

OPERATING RESULTS OF
KONČAR – ELECTRICAL INDUSTRY INC.

SEPARATE FINANCIAL STATEMENTS

January – September 2021



Table of content

A Performance Report of KONČAR – Electrical Industry Inc. for January – September 2021.....	3
B Financial statements of KONČAR – Electrical Industry Inc. for January – September 2021.....	6
C Management's Statement of Responsibility	19

A Performance Report of KONČAR – Electrical Industry Inc. for January – September 2021

Introduction

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

This Statement for January – September 2021 represents a 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.

in 000 HRK	I-III Q 2020	I-III Q 2021	Δ	Index 2021/2020
Total operating income	76,314	92,245	15,931	120.9
Sales revenue	73,145	81,674	8,529	111.7
Dividende revenue	35,115	41,222	6,107	117.4
Revenue from contracts with customers	38,030	40,452	2,422	106.4
Other operating income	3,169	10,571	7,402	333.6
Operating expenses	54,817	51,618	-3,199	94.2
EBIT	21,497	40,627	19,130	189.0
EBIT margin	29.4%	49.7%		+203 bps
Net financial result	3,908	45	-3,863	
Net profit	25,405	40,672	15,267	160.1
EBITDA	28,785	47,027	18,242	163.4
EBITDA margin	39.4%	57.6%		+182 bps
EBITDA normalised ¹	25,616	36,456	10,840	142.3
EBITDA margin normalised ¹	35.0%	44.6%		+96 bps

EBITDA normalised¹: 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 Q1-Q3 2021, KONČAR – Electrical Industry Inc. generated operating income in the amount of HRK 92.2 million, which was 20.9% more compared to the same period in the previous year.

In terms of operating income, sales revenue amounted to HRK 40.4 million (Q3 2020: HRK 38 million) and is as planned. They 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 18.6 million (same period in 2020: HRK 17.7 million)
- Income from real estate management in the amount of HRK 18 million (same period in 2020: HRK 18 million)
- Income from fees related with joint liability guarantees and representative offices in the amount of HRK 3.2 million (same period in 2020: HRK 1.7 million)

Income from dividends from Group companies amounted to HRK 41.2 million (Q3 2020: HRK 35.1 million), which is 19.5% more than planned.

Total operating expenses for the period January – September 2021 amounted to HRK 51.6 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 16.4 million, of which HRK 15.3 million pertained to other external costs, while HRK 1.1 million pertained to costs of raw materials and supplies. Material costs decreased by 66% compared to the same period last year, which pertained to the costs of raw materials and supplies.
- **Staff costs** amounted to HRK 14.6 million, having dropped by HRK 4.3 million compared to the same period in the previous year, when severance pay was paid to former members of the Management Board in the amount of HRK 2.2 million. Average number of employees in both of the observed periods was 51.
- **Depreciation** amounted to HRK 6.4 million, which was 12.2% less than in the same period in the previous year.
- **Other costs** amounted to HRK 12.8 million, representing a year-on-year increase by 34%.
- **Finance income** for the period Jan-Sep 2021 amounted to HRK 2.7 million and comprised foreign exchange differences on foreign currency accounts and other receivables in the amount of HRK 1.8 million, which, viewed together with finance costs of HRK 2.7 million, results in a neutral 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 30 September 2021 amounted to HRK 1.690 million, which represents an HRK 0.1 million decrease compared to the balance as at 31 December 2020.

Total non-current assets amounted to HRK 1,339 million, representing a decrease by HRK 35.3 million (2.6%) compared to the balance as at 31 December 2020. **The item pertaining to non-current intangible assets** shows an HRK 0.3 million decrease compared to 31 December 2020 as a result of depreciation calculation being performed, whereas **the item pertaining to tangible assets** shows a decrease by HRK 7.9 million as a result of depreciation in the amount of HRK 6.2 million, sale of properties in Labin amounting to HRK 1.9 million, retirement of fixed assets in the amount of HRK 0.9 million and new purchases of assets worth HRK 1.1 million.

