

Business Results and Consolidated Statements of KONČAR Group

Unaudited

January - September 2023

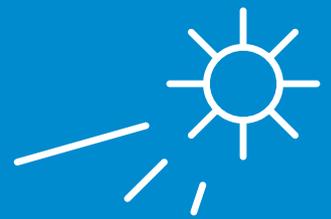


KONČAR

Inspired by challenge

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Key Performance Indicators

Export +34%	Sales revenue +27%
Order intake +78%	Order intake in export +89.5%
Book-to-bill ratio 1.7	Backlog +45%

Compared to Q3 2022
Backlog as at 31 December 2022



Key Performance Indicators - normalized

EBITDA +73.7%	EBITDA margin +2.5 p.p.
EBIT +111.9%	EBIT margin +2.7 p.p.
Net profit +142.5%	Net margin +3.2 p.p.

Compared to Q3 2022

A Report of the Management Board

CEO Statement Gordan Kolak, President of the Management Board



In an environment of global disruptions, marked by instability and increasingly intense risks, we are exceptionally pleased to disclose that KONČAR Group has again achieved outstanding results with record income and profit. Our order intake for both the upcoming year and 2025 instils us with confidence and optimism in our ability to continue delivering strong results.

The growth and excellent results across all business segments are a direct outcome of the transformational initiatives we have undertaken over the last four years, prioritizing responsiveness to market trends and demands, as well as investments in our people. We have reinforced our position as a stable and reliable partner to all our stakeholders. Establishing the framework for further development of sustainable business operations across all segments has enabled us to position ourselves as a relevant European high-tech manufacturer of equipment and solutions that supports the green energy transition throughout the European Union.

All of our business segments have experienced growth in revenue and profit, with remarkable performance of the power transmission and distribution segments. In addition to excellent performance, we are particularly delighted by the value of order intake, which now exceeds EUR 1 billion, predominantly to be realized in foreign markets. The trust and reliability that we have been building up over decades have ensured a substantial influx of new orders, specifically in the advanced markets of Germany, Sweden, and Austria. The value of order intake, backlog, reaches EUR 1,412.7 million. Notably, as at 30 September, backlog to be realized in 2024 totals EUR 741 million. Backlog for 2025 is steadily growing, with EUR 249 million in secured order intake.

More prominent new orders in the domestic market include the Procurement Agreement with Gradski prijevoz putnika Osijek, for new low-floor trams for the modernization of the tram fleet in Osijek. The EUR 18.5 million Agreement will see the delivery of 10 new low-floor trams within the project *The application of green technologies in railway passenger transport* included in the 2021 - 2026 National Recovery and Resilience Plan (NRRP). In terms of export, we should highlight that the majority of agreements pertain to the German and Swedish subsidiaries of E.ON Group. The tenders have been won in fierce competition with renowned European power transformer manufacturers, and the EUR 50 million deals are to be realized in the upcoming period.

Excellent order intake, expanding backlog and growing income have generated outstanding financial results. Consolidated revenue generated from the sale of goods and services amounts to EUR 601.1 million, representing a growth of EUR 128.2 million or 27.1% on Q1-Q3 2022. Export constitutes a significant portion, accounting for over 67% of total sales revenue. Year-over-year, income from the sale of goods and services in foreign markets expanded across all markets, with significant revenue growth achieved in the EU market, where export rose by EUR 60.1 million. Export to the European Union countries reaches EUR 283.5 million or 70.2% of the total export.

Our exceptional sales results drive further profitability expansion. Reported net profit for the first nine months of 2023 totals EUR 48.3 million, which is 29.8% up on Q1-Q3 2022, despite the fact that last year's results were impacted by significant one-off items. Normalized net profit doubled from EUR 23.7 in Q3 2022 to EUR 40.4 million in Q3 2023. EBITDA normalized amounts to EUR 56.1 million and is EUR 23.8 million or 73.7% higher year-on-year. Normalized EBITDA margin is 9.3%, while in Q1-Q3 2022 it amounted to 6.8%.

Although the outbreak of a new war in the Middle East is emerging as a paramount risk to the global economy, carrying the potential to disrupt it on a more substantial scale than the Russian aggression in Ukraine, by the end of the year we anticipate that our income will outperform the plan.

Gordan Kolak
President of the Management Board

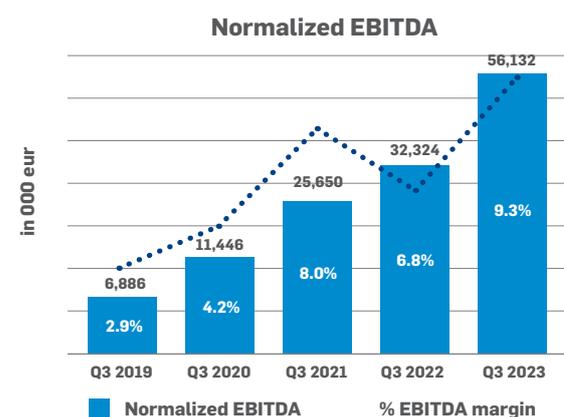
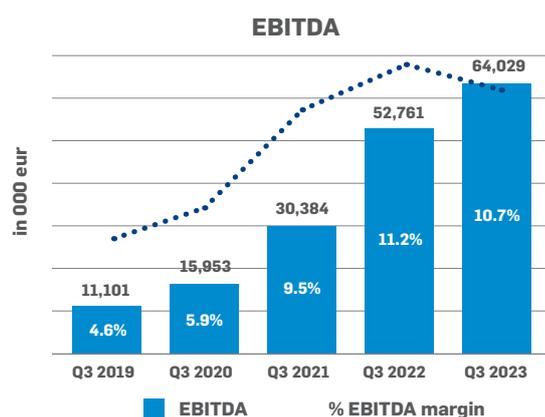
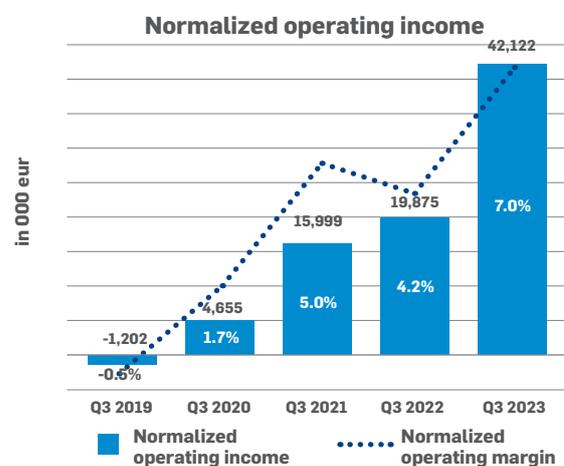
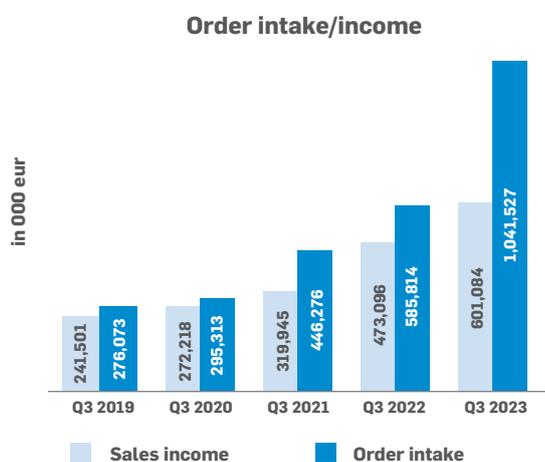
A handwritten signature in blue ink, appearing to read 'G. Kolak', written over a light blue horizontal line.

KEY PERFORMANCE INDICATORS OF KONČAR GROUP OPERATIONS FOR THE PERIOD JANUARY - SEPTEMBER 2023

Key performance indicators

	Index			
in EUR 000	Q3 2022	Q3 2023	Δ	2023/2022
Operating income	498.801	615.162	116.361	123,3
Sales income- total	472.857	601.084	128.227	127,1
Sales income- export	302.282	403.860	101.578	133,6
Operating expenses	458.378	565.143	106.765	123,3
Operating profit	40.423	50.019	9.596	123,7
Operating margin	8,5%	8,3%		
Normalized operating profit	19.875	42.122	22.247	211,9
Normalized operating margin	4,2%	7,0%		
Net profit	37.216	48.311	11.095	129,8
Normalized net profit	16.668	40.414	23.746	242,5
Normalized net profit margin	3,5%	6,7%		
Depreciation and amortization	12.443	14.010	1.567	112,6
EBITDA	52.866	64.029	11.163	121,1
EBITDA margin	11,2%	10,7%		
Normalized EBITDA ¹	32.318	56.132	23.814	173,7
Normalized EBITDA margin ¹	6,8%	9,3%		
Order intake	585.814	1.041.527	455.713	177,8
Backlog²	972.240	1.412.683	440.443	145,3
Book-to-bill ratio	1,2	1,7		

EBITDA normalizirana¹: EBITDA less the net effect of provisions, asset sale income, loss compensation income and other operating income.
Backlog²: as at 31 December 2022



Income statement

For the period January - September 2023, KONČAR Group realized total operating income in the amount of EUR 615.2 million, which represents an increase of EUR 116.4 million or 23.4% year-on-year. In the structure of operating income, revenue from the sale of goods and services accounts for 97.7%.

Consolidated revenue generated from the sale of goods and services amounts to EUR 601.1 million, representing a growth of EUR 128.2 million or 27.1% on Q1-Q3 2022.

Other operating income amounts to EUR 14.1 million, representing a year-on-year decline of EUR 11.9 million. In other operating income item, the most significant amount pertains to a one-off item related to the sale of assets not in the function of core business, loss compensation income, other provisions and considerable badwill (negative goodwill).

In the first three quarters of 2023, the most significant part of other income was generated from the profit from the sale of land to an associate company, profits realized from the sale of non-operating assets, release of provisions, loss compensation income, and badwill from two acquisitions.

Operating expenses were realized in the amount of EUR 565.1 million, which is a 23.3% rise on Q1- Q3 2022 realization. With reference to operating expenses, material costs (cost of raw materials and commodities, costs of goods sold and other external costs) amount to EUR 431.1 million and are EUR 90.8 million (26.7%) higher compared to Q1-Q3 2022. The share of material costs in sales revenue, adjusted for inventory value changes, amounts to 69.3%, representing a decline of 0.7 percentage points compared to the same period in the previous year. The noticeable downward trend in raw materials and commodity prices has continued throughout Q1-Q3. Raw materials and commodities account for 54.4% of the sales revenue, down by 2.5 percentage points on the comparable period previous year. Costs of goods sold rose from 2.6% in Q3 2022 to 5% in Q3 2023. Staff costs amount to EUR 107.5 million, representing a year-on-year expansion of EUR 18.4 million or 20.7%. The share of staff costs in sales revenue amounts to 17.3%, down by 1.0 percentage points on Q1-Q3 2022.

