

Unaudited operating results of Končar – Electrical industry Inc. Separate financial statements

January – December
2021

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A Performance report of Končar – Electrical Industry Inc. for January – December 2021

Introduction

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

This Statement for January – December 2021 represents the statement of the company as a separate entity. The Company manages its wholly-owned subsidiaries and affiliated companies.

Companies members of the Group are legally independent companies that the Parent supervises, strategically directs and supports through their supervisory boards and general assemblies, all in accordance with the Companies Act, Articles of Association of Končar – Electrical Industry Inc., and the Memorandums and Articles of Association of the companies. The Parent also manages a part of the assets that are not invested in the companies, but directly or indirectly serve as financial support for placement of products and equipment of affiliated companies as a potential credit guarantee.

Končar – Electrical Industry Inc. as the Parent Company invoices the following services to its dependent companies:

- Fees for using the company name, trademark and service mark
- A portion of the costs of organised joint appearance at trade fairs
- A portion of the costs of representative offices abroad
- A portion of the costs of joint marketing activities
- Seminars for managers and the quality and environmental protection system.

	Index			
in HRK 000	2020	2021	Δ	2021/2020
Total operating income	113.355	140.761	27.406	124,2
Sales revenue	111.662	129.910	18.248	116,3
Dividende revenue	60.730	75.435	14.705	124,2
Revenue from contracts with customers	50.932	54.475	3.543	107,0
Other operating income	1.693	10.851	9.158	640,9
Operating expenses	111.213	105.930	-5.283	95,2
EBIT	2.142	34.831	32.689	
EBIT margin	1,9%	26,8%		
Net financial result	4.671	586	-4.085	
Net profit	6.813	35.417	28.604	519,8
EBITDA	11.868	43.222	31.354	364,2
EBITDA margin	10,6%	33,3%		+222 bps
EBITDA normalised ¹	37.497	62.024	24.527	165,4
EBITDA margin normalised ¹	33,6%	47,7%		+141 bps

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

Operating Results

In 2021, Končar – Electrical Industry Inc. generated operating income in the amount of HRK 140.7 million, which was 24.2% more compared to the same period in the previous year.

In terms of elements of operating income, sales revenue amounted to HRK 54.4 million (2020: HRK 50.9 million) and pertained mostly to:

- Fees for using the company name, trademark and service mark and the fee pertaining to the costs of joint marketing activities in the amount of HRK 25.2 million (in 2020: HRK 23.6 million)
- Income from real estate management in the amount of HRK 23.9 million (in 2020: HRK 24 million)
- Income from fees related with joint liability guarantees and representative offices in the amount of HRK 4.5 million (same period in 2020: HRK 2.6 million)

Income from dividends from Group companies amounted to HRK 41.2 million (2020: 35.1 million), which is 19.5% more than planned.

Total operating expenses for 2021 amounted to HRK 105.9 million, which was 5.8% less than in the same period in the previous year.

Operating expenses comprised:

- **Material costs** in the amount of HRK 22.6 million, of which HRK 20.9 million pertained to other external costs, while HRK 1.6 million pertained to costs of raw materials and supplies. Material costs decreased by 67.5% compared to the same period last year, which pertained to the costs of raw materials and supplies.
- **Staff costs** amounted to HRK 26 million, which was almost the same as in the previous year, when the total cost was HRK 26.7 million. Average number of employees in both of the observed periods was 50.
- **Depreciation** amounted to HRK 8.4 million, which was 13.7% less than in the same period in the previous year.
- **Other costs** amounted to HRK 17.8 million, representing a year-on-year increase by 22.7%. The most significant costs pertained to intellectual services, remuneration payable to Supervisory Board members, sponsorships and donations, insurance premiums, other payments made to employees.
- **Finance income** in 2021 amounted to HRK 3.3 million and comprised foreign exchange differences on foreign currency accounts and other receivables in the amount of HRK 2.2 million, which, viewed together with finance costs of HRK 2.8 million, results in an HRK 0.6 million impact on performance.
- Based on the tax return filed for 2020, the Company is under no obligation to make advance payments of **income tax** during 2021.

Financial Position

Total assets of the company Končar – Electrical Industry Inc. as at 31 December 2021 amounted to HRK 1,693.2 million, which represents an HRK 3.7 million decrease compared to the balance as at 31 December 2020.

Total non-current assets amounted to HRK 1,378.9 million, representing an increase by HRK 4.6 million (0.3%) compared to the balance as at 31 December 2020.

Long-term financial assets increased by HRK 66.5 million, mostly as a result of loans granted in the amount of HRK 155 million to subsidiaries, and a decrease in the share in subsidiaries of HRK 89.3 million. The decrease in the share is a consequence of the liquidation of the company KONČAR–XD, which returned the investment in cash, the decapitalization of the subsidiary and the value adjustment of the value of investments in subsidiaries. In addition, during the year the company recapitalized 3 subsidiaries.

