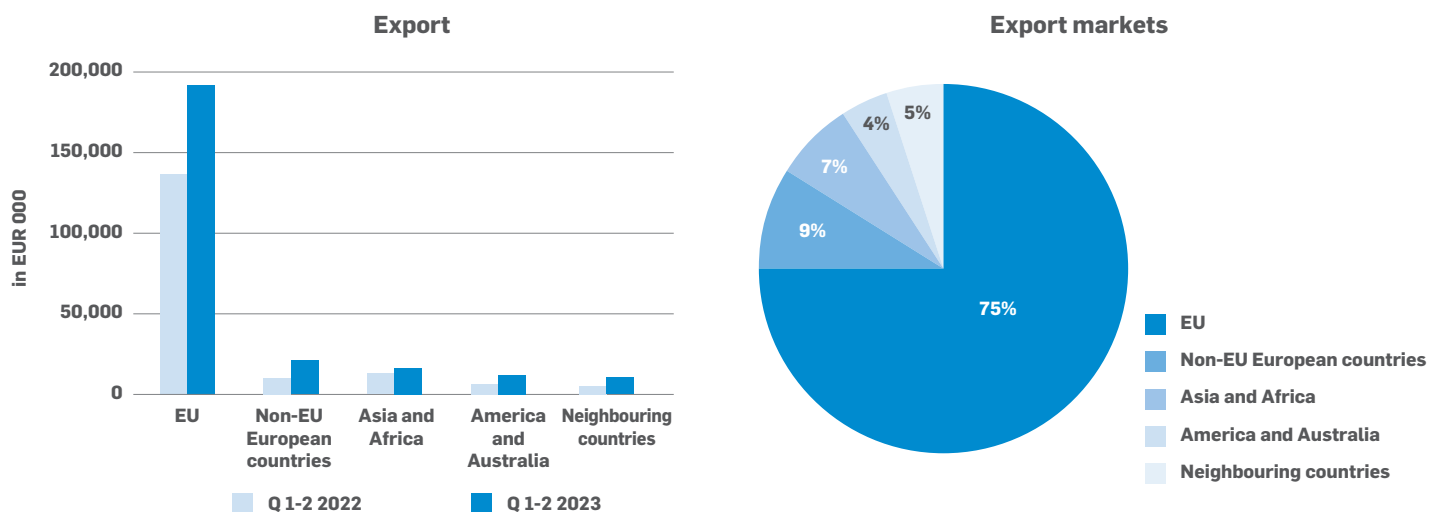
Revenue generated from the sale of goods and services in foreign markets is above plan and outperforms H1 2022 realization. Exports amount to EUR 256.7 million, which is EUR 71.8 million or 38.8% surge year-on-year.

Exports account for 67% of the total revenue from the sale of goods and services.

By country, the most significant export volume pertains to the German market, in the amount of EUR 45.3 million, accounting for 17.7% of the total exports (a growth of EUR 17.7 million year-on-year). Goods and services exported to Sweden amount to EUR 39.6 million (15.4% of the total exports), followed by Austria with EUR 16 million (6.2% of the total exports).

Year-over-year, goods and service export revenue increased across all markets. The most significant growth is recorded across the EU market, increased by EUR 48.4 million. Exports to the European Union countries amount to EUR 191.6 million and constitute 74.6% of the total exports.

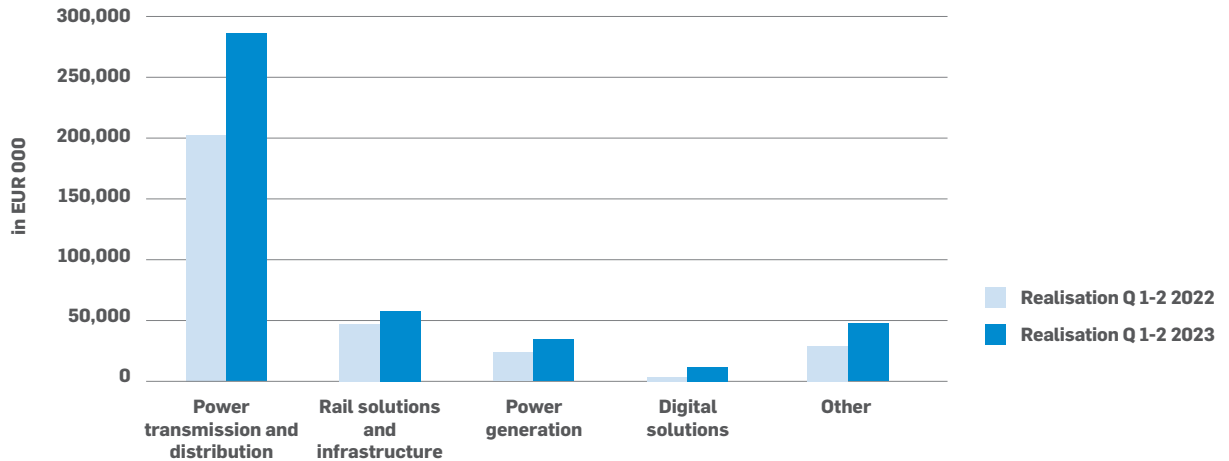
In Q2 order intake in foreign markets continued to grow significantly, creating conditions for further export growth in the upcoming period.



Income by segments

in EUR 000

Segment	Q 1-2 2022	Q 1-2 2023
Power transmission and distribution	203,599	284,098
Rails solutions and infrastructure	48,312	54,514
Power generation	27,892	30,873
Digital solutions	1,883	8,454
Other	36,272	45,514
Total Sales Income Unconsolidated	317,958	423,453



Order intake and backlog

Strong order intake growth persisted throughout Q2 2023.

In H1 2023, KONČAR Group companies contracted new projects worth EUR 748.1 million, doubling H1 2022 performance (EUR 379.8 million in new order intake).

Book-to-bill ratio for H1 2023 is 2.0.

A considerable improvement in order intake is recorded in the companies operating in the power transmission and distribution segment, with KONČAR - Distribution and Special Transformers and KONČAR - Instrument Transformers.

Out of the total amount of order intake, EUR 584.7 million (78% of the total order intake) pertains to export agreements, whereas EUR 163.3 million (22% of the total order intake) pertains to the Croatian market. It should be highlighted that book-to-bill ratio in foreign markets amounts to 2.3.

In terms of order intake in the domestic market, the most significant volume in the amount of EUR 46.2 million pertains to agreements with HEP Group accounts for 6.1% of the total order intake.

In June, KONČAR and Zagrebački električni tramvaj d.o.o. signed a Sales Agreement worth EUR 37.8 million. The subject of the Agreement is the purchase and sale of 20 trams. The Agreement was signed as part of the project The application of green technologies in railway passenger transport included in the 2021 - 2026 National Recovery and Resilience Plan (NRRP). The Agreement completion date and delivery deadline is 22 December 2025. This Agreement represents the continuation of the successful cooperation between KONČAR and ZET, which includes the delivery of the total of 142 low-floor trams in the period 2005-2010. Together with tram maintenance service agreement, the order intake from ZET totals EUR 44.3 million or 6% of the domestic order intake.

