



Consolidated  
financial statements  
of **KONČAR Group**

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**Unaudited**

January –  
December

**20  
25**

**KONČAR**

Inspired by challenge

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# Key performance indicators

Sales revenue

**+ 25.2%**

Export

**+ 20.4%**

EBITDA

**+30.4%**

Net profit

**+34.3%**

Backlog

**+31.2%**

Book-to-bill ratio

**1.5**

*Compared to January – December 2024  
Backlog comparable to 31 December 2024*

# A Management Board Report



## Statement by Gordan Kolak, President of the Management Board

The business year 2025 was one of the most significant for KONČAR in the past decade – a year of continued growth, international expansion, and strategic advancements that further strengthened our position within the global energy, transport, and industrial ecosystem. Despite geopolitical volatility, supply chain constraints and the accelerating energy transition, we maintained strong business momentum through systematic implementation of a clearly defined strategy and continuous investment in innovation, internationalization, digitalization, and operational excellence. This consistent strategic focus enabled the Group to generate resilient and sustainable growth in an increasingly complex global environment. During the year, we further strengthened our global market presence, broadened our competitive portfolio of energy and transport solutions, and enhanced our capabilities through targeted acquisitions that enriched our technological capabilities and accelerated access to new markets. The integration of the acquired companies is progressing according to plan, with a strong focus on knowledge transfer, increasing productivity, and creating long-term synergistic value within the Group.

Among the most significant strategic steps is the accelerated development and deployment of dual-use technological solutions, underscored by the signing of a Framework Agreement with the Ministry of Defence for the development and production of counter unmanned aerial systems. This initiative elevates KONČAR's role as a regional provider of advanced digital technologies for critical infrastructure resilience. Digital transformation is becoming an increasingly important driver of growth, through the development of advanced software solutions, digital platforms, and integrated energy systems that strengthen our market differentiation.

At the same time, our other business segments delivered robust growth and reinforced their competitive positions. The Power Transmission and Distribution segment, which generates approximately three-quarters of total revenue, sustained its positive momentum, reaffirming its role as the principal driver of the Group's overall performance. Among the key projects, the construction of the 400 kV Promina substation stands out, an important infrastructure hub for the integration of renewable energy sources and the supply of a large part of Dalmatian region. The Urban Mobility and Infrastructure segment recorded one of its strongest years to date. New contracts for the delivery of battery-powered and electro-diesel trains extended our successful long-term partnership with HŽ Passenger Transport. The commissioning of the first Croatian battery-powered electric multiple unit, developed and manufactured by KONČAR, marked a historic milestone. Croatia thus became the first European country to operate a battery-powered train commercially, establishing KONČAR as one of the few global manufacturers with demonstrated expertise in advanced battery rail solutions. Our cooperation with GPP Osijek continued to expand through a second contract for ten new trams supporting the comprehensive modernisation of the city's tram fleet. Delivery under the first contract was completed in full by year-end 2025. In the Power Generation segment, a project stands out for which, in a consortium with our long-standing partner Siemens Energy, we signed two contracts with INA for the construction of Croatia's first renewable hydrogen production facility. This is a strategically important project that positions us among the leaders of the energy transition in the region and opens new opportunities for the development of hydrogen-based technologies.

The strong investment cycle has been further affirmed by the completion of one of the key capital projects – the construction of a new transformer tank factory. This is a state-of-the-art production facility of KONČAR – Transformer Tanks, a joint venture in which KONČAR holds a majority stake of 60%, and Siemens Energy holds a 40% share. It represents a significant milestone for the domestic industry in an era of accelerated energy transition and unprecedented demand for equipment and solutions in the field of electricity transmission and distribution.

In 2025, one of the most strategically important decisions was made – to localise part of our production in the United States. Through the agreement signed with Sanmina Corporation, a Fortune 500 company, we established a robust platform for strengthening our position in the US market and for developing medium-voltage transformers tailored to local market requirements. This partnership materially expands KONČAR Group's global reach and accelerates the further internationalization of our operations.

Strengthened market activity and favourable industry trends further supported growth in order intake. The backlog at the end of 2025 amounted to EUR 2.7 billion, providing solid revenue visibility for the coming years, high-capacity utilisation and a strong foundation for continued growth and operational stability.

The growth in order intake and backlog was accompanied by strong revenue expansion and excellent financial performance. Consolidated sales revenue of KONČAR Group amounted to EUR 1,319.6 million, representing an increase of EUR 265.3 million, or 25.2%, compared to 2024. The share of exports remained at a high level of 68.0% of total sales revenue, with growth recorded across nearly all international markets. The strongest increase was achieved in the European Union market, where revenue reached EUR 638.9 million, up EUR 87.2 million year-on-year. Group profitability maintained its strong upward trajectory. Net profit reached EUR 220.7 million, representing a year-on-year increase of EUR 56.3 million. Reported EBITDA amounted to EUR 240.8 million, up EUR 56.2 million compared to 2024, corresponding to an EBITDA margin of 18.3%.

The Group's capital markets profile strengthened further in 2025, as market capitalisation rose above EUR 1.8 billion by year-end. The achievement of record share price levels during the year reflects continued investor trust in our strategic priorities and long-term growth prospects. An additional confirmation of the quality and stability of our operations is the fact that for the second year in a row we received the "Golden Share" award of the Zagreb Stock Exchange, a recognition granted to the most successful and most liquid listings on the domestic capital market.

As we enter 2026, we remain focused on the implementation of an ambitious investment cycle, strengthening our technological capacities, developing new products, and further internationalizing our operations. Over the next three years, we plan to invest EUR 550 million in the expansion and modernization of manufacturing capacities, increasing export competitiveness, and creating the conditions necessary for the continued growth and development of the KONČAR Group. We believe that the expertise and dedication of our people, together with a clear strategic focus and a portfolio of high value-added solutions tailored to the specific needs of our customers, will continue to serve as the foundation for sustainable growth and the creation of globally relevant value.

Gordan Kolak, MSc, BSc Eng.  
President of the Management Board



## KEY HIGHLIGHTS OF 2025

### Significant executed contracts

- Successful delivery of 20 low-floor trams to the City of Zagreb (ZET), thereby fully completing the contract signed in June 2023, as well as delivery of 10 low-floor trams to the City of Osijek (Gradski prijevoz putnika d.o.o.), completing the first individual contract signed in September 2023.
- Commissioning of the Kaštel Lukšić railway level crossing, the final site under KONČAR's contract for the supply and installation of level crossing equipment at 50 locations across Croatia within the "Sustainable Croatian Railways in Europe" project.
- Completion of manufacturing and factory testing of a compact generator for the Chidori small hydropower plant in Japan. The generator has a rated power of 2,800 kVA, rated voltage of 6,600 V and rotational speed of 428.57 rpm.
- Completion of testing of newly manufactured stators and rotors for the Egglfing and Braunau hydropower projects for the Austrian utility Verbund. A total of ten generators will be delivered to the two plants located on the River Inn, the natural border between Austria and Germany.
- Successful testing and customer acceptance of the first of three contracted 100 MVA, 170 kV power transformers for the Oudeland substation in the Netherlands.
- Delivery of air-insulated medium-voltage switchgear for the South Azizia substation, for the end customer Saudi Electricity Company, Kingdom of Saudi Arabia.
- Delivery of a three-phase, two-winding 50 MVA transformer for the Avedøre substation in Denmark, as part of a carbon capture and storage (CCS) project. In line with the project's sustainability objectives, the transformer is filled with MDEL 7131, a biodegradable ester-based insulating fluid.
- Completion of the VEPAR project for Hrvatske vode, enhancing the hydrological monitoring system for surface waters and confirming KONČAR's expertise in the execution of complex digitalisation projects within critical public infrastructure.
- Completion of construction and commissioning of the 9.9 MW Gornji Humac solar power plant on the island of Brač, marking the conclusion of a two-year renewable energy project.
- Completion and handover of a 110 kV GIS facility for the 110/x kV Sarajevo 12 substation. In addition to representing KONČAR's first GIS installation on this market, the project provides a key reference for its fully in-house developed third-generation GIS technology.
- Entry into commercial operation of the first battery electric multiple unit (BEMU) developed and manufactured by KONČAR, making Croatia the first European country to introduce this type of train into regular passenger service.
- Delivery of 11 transformer monitoring systems for 65 MVA power transformers supplying data centres in Spain and Northern Ireland, for the end customer Amazon Web Services.
- Delivery of 36 high-voltage instrument transformers (type VPT 420 kV, 110 kVA), utilising advanced insulating fluids under the GREENLINE programme, for six new substations of REN in Portugal.



### New major contracts

- A contract was signed with HEP - Proizvodnja for the supply, installation and commissioning of secondary equipment for generating units, auxiliary and other plant systems, as well as for civil works related to the reconstruction of the Senj Hydropower Plant. This agreement expands the scope of the overall refurbishment project, creating the conditions for a comprehensive reconstruction of the plant's equipment, systems and subsystems.
- Following the turnkey contracting of the new Tando substation with one of Sweden's largest distribution system operators, Ellevio, KONČAR was also awarded a contract by Vattenfall Eldistribution for the construction of the new Munksund substation.
- A new export market was secured for environmentally friendly instrument transformers from the GREENLINE series, covering 123 kV voltage and current transformers for installation in the distribution network of E.ON, Germany's largest distribution system operator.

- KONČAR was awarded a contract for the supply of equipment and execution of works for the Sarajevska Rectifier Station in Zagreb, which will provide traction power supply to the overhead contact network of the new tram line.
- In continuation of efforts to develop modern, efficient and sustainable public transport in Croatia, two contracts were signed with HŽ Passenger Transport for the production of 13 new trains – five electro-diesel units, four battery electric multiple units and four battery trains, as well as two charging stations.
- Cooperation with the public utility Elektroprivreda Hrvatske zajednice Herceg Bosne was further strengthened through a three-year framework agreement covering capital overhauls of generating units at the Mostar Hydropower Plant, as well as a separate contract for the capital overhaul of the turbine and generator at the Rama Hydropower Plant.
- A contract was secured with HEP - Proizvodnja for the construction of the Peruća small hydropower plant, located downstream of the existing hydropower facility. The scope includes the manufacture, installation and commissioning of complete electromechanical equipment, together with all associated civil works.
- A new contract was concluded with GPP Osijek for the delivery of ten additional trams under the existing framework agreement for fleet modernisation, continuing the successful partnership initiated by the first individual contract signed in September 2023.
- A turnkey contract was secured for the construction of the new 400 kV Promina substation in Šibenik-Knin County, a strategically important transmission asset that will significantly strengthen renewable energy integration into Croatia's power grid. The project was contracted with the Croatian subsidiary of Acciona Energía and will facilitate the grid connection of the future Promina solar power plant, expected to generate electricity for approximately 69,000 households.
- A contract was secured with a Swiss railway operator for the replacement of generator G1 with a new 30 MVA, 12 kV unit at the Wassen Hydropower Plant, representing an important entry into the Swiss market for this generator segment.
- In Slovenia, long-standing partner Hidroelektrane na Spodnji Savi awarded KONČAR the construction of two solar power plants near the Brežice Hydropower Plant, representing the Group's first utility-scale solar projects outside Croatia.
- A further security services contract was secured in the United Kingdom, underscoring the growing international recognition of KONČAR's advanced security solutions.
- Svenska kraftnät, Sweden's national transmission system operator, selected Dalekovod for the construction of a 36 km, 400 kV transmission line on the Odensala-Kappetorp section near Stockholm.
- As part of the Grain Belt Express project, one of the largest single investments in the US transmission network to date, KONČAR will supply 52 current and voltage instrument transformers rated between 38 kV and 420 kV for two converter substations, as well as 20 high-voltage reactors rated at 362 kV.
- A framework agreement was concluded with the Ministry of Defence for the development and production of counter-drone protection systems through 2029. The programme encompasses two fixed systems for safeguarding military critical infrastructure and two mobile systems, with KONČAR acting as system integrator and manufacturer of selected components.
- Acting in consortium with long-standing partner Siemens Energy, KONČAR concluded two contracts with INA Inc. for the development of Croatia's first renewable hydrogen production facility. The project encompasses the installation of a 10 MW electrolyser in cooperation with Siemens Energy, an 11 MW solar power plant and a hydrogen distribution facility with an annual production capacity of approximately 1,500 tonnes of green hydrogen, representing Croatia's first commercial-scale green hydrogen facility.
- Further strengthening its presence in the Nordic market, KONČAR secured a contract for the manufacture of a 99 MVA hydrogenerator for the greenfield Hemsil 3 Hydropower Plant project for Hafslund, Norway's second-largest electricity producer.
- In Sweden, contracts were secured for the refurbishment and revitalisation of generating units at the Sollefteåforsen and Storåströmmen Hydropower Plants, reinforcing the Group's lifecycle service presence in the Nordic hydropower market in cooperation with long-standing partner Fortum.



## Strategic partnerships, acquisitions, business transformation, and awards

- A share purchase agreement was signed for the acquisition of a 75% majority ownership interest in HELB Ltd. This acquisition expands and enhances internal resources and competencies, increases system adaptability and further strengthens the Group's portfolio of products and services in the field of engineering for power infrastructure.
- Pursuant to the Joint Venture Agreement between KONČAR and Siemens Energy dated 12 July 2024, the conditions precedent for closing were fulfilled on 31 March 2025, whereby Siemens Energy Holding B.V. acquired a 40% ownership interest in KONČAR – Transformer Tanks Ltd. from KONČAR Inc. The company is engaged in the manufacture of transformer tanks. This strategic partnership enables a significant expansion of production capacity, the allocation of part of future output to Siemens Energy, mutual exchange of expertise, risk-sharing and substantially increased global market access for transformer tanks. The joint venture between two key partners in Europe's green transition builds upon their long-standing cooperation dating back to 1994 through the jointly owned company KONČAR – Power Transformers Ltd.
- KONČAR – Electrical Engineering Institute commenced construction of the Large Electrical Drives and Machines Laboratory – LAVESP 2 in Bedekovčina. The investment, exceeding EUR 20.0 million, will provide state-of-the-art testing capacities for HVDC technologies and support the green energy transition.
- KONČAR – Digital Ltd. entered into a share purchase agreement to acquire the remaining 25% ownership interest in KONČAR – Systems Integration Ltd., thereby becoming its sole shareholder. Effective 1 October 2025, KONČAR – Systems Integration Ltd. was merged into KONČAR – Digital Ltd., strengthening the Group's competencies and expanding its portfolio in the areas of equipment delivery, engineering, implementation and integration of network and IT infrastructure, including related application solutions for the management and supervision of critical and urban infrastructure.
- KONČAR – Metal Structures Ltd. entered into a share purchase agreement with Dalekovod jsc. for the acquisition of 100% of the shares in DALEKOVOD MK Ltd., and the transaction was successfully completed. This internal restructuring within KONČAR Group is expected to generate operational synergies, optimise and expand the production programme and establish a solid foundation for sustainable long-term operations.
- A statutory demerger (separation with takeover) of KONČAR – Metal Structures Ltd., as the company being divided, was subsequently implemented, whereby the business segment relating to the production of transformer tanks was separated and transferred to KONČAR – Transformer Tanks Ltd. as the receiving entity. KONČAR – Metal Structures Ltd. continues its operations with a focus on the production of components for generators, rolling stock and enclosed busbar systems.
- As part of its strategic expansion in the United States, KONČAR entered into an agreement with Sanmina Corporation, a Fortune 500 company, for the joint development of customised medium-voltage transformers and the exploration of broader cooperation opportunities to support growth in the North American market. Sanmina's development plans include the construction of a manufacturing facility in Texas dedicated to high-quality power products, including medium-voltage distribution transformers, instrument transformers and switchgear, thereby establishing a strong platform for KONČAR's long-term expansion in the region.
- In the capital markets segment, KONČAR Inc. received the Zagreb Stock Exchange "Golden Share" Award for the second consecutive year, while KONČAR – Distribution and Special Transformers Inc. was awarded with the "Silver Share".
- The Group was also recognised for the third consecutive year by the Croatian Financial Services Supervisory Agency (HANFA) for excellence in compliance with the Corporate Governance Code among companies listed on the Official Market of the Zagreb Stock Exchange, underscoring its sustained commitment to robust governance standards.
- At the 20<sup>th</sup> Convention of Croatian Exporters, "Golden Key" awards were presented to KONČAR – Distribution and Special Transformers Inc. as Best Large Exporter and to KONČAR – Power Transformers Ltd. as Best Large Exporter to the United Kingdom for 2024.
- KONČAR – Motors and Electrical Systems Ltd. received the Croatian Chamber of Economy ESG Rating Award for Best Sustainable Medium-Sized Company.
- The growth in KONČAR's market capitalisation was recognised as the Business Event of the Year by readers of Večernji list and Poslovni dnevnik.