Non-current receivables amounted to HRK 14.7 million, which represents an HRK 9.8 million decrease compared to the balance as at 31 December 2020.

Total current assets amounted to HRK 313.5 million, representing an HRK 1.1 million decrease compared to the balance as at 31 December 2020, as a result of increased receivables, increased non-current assets held for sale and decreased balance of cash. In 2021 there was an increase in the receivables arising from regular business operations by HRK 3.6 million and an HRK 8.6 million increase in receivables arising from dividends (dividends of an affiliated company). Other receivables increased by HRK 51.3 million, which was caused by creation of receivables based on return of capital from a dependent company.

Total current financial assets as at 31 December 2021 amounted to HRK 135.3 million.

Balance of cash as at 31 December 2020 decreased by HRK 242.1 million, mostly owing to intensified investment activities that resulted in a net outflow of HRK 190.3 million.

Total capital and reserves as at 31 December 2021 amounted to HRK 1,667.5 million, representing an HRK 20.6 million increase compared to the balance as at 31 December 2020. This increase was the result of higher profit realised in this period compared to 2020, namely in the amount of HRK 28.6 million, and pay-out of retained earnings in the form of dividend in the amount of HRK 8.6 million. The remaining portion of the last year's dividend amounting to HRK 6.1 million was paid out from the last year's profit.

As at the balance sheet date, there were no significant changes in the provisions for retirement benefits and length-of-service awards compared to 31 December 2020. As at 31 December 2021, said provisions amounted to HRK 9.2 million.

Current liabilities decreased by HRK 17.3 million compared to the balance as at 31 December 2020. They are mostly related to the reduction of liabilities to suppliers by HRK 20.1 million as a result of repayment of due invoices instead of previous compensations and the increase of liabilities to employees and the state in the amount of HRK 2.6 million as a result of accrued bonus.

Short-term provisions for calculated costs of paid leave remained at the same level as they were on 31 December 2020. On the other hand, the calculated costs for services rendered but not yet invoiced increased by HRK 0.4 million.

As at 31 December 2021, off-balance sheet items included mostly security instruments (also including corporate guarantees to third parties) issued at the request of dependent companies of the Group for the requirements of financial institutions and suppliers in the amount of HRK 931,985 thousand (as at 31 December 2020: HRK 738,830 thousand). At the same time, the dependent companies issued security instruments to the Company with regard to the aforementioned transactions in the amount of HRK 878,376 thousand (31 December 2020: HRK 691,794 thousand).

B Financial statements of Končar – Electrical Industry Inc. for January – December 2021

Annex 1

ISSUER'S GENERAL DATA

Reporting period:	01/01/2021	to	31/12/2021
Year:	2021	Quarter:	4

Quarterly financial statements

Registration number (MB):	03282635	Issuer's home Member State code:	HR
Entity's registration number (MBS)	080040936		
Personal identification number (OIB):	45050126417	LEI:	74780000H0SHMRAW0115
Institution code:	501		
Name of the issuer:	KONČAR - ELECTRICAL INDUSTRY INC.		
Postcode and town:	10000	ZAGREB	
Street and house number:	FALLEROVO ŠETALIŠTE 22		
E-mail address:	koncar.finance@koncar.hr		
Web address:	www.koncar.hr		
Number of employees (end of the reporting period):	50		
Consolidated report:	KN	(KN-not consolidated/KD-consolidated)	
Audited:	RN	(RN-not audited/RD-audited)	
Names of subsidiaries (according to IFRS):	Registered office:	MB:	
Bookkeeping firm:		(Yes/No)	
Contact person:	Ruža Podborkić (only name and surname of the contact person)		
Telephone:	01 3655 160		
E-mail address:	ruza.podborkic@koncar.hr		
Audit firm:	(name of the audit firm)		
Certified auditor:	(name and surname)		

