

# **KONČAR - Electrical Industry Inc.** **business results**

## **Unconsolidated financial statements**

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January – March  
2022

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# A Management Board Report on the business activity of KONČAR - Electrical Industry Inc. for the period January - March 2022

## Introduction

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

This Report for the period January - March 2022 is a report of the company as a separate entity. The Company manages its wholly-owned subsidiaries and affiliated companies.

The companies within the Group are legally autonomous companies and the Parent Company oversees, strategically directs and supports them through the Supervisory Boards and General Assemblies of companies, all in accordance with the Companies Act, the Articles of Association of KONČAR – Electrical Industry Inc. and the Articles of Association and Articles of Incorporation of the member companies. Furthermore, the parent company manages a portion of assets, which is not invested into companies, but is directly and indirectly in function of the financial support of sales, products and the equipment of dependent companies as a credit/guarantee potential.

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

- Brand usage fee (fee for the usage of company name, trademark and service mark)
- Part of the cost of organized joint appearance at fairs,
- Part of the cost of branch offices abroad,
- Part of the cost of joint marketing activities,
- Seminars for management, quality and environmental systems.

in HRK 000	Q 1 2021	Q 1 2022	Δ	Index 2022/2021
<b>Total operating income</b>	<b>54,490</b>	<b>138,067</b>	<b>83,577</b>	<b>253.4</b>
Sales revenue	54,308	73,679	19,371	135.7
Dividende revenue	41,495	59,722	18,227	143.9
Revenue from contracts with customers	12,813	13,957	1,144	108.9
Other operating income	181	64,389	64,208	
<b>Operating expenses</b>	<b>16,340</b>	<b>18,535</b>	<b>2,195</b>	<b>113.4</b>
EBIT	38,150	119,532	81,382	313.3
EBIT margin	70.2%	162.2%		+920 bps
Net financial result	1,098	1,301	203	118.5
Net profit	39,248	120,833	81,585	307.9
<b>EBITDA</b>	<b>40,367</b>	<b>121,643</b>	<b>81,276</b>	<b>301.3</b>
EBITDA margin	74.3%	165.1%		+908 bps
EBITDA normalised <sup>1</sup>	40,341	57,254	16,913	141.9
EBITDA margin normalised <sup>1</sup>	74.3%	77.7%		+34 bps

Normalised EBITDA<sup>1</sup>: EBITDA less the net effect of provisions, asset sale income, loss compensation income and one-off effects of transactions related to Dalekovod

## Poslovni rezultati

In Q1 2022, KONČAR – Electrical Industry Inc. generated HRK 138.1 million in operating income, which represents a 153.4% increase year-on-year.

Sales income from contracts with customers account for HRK 14.0 million of the operating income (Q1 2021: HRK 12.8 million) and mostly pertain to:

- brand usage fee (fee for the usage of company name, trademark and service mark) and fee for the cost of joint marketing activities in the amount of HRK 6.7 million,
- income generated from real estate management in the amount of HRK 5.9 million,
- income generated from the fees under joint and several guarantees and fees generated from the branch offices in the amount of HRK 1.1 million.

Dividend income from the companies within the Group amounts to HRK 59.7 million (Q1 2021: HRK 41.5 million).

Other operating income amounts to HRK 64.4 million and pertains to profits realised from the sale of assets that are not in the function of the core business and a one-off effect of the transaction related to share capital increase of Dalekovod.

Total operating expenses for Q1 2022 amounted to HRK 18.5 million and were 13.4% higher year-on-year.

Operating expenses comprised the following:

- **Material costs** amounting to HRK 5.1 million, of which HRK 4.7 million pertains to other external costs and HRK 0.4 million pertains to costs of commodities and raw materials. A major part of other external costs pertains to services related to work and real estate management in the amount of HRK 1.9 million, utility and water supply fees in the amount of HRK 0.9 million, cleaning services in the amount of HRK 0.6 million, maintenance services in the amount of HRK 0.4 million, and other services in the amount of HRK 0.9 million.
- **Staff costs** amount to HRK 5.2 million, which is a decrease of 3.2% year-on-year. The average number of employees in the reporting period was 54 employees, while in the corresponding period 2021 it stood at 53 employees.
- **Depreciation** amounts to HRK 2.1 million and is down by 4.7% year-on-year.
- **Other costs** amount to HRK 6.1 million and are 81% higher compared to 2021 and 78.4% above plan. The increase mostly pertains to research projects with Končar - Electrical Engineering Institute.
- **Finance income** realised in Q1 2022 amounts to HRK 1.3 million and is mostly comprised of interest on loans in the amount of HRK 1.1 million. Together with financial expenditure of HRK 12 thousand this gives a positive balance of HRK 1.3 million.
- In line with the 2021 tax return, the Company is under no obligation to pay the 2022 **income tax advance**.

## Statement of financial position

The value of total assets of KONČAR – Electrical Industry Inc. as at 31 December 2021 amounted to HRK 1,814.7 million, which is an increase in the amount of HRK 120.0 million year-on-year.

Total non-current assets amounted to HRK 1,388.9 million, which was HRK 9.9 million (or 0.7%) more than as at 31 December 2021. Non-current intangible assets item has decreased by HRK 0.1 million compared to 31 December 2021 as a result of depreciation calculation, while the tangible assets item has increased by HRK 0.2 million as a result of depreciation in the amount of HRK 2 million and new asset acquisitions amounting to HRK 2.2 million.