Non-current financial assets decreased by HRK 24.7 million, mostly due to the liquidation of the company KONČAR – XD, which resulted in a return of capital amounting to HRK 33.6 million and purchase of shares from a shareholder of KONČAR - Montažni inženjering d.d. (KONČAR – Engineering for Plant Installation & Commissioning) worth HRK 0.7 million, which made KONČAR d.d. a 100% owner of that company. In addition to that, a new company was established – KONČAR – Ulaganja d.o.o. (KONČAR - Investments Ltd.) – with the investment of HRK 20 thousand and a capital injection of HRK 8 million was made into the company KONČAR - Obnovljivi izvori d.o.o. (KONČAR – Renewable Energy Sources). In Q1-Q3 2021, there were no changes pertaining to other investments in the subsidiaries and affiliated companies compared to 31 December 2020.

Non-current receivables amounted to HRK 22.2 million, and the decrease compared to the balance as at 31 December 2020 was caused by reclassification of the short-term portion of receivables arising from sold shares of KONČAR - Kućanski aparati d.o.o.

Total current assets amounted to HRK 349.4 million, representing an HRK 34.8 million increase compared to the balance as at 31 December 2020 as a result of decreased receivables and increased balance of cash. During ordinary course of operations there was an increase in the **receivables arising from regular business operations** by HRK 1.1 million and an HRK 25.6 million decrease in receivables arising from dividends considering that the dividend was paid by the affiliated company KONČAR – Energetski transformatori d.o.o. (KONČAR – Power Transformers). **Other receivables** decreased by HRK 1.5 million as a result of payment of receivables for apartments sold in accordance with payment schedules.

Balance of cash increased compared to 31 December 2020 by HRK 60.8 million, mostly as a result of received payment of dividend in the amount of HRK 66.8 million, sale of assets in the amount of HRK 13.3 million, return of capital from KONČAR – XD in the amount of HRK 33.6 million, payment of shares of KONČAR – Kućanski aparati d.o.o. in the amount of HRK 2.7 million, payment of dividend in the amount of HRK 14.7 million, capital injection into the company KONČAR – Renewable Energy Sources in the amount of HRK 8 million and negative cash flow from operations in the amount of HRK 31.2 million.

Prepaid expenses increased by HRK 393 thousand compared to the balance as at 31 December 2020 as a result of costs of trade fairs and marketing activities that will be re-invoiced to dependent companies.

Total capital and reserves as at 30 September 2021 amounted to HRK 1,672.8 million, representing an HRK 25.9 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 33.9 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 30 September 2021, said provisions amounted to HRK 9.1 million.

Current liabilities decreased by HRK 25.9 million compared to the balance as at 31 December 2020. This mostly pertained to a trade payables decrease by HRK 21.5 million as a result of payment of invoices due to the company KONČAR – Energetika i usluge d.o.o. (KONČAR – Infrastructure and Services) instead of set-off arrangements (which was the practice in the past), and also to reduced employee benefits and liabilities to the state in the amount of HRK 4.3 million as a result of payment of bonus calculated last year.

Short-term provisions were at the same level as on 31 December 2020 and they pertained to calculated costs of paid leave.

As at 30 September 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 1,052,196 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 837,289 thousand (31 December 2020: HRK 691,794 thousand).

B Financial statements of KONČAR – Electrical Industry Inc. for January – September 2021

Annex 1

ISSUER'S GENERAL DATA

Reporting period:	01/01/2021	to	30/09/2021
Year:	2021	Quarter:	3

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):	51		
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 30.09.2021