BALANCE SHEET

balance as at 31.12.2021

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
A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID	001	0	0
B) FIXED ASSETS (ADP 003+010+020+031+036)	002	1,374,357,323	1,378,968,738
I INTANGIBLE ASSETS (ADP 004 to 009)	003	1,787,121	1,515,489
1 Research and development	004	0	0
2 Concessions, patents, licences, trademarks, software and other rights	005	1,787,121	1,403,822
3, Goodwill	006	0	0
4 Advances for the purchase of intangible assets	007	0	0
5 Intangible assets in preparation	008	0	111,667
6 Other intangible assets	009	0	0
II TANGIBLE ASSETS (ADP 011 to 019)	010	399,483,617	347,720,581
1 Land	011	95,924,738	3,334,172
2 Buildings	012	123,576,316	19,647,076
3 Plant and equipment	013	10,414,660	2,548,022
4 Tools, working inventory and transportation assets	014	1,117,298	426,500
5 Biological assets	015	0	0
6 Advances for the purchase of tangible assets	016	0	0
7 Tangible assets in preparation	017	5,221,465	1,973,241
8 Other tangible assets	018	69,446	55,742
9 Investment property	019	163,159,694	319,735,828
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	948,476,293	1,015,012,816
1 Investments in holdings (shares) of undertakings within the group	021	845,127,059	789,758,907
2 Investments in other securities of undertakings within the group	022	0	0
3 Loans, deposits, etc, to undertakings within the group	023	0	0
4 Investments in holdings (shares) of companies linked by virtue of participating interests	024	101,672,262	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	1,676,972	2,181,652
8 Loans, deposits, etc, given	028	0	155,350,000
9 Other investments accounted for using the equity method	029	0	0
10 Other fixed financial assets	030	0	0
IV RECEIVABLES (ADP 032 to 035)	031	24,610,292	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	17,976,133	14,719,852
4 Other receivables	035	6,634,159	0
V DEFERRED TAX ASSETS	036	0	0
C) CURRENT ASSETS (ADP 038+046+053+063)	037	314,591,161	313,541,863
I INVENTORIES (ADP 039 to 045)	038	8,984,975	51,605,179
1 Raw materials and consumables	039	0	0
2 Work in progress	040	0	0
3 Finished goods	041	0	0
4 Merchandise	042	0	0
5 Advances for inventories	043	0	0
6 Fixed assets held for sale	044	8,984,975	51,605,179
7 Biological assets	045	0	0

BALANCE SHEET

balance as at 31.12.2021

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
II RECEIVABLES (ADP 047 to 052)			
1 Receivables from undertakings within the group	046	41,252,017	104,401,241
2 Receivables from companies linked by virtue of participating interests	047	10,301,956	65,436,255
3 Customer receivables	048	25,954,728	34,964,384
4 Receivables from employees and members of the undertaking	049	1,296,199	658,583
5 Receivables from government and other institutions	050	44,092	38,668
6 Other receivables	051	0	0
6 Other receivables	052	3,655,042	3,303,351
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)			
1 Investments in holdings (shares) of undertakings within the group	053	0	135,317,047
2 Investments in other securities of undertakings within the group	054	0	0
3 Loans, deposits, etc, to undertakings within the group	055	0	0
4 Investments in holdings (shares) of companies linked by virtue of participating interests	056	0	0
5 Investment in other securities of companies linked by virtue of participating interests	057	0	0
6 Loans, deposits etc, to companies linked by virtue of participating interests	058	0	0
7 Investments in securities	059	0	0
8 Loans, deposits, etc, given	060	0	75,002,676
9 Other financial assets	061	0	60,314,371
IV CASH AT BANK AND IN HAND	062	264,354,169	22,218,396
D) PREPAID EXPENSES AND ACCRUED INCOME	063	700,135	810,814
E) TOTAL ASSETS (ADP 001+002+037+064)	064	1,689,648,619	1,693,321,415
OFF-BALANCE SHEET ITEMS	065	1,437,223,225	1,828,854,298
LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to 070+076+077+081+084+087)			
I INITIAL (SUBSCRIBED) CAPITAL	067	1,208,895,930	1,208,895,930
II CAPITAL RESERVES	068	719,579	719,579
III RESERVES FROM PROFIT (ADP 071+072-073+074+075)			
1 Legal reserves	069	48,982,462	49,323,077
2 Reserves for treasury shares	070	34,518,334	34,518,334
3 Treasury shares and holdings (deductible item)	071	-15,869,707	-15,869,707
4 Statutory reserves	072	217,684,029	217,684,029
5 Other reserves	073	136,288,009	136,628,624
IV REVALUATION RESERVES	074	0	0
V FAIR VALUE RESERVES AND OTHER (ADP 078 to 082)			
1 Financial assets at fair value through other comprehensive income (i.e, available for sale)	075	0	0
2 Cash flow hedge - effective portion	076	0	0
3 Hedge of a net investment in a foreign operation - effective portion	077	0	0
4 Other fair value reserves	078	0	0
5 Exchange differences arising from the translation of foreign operations (consolidation)	079	0	0
VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 084-085)			
1 Retained profit	080	8,830,096	197,568
2 Loss brought forward	081	0	0
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 087-088)			
1 Profit for the business year	082	6,812,307	35,419,653
2 Loss for the business year	083	0	0
VIII MINORITY (NON-CONTROLLING) INTEREST	084	0	0
	085		
	086		
	087		
	088		
	089		