Non-current financial assets increased by HRK 9.6 million as a result of share purchase from a subsidiary in the amount of HRK 1.6 million and an HRK 8.0 million share capital injection in the new subsidiary KONČAR - Digital. In the course of Q1 2022 there were no other changes in investments in subsidiaries and affiliates compared to 31 December 2021. Loans granted in the amount of HRK 155.3 million pertain to loans granted to KONČAR - Investments Ltd. for the purpose of Dalekovod transaction and there had been no change in this item in the reporting period.

Non-current receivables amount to HRK 14.7 million, as at 31 December 2021, and they pertain to receivables from the sale of KONČAR - Household Appliances Ltd. shares.

Total current assets amount to HRK 424.2 million, which is an increase of HRK 109.3 million compared to 31 December 2021, mostly resulting from an increase in cash in the amount of HRK 198.6 million, a decrease in receivables in the amount of HRK 56.8 million and a decrease in non-current assets held for sale of HRK 33.5 million.

Non-current assets held for sale are down compared to 31 December 2021 as a result of the sale of facilities.

In the course of regular operations, receivables from ordinary activities grew by HRK 4 million and receivables for dividends increased by the amount of HRK 25.5 million as the difference between receivables for dividends from subsidiaries as at 31 March 2021 and receivables for dividends from affiliated companies as at 31 December 2021. Compared to 31 December 2021, other receivables decreased by HRK 86.3 million, mostly related to the return of investment in a subsidiary.

Current financial assets are at approximately the same level as at 31 December 2021. On both observed dates, most of the assets are composed of term deposits in the amount of HRK 75 million.

There was an increase in the balance of cash compared to 31 December 2021, resulting from net proceeds from investment activities in the amount of HRK 205.6 million. Cash proceeds in the amount of HRK 242.9 million were realized from the sale of assets, return on investment and dividends received from an affiliated company.

Total expenditures in investment activities amounted to HRK 37.2 million and pertain to loans to subsidiaries, share capital increase and minority share buyback of a subsidiary. Changes in investment activities together with a negative cash flow of HRK 6.9 million from operating activities affected the increase in the cash balance compared to 31 December 2021, in the amount of HRK 198.6 million.

Prepaid expenses record an increase of HRK 859 thousand compared to 31 December 2021 and arise from the costs related to fairs, marketing activities and audit costs that are to be invoiced to subsidiaries.

Total capital and reserves as at 31 March 2022 amount to HRK 1,789.7 million, which is an HRK 120.8 million increase compared to the balance as at 31 December 2021. This increase is the result of the quarterly profit amounting to HRK 120.8 million. As at the balance sheet date, there was no change in provisions for pensions and jubilee awards, and they amount to HRK 9.2 million as at 31 December 2021.

Current liabilities stand on the same level as at 31 December 2021 and amount to HRK 15.1 million. They mostly pertain to trade account payables in the amount of HRK 5.4 million, liabilities to the state amounting to HRK 4.7 million and liabilities to employees in the amount of HRK 4.4 million.

Current provisions and deferrals decreased compared to 31 December 2021 by HRK 0.4 million as a result of recording accrued un-invoiced liabilities from 2021. The balance currently amounts to HRK 0.7 million of the accrued cost of unused annual leave.

As at 31 March 2021, off-balance sheet items included mostly security instruments (including corporate guarantees to third parties) issued at the request of dependent companies of the Group for the requirements of financial institutions and suppliers in the amount of HRK 912,250 thousand (31 December 2021: HRK 931,876 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 882,588 thousand (31 December 2021: HRK 880,778 thousand).

# B Financial statements of KONČAR – Electrical Industry Inc. for the period January – March 2022

## Annex 1

### ISSUER'S GENERAL DATA

Reporting period:	<b>01/01/2022</b>	to	<b>31/03/2022</b>
Year:	<b>2022</b>	Quarter:	<b>1</b>

### Quarterly financial statements

Registration number (MB):	<b>03282635</b>	Issuer's home Member State code:	<b>HR</b>
Entity's registration number (MBS)	<b>080040936</b>		
Personal identification number (OIB):	<b>45050126417</b>	LEI:	<b>74780000H0SHMRAW0115</b>
Institution code:	<b>501</b>		
Name of the issuer:	<b>KONČAR - ELECTRICAL INDUSTRY INC.</b>		
Postcode and town:	<b>10000</b>	<b>ZAGREB</b>	
Street and house number:	<b>FALLEROVO ŠETALIŠTE 22</b>		
E-mail address:	<b>koncar.finance@koncar.hr</b>		
Web address:	<b>www.koncar.hr</b>		
Number of employees (end of the reporting period):	<b>53</b>		
Consolidated report:	<b>KN</b>	(KN-not consolidated/KD-consolidated)	
Audited:	<b>RN</b>	(RN-not audited/RD-audited)	
Names of subsidiaries (according to IFRS):	Registered office:	MB:	
Bookkeeping firm:		(Yes/No)	
Contact person:	<b>Ruža Podborkić</b> (only name and surname of the contact person)		
Telephone:	<b>01 3655 160</b>		
E-mail address:	<b>ruza.podborkic@koncar.hr</b>		
Audit firm:	(name of the audit firm)		
Certified auditor:	(name and surname)		