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	1,339,033,113
I INTANGIBLE ASSETS (ADP 004 to 009)	003	1,787,121	1,499,647
1 Research and development	004	0	0
2 Concessions, patents, licences, trademarks, software and other rights	005	1,787,121	1,499,647
3, Goodwill	006	0	0
4 Advances for the purchase of intangible assets	007	0	0
5 Intangible assets in preparation	008	0	0
6 Other intangible assets	009	0	0
II TANGIBLE ASSETS (ADP 011 to 019)	010	399,483,617	391,521,787
1 Land	011	95,924,738	94,918,825
2 Buildings	012	123,576,316	121,244,339
3 Plant and equipment	013	10,414,660	9,297,148
4 Tools, working inventory and transportation assets	014	1,117,298	505,983
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	1,700,971
8 Other tangible assets	018	69,446	69,446
9 Investment property	019	163,159,694	163,785,075
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	948,476,293	923,732,804
1 Investments in holdings (shares) of undertakings within the group	021	845,127,059	853,877,757
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	2,132,790
8 Loans, deposits, etc, given	028	0	0
9 Other investments accounted for using the equity method	029	0	0
10 Other fixed financial assets	030	0	0
IV RECEIVABLES (ADP 032 to 035)	031	24,610,292	22,278,875
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	15,644,716
4 Other receivables	035	6,634,159	6,634,159
V DEFERRED TAX ASSETS	036	0	0
C) CURRENT ASSETS (ADP 038+046+053+063)	037	314,591,161	349,399,578
I INVENTORIES (ADP 039 to 045)	038	8,984,975	8,984,975
1 Raw materials and consumables	039	0	0
2 Work in progress	040	0	0
3 Finished goods	041	0	0
4 Merchandise	042	0	0
5 Advances for inventories	043	0	0
6 Fixed assets held for sale	044	8,984,975	8,984,975
7 Biological assets	045	0	0

BALANCE SHEET

balance as at 30.09.2021

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)			
	046	41,252,017	15,270,077
1 Receivables from undertakings within the group	047	10,301,956	10,500,989
2 Receivables from companies linked by virtue of participating interests	048	25,954,728	1,038,045
3 Customer receivables	049	1,296,199	951,903
4 Receivables from employees and members of the undertaking	050	44,092	38,818
5 Receivables from government and other institutions	051	0	0
6 Other receivables	052	3,655,042	2,740,322
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)			
	053	0	0
1 Investments in holdings (shares) of undertakings within the group	054	0	0
2 Investments in other securities of undertakings within the group	055	0	0
3 Loans, deposits, etc, to undertakings within the group	056	0	0
4 Investments in holdings (shares) of companies linked by virtue of participating interests	057	0	0
5 Investment in other securities of companies linked by virtue of participating interests	058	0	0
6 Loans, deposits etc, to companies linked by virtue of participating interests	059	0	0
7 Investments in securities	060	0	0
8 Loans, deposits, etc, given	061	0	0
9 Other financial assets	062	0	0
IV CASH AT BANK AND IN HAND	063	264,354,169	325,144,526
D) PREPAID EXPENSES AND ACCRUED INCOME	064	700,135	1,093,465
E) TOTAL ASSETS (ADP 001+002+037+064)	065	1,689,648,619	1,689,526,156
OFF-BALANCE SHEET ITEMS	066	1,437,223,225	2,061,446,614
LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to 070+076+077+081+084+087)			
	067	1,646,861,039	1,672,769,296
I INITIAL (SUBSCRIBED) CAPITAL			
	068	1,208,895,930	1,208,895,930
II CAPITAL RESERVES			
	069	719,579	719,579
III RESERVES FROM PROFIT (ADP 071+072-073+074+075)			
	070	421,603,127	422,284,357
1 Legal reserves	071	48,982,462	49,323,077
2 Reserves for treasury shares	072	34,518,334	34,518,334
3 Treasury shares and holdings (deductible item)	073	-15,869,707	-15,869,707
4 Statutory reserves	074	217,684,029	217,684,029
5 Other reserves	075	136,288,009	136,628,624
IV REVALUATION RESERVES			
	076	0	0
V FAIR VALUE RESERVES AND OTHER (ADP 078 to 082)			
	077	0	0
1 Financial assets at fair value through other comprehensive income (i.e, available for sale)	078	0	0
2 Cash flow hedge - effective portion	079	0	0
3 Hedge of a net investment in a foreign operation - effective portion	080	0	0
4 Other fair value reserves	081	0	0
5 Exchange differences arising from the translation of foreign operations (consolidation)	082	0	0
VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 084-085)			
	083	8,830,096	197,568
1 Retained profit	084	8,830,096	197,568
2 Loss brought forward	085	0	0
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 087-088)			
	086	6,812,307	40,671,862
1 Profit for the business year	087	6,812,307	40,671,862
2 Loss for the business year	088	0	0
VIII MINORITY (NON-CONTROLLING) INTEREST			
	089	0	0