**KEY PERFORMANCE INDICATORS OF KONČAR GROUP OPERATIONS FOR THE PERIOD JANUARY - DECEMBER 2025**

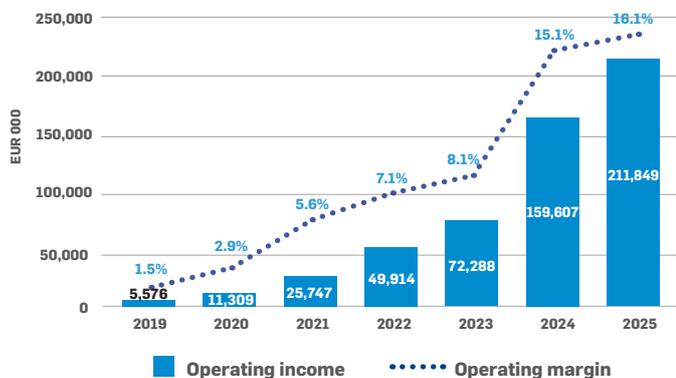
**Key Performance Indicators**

**KEY FINANCIAL METRICS**

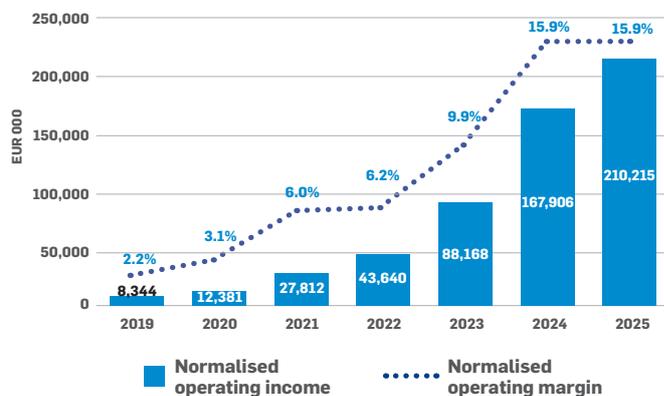
EUR 000	KONČAR GROUP								CAGR 2025/2019
	2019	2020	2021	2022	2023	2024	2025	2025/2024	
<b>Operating income</b>	<b>381,842</b>	<b>401,655</b>	<b>471,731</b>	<b>725,260</b>	<b>908,029</b>	<b>1,066,153</b>	<b>1,337,439</b>	<b>25.4%</b>	<b>23.2%</b>
Sales income - total	373,077	394,526	461,537	703,872	894,079	1,054,377	1,319,642	25.2%	23.4%
Sales income - export	219,055	245,483	273,772	430,543	579,149	742,214	893,707	20.4%	26.4%
<b>Operating expenses</b>	<b>376,266</b>	<b>390,346</b>	<b>445,984</b>	<b>675,346</b>	<b>835,741</b>	<b>906,546</b>	<b>1,125,590</b>	<b>24.2%</b>	<b>20.0%</b>
Operating profit	5,576	11,309	25,747	49,914	72,288	159,607	211,849	32.7%	83.4%
Operating margin	1.5%	2.9%	5.6%	7.1%	8.1%	15.1%	16.1%		
Net profit	6,908	16,932	28,056	49,128	70,902	164,353	220,687	34.3%	78.1%
Net margin	1.9%	4.3%	6.1%	7.0%	7.9%	15.6%	16.7%		
Normalised net profit	9,676	18,004	30,122	42,853	86,782	172,652	219,053	26.9%	68.2%
Normalised net profit margin	2.6%	4.6%	6.5%	6.1%	9.7%	16.4%	16.6%		
D&A	12,142	12,947	12,912	16,906	19,136	25,072	28,988	15.6%	15.6%
<b>EBITDA</b>	<b>17,718</b>	<b>24,255</b>	<b>38,659</b>	<b>66,820</b>	<b>91,424</b>	<b>184,679</b>	<b>240,837</b>	<b>30.4%</b>	<b>54.5%</b>
EBITDA margin	4.7%	6.1%	8.4%	9.5%	10.2%	17.5%	18.3%		
Normalised EBITDA <sup>1</sup>	20,486	25,327	40,724	60,546	107,304	192,978	239,203	24.0%	50.6%
Normalised EBITDA margin <sup>1</sup>	5.5%	6.4%	8.8%	8.6%	12.0%	18.3%	18.1%		
<b>Order intake</b>	<b>408,682</b>	<b>495,713</b>	<b>562,544</b>	<b>848,531</b>	<b>1,310,074</b>	<b>1,667,411</b>	<b>1,954,029</b>	<b>17.2%</b>	<b>29.8%</b>
<b>Backlog<sup>2</sup></b>	<b>462,566</b>	<b>563,752</b>	<b>661,901</b>	<b>1,006,543</b>	<b>1,422,538</b>	<b>2,035,572</b>	<b>2,669,959</b>	<b>31.2%</b>	<b>33.9%</b>
Book-to-bill ratio	1.1	1.3	1.2	1.2	1.5	1.6	1.5		

EBITDA normalised<sup>1</sup>: EBITDA adjusted by excluding gains from asset disposals, income from damage compensation, and increased by impairment adjustments on non-current and current assets, as well as increased/decreased by the balance of provisions.  
 Backlog<sup>2</sup>: balance as of 31 December

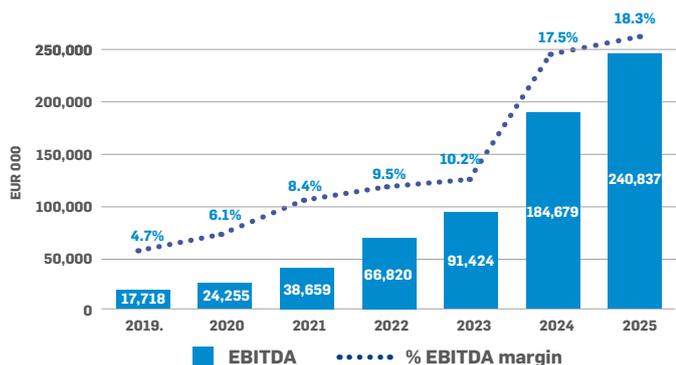
**Operating income**



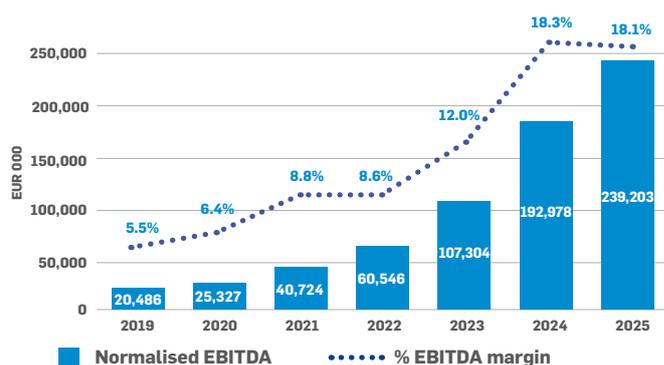
**Normalised operating income**



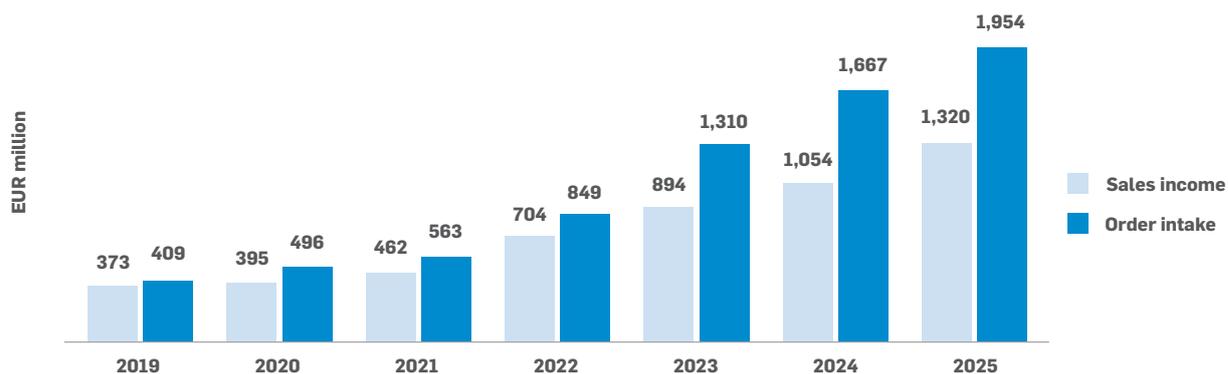
**EBITDA**



**Normalised EBITDA**



## Order intake/income



## STATEMENT OF PROFIT OR LOSS

In 2025, KONČAR Group continued its track record of delivering strong operating performance, with all key financial indicators demonstrating significant year-on-year growth. Sales revenue, EBITDA and net profit recorded substantial increases, while order intake rose further and the backlog reached approximately EUR 2.7 billion at year-end 2025, providing solid revenue visibility and a strong foundation for continued growth in the forthcoming period.

Consolidated operating income amounted to EUR 1,337.4 million, representing an increase of EUR 271.3 million, or 25.4%, compared to 2024. Consolidated revenue from the sale of products and services totalled EUR 1,319.6 million, up EUR 265.3 million, or 25.2%, year-on-year.

Other operating income amounted to EUR 17.8 million, an increase of EUR 6.0 million, or 51.1%, compared to 2024. Other operating income relate to gains on disposal of assets, compensation income and other operating income.

Total operating expenses amounted to EUR 1,125.6 million, increasing by EUR 219.0 million, or 24.2%, compared to the previous year. Material costs (comprising raw materials and supplies, cost of goods sold and other external services) totalled EUR 788.4 million, up EUR 163.2 million, or 26.1%, year-on-year. The share of total material costs in sales revenue adjusted for changes in inventories remained stable at 58.8%, in line with 2024. The share of raw materials and supplies in adjusted sales revenue amounted to 43.1%, representing an increase of 0.6 percentage points year-on-year. The share of cost of goods sold decreased by 0.7 percentage points to 3.8%, while the share of other external services remained unchanged at 12.0%.

Staff costs amounted to EUR 234.2 million, increasing by EUR 47.7 million, or 25.6%, compared to 2024. Despite this increase, the share of staff costs in adjusted sales revenue decreased slightly by 0.1 percentage points to 17.5%.

Other operating expenses totalled EUR 82.7 million, up EUR 20.2 million, or 32.2%, year-on-year. These primarily relate to employee-related benefits and reimbursements in the amount of EUR 41.0 million (an increase of EUR 8.6 million), and to non-production services, insurance premiums, banking services, membership fees and other expenses amounting to EUR 41.7 million (an increase of EUR 11.6 million). The share of other operating expenses in adjusted sales revenue increased by 0.3 percentage points to 6.2%.

Operating profit (EBIT) amounted to EUR 211.8 million, an increase of EUR 52.2 million year-on-year. The EBIT margin improved to 16.1%, compared to 15.1% in 2024.

Normalised EBIT totalled EUR 210.2 million, representing an increase of EUR 42.3 million compared to 2024. The normalised EBIT margin amounted to 15.9%, broadly in line with the prior year.

Share in profit of associates amounted to EUR 45.0 million, which is EUR 10.8 million higher compared to the same period last year.

The net balance of financial income and financial expenses was positive at EUR 1.0 million.

Total consolidated income of KONČAR Group amounted to EUR 1,388.4 million, increasing by EUR 282.7 million, or 25.6%, compared to 2024. Consolidated profit before tax amounted to EUR 257.8 million, representing an increase of 33.0% year-on-year. The calculated corporate income tax expense amounted to EUR 37.1 million. It should be noted that the calculation under the Pillar Two regulation (Act on Minimum Global Corporate Income Tax) is still in progress and may affect the final corporate income tax expense to be presented in the audited financial statements.

Net profit for 2025 amounted to EUR 220.7 million, an increase of EUR 56.3 million, or 34.3%, compared to 2024.

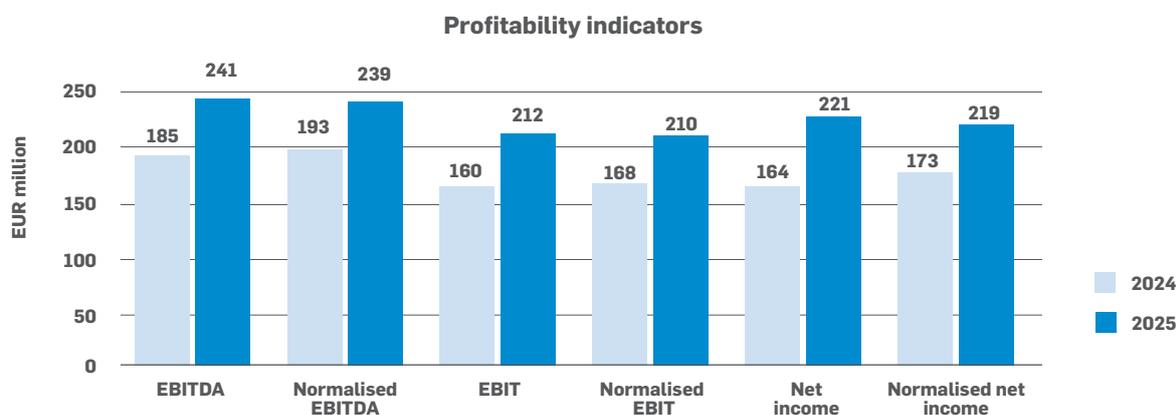
Normalised net profit totalled EUR 219.1 million, up EUR 46.4 million year-on-year.