With respect to the period Jan-Sept 2022, other operating expenses increased by EUR 2.7 million and stand at EUR 30.8 million. Other operating expenses pertain to staff remuneration and other employees' rights amounting to EUR 15.9 million, and manufacturing services, intellectual services, insurance premiums and other, totalling EUR 14.9 million. The share of other expenses in adjusted sales revenue is 0.8 percentage points down year-over-year.

	Index			
in EUR 000	Q3 2022	Q3 2023	Δ	2023/2022
OPERATING INCOME	498.801	615.162	116.361	123,3
OPERATING EXPENSES	458.378	565.143	106.765	123,3
Material costs and change in value of inventories	327.292	410.298	83.006	125,4
Staff costs	89.059	107.508	18.449	120,7
Depreciation and amortization	12.443	14.010	1.567	112,6
Other costs	28.883	33.094	4.211	114,6
Impairment of non-current and current assets	701	233	-468	33,2
OPERATING PROFIT	40.423	50.019	9.596	123,7
SHARE IN PROFIT OF ASSOCIATED PARTIES	1.702	7.077	5.375	415,8
SHARE IN LOSS OF ASSOCIATED PARTIES	10	9	-1	90,0
FINANCE INCOME	936	1.289	353	137,7
FINANCE COSTS	1.174	2.556	1.382	217,7
TOTAL INCOME	501.439	623.528	122.089	124,3
TOTAL EXPENSES	459.562	567.708	108.146	123,5
Profit before taxation	41.877	55.820	13.943	133,3
Income tax	4.567	7.509	2.942	164,4
Profit/loss from discontinued operations	-94	0		
PROFIT FOR THE PERIOD	37.216	48.311	11.095	129,8

Operating profit (EBIT) amounts to EUR 50.0 million, which is a year-on-year increase of EUR 9.6 million. EBIT margin is 8.3% (in Q1-Q3 2022 it stood at 8.5%).

EBIT normalized amounts to EUR 42.1 million, which is a EUR 22.2 million rise year-over-year. Normalized EBIT margin is 7%, representing a 2,7 percentage points improvement year-over-year, up from 4.2% in Q1-Q3 2022.

The associate company realized EUR 16.1 million in profits, which represents a considerable upturn on Q1-Q3 2022 performance, which amounted to EUR 2.5 million.

The difference between finance income and expenses is negative, amounting to EUR 1.3 million.

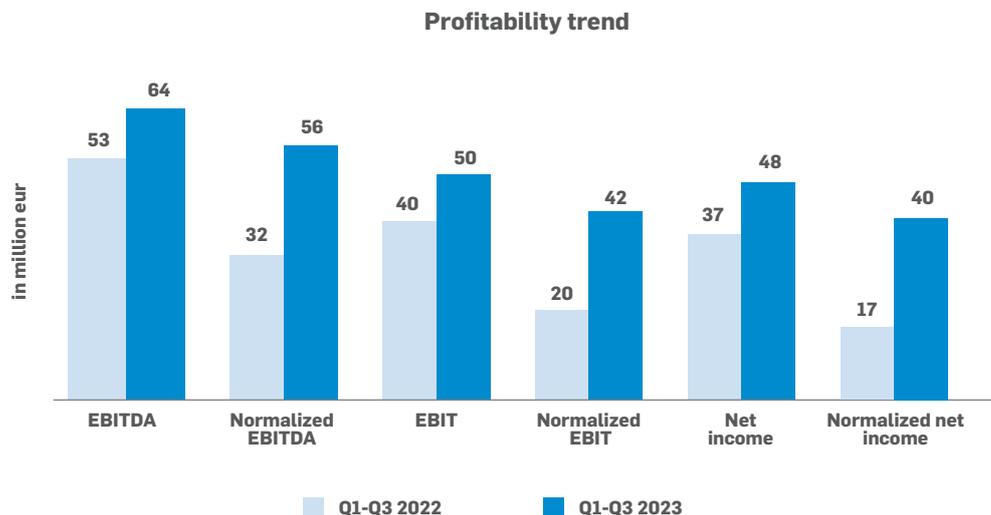
Total consolidated income generated by the Group amounts to EUR 623.5 million, a growth of EUR 122.1 million or 24.3% on Q1-Q3 2022. EBIT of EUR 50.0 million, share in the profit of associated parties and joint ventures in the amount of EUR 7.1 million and a negative difference between finance income and expenses in the amount of EUR 1.3 million, result in the consolidated profit before tax reaching EUR 55.8 million. Income tax advance amounts to EUR 7.5 million. Realized net profit for the reporting period stands at EUR 48.3 million. KONČAR Group recorded a growth in the consolidated result of EUR 11.1 million compared to the corresponding period in 2022.

Normalized net profit doubled from EUR 23.7 in Q3 2022 to EUR 40.4 million in Q3 2023.

EBITDA reached EUR 64.0 million, representing an expansion of EUR 11.2 million compared to Q1-Q3 2022. EBITDA margin is 10.7% (Q1-Q3 2022 it stood at 11.2%).

Normalized EBITDA amounts to EUR 56.1 million and is EUR 23.8 million or 73.7% higher year-on-year. Normalized EBITDA margin is 9.3% (it amounted to 6.8% in Q1-Q3 2022).

Normalized indicators are calculated by deducting the net effect of provisions, asset sale income, loss compensation income, income from transactions related to acquisitions of companies and increased by impairment of non-current and current assets.



Statement of financial position

in EUR 000	31/12/2022	30/9/2023	Δ
Liabilities to banks and other financial institutions	74,868	68,755	-6,113
Lease liabilities	998	862	
Liabilities for loans to related parties (non-current)	667	1,057	
Financial assets	4,280	4,509	229
Cash and cash equivalents	4,628	9,753	5,125
Net debt	2,983	1,580	-1,403
EBITDA normalized/annual basis/	57,263	122,784	65,521
Net debt / EBITDA normalized	25,195	-39,428	-64,623
Net debt / EBITDA normalized	0.4	neg	

in EUR 000	31/12/2022	30/9/2023	Δ
Current assets	532,673	608,413	75,740
Current liabilities	259,981	301,142	51,341
Current ratio	2,0	2,0	

Summarised statement of financial position

in EUR 000	31/12/2022	30/9/2023	Δ
Non-current assets	262,541	292,041	29,500
Current assets	538,857	616,653	77,796
Assets	801,398	908,694	107,296
Capital and reserves	460,469	499,694	39,225
Non-current liabilities	55,665	72,395	16,730
Current liabilities	285,264	336,605	51,341
Total equity and liabilities	801,398	908,694	107,296

Statement of financial position**Key indicators of the statement of financial position as at 30 September 2023**

The balance of total consolidated funds and sources of funding as at 30 September 2023 amounts to EUR 908.7 million, representing a growth of EUR 107.3 million or 13.4% compared to the balance as at 31 December 2022.

In the structure of assets, total non-current assets amount to EUR 292.0 million, which accounts for 32.1% of the total assets. In the non-current assets item, a significant change is recorded in intangible assets which expanded by EUR 13.0 million (the most substantial share pertains to goodwill from an acquisition in the amount of EUR 10.8 million) and in the buildings item, which is up by EUR 6.7 million. The growth mainly pertains to the commissioning of a new laboratory building at KONČAR - Electrical Engineering Institute and the acquisition of the limited liability company KONČAR - Electrical Equipment in Split.

As at 30 September 2023, current assets reached EUR 608.4 million, which is a EUR 75.7 million rise compared to the balance as at 31 December 2022. Inventories increased by EUR 14.8 million. The inventories increase is a result of growing order intake which will lead to larger delivery volumes in the upcoming period, reflected primarily in the work in progress item (up by EUR 19.6 million).

- Total current receivables are down by EUR 3.1 million. Trade receivables and contract assets decreased by EUR 2.5 million. Dividend receivables decreased by EUR 4.9 million (dividend from an associate company). Other receivables increased by EUR 3.4 million.
- Financial assets are EUR 1.4 million below the balance as at 2022 year-end.
- At Group level, cash balance grew by EUR 65.5 million. The rise is the result of receivables collection for deliveries realized in the previous period.

Sources of funding item records the following changes as at 30 September 2023:

Equity, capital reserves, reserves from retained earnings and profit for the period reach EUR 499.7 million, which represents an increase of EUR 39.2 million as at 2022 year-end and is the result of the realized net profit for the reporting period and the distribution of profits for 2022 pursuant to the Resolution of the General Assembly.

- Non-controlling (minority interest) amounts to EUR 111.9 million, which is EUR 17.2 million higher than as at 31 December 2022.
- Non-current provisions sum up to EUR 26.9 million, an increase of EUR 1.6 million compared to 2022 year-end.
- Non-current liabilities stand at EUR 45.5 million, representing an increase of EUR 15.2 million. Non-current liabilities towards banks and other financial institutions rose by EUR 10.5 million, and other non-current liabilities are up by EUR 4.7 million.
- Current liabilities amount to EUR 301.1 million, which is EUR 44.4 million higher compared to the balance as at 31 December 2022.
- In the structure of current liabilities, there are prominent changes in liabilities for advances received, which went up by EUR 63.9 million. Current liabilities towards banks and other financial institutions are reduced by EUR 11.2 million and trade payables decreased by EUR 19.1 million.
- Accrued expenses and deferred income amount to EUR 35.5 million, representing an increase of EUR 6.9 million.

In the structure of sources of funding, subscribed capital, reserves, reserves from retained earnings, profit for the year and non-controlling (minority) interest amount to EUR 499.7 million, which accounts for 55% of the total sources of funding. Non-current provisions amount to EUR 26.9 million, making up 3% of the total sources. Total non-current and current provisions amount to EUR 346.6 million and account for 38% of the total sources. In the structure of current liabilities, accounts payable in the amount of EUR 99.3 million make up 11% of the total sources. Total liabilities towards banks for loans (short-term and long-term) amount to EUR 83 million, or 9.1% of the total sources.

As of 30 September 2023, contingent liabilities (off-balance sheet items) amount to EUR 745.7 million, which represents an increase of EUR 138.8 million compared to the balance as at 31 December 2022. Contingent liabilities pertain to issued payment securities (guarantees, letters of credit, promissory notes) and they largely pertain to issued payment securities for large-scale projects (agreements with HŽPP and Senj HPP).

Total current assets and prepaid expenses exceed 1.8 times total current liabilities, accrued expenses and deferred income. The structure of the Consolidated Statement of Financial Position indicates a sound balance between funding sources and investments and an overall financial stability of KONČAR Group.