BALANCE SHEET

balance as at 30.09.2021

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	9,140,994
1 Provisions for pensions, termination benefits and similar obligations	091	9,304,479	9,140,994
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	6,889,027
1 Liabilities to undertakings within the group	110	23,413,757	3,224,897
2 Liabilities for loans, deposits, etc, of undertakings within the group	111	0	0
3 Liabilities to companies linked by virtue of participating interests	112	0	0
4 Liabilities for loans, deposits etc, of companies linked by virtue of participating interests	113	0	0
5 Liabilities for loans, deposits etc,	114	0	0
6 Liabilities to banks and other financial institutions	115	0	0
7 Liabilities for advance payments	116	0	0
8 Liabilities to suppliers	117	2,376,923	1,014,384
9 Liabilities for securities	118	0	0
10 Liabilities to employees	119	3,031,673	853,798
11 Taxes, contributions and similar liabilities	120	3,428,737	1,301,185
12 Liabilities arising from the share in the result	121	336,560	336,041
13 Liabilities arising from fixed assets held for sale	122	0	0
14 Other short-term liabilities	123	174,775	158,722
E) ACCRUALS AND DEFERRED INCOME	124	720,676	726,839
F) TOTAL – LIABILITIES (ADP 067+090+097+109+124)	125	1,689,648,619	1,689,526,156
G) OFF-BALANCE SHEET ITEMS	126	1,437,223,225	2,061,446,614

STATEMENT OF PROFIT OR LOSS for the period 01.01.2021 to 30.09.2021

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	76,314,505	13,057,736	92,244,312	24,504,971
1 Income from sales with undertakings within the group	002	72,620,052	12,772,552	81,108,683	13,845,211
2 Income from sales (outside group)	003	525,056	209,772	565,095	279,490
3 Income from the use of own products, goods and services	004	0	0	0	0
4 Other operating income with undertakings within the group	005	0	0	10,534,274	10,359,066
5 Other operating income (outside the group)	006	3,169,397	75,412	36,260	21,204
II OPERATING EXPENSES (ADP 08+009+013+017+018+019+022+029)	007	54,817,918	16,161,307	51,616,876	16,796,542
1 Changes in inventories of work in progress and finished goods	008	0	0	0	0
2 Material costs (ADP 010 to 012)	009	18,915,131	5,524,491	16,494,349	5,588,310
a) Costs of raw materials and consumables	010	3,488,448	888,798	1,163,538	330,878
b) Costs of goods sold	011	0	0	0	0
c) Other external costs	012	15,426,683	4,635,693	15,330,811	5,257,432
3 Staff costs (ADP 014 to 016)	013	18,989,738	5,651,829	14,633,008	4,347,015
a) Net salaries and wages	014	9,713,433	2,930,114	8,093,185	2,441,218
b) Tax and contributions from salary costs	015	6,592,478	1,924,230	4,461,197	1,283,782
c) Contributions on salaries	016	2,683,827	797,485	2,078,626	622,015
4 Depreciation	017	7,287,790	2,411,824	6,400,008	2,055,319
5 Other costs	018	9,555,919	2,573,163	12,805,230	3,525,654
6 Value adjustments (ADP 020+021)	019	0	0	324,535	324,535
a) fixed assets other than financial assets	020	0	0	324,535	324,535
b) current assets other than financial assets	021	0	0	0	0
7 Provisions (ADP 023 to 028)	022	0	0	0	0
a) Provisions for pensions, termination benefits and similar obligations	023	0	0	0	0
b) Provisions for tax liabilities	024	0	0	0	0
c) Provisions for ongoing legal cases	025	0	0	0	0
d) Provisions for renewal of natural resources	026	0	0	0	0
e) Provisions for warranty obligations	027	0	0	0	0
f) Other provisions	028	0	0	0	0
8 Other operating expenses	029	69,340	0	959,746	955,709
III FINANCIAL INCOME (ADP 031 to 040)	030	8,896,478	1,641,213	935,996	437,006
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	131,567	85,254	123	123
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	768,439	140,001	449,666	124,455
8 Exchange rate differences and other financial income	038	7,968,473	1,415,958	0	0
9 Unrealised gains (income) from financial assets	039	0	0	455,818	282,039
10 Other financial income	040	27,999	0	30,389	30,389
IV FINANCIAL EXPENSES (ADP 042 to 048)	041	4,988,436	2,340,021	891,570	-53,595
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	890,168	-53,954

