

OPERATING RESULTS FOR KONČAR GROUP
CONSOLIDATED REPORTS OF KONČAR GROUP
January – September 2021



Double-digit growth rates in all key performance indicators

Newly contracted business

+51,1%

compared to the same period of 2020

Backlog

+22,4%

compared to 31 December 2020

Operating income

+18,5%

compared to the same period of 2020

EBITDA

+91,3%

compared to the same period of 2020

EBITDA margin

+360 bps

compared to the same period of 2020

Export sales

+11,1%

compared to the same period of 2020

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A Report of the Management Board

Statement by Gordan Kolak, Chairman of the Management Board



KONČAR Group's business operations in Q3 2021 were marked by double-digit growth rates in all key performance indicators. Total income increased by 18.3%, net profit tripled compared to the same period in the previous year, and the backlog reached record-breaking HRK 5.2 billion. This year's third quarter saw the completion of the process of KONČAR Group's 2020+ Integral Strategy, which has been presented to the Supervisory Board and approved for further implementation.

Simultaneously with the process of developing the Integral Strategy, the Company's Management Board continued with implementing changes in the Group's structure. Companies with similar product ranges were merged, joint venture with the Chinese partner (KONČAR – XD) was wound up in mutual consent of both partners and a new company was established (KONČAR – Digital). The establishment of the new company represented a continuation of developing new solutions that will be in our focus for the next 10+ years. This pertains primarily to digitisation of products, services and business processes.

Besides the regular business activities, several new projects have been contracted that will be significant for the operations of several Group companies.

KONČAR Group 2020+ Integral Strategy

After the pandemic breakout, which almost brought the entire world to a halt at one point, the economy is recovering and life is slowly beginning to return to normal, which has resulted in a great increase in demand for and consumption of electricity. Recognising these trends in the area that is closely connected with the Group's primary business activities, identifying the Group's strengths and weaknesses, and having a clear vision of future development and objectives are processes that require continual adaptation of business models. KONČAR Group 2020+ Integral Strategy sets the development direction and the strategic objectives intended to contribute to KONČAR Group utilising all its potentials and defining its strategic priorities for the upcoming period.

The strategy lays down the main objectives defined as the new dimension of development. Among other things, the strategy includes a compelling new four-year development and investment cycle, improvement of employee qualifications and competencies structure by bringing in significant number of new engineers over the next four years, and a further increase in exports with the opening of new capital markets. By 2024, through expanding the services portfolio and offering integrated solutions that have greater added value, the Group plans to generate consolidated revenue around HRK 4 billion, in terms of organic growth.

The 2020+ Integral Strategy is based on six levers of transformation that are intended to transform KONČAR into an even more modern and agile company that has the ability to adapt to market trends at any given moment, primarily in power engineering solutions, rolling stock products and related infrastructure. The plan to make this vision a reality is based on the recognised opportunities that will contribute to the growth of overall performance and creation of new value, not only for KONČAR and its stakeholders, but for the society as a whole.

Innovation and technological modernisation, which imply a further upgrade of the Group's research and development capacities, have been flagged as the first lever of transformation that is essential for the company's continuity. Digitisation and digital evolution are inevitable prerequisites for increasing production efficiency and improving business processes. Strengthening of the sales function and opening up of new markets, together with the offering of complex solutions with greater added value represent the third lever of transformation that is intended to generate more revenue and increase profitability. Employees play an important role in the transformation of the Group's business operations and consequently the creation of prerequisites for recruiting new employees, along with life-long learning and career development opportunities, represents another indispensable lever to raise the company to even greater heights. The reorganisation of the Group's operating model and establishment of the "concern" type of organisation is intended to ensure greater efficiency and faster adaptability to the upcoming green energy transition and to constant changes in the business environment. Acquisitions and strategic partnerships, which are also

included in the strategy, represent another lever that will push the company toward further growth.

Sustainability and socially responsible business are no longer an option; they are a business imperative that makes KONČAR one of the pillars of Croatian economy and pushes the company's operations in the direction of green economy and digitisation - the main challenges of our time.

Performance in the period from January to September 2021

KONČAR Group's performance in Q3 2021 continued the exceptional growth trend in all performance indicators.

The Group generated consolidated operating income in the amount of HRK 2,484.7 million, representing a year-on-year increase by HRK 387.2 million or 18.5%. Export sales continued to grow and amounted to HRK 1,494.5 million, representing an increase of HRK 149 million (11.1%) compared to Q1-Q3 2020. The share of export in total revenue from sale of products and services was 62%. Newly-contracted transactions amounted to HRK 3,362.5 million, which was HRK 1,137.4 million (51.1%) more compared to the same period last year. Book-to-bill ratio for Jan-Sep 2021 was 1.39.

Apart from these sales-related results, the Group also achieved excellent financial results. EBITDA amounted to HRK 230 million, representing an increase by HRK 110 million compared to Jan-Sep 2020. EBITDA margin was 9.5% (it was 5.9% in the same period of 2020). Operating profit amounted to HRK 157.2 million and the consolidated net result of the Group amounted to HRK 154.5 million, having more than tripled compared to the same period of the previous year (in 2020 it amounted to HRK 49.2 million).

Backlog at the end of September reached record-breaking HRK 5,197.2 million, representing a 22.4% increase compared to the value at the beginning of the year. The backlog of contracts to be performed in 2022 and in subsequent years amounted to HRK 3,918.8 million.

In Q3, several KONČAR Group companies signed multiple important contracts. A contract worth HRK 57.2 million for a turnkey project of construction of 110/20 kV transformer substation has been signed with the company Rimac Automobili. The new transformer station is necessary for the power supply of Rimac Automobili's future research and development centre. KONČAR made a huge breakthrough in the Asian market winning its first contract in Japan. Scope of delivery under the contract includes design, manufacture and supervision of three generators assembly for two different small hydro power plants (SHPPs). Because this is the first time Japanese investors have chosen a turbine manufacturer based in Europe, KONČAR will not only represent itself, but will also act as a pioneer in opening the market for other European manufacturers in future. September ended with the signing of an HRK 63 million worth contract with the Swedish distribution system operator, Vattenfall Eldistribution, which was the result of several years of systematic appearances and sales activities in the Swedish market. This contract involves a very complex reconstruction of a 130 kV plant at the Finnslatten transformer substation in Västerås, near the Swedish capital of Stockholm.

We are pleased to report that business projections for the rest of the year indicate that all operating segments will exhibit further growth and that the targets set for 2021 will be achieved.

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



KEY PERFORMANCE INDICATORS

in HRK 000				Index
Performance indicators	I-III Q 2020	I-III Q 2021	Δ	2021/2020
Operating income	2,097,570	2,484,724	387,154	118.5
Sales revenue – total	2,051,024	2,412,895	361,871	117.6
Sales revenue – export	1,345,536	1,494,510	148,974	111.1
Operating expenses	2,050,404	2,327,483	277,079	113.5
Operating profit	47,166	157,241	110,075	333.4
Operating margin	2.3%	6.5%		+420 bps
Net profit	49,194	154,485	105,291	314.0
Depreciation and amortisation	73,031	72,714	-317	99.6
EBITDA	120,197	229,955	109,758	191.3
EBITDA margin	5.9%	9.5%		+360 bps
Normalised EBITDA ¹	108,110	193,344	85,234	178.8
Normalised EBITDA margin ¹	5.3%	8.0%		+270 bps
Cash balance (deposits + cash) ²	819,772	839,609	19,837	102.4
Loans (long-term + short-term) ²	224,939	311,279	86,340	138.4
Transactions contracted	2,225,033	3,362,466	1,137,433	151.1
Backlog ²	4,247,593	5,197,164	949,571	122.4
Book-to-bill ratio	1.08	1.39		

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

Cash balance, loans, backlog²: Balance as at 31 December 2020

Key Indicators of Profit and Loss Statement for January–September 2021

Total **consolidated revenue** generated by the Group amounted to HRK 2,508.3 million, representing an increase by HRK 388.2 million (18.3%) compared to Q1–Q3 of 2020.