Significant contracts on domestic market are Dalekovod contract with HOPS amounting EUR 13 million (Krš-Padene) and KONČAR - Engineering contract with Strabag in amount of EUR 8.7 million for railway line reconstruction Hrvatski Leskovac – Karlovac.

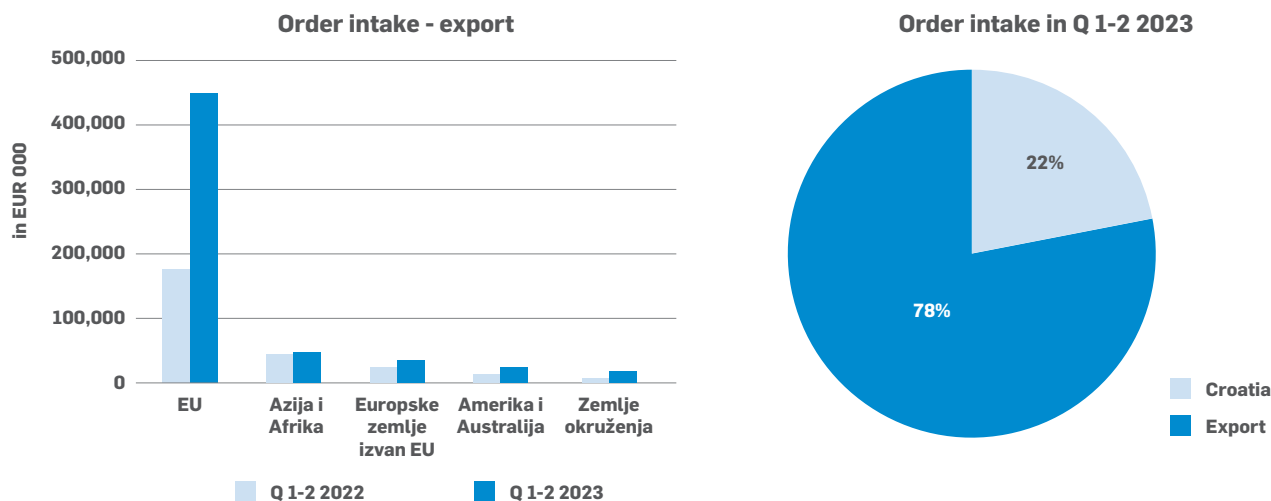
New order intake in foreign markets amounts to EUR 584.7 million, which is EUR 368.3 million above H1 2022. Of the total order intake in foreign markets, the majority pertains to European Union countries, amounting to EUR 456.9 million, which is EUR 278.8 million above H1 2022 realization. The EU market accounts for 78% of the total order intake. New order intake recorded an expansion across all markets compared to H1 2022.

Broken down by countries, the most significant order intake volume pertains to the German market, in the amount of EUR 143.1 million. Book-to-bill ratio in the German market is high and stands at 3.2. Year-over-year, order intake grew by EUR 97.8 million over order realization. New order intake in the Swedish market amounts to EUR 82.7 million, while in Austria it amounts to EUR 56.6 million.

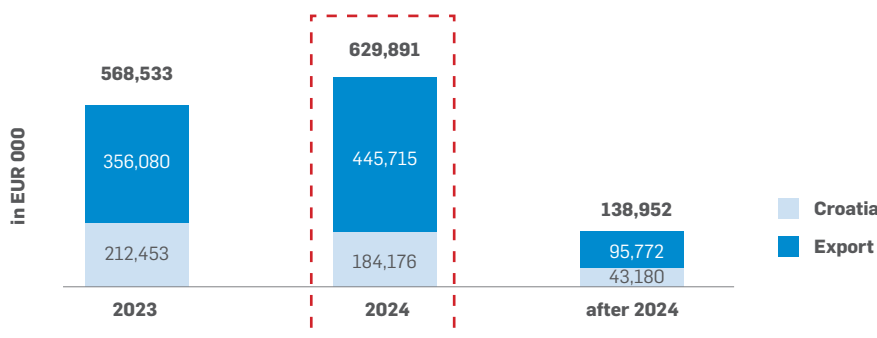
In terms of delivery dynamics, EUR 263.4 million is contracted for realization in 2023, which accounts for 35.6% of new order intake, while EUR 345.7 million (46.2 %) is contracted for realization in the upcoming years, and significant amount of EUR 139 million is contracted for 2025.

Backlog as at the end of June 2023 amounts to EUR 1,337.4 million, representing a 37.6% increase compared to the value at year-start. At the end of H1 2023 backlog is up by HRK 447.2 million year-on-year (EUR 890.2 million as at 30 June 2022).

In open liabilities, contracts to be realized in 2023 amount to EUR 568.5 million, which ensures a realistic basis for realization above the 2023 plan.



Očekivani prihodi generirani iz *backloga*



Information for Shareholders

KOEI-R-A	30.6.2022	30.6.2023	Index
Final price (EUR)	116,13	151,00	130,0
Highest price (EUR)	116,80	153,00	131,0
Lowest price (EUR)	116,13	115,00	99,0
Volume	70.215	27.468	39,1
Turnover (EUR)	7.902.676,36	3.623.630,00	45,9
Market capitalisation (EUR)	295.609.247,46	384.467.140,00	130,1
EPS (EUR) (profit of the parent company/weighted average number of shares)	7,5	6,8	91,0

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

The Company's share capital amounts to EUR 160,448,062.91 and consists of 2,572,119 ordinary shares each in the nominal value of EUR 62.38.