## BALANCE SHEET

### balance as at 31.03.2022

in HRK

Submitter: KONČAR ELECTRICAL INDUSTRY INC.			
Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
<b>A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID</b>	<b>001</b>	0	0
<b>B) FIXED ASSETS (ADP 003+010+020+031+036)</b>	<b>002</b>	1,378,968,740	1,388,860,114
<b>I INTANGIBLE ASSETS (ADP 004 to 009)</b>	<b>003</b>	1,515,489	1,419,664
1 Research and development	004	0	0
2 Concessions, patents, licences, trademarks, software and other rights	005	1,403,822	1,307,997
3, Goodwill	006	0	0
4 Advances for the purchase of intangible assets	007	0	0
5 Intangible assets in preparation	008	111,667	111,667
6 Other intangible assets	009	0	0
<b>II TANGIBLE ASSETS (ADP 011 to 019)</b>	<b>010</b>	347,720,583	347,909,337
1 Land	011	3,334,172	3,334,172
2 Buildings	012	19,647,077	19,515,484
3 Plant and equipment	013	2,548,023	2,410,611
4 Tools, working inventory and transportation assets	014	426,500	361,991
5 Biological assets	015	0	0
6 Advances for the purchase of tangible assets	016	0	0
7 Tangible assets in preparation	017	1,973,241	4,148,979
8 Other tangible assets	018	55,742	55,742
9 Investment property	019	319,735,828	318,082,358
<b>III FIXED FINANCIAL ASSETS (ADP 021 to 030)</b>	<b>020</b>	1,015,012,816	1,024,811,261
1 Investments in holdings (shares) of undertakings within the group	021	789,758,907	799,366,557
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	67,722,257	67,722,257
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	2,181,652	2,372,447
8 Loans, deposits, etc, given	028	155,350,000	155,350,000
9 Other investments accounted for using the equity method	029	0	0
10 Other fixed financial assets	030	0	0
<b>IV RECEIVABLES (ADP 032 to 035)</b>	<b>031</b>	14,719,852	14,719,852
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	14,719,852	14,719,852
4 Other receivables	035	0	0
<b>V DEFERRED TAX ASSETS</b>	<b>036</b>	0	0
<b>C) CURRENT ASSETS (ADP 038+046+053+063)</b>	<b>037</b>	314,903,143	424,190,174
<b>I INVENTORIES (ADP 039 to 045)</b>	<b>038</b>	52,936,039	19,452,653
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	52,936,039	19,452,653
7 Biological assets	045	0	0

## BALANCE SHEET

### balance as at 31.03.2022

in HRK

Submitter: KONČAR ELECTRICAL INDUSTRY INC.			
Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
<b>II RECEIVABLES (ADP 047 to 052)</b>			
1 Receivables from undertakings within the group	046	140,606,719	83,847,810
2 Receivables from companies linked by virtue of participating interests	047	65,436,253	79,580,518
3 Customer receivables	048	34,964,383	495,677
4 Receivables from employees and members of the undertaking	049	671,351	460,893
5 Receivables from government and other institutions	050	38,668	49,319
6 Other receivables	051	0	0
6 Other receivables	052	39,496,064	3,261,403
<b>III CURRENT FINANCIAL ASSETS (ADP 054 to 062)</b>			
1 Investments in holdings (shares) of undertakings within the group	053	99,142,010	100,064,000
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	25,064,000
5 Investment in other securities of companies linked by virtue of participating interests	057	0	0
6 Loans, deposits etc, to companies linked by virtue of participating interests	058	0	0
7 Investments in securities	059	0	0
8 Loans, deposits, etc, given	060	0	0
9 Other financial assets	061	75,002,676	75,000,000
9 Other financial assets	062	24,139,334	0
<b>IV CASH AT BANK AND IN HAND</b>			
	063	22,218,375	220,825,711
<b>D ) PREPAID EXPENSES AND ACCRUED INCOME</b>			
	064	810,813	1,669,923
<b>E ) TOTAL ASSETS (ADP 001+002+037+064)</b>			
	065	1,694,682,696	1,814,720,211
<b>OFF-BALANCE SHEET ITEMS</b>			
	066	1,828,854,298	1,840,248,962
<b>LIABILITIES</b>			
<b>A) CAPITAL AND RESERVES (ADP 068 to 070+076+077+081+084+087)</b>			
<b>I INITIAL (SUBSCRIBED) CAPITAL</b>			
	067	1,668,847,927	1,789,681,099
	068	1,208,895,930	1,208,895,930
<b>II CAPITAL RESERVES</b>			
	069	719,579	719,579
<b>III RESERVES FROM PROFIT (ADP 071+072-073+074+075)</b>			
1 Legal reserves	070	422,284,357	422,284,357
2 Reserves for treasury shares	071	49,323,077	49,323,077
3 Treasury shares and holdings (deductible item)	072	34,518,334	34,518,334
4 Statutory reserves	073	-15,869,707	-15,869,707
5 Other reserves	074	217,684,029	217,684,029
5 Other reserves	075	136,628,624	136,628,624
<b>IV REVALUATION RESERVES</b>			
	076	0	0
<b>V FAIR VALUE RESERVES AND OTHER (ADP 078 to 082)</b>			
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
5 Exchange differences arising from the translation of foreign operations (consolidation)	082	0	0
<b>VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 084-085)</b>			
1 Retained profit	083	197,568	36,948,061
2 Loss brought forward	084	197,568	36,948,061
2 Loss brought forward	085	0	0
<b>VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 087-088)</b>			
1 Profit for the business year	086	36,750,493	120,833,172
2 Loss for the business year	087	36,750,493	120,833,172
2 Loss for the business year	088	0	0
<b>VIII MINORITY (NON-CONTROLLING) INTEREST</b>			
	089	0	0