The Group generated **operating income** in the amount of HRK 2,484.7 million, representing a year-on-year increase by 18.5%.

Operating expenses amounted to HRK 2,327.5 million, representing a year-on-year increase by 13.5%. Regarding operating expenses, material costs (cost of raw materials and supplies, costs of goods sold and other external costs) amounted to HRK 1,662.6 million. The share of material costs in operating income, adjusted for inventory value changes, was 67.8% and it decreased by 0.1 percentage points compared to the same period in the previous year.

In 2021, there was an increase in the prices of the main raw materials and supplies, especially those pertaining to the transformer program (copper, aluminium, transformer sheet metal, transformer oil, steel). This was reflected in an increase in the costs of raw materials and supplies, which were 1 percentage point higher than last year. Savings were achieved with regard to the costs of goods sold and other costs, which decreased by 1.1 percentage points compared to Jan–Sep 2020. The Group constantly implements measures and activities aimed at mitigating a more significant impact of the mentioned price increase on business performance.

Staff costs amounted to HRK 487.5 million, representing a year-on-year increase by HRK 13.5 million (2.9%). The share of staff costs in operating income was 19.9%, representing a decrease by 2.5 percentage points compared to Jan–Sep 2020.

Net financial result was positive and amounted to HRK 3.9 million. In the comparative period, it amounted to HRK 10.2 million. This is mostly related to fluctuations in foreign currency exchange rates in the most significant markets for the Group.

All companies realised a **positive result** in Q1–Q3 2021.

Net profit for Jan-Sep 2021 amounted to HRK 154.5 million, of which profit in the amount of HRK 31.6 million was attributable to non-controlling (minority) interest (Jan–Sep 2020: HRK 24 million), while profit attributable to parent company shareholders amounted to HRK 122.9 million (Jan–Sep 2020: HRK 25.2 million). Consolidated result of the Group increased threefold, i.e. by HRK 105.3 million compared to the same financial period of the last year.

EBIT amounted to HRK 157.2 million, representing an increase by HRK 110.1 million compared to Q1–Q3 2020. EBITDA margin was 6.5% (Q1–Q3 2020: 2.3 %).

EBITDA amounted to HRK 229.5 million, representing an increase by HRK 109.8 million compared to Q1–Q3 2020. EBITDA margin was 9.5% (Q1–Q3 2020: 5.9%).

Normalised EBITDA amounted to HRK 193.3 million, representing an increase by HRK 85.2 million compared to Q1–Q3 2020. Normalised EBITDA was calculated in the manner that EBITDA was decreased by the net effect of provisioning, asset sale revenue and loss compensation revenue, and increased by value adjustment of current assets. Normalised EBITDA margin was 8% (Q1–Q3 2020: 5.3%).

Consolidated profit and loss statement

Items (in HRK 000)	Index			
	I-III Q 2020	I-III Q 2021	Δ	2021/2020
OPERATING INCOME	2,097,570	2,484,724	387,154	118.5
OPERATING EXPENSES	2,050,404	2,327,483	277,079	113.5
Material costs and change in value of inventories	1,370,861	1,622,635	251,774	118.4
Staff costs	473,953	487,479	13,526	102.9
Depreciation and amortisation	73,031	72,714	-317	99.6
Other costs	130,773	140,793	10,020	107.7
Value adjustment of non-current and current assets	1,786	3,862	1,076	216.2
OPERATING PROFIT	47,166	157,241	110,075	333.4
SHARE IN PROFIT OF ASSOCIATED PARTIES	7,400	16,629	9,229	224.7
SHARE IN LOSS OF ASSOCIATED PARTIES	1,019	344	-675	33.8
FINANCE INCOME	15,112	6,967	-8,145	46.1
FINANCE COSTS	4,911	3,116	-1,795	63.4
TOTAL INCOME	2,120,082	2,508,320	388,238	118.3
TOTAL EXPENSES	2,056,334	2,330,943	274,609	113.4
Profit before tax	63,748	177,377	113,629	278.2
Corporate tax	14,554	22,892	8,338	157.3
PROFIT FOR THE PERIOD	49,194	154,485	105,291	314.0

Financial position

Summarised balance sheet (in 000 HRK)	Index			
	31/12/2020	30/09/2021	Δ	2021/2020
Assets	4,174,892	4,281,564	106,672	102.6
Non-current assets	1,598,223	1,569,670	-28,553	98.2
Current assets	2,576,669	2,711,894	135,225	105.2
Liabilities	1,504,372	1,489,935	-14,437	99.0
Provisions	177,779	179,629	1,850	101.0
Non-current liabilities	123,116	133,796	10,680	108.7
Current liabilities	1,203,477	1,176,510	-26,967	97.8
Equity	2,670,520	2,791,629	121,109	104.5

Key Characteristics of the Balance Sheet as at 30 September 2021

Compared to the balance at the end of 2020, the most significant changes pertained to the items below.

Balance of total consolidated funds and funding sources as at 30 September 2021 was HRK 4,281.6 million, representing an increase by HRK 106.7 million (2.6%) compared to 31 December 2020.

Inventories increased by HRK 186.8 million. Regarding the structure of inventories, the amount of inventories of raw materials and supplies increased by HRK 95.2 million, the amount of work in progress increased by HRK 62.7 million, the amount of inventories of finished and semi-finished goods decreased by HRK 26.2 million, inventories of trade goods increased by HRK 0.4 million and the amount of advance payments for inventory purchases increased by HRK 54.7 million. Inventories increased in all Group companies, but most significantly in companies expected to have increased deliverables in the upcoming period (railway vehicles and transformer program).

Total current receivables were reduced by HRK 71.7 million. Trade receivables and contract assets decreased by HRK 72.2 million. Dividend receivables decreased by HRK 25.6 million (dividend of an affiliated company). Other receivables increased by HRK 26.1 million.

Financial assets and cash increased by HRK 19.2 million. Loans granted and deposits decreased by HRK 26.2 million compared to the balance as at 31 December 2020. At the Group level, cash balance amounted to HRK 789.6 million, representing an increase by HRK 45.9 million.

Current liabilities amounted to HRK 1,040.3 million, representing a decrease by HRK 11.9 million compared to the balance as at 31 December 2020.

Regarding the structure of current liabilities, significant changes pertained to liabilities based on tax and contributions, which decreased by HRK 30.8 million, followed by trade payables, which decreased by HRK 10 million. The amount of advances payable decreased by HRK 47.8 million.

Current liabilities toward banks amounted to HRK 183.8 million, representing an increase by HRK 79.3 million compared to the balance at the end of 2020. Other current liabilities amounted to HRK 16.5 million, representing a decrease by HRK 2.1 million. Accrued expenses and deferred income amounted to HRK 136.2 million, representing a decrease by HRK 15.1 million.