Market position

Consolidated revenue generated from the sale of goods and services reached EUR 601.1 million, representing a year-on-year increase of EUR 128.2 million or 27.1% on Q1-Q3 2022.

Revenue generated in the domestic market reached EUR 197.2 million, which is EUR 26.6 million or 15.6% upturn on Q1-Q3 2022. The share of sales revenue realized in the domestic market continues to shrink and accounts for 32.8% in the reporting period.

In the structure of revenue generated from sales in the domestic market, revenue from the sale of goods and services to HEP Group companies amounts to EUR 67.9 million (11.3% of total revenue from the sale of goods and services). Year-on-year, revenue generated from HEP remains at approximately the same level.

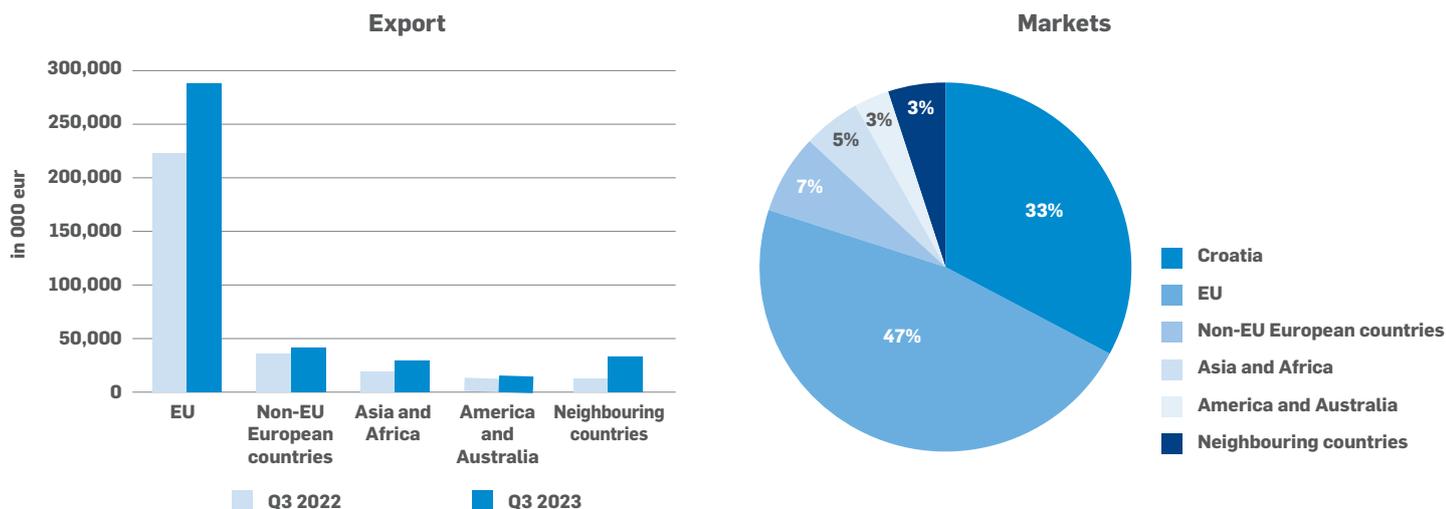
Revenue from the sale of goods and services to HŽ Passenger Transport, HŽ Infrastructure and Rolling Stock Technical Services amounts to EUR 51.6 million (8.6% of the total sales revenue). The realization is EUR 9.9 million higher year-over-year. Revenue generated from the sale of goods and services in foreign markets is above plan and outperforms Q1-Q3 2022 realization. Export amounts to EUR 403.9 million, which is EUR 101.6 million or 33.6% surge year-on-year.

Export accounts for 67.2% of the total revenue from the sale of goods and services.

By country, export volume delivered to the German market continues to rise sharply, reaching EUR 75.2 million, or 18.6% of the total export (a growth of EUR 29.8 million on Q1-Q3 2022). Goods and services exported to Sweden amount to EUR 65.9 million (16.3% of the total export), followed by Austria with EUR 25.8 million (6.4% of the total export).

Year-over-year, goods and service export revenue expanded across all markets. The most substantial revenue growth is recorded across the EU market, resulting in EUR 60.1 million. Export to the European Union countries amounts to EUR 283.5 million or 70.2% of the total export.

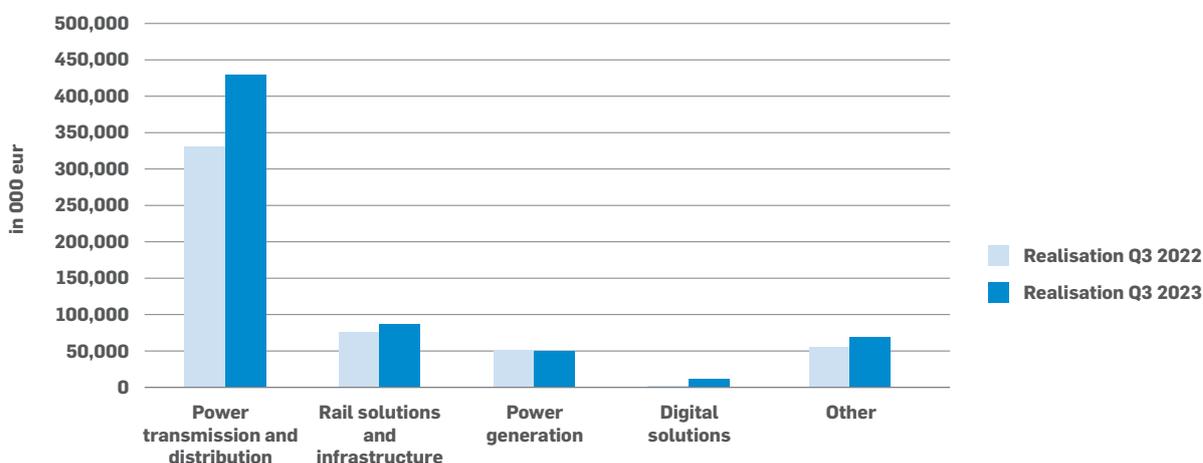
In Q3 order intake in foreign markets continued to expand significantly, creating conditions for further export growth in the upcoming period.



Income by segments

in EUR 000

Segment	Q3 2022	Q3 2023
Power transmission and distribution	332,759	431,276
Rails solutions and infrastructure	76,590	88,947
Power generation	53,423	52,347
Digital solutions	2,666	13,805
Other	56,358	71,574
Total Sales Income Unconsolidated	521,796	657,949



Order intake and backlog

Strong order intake continued in Q3 2023, in spite of the fact that the quarter overlapped with the period of collective annual leave, when most business activities come to a standstill.

New order intake in the period July - September amounts to EUR 293.5 million. New order intake for Q1-Q3 2023 reached EUR 1,041.5 million.

Year-over-year, order intake surged by EUR 455.7 million (comparable period in 2022: EUR 585.8 million).

Book-to-bill ratio for Q1-Q3 2023 is 1.7.

A considerable improvement in order intake continues to be recorded in the companies operating in the power transmission and distribution segment, with KONČAR - D&ST Inc. and KONČAR - Instrument transformers Inc. outperforming on their plans.

Out of the total amount of order intake, EUR 801.1 million (77% of the total order intake) pertains to export agreements, whereas EUR 240.4 million (23% of the total order intake) pertains to the Croatian market.

In terms of order intake in the domestic market, the most meaningful volume in the amount of HRK 66.9 million pertains to the agreements with HEP Group. HEP accounts for 6.4% of the total new order intake.

More prominent new orders in the domestic market include the Procurement Agreement with Gradski prijevoz putnika Osijek, for new low-floor trams for the purpose of modernization of the tram fleet in Osijek. The EUR 18.5 million Agreement will see the delivery of 10 new low-floor trams within the project The application of green technologies in railway passenger transport included in the 2021 - 2026 National Recovery and Resilience Plan (NRRP), with the completion and delivery deadline of 24 months from the agreement signing.

Other significant agreements in the domestic market in the first nine months of 2023 include a EUR 37.8 million agreement for tram delivery with ZET, Dalekovod's agreements with HOPS worth EUR 13 million (Krš - Padene).

New order intake in foreign markets totals EUR 801.1 million.

Of the total order intake in foreign markets, the majority pertains to the European Union countries, amounting to EUR 646.0 million, which is EUR 368.0 million upturn on the comparable period in 2022. The EU market accounts for 81% of the total order intake.

Year-over-year, order intake expanded across all other markets, most notably in the American and Australian markets, where EUR 33.9 million was contracted (EUR 15 million rise on Q1-Q3 2022). The most meaningful advancement was achieved in the USA, with EUR 23.2 million in new order intake.

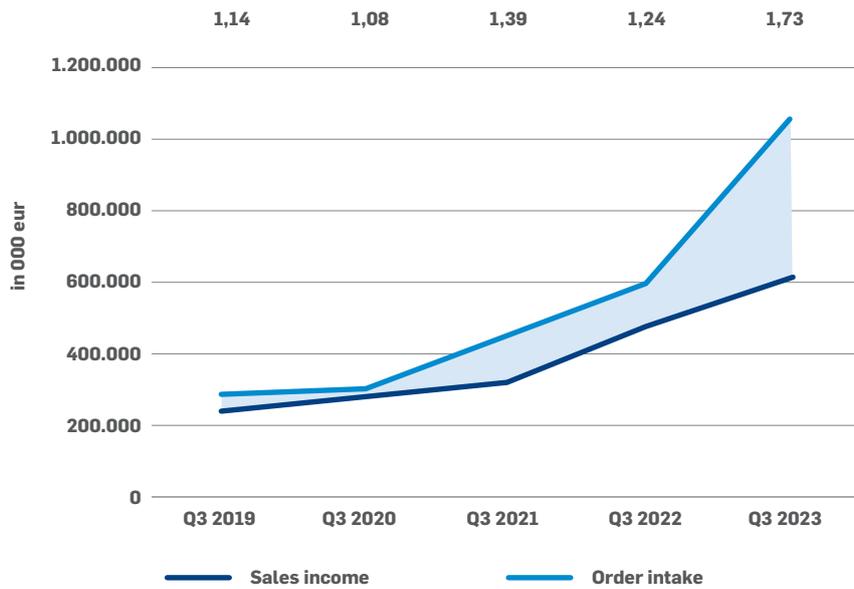
Broken down by countries, the most significant order intake volume pertains to the German market, in the amount of EUR 221.8 million. Book-to-bill ratio in the German market is high and stands at 2.9. New order intake in the German market for the period Q1-Q3 2023 exceeds order billing by EUR 146.6 million. The second market in terms of order volume is Sweden, with EUR 111.4 million in order intake, followed by the Austrian market with EUR 71.6 million and the Netherlands with EUR 36.3 million.

