

Business Results of KONČAR Group

Unaudited Consolidated Statements for KONČAR Group

January – December
2022



KONČAR
Inspired by challenge

Key indicators

Export

+27%

Sales income

+27%

Backlog

+13%

EBITDA

+36%

Book-to-bill ratio

1,2

Net profit

+14%

*Compared to 2021
Backlog compared to 31 Dec 2021
Without Dalekovod Group*



Contents

A Statement of the Management Board of KONČAR – Electrical Industry Inc.	4
B Unaudited consolidated financial statements of KONČAR Group for the period January - December 2022	20
C Management's Statement of Responsibility	35

A Statement of the Management Board

Statement by Gordan Kolak, President of the Management Board



KONČAR Group started 2022 with ambitious targets which were exceeded across nearly all segments, through the contribution and efforts of the employees.

The 2020+ Integral Strategy set the goal of HRK 4 billion Group sales income by the end of 2024, excluding acquisitions. That goal was reached in 2022 with HRK 4.4 billion (EUR 587.4 million) of realised sales income. The integration of Dalekovod resulted in sales income upturn in the amount of HRK 5.3 billion (EUR 699.7 million).

In a year marked by many global challenges, a considerable growth of income was matched with rising volumes and expanding share of income generated from foreign markets, increased profit, order intake reaching HRK 5.9 billion (EUR 787.8 million), and record backlog of HRK 7.3 billion (EUR 976.1 million) at year-end. We have leveraged growth opportunities stemming from rising demand for power engineering products and equipment, primarily transformers, which has driven significant growth across all markets.

With the global economy that has been increasingly pivoting towards sustainability, a trend that will accelerate, KONČAR has recognized the green transition as an opportunity for further growth and development of new technologies that will drive the business forward.

The war in Ukraine has been impacting overall business conditions since the outbreak in Q1 2022. The prices of commodities, raw materials and energy which had not yet returned to their pre-pandemic levels, have been soaring in the aftermath of the Russian aggression against Ukraine and subsequent sanctions. In such an uncertain and volatile environment, KONČAR Group management was agile to respond and organize efficient and better operations that can absorb unprecedented external shocks. Despite all measures, earlier profitability levels have become unattainable, and profitability has gone down by 0.7 percentage points (normalized EBITDA). The share of costs of raw materials and commodities in consolidated sales income rose by 5 percentage points year-on-year. In some of the manufacturing subsidiaries commodity prices account for an even greater share of the sales income, up to 11 percentage points year-on-year.

Good order intake at the start of 2022 resulted in an expansion of income generated from the sales of products and services across all markets. Consolidated income generated from the sales of products and services amounts to HRK 4,426.0 million (EUR 587.4 million), representing a year-on-year increase of HRK 948.5 million or 27.3 %. With the inclusion of Dalekovod, the total revenue from sales compared to 2021 is HRK 1,794.7 million higher and amounts to HRK 5,272.1 million (EUR 699.7 million). Revenues from sales on export markets, including the export of Dalekovod, amount to HRK 3,209.3 million (EUR 425.9 million). The share of exports in total revenues is 61 %.

In 2022 several significant agreements with Group-wide effects were concluded. An agreement worth EUR 65 million was signed with Iraq's Ministry of Electricity for the revitalization of Haditha hydropower plant. The project not only includes modernization of the largest hydropower turnkey facility constructed by KONČAR in its 100 years of excellence, but also represents a return of the Group to the Iraqi market. In cooperation with Male hidre d.o.o. the Group contracted the construction of Otočac SHPP. At Otočac SHPP KONČAR will install its first advanced smart submersible machines for low-head hydro power plants which enable greater use of hydro power with minimum environmental impact. The machines were fully developed and manufactured by KONČAR within an EU-funded R&D project. At the end of 2022, KONČAR signed the Agreement of Sale and Purchase with HŽ - Passenger Transport Ltd. for a prototype battery electric motor unit and battery multiple unit, and six energy storage devices that will be installed along the railway network in the Republic of Croatia, worth HRK 129 million (EUR 17.2 million). The Agreement was signed as part of the project *The application of green technologies in railway passenger transport included in the 2021 - 2026 National Recovery and Resilience Plan (NRRP)*. KONČAR continues to develop products and solutions that reduce adverse climate impacts and champions one of the primary EU goals - transition to a green and sustainable transport.

Excellent sales results are matched with good financial performance.

EBITA amounts to HRK 396.4 million (EUR 52.6), representing an increase of HRK 105.2 million year-on-year. Compared to 2019, this represents a three-fold rise in EBITDA. The 2022 EBITDA margin stands at 9 % and is 0.6 percentage points above the 2021 margin. With integrated Dalekovod results, EBITDA amounts to HRK 495.5 million (EUR 65.8 million), and EBITDA margin is 9.4 %. Normalized EBITDA is realised in the amount of HRK 422.8 million (EUR 56.1 million), and normalized EBITDA margin is 8 %.