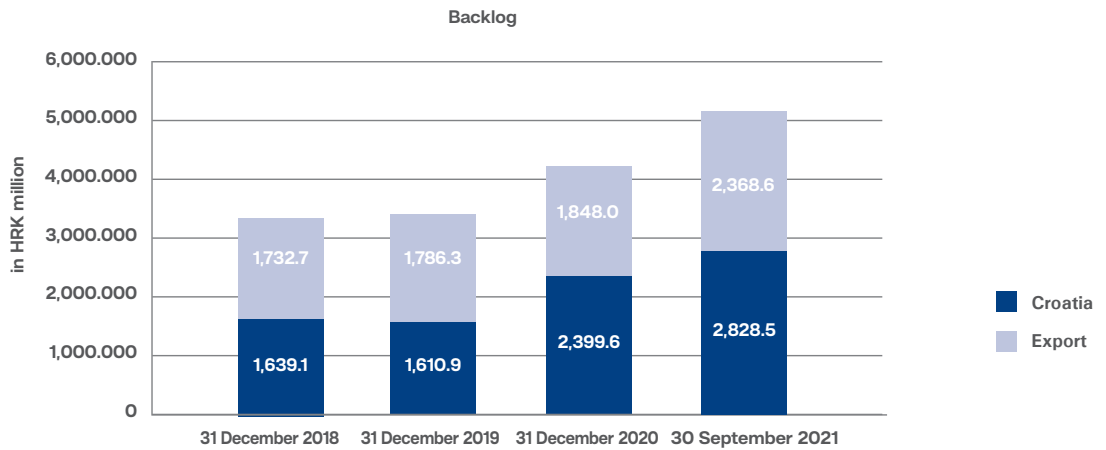
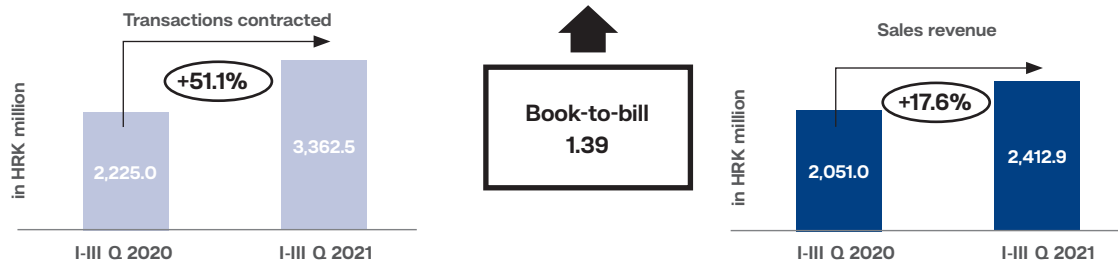
Total loans (long-term and short-term) amounted to HRK 311.3 million, representing an increase by HRK 86.4 million compared to the balance at the end of 2020. The Group has a low level of indebtedness to financial institutions and total loans account for 7.3% of total sources.

Total current assets and prepaid expenses are 2.3 times larger than total current liabilities and accrued expenses and deferred income. The structure of the consolidated balance sheet indicates a **balance between funding sources and investments** and **overall financial stability of KONČAR Group**.

in HRK 000	31/12/2020	30/09/2021	Δ
Non-current liabilities toward banks	120,406	130,388	9,982
Current liabilities toward banks	104,533	183,799	79,266
Financial assets	77,084	50,401	-26,683
Cash and cash equivalents	743,747	789,584	45,837
Net debt	-595,892	-525,798	70,094
Normalised EBITDA (January - September 2021)	108,110	193,344	85,234
Net debt/normalised EBITDA	neg	neg	

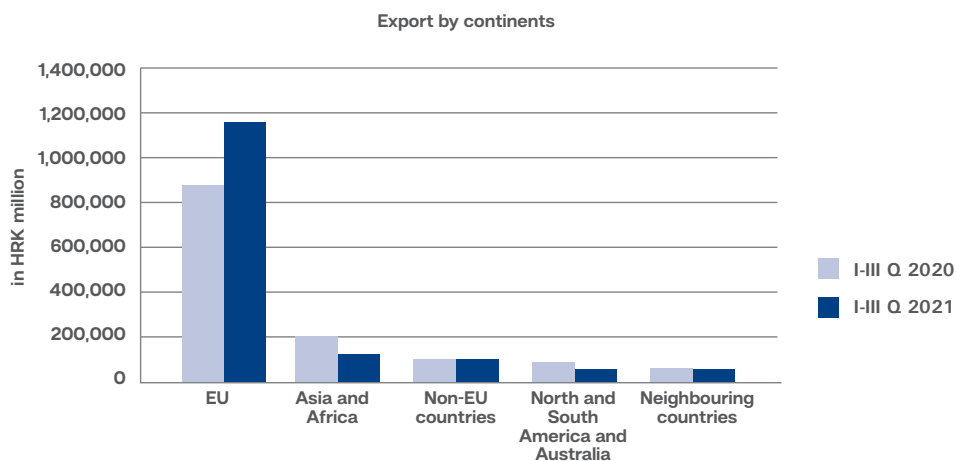
in HRK 000	31/12/2020	30/09/2021	Δ
Current assets	2,567,173	2,701,442	134,269
Current liabilities	1,052,203	1,040,327	-11,876
Current ratio	2.4	2.6	

Market position



Operating Income by Sales Markets

in HRK 000	I-III Q 2020	%	I-III Q 2021	%
Croatia	705,488	34.4	918,385	38.1
EU countries	882,268	43.0	1,155,837	47.9
EU total	1,587,756	77.4	2,074,222	86.0
Asia and Africa	211,187	10.3	126,141	5.2
Non-EU countries	99,959	4.9	99,350	4.1
North and South America and Australia	93,362	4.6	59,062	2.4
Neighbouring countries	58,761	2.9	54,120	2.2
Other countries total	463,269	22.6	338,673	14.0
Total sales revenue	2,051,025	100.0	2,412,895	100.0



Sales revenue

In the period from January to September 2021, KONČAR Group companies generated consolidated revenue from sale of products and services in the amount of HRK 2,412.9 million, representing an increase by HRK 361.9 million (17.6%) compared to the result achieved in the same period of 2020.

Revenue generated in the Croatian market amounted to HRK 918.4 million, which was HRK 212.9 million (30.2%) more than in the same period of 2020. The share of revenue generated in the Croatian market in total revenue from sale of products and services was 38.1%.

Regarding the structure of revenue from sale of products and services in the Croatian market, revenue generated from sale of products and services to HEP Group companies (HEP – Generation, HEP – Distribution System Operator and Croatian Transmission System Operator) amounted to HRK 296.9 million (32.3% of total revenue generated from sale of products and services in the Croatian market). The company supplied HRK 110.3 million worth of products and services to the HEP Group indirectly via the companies Brodomerkur and Brodometalurgija, which resulted in total revenue from sale of products and services to the HEP Group amounting to HRK 407.2 million.

Revenue from sale of products and services to HŽ Passenger Transport, HŽ Infrastructure and Rolling Stock Technical Services amounted to HRK 210.8 million (23% of total revenue generated in the Croatian market).

Revenue generated from sale of products and services in foreign markets amounted to HRK 1,494.5 million, representing an increase by HRK 149 million (11.1%) compared to the result achieved in the previous year. The share of export in total revenue from sale of products and services was 61.9%.

When it comes to export by individual countries, the most significant export volume pertained to the German market, amounting to HRK 292.7 million or 19.6% of total export (HRK 132 million higher compared to the same period of 2020). Goods and services exported to Sweden amounted to HRK 211.8 million (14.2% of total export) and those exported to Austria amounted to HRK 107.6 million (7.2% of total export).

Compared to the same period in the previous year, apart from Germany and Sweden, a significant increase in revenue from export sale of products and services pertained to the following markets: Greece (HRK +41.7 million), the Netherlands (HRK +32.9 million) and Spain, where the value of goods and services exported increased by HRK 25.8 million compared to the same period last year.

Compared to the previous year, exports to EU countries increased by HRK 273.6 million, totalling to HRK 1,155.8 million in Q1-Q3 2021. Export to non-EU countries is comparable to the result achieved in the same period last year, amounting to HRK 99.4 million in total. Other continents exhibited a decrease in revenue as a result of travel restrictions, inability to contact customers directly during the last year's lockdown and transport disruptions (primarily container ships). However, more contracts have been concluded this year compared to the last year in all markets (except in Asia and Africa). The impact of concluded contracts on sales revenue is expected in the upcoming period.

Transactions contracted and backlog

In Q1-Q3 2021, KONČAR Group companies signed contracts for new projects worth HRK 3,362.5 million. Compared to the previous year, the value of newly contracted projects increased by HRK 1,137.4 million (51.1%). Book-to-bill ratio for January – September 2021 was 1.39.

From the total amount of transactions contracted, HRK 1,347.3 million (40% of total transactions contracted) pertains to the Croatian market, whereas HRK 2,015.1 million (60% of total transactions contracted) pertains to export contracts.