## BALANCE SHEET

### balance as at 31.03.2022

in HRK

Submitter: KONČAR ELECTRICAL INDUSTRY INC.			
Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
<b>B) PROVISIONS (ADP 091 to 096)</b>	<b>090</b>	<b>9,241,370</b>	<b>9,241,370</b>
1 Provisions for pensions, termination benefits and similar obligations	091	9,241,370	9,241,370
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
<b>C) LONG-TERM LIABILITIES (ADP 098 to 108)</b>	<b>097</b>	<b>0</b>	<b>0</b>
1 Liabilities to undertakings within the group	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
<b>D) SHORT-TERM LIABILITIES (ADP 110 to 123)</b>	<b>109</b>	<b>15,428,824</b>	<b>15,058,472</b>
1 Liabilities to undertakings within the group	110	3,323,676	3,508,636
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	2,347,138	1,902,690
9 Liabilities for securities	118	0	0
10 Liabilities to employees	119	4,226,170	4,360,272
11 Taxes, contributions and similar liabilities	120	4,962,280	4,701,986
12 Liabilities arising from the share in the result	121	381,923	372,790
13 Liabilities arising from fixed assets held for sale	122	0	0
14 Other short-term liabilities	123	187,637	212,098
<b>E) ACCRUALS AND DEFERRED INCOME</b>	<b>124</b>	<b>1,164,575</b>	<b>739,270</b>
<b>F) TOTAL – LIABILITIES (ADP 067+090+097+109+124)</b>	<b>125</b>	<b>1,694,682,696</b>	<b>1,814,720,211</b>
<b>G) OFF-BALANCE SHEET ITEMS</b>	<b>126</b>	<b>1,828,854,298</b>	<b>1,840,248,962</b>

## STATEMENT OF PROFIT OR LOSS for the period 01.01.2022 to 31.03.2022

in HRK

Submitter: KONČAR ELECTRICAL INDUSTRY INC.					
Item	AOP code	Same period of the previous year		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
<b>I OPERATING INCOME (ADP 002 to 006)</b>	<b>001</b>	<b>54,367,764</b>	<b>54,367,764</b>	<b>138,067,485</b>	<b>138,067,485</b>
1 Income from sales with undertakings within the group	002	54,134,203	54,134,203	73,523,348	73,523,348
2 Income from sales (outside group)	003	174,479	174,479	155,028	155,028
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	51,547	51,547	10,873,983	10,873,983
5 Other operating income (outside the group)	006	7,535	7,535	53,515,126	53,515,126
<b>II OPERATING EXPENSES (ADP 08+009+013+017+018+019+022+029)</b>	<b>007</b>	<b>16,217,684</b>	<b>16,217,684</b>	<b>18,535,486</b>	<b>18,535,486</b>
1 Changes in inventories of work in progress and finished goods	008	0	0	0	0
<b>2 Material costs (ADP 010 to 012)</b>	<b>009</b>	<b>5,410,465</b>	<b>5,410,465</b>	<b>5,163,931</b>	<b>5,163,931</b>
a) Costs of raw materials and consumables	010	493,258	493,258	416,514	416,514
b) Costs of goods sold	011	0	0	0	0
c) Other external costs	012	4,917,207	4,917,207	4,747,417	4,747,417
<b>3 Staff costs (ADP 014 to 016)</b>	<b>013</b>	<b>5,238,906</b>	<b>5,238,906</b>	<b>5,185,472</b>	<b>5,185,472</b>
a) Net salaries and wages	014	2,870,961	2,870,961	2,871,663	2,871,663
b) Tax and contributions from salary costs	015	1,619,080	1,619,080	1,602,732	1,602,732
c) Contributions on salaries	016	748,865	748,865	711,077	711,077
4 Depreciation	017	2,216,530	2,216,530	2,111,396	2,111,396
5 Other costs	018	3,348,629	3,348,629	6,074,687	6,074,687
<b>6 Value adjustments (ADP 020+021)</b>	<b>019</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
a) fixed assets other than financial assets	020	0	0	0	0
b) current assets other than financial assets	021	0	0	0	0
<b>7 Provisions (ADP 023 to 028)</b>	<b>022</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
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	3,154	3,154	0	0
<b>III FINANCIAL INCOME (ADP 031 to 040)</b>	<b>030</b>	<b>1,099,386</b>	<b>1,099,386</b>	<b>1,301,396</b>	<b>1,301,396</b>
1 Income from investments in holdings (shares) of undertakings within the group	031	0	0	0	0
2 Income from investments in holdings (shares) of companies linked by virtue of participating interests	032	0	0	0	0
3 Income from other long-term financial investment and loans granted to undertakings within the group	033	0	0	0	0
4 Other interest income from operations with undertakings within the group	034	0	0	904,987	904,987
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	17,352	17,352	194,839	194,839
8 Exchange rate differences and other financial income	038	1,082,034	1,082,034	10,775	10,775
9 Unrealised gains (income) from financial assets	039	0	0	190,795	190,795
10 Other financial income	040	0	0	0	0
<b>IV FINANCIAL EXPENSES (ADP 042 to 048)</b>	<b>041</b>	<b>892</b>	<b>892</b>	<b>223</b>	<b>223</b>
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 01.01.2022 to 31.03.2022