In addition to operational tasks and realisation of financial goals, sustained efforts were focused on partnerships and acquisitions that enable the expansion of manufacturing capacities and build up competences in areas where the Group development is limited by time and operational resources.

Financial restructuring at Dalekovod was completed and all conditions for the supervision and integration of the members of Dalekovod Group into KONČAR's operations were met. By integrating Dalekovod into the operations of KONČAR Group, primarily into the segment of reconstruction and modernization of the power transmission and distribution grid, the portfolio of services and comprehensive solutions will be expanded, and the share of export income will increase, adding greater value.

At the end of 2022, the Share Purchase Agreement on the purchase of 75 percent of equity share in limited liability companies Kodeks systemske integracije and Exa Globe was signed. The acquisition is aligned with the strategic orientation of KONČAR Group on accelerated development of operations based on development and application of digital technologies, and as such it will strengthen our competencies and expand our portfolio of products, services and digital solutions in power engineering, e-mobility, critical and urban infrastructure. Two further acquisitions were also completed. The first is the takeover of 100 % equity share in KONČAR - Electrical Equipment Ltd., Split whose core business includes sales, development, design, manufacture, assembly, testing, commissioning and servicing of electrical appliances and equipment for low and medium voltage electrical distribution, industrial and shipbuilding industries, including engineering and construction investment projects in the domestic and foreign markets. The second acquisition completed at the end of December is the takeover of 100 % equity share in the limited liability company Telenerg - Inženjering d.o.o., specialized in power engineering for electrical utilities and industry. The completed acquisitions will further reinforce KONČAR's position in both the domestic and foreign markets.

Good results achieved in 2022 represent a tailwind for the upward trajectory of all key performance indicators.

The investment cycles continues in 2023, with a focus on investments in new equipment and machinery. Energy transition and green CAPEX result in investments in improved energy efficiency and working conditions, primarily investments in photovoltaic power plants and the consumption of renewable energy sources. Investment in research and development is recognized as long-term investment with the aim of creating sustainable and profitable business and building up new competencies, which will contribute to the stability and further growth of KONČAR Group. The most significant planned projects include continued development of environmentally friendly products in power engineering, the development of equipment and components for battery and hybrid trains, and projects in the field of digital technologies. The 2023 investment plan amounts to more than EUR 60 million.

KONČAR embarks on the new year compelled with optimism and with expectations of good performance. Our goals remain the same - growing the income side and expanding exports, further investment in equipment and new product development, and crucially - investment in people, lifelong learning and professional development as the imperative for the realisation of strategic plans.