Out of the new contracts concluded in the Croatian market, the most significant portion pertains to contracts for companies members of the HEP Group (HEP – Generation, HEP – Distribution System Operator, Croatian Transmission System Operator), specifically HRK 790.5 million (59% of the total transactions contracted in the Croatian market). A further amount of HRK 98.3 million was contracted with the HEP Group indirectly via the companies Brodomerkur and Brodometalurgija. Out of the total new contracts with the HEP Group, the most important one pertains to the contract for replacement of primary equipment of Senj Hydroelectric Power Plant. Contracted works and equipment worth HRK 330 million are the main part of the project of reconstruction of HPP Senj, which is intended to increase the power output of the plant by 20 MW. Works are planned to commence in 2022 and be completed in 2026. Other significant transactions concluded in the

Croatian market include a contract with Rimac Automobili worth HRK 57.2 million and a tram maintenance and service contract with Zagreb Holding, worth HRK 44.4 million.

In the period Jan–Sep 2021, new contracts concluded in foreign markets totalled HRK 2,015.1 million, which is HRK 454.3 million (29.1%) more than what was contracted in the same period in the previous year.

Out of all the works contracted in foreign markets, the largest portion pertained to EU countries, specifically HRK 1,539.6 million, which was HRK 340.3 million (28.4%) more than in Q1–Q3 2020. Compared to the previous year, the most significant increase in the number of contracts pertained to the German market (HRK 129.1 million), Swedish market (HRK 125.9 million) and Italian market (HRK 59.1 million).

After a drop in the number of contracts in 2020, in Jan–Sep 2021, there was an increase in the number of contracts concluded in non-EU markets by HRK 56.9 million. Regarding countries in the Americas and Australia, newly-contracted transactions increased by HRK 49.6 million. New contracts concluded in neighbouring countries increased by HRK 20.3 million compared to Q1–Q3 2020. A drop is still recorded in the markets of Asia and Africa (HRK 12.8 million less), where the Group concluded new contracts worth HRK 129.5 million in 2021.

The value of transactions contracted (backlog) as at 30 September 2021 amounted to HRK 5,197.2 million, representing a 22.4% increase compared to the value at the beginning of the year. At the end of September 2021, backlog was higher by HRK 1,665.4 million than at the end of September 2020 (balance as at 30 September 2020: HRK 3,531.8 million).

Out of total backlog, contracts intended to be performed in 2021 amounted to HRK 1,278.4 million, which means that the sales revenue plan for 2021 is completely covered by contracts.

Information for Shareholders

KOEI-R-A	30/09/2020	30/09/2021	Index
Final price (HRK)	620.00	720.00	116.1
Highest price (HRK)	670.00	765.00	114.2
Lowest price (HRK)	430.00	580.00	134.9
Volume	71,147	74,788	105.1
Turnover (HRK)	37,423,813	51,542,825,00	137.7
Market capitalisation (HRK)	1,578,178,380	1,832,723,280	116.1
EPS (HRK)	9.88	48.28	488.7

(profit of the parent company owner/weighted average number of shares)

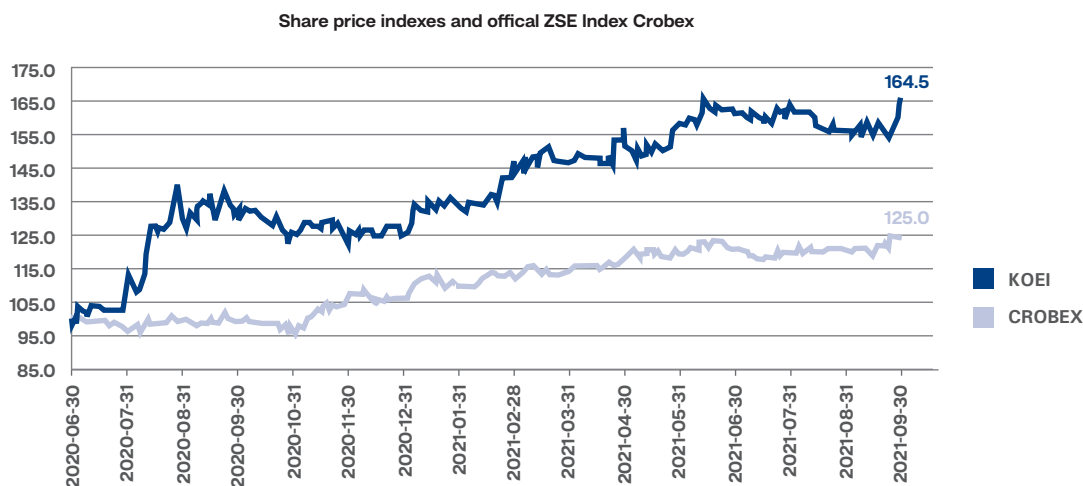
The shares of KONČAR – Elektroindustrija d.d. are quoted on the Official Market of Zagreb Stock Exchange. The shares are marked with the "KOEI-R-A" symbol. In accordance with the applicable regulations, the company provides access to the information about its operations and activities on a regular basis, as well as the data about the facts and circumstances that may affect the price of shares (price-sensitive information).

The company's share capital amounts to HRK 1,208,895,930.00 and is divided into 2,572,119 ordinary shares with a nominal value of HRK 470.00.

Compared to the same date in 2020, the closing price of a KONČAR share increased by 16.1%.

Earnings per share amounted to HRK 48.28, which is almost a fivefold increase compared to Q1–Q3 2020.

Market capitalisation amounted to HRK 1.83 billion, representing an increase by HRK 255 million compared to the balance as at 30 September 2020.



B Consolidated financial statements of KONČAR Group 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:	74780000HOSHMRW015
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):	3616		
Consolidated report:	KD		(KN-not consolidated/KD-consolidated)
Audited:	RN		(RN-not audited/RD-audited)
Names of subsidiaries (according to IFRS):	Registered office:	MB:	
Končar - Infrastructure and Services Ltd.	Zagreb	1343068	
Končar - Electrical Engineering Institute Inc.	Zagreb	3645363	
Končar - Electronics and Informatics Inc.	Zagreb	3282899	
Končar - Small Electrical Machines Inc.	Zagreb	3282678	
Končar - Generators and Motors Inc.	Zagreb	1356216	
Končar - Renewable Sources Ltd.	Zagreb	2435071	
Končar - Instrument Transformers Inc.	Zagreb	3654656	
Končar - Distribution and Special Transformers Inc.	Zagreb	3654664	
Končar - Switchgear Inc.	Zagreb	3641287	
Končar - Electric Vehicles Inc.	Zagreb	3282660	
Končar - Power Plant and EI, Traction Engineering Inc.	Zagreb	3654354	
Končar - Metal Structures Inc.	Zagreb	1114328	
Končar - Investments Ltd.	Zagreb	5423392	
Advanced Energy Solutions Ltd.	Zagreb	5435765	
Power Engineering Transformatory Sp. z o.o.	Czerwonaka, Poznan, Poljska		
Bookkeeping firm:	No		(Yes/No)
Contact person:	MARINA MARKUŠIĆ (only name and surname of the contact person)		
Telephone:	01 3667 175		
E-mail address:	marina.markusic@koncar.hr		
Audit firm:	KPMG Croatia d.o.o. (name of the audit firm)		
Certified auditor:	Igor Gošek (name and surname)		