in HRK

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	892	892	223	223
4 Exchange rate differences and other expenses	045	0	0	0	0
5 Unrealised losses (expenses) from financial assets	046	0	0	0	0
6 Value adjustments of financial assets (net)	047	0	0	0	0
7 Other financial expenses	048	0	0	0	0
<b>V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VRITUE OF PARTICIPATING INTERESTS</b>	<b>049</b>	0	0	0	0
<b>VI SHARE IN PROFIT FROM JOINT VENTURES</b>	<b>050</b>	0	0	0	0
<b>VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST</b>	<b>051</b>	0	0	0	0
<b>VIII SHARE IN LOSS OF JOINT VENTURES</b>	<b>052</b>	0	0	0	0
<b>IX TOTAL INCOME (ADP 001+030+049 +050)</b>	<b>053</b>	<b>55,467,150</b>	<b>55,467,150</b>	<b>139,368,881</b>	<b>139,368,881</b>
<b>X TOTAL EXPENDITURE (ADP 007+041+051 + 052)</b>	<b>054</b>	<b>16,218,576</b>	<b>16,218,576</b>	<b>18,535,709</b>	<b>18,535,709</b>
<b>XI PRE-TAX PROFIT OR LOSS (ADP 053-054)</b>	<b>055</b>	<b>39,248,574</b>	<b>39,248,574</b>	<b>120,833,172</b>	<b>120,833,172</b>
1 Pre-tax profit (ADP 053-054)	056	39,248,574	39,248,574	120,833,172	120,833,172
2 Pre-tax loss (ADP 054-053)	057	0	0	0	0
<b>XII. INCOME TAX</b>	<b>058</b>	0	0	0	0
<b>XIII PROFIT OR LOSS FOR THE PERIOD (ADP 055-059)</b>	<b>059</b>	<b>39,248,574</b>	<b>39,248,574</b>	<b>120,833,172</b>	<b>120,833,172</b>
1 Profit for the period (ADP 055-059)	060	39,248,574	39,248,574	120,833,172	120,833,172
2 Loss for the period (ADP 059-055)	061	0	0	0	0
<b>DISCONTINUED OPERATIONS (to be filled in by undertakings subject to IFRS only with discontinued operations)</b>					
<b>XIV PRE-TAX PROFIT OR LOSS OF DISCONTINUED OPERATIONS (ADP 063-064)</b>	<b>062</b>	0	0	0	0
1 Pre-tax profit from discontinued operations	063	0	0	0	0
2 Pre-tax loss on discontinued operations	064	0	0	0	0
<b>XV INCOME TAX OF DISCONTINUED OPERATIONS</b>	<b>065</b>	0	0	0	0
1 Discontinued operations profit for the period (ADP 062-065)	066	0	0	0	0
2 Discontinued operations loss for the period (ADP 065-062)	067	0	0	0	0
<b>TOTAL OPERATIONS (to be filled in only by undertakings subject to IFRS with discontinued operations)</b>					
<b>XVI PRE-TAX PROFIT OR LOSS (ADP 055-+062)</b>	<b>068</b>	0	0	0	0
1 Pre-tax profit (ADP 068)	069	0	0	0	0
2 Pre-tax loss (ADP 068)	070	0	0	0	0
<b>XVII INCOME TAX (ADP 058+065)</b>	<b>071</b>	0	0	0	0
<b>XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 068-071)</b>	<b>072</b>	0	0	0	0
1 Profit for the period (ADP 068-071)	073	0	0	0	0
2 Loss for the period (ADP 071-068)	074	0	0	0	0
<b>APPENDIX to the P&amp;L (to be filled in by undertakings that draw up consolidated annual financial statements)</b>					
<b>XIX PROFIT OR LOSS FOR THE PERIOD (AOP 076+077)</b>	<b>075</b>	0	0	0	0
<b>1 Attributable to owners of the parent</b>	<b>076</b>	0	0	0	0
<b>2 Attributable to minority (non-controlling) interest</b>	<b>077</b>	0	0	0	0
<b>STATEMENT OF OTHER COMPREHENSIVE INCOME (to be filled in by undertakings subject to IFRS)</b>					
<b>I PROFIT OR LOSS FOR THE PERIOD</b>	<b>078</b>	39,248,574	39,248,574	120,833,172	120,833,172
<b>II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 80+ 87)</b>	<b>079</b>	0	0	0	0
<b>III Items that will not be reclassified to profit or loss (ADP 081 to 085)</b>	<b>080</b>	0	0	0	0
1 Changes in revaluation reserves of fixed tangible and intangible assets	081	0	0	0	0