In terms of delivery dynamics, EUR 336.1 million is contracted for realization in 2023, which accounts for 34.6% of new order intake, followed by EUR 456.4 million (43.8%) contracted for realization in 2024. New order intake for 2025 has accelerated, with EUR 249 million contracted for realization.

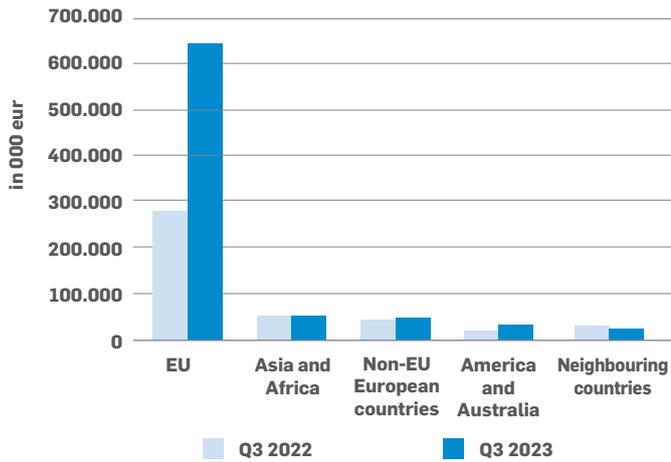
The value of order intake (backlog) as at the end of September 2023 reaches EUR 1,412.7 million, representing a 45.3% increase compared to the value at 2023 year-start. Backlog at the end of September 2023 is up by HRK 487.4 million year-on-year (EUR 925.3 million as at 30 September 2022).

In open liabilities, backlog for 2023 amounts to EUR 423.0 million, which ensures a realistic basis for realization above the 2023 plan.

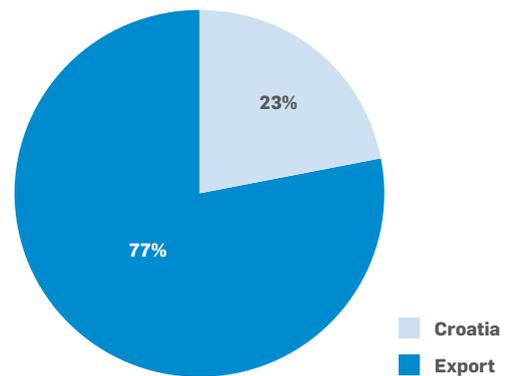
Book-to-bill ratio



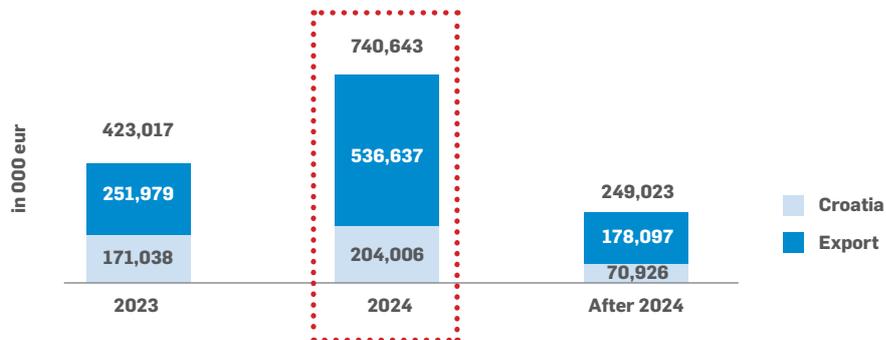
Order intake - export



Order intake in Q3 2023



Expected income in the upcoming period



Information for shareholders

KOEI-R-A	30/9/2022	30/9/2023	Index
Final price (EUR)	115,47	183,00	158,5
Highest price (EUR)	130,07	200,00	153,8
Lowest price (EUR)	109,50	115,00	105,0
Volume	47.691	47.152	98,9
Turnover (EUR)	5.674.002	7.176.554,00	126,5
Market capitalisation (EUR)	293.920.052	465.943.620	158,5
EPS (EUR) (profit of the parent company/weighted average number of shares)	9,60	12,13	126,3

Shares of KONČAR – Electrical Industry Inc. for manufacturing and services are listed in the Official Market of the Zagreb Stock Exchange. The shares are identified by the identification code KOEI-R-A. In accordance with applicable regulations, the Company ensures regular access to information on its operations and activities, and information on any facts and circumstances that may influence the share price (price sensitive information).

KONČAR's share price surged in the reporting period and peaked at EUR 200.00 per share in July 2023. Over the course of the year, the share price fluctuated from EUR 115.00 per share, reaching EUR 183.00 at the end of the reporting period.

Market capitalization amounts to EUR 466 million, which is an increase of EUR 172 million year-over-year.

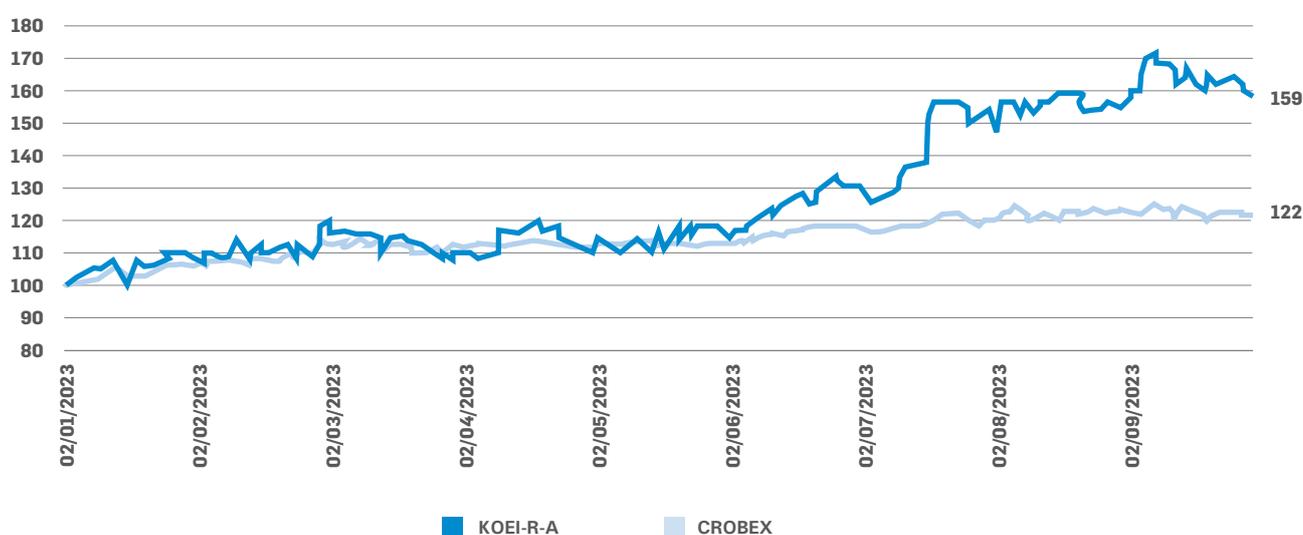
Parent Company's earnings per share, based on Q1-Q3 2023 results amount to EUR 12.13.

The General Assembly of KONČAR – Electrical Industry Inc. for manufacturing and services was held on 13 June 2023. The General Assembly adopted a Resolution on the Distribution of Dividend to the Shareholders in the amount of EUR 2.0 per share. The Resolution on the Distribution of Dividend was passed unanimously.

Pursuant to the provisions of the Act on the Introduction of Euro as the Official Currency in the Republic of Croatia, and following the registration with the Court Register at the Commercial Court in Zagreb, on 4 October 2023, the Central Clearing and Depository Company issued a notification that the share capital of the Company has been reduced from EUR 160,448,062.09 by EUR 976,684.91 and now amounts to EUR 159,471,378.00, by way of reducing the individual nominal amount of ordinary shares identified by the identification code KOEI-R-A by EUR 0.38 from EUR 62.38 to EUR 62.00.

Upon the completion of the reduction, the share capital of the Company registered with the CCDC database amounts to EUR 159,471,378.00 divided into 2,572,119 ordinary shares identified by the identification code KOEI-R-A, each with the nominal value of EUR 62.00.

Indices of KOEI price and CROBEX value changes



B Unaudited Consolidated Financial Statements of KONČAR Group for the period January - September 2023

Annex 1

ISSUER'S GENERAL DATA

Reporting period:	01/01/2023	to	30/09/2023
Year:	2023	Quarter:	3

Quarterly financial statements

Registration number (MB):	03282635	Issuer's home Member State code:	HR
Entity's registration number (MBS):	080040936		
Personal identification number (OIB):	45050126417	LEI:	74780000HOSHMRWOI15
Institution code:	501		
Name of the issuer:	KONČAR - ELECTRICAL INDUSTRY INC.		
Postcode and town:	10000	ZAGREB	
Street and house number:	FALLEROVO ŠETALIŠTE 22		
E-mail address:	koncar.finance@koncar.hr		
Web address:	www.koncar.hr		
Number of employees (end of the reporting period):	4913		
Consolidated report:	KD	(KN-not consolidated/KD-consolidated)	
Audited:	RN	(RN-not audited/RD-audited)	

Names of subsidiaries (according to IFRS):	Registered office:	MB:
KONČAR - Infrastructure and services Ltd. for services	Zagreb	1343068
KONČAR - Electrical engineering institute Ltd. for research, development and services	Zagreb	3645363
KONČAR - Electronics and Informatics Inc. for production and services	Zagreb	3282899
KONČAR - Motors and electrical systems Ltd. for production	Zagreb	3282678
KONČAR - Generators and motors Inc. for production	Zagreb	1356216
KONČAR - Renewable energy sources Ltd. for production	Zagreb	2435071
KONČAR - Instrument transformers Inc. for production	Zagreb	3654656
KONČAR - Distribution and special transformers Inc. for production	Zagreb	3654664
KONČAR - Switchgear Ltd. for production	Zagreb	3641287
KONČAR - Electric vehicles Inc. for production	Zagreb	3282660
KONČAR - Engineering Co. Ltd. for production and services	Zagreb	3654354
KONČAR - Metal structures Ltd. for production	Zagreb	1114328
KONČAR - Investments Ltd. for business services	Zagreb	5423392
KONČAR - Digital Ltd. for digital services	Zagreb	5478421

Bookkeeping firm:	No	(Yes/No)
Contact person:	MARINA MARKUŠIĆ (only name and surname of the contact person)	
Telephone:	01 3667 175	
E-mail address:	marina.markusic@koncar.hr	
Audit firm:	KPMG Croatia d.o.o. (name of the audit firm)	
Certified auditor:	Igor Gošek (name and surname)	