STATEMENT OF PROFIT OR LOSS for the period 01.01.2021 to 30.09.2021

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	7,382	199	1,402	359
4 Exchange rate differences and other expenses	045	4,697,099	2,055,867	0	0
5 Unrealised losses (expenses) from financial assets	046	283,955	283,955	0	0
6 Value adjustments of financial assets (net)	047	0	0	0	0
7 Other financial expenses	048	0	0	0	0
V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VRITUE OF PARTICIPATING INTERESTS	049	0	0	0	0
VI SHARE IN PROFIT FROM JOINT VENTURES	050	0	0	0	0
VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST	051	0	0	0	0
VIII SHARE IN LOSS OF JOINT VENTURES	052	0	0	0	0
IX TOTAL INCOME (ADP 001+030+049 +050)	053	85,210,983	14,698,949	93,180,308	24,941,977
X TOTAL EXPENDITURE (ADP 007+041+051 + 052)	054	59,806,354	18,501,328	52,508,446	16,742,947
XI PRE-TAX PROFIT OR LOSS (ADP 053-054)	055	25,404,629	-3,802,379	40,671,862	8,199,030
1 Pre-tax profit (ADP 053-054)	056	25,404,629	0	40,671,862	8,199,030
2 Pre-tax loss (ADP 054-053)	057	0	-3,802,379	0	0
XII INCOME TAX	058	0	0	0	0
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 055-059)	059	25,404,629	-3,802,379	40,671,862	8,199,030
1 Profit for the period (ADP 055-059)	060	25,404,629	0	40,671,862	8,199,030
2 Loss for the period (ADP 059-055)	061	0	-3,802,379	0	0
DISCONTINUED OPERATIONS (to be filled in by undertakings subject to IFRS only with discontinued operations)					
XIV PRE-TAX PROFIT OR LOSS OF DISCONTINUED OPERATIONS (ADP 063-064)	062	0	0	0	0
1 Pre-tax profit from discontinued operations	063	0	0	0	0
2 Pre-tax loss on discontinued operations	064	0	0	0	0
XV INCOME TAX OF DISCONTINUED OPERATIONS	065	0	0	0	0
1 Discontinued operations profit for the period (ADP 062-065)	066	0	0	0	0
2 Discontinued operations loss for the period (ADP 065-062)	067	0	0	0	0
TOTAL OPERATIONS (to be filled in only by undertakings subject to IFRS with discontinued operations)					
XVI PRE-TAX PROFIT OR LOSS (ADP 055-+062)	068	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	25,404,629	-3,802,379	40,671,862	8,199,030
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 30.09.2021