BALANCE SHEET

balance as at 31.12.2021

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) PROVISIONS (ADP 091 to 096)	090	9,304,479	9,241,370
1 Provisions for pensions, termination benefits and similar obligations	091	9,304,479	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
C) LONG-TERM LIABILITIES (ADP 098 to 108)	097	0	0
1 Liabilities to undertakings within the group	098	0	0
2 Liabilities for loans, deposits, etc, of undertakings within the group	099	0	0
3 Liabilities to companies linked by virtue of participating interests	100	0	0
4 Liabilities for loans, deposits etc, of companies linked by virtue of participating interests	101	0	0
5 Liabilities for loans, deposits etc,	102	0	0
6 Liabilities to banks and other financial institutions	103	0	0
7 Liabilities for advance payments	104	0	0
8 Liabilities to suppliers	105	0	0
9 Liabilities for securities	106	0	0
10 Other long-term liabilities	107	0	0
11 Deferred tax liability	108	0	0
D) SHORT-TERM LIABILITIES (ADP 110 to 123)	109	32,762,425	15,398,382
1 Liabilities to undertakings within the group	110	23,413,757	3,323,676
2 Liabilities for loans, deposits, etc, of undertakings within the group	111	0	0
3 Liabilities to companies linked by virtue of participating interests	112	0	0
4 Liabilities for loans, deposits etc, of companies linked by virtue of participating interests	113	0	0
5 Liabilities for loans, deposits etc,	114	0	0
6 Liabilities to banks and other financial institutions	115	0	0
7 Liabilities for advance payments	116	0	0
8 Liabilities to suppliers	117	2,376,923	2,316,688
9 Liabilities for securities	118	0	0
10 Liabilities to employees	119	3,031,673	4,226,178
11 Taxes, contributions and similar liabilities	120	3,428,737	4,962,280
12 Liabilities arising from the share in the result	121	336,560	381,923
13 Liabilities arising from fixed assets held for sale	122	0	0
14 Other short-term liabilities	123	174,775	187,637
E) ACCRUALS AND DEFERRED INCOME	124	720,676	1,164,576
F) TOTAL – LIABILITIES (ADP 067+090+097+109+124)	125	1,689,648,619	1,693,321,415
G) OFF-BALANCE SHEET ITEMS	126	1,437,223,225	1,828,854,298

STATEMENT OF PROFIT OR LOSS for the period 01.01.2021 to 31.12.2021

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
I OPERATING INCOME (ADP 002 to 006)	001	113,354,891	38,700,025	140,761,451	48,517,139
1 Income from sales with undertakings within the group	002	110,968,699	38,408,417	129,129,604	48,020,921
2 Income from sales (outside group)	003	693,159	205,571	780,756	215,661
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	134,654	134,654	10,807,344	273,070
5 Other operating income (outside the group)	006	1,558,379	-48,617	43,747	7,487
II OPERATING EXPENSES (ADP 08+009+013+017+018+019+022+029)	007	111,213,268	58,054,985	105,931,784	54,314,913
1 Changes in inventories of work in progress and finished goods	008	0	0	0	0
2 Material costs (ADP 010 to 012)	009	26,462,320	7,547,189	22,576,664	6,082,315
a) Costs of raw materials and consumables	010	4,921,976	1,433,528	1,604,681	441,143
b) Costs of goods sold	011	0	0	0	0
c) Other external costs	012	21,540,344	6,113,661	20,971,983	5,641,172
3 Staff costs (ADP 014 to 016)	013	26,670,245	9,055,578	26,032,003	11,398,995
a) Net salaries and wages	014	13,432,034	4,504,977	14,123,583	6,030,398
b) Tax and contributions from salary costs	015	9,342,017	3,397,573	8,341,514	3,880,317
c) Contributions on salaries	016	3,896,194	1,153,028	3,566,906	1,488,280
4 Depreciation	017	9,726,228	2,438,438	8,389,288	1,989,280
5 Other costs	018	14,455,820	5,184,461	17,856,188	5,050,963
6 Value adjustments (ADP 020+021)	019	26,468,645	26,468,645	29,391,230	29,066,695
a) fixed assets other than financial assets	020	26,468,645	26,468,645	29,391,230	29,066,695
b) current assets other than financial assets	021	0	0	0	0
7 Provisions (ADP 023 to 028)	022	6,852,841	6,852,841	108,614	108,614
a) Provisions for pensions, termination benefits and similar obligations	023	6,852,841	6,852,841	108,614	108,614
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	577,169	507,833	1,577,797	618,051
III FINANCIAL INCOME (ADP 031 to 040)	030	4,678,612	7,868,720	1,208,392	272,396
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	144,474	12,907	20,186	20,063
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	955,675	187,236	653,137	203,471
8 Exchange rate differences and other financial income	038	3,021,725	6,571,930	0	0
9 Unrealised gains (income) from financial assets	039	528,739	506,137	504,680	48,862
10 Other financial income	040	27,999	590,510	30,389	0
IV FINANCIAL EXPENSES (ADP 042 to 048)	041	7,928	7,106,080	621,406	-270,164
1 Interest expenses and similar expenses with undertakings within the group	042	0	14,060	0	0
2 Exchange rate differences and other expenses from operations with undertakings within the group	043	0	0	618,802	-271,366