BALANCE SHEET

balance as at 30.09.2023

in EUR

Submitter: KONČAR - Electrical Industry Inc. for manufacturing and services			
Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID	001	0	0
B) FIXED ASSETS (ADP 003+010+020+031+036)	002	262.540.875	292.041.172
I INTANGIBLE ASSETS (ADP 004 to 009)	003	11.794.794	24.772.058
1 Research and development	004	2.931.309	2.573.891
2 Concessions, patents, licences, trademarks, software and other rights	005	3.456.994	4.090.758
3, Goodwill	006	1.135.920	13.043.415
4 Advances for the purchase of intangible assets	007	0	0
5 Intangible assets in preparation	008	4.267.838	5.063.994
6 Other intangible assets	009	2.733	0
II TANGIBLE ASSETS (ADP 011 to 019)	010	202.746.228	212.605.556
1 Land	011	39.517.143	39.917.549
2 Buildings	012	63.068.977	69.547.176
3 Plant and equipment	013	53.837.485	56.377.213
4 Tools, working inventory and transportation assets	014	12.015.966	13.459.471
5 Biological assets	015	0	0
6 Advances for the purchase of tangible assets	016	6.588.811	7.581.811
7 Tangible assets in preparation	017	11.165.793	8.649.550
8 Other tangible assets	018	316.047	325.265
9 Investment property	019	16.236.006	16.747.521
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	35.453.356	42.175.068
1 Investments in holdings (shares) of undertakings within the group	021	10.921	113.266
2 Investments in other securities of undertakings within the group	022	0	0
3 Loans, deposits, etc, to undertakings within the group	023	0	0
4 Investments in holdings (shares) of companies linked by virtue of participating interests	024	29.022.513	35.470.887
5 Investment in other securities of companies linked by virtue of participating interests	025	0	0
6 Loans, deposits etc, to companies linked by virtue of participating interests	026	0	0
7 Investments in securities	027	322.839	412.200
8 Loans, deposits, etc, given	028	2.242.527	2.287.661
9 Other investments accounted for using the equity method	029	3.100.603	3.484.720
10 Other fixed financial assets	030	753.953	406.334
IV RECEIVABLES (ADP 032 to 035)	031	6.319.888	6.640.352
1 Receivables from undertakings within the group	032	0	0
2 Receivables from companies linked by virtue of participating interests	033	0	0
3 Customer receivables	034	1.582.841	1.729.321
4 Other receivables	035	4.737.047	4.911.031
V DEFERRED TAX ASSETS	036	6.226.609	5.848.138
C) CURRENT ASSETS (ADP 038+046+053+063)	037	532.673.112	608.413.408
I INVENTORIES (ADP 039 to 045)	038	191.523.085	206.282.934
1 Raw materials and consumables	039	114.009.424	109.176.214
2 Work in progress	040	41.355.158	60.942.477
3 Finished goods	041	24.260.468	25.645.222
4 Merchandise	042	806.136	2.061.373
5 Advances for inventories	043	9.026.043	6.501.505
6 Fixed assets held for sale	044	2.065.856	1.956.143
7 Biological assets	045	0	0

BALANCE SHEET

balance as at 30.09.2023

in EUR

Submitter: KONČAR - Electrical Industry Inc. for manufacturing and services			
Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
II RECEIVABLES (ADP 047 to 052)			
II RECEIVABLES (ADP 047 to 052)	046	280.904.899	277.766.478
1 Receivables from undertakings within the group	047	0	0
2 Receivables from companies linked by virtue of participating interests	048	8.458.383	4.232.527
3 Customer receivables	049	237.067.484	233.869.473
4 Receivables from employees and members of the undertaking	050	81.354	333.175
5 Receivables from government and other institutions	051	9.817.351	10.489.878
6 Other receivables	052	25.480.327	28.841.425
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)			
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)	053	2.982.425	1.579.553
1 Investments in holdings (shares) of undertakings within the group	054	0	0
2 Investments in other securities of undertakings within the group	055	0	0
3 Loans, deposits, etc, to undertakings within the group	056	0	0
4 Investments in holdings (shares) of companies linked by virtue of participating interests	057	0	0
5 Investment in other securities of companies linked by virtue of participating interests	058	0	0
6 Loans, deposits etc, to companies linked by virtue of participating interests	059	0	0
7 Investments in securities	060	0	11.662
8 Loans, deposits, etc, given	061	2.078.807	1.080.079
9 Other financial assets	062	903.618	487.812
IV CASH AT BANK AND IN HAND			
IV CASH AT BANK AND IN HAND	063	57.262.703	122.784.443
D) PREPAID EXPENSES AND ACCRUED INCOME			
D) PREPAID EXPENSES AND ACCRUED INCOME	064	6.184.248	8.239.823
E) TOTAL ASSETS (ADP 001+002+037+064)			
E) TOTAL ASSETS (ADP 001+002+037+064)	065	801.398.235	908.694.403
OFF-BALANCE SHEET ITEMS			
OFF-BALANCE SHEET ITEMS	066	606.800.054	745.562.616
LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to 070+076+077+081+084+087)			
A) CAPITAL AND RESERVES (ADP 068 to 070+076+077+081+084+087)	067	460.468.534	499.694.479
I INITIAL (SUBSCRIBED) CAPITAL			
I INITIAL (SUBSCRIBED) CAPITAL	068	160.448.063	159.471.378
II CAPITAL RESERVES			
II CAPITAL RESERVES	069	95.505	1.072.189
III RESERVES FROM PROFIT (ADP 071+072-073+074+075)			
III RESERVES FROM PROFIT (ADP 071+072-073+074+075)	070	111.871.146	110.248.274
1 Legal reserves	071	9.662.202	9.726.616
2 Reserves for treasury shares	072	4.526.798	4.507.291
3 Treasury shares and holdings (deductible item)	073	-2.051.700	-2.032.193
4 Statutory reserves	074	67.872.168	65.869.441
5 Other reserves	075	31.861.678	32.177.119
IV REVALUATION RESERVES			
IV REVALUATION RESERVES	076	0	0
V FAIR VALUE RESERVES AND OTHER (ADP 078 to 082)			
V FAIR VALUE RESERVES AND OTHER (ADP 078 to 082)	077	-29.495	96.177
1 Financial assets at fair value through other comprehensive income (i.e, available for sale)	078	0	0
2 Cash flow hedge - effective portion	079	0	0
3 Hedge of a net investment in a foreign operation - effective portion	080	0	0
4 Other fair value reserves	081	-13.351	0
5 Exchange differences arising from the translation of foreign operations (consolidation)	082	-16.144	96.177
VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 084-085)			
VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 084-085)	083	58.812.800	86.059.276
1 Retained profit	084	58.812.800	86.059.276
2 Loss brought forward	085	0	0
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 087-088)			
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 087-088)	086	34.568.528	30.889.388
1 Profit for the business year	087	34.568.528	30.889.388
2 Loss for the business year	088	0	0
VIII MINORITY (NON-CONTROLLING) INTEREST			
VIII MINORITY (NON-CONTROLLING) INTEREST	089	94.701.987	111.857.797

BALANCE SHEET

balance as at 30.09.2023

in EUR

Submitter: KONČAR - Electrical Industry Inc. for manufacturing and services			
Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
B) PROVISIONS (ADP 091 to 096)	090	25.364.022	26.926.280
1 Provisions for pensions, termination benefits and similar obligations	091	4.781.289	4.865.874
2 Provisions for tax liabilities	092	0	40.822
3 Provisions for ongoing legal cases	093	3.402.745	2.941.473
4 Provisions for renewal of natural resources	094	837.337	837.337
5 Provisions for warranty obligations	095	16.302.287	18.175.955
6 Other provisions	096	40.364	64.819
C) LONG-TERM LIABILITIES (ADP 098 to 108)	097	30.301.402	45.468.290
1 Liabilities to undertakings within the group	098	0	0
2 Liabilities for loans, deposits, etc, of undertakings within the group	099	0	0
3 Liabilities to companies linked by virtue of participating interests	100	0	0
4 Liabilities for loans, deposits etc, of companies linked by virtue of participating interests	101	0	0
5 Liabilities for loans, deposits etc,	102	46.453	46.453
6 Liabilities to banks and other financial institutions	103	22.533.270	32.793.402
7 Liabilities for advance payments	104	0	0
8 Liabilities to suppliers	105	0	0
9 Liabilities for securities	106	1.540.381	1.345.408
10 Other long-term liabilities	107	3.755.328	8.867.177
11 Deferred tax liability	108	2.425.970	2.415.850
D) SHORT-TERM LIABILITIES (ADP 110 to 123)	109	259.980.793	301.142.437
1 Liabilities to undertakings within the group	110	0	0
2 Liabilities for loans, deposits, etc, of undertakings within the group	111	0	0
3 Liabilities to companies linked by virtue of participating interests	112	9.390.355	5.315.695
4 Liabilities for loans, deposits etc, of companies linked by virtue of participating interests	113	0	0
5 Liabilities for loans, deposits etc,	114	0	24.600
6 Liabilities to banks and other financial institutions	115	52.334.533	35.961.442
7 Liabilities for advance payments	116	45.502.012	109.191.161
8 Liabilities to suppliers	117	110.720.056	96.453.868
9 Liabilities for securities	118	187.537	195.035
10 Liabilities to employees	119	9.213.419	11.540.581
11 Taxes, contributions and similar liabilities	120	17.022.118	18.050.805
12 Liabilities arising from the share in the result	121	97.265	93.419
13 Liabilities arising from fixed assets held for sale	122	119.185	62.491
14 Other short-term liabilities	123	15.394.313	24.253.340
E) ACCRUALS AND DEFERRED INCOME	124	25.283.484	35.462.917
F) TOTAL – LIABILITIES (ADP 067+090+097+109+124)	125	801.398.235	908.694.403
G) OFF-BALANCE SHEET ITEMS	126	606.800.054	745.562.616