EBITDA amounted to EUR 240.8 million, increasing by EUR 56.2 million, or 30.4%, compared to 2024. The EBITDA margin improved to 18.3%, compared to 17.5% in the prior year.

Normalised EBITDA amounted to EUR 239.2 million, up EUR 46.2 million, or 24.0%, year-on-year. The normalised EBITDA margin amounted to 18.1%, compared to 18.3% in 2024.

Normalised indicators are calculated by adjusting reported results for gains on disposal of assets and income from damage compensation, and by including impairment losses on non-current and current assets as well as the net effect of provisions.

EUR 000	2024	2025	Δ	Index 2025/2024
<b>OPERATING INCOME</b>	<b>1,066,153</b>	<b>1,337,439</b>	<b>271,286</b>	<b>125.4</b>
<b>OPERATING EXPENSES</b>	<b>906,546</b>	<b>1,125,590</b>	<b>219,044</b>	<b>124.2</b>
Material costs and change in value of inventories	617,187	767,329	150,142	124.3
Staff costs	186,501	234,186	47,685	125.6
Depreciation and amortisation	25,072	28,988	3,916	115.6
Other costs	62,571	82,736	20,165	132.2
Provisions	7,182	-3,169	-10,351	-44.1
Value adjustment	2,981	5,789	2,808	194.2
Other operating costs	5,051	9,731	4,680	192.6
<b>OPERATING PROFIT</b>	<b>159,607</b>	<b>211,849</b>	<b>52,242</b>	<b>132.7</b>
SHARE IN PROFIT OF ASSOCIATES	34,180	45,012	10,832	131.7
SHARE IN LOSS FROM JOINT VENTURES	7	41	34	585.7
FINANCE INCOME	5,336	5,956	621	111.6
FINANCE COSTS	5,255	4,978	-278	94.7
<b>TOTAL INCOME</b>	<b>1,105,668</b>	<b>1,388,407</b>	<b>282,739</b>	<b>125.6</b>
<b>TOTAL EXPENSES</b>	<b>911,808</b>	<b>1,130,608</b>	<b>218,800</b>	<b>124.0</b>
Profit before tax	193,861	257,799	63,939	133.0
Income tax	29,507	37,112	7,605	125.8
<b>PROFIT FOR THE PERIOD</b>	<b>164,353</b>	<b>220,687</b>	<b>56,334</b>	<b>134.3</b>



## Net debt

EUR 000	December 31, 2024	December 31, 2025	Δ
Non-current liabilities for loans	1	0	-1
Non-current liabilities to banks and other financial institutions	29,044	42,563	13,519
Non-current liabilities for future lease payments	461	3,450	2,989
<b>TOTAL Non-current liabilities</b>	<b>29,506</b>	<b>46,012</b>	<b>16,506</b>
Current liabilities for loans	41,358	37,927	-3,431
Interest payable	207	222	15
Current liabilities for future lease payments	279	1,114	835
<b>TOTAL Current liabilities</b>	<b>41,844</b>	<b>39,263</b>	<b>-2,581</b>
<b>TOTAL DEBT</b>	<b>71,350</b>	<b>85,275</b>	<b>13,925</b>
Cash	147,964	234,063	86,099
Current financial assets	80,666	170,032	89,366
<b>NET DEBT</b>	<b>-157,280</b>	<b>-318,820</b>	<b>-161,540</b>
<b>NET DEBT/normalised EBITDA</b>	<b>neg</b>	<b>neg</b>	

## Summarised statement of financial position

EUR 000	December 31, 2024	December 31, 2025	Δ
Non-current assets	366,115	444,448	78,333
Current assets and prepaid expenses	881,517	1,176,438	294,921
<b>Total Assets</b>	<b>1,247,632</b>	<b>1,620,886</b>	<b>373,254</b>
Capital and reserves	650,053	844,366	194,313
Non-current liabilities and provisions	66,380	86,987	20,608
Current liabilities and deferred income	531,199	689,532	158,333
<b>Total equity and liabilities</b>	<b>1,247,632</b>	<b>1,620,886</b>	<b>373,254</b>

EUR 000	December 31, 2024	December 31, 2025	Δ
Current assets and prepaid expenses	881,517	1,176,438	294,921
Current liabilities and deferred income	531,199	689,532	158,333
<b>Current Assets to Current Liabilities Ratio</b>	<b>1.7</b>	<b>1.7</b>	

## Financial position

### Key features of the balance sheet as at 31 December 2025

As at 31 December 2025, total consolidated assets of the KONČAR Group amounted to EUR 1,620.9 million, representing an increase of EUR 373.3 million, or 29.9%, compared to 31 December 2024.

Non-current assets amounted to EUR 444.4 million and accounted for 27.4% of total assets. Compared to year-end 2024, intangible assets, tangible assets and deferred tax assets increased, while non-current receivables and non-current financial assets decreased. Within non-current assets, the most significant increase was recorded in tangible assets, which rose by EUR 76.8 million year-on-year. The increase primarily relates to buildings (EUR 21.9 million), tangible assets in preparation (EUR 17.9 million) and land (EUR 12.7 million), reflecting intensified investment activity across several Group companies, including capacity expansion and the completion of a new production facility. Intangible assets increased by EUR 5.2 million, primarily due to goodwill recognised in connection with the acquisition of HELB Ltd. Non-current financial assets amounted to EUR 53.0 million, decreasing by EUR 4.7 million compared to 31 December 2024, mainly as a result of the reclassification of long-term loans to short-term loans within a subsidiary.

Current assets, together with prepaid expenses, totalled EUR 1,176.4 million as at 31 December 2025, representing an increase of EUR 294.9 million year-on-year and accounting for 72.6% of total assets. The increase was driven by higher inventories, receivables, financial assets and cash and cash equivalents, while prepaid expenses and accrued income decreased compared to year-end 2024.

Year-on-year movements include:

- Inventories increased by EUR 33.2 million, primarily due to higher finished goods (up EUR 14.6 million) and work in progress (up EUR 6.0 million). Other inventory categories, raw materials and supplies, merchandise, advances for inventories and non-current assets held for sale, increased by a combined EUR 12.6 million.

- Current receivables increased by EUR 88.8 million year-on-year, mainly reflecting higher trade receivables (up EUR 49.5 million) in line with revenue growth, as well as increased receivables from associates (up EUR 22.8 million). Receivables from state increased by EUR 5.0 million, receivables from employees by EUR 0.1 million, while other receivables rose by EUR 11.4 million.
- Financial assets increased by EUR 89.4 million, primarily due to higher term deposits (up EUR 65.1 million compared to year-end 2024). Investments in securities increased by EUR 14.6 million, loans granted by EUR 9.3 million and other financial assets by EUR 0.5 million.
- Prepaid expenses amounted to EUR 7.0 million, decreasing by EUR 2.6 million year-on-year.
- Cash and cash equivalents increased by EUR 86.1 million to EUR 234.1 million as at 31 December 2025. The increase reflects strong operating cash flow, which amounted to EUR 267.4 million for the January–December 2025 period. Cash flow from financing activities was negative at EUR 38.2 million, while cash flow from investing activities was negative at EUR 143.2 million, primarily due to increased placements in term deposits, capital expenditure and investments in financial instruments.

Compared to 31 December 2024, the following movements were recorded in equity and liabilities:

- Total equity amounted to EUR 844.4 million as at 31 December 2025, increasing by EUR 194.3 million year-on-year, mainly reflecting profit generated in the current year and the allocation of prior-year earnings in accordance with shareholders' resolutions.
- Non-controlling interests amounted to EUR 215.8 million, an increase of EUR 63.1 million compared to year-end 2024.
- Long-term provisions amounted to EUR 33.0 million, increasing by EUR 5.1 million year-on-year.
- Non-current liabilities totalled EUR 53.9 million, up EUR 15.5 million compared to 31 December 2024, primarily due to an increase in liabilities to banks and other financial institutions (up EUR 12.4 million) related to investment activities.
- Current liabilities amounted to EUR 616.3 million, representing an increase of EUR 132.1 million year-on-year. The most significant movement relates to advances received, which increased by EUR 87.7 million. Trade payables increased by EUR 12.2 million, liabilities for taxes and social contributions by EUR 11.3 million and liabilities to employees by EUR 8.1 million. Conversely, short-term liabilities to banks and other financial institutions decreased by EUR 7.0 million.
- Deferred income and accrued expenses amounted to EUR 73.3 million, increasing by EUR 26.2 million year-on-year.

In terms of capital structure, total equity attributable to owners of the parent and non-controlling interests amounted to EUR 844.4 million, representing 52.1% of total sources of funds. Long-term provisions amounted to EUR 33.0 million, representing 2.0% of total sources. Total non-current and current liabilities amounted to EUR 670.2 million, representing 41.3% of total sources of funds. Within current liabilities, advances received amounted to EUR 313.8 million, representing 19.4% of total sources. Total bank borrowings (non-current and current) amounted to EUR 55.6 million, representing 3.4% of total sources.

Contingent liabilities (off-balance sheet exposures) amounted to EUR 1,797.5 million at year-end 2025, an increase of EUR 565.2 million compared to 31 December 2024. These relate primarily to issued performance guarantees, payment guarantees and promissory notes, predominantly issued by subsidiaries engaged in large-scale contracted projects.

Total current assets, together with prepaid expenses, were 1.7 times higher than total current liabilities and deferred income, indicating a strong liquidity position. The consolidated balance sheet structure reflects a sound alignment between funding sources and asset structure, confirming the Group's solid financial stability and balanced capital profile.

## Market position

In 2025, the KONČAR Group achieved consolidated income from the sale of products and services in the amount of EUR 1,319.6 million, representing a year-on-year increase of EUR 265.3 million, or 25.2%, compared to 2024.

Revenue generated on the domestic market totalled EUR 425.9 million, an increase of EUR 113.8 million, or 36.4%, year-on-year. As a result, the share of domestic revenue in total sales revenue increased to 32.3%, up 2.7 percentage points compared to 2024. The higher domestic share primarily reflects the execution of several significant contracts with key Croatian customers, including HŽ Group, ZET, GPP Osijek and HEP Group.

Within domestic revenue, revenue generated from companies within the HEP Group amounted to EUR 186.1 million, accounting for 14.1% of total consolidated sales revenue in 2025. Revenue from the HEP Group increased by EUR 63.7 million, or 52.0%, year-on-year.

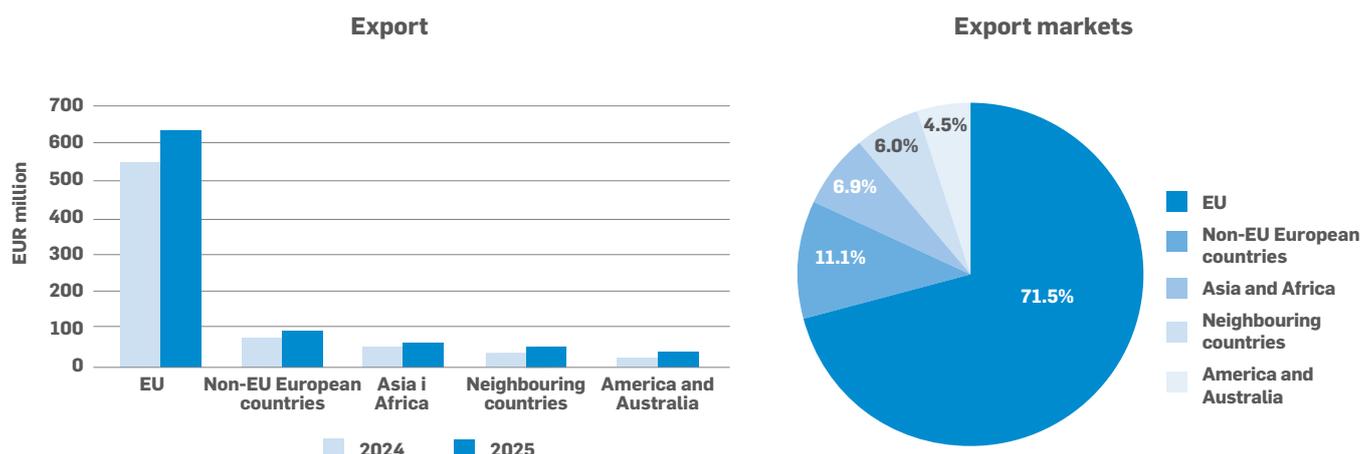
Revenue generated from HŽ Group amounted to EUR 68.4 million, representing 5.2% of total sales revenue. Compared to 2024, revenue from HŽ Group increased by EUR 9.2 million, or 15.5%, with the majority relating to the execution of contracts with HŽ Infrastruktura. In addition, significant revenue contributions were recorded from ZET (EUR 38.8 million) and GPP Osijek (EUR 20.3 million), reflecting the execution and delivery of new low-floor trams for Zagreb and Osijek. By the end of December 2025, all trams covered under the first contracts with ZET (20 units) and GPP Osijek (10 units) had been delivered.

Revenue from international markets amounted to EUR 893.7 million, an increase of EUR 151.5 million, or 20.4%, compared to the corresponding period in 2024.

Sales increased across all key export regions year-on-year. The most significant absolute increase was recorded in the European Union, where export revenue rose by EUR 87.2 million, or 15.8%. Exports to the EU amounted to EUR 638.9 million, accounting for 71.5% of KONČAR Group's total export revenue. Revenue generated in non-EU European countries and neighbouring markets amounted to EUR 152.8 million, up EUR 36.2 million year-on-year. Revenue from Asia and Africa totalled EUR 61.7 million, representing an increase of EUR 7.8 million, or 14.5%, compared to 2024. Revenue from the Americas and Australia amounted to EUR 40.4 million, representing an increase of EUR 20.3 million, or 100.8%.

On a country-by-country basis, export growth continued across several core markets: in Germany revenue amounted to EUR 188.3 million, representing 21.1% of total exports and an increase of EUR 57.7 million, or 44.2%, year-on-year. In Sweden revenue totalled EUR 119.8 million, accounting for 13.4% of total exports, up EUR 10.1 million, or 9.2%, compared to 2024. In Norway revenue amounted to EUR 64.4 million, representing 7.2% of total exports and increasing by EUR 27.4 million, or 73.9%, year-on-year. In Austria revenue totalled EUR 51.9 million, accounting for 5.8% of total exports and decreasing by EUR 10.6 million, or 17.0%, compared to 2024.