STATEMENT OF PROFIT OR LOSS for the period 01.01.2021 to 31.12.2021

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	7,928	-7,928	2,604	1,202
4 Exchange rate differences and other expenses	045	0	6,814,197	0	0
5 Unrealised losses (expenses) from financial assets	046	0	283,955	0	0
6 Value adjustments of financial assets (net)	047	0	0	0	0
7 Other financial expenses	048	0	1,796	0	0
V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VRITUE OF PARTICIPATING INTERESTS	049	0	0	0	0
VI SHARE IN PROFIT FROM JOINT VENTURES	050	0	0	0	0
VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST	051	0	0	0	0
VIII SHARE IN LOSS OF JOINT VENTURES	052	0	0	0	0
IX TOTAL INCOME (ADP 001+030+049 +050)	053	118,033,503	46,568,745	141,969,843	48,789,535
X TOTAL EXPENDITURE (ADP 007+041+051 + 052)	054	111,221,196	65,161,065	106,553,190	54,044,749
XI PRE-TAX PROFIT OR LOSS (ADP 053-054)	055	6,812,307	-18,592,320	35,416,653	-5,255,214
1 Pre-tax profit (ADP 053-054)	056	6,812,307	0	35,416,653	0
2 Pre-tax loss (ADP 054-053)	057	0	-18,592,320	0	-5,255,214
XII. INCOME TAX	058	0	0	0	0
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 055-059)	059	6,812,307	-18,592,320	35,416,653	-5,255,214
1 Profit for the period (ADP 055-059)	060	6,812,307	0	35,416,653	0
2 Loss for the period (ADP 059-055)	061	0	-18,592,320	0	-5,255,214
DISCONTINUED OPERATIONS (to be filled in by undertakings subject to IFRS only with discontinued operations)					
XIV PRE-TAX PROFIT OR LOSS OF DISCONTINUED OPERATIONS (ADP 063-064)	062	0	0	0	0
1 Pre-tax profit from discontinued operations	063	0	0	0	0
2 Pre-tax loss on discontinued operations	064	0	0	0	0
XV INCOME TAX OF DISCONTINUED OPERATIONS	065	0	0	0	0
1 Discontinued operations profit for the period (ADP 062-065)	066	0	0	0	0
2 Discontinued operations loss for the period (ADP 065-062)	067	0	0	0	0
TOTAL OPERATIONS (to be filled in only by undertakings subject to IFRS with discontinued operations)					
XVI PRE-TAX PROFIT OR LOSS (ADP 055-+062)	068	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
XVII INCOME TAX (ADP 058+065)	071	0	0	0	0
XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 068-071)	072	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
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	0	0	0	0
1 Attributable to owners of the parent	076	0	0	0	0
2 Attributable to minority (non-controlling) interest	077	0	0	0	0
STATEMENT OF OTHER COMPREHENSIVE INCOME (to be filled in by undertakings subject to IFRS)					
I PROFIT OR LOSS FOR THE PERIOD	078	6,812,307	-18,592,320	35,416,653	-5,255,214
II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 80+ 87)	079	0	0	0	0
III Items that will not be reclassified to profit or loss (ADP 081 to 085)	080	0	0	0	0
1 Changes in revaluation reserves of fixed tangible and intangible assets	081	0	0	0	0

STATEMENT OF PROFIT OR LOSS for the period 01.01.2021 to 31.12.2021

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
IV Items that may be reclassified to profit or loss (ADP 088 to 095)	087	0	0	0	0
1 Exchange rate differences from translation of foreign operations	088	0	0	0	0
2 Gains or losses from subsequent measurement of debt securities at fair value through other comprehensive income	089	0	0	0	0
3 Profit or loss arising from effective cash flow hedging	090	0	0	0	0
4 Profit or loss arising from effective hedge of a net investment in a foreign operation	091	0	0	0	0
5 Share in other comprehensive income/loss of companies linked by virtue of participating interests	092	0	0	0	0
6 Changes in fair value of the time value of option	093	0	0	0	0
7 Changes in fair value of forward elements of forward contracts	094	0	0	0	0
8 Other items that may be reclassified to profit or loss	095	0	0	0	0
9 Income tax relating to items that may be reclassified to profit or loss	096	0	0	0	0
V NET OTHER COMPREHENSIVE INCOME OR LOSS (ADP 080+087- 086 - 096)	097	0	0	0	0
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 078+097)	098	6,812,307	-18,592,320	35,416,653	-5,255,214
APPENDIX to the Statement on comprehensive income (to be filled in by undertakings that draw up consolidated statements)					
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 100+101)	099	0	0	0	0
1 Attributable to owners of the parent	100	0	0	0	0
2 Attributable to minority (non-controlling) interest	101	0	0	0	0