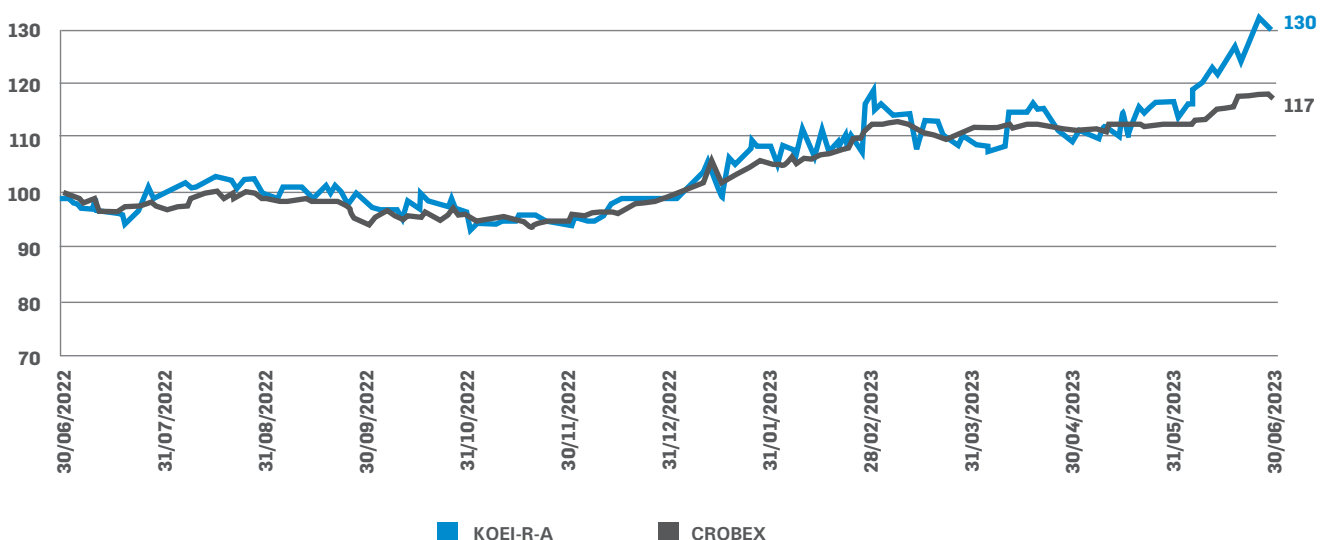
Parent Company's earnings per share, based on H1 2022 results amount to EUR 6.8.

Market capitalization amounts to EUR 384.5 million, which is an increase of EUR 88.9 million year-over-year.

At the end of June 2023, KONČAR's share reached its 15-year record and peaked at EUR 153.

The General Assembly of KONČAR - Electrical Industry Inc. was held on 13 June 2023. The General Assembly adopted a Resolution on the Distribution of Dividend to the Shareholders in the amount of EUR 2.0 per share. The Resolution on the Distribution of Dividend was passed unanimously.

Indices of KOEI price and CROBEX value changes



B Unaudited consolidated financial statements of KONČA Group for the period January – June 2023

Annex 1

ISSUER'S GENERAL DATA

Reporting period:	01/01/2023	to	30/06/2023
Year:	2023	Quarter:	2

Quarterly financial statements

Registration number (MB):	03282635	Issuer's home Member State code:	HR
Entity's registration number (MBS):	080040936		
Personal identification number (OIB):	45050126417	LEI:	74780000HOSHMRW0I15
Institution code:	501		
Name of the issuer:	KONČAR - ELECTRICAL INDUSTRY INC.		
Postcode and town:	10000	ZAGREB	
Street and house number:	FALLEROVO ŠETALIŠTE 22		
E-mail address:	koncar.finance@koncar.hr		
Web address:	www.koncar.hr		
Number of employees (end of the reporting period):	4924		
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 Ltd.	Zagreb	3645363
KONČAR - Electronics and Informatics Inc.	Zagreb	3282899
KONČAR - Motors and Electrical Systems Ltd.	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 Ltd.	Zagreb	3641287
KONČAR - Electric Vehicles Inc.	Zagreb	3282660
KONČAR - Engineering Co. Ltd.	Zagreb	3654354
KONČAR - Metal Structures Ltd.	Zagreb	1114328
KONČAR - Investments Ltd.	Zagreb	5423392
KONČAR - Digital Ltd.	Zagreb	5478421

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

BALANCE SHEET

balance as at 30.06.2023

in EUR

Submitter: KONČAR - ELECTRICAL INDUSTRY Inc.			
Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID	001	0	0
B) FIXED ASSETS (ADP 003+010+020+031+036)	002	262,540,875	284,668,081
I INTANGIBLE ASSETS (ADP 004 to 009)	003	11,794,794	24,285,524
1 Research and development	004	2,931,309	2,917,942
2 Concessions, patents, licences, trademarks, software and other rights	005	3,456,994	3,319,889
3, Goodwill	006	1,135,920	13,043,415
4 Advances for the purchase of intangible assets	007	0	0
5 Intangible assets in preparation	008	4,267,838	5,002,121
6 Other intangible assets	009	2,733	2,157
II TANGIBLE ASSETS (ADP 011 to 019)	010	202,746,228	208,837,534
1 Land	011	39,517,143	40,270,759
2 Buildings	012	63,068,977	72,403,180
3 Plant and equipment	013	53,837,485	53,484,293
4 Tools, working inventory and transportation assets	014	12,015,966	12,519,501
5 Biological assets	015	0	0
6 Advances for the purchase of tangible assets	016	6,588,811	6,807,372
7 Tangible assets in preparation	017	11,165,793	6,875,865
8 Other tangible assets	018	316,047	319,711
9 Investment property	019	16,236,006	16,156,853
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	35,453,356	38,832,728
1 Investments in holdings (shares) of undertakings within the group	021	10,921	8,269
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	29,022,513	31,948,426
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	322,839	390,636
8 Loans, deposits, etc, given	028	2,242,527	2,279,244
9 Other investments accounted for using the equity method	029	3,100,603	3,449,339
10 Other fixed financial assets	030	753,953	756,814
IV RECEIVABLES (ADP 032 to 035)	031	6,319,888	6,775,768
1 Receivables from undertakings within the group	032	0	0
2 Receivables from companies linked by virtue of participating interests	033	0	0
3 Customer receivables	034	1,582,841	1,729,321
4 Other receivables	035	4,737,047	5,046,447
V DEFERRED TAX ASSETS	036	6,226,609	5,936,527
C) CURRENT ASSETS (ADP 038+046+053+063)	037	532,673,104	575,099,376
I INVENTORIES (ADP 039 to 045)	038	191,523,077	218,650,559
1 Raw materials and consumables	039	114,009,424	113,940,308
2 Work in progress	040	41,355,158	60,230,239
3 Finished goods	041	24,260,460	31,214,296
4 Merchandise	042	806,136	2,820,763
5 Advances for inventories	043	9,026,043	8,387,817
6 Fixed assets held for sale	044	2,065,856	2,057,136
7 Biological assets	045	0	0