## STATEMENT OF PROFIT OR LOSS for the period 01.01.2022 to 31.03.2022

in HRK

Submitter: KONČAR ELECTRICAL INDUSTRY INC,					
Item	AOP code	Same period of the previous year		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
2 Gains or losses from subsequent measurement of equity instruments at fair value through other comprehensive income	082	0	0	0	0
3 Fair value changes of financial liabilities at fair value through statement of profit or loss, attributable to changes in their credit risk	083	0	0	0	0
4 Actuarial gains/losses on the defined benefit obligation	084	0	0	0	0
5 Other items that will not be reclassified	085	0	0	0	0
6 Income tax relating to items that will not be reclassified	086	0	0	0	0
<b>IV Items that may be reclassified to profit or loss (ADP 088 to 095)</b>	<b>087</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Exchange rate differences from translation of foreign operations	088	0	0	0	0
2 Gains or losses from subsequent measurement of debt securities at fair value through other comprehensive income	089	0	0	0	0
3 Profit or loss arising from effective cash flow hedging	090	0	0	0	0
4 Profit or loss arising from effective hedge of a net investment in a foreign operation	091	0	0	0	0
5 Share in other comprehensive income/loss of companies linked by virtue of participating interests	092	0	0	0	0
6 Changes in fair value of the time value of option	093	0	0	0	0
7 Changes in fair value of forward elements of forward contracts	094	0	0	0	0
8 Other items that may be reclassified to profit or loss	095	0	0	0	0
9 Income tax relating to items that may be reclassified to profit or loss	096	0	0	0	0
<b>V NET OTHER COMPREHENSIVE INCOME OR LOSS (ADP 080+087- 086 - 096)</b>	<b>097</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 078+097)</b>	<b>098</b>	<b>39,248,574</b>	<b>39,248,574</b>	<b>120,833,172</b>	<b>120,833,172</b>
<b>APPENDIX to the Statement on comprehensive income (to be filled in by undertakings that draw up consolidated statements)</b>					
<b>VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 100+101)</b>	<b>099</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>1 Attributable to owners of the parent</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2 Attributable to minority (non-controlling) interest</b>	<b>101</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## STATEMENT OF CASH FLOWS - direct method for the period 01.01.2022 to 31.03.2022

in HRK

Submitter: KONČAR ELECTRICAL INDUSTRY INC,			
Naziv pozicije	AOP oznaka	Isto razdoblje prethodne godine	Tekuće razdoblje
1	2	3	4
<b>Cash flow from operating activities</b>			
1 Cash receipts from customers	001	7,348,716	5,973,851
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	821,559	1,035,347
<b>I Total cash receipts from operating activities (ADP 001 to 005)</b>	<b>006</b>	<b>8,170,275</b>	<b>7,009,198</b>
1 Cash payments to suppliers	007	-5,932,286	-5,834,387
2 Cash payments to employees	008	-5,315,766	-5,192,079
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	-1,269,624	-2,954,688
<b>II Total cash payments from operating activities (ADP 007 to 012)</b>	<b>013</b>	<b>-12,517,676</b>	<b>-13,981,154</b>
<b>A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 006 + 013)</b>	<b>014</b>	<b>-4,347,401</b>	<b>-6,971,956</b>
<b>Cash flow from investment activities</b>			
1 Cash receipts from sales of fixed tangible and intangible assets	015	259,705	44,922,528
2 Cash receipts from sales of financial instruments	016	0	50,000,000
3 Interest received	017	30,259	217,578
4 Dividends received	018	25,614,349	34,213,164
5 Cash receipts from the repayment of loans and deposits	019	0	0
6 Other cash receipts from investment activities	020	0	113,510,765
<b>III Total cash receipts from investment activities (ADP 015 to 020)</b>	<b>021</b>	<b>25,904,313</b>	<b>242,864,035</b>
1 Cash payments for the purchase of fixed tangible and intangible assets	022	-19,300	-2,611,661
2 Cash payments for the acquisition of financial instruments	023	-400,668	-9,607,650
3 Cash payments for loans and deposits	024	0	-25,064,000
4 Acquisition of a subsidiary, net of cash acquired	025	0	0
5 Other cash payments from investment activities	026	0	0
<b>IV Total cash payments from investment activities (ADP 022 to 026)</b>	<b>027</b>	<b>-419,968</b>	<b>-37,283,311</b>
<b>B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 021 + 027)</b>	<b>028</b>	<b>25,484,345</b>	<b>205,580,724</b>
<b>Cash flow from financing activities</b>			
1 Cash receipts from the increase in initial (subscribed) capital	029	0	0
2 Cash receipts the from issue of equity financial instruments and debt financial instruments	030	0	0
3 Cash receipts from credit principals, loans and other borrowings	031	0	0
4 Other cash receipts from financing activities	032	0	0
<b>V Total cash receipts from financing activities (ADP 029 to 032)</b>	<b>033</b>	<b>0</b>	<b>0</b>
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	034	0	0
2 Cash payments for dividends	035	0	-9,133
3 Cash payments for finance lease	036	0	0
4 Cash payments for the redemption of treasury shares and decrease in initial (subscribed) capita	037	0	0
5 Other cash payments from financing activities	038	0	0
<b>VI Total cash payments from financing activities (ADP 034 to 038)</b>	<b>039</b>	<b>0</b>	<b>-9,133</b>
<b>C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 033 +039)</b>	<b>040</b>	<b>0</b>	<b>-9,133</b>
1 Unrealised exchange rate differences in respect of cash and cash equivalents	041	1,077,875	7,700
<b>D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 014 + 028 + 040 + 041)</b>	<b>042</b>	<b>22,214,819</b>	<b>198,607,335</b>
<b>E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>043</b>	<b>264,354,168</b>	<b>22,218,375</b>
<b>F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (042+043)</b>	<b>044</b>	<b>286,568,987</b>	<b>220,825,710</b>