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	25,404,629	-3,802,379	40,671,862	8,199,030
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 30.09.2021

in HRK

Submitter: KONČAR ELECTRICAL INDUSTRY INC.			
Item	AOP code	Same period of the previous year	Current period
1	2	3	4
Cash flow from operating activities			
1 Cash receipts from customers	001	18,785,172	21,344,920
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	4,862,462	3,381,612
I Total cash receipts from operating activities (ADP 001 to 005)	006	23,647,634	24,726,532
1 Cash payments to suppliers	007	-10,648,458	-27,573,407
2 Cash payments to employees	008	-18,630,988	-19,726,894
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	-4,469,968	-8,657,779
II Total cash payments from operating activities (ADP 007 to 012)	013	-33,749,414	-55,958,080
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 006 + 013)	014	-10,101,780	-31,231,548
Cash flow from investment activities			
1 Cash receipts from sales of fixed tangible and intangible assets	015	1,725,832	13,349,500
2 Cash receipts from sales of financial instruments	016	2,916,246	36,531,389
3 Interest received	017	1,342,861	62,826
4 Dividends received	018	51,186,863	66,866,730
5 Cash receipts from the repayment of loans and deposits	019	235,144,436	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	292,316,238	117,810,445
1 Cash payments for the purchase of fixed tangible and intangible assets	022	-952,996	-394,010
2 Cash payments for the acquisition of financial instruments	023	-6,564,000	-8,750,698
3 Cash payments for loans and deposits	024	-27,900,000	-1,000,000
4 Acquisition of a subsidiary, net of cash acquired	025	0	0
5 Other cash payments from investment activities	026	0	0
IV Total cash payments from investment activities (ADP 022 to 026)	027	-35,416,996	-10,144,708
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 021 + 027)	028	256,899,242	107,665,737
Cash flow from financing activities			
1 Cash receipts from the increase in initial (subscribed) capital	029	0	0
2 Cash receipts the from issue of equity financial instruments and debt financial instruments	030	0	0
3 Cash receipts from credit principals, loans and other borrowings	031	0	0
4 Other cash receipts from financing activities	032	0	0
V Total cash receipts from financing activities (ADP 029 to 032)	033	0	0
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	034	0	0
2 Cash payments for dividends	035	-6,925	-14,764,124
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	-5,530,741	-14,764,124
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 033 + 039)	040	-5,530,741	-14,764,124
1 Unrealised exchange rate differences in respect of cash and cash equivalents	041	-431,092	-879,708
D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 014 + 028 + 040 + 041)	042	240,835,629	60,790,357
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	284,214,720	325,144,525

STATEMENT OF CHANGES IN EQUITY
for the period from 01/01/2021 to 30/09/2021

B Financial statements of KONČAR – Electrical Industry Inc. for January – September 2021

in HRK

Item	AOP code	Attributable to owners of the parent																Minority (non-controlling) interest	Total capital and reserves
		Initial (subscribed) capital	Capital re-serves	Legal reserves	Reserves for treasury shares	Treasury shares and holdings (deductible item)	Statutory reserves	Other reserves	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 30/09/2021

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	40,671,862	40,671,862	0	40,671,862
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	40,671,862	1,672,769,296	0	1,672,769,296
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	40,671,862	40,671,862	0	40,671,862
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 30 September 2021

1 General information about the company

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

The average number of employees in Q3 2021 was 51 (Q3 2020: 51 employees).

2 Significant accounting policies

These financial statements for the six months ended 30 September 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

	January-September 2021 HRK	January-September 2020 HRK
Income from dividends /i/	41,221,991	35,115,446
Income from contracts with customers /ii/	39,886,692	37,482,119
	81,108,683	72,597,565
<i>/i/ Income from dividends</i>		
	January-September 2021. HRK	January-September 2021 HRK
Income from dividends – dependent companies	41,221,991	35,115,446
Income from dividends – affiliated companies	-	-
	41,221,991	35,115,446
<i>/ii/ Income from contracts with customers</i>		
	January-September 2021 HRK	January-September 2021 HRK
<i>Type of service</i>		
Income from brand fees (fees for using the company name, trademark and service mark)	18,607,446	17,743,983
Income from real estate management	18,000,000	18,000,000
Income from other fees	3,279,246	1,738,136
Total income from contracts with customers	39,886,692	37,482,119

4 Other income and operating expenses

Other income mostly relates to the gain from the sale of land and buildings in amount of HRK 10,2 million.