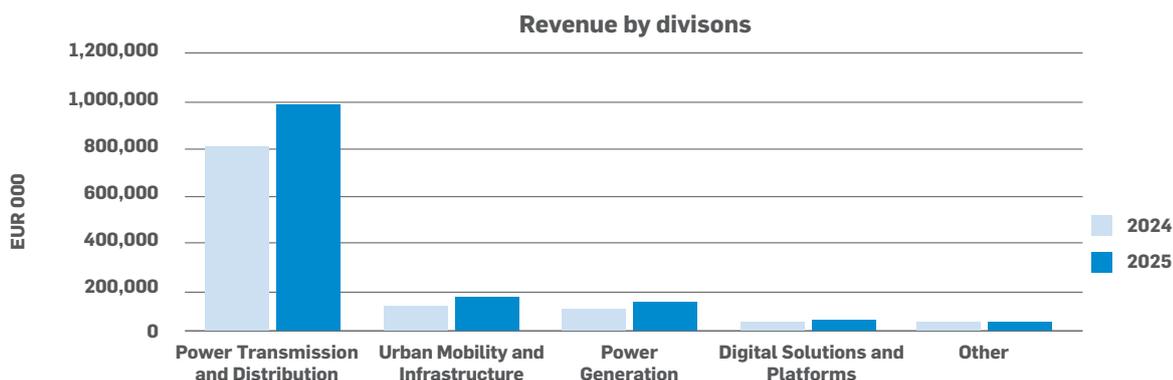
All reporting divisions recorded year-on-year revenue growth in 2025. The Power Transmission and Distribution division delivered the strongest absolute growth, generating revenue of EUR 984.6 million, an increase of EUR 181.3 million compared to the same period in 2024. The Urban Mobility and Infrastructure division generated revenue of EUR 143.9 million, representing an increase of EUR 38.2 million, or 36.0%, year-on-year.



### Revenue by divisions

EUR 000

Divison	2024	Share in total	2025	Share in total
<b>Power Transmission and Distribution</b>	<b>803,383</b>	<b>76.2%</b>	<b>984,643</b>	<b>74.6%</b>
Transmission	288,958	27.4%	379,276	28.7%
Distribution	514,425	48.8%	605,367	45.9%
<b>Urban Mobility and Infrastructure</b>	<b>105,537</b>	<b>10.0%</b>	<b>143,782</b>	<b>10.9%</b>
Mobility	67,644	6.4%	92,722	7.0%
Infrastructure	37,894	3.6%	51,059	3.9%
<b>Power Generation</b>	<b>89,858</b>	<b>8.5%</b>	<b>121,646</b>	<b>9.2%</b>
Hydro	65,886	6.2%	101,549	7.7%
Renewable Energy Source	23,972	2.3%	20,097	1.5%
<b>Digital Solutions and Platforms</b>	<b>25,543</b>	<b>2.4%</b>	<b>34,311</b>	<b>2.6%</b>
<b>Other</b>	<b>30,056</b>	<b>2.9%</b>	<b>35,260</b>	<b>2.7%</b>
<b>Total sales revenue (consolidated)</b>	<b>1,054,377</b>	<b>100.0%</b>	<b>1,319,642</b>	<b>100.0%</b>



### Order intake and backlog

In 2025, the Group recorded new order intake of EUR 1,954.0 million, representing an increase of EUR 286.6 million compared to the same period in 2024. Order intake continued to exceed revenue recognition, maintaining the positive contracting trend observed in prior periods.

The book-to-bill ratio for the period January – December 2025 amounted to 1.5.

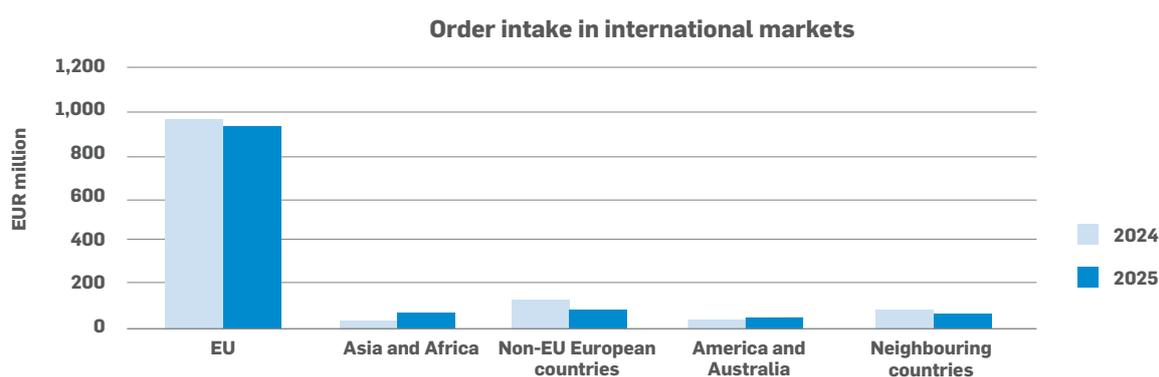
Order intake on the domestic market amounted to EUR 757.4 million, representing an increase of EUR 352.6 million year-on-year. The most significant share relates to contracts concluded with the HEP Group, totalling EUR 314.3 million and accounting for 16.1% of total Group order intake in 2025. Among the most notable domestic contracts are a Framework Agreement with the Ministry of Defence of the Republic of Croatia for the development and production of counter-drone protection systems through 2029, with a total procurement value of EUR 125 million, and contracts signed with HŽ Passenger Transport for the delivery of thirteen new trains, with a total contract value of EUR 117.9 million. The contracts cover the production of five electro-diesel units, four battery electric multiple units and four battery trains, as well as two charging stations. In addition, in a consortium with our long-standing partner Siemens Energy, two contracts have been signed with INA for the implementation of a renewable (green) hydrogen production facility at the Rijeka Oil Refinery, with a total value of EUR 22.5 million. The contracts are of particular importance as this is the first green hydrogen production plant of its kind in Croatia.

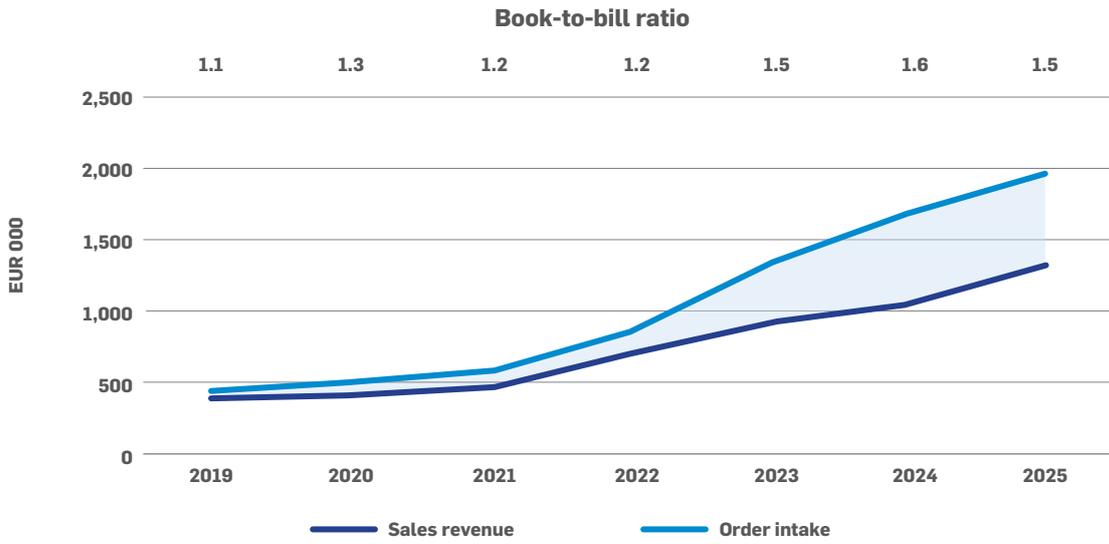
New orders on international markets totalled EUR 1,196.6 million. The majority of export order intake relates to European Union member states, amounting to EUR 933.4 million and representing 78.0% of total export orders. Compared to the same period in 2024, order intake increased on the markets of Asia and Africa, where contracts amounting to EUR 18.6 million were concluded, representing a year-on-year increase of 43.1%. Order intake also increased on the markets of the Americas and Australia, where EUR 16.6 million was contracted, up 45.0% compared to the prior year.

On a country basis, the highest level of order intake was recorded in Sweden, amounting to EUR 289.5 million, followed by Germany with EUR 282.5 million. A significant volume of new contracts was also concluded in the Netherlands, totalling EUR 73.7 million.

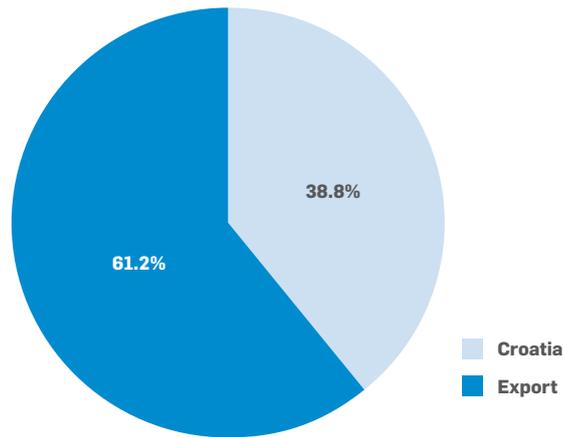
The order backlog as at 31 December 2025 amounted to EUR 2,670.0 million, representing an increase of 31.2% compared to the beginning of the year. Compared to 31 December 2024, when backlog totalled EUR 2,035.6 million, the year-end 2025 backlog increased by EUR 634.4 million.

Of the total backlog, as at 31 December 2025, contracts scheduled for execution in 2026 amount to EUR 1,411.8 million, while contracts scheduled for execution in subsequent years total EUR 1,258.2 million, representing 47.1% of the total backlog as at 31 December 2025.

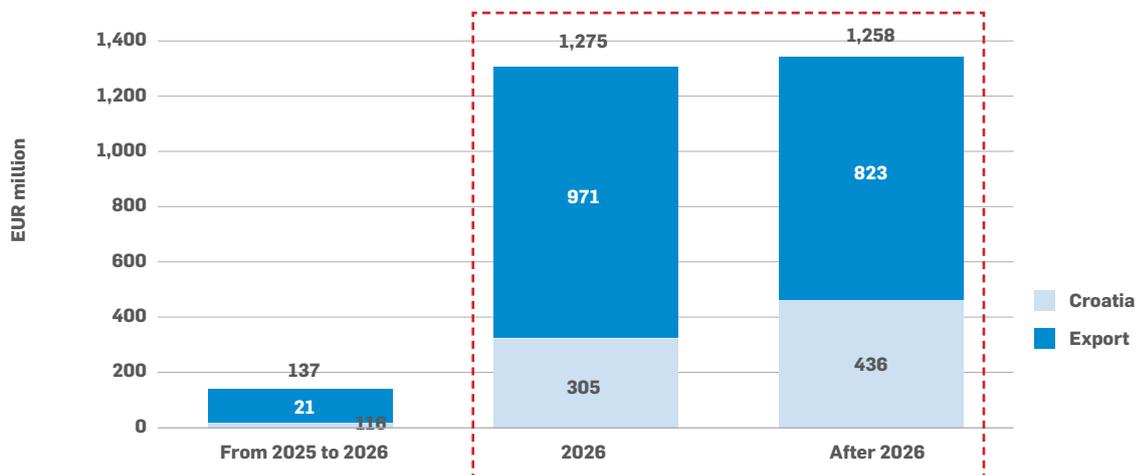




### Order intake 2025



### Expected revenue from backlog



## Information for Shareholders

KOEI-R-A	31 December 2024	31 December 2025	Index
Last price (EUR)	444.0	700.00	157.7
Highest price (EUR) *	462.0	720.00	155.8
Lowest price (EUR) *	184.0	391.00	212.5
Volume *	122,537	416,772	340.1
Turnover (EUR) *	39,110,412	240,933,080	616.0
Market capitalization (EUR)	1,130,784,972	1,783,893,300	157.8
EPS (Earnings per Share) (profit attributable to the parent company's owners / weighted average number of shares)	40,29	57,22	142.0

\* for period January - December

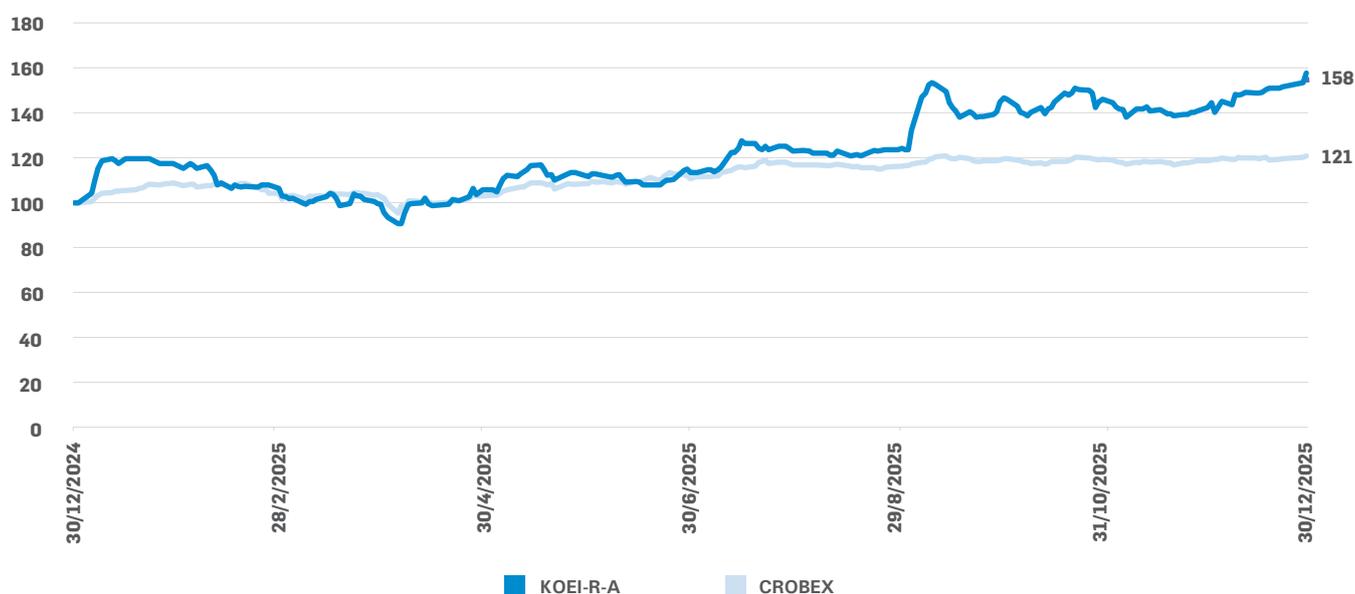
KONČAR Inc. shares are listed on the Official Market of the Zagreb Stock Exchange under the ticker symbol KOEI-R-A. In accordance with applicable regulations, the Company ensures regular and timely disclosure of information regarding its operations and activities, including information on facts and circumstances that may have a material impact on the share price (price-sensitive information).

In 2025, the share price of KONČAR Inc. recorded significant growth. The share price at the beginning of the year amounted to EUR 464.0, while at year-end it reached EUR 700.0. As at 31 December 2025, market capitalisation amounted to approximately EUR 1.8 billion, representing an increase of approximately EUR 653.0 million compared to the last day of the previous year.