# STATEMENT OF CHANGES IN EQUITY

## for the period from 01.01.2022 to 31.03.2022

B Financial statements of KONČAR – Electrical Industry Inc. for the period January - March 2022

in HRK

Item	AOP code	Attributable to owners of the parent																Minority (non-controlling) interest	Total capital and reserves
		Initial (subscribed) capital	Capital reserves	Legal reserves	Reserves for treasury shares	Treasury shares and holdings (deductible item)	Statutory reserves	Other reserves	Revaluation reserves	Fair value of financial assets through other comprehensive income (available for sale)	Cash flow hedge - effective portion	Hedge of a net investment in a foreign operation - effective portion	Other fair value reserves	Exchange rate differences from translation of foreign operations	Retained profit / loss brought forward	Profit/loss for the business year	Total attributable to owners of the parent		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18 (3 to 6 - 7 + 8 to 17)	19	20 (18+19)
<b>Previous period</b>																			
1 Balance on the first day of the previous business year	01	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	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	48,982,462	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	05	0	0	0	0	0	0	0	0	0	0	0	0	0	0	36,750,493	36,750,493	0	36,750,493
6 Exchange rate differences from translation of foreign operations	06	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7 Changes in revaluation reserves of fixed tangible and intangible assets	07	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8 Gains or losses from subsequent measurement of financial assets at fair value through other comprehensive income (available for sale)	08	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9 Profit or loss arising from effective cash flow hedge	09	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10 Profit or loss arising from effective hedge of a net investment in a foreign operation	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11 Share in other comprehensive income/loss of companies linked by virtue of participating interests	11	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12 Actuarial gains/losses on the defined benefit obligation	12	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13 Other changes in equity unrelated to owners	13	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14 Tax on transactions recognised directly in equity	14	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15 Decrease in initial (subscribed) capital (other than arising from the pre-bankruptcy settlement procedure or from the reinvestment of profit)	15	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16 Decrease in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	16	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17 Decrease in initial (subscribed) capital arising from the reinvestment of profit	17	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18 Redemption of treasury shares/holdings	18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19 Payments from members/shareholders	19	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20 Payment of share in profit/dividend	20	0	0	0	0	0	0	0	0	0	0	0	0	0	0	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	-8,632,528	-6,131,077	-14,763,605	0	-14,763,605
22 Transfer to reserves according to the annual schedule	22	0	0	340,615	0	0	0	340,615	0	0	0	0	0	0	0	-681,230	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	49,323,077	34,518,335	15,869,708	217,684,029	136,628,623	0	0	0	0	0	0	197,569	36,750,493	1,668,847,927	0	1,668,847,927
<b>APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)</b>																			
I OTHER COMPREHENSIVE INCOME OF THE PREVIOUS PERIOD, NET OF TAX (ADP 06 to 14)	25	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
II COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP 05+25)	26	0	0	0	0	0	0	0	0	0	0	0	0	0	0	36,750,493	36,750,493	0	36,750,493
III TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 23)	27	0	0	340,615	0	0	0	340,615	0	0	0	0	0	0	-8,632,528	-6,812,307	-14,763,605	0	-14,763,605

# STATEMENT OF CHANGES IN EQUITY

## for the period from 01.01.2022 to 31.03.2022

B Financial statements of KONČAR – Electrical Industry Inc. for the period January - March 2022

in HRK

Item	AOP code	Attributable to owners of the parent																Minority (non-controlling) interest	Total capital and reserves
		Initial (subscribed) capital	Capital reserves	Legal reserves	Reserves for treasury shares	Treasury shares and holdings (deductible item)	Statutory reserves	Other reserves	Revaluation reserves	Fair value of financial assets through other comprehensive income (available for sale)	Cash flow hedge - effective portion	Hedge of a net investment in a foreign operation - effective portion	Other fair value reserves	Exchange rate differences from translation of foreign operations	Retained profit / loss brought forward	Profit/loss for the business year	Total attributable to owners of the parent		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18 (3 to 6 - 7 + 8 to 17)	19	20 (18+19)
<b>Current period</b>																			
1 Balance on the first day of the previous business year	28	1,208,895,930	719,579	49,323,077	34,518,335	15,869,708	217,684,029	136,628,623	0	0	0	0	0	0	197,569	36,750,493	1,668,847,927	0	1,668,847,927
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	49,323,077	34,518,335	15,869,708	217,684,029	136,628,623	0	0	0	0	0	0	197,569	36,750,493	1,668,847,927	0	1,668,847,927
5 Profit/loss of the period	32	0	0	0	0	0	0	0	0	0	0	0	0	0	0	120,833,172	120,833,172	0	120,833,172
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	0	0	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	49,323,077	34,518,335	15,869,708	217,684,029	136,628,623	0	0	0	0	0	0	197,569	157,583,665	1,789,681,099	0	1,789,681,099
<b>APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)</b>																			
I OTHER COMPREHENSIVE INCOME OF THE CURRENT PERIOD, NET OF TAX (ADP 33 to 41)	52	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
II COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 32 to 52)	53	0	0	0	0	0	0	0	0	0	0	0	0	0	0	120,833,172	120,833,172	0	120,833,172
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	0	0	0	0	0

## NOTES TO THE FINANCIAL STATEMENTS - TFI

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

**PIN: 45050126417**

**Reporting period: 1 January 2022 to 31 March 2022**

### 1 General information about the company

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

**The average number of employees in 2022 was 54 (2021: 53 employees).**

### 2 Significant accounting policies

These quarterly statements for the period ended 31 March 2022 are to be read together with the most recent annual financial statement of the Company as of and for the year ended 31 December 2021 ("the most recent annual financial statements") considering the fact that they do not include all the necessary information for the entire set of financial statements drawn up in accordance with the International Financial Reporting Standards. However, the explanations selected include explanations of the events and transactions significant for understanding changes in the financial position and performance of the Company since the most recent annual financial statement. Annual individual and consolidated financial statements have been published on the Company's website.