STATEMENT OF CASH FLOWS - direct method for the period 01.01.2021 to 31.12.2021

in HRK

Obveznik: KONČAR - ELEKTROINDUSTRIJA			
Naziv pozicije	AOP oznaka	Isto razdoblje prethodne godine	Tekuće razdoblje
1	2	3	4
Cash flow from operating activities			
1 Cash receipts from customers	001	26,630,716	28,639,274
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	5,865,739	4,292,809
I Total cash receipts from operating activities (ADP 001 to 005)	006	32,496,455	32,932,083
1 Cash payments to suppliers	007	-18,524,080	-32,880,138
2 Cash payments to employees	008	-25,078,997	-24,438,662
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	-7,115,623	-12,057,481
II Total cash payments from operating activities (ADP 007 to 012)	013	-50,718,700	-69,376,281
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 006 + 013)	014	-18,222,245	-36,444,198
Cash flow from investment activities			
1 Cash receipts from sales of fixed tangible and intangible assets	015	2,121,677	13,712,068
2 Cash receipts from sales of financial instruments	016	2,916,246	36,667,560
3 Interest received	017	1,390,110	79,641
4 Dividends received	018	51,186,863	66,866,730
5 Cash receipts from the repayment of loans and deposits	019	240,144,436	1,000,000
6 Other cash receipts from investment activities	020	0	0
III Total cash receipts from investment activities (ADP 015 to 020)	021	297,759,332	118,325,999
1 Cash payments for the purchase of fixed tangible and intangible assets	022	-991,073	-2,442,384
2 Cash payments for the acquisition of financial instruments	023	-18,454,344	-14,642,848
3 Cash payments for loans and deposits	024	-32,900,000	-231,350,000
4 Acquisition of a subsidiary, net of cash acquired	025	0	0
5 Other cash payments from investment activities	026	0	-60,252,500
IV Total cash payments from investment activities (ADP 022 to 026)	027	-52,345,417	-308,687,732
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 021 + 027)	028	245,413,915	-190,361,733
Cash flow from financing activities			
1 Cash receipts from the increase in initial (subscribed) capital	029	0	0
2 Cash receipts the from issue of equity financial instruments and debt financial instruments	030	0	0
3 Cash receipts from credit principals, loans and other borrowings	031	0	0
4 Other cash receipts from financing activities	032	0	0
V Total cash receipts from financing activities (ADP 029 to 032)	033	0	0
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	034	0	0
2 Cash payments for dividends	035	-11,342	-14,718,242
3 Cash payments for finance lease	036	0	0
4 Cash payments for the redemption of treasury shares and decrease in initial (subscribed) capita	037	-5,523,816	0
5 Other cash payments from financing activities	038	0	0
VI Total cash payments from financing activities (ADP 034 to 038)	039	-5,535,158	-14,718,242
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 033 +039)	040	-5,535,158	-14,718,242
1 Unrealised exchange rate differences in respect of cash and cash equivalents	041	-681,435	-611,599
D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 014 + 028 + 040 + 041)	042	220,975,077	-242,135,772
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	043	43,379,091	264,354,168
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (042+043)	044	264,354,168	22,218,396

STATEMENT OF CHANGES IN EQUITY

for the period from 01.01.2021 to 31.12.2021

B Financial statements of Končar – Electrical Industry Inc. for January – December 2021