Earnings per share attributable to owners of the parent company amounted to EUR 57.2, representing an increase of 42.0% compared to the corresponding period in 2024.

The Annual General Meeting of KONČAR Inc. was held on 12 June 2025. A dividend of EUR 3.00 per share was distributed to shareholders from the profit generated in 2024.

### KOEI share price index performance and CROBEX value over the past year



for period January - December

# B Unaudited consolidated financial statements of KONČAR Group for January – December 2025

## Annex 1

### ISSUER'S GENERAL DATA

Reporting period:	<b>1/1/2025</b>	to	<b>31/12/2025</b>
Year:	<b>2025</b>	Quarter:	<b>4</b>

### Quarterly financial statements

Registration number (MB):	<b>03282635</b>	Issuer's home Member State code:	<b>HR</b>
Entity's registration number (MBS):	<b>080040936</b>		
Personal identification number (OIB):	<b>45050126417</b>	LEI:	<b>74780000HOSHMRAWO115</b>
Institution code:	<b>501</b>		
Name of the issuer:	<b>KONČAR Inc.</b>		
Postcode and town:	<b>10000</b>	<b>ZAGREB</b>	
Street and house number:	<b>FALLEROVO ŠETALIŠTE 22</b>		
E-mail address:	<b>koncar.finance@koncar.hr</b>		
Web address:	<b>www.koncar.hr</b>		
Number of employees (end of the reporting period):	<b>6,345</b>		
Consolidated report:	<b>KD</b>	(KN-not consolidated/KD-consolidated)	
Audited:	<b>RN</b>	(RN-not audited/RD-audited)	

Names of subsidiaries (according to IFRS):	Registered office:	MB:
<b>KONČAR - Electrical Engineering Institute Ltd. for research, development and services</b>	<b>Zagreb</b>	<b>3645363</b>
<b>KONČAR - Electronics and Informatics Ltd. for production and services</b>	<b>Zagreb</b>	<b>3282899</b>
<b>KONČAR - Motors and Electrical Systems Ltd. for production</b>	<b>Zagreb</b>	<b>3282678</b>
<b>KONČAR - Generators and Motors Inc. for production</b>	<b>Zagreb</b>	<b>1356216</b>
<b>KONČAR - Renewable Energy Sources Ltd. for production</b>	<b>Zagreb</b>	<b>2435071</b>
<b>KONČAR - Instrument Transformers Inc. for production</b>	<b>Zagreb</b>	<b>3654656</b>
<b>KONČAR - Distribution and Special Transformers Inc. for manufacturing</b>	<b>Zagreb</b>	<b>3654664</b>
<b>KONČAR - Switchgear Ltd. for production</b>	<b>Zagreb</b>	<b>3641287</b>
<b>KONČAR - Electric Vehicles Inc. for manufacturing</b>	<b>Zagreb</b>	<b>3282660</b>
<b>KONČAR - Metal Structures Ltd. for production</b>	<b>Zagreb</b>	<b>1114328</b>
<b>KONČAR - Digital Ltd. for digital services</b>	<b>Zagreb</b>	<b>5478421</b>
<b>KONČAR - Transformer Tanks Ltd.</b>	<b>Zagreb</b>	<b>5853184</b>
<b>HELB Ltd. for production, assembly and servicing of electrical devices</b>	<b>Božjakovina</b>	<b>3511120</b>
<b>TELENERG-ENGINEERING Llc. for design and manufacturing</b>	<b>Zagreb</b>	<b>5539684</b>
<b>INK PROJECT Ltd. for construction and services</b>	<b>Zagreb</b>	<b>2057301</b>
<b>KONČAR - Hydro Turbine Ltd. for manufacturing and services</b>	<b>Zagreb</b>	<b>6056580</b>
<b>Dalekovod Jsc. for engineering, production and construction</b>	<b>Zagreb</b>	<b>3275531</b>

Bookkeeping firm:	<b>No</b>	(Yes/No)
Contact person:	<b>Marina Markušić</b> (only name and surname of the contact person)	
Telephone:	<b>01 3667 175</b>	
E-mail address:	<b>marina.markusic@koncar.hr</b>	
Audit firm:	<b>KPMG Ltd. Croatia</b> (name of the audit firm)	
Certified auditor:	<b>Igor Gošek</b> (name and surname)	

## BALANCE SHEET

### balance as at 31.12.2025

in EUR

Submitter: KONČAR Inc.			
Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
<b>A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID</b>	<b>001</b>	0	0
<b>B) FIXED ASSETS (ADP 003+010+020+031+036)</b>	<b>002</b>	<b>366,115,324</b>	<b>444,448,329</b>
<b>I INTANGIBLE ASSETS (ADP 004 to 009)</b>	<b>003</b>	<b>28,658,597</b>	<b>33,836,516</b>
1 Research and development	<b>004</b>	5,460,192	6,467,673
2 Concessions, patents, licences, trademarks, software and other rights	<b>005</b>	7,932,769	7,237,249
3 Goodwill	<b>006</b>	9,551,478	12,793,883
4 Advances for the purchase of intangible assets	<b>007</b>	0	324,709
5 Intangible assets in preparation	<b>008</b>	5,690,940	7,005,499
6 Other intangible assets	<b>009</b>	23,218	7,503
<b>II TANGIBLE ASSETS (ADP 011 to 019)</b>	<b>010</b>	<b>263,841,828</b>	<b>340,650,932</b>
1 Land	<b>011</b>	42,918,283	55,632,332
2 Buildings	<b>012</b>	79,361,026	101,211,382
3 Plant and equipment	<b>013</b>	78,154,093	89,199,673
4 Tools, working inventory and transportation assets	<b>014</b>	16,778,713	26,110,385
5 Biological assets	<b>015</b>	0	0
6 Advances for the purchase of tangible assets	<b>016</b>	6,829,791	10,073,122
7 Tangible assets in preparation	<b>017</b>	20,346,748	38,282,017
8 Other tangible assets	<b>018</b>	436,483	234,392
9 Investment property	<b>019</b>	19,016,691	19,907,629
<b>III FIXED FINANCIAL ASSETS (ADP 021 to 030)</b>	<b>020</b>	<b>57,744,346</b>	<b>53,036,388</b>
1 Investments in holdings (shares) of undertakings within the Group	<b>021</b>	8,265	8,265
2 Investments in other securities of undertakings within the Group	<b>022</b>	0	0
3 Loans, deposits, etc. to undertakings within the Group	<b>023</b>	0	0
4 Investments in holdings (shares) of companies linked by virtue of participating interests	<b>024</b>	44,849,705	45,416,722
5 Investment in other securities of companies linked by virtue of participating interests	<b>025</b>	0	0
6 Loans, deposits etc. to companies linked by virtue of participating interests	<b>026</b>	5,725,000	0
7 Investments in securities	<b>027</b>	754,920	805,374
8 Loans, deposits, etc. given	<b>028</b>	1,195,746	1,239,637
9 Other investments accounted for using the equity method	<b>029</b>	4,848,053	5,562,408
10 Other fixed financial assets	<b>030</b>	362,657	3,982
<b>IV RECEIVABLES (ADP 032 to 035)</b>	<b>031</b>	<b>6,053,332</b>	<b>5,057,455</b>
1 Receivables from undertakings within the Group	<b>032</b>	0	0
2 Receivables from companies linked by virtue of participating interests	<b>033</b>	0	0
3 Customer receivables	<b>034</b>	924,702	659,465
4 Other receivables	<b>035</b>	5,128,630	4,397,990
<b>V DEFERRED TAX ASSETS</b>	<b>036</b>	<b>9,817,221</b>	<b>11,867,038</b>
<b>C) CURRENT ASSETS (ADP 038+046+053+063)</b>	<b>037</b>	<b>871,945,809</b>	<b>1,169,446,383</b>
<b>I INVENTORIES (ADP 039 to 045)</b>	<b>038</b>	<b>236,683,629</b>	<b>269,930,383</b>
1 Raw materials and consumables	<b>039</b>	121,889,202	126,506,361
2 Work in progress	<b>040</b>	70,717,300	76,743,022
3 Finished goods	<b>041</b>	32,585,272	47,156,471
4 Merchandise	<b>042</b>	4,513,841	6,847,226
5 Advances for inventories	<b>043</b>	6,220,758	10,712,862
6 Fixed assets held for sale	<b>044</b>	757,256	1,964,441
7 Biological assets	<b>045</b>	0	0

## BALANCE SHEET

### balance as at 31.12.2025

in EUR

Submitter: KONČAR Inc.			
Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
<b>II RECEIVABLES (ADP 047 to 052)</b>			
	<b>046</b>	<b>406,669,254</b>	<b>495,420,328</b>
1 Receivables from undertakings within the Group	<b>047</b>	0	0
2 Receivables from companies linked by virtue of participating interests	<b>048</b>	24,359,145	47,129,004
3 Customer receivables	<b>049</b>	329,755,317	379,265,538
4 Receivables from employees and members of the undertaking	<b>050</b>	106,674	200,533
5 Receivables from government and other institutions	<b>051</b>	15,940,323	20,917,827
6 Other receivables	<b>052</b>	36,507,795	47,907,426
<b>III CURRENT FINANCIAL ASSETS (ADP 054 to 062)</b>			
	<b>053</b>	<b>80,628,924</b>	<b>170,032,386</b>
1 Investments in holdings (shares) of undertakings within the Group	<b>054</b>	0	0
2 Investments in other securities of undertakings within the Group	<b>055</b>	0	0
3 Loans, deposits, etc. to undertakings within the Group	<b>056</b>	0	0
4 Investments in holdings (shares) of companies linked by virtue of participating interests	<b>057</b>	0	0
5 Investment in other securities of companies linked by virtue of participating interests	<b>058</b>	0	0
6 Loans, deposits etc. to companies linked by virtue of participating interests	<b>059</b>	0	9,255,000
7 Investments in securities	<b>060</b>	14,927,801	29,478,446
8 Loans, deposits, etc. given	<b>061</b>	65,701,123	130,839,472
9 Other financial assets	<b>062</b>	0	459,468
<b>IV CASH AT BANK AND IN HAND</b>			
	<b>063</b>	<b>147,964,002</b>	<b>234,063,286</b>
<b>D ) PREPAID EXPENSES AND ACCRUED INCOME</b>			
	<b>064</b>	<b>9,570,497</b>	<b>6,991,273</b>
<b>E ) TOTAL ASSETS (ADP 001+002+037+064)</b>			
	<b>065</b>	<b>1,247,631,630</b>	<b>1,620,885,985</b>
<b>OFF-BALANCE SHEET ITEMS</b>			
	<b>066</b>	<b>1,232,267,421</b>	<b>1,797,460,117</b>
<b>LIABILITIES</b>			
<b>A) CAPITAL AND RESERVES (ADP 068 to 070+076+077+081+084+087)</b>			
	<b>067</b>	<b>650,053,220</b>	<b>844,366,302</b>
<b>I INITIAL (SUBSCRIBED) CAPITAL</b>			
	<b>068</b>	<b>159,471,379</b>	<b>159,471,379</b>
<b>II CAPITAL RESERVES</b>			
	<b>069</b>	<b>1,073,176</b>	<b>1,073,176</b>
<b>III RESERVES FROM PROFIT (ADP 071+072-073+074+075)</b>			
	<b>070</b>	<b>110,493,918</b>	<b>113,529,089</b>
1 Legal reserves	<b>071</b>	10,572,684	10,572,684
2 Reserves for treasury shares	<b>072</b>	5,998,550	5,871,715
3 Treasury shares and holdings (deductible item)	<b>073</b>	-1,998,550	-1,871,715
4 Statutory reserves	<b>074</b>	67,243,333	66,074,286
5 Other reserves	<b>075</b>	28,677,901	32,882,119
<b>IV REVALUATION RESERVES</b>			
	<b>076</b>	<b>0</b>	<b>0</b>
<b>V FAIR VALUE RESERVES AND OTHER (ADP 078 to 082)</b>			
	<b>077</b>	<b>757,070</b>	<b>1,086,805</b>
1 Financial assets at fair value through other comprehensive income (i.e, available for sale)	<b>078</b>	830,229	1,290,734
2 Cash flow hedge - effective portion	<b>079</b>	0	0
3 Hedge of a net investment in a foreign operation - effective portion	<b>080</b>	0	0
4 Other fair value reserves	<b>081</b>	0	0
5 Exchange differences arising from the translation of foreign operations (consolidation)	<b>082</b>	-73,159	-203,929
<b>VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 084-085)</b>			
	<b>083</b>	<b>122,979,209</b>	<b>207,670,626</b>
1 Retained profit	<b>084</b>	122,979,209	207,670,626
2 Loss brought forward	<b>085</b>	0	0
<b>VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 087-088)</b>			
	<b>086</b>	<b>102,600,368</b>	<b>145,775,052</b>
1 Profit for the business year	<b>087</b>	102,600,368	145,775,052
2 Loss for the business year	<b>088</b>	0	0
<b>VIII MINORITY (NON-CONTROLLING) INTEREST</b>			
	<b>089</b>	<b>152,678,100</b>	<b>215,760,175</b>

## BALANCE SHEET

### balance as at 31.12.2025

in EUR

Submitter: KONČAR Inc.			
Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
<b>B) PROVISIONS (ADP 091 to 096)</b>	<b>090</b>	<b>27,941,173</b>	<b>33,038,723</b>
1 Provisions for pensions, termination benefits and similar obligations	<b>091</b>	6,596,098	6,876,308
2 Provisions for tax liabilities	<b>092</b>	0	3,416,008
3 Provisions for ongoing legal cases	<b>093</b>	670,506	63,755
4 Provisions for renewal of natural resources	<b>094</b>	940,143	1,066,040
5 Provisions for warranty obligations	<b>095</b>	19,725,986	21,396,855
6 Other provisions	<b>096</b>	8,440	219,757
<b>C) LONG-TERM LIABILITIES (ADP 098 to 108)</b>	<b>097</b>	<b>38,438,350</b>	<b>53,948,683</b>
1 Liabilities to undertakings within the Group	<b>098</b>	0	0
2 Liabilities for loans, deposits, etc. of undertakings within the Group	<b>099</b>	0	0
3 Liabilities to companies linked by virtue of participating interests	<b>100</b>	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	<b>101</b>	0	0
5 Liabilities for loans, deposits etc.	<b>102</b>	0	0
6 Liabilities to banks and other financial institutions	<b>103</b>	23,635,118	35,991,562
7 Liabilities for advance payments	<b>104</b>	0	0
8 Liabilities to suppliers	<b>105</b>	0	0
9 Liabilities for securities	<b>106</b>	1,077,676	864,131
10 Other long-term liabilities	<b>107</b>	10,205,924	13,547,295
11 Deferred tax liability	<b>108</b>	3,519,632	3,545,695
<b>D) SHORT-TERM LIABILITIES (ADP 110 to 123)</b>	<b>109</b>	<b>484,124,308</b>	<b>616,264,713</b>
1 Liabilities to undertakings within the Group	<b>110</b>	0	0
2 Liabilities for loans, deposits, etc. of undertakings within the Group	<b>111</b>	0	0
3 Liabilities to companies linked by virtue of participating interests	<b>112</b>	8,239,472	6,610,517
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	<b>113</b>	0	0
5 Liabilities for loans, deposits etc.	<b>114</b>	277,957	313,157
6 Liabilities to banks and other financial institutions	<b>115</b>	26,591,583	19,577,082
7 Liabilities for advance payments	<b>116</b>	226,062,127	313,798,030
8 Liabilities to suppliers	<b>117</b>	148,964,023	161,134,992
9 Liabilities for securities	<b>118</b>	267,731	278,441
10 Liabilities to employees	<b>119</b>	17,185,872	25,293,856
11 Taxes, contributions and similar liabilities	<b>120</b>	21,691,344	32,961,092
12 Liabilities arising from the share in the result	<b>121</b>	72,217	82,993
13 Liabilities arising from fixed assets held for sale	<b>122</b>	0	0
14 Other short-term liabilities	<b>123</b>	34,771,982	56,214,553
<b>E) ACCRUALS AND DEFERRED INCOME</b>	<b>124</b>	<b>47,074,579</b>	<b>73,267,564</b>
<b>F) TOTAL – LIABILITIES (ADP 067+090+097+109+124)</b>	<b>125</b>	<b>1,247,631,630</b>	<b>1,620,885,985</b>
<b>G) OFF-BALANCE SHEET ITEMS</b>	<b>126</b>	<b>1,232,267,421</b>	<b>1,797,460,117</b>