BALANCE SHEET

balance as at 30.06.2023

in EUR

Submitter: KONČAR - ELECTRICAL INDUSTRY Inc.			
Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
II RECEIVABLES (ADP 047 to 052)			
	046	280,904,899	269,886,936
1 Receivables from undertakings within the group	047	0	0
2 Receivables from companies linked by virtue of participating interests	048	8,458,383	4,423,334
3 Customer receivables	049	237,067,484	227,413,076
4 Receivables from employees and members of the undertaking	050	81,354	237,963
5 Receivables from government and other institutions	051	9,817,351	10,217,811
6 Other receivables	052	25,480,327	27,594,752
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)			
	053	2,982,425	2,074,598
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	2,078,807	1,476,982
9 Other financial assets	062	903,618	597,616
IV CASH AT BANK AND IN HAND			
	063	57,262,703	84,487,283
D) PREPAID EXPENSES AND ACCRUED INCOME			
	064	6,184,248	7,681,745
E) TOTAL ASSETS (ADP 001+002+037+064)			
	065	801,398,227	867,449,202
OFF-BALANCE SHEET ITEMS			
	066	606,800,054	628,994,694
LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to 070+076+077+081+084+087)			
	067	460,468,534	477,180,496
I INITIAL (SUBSCRIBED) CAPITAL			
	068	160,448,063	160,448,063
II CAPITAL RESERVES			
	069	95,505	95,505
III RESERVES FROM PROFIT (ADP 071+072-073+074+075)			
	070	111,871,146	110,215,110
1 Legal reserves	071	9,662,202	9,726,616
2 Reserves for treasury shares	072	4,526,798	4,526,798
3 Treasury shares and holdings (deductible item)	073	-2,051,700	-2,051,700
4 Statutory reserves	074	67,872,168	65,869,441
5 Other reserves	075	31,861,678	32,143,955
IV REVALUATION RESERVES			
	076	0	0
V FAIR VALUE RESERVES AND OTHER (ADP 078 to 082)			
	077	-29,495	69,559
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	-13,351	0
5 Exchange differences arising from the translation of foreign operations (consolidation)	082	-16,144	69,559
VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 084-085)			
	083	58,812,800	86,968,759
1 Retained profit	084	58,812,800	86,968,759
2 Loss brought forward	085	0	0
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 087-088)			
	086	34,568,528	17,426,038
1 Profit for the business year	087	34,568,528	17,426,038
2 Loss for the business year	088	0	0
VIII MINORITY (NON-CONTROLLING) INTEREST			
	089	94,701,987	101,957,462

BALANCE SHEET

balance as at 30.06.2023

in EUR

Submitter: KONČAR - ELECTRICAL INDUSTRY Inc.			
Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
B) PROVISIONS (ADP 091 to 096)	090	25,364,022	26,372,698
1 Provisions for pensions, termination benefits and similar obligations	091	4,781,289	4,581,812
2 Provisions for tax liabilities	092	0	42,472
3 Provisions for ongoing legal cases	093	3,402,745	2,941,473
4 Provisions for renewal of natural resources	094	837,337	837,337
5 Provisions for warranty obligations	095	16,302,287	17,604,987
6 Other provisions	096	40,364	364,617
C) LONG-TERM LIABILITIES (ADP 098 to 108)	097	30,301,402	43,691,988
1 Liabilities to undertakings within the group	098	0	0
2 Liabilities for loans, deposits, etc, of undertakings within the group	099	0	0
3 Liabilities to companies linked by virtue of participating interests	100	0	0
4 Liabilities for loans, deposits etc, of companies linked by virtue of participating interests	101	0	0
5 Liabilities for loans, deposits etc,	102	46,453	46,453
6 Liabilities to banks and other financial institutions	103	22,533,270	30,321,544
7 Liabilities for advance payments	104	0	0
8 Liabilities to suppliers	105	0	0
9 Liabilities for securities	106	1,540,381	1,345,407
10 Other long-term liabilities	107	3,755,328	9,559,361
11 Deferred tax liability	108	2,425,970	2,419,223
D) SHORT-TERM LIABILITIES (ADP 110 to 123)	109	259,980,794	285,963,513
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	9,390,355	5,683,641
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	14,600
6 Liabilities to banks and other financial institutions	115	52,334,533	36,822,123
7 Liabilities for advance payments	116	45,502,012	89,586,627
8 Liabilities to suppliers	117	110,720,056	102,730,243
9 Liabilities for securities	118	187,537	195,035
10 Liabilities to employees	119	9,213,419	11,053,617
11 Taxes, contributions and similar liabilities	120	17,022,118	15,055,194
12 Liabilities arising from the share in the result	121	97,265	5,185,880
13 Liabilities arising from fixed assets held for sale	122	119,185	62,468
14 Other short-term liabilities	123	15,394,314	19,574,085
E) ACCRUALS AND DEFERRED INCOME	124	25,283,483	34,240,886
F) TOTAL – LIABILITIES (ADP 067+090+097+109+124)	125	801,398,235	867,449,581
G) OFF-BALANCE SHEET ITEMS	126	606,800,054	628,994,694

STATEMENT OF PROFIT OR LOSS for the period 01.01.2023 to 30.06.2023

in EUR

Submitter: KONČAR - ELECTRICAL INDUSTRY Inc.					
Item	AOP code	Same period of the previous year		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
I OPERATING INCOME (ADP 002 to 006)	001	311,489,881	184,940,763	391,969,489	215,998,688
1 Income from sales with undertakings within the group	002	0	0	0	0
2 Income from sales (outside group)	003	288,935,955	171,650,889	382,922,223	211,396,442
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	22,553,926	13,289,874	9,047,266	4,602,246
II OPERATING EXPENSES (ADP 08+009+013+017+018+019+022+029)	007	279,777,892	168,302,028	364,524,095	199,289,480
1 Changes in inventories of work in progress and finished goods	008	-15,624,716	-2,973,040	-25,591,325	-4,786,528
2 Material costs (ADP 010 to 012)	009	215,180,874	123,593,847	289,826,333	151,551,998
a) Costs of raw materials and consumables	010	175,695,518	94,839,654	231,695,955	120,000,589
b) Costs of goods sold	011	7,669,807	5,508,739	20,467,947	11,103,984
c) Other external costs	012	31,815,549	23,245,454	37,662,431	20,447,425
3 Staff costs (ADP 014 to 016)	013	55,794,201	32,911,308	68,796,588	35,934,697
a) Net salaries and wages	014	35,631,395	21,621,697	43,003,938	22,553,701
b) Tax and contributions from salary costs	015	13,189,556	7,373,499	17,251,551	8,908,943
c) Contributions on salaries	016	6,973,250	3,916,112	8,541,099	4,472,053
4 Depreciation	017	7,910,078	4,510,032	9,320,135	4,383,169
5 Other costs	018	15,450,386	9,644,017	20,150,025	11,378,897
6 Value adjustments (ADP 020+021)	019	291,934	122,694	168,872	97,192
a) fixed assets other than financial assets	020	0	0	62,307	62,307
b) current assets other than financial assets	021	291,934	122,694	106,565	34,885
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	775,135	493,170	1,853,467	730,055
III FINANCIAL INCOME (ADP 031 to 040)	030	573,237	270,325	691,023	873,955
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	183,741	108,412	160,417	137,207
7 Other interest income	037	289,388	127,136	407,228	272,122
8 Exchange rate differences and other financial income	038	0	0	0	431,449
9 Unrealised gains (income) from financial assets	039	25,323	13	74,403	0
10 Other financial income	040	74,785	34,764	48,975	33,177
IV FINANCIAL EXPENSES (ADP 042 to 048)	041	1,054,690	953,272	1,508,365	750,348
1 Interest expenses and similar expenses with undertakings within the group	042	0	0	0	0
2. Tečajne razlike i drugi rashodi s poduzetnicima unutar grupe	043	0	0	0	0