During Q3 2021, 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-September 2021 HRK	January-September 2020 HRK
Profit for the year	40,671,862	25,404,629
Weighted average number of shares	2,545,449	2,548,771
Earnings per share in HRK	15.98	9.97

7 Property, plant and equipment

During Q3 2021, the Company procured assets in the amount of HRK 1,204 thousand (Q3 2020: HRK 2,296 thousand), while depreciation costs amounted to HRK 6,400 thousand (Q3 2020: HRK 7,288 thousand).

8 Investments in subsidiaries

Compared to 31 December 2020, the Company acquired 100% of the shares and voting rights in the subsidiary Končar – Engineering for Plant Installation & Commissioning. In May 2021, Končar – Electrical Industry Inc. formed a subsidiary named Končar - Investments. During Q3 the company Končar – Engineering for Plant Installation & Commissioning was merged with the company Končar – Power Plant and Electric Traction Engineering and a joint venture was liquidated. Additionally, the Company made a share capital contribution in cash in company Končar - Renewable Energy Sources. During Q3 2021, there were no other changes regarding investments in subsidiaries and associates compared to 31 December 2020.

	30-Sep-21 HRK 000	31-Dec-20 HRK 000	30-Sep-21 Share in %	31-Dec-20 Share in %
Stakes (shares) in subsidiaries in Croatia				
Končar – Switchgear	134,364	134,364	100	100
Končar – Steel Structures, Zagreb	126,419	126,419	100	100
Končar – Generators and Motors, Zagreb	107,928	107,928	100	100
Končar – Distribution and Special Transformers, Zagreb	62,118	62,118	52.73	52.73
Končar – Electrical Engineering Institute, Zagreb	60,936	60,936	100	100
Končar – Infrastructure and Services, Zagreb	56,691	56,691	100	100
Končar – Electronics and Informatics, Zagreb	55,436	55,436	88.98	88.98
Končar – Renewable Energy Sources, Zagreb	63,207	55,207	99.91	90.3
Končar – Power Plant and Electric Traction Engineering, Zagreb	71,303	51,773	100	100
Končar – Small Electrical Machines, Zagreb	48,601	48,601	100	100
Končar – Electric Vehicles, Zagreb	36,409	36,409	75.04	75.04
Končar – Instrument Transformers, Zagreb	30,446	30,446	61.97	61.97
Končar – Engineering for Plant Installation & Commissioning, Zagreb	0	18,799	0	96.79
Končar-Investments, Zagreb	20	0	100	
	853,878	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 30 June 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 30 September 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 1,052,196 thousand (31 December 2020: HRK 738,830 thousand) , while subsidiaries issued collateral to the Company from the aforementioned transactions in the amount of HRK 837,289 thousand (31 December 2020: HRK 691,794 thousand).

11 Related party transactions

<i>in HRK thousand</i>	Transactions for the quarter ended		Balance sheet	
	30-Sep-2021	31-Dec-2020	30-Sep-2021	31-Dec-2020
Income from services				
Dependent companies	38,031	35,501	10,501	10,289
Affiliated companies	1,878	2,004	1038	340
Cost of services				
Dependent companies	12,519	13,944	3,225	23,414
Income from dividends				
Dependent companies	41,222	35,115	0	-
Affiliated companies	-	-	-	25,614
Finance income				
Dependent companies	-	132	-	13
Prihod od prodaje imovine				
Ovisna društva	14	105	0	0

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 six months ended 30 June 2021, which should, consequently, be adjusted and/or disclosed.

C Management's Statement of Responsibility

Financial statements of 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 Electrical Industry Inc. for the period from 1 January 2021 to 30 September 2021 give a comprehensive and true view of assets and liabilities, profit and loss, financial position and business operations of the issuer.

The Management Report for the period ending 30 September 2021 gives a true and fair view of the company's business performance.

Signed on behalf of the Management Board:

Gordan Kolak, MSc. Eng.
Chairman of the Management Board



Josip Lasić, CFA
Member of the Management Board and CFO



Zagreb, 28 October 2021



Fallerovo šetalište 22
10000 Zagreb, Croatia
tel: +385 1 3655 555
e-mail: marketing@koncar.hr, ir@koncar.hr