## STATEMENT OF PROFIT OR LOSS for the period 1.1.2025 to 31.12.2025

in EUR

Submitter: KONČAR Inc.					
Item	AOP code	Same period of the previous year		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
<b>I OPERATING INCOME</b> (ADP 002 to 006)	<b>001</b>	1,066,152,738	320,861,100	1,337,438,880	411,611,277
1 Income from sales with undertakings within the Group	002	0	0	0	0
2 Income from sales (outside Group)	003	1,054,377,011	319,804,159	1,319,641,950	405,450,648
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	11,775,727	1,056,941	17,796,930	6,160,629
<b>II OPERATING EXPENSES</b> (ADP 08+009+013+017+018+019+022+029)	<b>007</b>	906,546,025	284,049,092	1,125,589,686	362,607,412
1 Changes in inventories of work in progress and finished goods	008	-8,051,304	-8,701,264	-21,066,129	-5,142,655
2 Material costs (ADP 010 to 012)	009	625,238,672	195,024,736	788,395,031	252,820,211
a) Costs of raw materials and consumables	010	451,585,382	133,176,616	577,541,267	180,515,164
b) Costs of goods sold	011	47,063,034	16,877,671	50,641,782	19,924,058
c) Other external costs	012	126,590,256	44,970,449	160,211,982	52,380,989
3 Staff costs (ADP 014 to 016)	013	186,501,184	55,267,153	234,186,284	67,757,625
a) Net salaries and wages	014	116,717,743	33,823,878	144,962,022	38,981,844
b) Tax and contributions from salary costs	015	47,162,738	14,661,751	60,273,051	19,932,419
c) Contributions on salaries	016	22,620,703	6,781,524	28,951,211	8,843,362
4 Depreciation	017	25,072,019	8,325,353	28,987,739	8,340,897
5 Other costs	018	62,571,294	21,530,334	82,736,062	29,453,699
6 Value adjustments (ADP 020+021)	019	2,980,830	1,599,211	5,788,648	4,992,253
a) fixed assets other than financial assets	020	1,731,928	1,714,828	1,413,779	1,411,596
b) current assets other than financial assets	021	1,248,902	-115,617	4,374,869	3,580,657
7 Provisions (ADP 023 to 028)	022	7,181,990	7,181,990	-3,169,057	-1,849,450
a) Provisions for pensions, termination benefits and similar obligations	023	2,141,002	2,141,002	53,693	435,902
b) Provisions for tax liabilities	024	0	0	0	0
c) Provisions for ongoing legal cases	025	1,070,000	1,070,000	50,138	48,425
d) Provisions for renewal of natural resources	026	275,395	275,395	63,049	63,049
e) Provisions for warranty obligations	027	4,225,000	4,225,000	-3,349,629	-3,363,838
f) Other provisions	028	-529,407	-529,407	13,692	967,012
8 Other operating expenses	029	5,051,340	3,821,579	9,731,108	6,234,832
<b>III FINANCIAL INCOME</b> (ADP 031 to 040)	<b>030</b>	5,335,507	1,446,879	5,956,465	2,635,914
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	41,937	-129,140	610,078	370,514
7 Other interest income	037	4,715,916	1,384,577	4,821,531	2,373,793
8 Exchange rate differences and other financial income	038	0	0	0	0
9 Unrealised gains (income) from financial assets	039	402,551	227,652	407,103	131,459
10 Other financial income	040	175,103	-36,210	117,753	-239,852
<b>IV FINANCIAL EXPENSES</b> (ADP 042 to 048)	<b>041</b>	5,255,171	1,271,424	4,977,642	1,079,426
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 1.1.2025 to 31.12.2025

in EUR

Submitter: KONČAR 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	3,582,794	656,824	2,472,582	687,222
4 Exchange rate differences and other expenses	045	1,227,995	226,392	988,328	160,814
5 Unrealised losses (expenses) from financial assets	046	437,140	437,140	1,516,732	473,067
6 Value adjustments of financial assets (net)	047	0	0	0	0
7 Other financial expenses	048	7,242	-48,932	0	-241,677
<b>V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VIRTUE OF PARTICIPATING INTERESTS</b>	<b>049</b>	<b>32,874,871</b>	<b>15,269,751</b>	<b>43,807,749</b>	<b>12,398,749</b>
<b>VI SHARE IN PROFIT FROM JOINT VENTURES</b>	<b>050</b>	<b>1,305,317</b>	<b>452,507</b>	<b>1,204,351</b>	<b>390,232</b>
<b>VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST</b>	<b>051</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>VIII SHARE IN LOSS OF JOINT VENTURES</b>	<b>052</b>	<b>6,581</b>	<b>-782</b>	<b>40,783</b>	<b>12,330</b>
<b>IX TOTAL INCOME (ADP 001+030+049 +050)</b>	<b>053</b>	<b>1,105,668,433</b>	<b>338,030,237</b>	<b>1,388,407,445</b>	<b>427,036,172</b>
<b>X TOTAL EXPENDITURE (ADP 007+041+051 + 052)</b>	<b>054</b>	<b>911,807,777</b>	<b>285,319,734</b>	<b>1,130,608,111</b>	<b>363,699,168</b>
<b>XI PRE-TAX PROFIT OR LOSS (ADP 053-054)</b>	<b>055</b>	<b>193,860,656</b>	<b>52,710,503</b>	<b>257,799,334</b>	<b>63,337,004</b>
1 Pre-tax profit (ADP 053-054)	056	193,860,656	52,710,503	257,799,334	63,337,004
2 Pre-tax loss (ADP 054-053)	057	0	0	0	0
<b>XII INCOME TAX</b>	<b>058</b>	<b>29,507,409</b>	<b>4,961,735</b>	<b>37,112,104</b>	<b>10,223,563</b>
<b>XIII PROFIT OR LOSS FOR THE PERIOD (ADP 055-059)</b>	<b>059</b>	<b>164,353,247</b>	<b>47,748,768</b>	<b>220,687,230</b>	<b>53,113,441</b>
1 Profit for the period (ADP 055-059)	060	164,353,247	47,748,768	220,687,230	53,113,441
2 Loss for the period (ADP 059-055)	061	0	0	0	0
<b>DISCONTINUED OPERATIONS (to be filled in by undertakings subject to IFRS only with discontinued operations)</b>					
<b>XIV PRE-TAX PROFIT OR LOSS OF DISCONTINUED OPERATIONS (ADP 063-064)</b>	<b>062</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Pre-tax profit from discontinued operations	063	0	0	0	0
2 Pre-tax loss on discontinued operations	064	0	0	0	0
<b>XV INCOME TAX OF DISCONTINUED OPERATIONS</b>	<b>065</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Discontinued operations profit for the period (ADP 062-065)	066	0	0	0	0
2 Discontinued operations loss for the period (ADP 065-062)	067	0	0	0	0
<b>TOTAL OPERATIONS (to be filled in only by undertakings subject to IFRS with discontinued operations)</b>					
<b>XVI PRE-TAX PROFIT OR LOSS (ADP 055-+062)</b>	<b>068</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Pre-tax profit (ADP 068)	069	0	0	0	0
2 Pre-tax loss (ADP 068)	070	0	0	0	0
<b>XVII INCOME TAX (ADP 058+065)</b>	<b>071</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 068-071)</b>	<b>072</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Profit for the period (ADP 068-071)	073	0	0	0	0
2 Loss for the period (ADP 071-068)	074	0	0	0	0
<b>APPENDIX to the P&amp;L (to be filled in by undertakings that draw up consolidated annual financial statements)</b>					
<b>XIX PROFIT OR LOSS FOR THE PERIOD (AOP 076+077)</b>	<b>075</b>	<b>164,353,247</b>	<b>47,748,768</b>	<b>220,687,230</b>	<b>53,113,441</b>
<b>1 Attributable to owners of the parent</b>	<b>076</b>	<b>102,600,368</b>	<b>33,675,990</b>	<b>145,775,052</b>	<b>34,907,909</b>
<b>2 Attributable to minority (non-controlling) interest</b>	<b>077</b>	<b>61,752,879</b>	<b>14,072,778</b>	<b>74,912,178</b>	<b>18,205,532</b>
<b>STATEMENT OF OTHER COMPREHENSIVE INCOME (to be filled in by undertakings subject to IFRS)</b>					
<b>I PROFIT OR LOSS FOR THE PERIOD</b>	<b>078</b>	<b>164,353,247</b>	<b>47,748,768</b>	<b>220,687,230</b>	<b>53,113,441</b>
<b>II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 80+ 87)</b>	<b>079</b>	<b>437,875</b>	<b>245,824</b>	<b>756,259</b>	<b>784,909</b>
<b>III Items that will not be reclassified to profit or loss (ADP 081 to 085)</b>	<b>080</b>	<b>0</b>	<b>0</b>	<b>873,115</b>	<b>873,115</b>
1 Changes in revaluation reserves of fixed tangible and intangible assets	081	0	0	0	0

## STATEMENT OF PROFIT OR LOSS for the period 1.1.2025 to 31.12.2025

in EUR

Submitter: KONČAR 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	873,115	873,115
3 Fair value changes of financial liabilities at fair value through statement of profit or loss, attributable to changes in their credit risk	083	0	0	0	0
4 Actuarial gains/losses on the defined benefit obligation	084	0	0	0	0
5 Other items that will not be reclassified	085	0	0	0	0
6 Income tax relating to items that will not be reclassified	086	0	0	0	0
<b>IV Items that may be reclassified to profit or loss</b> (ADP 088 to 095)	<b>087</b>	437,875	245,824	-116,856	-88,206
1 Exchange rate differences from translation of foreign operations	088	437,875	245,824	-116,856	-88,206
2 Gains or losses from subsequent measurement of debt securities at fair value through other comprehensive income	089	0	0	0	0
3 Profit or loss arising from effective cash flow hedging	090	0	0	0	0
4 Profit or loss arising from effective hedge of a net investment in a foreign operation	091	0	0	0	0
5 Share in other comprehensive income/loss of companies linked by virtue of participating interests	092	0	0	0	0
6 Changes in fair value of the time value of option	093	0	0	0	0
7 Changes in fair value of forward elements of forward contracts	094	0	0	0	0
8 Other items that may be reclassified to profit or loss	095	0	0	0	0
9 Income tax relating to items that may be reclassified to profit or loss	096	0	0	0	0
<b>V NET OTHER COMPREHENSIVE INCOME OR LOSS</b> (ADP 080+087- 086 - 096)	<b>097</b>	437,875	245,824	756,259	784,909
<b>VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD</b> (ADP 078+097)	<b>098</b>	164,791,122	47,994,592	221,443,489	53,898,350
<b>APPENDIX to the Statement on comprehensive income (to be filled in by undertakings that draw up consolidated statements)</b>					
<b>VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD</b> (ADP 100+101)	<b>099</b>	164,791,122	47,994,592	221,443,489	53,898,350
<b>1 Attributable to owners of the parent</b>	<b>100</b>	102,851,911	33,826,269	146,173,822	35,321,789
<b>2 Attributable to minority (non-controlling) interest</b>	<b>101</b>	61,939,211	14,168,323	75,269,667	18,576,561

## STATEMENT OF CASH FLOWS - direct method for the period 1.1.2025 to 31.12.2025

in EUR

Submitter: KONČAR Inc.			
item	AOP code	Same period of the previous year	Current period
1	2	3	4
<b>Cash flow from operating activities</b>			
1 Cash receipts from customers	001	1,127,582,796	1,440,539,744
2 Cash receipts from royalties, fees, commissions and other revenue	002	29,288	85,452
3 Cash receipts from insurance premiums	003	1,016,413	983,324
4 Cash receipts from tax refund	004	41,304,348	40,439,679
5 Other cash receipts from operating activities	005	9,606,549	24,611,830
<b>I Total cash receipts from operating activities (ADP 001 to 005)</b>	<b>006</b>	<b>1,179,539,394</b>	<b>1,506,660,029</b>
1 Cash payments to suppliers	007	-677,328,914	-873,705,887
2 Cash payments to employees	008	-202,266,144	-246,475,945
3 Cash payments for insurance premiums	009	-4,153,344	-4,545,383
4 Interest paid	010	-2,058,959	-1,863,044
5 Income tax paid	011	-39,321,193	-33,303,937
6 Other cash payments from operating activities	012	-43,298,189	-79,324,854
<b>II Total cash payments from operating activities (ADP 007 to 012)</b>	<b>013</b>	<b>-968,426,743</b>	<b>-1,239,219,050</b>
<b>A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 006 + 013)</b>	<b>014</b>	<b>211,112,651</b>	<b>267,440,979</b>
<b>Cash flow from investment activities</b>			
1 Cash receipts from sales of fixed tangible and intangible assets	015	380,583	2,283,653
2 Cash receipts from sales of financial instruments	016	0	49,218,811
3 Interest received	017	4,606,569	4,488,595
4 Dividends received	018	8,812,300	21,393,358
5 Cash receipts from the repayment of loans and deposits	019	10,699,891	185,053,239
6 Other cash receipts from investment activities	020	382,148	851,137
<b>III Total cash receipts from investment activities (ADP 015 to 020)</b>	<b>021</b>	<b>24,881,491</b>	<b>263,288,793</b>
1 Cash payments for the purchase of fixed tangible and intangible assets	022	-43,897,471	-74,564,726
2 Cash payments for the acquisition of financial instruments	023	-53,219,654	-77,672,455
3 Cash payments for loans and deposits	024	-81,086,764	-254,273,974
4 Acquisition of a subsidiary, net of cash acquired	025	0	0
5 Other cash payments from investment activities	026	0	0
<b>IV Total cash payments from investment activities (ADP 022 to 026)</b>	<b>027</b>	<b>-178,203,889</b>	<b>-406,511,155</b>
<b>B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 021 + 027)</b>	<b>028</b>	<b>-153,322,398</b>	<b>-143,222,362</b>
<b>Cash flow from financing activities</b>			
1 Cash receipts from the increase in initial (subscribed) capital	029	0	0
2 Cash receipts from the issue of equity financial instruments and debt financial instruments	030	0	0
3 Cash receipts from credit principals, loans and other borrowings	031	48,412,786	62,017,676
4 Other cash receipts from financing activities	032	706,411	8,865,677
<b>V Total cash receipts from financing activities (ADP 029 to 032)</b>	<b>033</b>	<b>49,119,197</b>	<b>70,883,353</b>
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	034	-58,366,850	-57,531,344
2 Cash payments for dividends	035	-14,480,275	-27,497,184
3 Cash payments for finance lease	036	-1,705,320	-2,764,938
4 Cash payments for the redemption of treasury shares and decrease in initial (subscribed) capital	037	0	0
5 Other cash payments from financing activities	038	-37,923,525	-21,242,630
<b>VI Total cash payments from financing activities (ADP 034 to 038)</b>	<b>039</b>	<b>-112,475,970</b>	<b>-109,036,096</b>
<b>C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 033 + 039)</b>	<b>040</b>	<b>-63,356,773</b>	<b>-38,152,743</b>
1 Unrealised exchange rate differences in respect of cash and cash equivalents	041	-293,219	33,410
<b>D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 014 + 028 + 040 + 041)</b>	<b>042</b>	<b>-5,859,739</b>	<b>86,099,284</b>
<b>E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>043</b>	<b>153,823,741</b>	<b>147,964,002</b>
<b>F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (042+043)</b>	<b>044</b>	<b>147,964,002</b>	<b>234,063,286</b>