STATEMENT OF PROFIT OR LOSS for the period 01.01.2023 to 30.06.2023

in EUR

Submitter: KONČAR - ELECTRICAL INDUSTRY Inc.					
Item	AOP code	Same period of the previous year		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
3 Interest expenses and similar expenses	044	605,738	365,589	1,344,162	736,961
4 Exchange rate differences and other expenses	045	425,346	574,552	159,828	0
5 Unrealised losses (expenses) from financial assets	046	0	0	0	10,014
6 Value adjustments of financial assets (net)	047	0	0	0	0
7 Other financial expenses	048	23,606	13,131	4,375	3,373
V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VIRTUE OF PARTICIPATING INTERESTS	049	951,305	77,723	3,025,913	890,843
VI SHARE IN PROFIT FROM JOINT VENTURES	050	302,740	170,600	354,959	253,101
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	7,062	3,992	6,223	3,150
IX TOTAL INCOME (ADP 001+030+049 +050)	053	313,317,163	185,459,411	396,041,384	218,016,587
X TOTAL EXPENDITURE (ADP 007+041+051 + 052)	054	280,839,644	169,259,292	366,038,683	200,042,978
XI PRE-TAX PROFIT OR LOSS (ADP 053-054)	055	32,477,519	16,200,119	30,002,701	17,973,609
1 Pre-tax profit (ADP 053-054)	056	32,477,519	16,200,119	30,002,701	17,973,609
2 Pre-tax loss (ADP 054-053)	057	0	0	0	0
XII INCOME TAX	058	2,582,604	1,188,709	4,235,274	2,533,089
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 055-059)	059	29,894,915	15,011,410	25,767,427	15,440,520
1 Profit for the period (ADP 055-059)	060	29,894,915	15,011,410	25,767,427	15,440,520
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	-84,564	-84,564	0	0
1 Pre-tax profit from discontinued operations	063	0	0	0	0
2 Pre-tax loss on discontinued operations	064	84,564	84,564	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	84,564	84,564	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	32,392,955	16,115,555	30,002,701	17,973,609
1 Pre-tax profit (ADP 068)	069	32,392,955	16,115,555	30,002,701	17,973,609
2 Pre-tax loss (ADP 068)	070	0	0	0	0
XVII INCOME TAX (ADP 058+065)	071	2,582,604	1,188,709	4,235,274	2,533,089
XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 068-071)	072	29,810,351	14,926,846	25,767,427	15,440,520
1 Profit for the period (ADP 068-071)	073	29,810,351	14,926,846	25,767,427	15,440,520
2 Loss for the period (ADP 071-068)	074	0	0	0	0
APPENDIX to the P&L (to be filled in by undertakings that draw up consolidated annual financial statements)					
XIX PROFIT OR LOSS FOR THE PERIOD (AOP 076+077)	075	29,810,351	14,926,846	25,767,427	15,440,520
1 Attributable to owners of the parent	076	19,141,376	6,069,636	17,426,038	9,960,243
2 Attributable to minority (non-controlling) interest	077	10,668,975	8,857,210	8,341,389	5,480,277
STATEMENT OF OTHER COMPREHENSIVE INCOME (to be filled in by undertakings subject to IFRS)					
I PROFIT OR LOSS FOR THE PERIOD	078	29,810,351	14,926,846	25,767,427	15,440,520
II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 80+ 87)	079	-86,782	98,604	150,006	-52,432
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 01.01.2023 to 30.06.2023

in EUR

Submitter: KONČAR - ELECTRICAL INDUSTRY Inc.					
Item	AOP code	Same period of the previous year		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
2 Gains or losses from subsequent measurement of equity instruments at fair value through other comprehensive income	082	0	0	0	0
3 Fair value changes of financial liabilities at fair value through statement of profit or loss, attributable to changes in their credit risk	083	0	0	0	0
4 Actuarial gains/losses on the defined benefit obligation	084	0	0	0	0
5 Other items that will not be reclassified	085	0	0	0	0
6 Income tax relating to items that will not be reclassified	086	0	0	0	0
IV Items that may be reclassified to profit or loss (ADP 088 to 095)	087	-86,782	98,604	150,006	-52,432
1 Exchange rate differences from translation of foreign operations	088	-86,782	98,604	150,006	-52,432
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	-86,782	98,604	150,006	-52,432
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 078+097)	098	29,723,569	15,025,450	25,917,433	15,388,088
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	29,723,569	15,025,450	25,917,433	15,388,088
1 Attributable to owners of the parent	100	19,121,359	6,147,373	17,505,136	9,932,596
2 Attributable to minority (non-controlling) interest	101	10,602,210	8,878,077	8,412,297	5,455,492

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

in EUR

Submitter: KONČAR - ELECTRICAL INDUSTRY Inc.			
item	AOP code	Same period of the previous year	Current period
1	2	3	4
Cash flow from operating activities			
1 Cash receipts from customers	001	282,087,000	452,518,123
2 Cash receipts from royalties, fees, commissions and other revenue	002	0	0
3 Cash receipts from insurance premiums	003	333,402	583,015
4 Cash receipts from tax refund	004	12,390,375	14,186,524
5 Other cash receipts from operating activities	005	2,856,968	7,334,660
I Total cash receipts from operating activities (ADP 001 to 005)	006	297,667,745	474,622,322
1 Cash payments to suppliers	007	-231,687,492	-306,144,511
2 Cash payments to employees	008	-54,819,619	-71,843,842
3 Cash payments for insurance premiums	009	-984,539	-2,025,541
4 Interest paid	010	-281,276	-710,622
5 Income tax paid	011	-3,928,265	-4,971,688
6 Other cash payments from operating activities	012	-17,095,186	-32,285,709
II Total cash payments from operating activities (ADP 007 to 012)	013	-308,796,377	-417,981,913
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 006 + 013)	014	-11,128,632	56,640,409
Cash flow from investment activities			
1 Cash receipts from sales of fixed tangible and intangible assets	015	1,143,082	148,622
2 Cash receipts from sales of financial instruments	016	0	0
3 Interest received	017	497,217	206,229
4 Dividends received	018	4,757,788	5,225,703
5 Cash receipts from the repayment of loans and deposits	019	15,076,084	2,543,558
6 Other cash receipts from investment activities	020	15,130,878	140
III Total cash receipts from investment activities (ADP 015 to 020)	021	36,605,049	8,124,252
1 Cash payments for the purchase of fixed tangible and intangible assets	022	-11,936,591	-9,713,325
2 Cash payments for the acquisition of financial instruments	023	-213,372	-5,839,804
3 Cash payments for loans and deposits	024	-1,505,833	-2,816,206
4 Acquisition of a subsidiary, net of cash acquired	025	-29,286,146	0
5 Other cash payments from investment activities	026	-10,522	-1,100
IV Total cash payments from investment activities (ADP 022 to 026)	027	-42,952,464	-18,370,435
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 021 + 027)	028	-6,347,415	-10,246,183
Cash flow from financing activities			
1 Cash receipts from the increase in initial (subscribed) capital	029	0	169
2 Cash receipts from the issue of equity financial instruments and debt financial instruments	030	0	0
3 Cash receipts from credit principals, loans and other borrowings	031	58,197,196	11,659,609
4 Other cash receipts from financing activities	032	97,920	701,438
V Total cash receipts from financing activities (ADP 029 to 032)	033	58,295,116	12,361,216
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	034	-7,695,815	-22,028,777
2 Cash payments for dividends	035	-2,794,935	-3,815,666
3 Cash payments for finance lease	036	-349,515	-670,379
4 Cash payments for the redemption of treasury shares and decrease in initial (subscribed) capital	037	0	0
5 Other cash payments from financing activities	038	-854,548	-4,967,963
VI Total cash payments from financing activities (ADP 034 to 038)	039	-11,694,813	-31,482,785
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 033 + 039)	040	46,600,303	-19,121,569
1 Unrealised exchange rate differences in respect of cash and cash equivalents	041	-67,538	-48,077
D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 014 + 028 + 040 + 041)	042	29,056,718	27,224,580
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	043	56,252,016	57,262,703
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (042+043)	044	85,308,734	84,487,283