STATEMENT OF PROFIT OR LOSS for the period 01.01.2023 to 30.09.2023

in EUR

Submitter: KONČAR - Electrical Industry Inc. for manufacturing and services					
Item	AOP code	Same period of the previous year		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
I OPERATING INCOME (ADP 002 to 006)	001	498.801.624	187.311.744	615.162.217	223.192.728
1 Income from sales with undertakings within the group	002	0	0	0	0
2 Income from sales (outside group)	003	472.857.417	183.921.462	601.084.257	218.162.034
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	25.944.208	3.390.282	14.077.960	5.030.694
II OPERATING EXPENSES (ADP 08+009+013+017+018+019+022+029)	007	458.378.447	178.600.556	565.143.501	200.619.406
1 Changes in inventories of work in progress and finished goods	008	-12.978.561	2.646.155	-20.782.978	4.808.347
2 Material costs (ADP 010 to 012)	009	340.271.632	125.090.758	431.080.618	141.254.285
a) Costs of raw materials and consumables	010	276.243.128	100.547.610	338.148.556	106.452.601
b) Costs of goods sold	011	12.589.247	4.919.440	31.175.619	10.707.672
c) Other external costs	012	51.439.257	19.623.708	61.756.443	24.094.012
3 Staff costs (ADP 014 to 016)	013	89.059.036	33.264.835	107.507.899	38.711.311
a) Net salaries and wages	014	56.885.883	21.254.488	67.392.383	24.388.445
b) Tax and contributions from salary costs	015	21.275.161	8.085.605	26.825.762	9.574.211
c) Contributions on salaries	016	10.897.992	3.924.743	13.289.754	4.748.655
4 Depreciation	017	12.442.663	4.532.585	14.010.438	4.690.303
5 Other costs	018	28.044.228	12.593.842	30.764.964	10.614.939
6 Value adjustments (ADP 020+021)	019	700.687	408.752	233.496	64.624
a) fixed assets other than financial assets	020	0	0	62.307	0
b) current assets other than financial assets	021	700.687	408.752	171.189	64.624
7 Provisions (ADP 023 to 028)	022	0	0	0	0
a) Provisions for pensions, termination benefits and similar obligations	023	0	0	0	0
b) Provisions for tax liabilities	024	0	0	0	0
c) Provisions for ongoing legal cases	025	0	0	0	0
d) Provisions for renewal of natural resources	026	0	0	0	0
e) Provisions for warranty obligations	027	0	0	0	0
f) Other provisions	028	0	0	0	0
8 Other operating expenses	029	838.762	63.628	2.329.064	475.597
III FINANCIAL INCOME (ADP 031 to 040)	030	936.620	363.383	1.289.034	598.011
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	197.543	13.802	95.389	-65.028
7 Other interest income	037	427.151	137.763	1.039.538	632.310
8 Exchange rate differences and other financial income	038	216.231	216.231	262	262
9 Unrealised gains (income) from financial assets	039	0	-25.323	97.872	23.469
10 Other financial income	040	95.695	20.910	55.973	6.998
IV FINANCIAL EXPENSES (ADP 042 to 048)	041	1.173.584	118.894	2.555.451	1.047.086
1 Interest expenses and similar expenses with undertakings within the group	042	0	0	0	0
2. Tečajne razlike i drugi rashodi s poduzetnicima unutar grupe	043	0	0	0	0

STATEMENT OF PROFIT OR LOSS for the period 01.01.2023 to 30.09.2023

in EUR

Submitter: KONČAR - Electrical Industry Inc. for manufacturing and services					
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	1.046.033	440.294	2.234.682	890.520
4 Exchange rate differences and other expenses	045	0	-425.346	312.011	152.183
5 Unrealised losses (expenses) from financial assets	046	98.071	98.071	0	0
6 Value adjustments of financial assets (net)	047	0	0	0	0
7 Other financial expenses	048	29.481	5.874	8.758	4.383
V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VIRTUE OF PARTICIPATING INTERESTS	049	1.243.882	292.576	6.548.374	3.522.461
VI SHARE IN PROFIT FROM JOINT VENTURES	050	457.757	155.016	528.711	173.752
VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST	051	0	0	0	0
VIII SHARE IN LOSS OF JOINT VENTURES	052	10.225	3.163	9.299	3.076
IX TOTAL INCOME (ADP 001+030+049 +050)	053	501.439.883	188.122.720	623.528.336	227.486.952
X TOTAL EXPENDITURE (ADP 007+041+051 + 052)	054	459.562.255	178.722.612	567.708.251	201.669.568
XI PRE-TAX PROFIT OR LOSS (ADP 053-054)	055	41.877.627	9.400.108	55.820.085	25.817.384
1 Pre-tax profit (ADP 053-054)	056	41.877.627	9.400.108	55.820.085	25.817.384
2 Pre-tax loss (ADP 054-053)	057	0	0	0	0
XII INCOME TAX	058	4.566.770	1.984.166	7.509.384	3.274.110
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 055-059)	059	37.310.857	7.415.941	48.310.701	22.543.274
1 Profit for the period (ADP 055-059)	060	37.310.857	7.415.941	48.310.701	22.543.274
2 Loss for the period (ADP 059-055)	061	0	0	0	0
DISCONTINUED OPERATIONS (to be filled in by undertakings subject to IFRS only with discontinued operations)					
XIV PRE-TAX PROFIT OR LOSS OF DISCONTINUED OPERATIONS (ADP 063-064)	062	-94.550	-9.986	0	0
1 Pre-tax profit from discontinued operations	063	0	0	0	0
2 Pre-tax loss on discontinued operations	064	94.550	9.986	0	0
XV INCOME TAX OF DISCONTINUED OPERATIONS	065	0	0	0	0
1 Discontinued operations profit for the period (ADP 062-065)	066	0	0	0	0
2 Discontinued operations loss for the period (ADP 065-062)	067	94.550	9.986	0	0
TOTAL OPERATIONS (to be filled in only by undertakings subject to IFRS with discontinued operations)					
XVI PRE-TAX PROFIT OR LOSS (ADP 055-+062)	068	41.783.077	9.390.122	55.820.085	25.817.384
1 Pre-tax profit (ADP 068)	069	41.783.077	9.390.122	55.820.085	25.817.384
2 Pre-tax loss (ADP 068)	070	0	0	0	0
XVII INCOME TAX (ADP 058+065)	071	4.566.770	1.984.166	7.509.384	3.274.110
XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 068-071)	072	37.216.307	7.405.956	48.310.701	22.543.274
1 Profit for the period (ADP 068-071)	073	37.216.307	7.405.956	48.310.701	22.543.274
2 Loss for the period (ADP 071-068)	074	0	0	0	0
APPENDIX to the P&L (to be filled in by undertakings that draw up consolidated annual financial statements)					
XIX PROFIT OR LOSS FOR THE PERIOD (AOP 076+077)	075	37.216.307	7.405.955	48.310.701	22.543.274
1 Attributable to owners of the parent	076	24.446.100	5.304.723	30.889.388	13.463.349
2 Attributable to minority (non-controlling) interest	077	12.770.207	2.101.232	17.421.313	9.079.925
STATEMENT OF OTHER COMPREHENSIVE INCOME (to be filled in by undertakings subject to IFRS)					
I PROFIT OR LOSS FOR THE PERIOD	078	37.216.307	7.405.955	48.310.701	22.543.274
II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 80+ 87)	079	-69.420	17.362	200.486	50.480
III Items that will not be reclassified to profit or loss (ADP 081 to 085)	080	0	0	0	0
1 Changes in revaluation reserves of fixed tangible and intangible assets	081	0	0	0	0

STATEMENT OF PROFIT OR LOSS for the period 01.01.2023 to 30.09.2023

in EUR

Submitter: KONČAR - Electrical Industry Inc. for manufacturing and services					
Item	AOP code	Same period of the previous year		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
2 Gains or losses from subsequent measurement of equity instruments at fair value through other comprehensive income	082	0	0	0	0
3 Fair value changes of financial liabilities at fair value through statement of profit or loss, attributable to changes in their credit risk	083	0	0	0	0
4 Actuarial gains/losses on the defined benefit obligation	084	0	0	0	0
5 Other items that will not be reclassified	085	0	0	0	0
6 Income tax relating to items that will not be reclassified	086	0	0	0	0
IV Items that may be reclassified to profit or loss (ADP 088 to 095)	087	-69.420	17.362	200.486	50.480
1 Exchange rate differences from translation of foreign operations	088	-69.420	17.362	200.486	50.480
2 Gains or losses from subsequent measurement of debt securities at fair value through other comprehensive income	089	0	0	0	0
3 Profit or loss arising from effective cash flow hedging	090	0	0	0	0
4 Profit or loss arising from effective hedge of a net investment in a foreign operation	091	0	0	0	0
5 Share in other comprehensive income/loss of companies linked by virtue of participating interests	092	0	0	0	0
6 Changes in fair value of the time value of option	093	0	0	0	0
7 Changes in fair value of forward elements of forward contracts	094	0	0	0	0
8 Other items that may be reclassified to profit or loss	095	0	0	0	0
9 Income tax relating to items that may be reclassified to profit or loss	096	0	0	0	0
V NET OTHER COMPREHENSIVE INCOME OR LOSS (ADP 080+087- 086 - 096)	097	-69.420	17.362	200.486	50.480
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 078+097)	098	37.146.887	7.423.318	48.511.187	22.593.754
APPENDIX to the Statement on comprehensive income (to be filled in by undertakings that draw up consolidated statements)					
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 100+101)	099	37.146.887	7.423.318	48.511.187	22.593.754
1 Attributable to owners of the parent	100	24.409.495	5.288.136	30.995.104	13.489.968
2 Attributable to minority (non-controlling) interest	101	12.737.392	2.135.182	17.516.083	9.103.786

STATEMENT OF CASH FLOWS - direct method for the period 01.01.2023 to 30.09.2023

in EUR

Submitter: KONČAR - Electrical Industry Inc. for manufacturing and services			
item	AOP code	Same period of the previous year	Current period
1	2	3	4
Cash flow from operating activities			
1 Cash receipts from customers	001	442.486.085	688.639.423
2 Cash receipts from royalties, fees, commissions and other revenue	002	0	0
3 Cash receipts from insurance premiums	003	440.501	1.129.297
4 Cash receipts from tax refund	004	18.275.335	22.778.790
5 Other cash receipts from operating activities	005	5.861.187	9.507.568
I Total cash receipts from operating activities (ADP 001 to 005)	006	467.063.109	722.055.078
1 Cash payments to suppliers	007	-379.075.557	-451.498.668
2 Cash payments to employees	008	-88.889.405	-111.508.416
3 Cash payments for insurance premiums	009	-2.791.846	-2.755.797
4 Interest paid	010	-515.617	-1.123.540
5 Income tax paid	011	-3.231.597	-6.571.612
6 Other cash payments from operating activities	012	-25.658.368	-45.706.595
II Total cash payments from operating activities (ADP 007 to 012)	013	-500.162.390	-619.164.628
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 006 + 013)	014	-33.099.281	102.890.450
Cash flow from investment activities			
1 Cash receipts from sales of fixed tangible and intangible assets	015	1.978.332	4.508.889
2 Cash receipts from sales of financial instruments	016	380.213	390.643
3 Interest received	017	850.474	539.679
4 Dividends received	018	4.771.591	5.260.631
5 Cash receipts from the repayment of loans and deposits	019	15.978.813	2.616.642
6 Other cash receipts from investment activities	020	15.135.046	1.450
III Total cash receipts from investment activities (ADP 015 to 020)	021	39.094.469	13.317.934
1 Cash payments for the purchase of fixed tangible and intangible assets	022	-17.771.593	-15.479.192
2 Cash payments for the acquisition of financial instruments	023	-213.372	-7.272.032
3 Cash payments for loans and deposits	024	-1.505.833	-2.816.206
4 Acquisition of a subsidiary, net of cash acquired	025	-29.286.146	0
5 Other cash payments from investment activities	026	-15.878	-2.120
IV Total cash payments from investment activities (ADP 022 to 026)	027	-48.792.821	-25.569.550
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 021 + 027)	028	-9.698.352	-12.251.616
Cash flow from financing activities			
1 Cash receipts from the increase in initial (subscribed) capital	029	0	169
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	68.720.539	24.448.283
4 Other cash receipts from financing activities	032	254.745	1.376.985
V Total cash receipts from financing activities (ADP 029 to 032)	033	68.975.284	25.825.437
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	034	-21.599.430	-34.158.831
2 Cash payments for dividends	035	-7.186.844	-8.908.128
3 Cash payments for finance lease	036	-632.393	-1.107.284
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	-1.520.039	-6.703.146
VI Total cash payments from financing activities (ADP 034 to 038)	039	-30.938.707	-50.877.389
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 033 + 039)	040	38.036.578	-25.051.952
1 Unrealised exchange rate differences in respect of cash and cash equivalents	041	-48.173	-65.142
D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 014 + 028 + 040 + 041)	042	-4.809.229	65.521.740
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	043	56.252.016	57.262.703
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (042+043)	044	51.442.787	122.784.443