# STATEMENT OF CHANGES IN EQUITY for the period from 1.1.2025 to 31.12.2025

B Unaudited consolidated financial statements of KONČAR Group for January - December 2025

in EUR

Item	AOP code	Attributable to owners of the parent																Minority (non-controlling) interest	Total capital and reserves
		Initial (subscribed) capital	Capital reserves	Legal reserves	Reserves for treasury shares	Treasury shares and holdings (deductible item)	Statutory reserves	Other reserves	Re-valuation reserves	Fair value of financial assets through other comprehensive income (available for sale)	Cash flow hedge - effective portion	Hedge of a net investment in a foreign operation - effective portion	Other fair value reserves	Exchange rate differences from translation of foreign operations	Retained profit / loss brought forward	Profit/loss for the business year	Total attributable to owners of the parent		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18 (3 do 6 - 7 + 8 do 17)	19	20 (18+19)
<b>Previous period</b>																			
<b>1 Balance on the first day of the previous business year</b>	<b>01</b>	159,471,379	1,072,189	9,726,616	4,507,291	2,032,193	65,869,433	28,566,415	0	830,229	0	0	0	-205,774	92,084,350	46,328,381	406,218,316	124,755,316	530,973,632
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
<b>4 Balance on the first day of the previous business year (restated) (ADP 01 to 03)</b>	<b>04</b>	<b>159,471,379</b>	<b>1,072,189</b>	<b>9,726,616</b>	<b>4,507,291</b>	<b>2,032,193</b>	<b>65,869,433</b>	<b>28,566,415</b>	<b>0</b>	<b>830,229</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-205,774</b>	<b>92,084,350</b>	<b>46,328,381</b>	<b>406,218,316</b>	<b>124,755,316</b>	<b>530,973,632</b>
5 Profit/loss of the period	05	0	0	0	0	0	0	0	0	0	0	0	0	0	0	102,600,368	102,600,368	61,752,879	164,353,247
6 Exchange rate differences from translation of foreign operations	06	0	0	0	0	0	0	0	0	0	0	0	0	251,543	0	0	251,543	186,332	437,875
7 Changes in revaluation reserves of fixed tangible and intangible assets	07	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8 Gains or losses from subsequent measurement of financial assets at fair value through other comprehensive income (available for sale)	08	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9 Profit or loss arising from effective cash flow hedge	09	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10 Profit or loss arising from effective hedge of a net investment in a foreign operation	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11 Share in other comprehensive income/loss of companies linked by virtue of participating interests	11	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12 Actuarial gains/losses on the defined benefit obligation	12	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13 Other changes in equity unrelated to owners	13	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14 Tax on transactions recognised directly in equity	14	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15 Decrease in initial (subscribed) capital (other than arising from the pre-bankruptcy settlement procedure or from the reinvestment of profit)	15	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16 Decrease in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	16	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17 Decrease in initial (subscribed) capital arising from the reinvestment of profit	17	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18 Redemption of treasury shares/holdings	18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19 Payments from members/shareholders	19	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20 Payment of share in profit/dividend	20	0	0	0	0	0	0	0	0	0	0	0	0	0	-6,365,968	0	-6,365,968	-8,457,852	-14,823,820
21 Other distributions and payments to members/shareholders	21	0	987	412,799	1,491,259	-33,643	1,373,900	-2,218,150	0	0	0	0	0	-118,928	-6,304,649	0	-5,329,139	-25,558,575	-30,887,714
22 Transfer to reserves according to the annual schedule	22	0	0	433,269	0	0	0	2,329,636	0	0	0	0	0	0	43,565,476	-46,328,381	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
<b>24 Balance on the last day of the previous business year reporting period (ADP 04 to 23)</b>	<b>24</b>	<b>159,471,379</b>	<b>1,073,176</b>	<b>10,572,684</b>	<b>5,998,550</b>	<b>1,998,550</b>	<b>67,243,333</b>	<b>28,677,901</b>	<b>0</b>	<b>830,229</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-73,159</b>	<b>122,979,209</b>	<b>102,600,368</b>	<b>497,375,120</b>	<b>152,678,100</b>	<b>650,053,220</b>
<b>APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)</b>																			
<b>I OTHER COMPREHENSIVE INCOME OF THE PREVIOUS PERIOD, NET OF TAX (ADP 06 to 14)</b>	<b>25</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>251,543</b>	<b>0</b>	<b>0</b>	<b>251,543</b>	<b>186,332</b>	<b>437,875</b>
<b>II COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP 05+25)</b>	<b>26</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>251,543</b>	<b>0</b>	<b>102,600,368</b>	<b>102,851,911</b>	<b>61,939,211</b>	<b>164,791,122</b>
<b>III TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 23)</b>	<b>27</b>	<b>0</b>	<b>987</b>	<b>846,068</b>	<b>1,491,259</b>	<b>-33,643</b>	<b>1,373,900</b>	<b>111,486</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-118,928</b>	<b>30,894,859</b>	<b>-46,328,381</b>	<b>-11,695,107</b>	<b>-34,016,427</b>	<b>-45,711,534</b>

# STATEMENT OF CHANGES IN EQUITY for the period from 1.1.2025 to 31.12.2025

B Unaudited consolidated financial statements of KONČAR Group for January - December 2025

in EUR

Item	AOP code	Attributable to owners of the parent																Minority (non-controlling) interest	Total capital and reserves
		Initial (subscribed) capital	Capital reserves	Legal reserves	Reserves for treasury shares	Treasury shares and holdings (deductible item)	Statutory reserves	Other reserves	Re-valuation reserves	Fair value of financial assets through other comprehensive income (available for sale)	Cash flow hedge - effective portion	Hedge of a net investment in a foreign operation - effective portion	Other fair value reserves	Exchange rate differences from translation of foreign operations	Retained profit / loss brought forward	Profit/loss for the business year	Total attributable to owners of the parent		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18 (3 do 6 - 7 + 8 do 17)	19	20 (18+19)
<b>Current period</b>																			
1 Balance on the first day of the previous business year	28	159,471,379	1,073,176	10,572,684	5,998,550	1,998,550	67,243,333	28,677,901	0	830,229	0	0	0	-73,159	122,979,209	102,600,368	497,375,120	152,678,100	650,053,220
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	159,471,379	1,073,176	10,572,684	5,998,550	1,998,550	67,243,333	28,677,901	0	830,229	0	0	0	-73,159	122,979,209	102,600,368	497,375,120	152,678,100	650,053,220
5 Profit/loss of the period	32	0	0	0	0	0	0	0	0	0	0	0	0	0	0	145,775,052	145,775,052	74,912,178	220,687,230
6 Exchange rate differences from translation of foreign operations	33	0	0	0	0	0	0	0	0	0	0	0	0	-61,624	0	0	-61,624	-55,232	-116,856
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	460,433	0	0	0	0	0	0	460,433	412,682	873,115
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	-126,835	-126,835	-1,169,047	-79,128	0	72	0	0	0	-69,146	-5,983,900	0	-7,301,149	7,827,291	526,142
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	-7,641,705	0	-7,641,705	-20,014,844	-27,656,549
21 Other distributions and payments to members/shareholders	48	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
22 Transfer to reserves according to the annual schedule	49	0	0	0	0	0	0	4,283,346	0	0	0	0	0	0	98,317,022	-102,600,368	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	159,471,379	1,073,176	10,572,684	5,871,715	1,871,715	66,074,286	32,882,119	0	1,290,734	0	0	0	-203,929	207,670,626	145,775,052	628,606,127	215,760,175	844,366,302
<b>APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)</b>																			
I OTHER COMPREHENSIVE INCOME OF THE CURRENT PERIOD, NET OF TAX (ADP 33 to 41)	52	0	0	0	-126,835	-126,835	-1,169,047	-79,128	0	460,505	0	0	0	-130,770	-5,983,900	0	-6,902,340	8,184,741	1,282,401
II COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 32 to 52)	53	0	0	0	-126,835	-126,835	-1,169,047	-79,128	0	460,505	0	0	0	-130,770	-5,983,900	145,775,052	138,872,712	83,096,919	221,969,631
III TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 42 to 50)	54	0	0	0	0	0	0	4,283,346	0	0	0	0	0	0	90,675,317	-102,600,368	-7,641,705	-20,014,844	-27,656,549

## NOTES TO THE FINANCIAL STATEMENTS

**Name of issuer: KONČAR Inc.**

**PIN: 45050126417**

**Reporting period: 1 January 2025 to 31 December 2025**

### 1. GENERAL INFORMATION

#### Business Activities

The core business activities of KONČAR Group (hereinafter: "the Group") are:

- Power Generation
- Power Transmission and Distribution
- Urban Mobility and Infrastructure
- Digital Solutions and Platforms

#### Group structure

In addition to the Parent Company, the Group consists of 16 subsidiaries operating in core business activities, 1 subsidiary engaged in special activities (product research and development), subsidiaries controlled by other subsidiaries, one associate company, and associates of subsidiaries.

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

The Company is engaged in architectural activities, engineering, and related technical consulting services, energy distribution, maintenance services, and management of its subsidiaries.

#### Number of employees

As at 31 December 2025, the Group had 6,345 employees, compared to 5,503 employees as of 31 December 2024.

The average number of employees for the period January – December 2025 was 5,800 (compared to 5,382 in the same period in 2024).

### 2. Basis of preparation and accounting policies

#### Basis of preparation

The consolidated financial statements for the period January – December 2025 have been prepared in accordance with International Accounting Standard (IAS) 34 – Interim Financial Reporting, as adopted by the European Union (EU).

The consolidated financial statements do not include all disclosures required for the full set of annual consolidated financial statements and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2024. The annual consolidated financial statements of the Group are prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU.

The annual consolidated financial statements of the Group are available on the official websites of Zagreb Stock Exchange ([www.zse.hr](http://www.zse.hr)), Croatian Financial Services Supervisory Agency ([www.hanfa.hr](http://www.hanfa.hr)), and the Company ([www.koncar.hr](http://www.koncar.hr)).

#### Going concern assumption

The Management Board believes that the Group has sufficient resources to continue operations in the foreseeable future and has not identified any significant uncertainties related to business events or conditions that may raise significant doubt on the Group's ability to continue as a going concern.

#### Significant accounting policies

The consolidated financial statements for the period January – December 2025 have been prepared using the same accounting policies, presentation, and calculation methods applied in the preparation of the Group's annual consolidated financial statements as at 31 December 2024.

#### Key accounting estimates

In preparing the consolidated financial statements, the Management Board applied judgments and estimates that impact the application of accounting policies and the recognized amounts of assets, liabilities, revenues, and expenses. By definition, accounting estimates rarely correspond exactly to actual results. Key accounting estimates remain consistent with those disclosed in the most recent annual financial statements.