STATEMENT OF CHANGES IN EQUITY

for the period from 01.01.2023 to 30.06.2023

B Unaudited consolidated financial statements of KONČAR Group for the period January - June 2023

in EUR

Item	AOP code	Attributable to owners of the parent																Minority (non-controlling) interest	Total capital and reserves
		Initial (subscribed) capital	Capital re-serves	Legal reserves	Reserves for treasury shares	Treasury shares and holdings (deductible item)	Statutory reserves	Other reserves	Re-valuation reserves	Fair value of financial assets through other comprehensive income (available for sale)	Cash flow hedge - effective portion	Hedge of a net investment in a foreign operation - effective portion	Other fair value reserves	Exchange rate differences from translation of foreign operations	Retained profit / loss brought forward	Profit/loss for the business year	Total attributable to owners of the parent		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18 (3 to 6 - 7 + 8 to 17)	19	20 (18+19)
Previous period																			
1 Balance on the first day of the previous business year	01	160,448,063	95,505	9,326,668	4,581,370	2,106,272	63,724,452	31,359,234	0	0	0	0	0	-15,218	46,344,816	21,759,267	335,517,885	41,862,190	377,380,075
2 Changes in accounting policies	02	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 Correction of errors	03	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4 Balance on the first day of the previous business year (restated) (ADP 01 to 03)	04	160,448,063	95,505	9,326,668	4,581,370	2,106,272	63,724,452	31,359,234	0	0	0	0	0	-15,218	46,344,816	21,759,267	335,517,885	41,862,190	377,380,075
5 Profit/loss of the period	05	0	0	0	0	0	0	0	0	0	0	0	0	0	0	34,568,528	34,568,528	14,578,442	49,146,970
6 Exchange rate differences from translation of foreign operations	06	0	0	0	0	0	0	0	0	0	0	0	-13,351	-926	0	0	-14,277	-11,165	-25,442
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	41,278,579	41,278,579
14 Tax on transactions recognised directly in equity	14	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15 Decrease in initial (subscribed) capital (other than arising from the pre-bankruptcy settlement procedure or from the reinvestment of profit)	15	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16 Decrease in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	16	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17 Decrease in initial (subscribed) capital arising from the reinvestment of profit	17	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18 Redemption of treasury shares/holdings	18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19 Payments from members/shareholders	19	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20 Payment of share in profit/dividend	20	0	0	0	0	0	0	0	0	0	0	0	0	0	-4,391,909	0	-4,391,909	-2,793,210	-7,185,119
21 Other distributions and payments to members/shareholders	21	0	0	0	-54,572	-54,572	0	-37,222	0	0	0	0	0	0	87,540	0	50,318	-212,849	-162,531
22 Transfer to reserves according to the annual schedule	22	0	0	299,534	0	0	4,147,716	539,666	0	0	0	0	0	0	16,772,353	-21,759,267	2	0	2
23 Increase in reserves arising from the pre-bankruptcy settlement procedure	23	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24 Balance on the last day of the previous business year reporting period (ADP 04 to 23)	24	160,448,063	95,505	9,626,202	4,526,798	2,051,700	67,872,168	31,861,678	0	0	0	0	-13,351	-16,144	58,812,800	34,568,528	365,730,547	94,701,987	460,432,534
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	-13,351	-926	0	0	-14,277	41,267,414	41,253,137
II COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP 05+25)	26	0	0	0	0	0	0	0	0	0	0	0	-13,351	-926	0	34,568,528	34,554,251	55,845,856	90,400,107
III TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 23)	27	0	0	299,534	-54,572	-54,572	4,147,716	502,444	0	0	0	0	0	0	12,467,984	-21,759,267	-4,341,589	-3,006,059	-7,347,648

STATEMENT OF CHANGES IN EQUITY

for the period from 01.01.2023 to 30.06.2023

B Unaudited consolidated financial statements of KONČAR Group for the period January - June 2023