BALANCE SHEET

balance as at 30.09.2021

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	1,598,222,545	1,569,670,385
I INTANGIBLE ASSETS (ADP 004 to 009)	003	45,901,669	41,646,119
1 Research and development	004	20,555,919	17,656,509
2 Concessions, patents, licences, trademarks, software and other rights	005	12,405,805	11,746,791
3, Goodwill	006	7,342,331	7,342,331
4 Advances for the purchase of intangible assets	007	75,000	0
5 Intangible assets in preparation	008	5,522,614	4,897,218
6 Other intangible assets	009	0	3,270
II TANGIBLE ASSETS (ADP 011 to 019)	010	1,191,744,853	1,180,980,634
1 Land	011	163,997,809	162,963,336
2 Buildings	012	421,498,039	415,168,963
3 Plant and equipment	013	318,767,541	314,297,068
4 Tools, working inventory and transportation assets	014	61,371,579	61,233,775
5 Biological assets	015	0	0
6 Advances for the purchase of tangible assets	016	8,871,464	2,868,608
7 Tangible assets in preparation	017	66,244,827	73,352,923
8 Other tangible assets	018	1,894,713	2,168,761
9 Investment property	019	149,098,881	148,927,200
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	298,567,693	287,689,781
1 Investments in holdings (shares) of undertakings within the group	021	3,582,280	9,902,280
2 Investments in other securities of undertakings within the group	022	0	0
3 Loans, deposits, etc, to undertakings within the group	023	0	0
4 Investments in holdings (shares) of companies linked by virtue of participating interests	024	236,022,868	248,651,573
5 Investment in other securities of companies linked by virtue of participating interests	025	0	0
6 Loans, deposits etc, to companies linked by virtue of participating interests	026	0	0
7 Investments in securities	027	2,317,988	2,433,514
8 Loans, deposits, etc, given	028	2,648,852	2,817,898
9 Other investments accounted for using the equity method	029	51,200,356	20,795,386
10 Other fixed financial assets	030	2,795,349	3,089,130
IV RECEIVABLES (ADP 032 to 035)	031	24,654,923	22,302,864
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	6,678,790	6,658,148
V DEFERRED TAX ASSETS	036	37,353,407	37,050,987
C) CURRENT ASSETS (ADP 038+046+053+063)	037	2,567,173,396	2,701,442,815
I INVENTORIES (ADP 039 to 045)	038	744,775,526	931,618,828
1 Raw materials and consumables	039	364,577,853	459,810,555
2 Work in progress	040	244,360,544	298,955,790
3 Finished goods	041	90,229,157	72,133,963
4 Merchandise	042	199,302	629,797
5 Advances for inventories	043	36,423,695	91,103,748
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	1,001,565,463	929,838,621
1 Receivables from undertakings within the group	047	0	0
2 Receivables from companies linked by virtue of participating interests	048	42,665,090	33,224,681
3 Customer receivables	049	876,782,299	788,534,622
4 Receivables from employees and members of the undertaking	050	761,901	1,744,771
5 Receivables from government and other institutions	051	31,307,176	32,890,679
6 Other receivables	052	50,048,997	73,443,868
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)	053	77,085,219	50,401,192
1 Investments in holdings (shares) of undertakings within the group	054	0	0
2 Investments in other securities of undertakings within the group	055	0	0
3 Loans, deposits, etc, to undertakings within the group	056	0	0
4 Investments in holdings (shares) of companies linked by virtue of participating interests	057	0	0
5 Investment in other securities of companies linked by virtue of participating interests	058	0	0
6 Loans, deposits etc, to companies linked by virtue of participating interests	059	0	0
7 Investments in securities	060	0	0
8 Loans, deposits, etc, given	061	76,414,310	50,160,021
9 Other financial assets	062	670,909	241,171
IV CASH AT BANK AND IN HAND	063	743,747,188	789,584,174
D) PREPAID EXPENSES AND ACCRUED INCOME	064	9,496,925	10,451,591
E) TOTAL ASSETS (ADP 001+002+037+064)	065	4,174,892,866	4,281,564,791
OFF-BALANCE SHEET ITEMS	066	3,716,143,789	4,004,386,188
LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to 070+076+077+081+084+087)	067	2,670,520,331	2,791,629,602
I INITIAL (SUBSCRIBED) CAPITAL	068	1,208,895,930	1,208,895,930
II CAPITAL RESERVES	069	719,579	719,579
III RESERVES FROM PROFIT (ADP 071+072-073+074+075)	070	777,786,714	805,599,691
1 Legal reserves	071	70,601,681	70,543,024
2 Reserves for treasury shares	072	34,518,334	34,518,334
3 Treasury shares and holdings (deductible item)	073	-15,869,707	-15,869,707
4 Statutory reserves	074	458,880,493	480,131,886
5 Other reserves	075	229,655,913	236,276,154
IV REVALUATION RESERVES	076	0	0
V FAIR VALUE RESERVES AND OTHER (ADP 078 to 082)	077	-148,941	-410,076
1 Financial assets at fair value through other comprehensive income (i.e, available for sale)	078	0	0
2 Cash flow hedge - effective portion	079	0	0
3 Hedge of a net investment in a foreign operation - effective portion	080	0	0
4 Other fair value reserves	081	0	0
5 Exchange differences arising from the translation of foreign operations (consolidation)	082	-148,941	-410,076
VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 084-085)	083	319,397,188	347,805,967
1 Retained profit	084	319,397,188	347,805,967
2 Loss brought forward	085	0	0
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 087-088)	086	73,888,927	122,906,638
1 Profit for the business year	087	73,888,927	122,906,638
2 Loss for the business year	088	0	0
VIII MINORITY (NON-CONTROLLING) INTEREST	089	289,980,934	306,111,873

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	177,779,842	179,629,329
1 Provisions for pensions, termination benefits and similar obligations	091	40,040,341	39,332,355
2 Provisions for tax liabilities	092	0	0
3 Provisions for ongoing legal cases	093	1,075,400	1,075,400
4 Provisions for renewal of natural resources	094	3,421,971	3,421,971
5 Provisions for warranty obligations	095	133,242,130	135,799,603
6 Other provisions	096	0	0
C) LONG-TERM LIABILITIES (ADP 098 to 108)	097	123,116,239	133,796,662
1 Liabilities to undertakings within the group	098	0	0
2 Liabilities for loans, deposits, etc, of undertakings within the group	099	0	0
3 Liabilities to companies linked by virtue of participating interests	100	0	0
4 Liabilities for loans, deposits etc, of companies linked by virtue of participating interests	101	0	0
5 Liabilities for loans, deposits etc,	102	0	0
6 Liabilities to banks and other financial institutions	103	120,406,692	128,081,074
7 Liabilities for advance payments	104	0	0
8 Liabilities to suppliers	105	0	0
9 Liabilities for securities	106	0	0
10 Other long-term liabilities	107	2,709,547	5,715,588
11 Deferred tax liability	108	0	0
D) SHORT-TERM LIABILITIES (ADP 110 to 123)	109	1,052,203,224	1,040,327,491
1 Liabilities to undertakings within the group	110	0	0
2 Liabilities for loans, deposits, etc, of undertakings within the group	111	0	0
3 Liabilities to companies linked by virtue of participating interests	112	69,964,603	18,905,928
4 Liabilities for loans, deposits etc, of companies linked by virtue of participating interests	113	0	0
5 Liabilities for loans, deposits etc,	114	0	0
6 Liabilities to banks and other financial institutions	115	104,532,728	183,197,936
7 Liabilities for advance payments	116	347,826,312	300,008,598
8 Liabilities to suppliers	117	388,573,753	429,652,635
9 Liabilities for securities	118	0	0
10 Liabilities to employees	119	40,831,596	43,396,291
11 Taxes, contributions and similar liabilities	120	76,953,401	46,101,632
12 Liabilities arising from the share in the result	121	568,889	565,917
13 Liabilities arising from fixed assets held for sale	122	0	0
14 Other short-term liabilities	123	22,951,942	18,498,554
E) ACCRUALS AND DEFERRED INCOME	124	151,273,230	136,181,707
F) TOTAL – LIABILITIES (ADP 067+090+097+109+124)	125	4,174,892,866	4,281,564,791
G) OFF-BALANCE SHEET ITEMS	126	3,716,143,789	4,004,386,188