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)
Previous period																			
1 Balance on the first day of the previous business year	01	1,208,895,930	719,579	48,614,954	35,092,358	10,919,914	217,684,029	132,796,686	0	0	0	0	0	0	4,764,752	7,350,152	1,644,998,526	0	1,644,998,526
2 Changes in accounting policies	02	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 Correction of errors	03	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4 Balance on the first day of the previous business year (restated) (ADP 01 to 03)	04	1,208,895,930	719,579	48,614,954	35,092,358	10,919,914	217,684,029	132,796,686	0	0	0	0	0	0	4,764,752	7,350,152	1,644,998,526	0	1,644,998,526
5 Profit/loss of the period	05	0	0	0	0	0	0	0	0	0	0	0	0	0	0	6,812,307	6,812,307	0	6,812,307
6 Exchange rate differences from translation of foreign operations	06	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7 Changes in revaluation reserves of fixed tangible and intangible assets	07	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8 Gains or losses from subsequent measurement of financial assets at fair value through other comprehensive income (available for sale)	08	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9 Profit or loss arising from effective cash flow hedge	09	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10 Profit or loss arising from effective hedge of a net investment in a foreign operation	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11 Share in other comprehensive income/loss of companies linked by virtue of participating interests	11	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12 Actuarial gains/losses on the defined benefit obligation	12	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13 Other changes in equity unrelated to owners	13	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14 Tax on transactions recognised directly in equity	14	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15 Decrease in initial (subscribed) capital (other than arising from the pre-bankruptcy settlement procedure or from the reinvestment of profit)	15	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16 Decrease in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	16	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17 Decrease in initial (subscribed) capital arising from the reinvestment of profit	17	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18 Redemption of treasury shares/holdings	18	0	0	0	-574,023	4,949,794	0	0	0	0	0	0	0	0	574,023	0	-4,949,794	0	-4,949,794
19 Payments from members/shareholders	19	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20 Payment of share in profit/dividend	20	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21 Other distributions and payments to members/shareholders	21	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
22 Transfer to reserves according to the annual schedule	22	0	0	367,508	0	0	0	3,491,322	0	0	0	0	0	0	3,491,322	-7,350,152	0	0	0
23 Increase in reserves arising from the pre-bankruptcy settlement procedure	23	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24 Balance on the last day of the previous business year reporting period (ADP 04 to 23)	24	1,208,895,930	719,579	48,982,462	34,518,335	15,869,708	217,684,029	136,288,008	0	0	0	0	0	0	8,830,097	6,812,307	1,646,861,039	0	1,646,861,039
APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)																			
I OTHER COMPREHENSIVE INCOME OF THE PREVIOUS PERIOD, NET OF TAX (ADP 06 to 14)	25	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
II COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP 05+25)	26	0	0	0	0	0	0	0	0	0	0	0	0	0	0	6,812,307	6,812,307	0	6,812,307
III TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 23)	27	0	0	367,508	-574,023	4,949,794	0	3,491,322	0	0	0	0	0	0	4,065,345	-7,350,152	-4,949,794	0	-4,949,794

STATEMENT OF CHANGES IN EQUITY

for the period from 01.01.2021 to 31.12.2021

B Financial statements of Končar – Electrical Industry Inc. for January – December 2021

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)
Current period																			
1 Balance on the first day of the previous business year	28	1,208,895,930	719,579	48,982,462	34,518,335	15,869,708	217,684,029	136,288,008	0	0	0	0	0	0	8,830,097	6,812,307	1,646,861,039	0	1,646,861,039
2 Changes in accounting policies	29	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 Correction of errors	30	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4 Balance on the first day of the previous business year (restated) (ADP 28 to 30)	31	1,208,895,930	719,579	48,982,462	34,518,335	15,869,708	217,684,029	136,288,008	0	0	0	0	0	0	8,830,097	6,812,307	1,646,861,039	0	1,646,861,039
5 Profit/loss of the period	32	0	0	0	0	0	0	0	0	0	0	0	0	0	0	35,419,653	35,419,653	0	35,419,653
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	-8,632,528	-6,131,077	-14,763,605	0	-14,763,605
22 Transfer to reserves according to the annual schedule	49	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	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	35,419,653	1,667,517,087	0	1,667,517,087
APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)																			
I OTHER COMPREHENSIVE INCOME OF THE CURRENT PERIOD, NET OF TAX (ADP 33 to 41)	52	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
II COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 32 to 52)	53	0	0	0	0	0	0	0	0	0	0	0	0	0	0	35,419,653	35,419,653	0	35,419,653
III TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 42 to 50)	54	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

NOTES TO THE FINANCIAL STATEMENTS - TFI

Name of issuer: Končar – Electrical Industry Inc.

PIN: 45050126417

Reporting period: 1 January 2021 to 31 December 2021

1 General information about the company

Končar – Electrical Industry Inc. (PIN: 45050126417) Zagreb, Fallerovo šetalište 22 ("the Company") is the Parent Company of the KONČAR 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 2021 was 50 (2020: 50 employees).

2 Significant accounting policies

These financial statements for the year ended 31 December 2021 should be read in conjunction with the Company's last annual financial statements as at and for the year ended 31 December 2020 ('last annual financial statements'), because they do not include all of the information required for a complete set of financial statements prepared in accordance with IFRS Standards. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements. Annual standalone and consolidated financial statements have been published on the Company's website.