in EUR

Item	AOP code	Attributable to owners of the parent																Minority (non-controlling) interest	Total capital and reserves
		Initial (subscribed) capital	Capital reserves	Legal reserves	Reserves for treasury shares	Treasury shares and holdings (deductible item)	Statutory reserves	Other reserves	Re-valuation reserves	Fair value of financial assets through other comprehensive income (available for sale)	Cash flow hedge - effective portion	Hedge of a net investment in a foreign operation - effective portion	Other fair value reserves	Exchange rate differences from translation of foreign operations	Retained profit / loss brought forward	Profit/loss for the business year	Total attributable to owners of the parent		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18 (3 to 6 - 7 + 8 to 17)	19	20 (18+19)
Current period																			
1 Balance on the first day of the previous business year	28	160,448,063	95,505	9,626,202	4,526,798	2,051,700	67,872,168	31,861,678	0	0	0	0	0	-16,144	58,799,449	34,568,528	365,730,547	94,701,987	460,432,534
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	6,605	0	0	6,605	0	6,605
4 Balance on the first day of the previous business year (restated) (ADP 28 to 30)	31	160,448,063	95,505	9,626,202	4,526,798	2,051,700	67,872,168	31,861,678	0	0	0	0	0	-9,539	58,799,449	34,568,528	365,737,152	94,701,987	460,439,139
5 Profit/loss of the period	32	0	0	0	0	0	0	0	0	0	0	0	0	0	0	17,426,038	17,426,038	8,341,389	25,767,427
6 Exchange rate differences from translation of foreign operations	33	0	0	0	0	0	0	0	0	0	0	0	0	79,098	0	0	79,098	70,908	150,006
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	-5,092,280	0	-5,092,280	-3,812,002	-8,904,282
21 Other distributions and payments to members/shareholders	48	0	0	0	0	0	0	0	0	0	0	0	0	0	-2,926,974	0	-2,926,974	2,655,180	-271,794
22 Transfer to reserves according to the annual schedule	49	0	0	100,414	0	0	-2,002,727	282,277	0	0	0	0	0	0	36,188,564	-34,568,528	0	0	0
23 Increase in reserves arising from the pre-bankruptcy settlement procedure	50	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24 Balance on the last day of the previous business year reporting period (ADP 31 to 50)	51	160,448,063	95,505	9,726,616	4,526,798	2,051,700	65,869,441	32,143,955	0	0	0	0	0	69,559	86,968,759	17,426,038	375,223,034	101,957,462	477,180,496
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	79,098	0	0	79,098	70,908	150,006
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	79,098	0	17,426,038	17,505,136	8,412,297	25,917,433
III TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 42 to 50)	54	0	0	100,414	0	0	-2,002,727	282,277	0	0	0	0	0	0	28,169,310	-34,568,528	-8,019,254	-1,156,822	-9,176,076

NOTES TO THE FINANCIAL STATEMENTS - TFI

Name of issuer: KONČAR – Electrical Industry Inc.

PIN: 45050126417

Reporting period: 1 January 2023 to 30 June 2023

1. GENERAL INFORMATION

Business segments

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

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

Group structure

In addition to the Parent Company, the Group includes 11 subsidiaries operating in the core business segments and 3 subsidiaries performing special activities, namely product research and development, infrastructure services and investments, includes Dalekovod Group members.

The Group has one associate company in 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 subsidiaries.

Number of employees

As at 30 June 2023, the Group has 4,924 employees (31 December 2022: 4,826 employees).

The average number of employees in the period January - June 2023 was 4,922 (H1 2022: 4,141)

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

Basis of preparation

The Consolidated Financial Statements for the period January - June 2023 have been drawn up in accordance with the International Accounting Standard 34 – Interim Financial Reporting as adopted by the European Union.

The Consolidated Financial Statements do not include all information and disclosures required in consolidated annual financial statements and they must be read together with the Consolidated Annual Financial Statements of the Group as at 31 December 2022. The Consolidated Annual Financial Statements of the Group are drawn up in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU.

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

Going concern assumption

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

Significant accounting policies

The Consolidated Financial Statements for the period January - June 2023 have been drawn up on the basis of the same accounting policies, disclosures and calculation methods used in the Consolidated Annual Financial Statements of the Group as at 31 December 2022.

Key accounting estimates and judgments

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

Seasonal effects

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

3. SUBSIDIARIES

	30 Jun 2023	31 Dec 2022
	Voting rights (%)	Voting rights (%)
Consolidated subsidiaries registered in Croatia:		
KONČAR - Motors and Electrical Systems Ltd., Zagreb	100.00	100.00
KONČAR - Engineering Ltd., Zagreb	100.00	100.00
KONČAR - Infrastructure and Services Ltd., Zagreb	100.00	100.00
KONČAR - Electrical Engineering Institute Ltd., Zagreb	100.00	100.00
KONČAR - Generators and Motors Ltd., Zagreb	100.00	100.00
KONČAR - Steel Structures Ltd., Zagreb	100.00	100.00
KONČAR - Switchgear Ltd.	100.00	100.00
Končar - Renewable Energy Sources Ltd., Zagreb	100.00	100.00
<i>Direct ownership</i>	91.25	91.25
<i>Indirect ownership</i>	8.75	8.75
KONČAR - Electric Vehicles Inc., Zagreb	75.04	75.04
KONČAR - Electronics and Informatics Ltd., Zagreb	100.00	100.00
KONČAR - Instrument Transformers Inc., Zagreb	99.77	99.77
KONČAR - Distribution and Special Transformers Inc., Zagreb	67.90	67.90
KONČAR - Investments Ltd., Zagreb	100.00	100.00
KONČAR - Digital Ltd., Zagreb	100.00	100.00
Consolidated indirectly owned companies registered in Croatia:		
<i>Advanced Energy Solutions Ltd., Zagreb (indirect ownership through the subsidiary KONČAR - Investments Ltd.)</i>	51.00	51.00
<i>Dalekovod d.d., Zagreb (indirect ownership through Advanced Energy Solutions Ltd.)</i>	38.33	38.33
<i>Proizvodnja MK d.o.o., Velika Gorica (indirect ownership through Dalekovod d.d.)</i>	38.33	38.33
<i>Proizvodnja OSO d.o.o., Velika Gorica (indirect ownership through Dalekovod d.d.)</i>	38.33	38.33
<i>Dalekovod Projekt d.o.o., Zagreb (indirect ownership through Dalekovod d.d.)</i>	38.33	38.33
<i>Dalekovod EMU d.o.o., Vela Luka (indirect ownership through Dalekovod d.d.)</i>	38.33	38.33
<i>EL-RA d.o.o., Vela Luka (indirect ownership through Dalekovod d.d.)</i>	38.33	38.33
<i>Dalekovod Adria d.o.o., Zagreb (indirect ownership through Dalekovod d.d.)</i>	38.33	38.33
<i>Cinčaonica usluge d.o.o. in liquidation, Dugo selo, (indirect ownership through Dalekovod d.d.)</i>	38.33	38.33
<i>Wind Farm Rust Ltd. (Indirect ownership through the subsidiary KONČAR – Renewable Energy Sources Ltd.)</i>	100.00	100.00
<i>Solar power plant Deponija fosfogipsa d.o.o., Zagreb (indirect ownership through the subsidiary KONČAR - Renewable Energy Sources Ltd.)</i>	51.00	51.00
<i>Telenerg - Inženjering d.o.o., Zagreb (indirect ownership through the subsidiary KONČAR - Engineering Ltd.)</i>	100.00	-
<i>Kodeks systemske integracije d.o.o., Zagreb (indirect ownership through the subsidiary KONČAR - Digital Ltd.)</i>	75.00	-
Consolidated indirectly owned companies not registered in Croatia:		
<i>Power Engineering Transformatory Sp. z o.o. (PET) Poznań, Poland (indirect ownership through the subsidiary KONČAR – Distribution and Special Transformers Inc.)</i>	67.90	67.90
<i>Dalekovod Mostar d.o.o., Mostar, Bosnia and Herzegovina (indirect ownership through Dalekovod d.d.)</i>	38.33	38.33
<i>Dalekovod Ljubljana d.o.o., Ljubljana, Slovenia (indirect ownership through Dalekovod d.d.)</i>	38.33	38.33
<i>Dalekovod Norge AS, Oslo, Norway (indirect ownership through Dalekovod d.d.)</i>	38.33	38.33
<i>Dalekovod Ukrajina d.o.o., Kiev, Ukraine (indirect ownership through Dalekovod d.d.)</i>	38.33	38.33
Indirectly owned companies not consolidated due to immateriality:		
<i>Konell Ltd., Sofia, Bulgaria (indirect ownership through the subsidiary KONČAR – Electric Vehicles Ltd.)</i>	85.00	85.00

As of 31 May 2023 the subsidiary KONČAR - Electrical Equipment Inc. was merged with KONČAR - Switchgear Ltd., and EXA Globe d.o.o. was merged with Kodeks systemske integracije d.o.o.