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	2,097,570,497	723,588,825	2,484,724,683	858,678,552
1 Income from sales with undertakings within the group	002	0	0	0	0
2 Income from sales (outside group)	003	2,051,025,377	709,799,513	2,412,895,631	819,791,514
3 Income from the use of own products, goods and services	004	0	0	0	0
4 Other operating income with undertakings within the group	005	0	0	0	0
5 Other operating income (outside the group)	006	46,545,120	13,789,312	71,829,052	38,887,038
II OPERATING EXPENSES (ADP 08+009+013+017+018+019+022+029)	007	2,050,404,257	711,172,552	2,327,483,268	782,742,098
1 Changes in inventories of work in progress and finished goods	008	-66,954,553	-18,305,753	-39,924,631	-10,540,018
2 Material costs (ADP 010 to 012)	009	1,437,813,357	494,668,237	1,662,560,223	549,382,545
a) Costs of raw materials and consumables	010	1,182,987,953	398,587,611	1,393,682,292	465,434,551
b) Costs of goods sold	011	47,455,638	18,692,903	47,209,054	8,704,373
c) Other external costs	012	207,369,766	77,387,723	221,668,877	75,243,621
3 Staff costs (ADP 014 to 016)	013	473,953,708	161,263,149	487,478,850	165,402,108
a) Net salaries and wages	014	280,440,467	95,102,263	299,156,732	101,274,548
b) Tax and contributions from salary costs	015	132,065,705	45,731,366	122,916,870	41,971,501
c) Contributions on salaries	016	61,447,536	20,429,520	65,405,248	22,156,059
4 Depreciation	017	73,031,973	24,047,721	72,713,263	24,318,648
5 Other costs	018	126,330,830	46,831,980	134,148,826	47,548,469
6 Value adjustments (ADP 020+021)	019	1,785,644	1,144,435	3,862,017	2,190,176
a) fixed assets other than financial assets	020	901,833	901,833	32,726	32,726
b) current assets other than financial assets	021	883,811	242,602	3,829,291	2,157,450
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	4,443,298	1,522,783	6,644,720	4,440,170
III FINANCIAL INCOME (ADP 031 to 040)	030	15,112,036	1,023,722	6,966,589	551,541
1 Income from investments in holdings (shares) of undertakings within the group	031	0	0	0	0
2 Income from investments in holdings (shares) of companies linked by virtue of participating interests	032	0	0	0	0
3 Income from other long-term financial investment and loans granted to undertakings within the group	033	0	0	0	0
4 Other interest income from operations with undertakings within the group	034	0	0	0	0
5 Exchange rate differences and other financial income from operations with undertakings within the group	035	0	0	0	0
6 Income from other long-term financial investments and loans	036	654,866	654,866	85,372	85,372
7 Other interest income	037	8,184,486	2,717,183	5,596,537	181,605
8 Exchange rate differences and other financial income	038	5,863,316	-1,374,154	19,715	0
9 Unrealised gains (income) from financial assets	039	1,675	-283,955	455,818	218,051
10 Other financial income	040	407,693	-690,218	809,147	66,513
IV FINANCIAL EXPENSES (ADP 042 to 048)	041	4,911,130	1,585,645	3,115,412	1,021,245
1 Interest expenses and similar expenses with undertakings within the group	042	0	0	0	0
2 Exchange rate differences and other expenses from operations with undertakings within the group	043	0	0	0	0

STATEMENT OF PROFIT OR LOSS for the period 01.01.2021 to 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	4,025,450	1,323,670	3,025,402	1,004,052
4 Exchange rate differences and other expenses	045	0	0	0	0
5 Unrealised losses (expenses) from financial assets	046	377,187	283,955	0	0
6 Value adjustments of financial assets (net)	047	0	0	0	0
7 Other financial expenses	048	508,493	-21,980	90,010	17,193
V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VRTUE OF PARTICIPATING INTERESTS	049	7,400,222	7,400,222	13,028,705	8,577,602
VI SHARE IN PROFIT FROM JOINT VENTURES	050	0	0	3,600,067	3,616,048
VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST	051	6,956	-1,236,756	0	0
VIII SHARE IN LOSS OF JOINT VENTURES	052	1,012,535	298,431	344,682	0
IX TOTAL INCOME (ADP 001+030+049 +050)	053	2,120,082,755	732,012,769	2,508,320,044	871,423,743
X TOTAL EXPENDITURE (ADP 007+041+051 + 052)	054	2,056,334,878	711,819,872	2,330,943,362	783,763,343
XI PRE-TAX PROFIT OR LOSS (ADP 053-054)	055	63,747,877	20,192,897	177,376,682	87,660,400
1 Pre-tax profit (ADP 053-054)	056	63,747,877	20,192,897	177,376,682	87,660,400
2 Pre-tax loss (ADP 054-053)	057	0	0	0	0
XII INCOME TAX	058	14,553,794	4,141,292	22,891,599	7,512,643
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 055-059)	059	49,194,083	16,051,605	154,485,083	80,147,757
1 Profit for the period (ADP 055-059)	060	49,194,083	16,051,605	154,485,083	80,147,757
2 Loss for the period (ADP 059-055)	061	0	0	0	0
DISCONTINUED OPERATIONS (to be filled in by undertakings subject to IFRS only with discontinued operations)					
XIV PRE-TAX PROFIT OR LOSS OF DISCONTINUED OPERATIONS (ADP 063-064)	062	0	0	0	0
1 Pre-tax profit from discontinued operations	063	0	0	0	0
2 Pre-tax loss on discontinued operations	064	0	0	0	0
XV INCOME TAX OF DISCONTINUED OPERATIONS	065	0	0	0	0
1 Discontinued operations profit for the period (ADP 062-065)	066	0	0	0	0
2 Discontinued operations loss for the period (ADP 065-062)	067	0	0	0	0
TOTAL OPERATIONS (to be filled in only by undertakings subject to IFRS with discontinued operations)					
XVI PRE-TAX PROFIT OR LOSS (ADP 055-+062)	068	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 (ADP 076+077)	075	49,194,083	16,051,605	154,485,081	80,147,755
1 Attributable to owners of the parent	076	25,184,922	9,122,461	122,906,637	68,789,032
2 Attributable to minority (non-controlling) interest	077	24,009,161	6,929,144	31,578,444	11,358,723
STATEMENT OF OTHER COMPRHENSIVE INCOME (to be filled in by undertakings subject to IFRS)					
I PROFIT OR LOSS FOR THE PERIOD	078	49,194,083	16,051,605	154,485,081	80,147,755
II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 80+ 87)	079	-3,828,091	-1,004,400	-495,230	271,096
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	-3,828,091	-1,004,400	-495,230	271,096
1 Exchange rate differences from translation of foreign operations	088	-3,828,091	-1,004,400	-495,230	271,096
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	-3,828,091	-1,004,400	-495,230	271,096
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 078+097)	098	45,365,992	15,047,205	153,989,851	80,418,851
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	45,365,992	15,047,205	153,989,851	80,418,851
1 Attributable to owners of the parent	100	23,166,370	8,592,841	122,645,502	68,931,981
2 Attributable to minority (non-controlling) interest	101	22,199,622	6,454,364	31,344,349	11,486,870