#### Seasonal effects

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

## 3. SUBSIDIARIES

Consolidated subsidiaries registered in Croatia:	Country	31 December 2025		31 December 2024	
		Voting rights (%)	Effective group share	Voting rights (%)	Effective group share
KONČAR - Motors and Electrical Systems Ltd. for manufacturing, Zagreb	Croatia	100.00	100.00	100.00	100.00
Telenerg - Engineering Ltd. for design and manufacturing, Zagreb		100.00	100.00	100.00	100.00
INK PROJEKT Ltd. for construction and services, Zagreb	Croatia	100.00	100.00	100.00	100.00
KONČAR - Electrical Engineering Institute Ltd. for research, development and services, Zagreb	Croatia	100.00	100.00	100.00	100.00
KONČAR - Generators and Motors Ltd. for manufacturing, Zagreb	Croatia	100.00	100.00	100.00	100.00
HELB Ltd. for production, assembly and servicing of electrical devices, Božjakovina*	Croatia	75.00	75.00	-	-
KONČAR - Metal Structures Ltd. for manufacturing, Zagreb	Croatia	100.00	100.00	100.00	100.00
DALEKOVOD MK Ltd., Velika Gorica****	Croatia	100.00	100.00	-	-
KONČAR - Switchgear Ltd. for manufacturing, Zagreb	Croatia	100.00	100.00	100.00	100.00
Energy Park Pometeno Brdo Ltd. for production, Zagreb***	Croatia	-	-	100.00	100.00
KONČAR - Renewable Energy Sources Ltd. for production, Zagreb	Croatia	100.00	100.00	100.00	100.00
Energy Park Pometeno Brdo Ltd. for production, Zagreb***	Croatia	100.00	100.00	-	-
Wind Power Plant Rust Ltd. for electricity eeneration, Zagreb	Croatia	100.00	100.00	100.00	100.00
Solar Power Plant Deponija Fosfogipsa Ltd. for production, trade and services, Zagreb	Croatia	51.00	51.00	51.00	51.00
Liburnia Solar Ltd. for electricity eneration, Zagreb	Croatia	76.00	76.00	76.00	76.00
South East Energy Ltd. for services, Zagreb	Croatia	91.20	91.20	75.20	75.20
KONČAR - Electric Vehicles Inc. for manufacturing, Zagreb	Croatia	85.73	85.73	84.71	84.71
Konell Ltd., Sofija, Bulgaria*****	Bulgaria	85.00	72.03	85.00	72.02
KONČAR - Electronics and Informatics Ltd. for manufacturing and services, Zagreb	Croatia	100.00	100.00	100.00	100.00
ENAKON MOBILITY Ltd. for services, Zagreb	Croatia	100.00	100.00	100.00	100.00
KONČAR - Instrument Transformers Inc. for manufacturing, Zagreb	Croatia	99.77	99.77	99.77	99.77
KONČAR - Distribution And Special Transformers Inc. for manufacturing, Zagreb	Croatia	67.90	67.90	67.90	67.90
FEROKOTAO Ltd. for manufacturing transformer tanks and other metal structures, Donji Kraljevec	Croatia	51.00	34.63	51.00	34.63
Novi Feromont Ltd. for manufacturing large transformer tanks and metal structures, Donji Kraljevec*****	Croatia	81.19	55.13	-	-
Power Engineering Transformatory Sp. z o.o. (PET), Poznan, Poland	Poland	100.00	67.90	100.00	67.90
KONČAR - Digital Ltd. for digital services, Zagreb	Croatia	100.00	100.00	100.00	100.00
KONČAR - Systems Integration Ltd. for production and trade, Zagreb*****	Croatia	-	-	75.00	75.00
ADNET Ltd. for engineering, manufacturing and trade, Zagreb**	Croatia	38.00	38.00	26.00	26.00
KREANCA SUSTAVI Ltd. for business and management consulting, Zagreb**	Croatia	76.00	76.00	52.00	52.00
ADNET Ltd. for Engineering, manufacturing and trade, Zagreb**	Croatia	50.00	38.00	50.00	26.00
KONČAR - Transformer Tanks Ltd. for manufacturing, Sesvete (City of Zagreb)	Croatia	60.00	60.00	100.00	100.00
KONČAR - Hydro Turbine Ltd. for manufacturing and services	Croatia	100.00	100.00	100.00	100.00
Dalekovod jsc. for engineering, production and construction, Zagreb	Croatia	75.16	75.16	75.16	75.16
DALEKOVOD MK Ltd., Velika Gorica****	Croatia	-	-	100.00	75.16
DALEKOVOD OSO Ltd., Velika Gorica	Croatia	100.00	75.16	100.00	75.16
Dalekovod Projekt Ltd., Zagreb	Croatia	100.00	75.16	100.00	75.16
Dalekovod EMU Ltd., Vela Luka	Croatia	100.00	75.16	100.00	75.16
Dalekovod Mostar Ltd., Mostar, Bosnia and Herzegovina	Bosnia and Herzegovina	100.00	75.16	100.00	75.16
Dalekovod Ljubljana Ltd, Ljubljana, Slovenia	Slovenia	100.00	75.16	100.00	75.16
Dalekovod Norge AS, Oslo, Norway	Norveška	100.00	75.16	100.00	75.16
Dalekovod Ukraine Ltd., Kijev, Ukraine	Ukraine	100.00	75.16	100.00	75.16

\* As of August 1, 2025, the Group acquired control with a 75% ownership stake in HELB Ltd. However, no minority interest is recognized, as a call option was agreed upon as part of the transaction granting the acquirer the right to purchase the remaining ownership stake in the future, which management has assessed as highly probable to be exercised.

\*\* Although the Group had, by September 30, 2025, acquired control with a 76% ownership stake in Adnet Ltd. and a 76% ownership stake in Kreanca Sustavi Ltd., the Group does not recognize a minority interest in these subsidiaries, as a call option was agreed upon as part of the transactions granting the acquirer the right to purchase the remaining stake in the future, which management has assessed as highly probable to be exercised.

\*\*\*In July 2025, a contract for the sale and transfer of business shares was signed between KONČAR Inc. and KONČAR – Renewable Energy Sources Ltd. Under this contract, KONČAR Inc. sold the business shares in the company Energy park Pometeno Brdo Ltd. to the company KONČAR – Renewable Energy Sources Ltd.

\*\*\*\*On October 2025, the transaction between Dalekovod jsc. and KONČAR - Metal Structures Ltd. was concluded and the takeover of 100% of the ownership shares by KONČAR – Metal Structures Ltd. in the company DALEKOVOD MK Ltd.

\*\*\*\*\* In December 2025, the Group KONČAR acquired control with a 55.13% ownership stake in Novi Feromont Ltd.

\*\*\*\*\* As of October 1, 2025 the company KONČAR - Systems Integration Ltd. has been merged with company KONČAR - Digital Ltd.

\*\*\*\*\* Entity not consolidated due to immateriality

For certain subsidiaries, the Group holds control through the majority of voting rights. However, the ownership interest in these subsidiaries does not correspond to the voting rights because some of these entities have preferred shares that carry the same rights as ordinary shares, except for voting rights. The ownership interests in these subsidiaries are as follows:

	<b>31 Dec 2025</b>	<b>31 Dec 2024</b>
	Ownership share (%)	Ownership share (%)
KONČAR - Instrument Transformers Inc. for manufacturing, Zagreb	61.97	61.97
KONČAR - Distribution And Special Transformers Inc. for manufacturing, Zagreb	52.73	52.73

#### 4. INFORMATION ON BUSINESS SEGMENTS

For management purposes, the Group is organized into business units based on product similarity, and accordingly, reportable segments have been identified. The Group's reportable segments are as follows:

- Power Generation – includes the manufacturing and revitalization of generators, the construction and refurbishment of hydropower plants (HPPs), the development of solar power plants, the production of converters, manufacturing and installation of wind turbines, as well as operation, maintenance, and servicing activities
- Power Transmission and Distribution – includes the manufacturing and sale of transformers (power, distribution, special, and instrument transformers), overhead transmission lines, substations, transformer boilers, primary and secondary power distribution equipment, low-voltage switchgear, monitoring systems, and diagnostic, testing, and technical inspection services
- Urban Mobility and Infrastructure – includes manufacturing and sale of rail vehicles (trains and trams), railway infrastructure, maintenance of rolling stock, as well as other infrastructure-related services (roads, lighting, and others)
- Digital Solutions and Platforms – includes digital solutions and services, digitalization of products and manufacturing, business support systems, ICT infrastructure, and related services, remote control systems (control centers).

The reportable segments form an integral part of the internal financial reports, which are regularly reviewed by the Company's Management Board—the chief decision-making body—to assess performance and make business decisions.

The "Other" category includes real estate leasing activities (not related to the Group's core business) and certain small-scale production of motors and electrical machines, which does not qualify as a separate business segment.

#### Revenue by segment

The following is an analysis of the Group's revenue by reportable segment, presented in accordance with IFRS 8 – Operating segments.

	<b>1 Jan 2025 – 31 Dec 2025</b>	<b>1 Jan 2024 – 31 Dec 2024</b>
	EUR' 000	EUR' 000
<b>Power Generation</b>	<b>121,646</b>	<b>89,858</b>
- Hydro	101,549	65,886
- Renewable energy sources	20,097	23,972
<b>Power Transmission and Distribution</b>	<b>984,643</b>	<b>803,383</b>
- Transmission	379,276	288,958
- Distribution	605,367	514,425
<b>Urban Mobility and Infrastructure</b>	<b>143,782</b>	<b>105,538</b>
- Mobility	92,722	67,644
- Infrastructure	51,059	37,894
<b>Digital Solutions and Platforms</b>	<b>34,311</b>	<b>25,543</b>
Total reportable segments	1,284,382	1,024,322
Other	35,260	30,055
<b>Total revenue from contracts with customers</b>	<b>1,319,642</b>	<b>1,054,377</b>
Related parties	20,063	12,663
Unrelated parties	1,299,579	1,041,714
<b>Total revenue from contracts with customers</b>	<b>1,319,642</b>	<b>1,054,377</b>

## 5. OTHER OPERATING INCOME

Other operating income amounts to EUR 17.8 million (1 January – 30 December 2024: EUR 11.8 million) and includes: Income from asset disposals, compensation for damages, and other miscellaneous income.

## 6. CAPITALIZED EMPLOYEE COSTS

During the period 1 January – 31 December 2025, the Group capitalized wages and salaries totaling EUR 2,143 thousand (1 January – 31 December 2024: EUR 2,205 thousand).

## 7. EARNINGS PER SHARE

	<b>1 Jan 2025 – 31 Dec 2025</b>	<b>1 Jan 2024 – 31 Dec 2024</b>
<b>Net profit attributable to owners of the parent (EUR '000)</b>	<b>145,775</b>	<b>102,600</b>
Weighted average number of shares	2,547,777	2,546,603
<b>Basic and diluted earnings per share (EUR)</b>	<b>57.22</b>	<b>40.29</b>

## 8. NON-CURRENT TANGIBLE AND INTANGIBLE ASSETS

During the period 1 January – 31 December 2025, the Group acquired assets totaling EUR 110,442 thousand (1 January – 31 December 2024: EUR 55,315 thousand). Depreciation expense for the period 1 January – 31 December 2025 amounted to EUR 28,988 thousand (1 January – 31 December 2024: EUR 25,072 thousand).

## 9. INVENTORIES

During the period 1 January – 31 December 2025, the Group recognized a value adjustment of inventories in the amount of EUR 3,345 thousand (1 January – 31 December 2024: EUR 1,027 thousand).

## 10. CAPITAL AND RESERVES

The share capital (subscribed capital) is determined at a nominal value of EUR 159,471,378 (as of 31 December 2024: EUR 159,471,378) and consists of 2,572,119 shares, each with a nominal value of EUR 62. The Company's ordinary shares are listed on the Official Market of the Zagreb Stock Exchange under the ticker KOE1-R-A. As of 31 December 2025, the Company holds 23,700 treasury shares (31 December 2024: 25,306 treasury shares).

## 11. LOAN LIABILITIES

	<b>31 Dec 2025</b> EUR' 000	<b>31 Dec 2024</b> EUR' 000
<b>Loan liabilities</b>		
Non-current	35,992	23,635
Current	19,577	26,592
	<b>55,569</b>	<b>50,227</b>

Bank loans are secured by mortgages on real estate and pledges on movable assets. The net book value of mortgaged real estate amounts to EUR 46,000 thousand, while the net book value of pledged movable assets amounts to EUR 3,271 thousand.

The maturity profile of loan repayments is as follows:

	<b>31 Dec 2025</b>
	EUR' 000
Due within one year	19,668
Due in 1 to 2 years	9,960
Due in 2 to 5 years	11,310
Due in more than 5 years	14,631
	<u>55,569</u>

## 12. TRANSACTIONS WITH RELATED PARTIES

Entities are considered related parties if one party has control over another, if they are under joint control, or if one party has a significant influence over the business of the other. The Group is also significantly owned by the Republic of Croatia and other entities controlled by or under the significant influence of the Republic of Croatia. Accordingly, the Group has transactions with state institutions and other entities under majority state ownership or influence. For the purpose of disclosing related party transactions, the Group does not consider routine transactions (such as tax payments, levies, and similar transactions) with local municipal companies (either directly or indirectly state-owned) or other state bodies as related party transactions. The most significant related party transactions with state-owned enterprises relate to electricity and thermal energy supply and similar services. Excluding these routine transactions, the Group's revenue from sales to state institutions and other entities under majority state ownership or influence amounted to EUR 284.4 million for the period 1 January – 31 December 2025 (1 January – 31 December 2024: EUR 205.3 million), with the majority derived from engineering services, rail vehicles, and industrial electronics.

<b>2025</b>	<b>Receivables</b>	<b>Liabilities</b>	<b>Revenue</b>	<b>Expenses</b>
	<b>31 Dec 2025</b>	<b>31 Dec 2025</b>	<b>1 Jan 2025</b>	<b>1 Jan 2025</b>
	EUR' 000	EUR' 000	– 31 Dec 2025	– 31 Dec 2025
			EUR' 000	EUR' 000
<b>Operating activities</b>				
Associate companies	45,164	6,508	14,182	16,672
Joint ventures	1,504	102	5,881	1,462
<b>Total operating activities</b>	<b>46,668</b>	<b>6,610</b>	<b>20,063</b>	<b>18,134</b>
<b>Investing activities</b>				
Associate companies	0	0	0	0
Joint ventures	9,716	0	268	0
<b>Total investing activities</b>	<b>9,716</b>	<b>0</b>	<b>268</b>	<b>0</b>
<b>2024</b>	<b>Receivables</b>	<b>Liabilities</b>	<b>Revenue</b>	<b>Expenses</b>
	<b>31 Dec 2024</b>	<b>31 Dec 2024</b>	<b>1 Jan 2024</b>	<b>1 Jan 2024</b>
	EUR' 000	EUR' 000	– 31 Dec 2024	– 31 Dec 2024
			EUR' 000	EUR' 000
<b>Operating activities</b>				
Associate companies	22,887	7,779	7,789	15,509
Joint ventures	1,278	460	4,874	1,294
<b>Total operating activities</b>	<b>24,165</b>	<b>8,239</b>	<b>12,663</b>	<b>16,803</b>
<b>Investing activities</b>				
Associate companies	0	0	0	0
Joint ventures	5,918	0	193	0
<b>Total investing activities</b>	<b>5,918</b>	<b>0</b>	<b>193</b>	<b>0</b>

## 13. EVENTS AFTER THE REPORTING PERIOD

- Commercial Court in Zagreb, on 31 December 2025, issued decisions No. Tt-25/71794-2 and Tt-25/71797-2, on the basis of which the merger of the company INK PROJEKT Ltd., as the merged company will be carried out with KONČAR Inc., as the acquiring company in 2026.
- Commercial Court in Zagreb, on 31 December 2025, issued decisions No. Tt-25/70286-2 and Tt-25/70287-2, on the basis of which the status change of the merger of the company DALEKOVOD MK Ltd., as merged company, to KONČAR - Metal Structures Ltd., as the acquiring company, will be carried out in 2026.
- On 2 January 2026, in accordance with the previously executed Share Purchase Agreement relating to NEOS Ltd., the conditions precedent for closing the transaction were fulfilled, resulting in KONČAR Digital Ltd. acquiring a majority ownership interest in NEOS Ltd.
- KONČAR and Siemens Energy officially put into operation a new factory KONČAR – Transformer Tanks Ltd. in Sesvetski Kraljevec on 23 January 2026. This modern, state-of-the-art manufacturing facility of KONČAR – Transformer Tanks is a company in which KONČAR holds a majority stake of 60%, while Siemens Energy owns 40%.

After the reporting date until the date of approval of the financial statements, other than the above, there were no events that would have a significant impact on the Group's consolidated financial statements for the period January - December 2025, which should be published.

# C Management's Statement of Responsibility

The consolidated financial statements of the KONČAR Group are prepared in accordance with International Financial Reporting Standards (IFRS) and the Croatian Accounting Act.

The consolidated financial statements of the KONČAR Group for the period from 1 January to 31 December 2025 present a complete and true view of the assets and liabilities, profit and loss, financial position and operations of the issuer and the companies included in the consolidation, considered as a whole.

The Management Report for the period up to 31 December 2025 contains a true and fair presentation of the Company's operating results.

On behalf of the Board, signed by:

Gordan Kolak, MSc, BSc Eng.  
President of the Management Board



Mario Radaković, CFA  
Member of the Management Board



Zagreb, 26 February 2026



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