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

	31 June 2023	31 December 2022
	Ownership share (%)	Ownership share (%)
KONČAR - Instrument Transformers Inc., Zagreb	61.97	61.97
KONČAR - Distribution and Special Transformers Inc., Zagreb	52.73	52.73

4. SEGMENT REPORTING

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

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

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

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

Sales income by segment

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

	1/1/2023 - 30/6/2023	1/1/2022 - 30/6/2022
	EUR' 000	EUR' 000
Power generation	30,873	27,892
Power transmission and distribution	284,098	203,599
- transmission	103,187	84,057
- distribution	180,911	119,542
Rails solutions and infrastructure	54,515	48,312
- rail solutions	45,577	44,061
- construction and modernization of railway infrastructure	8,937	4,251
Digital solutions	8,454	1,883
Total reportable segments	377,940	281,685
Other	45,513	36,272
Total income from contracts with customers	423,452	317,957
Intercompany eliminations	(40,530)	(29,021)
Total income from contracts with customers	382,922	288,936
Associate companies	10,223	8,170
Unaffiliated companies	372,699	280,766
Total income from contracts with customers	382,922	288,936

5. OTHER OPERATING INCOME AND EXPENSES

Other operating income amounts to EUR 9.05 million and relates to asset sale revenue, loss compensation, income from state aid and other income.

6. CAPITALISED SALARY COSTS

In the period January - June 2023, the Group companies capitalised salaries in the total amount of EUR 867 thousand (net salaries in the amount of EUR 516 thousand, taxes, surcharges and salary contributions paid by the employee amounting to EUR 244 thousand, and salary contributions paid by the employer in the amount EUR 107 thousand).

7. EARNINGS PER SHARE

	1/1/2023 - 30/6/2023 EUR' 000	1/1/2022 - 30/6/2022 EUR' 000
Profit for the year attributable to the owners	17,426	19,141
Weighted average number of shares	2,546,140	2,545,449
Basic and diluted earnings per share in EUR	6.84	7.52

8. NON-CURRENT TANGIBLE AND INTANGIBLE ASSETS

Over the course of H1 2023, the Group procured assets in the amount of EUR 9,160 thousand (H1 2022: EUR 13,253 thousand). Depreciation and amortization expenses in the period January - June 2023 amount to EUR 9,320 thousand (H1 2022: EUR 7,910 thousand).

9. INVENTORIES

Over the course of H1 2023, the Group recognised value adjustment of inventories in the amount of EUR 105 thousand (H1 2022: EUR 292 thousand).

10. EQUITY AND RESERVES

Share (subscribed) capital is determined in the nominal amount of EUR 160,448,063 (as at 31 December 2022: EUR 160,448,063) divided in 2,572,119 shares each in the nominal value of EUR 62.38. The Company's ordinary shares are listed on the Official Market of Zagreb Stock Exchange, identified by the symbol KOEI-R-A. As at 30 June 2023, the Company holds 25,979 treasury shares (as at 31 December 2022: 25,979 shares).

11. LIABILITIES UNDER LOANS

	30 June 2023 EUR' 000	31 December 2022 EUR' 000
Liabilities under loans		
Non-current	30,321	22,533
Current	36,822	52,335
	67,143	74,868

Bank borrowings are secured by mortgages over the Group's immovable property and pledges over its movable property. The current value of immovable property on which a lien has been registered amounts to EUR 20,067 thousand, while the current value of movable property on which a lien has been registered amounts to EUR 4,375 thousand.

Long-term bank borrowings mature as follows:

	30 June 2023
	EUR' 000
Within one year	36,822
In 1 to 2 years	5,889
In 2 to 5 years	14,786
More than 5 years	9,646
	67,143

12. RELATED PARTY TRANSACTIONS

Parties are considered related if one party has the ability to control the other party, if it is under joint control or has a significant impact on the business of the other party. The Republic of Croatia and other companies under control or a significant influence of the Republic of Croatia also have significant ownership of the Group. Accordingly, the Group is related to state institutions and other majority state-owned companies or significantly state-influenced companies. For the purpose of related party disclosures, the Group does not consider routine transactions (such as taxes, levies, etc.) with various local utility entities (directly or indirectly owned by the State) or with other bodies to be related party transactions. The most significant transactions between the Group and state-owned companies pertain to electricity and heat supply and similar services. Apart from the above, over the course of the period January - June 2023 the Group realised the total of EUR 78.1 million of sales income with state institutions and other companies where the State is a majority owner or has a significant influence (H1 2022: EUR 75.9 million), which mostly pertain to engineering services in the energy sector, rail vehicles and industrial electronics.

	30 June 2023	31 December 2022
	EUR' 000	EUR' 000
Receivables		
Associate companies	3,583	8,175
Joint ventures	840	283
	4,423	8,458
Liabilities		
Associate companies	3,694	9,374
Joint ventures	1,990	16
	5,684	9,390
	1/1/2023 - 30/6/2023	1/1/2022 - 30/6/2022
	EUR' 000	EUR' 000
Sales income		
Associate companies	8,607	8,134
Joint ventures	1,616	36
	10,223	8,170
Operating expenses		
Associate companies	8,834	7,071
Joint ventures	0	10
	8,834	7,081

13. EVENTS AFTER THE REPORTING DATE

There have been no events occurring between the reporting date and the date of approval of the financial statements that could have a significant impact on the quarterly consolidated financial statements of the Group for the period January - June 2023 and as a result, these financial statements are appropriate for disclosure.

C Management's Statement of Responsibility

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

Consolidated Financial Statements of KONČAR Group for the period from 1 January to 30 June 2023 give a comprehensive and true view of assets and liabilities, profit and loss, financial position and business operations of the issuer and the companies included in the consolidation as a whole.

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

Signed on behalf of the Management Board:

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



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



Zagreb, 27 July 2023



KONČAR

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