While drawing up 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 2021.

### Seasonal effects

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

### 3 Sales revenue

	January-March 2022 HRK	January-March 2021 HRK
Income from dividends /i/	59,721,723	41,495,381
Income from contracts with customers /ii/	13,956,653	12,813,301
	<b>73,678,376</b>	<b>54,308,682</b>
<i>/i/ Income from dividends</i>		
	<b>1,-3,2022,</b> HRK	<b>1,-3,2021,</b> HRK
Income from dividends – dependent companies	59,721,723	41,495,381
Income from dividends – affiliated companies	-	-
	<b>59,721,723</b>	<b>41,495,381</b>
<i>/ii/ Income from contracts with customers</i>		
	<b>1,-3,2021,</b> HRK	<b>1,-3,2020,</b> HRK
<i>Type of service</i>		
Income from brand fees (fees for using the company name, trademark and service mark)	6,818,153	5,839,830
Income from real estate management	5,993,304	6,000,000
Income from other fees	1,145,196	973,471
<b>Total income from contracts with customers</b>	<b>13,956,653</b>	<b>12,813,301</b>



#### 4 Other income and operating expenses

Other income mostly relates to the gain from the sale of land and buildings and to the gain based on return of redemption of claims on loans.

During Q1 2022, there were no items of 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 2022 HRK	January-March 2021 HRK
Profit for the year	120,833,172	39,248,571
Weighted average number of shares	2,545,449	2,547,936
<b>Earnings per share in HRK</b>	<b>47,47</b>	<b>15,40</b>

#### 7 Property, plant and equipment

During Q1 2022, the Company purchased assets in the amount of HRK 2.204 thousand (Q1 2021: HRK 688 thousand), while depreciation costs amounted to HRK 2.015 thousand (Q1 2021: HRK 2.121 thousand).

#### 8 Investments in subsidiaries

	31 March 2022 HRK 000	31 December 2021. HRK 000	31 March 2022 Share in %	31 December 2021 Share in %
<b>Stakes (shares) in subsidiaries in Croatia</b>				
KONČAR – Switchgear; Zagreb	84,364	84,364	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	62,935	61,328	100	97.64
KONČAR – Renewable Energy Sources, Zagreb	43,196	43,196	91.25	91.25
KONČAR – Engineering Co. Ltd., Zagreb	70,103	70,103	100	100
KONČAR – Motors and electrical systems Ltd., 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 – Digital, Zagreb	9,200	1,200	100	100
KONČAR – Investments, Zagreb	20	20	100	100
	<b>799,366</b>	<b>789,759</b>		

#### 9 Capital and reserves

Share (subscribed) capital has a nominal value of HRK 1,208,895,930 (31 December 2021: 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 DMarch 2022, the Company owned 26,670 treasury shares (31 December 2021: 26,670 shares).

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

Off-balance sheet records as at 31 March 2022 include collaterals issued (including corporate guarantees to third parties) at the request of the Group's subsidiaries to financial institutions and suppliers in the amount of HRK 912,250 thousand (31 December 2021: HRK 931,876 thousand), while subsidiaries issued collateral to the Company from the aforementioned transactions in the amount of HRK 882,588 thousand (31 December 2021: HRK 880,778 thousand).

**11 Related party transactions**

<i>in HRK thousand</i>	Transactions for the year ended	
	31 March 2022	31 December 2021
<b>Income from services</b>		
Subsidiaries	13,412	12,384
Associates	397	262
<b>Gain on sale of assets</b>		
Subsidiaries	10,866	0
Associates	0	0
<b>Income from dividends</b>		
Subsidiaries	59,722	41,495
Associates	0	0
<b>Finance income</b>		
Subsidiaries	905	0
<b>Cost of services</b>		
Subsidiaries	6,269	4,152
<b>Receivables from operating activities</b>		
Subsidiaries	18,954	15,419
Associates	496	749
<b>Dividend receivables</b>		
Subsidiaries	0	34,213
Associates	59,722	0
<b>Other receivables</b>		
Subsidiaries	0	50,000
<b>Receivables from financing activities</b>		
Subsidiaries	181,319	155,370
<b>Liabilities from operating activities</b>		
Subsidiaries	3,509	3,324

**12 Events after the reporting date**

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

## C Management's Statement of Responsibility

Unaudited financial statements of KONČAR – Electrical Industry Inc. for the period from 1 January to 31 March 2022 have been drawn up in accordance with the International Financial Reporting Standards (IFRS) and with the Croatian Accounting Act.

Unaudited financial statements of KONČAR – Electrical Industry Inc. for the period from 1 January 2022 to 31 March 2022 give a comprehensive and a true and fair view of assets and liabilities, profit and loss, financial position and business operations of the issuer and the Company.

The Management Report for the period ending 31 March 2022 gives a true and fair view of the company's business performance.

Signed on behalf of the Management Board:

mr.sc. Gordan Kolak, dipl.ing.  
President of the Management Board



Josip Lasić, CFA  
Member of the Management Board and CFO



Zagreb, 28 April 2022



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