STATEMENT OF CHANGES IN EQUITY

for the period from 01.01.2023 to 30.09.2023

B Unaudited Consolidated Financial Statements of KONČAR Group for the period January - September 2023

in EUR

Item	AOP code	Attributable to owners of the parent																Minority (non-controlling) interest	Total capital and reserves
		Initial (subscribed) capital	Capital re-serves	Legal reserves	Reserves for treasury shares	Treasury shares and holdings (deductible item)	Statutory reserves	Other reserves	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 to 6 - 7 + 8 to 17)	19	20 (18+19)
Previous period																			
1 Balance on the first day of the previous business year	01	160,448,063	95,505	9,326,668	4,581,370	2,106,272	63,724,452	31,359,234	0	0	0	0	0	-15,218	46,344,816	21,759,267	335,517,885	41,862,190	377,380,075
2 Changes in accounting policies	02	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 Correction of errors	03	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4 Balance on the first day of the previous business year (restated) (ADP 01 to 03)	04	160,448,063	95,505	9,326,668	4,581,370	2,106,272	63,724,452	31,359,234	0	0	0	0	0	-15,218	46,344,816	21,759,267	335,517,885	41,862,190	377,380,075
5 Profit/loss of the period	05	0	0	0	0	0	0	0	0	0	0	0	0	0	0	34,568,528	34,568,528	14,578,442	49,146,970
6 Exchange rate differences from translation of foreign operations	06	0	0	0	0	0	0	0	0	0	0	0	-13,351	-926	0	0	-14,277	-11,165	-25,442
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	41,278,579	41,278,579
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	-4,391,909	0	-4,391,909	-2,793,210	-7,185,119
21 Other distributions and payments to members/shareholders	21	0	0	0	-54,572	-54,572	0	-37,222	0	0	0	0	0	0	87,540	0	50,318	-212,849	-162,531
22 Transfer to reserves according to the annual schedule	22	0	0	299,534	0	0	4,147,716	539,666	0	0	0	0	0	0	16,772,353	-21,759,267	2	0	2
23 Increase in reserves arising from the pre-bankruptcy settlement procedure	23	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24 Balance on the last day of the previous business year reporting period (ADP 04 to 23)	24	160,448,063	95,505	9,626,202	4,526,798	2,051,700	67,872,168	31,861,678	0	0	0	0	-13,351	-16,144	58,812,800	34,568,528	365,730,547	94,701,987	460,432,534
APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)																			
I OTHER COMPREHENSIVE INCOME OF THE PREVIOUS PERIOD, NET OF TAX (ADP 06 to 14)	25	0	0	0	0	0	0	0	0	0	0	0	-13,351	-926	0	0	-14,277	41,267,414	41,253,137
II COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP 05+25)	26	0	0	0	0	0	0	0	0	0	0	0	-13,351	-926	0	34,568,528	34,554,251	55,845,856	90,400,107
III TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 23)	27	0	0	299,534	-54,572	-54,572	4,147,716	502,444	0	0	0	0	0	0	12,467,984	-21,759,267	-4,341,589	-3,006,059	-7,347,648

STATEMENT OF CHANGES IN EQUITY

for the period from 01.01.2023 to 30.09.2023

B Unaudited Consolidated Financial Statements of KONČAR Group for the period January - September 2023

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 to 6 - 7 + 8 to 17)	19	20 (18+19)	
Current period																				
1 Balance on the first day of the previous business year	28	160,448,063	95,505	9,626,202	4,526,798	2,051,700	67,872,168	31,861,678	0	0	0	0	0	0	-16,144	58,799,449	34,568,528	365,730,547	94,701,987	460,432,534
2 Changes in accounting policies	29	0	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	6,605	0	0	6,605	0	6,605
4 Balance on the first day of the previous business year (restated) (ADP 28 to 30)	31	160,448,063	95,505	9,626,202	4,526,798	2,051,700	67,872,168	31,861,678	0	0	0	0	0	-9,539	58,799,449	34,568,528	365,737,152	94,701,987	460,439,139	
5 Profit/loss of the period	32	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	30,889,388	30,889,388	17,421,314	48,310,702
6 Exchange rate differences from translation of foreign operations	33	0	0	0	0	0	0	0	0	0	0	0	0	105,716	0	0	105,716	94,770	200,486	
7 Changes in revaluation reserves of fixed tangible and intangible assets	34	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
8 Gains or losses from subsequent measurement of financial assets at fair value through other comprehensive income (available for sale)	35	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
9 Profit or loss arising from effective cash flow hedge	36	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
10 Profit or loss arising from effective hedge of a net investment in a foreign operation	37	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
11 Share in other comprehensive income/loss of companies linked by virtue of participating interests	38	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
12 Actuarial gains/losses on the defined benefit obligation	39	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
13 Other changes in equity unrelated to owners	40	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
14 Tax on transactions recognised directly in equity	41	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
15 Decrease in initial (subscribed) capital (other than arising from the pre-bankruptcy settlement procedure or from the reinvestment of profit)	42	-976,685	976,685	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	-5,092,280	0	-5,092,280	-3,812,002	-8,904,282	
21 Other distributions and payments to members/shareholders	48	0	0	0	-19,507	-19,507	0	0	0	0	0	0	0	0	-3,803,293	0	-3,803,293	3,451,728	-351,565	
22 Transfer to reserves according to the annual schedule	49	0	0	100,414	0	0	-2,002,727	315,441	0	0	0	0	0	0	36,155,400	-34,568,528	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	159,471,378	1,072,190	9,726,616	4,507,291	2,032,193	65,869,441	32,177,119	0	0	0	0	0	96,177	86,059,276	30,889,388	387,836,683	111,857,797	499,694,480	
APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)																				
I OTHER COMPREHENSIVE INCOME OF THE CURRENT PERIOD, NET OF TAX (ADP 33 to 41)	52	0	0	0	0	0	0	0	0	0	0	0	0	105,716	0	0	105,716	94,770	200,486	
II COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 32 to 52)	53	0	0	0	0	0	0	0	0	0	0	0	0	105,716	0	30,889,388	30,995,104	17,516,084	48,511,188	
III TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 42 to 50)	54	-976,685	976,685	100,414	-19,507	-19,507	-2,002,727	315,441	0	0	0	0	0	0	27,259,827	-34,568,528	-8,895,573	-360,274	-9,255,847	

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS - TFI

Name of issuer: KONČAR - Electrical Industry Inc. for manufacturing and services

PIN: 45050126417

Reporting period: 1 January 2023 to 30 September 2023

1. GENERAL INFORMATION

Business segments

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

- power generation
- power transmission and distribution
- rail solutions and infrastructure
- digital solutions and platforms

Group structure

In addition to the Parent Company, the Group includes 11 subsidiaries operating in the core business segments and 3 subsidiaries performing special activities, specifically product research and development, infrastructure services and investments, including Dalekovod Group members. The Group has one associate company in Croatia.

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

The Company manages its wholly-owned subsidiaries.

Number of employees

As at 30 September 2023, the Group has 4,913 employees, while as of 31 December 2022 it had 4,826 employees.

The average number of employees in the period January - September 2023 was 4,921 (Q1-Q3 2022: 4,336).

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

Basis of preparation

The Consolidated Financial Statements for the period January - September 2023 have been drawn up in accordance with the International Accounting Standard 34 – Interim Financial Reporting as adopted by the European Union.

The Consolidated Financial Statements do not include all information and disclosures required in consolidated annual financial statements and they must be read together with the Consolidated Annual Financial Statements of the Group as at 31 December 2022. The Consolidated Annual Financial Statements of the Group are drawn up in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU.

The Consolidated Annual Financial Statements of the Group are available at the official website of Zagreb Stock Exchange (www.zse.hr), Croatian Financial Services Supervisory Agency (www.hanfa.hr) and at the Company's official website (www.koncar.hr).

Going concern assumption

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

Significant accounting policies

The Consolidated Financial Statements for the period January - September 2023 have been drawn up on the basis of the same accounting policies, disclosures and calculation methods used in the Consolidated Annual Financial Statements of the Group as at 31 December 2022.