In preparing these financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. The resulting accounting estimates will, by definition, seldom equal the related actual results. Key accounting estimates were the same as those described in the last annual financial statements. The accounting policies applied in these financial statements are the same as those applied in the Company's financial statements as at and for the year ended 31 December 2020.

Seasonal effects

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

3 Sales revenue

	2021 HRK	2020 HRK
Income from dividends /i/	75,435,155	60,729,795
Income from contracts with customers /ii/	54,475,205	50,932,063
	129,910,360	111,661,858
<i>/i/ Income from dividends</i>		
	2021 HRK	2020 HRK
Income from dividends – dependent companies	41,221,991	35,115,446
Income from dividends – affiliated companies	34,213,164	25,614,349
	75,435,155	60,729,795
<i>/ii/ Income from contracts with customers</i>		
	2021 HRK	2020 HRK
<i>Type of service</i>		
Income from brand fees (fees for using the company name, trademark and service mark)	25,993,687	24,314,319
Income from real estate management	23,969,500	24,000,000
Income from other fees	4,512,018	2,617,744
Total income from contracts with customers	54,475,205	50,932,063

4 Other income and operating expenses

Other income mostly relates to the gain from the sale of land and buildings in amount of HRK 10,5 million. During 2021, the company carried out value adjustments of investments in subsidiaries in the amount of HRK 20.3 million, value adjustments of receivables in the amount of HRK 6.7 million, and value adjustments of land and buildings in the amount of HRK 2.4 million.

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

	2021 HRK	2020 HRK
Profit for the year	35,416,653	6,812,307
Weighted average number of shares	2,545,449	2,548,771
Earnings per share in HRK	13,91	2,67

7 Property, plant and equipment

During 2021, the Company procured assets in the amount of HRK 4.861 thousand (2020: HRK 7.098 thousand), while depreciation costs amounted to HRK 8.005 thousand (2020: HRK 9.596 thousand).

8 Investments in subsidiaries

	31 December 2021 HRK 000	31 December 2020. HRK 000	31 December 2021 Share in %	31 December 2020 Share in %
Stakes (shares) in subsidiaries in Croatia				
Končar – Switchgear, Zagreb	84,364	134,364	100	100
Končar – Steel Structures, Zagreb	126,419	126,419	100	100
Končar – Generators and Motors, Zagreb	107,928	107,928	100	100
Končar – Distribution and Special Transformers, Zagreb	62,118	62,118	52.73	52.73
Končar – Electrical Engineering Institute, Zagreb	60,936	60,936	100	100
Končar – Infrastructure and Services, Zagreb	56,691	56,691	100	100
Končar – Electronics and Informatics, Zagreb	61,328	55,436	97.64	88.98
Končar – Renewable Energy Sources, Zagreb	43,196	55,207	91.25	90.3
Končar – Engineering Co. Ltd., Zagreb	70,103	51,773	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 – Engineering for Plant Installation & Commissioning, Zagreb	0	18,799	0	96.79
Končar – Digital, Zagreb	1,200	0	100	0
Končar – Investments, Zagreb	20	0	100	0
	789,759	845,127		

9 Capital and reserves

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

10 Contingent liabilities and off-balance sheet items

Off-balance sheet records as at 31 December 2021 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 931,985 thousand (31 December 2020: HRK 738,830 thousand), while subsidiaries issued collateral to the Company from the aforementioned transactions in the amount of HRK 878,376 thousand (31 December 2020: HRK 691,794 thousand).

11 Related party transactions

<i>in HRK thousand</i>	Transactions for the year ended	
	31 December 2021	31 December 2020
Income from services		
Subsidiaries	70.155	47.843
Associates	2.481	2.426
Income from dividends		
Subsidiaries	41.222	35.115
Associates	34.213	25.614
Finance income		
Subsidiaries	20	144
Cost of services		
Subsidiaries	16.918	19.140
<i>in HRK thousand</i>	31 December 2021	31 December 2020
Receivables from operating activities		
Subsidiaries	15.419	10.289
Associates	749	340
Dividend receivables		
Associates	34.213	25.614
Other receivables		
Subsidiaries	50.000	0
Receivables from financing activities		
Subsidiaries	155.370	13
Liabilities from operating activities		
Subsidiaries	3.327	23.414

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 for the year ended 31 December 2021, which should, consequently, be adjusted and/or disclosed.

C Management's Statement of Responsibility

Unaudited consolidated financial statements Končar – Electrical Industry Inc. are 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 2021 to 31 December 2021 give a comprehensive and true view of assets and liabilities, profit and loss, financial position and business operations of the issuer and the Companies.

The Management Report for the period ending 31 December 2021 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 and CFO



Zagreb, 24 February 2022



KONČAR

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