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	2,373,680,163	2,459,860,614
2 Cash receipts from royalties, fees, commissions and other revenue	002	0	0
3 Cash receipts from insurance premiums	003	10,067,072	7,116,267
4 Cash receipts from tax refund	004	91,754,142	77,799,206
5 Other cash receipts from operating activities	005	23,758,191	36,156,601
I Total cash receipts from operating activities (ADP 001 to 005)	006	2,499,259,568	2,580,932,688
1 Cash payments to suppliers	007	-1,653,193,665	-1,946,008,024
2 Cash payments to employees	008	-467,491,324	-494,660,184
3 Cash payments for insurance premiums	009	-7,820,273	-7,674,620
4 Interest paid	010	-3,991,263	-2,916,442
5 Income tax paid	011	-17,095,717	-15,797,633
6 Other cash payments from operating activities	012	-205,343,315	-172,327,412
II Total cash payments from operating activities (ADP 007 to 012)	013	-2,354,935,557	-2,639,384,315
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 006 + 013)	014	144,324,011	-58,451,627
Cash flow from investment activities			
1 Cash receipts from sales of fixed tangible and intangible assets	015	1,779,793	15,870,841
2 Cash receipts from sales of financial instruments	016	26,438,083	3,250,970
3 Interest received	017	5,739,452	4,283,412
4 Dividends received	018	16,895,001	26,092,738
5 Cash receipts from the repayment of loans and deposits	019	276,287,492	59,625,912
6 Other cash receipts from investment activities	020	20,987,738	33,648,991
III Total cash receipts from investment activities (ADP 015 to 020)	021	348,127,559	142,772,864
1 Cash payments for the purchase of fixed tangible and intangible assets	022	-59,555,267	-49,850,389
2 Cash payments for the acquisition of financial instruments	023	-12,673,171	-7,050,698
3 Cash payments for loans and deposits	024	-52,732,403	-33,115,450
4 Acquisition of a subsidiary, net of cash acquired	025	0	0
5 Other cash payments from investment activities	026	0	-21,000
IV Total cash payments from investment activities (ADP 022 to 026)	027	-124,960,841	-90,037,537
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 021 + 027)	028	223,166,718	52,735,327
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	36,802,829	145,189,119
4 Other cash receipts from financing activities	032	1,036,339	1,008,284
V Total cash receipts from financing activities (ADP 029 to 032)	033	37,839,168	146,197,403
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	034	-103,354,672	-58,094,963
2 Cash payments for dividends	035	-13,113,571	-31,749,068
3 Cash payments for finance lease	036	-1,111,621	-716,020
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	-1,541,215	-1,894,838
VI Total cash payments from financing activities (ADP 034 to 038)	039	-124,644,895	-92,454,889
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 033 +039)	040	-86,805,727	53,742,514
1 Unrealised exchange rate differences in respect of cash and cash equivalents	041	4,565,435	-2,189,228
D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 014 + 028 + 040 + 041)	042	285,250,437	45,836,986
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	043	369,785,816	743,747,188
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (042+043)	044	655,036,253	789,584,174

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

B Consolidated financial statements of KONČAR Group 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 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	68,577,327	35,092,359	10,919,915	440,410,513	220,450,709	0	0	0	0	0	0	318,917,644	27,371,314	2,309,515,460	262,119,300	2,571,634,760
2 Changes in accounting policies	02	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 Correction of errors	03	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4 Balance on the first day of the previous business year (restated) (ADP 01 to 03)	04	1,208,895,930	719,579	68,577,327	35,092,359	10,919,915	440,410,513	220,450,709	0	0	0	0	0	0	318,917,644	27,371,314	2,309,515,460	262,119,300	2,571,634,760
5 Profit/loss of the period	05	0	0	0	0	0	0	0	0	0	0	0	0	0	0	73,888,927	73,888,927	53,686,643	127,575,570
6 Exchange rate differences from translation of foreign operations	06	0	0	0	0	0	0	-1,268,376	0	0	0	0	0	0	0	0	-1,268,376	-1,137,040	-2,405,416
7 Changes in revaluation reserves of fixed tangible and intangible assets	07	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8 Gains or losses from subsequent measurement of financial assets at fair value through other comprehensive income (available for sale)	08	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9 Profit or loss arising from effective cash flow hedge	09	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10 Profit or loss arising from effective hedge of a net investment in a foreign operation	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11 Share in other comprehensive income/loss of companies linked by virtue of participating interests	11	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12 Actuarial gains/losses on the defined benefit obligation	12	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13 Other changes in equity unrelated to owners	13	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14 Tax on transactions recognised directly in equity	14	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15 Decrease in initial (subscribed) capital (other than arising from the pre-bankruptcy settlement procedure or from the reinvestment of profit)	15	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16 Decrease in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	16	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17 Decrease in initial (subscribed) capital arising from the reinvestment of profit	17	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18 Redemption of treasury shares/holdings	18	0	0	0	0	4,949,792	0	0	0	0	0	0	0	0	0	0	-4,949,792	0	-4,949,792
19 Payments from members/shareholders	19	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20 Payment of share in profit/dividend	20	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-13,096,323	-13,096,323
21 Other distributions and payments to members/shareholders	21	0	0	0	-574,025	0	0	0	0	0	0	0	0	0	3,927,203	0	3,353,178	-11,591,646	-8,238,468
22 Transfer to reserves according to the annual schedule	22	0	0	2,024,354	0	0	18,469,980	10,324,639	0	0	0	0	0	0	-3,447,659	-27,371,314	0	0	0
23 Increase in reserves arising from the pre-bankruptcy settlement procedure	23	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24 Balance on the last day of the previous business year reporting period (ADP 04 to 23)	24	1,208,895,930	719,579	70,601,681	34,518,334	15,869,707	458,880,493	229,506,972	0	0	0	0	0	0	319,397,188	73,888,927	2,380,539,397	289,980,934	2,670,520,331
APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)																			
I OTHER COMPREHENSIVE INCOME OF THE PREVIOUS PERIOD, NET OF TAX (ADP 06 to 14)	25	0	0	0	0	0	0	-1,268,376	0	0	0	0	0	0	0	0	-1,268,376	-1,137,040	-2,405,416
II COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP 05+25)	26	0	0	0	0	0	0	-1,268,376	0	0	0	0	0	0	0	73,888,927	72,620,551	52,549,603	125,170,154
III TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 23)	27	0	0	2,024,354	-574,025	4,949,792	18,469,980	10,324,639	0	0	0	0	0	0	479,544	-27,371,314	-1,596,614	-24,687,969	-26,284,583

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

B Consolidated financial statements of KONČAR Group 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 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	70,601,681	34,518,334	15,869,707	458,880,493	229,506,972	0	0	0	0	0	0	319,397,188	73,888,927	2,380,539,397	289,980,934	2,670,520,331
2 Changes in accounting policies	29	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 Correction of errors	30	0	0	0	0	0	0	148,941	0	0	0	0	0	-148,941	0	0	0	0	0
4 Balance on the first day of the previous business year (restated) (ADP 28 to 30)	31	1,208,895,930	719,579	70,601,681	34,518,334	15,869,707	458,880,493	229,655,913	0	0	0	0	0	-148,941	319,397,188	73,888,927	2,380,539,397	289,980,934	2,670,520,331
5 Profit/loss of the period	32	0	0	0	0	0	0	0	0	0	0	0	0	0	0	122,906,638	122,906,638	31,578,444	154,485,082
6 Exchange rate differences from translation of foreign operations	33	0	0	0	0	0	0	0	0	0	0	0	0	-261,135	0	0	-261,135	-234,095	-495,230
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	-14,763,604	0	-14,763,604	-16,978,617	-31,742,221
21 Other distributions and payments to members/shareholders	48	0	0	0	0	0	0	0	0	0	0	0	0	0	-2,903,567	0	-2,903,567	1,765,207	-1,138,360
22 Transfer to reserves according to the annual schedule	49	0	0	-58,657	0	0	21,251,393	6,620,241	0	0	0	0	0	0	46,075,950	-73,888,927	0	0	0
23 Increase in reserves arising from the pre-bankruptcy settlement procedure	50	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24 Balance on the last day of the previous business year reporting period (ADP 31 to 50)	51	1,208,895,930	719,579	70,543,024	34,518,334	15,869,707	480,131,886	236,276,154	0	0	0	0	0	-410,076	347,805,967	122,906,638	2,485,517,729	306,111,873	2,791,629,602
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	-261,135	0	0	-261,135	-234,095	-495,230
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	-261,135	0	122,906,638	122,645,503	31,344,349	153,989,852
III TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 42 to 50)	54	0	0	-58,657	0	0	21,251,393	6,620,241	0	0	0	0	0	0	28,408,779	-73,888,927	-17,667,171	-15,213,410	-32,880,581

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

Activity

KONČAR Group (hereinafter: "the Group") main business areas are as follows:

- Power generation
- Power transmission and distribution
- Rail solutions and infrastructure
- Digital solutions and platforms

Group structure

In addition to the Parent Company, the Group includes 12 dependent companies performing core business activities and four dependent companies performing special activities, namely product research and development, and infrastructure services and investments.

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

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

The Company manages its wholly-owned companies.

Number of employees

As at 30 September 2021, the Group had 3,616 employees (31 December 2020: 3,532 employees).