Key accounting estimates and judgments

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

Seasonal effects

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

3. SUBSIDIARIES

	30/09/2023	31/12/2022
	Voting rights (%)	Voting rights (%)
Consolidated subsidiaries registered in Croatia:		
KONČAR - MES Ltd., Zagreb	100.00	100.00
KONČAR - KET Ltd., Zagreb	100.00	100.00
KONČAR - Infrastructure and Services Ltd., Zagreb	100.00	100.00
KONČAR - Electrical engineering institute Ltd., Zagreb	100.00	100.00
KONČAR - GIM Ltd., Zagreb	100.00	100.00
KONČAR - Metal Structures Ltd., Zagreb	100.00	100.00
KONČAR - Switchgear Ltd.	100.00	100.00
KONČAR - Renewable energy sources Ltd., Zagreb	100.00	100.00
Direct ownership	91.25	91.25
Indirect ownership	8.75	8.75
KONČAR - Electric vehicles Inc., Zagreb	75.04	75.04
KONČAR - INEM Ltd., Zagreb	100.00	100.00
KONČAR - Instrument transformers Inc., Zagreb	99.77	99.77
KONČAR - D&ST Inc., Zagreb	67.90	67.90
KONČAR - Investments Ltd.	100.00	100.00
KONČAR - Digital Ltd., Zagreb	100.00	100.00
Consolidated indirectly owned companies registered in Croatia:		
Advanced Energy Solutions Ltd., Zagreb (indirect ownership through the subsidiary KONČAR - Investments Ltd.)	51.00	51.00
Dalekovod d.d., Zagreb (indirect ownership through Advanced Energy Solutions Ltd.)	38.33	38.33
Proizvodnja MK d.o.o., Velika Gorica (indirect ownership through Dalekovod d.d.)	38.33	38.33
Proizvodnja OSO d.o.o., Velika Gorica (indirect ownership through Dalekovod d.d.)	38.33	38.33
Dalekovod Projekt d.o.o., Zagreb (indirect ownership through Dalekovod d.d.)	38.33	38.33
Dalekovod EMU d.o.o., Vela Luka (indirect ownership through Dalekovod d.d.)	38.33	38.33
EL-RA d.o.o., Vela Luka (indirect ownership through Dalekovod d.d.)	38.33	38.33
Dalekovod Adria d.o.o., Zagreb (indirect ownership through Dalekovod d.d.)	38.33	38.33
Cinčaonica usluge d.o.o. in liquidation, Dugo selo, (indirect ownership through Dalekovod d.d.)	38.33	38.33
Wind Farm Rust Ltd. (Indirect ownership through the subsidiary KONČAR – Renewable energy sources Ltd.)	100.00	100.00
Solar power plant Deponija fosfogipsa d.o.o., Zagreb (indirect ownership through the subsidiary KONČAR - Renewable energy sources Ltd.)	51.00	51.00
Telenerg - Inženjering d.o.o., Zagreb (indirect ownership through the subsidiary KONČAR - KET Ltd.)	100.00	-
Kodeks systemske integracije d.o.o., Zagreb (indirect ownership through the subsidiary KONČAR - Digital Ltd.)	75.00	-
Consolidated indirectly owned companies not registered in Croatia:		
Power Engineering Transformatory Sp. z o.o. (PET) Poznań, Poland (indirect ownership through the subsidiary KONČAR – D&ST Inc.)	67.90	67.90
Dalekovod Mostar d.o.o., Mostar, Bosnia and Herzegovina (indirect ownership through Dalekovod d.d.)	38.33	38.33
Dalekovod Ljubljana d.o.o., Ljubljana, Slovenia (indirect ownership through Dalekovod d.d.)	38.33	38.33
Dalekovod Norge AS, Oslo, Norway (indirect ownership through Dalekovod d.d.)	38.33	38.33
Dalekovod Ukrajina d.o.o., Kiev, Ukraine (indirect ownership through Dalekovod d.d.)	38.33	38.33
Indirectly owned companies not consolidated due to immateriality:		
Konell Ltd., Sofia, Bulgaria (indirect ownership through the subsidiary KONČAR – Electric vehicles Ltd.)	85.00	85.00

As of 31 May 2023 the subsidiary Končar - Electrical equipment Inc. was merged with KONČAR - Switchgear Ltd., and EXA Globe d.o.o. was merged with Kodeks systemske integracije d.o.o.

The Group has control over several subsidiaries arising from the majority of voting rights. However, the ownership share in these subsidiaries does not correspond to the share of voting rights due to the fact that the companies also have issued preference shares, which carry the same rights as ordinary shares, but with no voting rights. The share in the ownership of these subsidiaries is as follows:

	30/09/2023	31/12/2022
	Ownership share (%)	Ownership share (%)
KONČAR - Instrument transformers Inc., Zagreb	61.97	61.97
KONČAR - D&ST Inc., Zagreb	52.73	52.73

4. SEGMENT REPORTING

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

- power generation - manufacturing and revitalization of generators, construction and revitalization of HPPs, construction of solar power plants, manufacturing of converters, manufacturing and installation of wind turbines, management, maintenance and servicing
- power transmission and distribution - manufacturing and sales of distribution, special, instrument and other types of transformers, transformer tanks, substations, equipment for primary and secondary power distribution, low voltage plants, monitoring systems, diagnostics, testing and technical control
- rail solutions and infrastructure - construction and sales of rail vehicles such as trains and trams, and related maintenance services
- digital solutions and platforms - digital solutions, digital services, digitalization of products and production, business support systems, ICT infrastructure and services.

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

Other segments include leasing real estate that is not in the function of the core business segments, as well as the part of the manufacturing of small motors and electrical machines, and as such does not represent a separate operating segment.

Sales revenue by segment

An analysis of the Group's sales revenue by reportable segments disclosed in accordance with IFRS 8 – Operating Segments is presented below.

	1/1/2023 - 30/09/2023	1/1/2022 - 30/09/2022
	EUR' 000	EUR' 000
Power generation	52,347	53,423
Power transmission and distribution	431,276	332,759
- transmission	151,294	138,877
- distribution	279,982	193,882
Rails solutions and infrastructure	88,948	76,589
- rail solutions	71,645	67,551
- construction and modernization of railway infrastructure	17,302	9,039
Digital solutions	13,806	2,666
Total reportable segments	586,376	465,437
Other	71,574	56,358
Total revenue from contracts with customers	657,950	521,795
Intercompany eliminations	(56,866)	(48,938)
Revenue from contracts with customers	601,084	472,857
Associate companies	15,343	12,703
Unaffiliated companies	585,741	460,155
Total revenue from contracts with customers	601,084	472,857

5. OTHER OPERATING INCOME

Other operating income amounts to EUR 14.08 million and pertains to asset sale revenue, loss compensation, income from state aid and other income.

6. CAPITALISED SALARY COSTS

In the period January - September 2023, the Group companies capitalised salaries in the total amount of EUR 1.147 thousand (net salaries in the amount of EUR 684 thousand, taxes, surcharges and salary contributions paid by the employee amounting to EUR 326 thousand, and salary contributions paid by the employer in the amount EUR 137 thousand).

7. EARNINGS PER SHARE

	1/1/2023 - 30/09/2023 EUR' 000	1/1/2022 - 30/09/2022 EUR' 000
Net profit attributable to the Parent Company Shareholders	30,889	24,446
Weighted average number of shares	2,546,212	2,545,295
Basic and diluted earnings per share in EUR	12.13	9.60

8. NON-CURRENT TANGIBLE AND INTANGIBLE ASSETS

Over the course of Q1-Q3 2023, the Group procured assets in the amount of EUR 19,564 thousand (Q1-Q3 2022: EUR 20,910 thousand). Depreciation and amortization expenses in the period January - September 2023 amount to EUR 14,010 thousand (Q1-Q3 2022: EUR 12,443 thousand).

9. INVENTORIES

Over the course of Q1-Q3 2023, the Group recognised value adjustment of inventories in the amount of EUR 143 thousand (Q1-Q3 2022: EUR 699 thousand).

10. EQUITY AND RESERVES

Share (subscribed) capital is determined in the nominal amount of EUR 159,471,378 (as at 31 December 2022: EUR 160,448,063) divided in 2,572,119 shares each in the nominal value of EUR 62. The Company's ordinary shares are listed on the Official Market of Zagreb Stock Exchange, identified by the symbol KOEI-R-A. As at 30 September 2023, the Company holds 25,732 treasury shares (as at 31 December 2022: 25,979 shares). Pursuant to the Resolution of the Company's General Assembly of 13 June 2023, the share capital of the Company was established in the euro and the Resolution was subsequently entered into the Court Register as at 28 September 2023.

11. LIABILITIES UNDER LOANS

	30/09/2023 EUR' 000	31/12/2022 EUR' 000
Liabilities under loans		
Non-current	32,793	22,533
Current	35,961	52,335
	68,754	74,868

Bank borrowings are secured by mortgages over the Group's immovable property and pledges over its movable property. The current value of immovable property on which a lien has been registered amounts to EUR 19,681 thousand, while the current value of movable property on which a lien has been registered amounts to EUR 4,419 thousand.

Long-term bank borrowings mature as follows:

	30/09/2023
	EUR' 000
Within one year	35,961
In 1 to 2 years	9,043
In 2 to 5 years	16,600
More than 5 years	7,150
	68,754

12. RELATED PARTY TRANSACTIONS

Parties are considered related if one party has the ability to control the other party, if it is under joint control or has a significant impact on the business of the other party. The Republic of Croatia and other companies under control or a significant influence of the Republic of Croatia also have significant ownership of the Group. Accordingly, the Group is related to state institutions and other majority state-owned companies or significantly state-influenced companies. For the purpose of related party disclosures, the Group does not consider routine transactions (such as taxes, levies, etc.) with various local utility entities (directly or indirectly owned by the State) or with other bodies to be related party transactions. The most significant transactions between the Group and state-owned companies pertain to electricity and heat supply and similar services. Apart from the above, over the course of the period January - September 2023 the Group realised the total of EUR 125.37 million of sales revenue with state institutions and other companies where the State is a majority owner or has a significant influence (Q1-Q3 2022: EUR 116.77 million), which mostly pertains to engineering services in the energy sector, rail vehicles and industrial electronics.

	30/09/2023	31/12/2022
	EUR' 000	EUR' 000
Receivables		
Associate companies	3,467	8,175
Joint ventures	766	283
	4,233	8,458
Liabilities		
Associate companies	3,165	9,374
Joint ventures	2,151	16
	5,316	9,390
	1/1/2023 - 30/09/2023	1/1/2022 - 30/09/2022
	EUR' 000	EUR' 000
Sales revenue		
Associate companies	12,746	12,421
Joint ventures	2,597	282
	15,343	12,703
Operating expenses		
Associate companies	12,665	13,312
Joint ventures	307	37
	12,972	13,349

13. EVENTS AFTER THE REPORTING DATE

There have been no events occurring between the reporting date and the date of approval of the Financial Statements that could have a significant impact on the quarterly Consolidated Financial Statements of the Group for the period January - September 2023 and as a result, these financial statements are appropriate for disclosure.

Management's Statement of Responsibility

Consolidated Financial Statements of KONČAR Group have been drawn up in accordance with the International Financial Reporting Standards (IFRS) and with the Croatian Accounting Act.

Consolidated Financial Statements of KONČAR Group for the period from 1 January to 30 September 2023 give a comprehensive and true view of assets and liabilities, profit and loss, financial position and business operations of the issuer and the companies included in the consolidation as a whole.

The Management Statement for the period ended 30 September 2023 gives a true and fair view of the company's business performance.

Signed on behalf of the Management Board:

Gordan Kolak, M.Sc.
President of the Management Board / CEO



Josip Lasić, CFA
Member of the Management Board in charge of Finance / CFO



Zagreb, 31 October 2023



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