Average number of employees in the period from January to September 2021 was 3,566 (same period in 2020: 3,493).

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

Basis of preparation

Consolidated financial statements for the period from January to September 2021 have been drawn up in accordance with the International Accounting Standard 34 – Interim Financial Reporting as adopted by the EU.

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

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

Going concern assumption

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

Significant accounting policies

Consolidated financial statements for the period from January to September 2021 have been drawn up on the basis of the same accounting policies, disclosures and calculation methods used in the consolidated annual financial statements of the Group as at 31 December 2020.

Key accounting estimates

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

Seasonal effects

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

3 SUBSIDIARIES

	30 September 2021	31 December 2020
	Share in voting rights (%)	Share in voting rights (%)
Dependent companies registered in Croatia that are consolidated:		
Končar – Small Electrical Machines, Zagreb	100.00	100.00
Končar – Power Plant and Electric Traction Engineering, Zagreb	100.00	100.00
Končar – Infrastructure and Services, Zagreb	100.00	100.00
Končar – Electrical Engineering Institute, Zagreb	100.00	100.00
Končar – Generators and Motors, Zagreb	100.00	100.00
Končar – Steel Structures, Zagreb	100.00	100.00
Končar – Switchgear	100.00	100.00
<i>Končar – Renewable Energy Sources, Zagreb</i>	100.00	100.00
<i>Direct ownership</i>	90.30	90.30
<i>Indirect ownership</i>	9.70	9.70
Končar – Electric Vehicles Inc., Zagreb	75.04	75.04
Končar – Electronics and Informatics, Zagreb	88.98	88.98
Končar – Instrument Transformers, Zagreb	99.77	99.77
Končar – Distribution and Special Transformers, Zagreb	67.90	67.90
Končar – Engineering for Plant Installation & Commissioning, Zagreb (the company was merged with Končar – Power Plant and Electric Traction Engineering on 1 July 2021)	100.00	100.00
Subsidiaries registered abroad that are consolidated:		
Power Engineering Transformatory Sp. z o.o. (PET), Poznań, Poland (Indirect ownership through the subsidiary Končar – Distribution and Special Transformers)	-	100.00
Dependent companies not consolidated due to immateriality:		
Konell Ltd., Sofia, Bulgaria (Indirect ownership through the subsidiary Končar – Electric Vehicles)	85.00	85.00
Wind Farm Rust Ltd. (Indirect ownership through the subsidiary Končar – Renewable Energy Sources)	100.00	100.00
Končar – Investments, Zagreb	100.00	-
Advanced Energy Solutions Ltd., Zagreb (Indirect ownership through the dependent company Končar – Investments)	51.00	-

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

	30 September 2021	31 December 2020
	Share in ownership, %	Share in ownership, %
Končar – Instrument Transformers, Zagreb	61.97	61.97
Končar – Distribution and Special Transformers, Zagreb	52.73	52.73

4 SEGMENT REPORTING

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

Transformers: includes activities of production and sale of distribution, special, instrument and other transformers in the energy sector;
Rotating machines: includes activities of production and sale of generators and motors and small electrical machines in the energy sector;

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

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

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

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

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

Segment revenues

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

	1 January 2021 - 30 September 2021	1 January 2020 - 30 September 2020
	HRK 000	HRK 000
Transformers	1,165,748	1,001,577
Rotating machines	254,787	201,202
Railway vehicles	283,445	85,986
Engineering works	399,626	450,321
Industrial electronics and development	85,448	90,001
Other	223,841	221,939
Total income from contracts with customers	2,412,896	2,051,025
Affiliated companies	74,037	83,870
Unaffiliated companies	2,338,859	1,967,156
Total income from contracts with customers	2,412,896	2,051,025

5 OTHER OPERATING INCOME AND EXPENSES

In the period from January to September 2021, there were no items of income or operating expenses of exceptional size or incidence that would consequently require additional disclosure.

6 CAPITALISED SALARY COSTS

In the period from January to September 2021, Group companies capitalised salaries in a total amount of HRK 8,510 thousand (net salaries in the amount of HRK 5,127 thousand, taxes, surcharges and salary contributions paid by the employee in the amount of HRK 2,202 thousand, and salary contributions paid by the employer in the amount of HRK 1,181 thousand).

7 EARNINGS PER SHARE

	1 January 2021 - 30 September 2021	1 January 2020 - 30 September 2020
	HRK 000	HRK 000
Net profit attributable to the owners of the parent company	122,907	25,185
Weighted average number of shares	2,545,449	2,548,771
Basic and diluted earnings per share	48.28	9.88

8 NON-CURRENT TANGIBLE AND INTANGIBLE ASSETS

During the period from January to September 2021, the Group procured assets in the amount of HRK 70,315 thousand. Depreciation costs in the period from January to September 2021 amounted to HRK 72,713 thousand (Jan - Sep 2020: HRK 73,032 thousand).

9 INVENTORIES

In the period from January to September 2021, the Group recognised value adjustment of inventories in the amount of HRK 3,812 thousand (Jan-Sep 2020: HRK 870 thousand).

10 CAPITAL AND RESERVES

Share (subscribed) capital has a nominal value of HRK 1,208,895,930 (31 December 2020: HRK 1,208,895,930) and consists of 2,572,119 shares with a nominal value of HRK 470.00. The Company's ordinary shares are listed on the Official Market of Zagreb Stock Exchange, identified by the symbol KOEI-R-A. As at 30/09/2021, the Company owned 26,670 treasury shares (31 December 2020: 26,670 shares).

11 LOAN LIABILITIES

	30 September 2021	31 December 2020
	HRK 000	HRK 000
Loan liabilities		
Non-current	128,081	120,406
Current	183,198	104,533
	311,279	224,939

Bank loans are secured by a lien on immovable and movable property. The current value of immovable property on which a lien has been registered amounts to HRK 312,955 thousand, while the current value of movable property on which a lien has been registered amounts to HRK 70,308 thousand.

Liabilities under loans fall due for payment as follows:

	30 September 2021
	HRK 000
Within one year	181,945
In 1 to 2 years	20,606
In 2 to 5 years	45,099
In over 5 years	63,629
	311,279

12 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party, is under joint control or has a significant influence on the business operations of the other party. The Republic of Croatia and other companies under control or significant influence of the Republic of Croatia also have significant ownership of the Group. Accordingly, the Group is related to state institutions and other majority state-owned companies or significantly state-influenced companies. For the purpose of disclosing related party transactions, the Group does not regard routine transactions (such as payment of taxes, duties, etc.) with local utility companies (under direct or indirect state ownership) or with other state authorities as related party transactions. The most significant transactions between the Group and state-owned companies pertain to electricity and heat supply and similar services. In addition to said transactions, in the period from January to September 2021, the Group generated revenue from sale to state institutions and other majority state-owned companies or significantly state-influenced companies in a total amount of HRK 570,309 thousand (Jan-Sep 2020: HRK 376,668 thousand), the majority of which pertained to engineering works, railway vehicles and industrial electronics.

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

	30 September 2021 HRK 000	31 December 2020 HRK 000
Receivables		
Associated companies	33,014	41,971
Joint ventures	211	694
	33,225	42,665
Liabilities		
Associated companies	-	69,865
Joint ventures	-	-
	-	69,865
	1 January 2021 - 30 September 2021 HRK 000	1 January 2020 - 30 September 2020 HRK 000
Sales revenue		
Associated companies	73,682	81,818
Joint ventures	354	2,051
	74,036	83,869
Operating expenses		
Associated companies	70,959	100,698
Joint ventures	168	3
	71,127	100,701

13 EVENTS AFTER THE BALANCE SHEET DATE

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

C Management's Statement of Responsibility

Consolidated financial statements of KONČAR Group are drawn up in accordance with the International Financial Reporting Standards (IFRS) and with the Croatian Accounting Act.

Unaudited consolidated financial statements of KONČAR Group 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 and the companies included in the consolidation as a whole.

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:

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



Josip Lasić, CFA
Member of the Management Board and CFO



Zagreb, 28 October 2021



KONCAR