Gordan Kolak
President of the Management Board

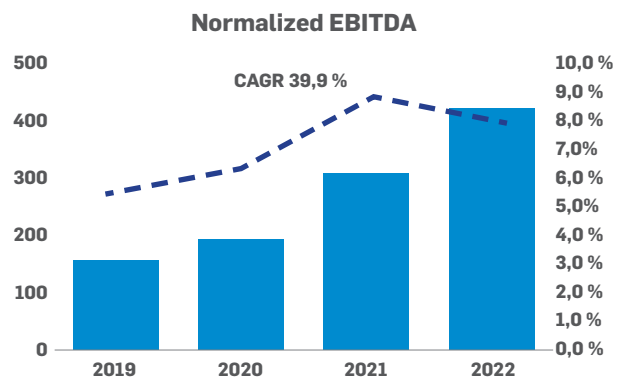
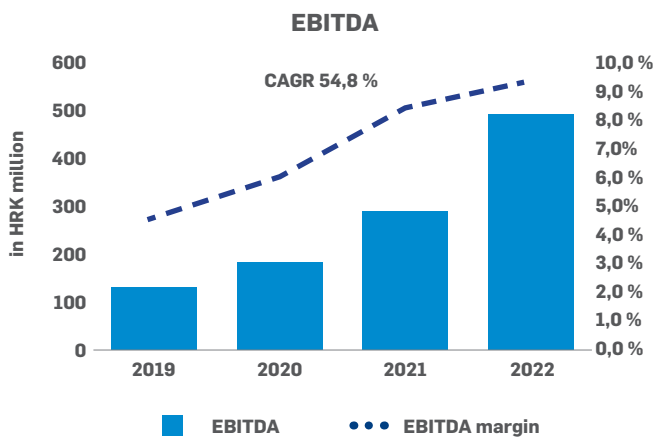
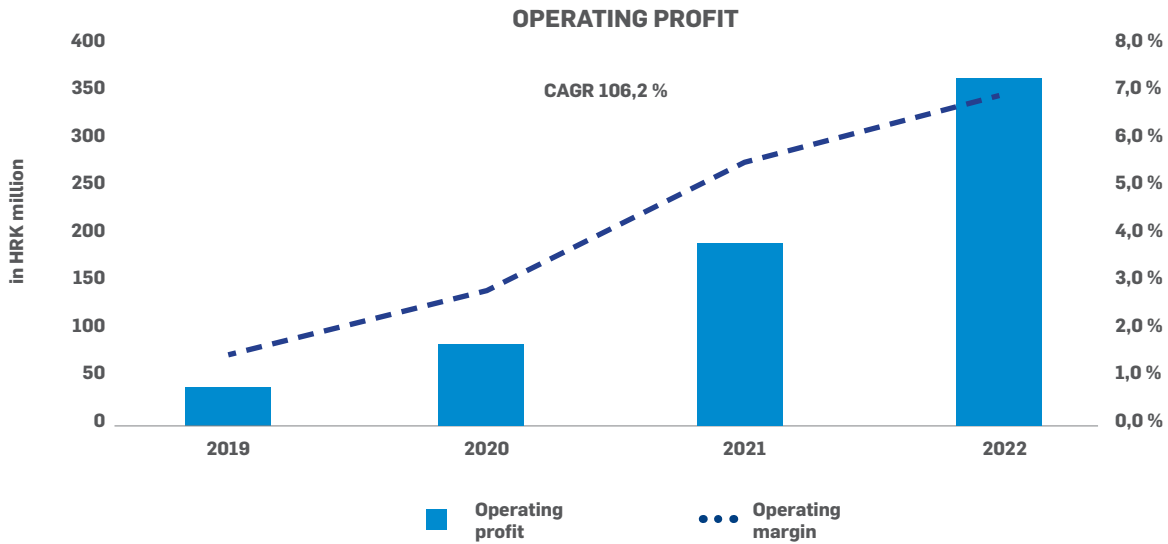
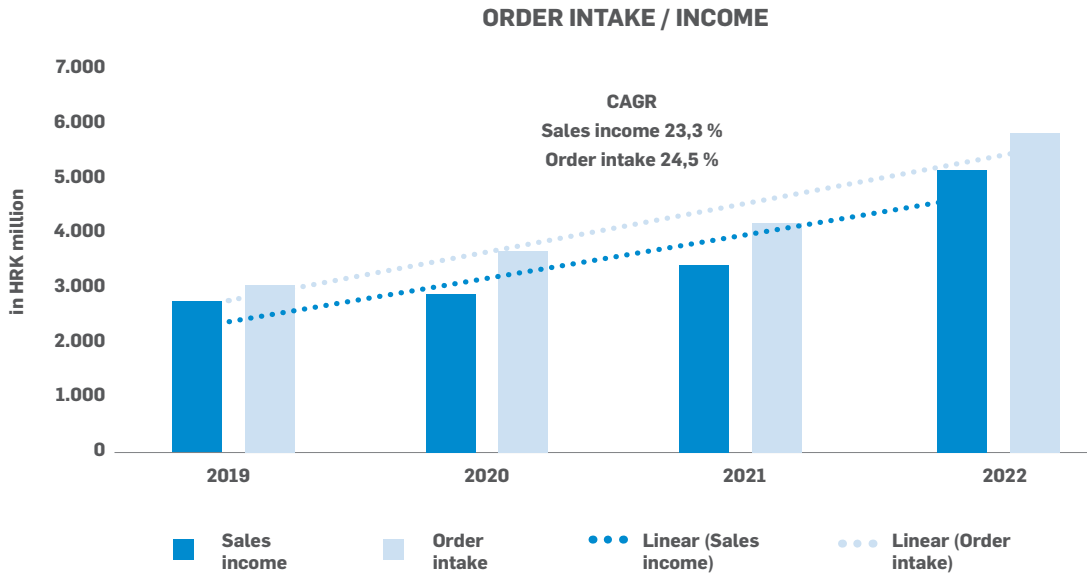


KEY PERFORMANCE INDICATORS

in HRK 000	KEY PERFORMANCE INDICATORS										
	KONČAR					Index 2022/ 2021	Dalekovod	KONČAR Group		Index 2022/ 2021	CAGR 2023/ 2019
	2019	2020	2021	2022	Apr-Dec 2022		2022	8			
1	2	3	4	5	6	7	8				
Operating income	2.876.986	3.026.268	3.554.258	4.555.407	128,2	871.004	5.442.320	153,1	23,7		
Sales income – total	2.810.951	2.972.558	3.477.453	4.425.990	127,3	861.703	5.272.145	151,6	23,3		
Sales income – export	1.650.471	1.849.589	2.062.733	2.609.102	126,5	600.052	3.209.308	155,6	24,8		
Operating expenses	2.834.974	2.941.063	3.360.266	4.263.628	126,9	827.577	5.074.184	151,0	21,4		
Operating profit	42.012	85.205	193.992	291.779	150,4	43.427	368.136	189,8	106,2		
Operating margin	1,5%	2,9%	5,6%	6,6%		5,0%	7,0%		67,2		
Net profit	52.052	127.576	211.391	240.968	114,0	33.769	307.666	145,5	80,8		
Net margin	1,9%	4,3%	6,1%	5,4%		3,9%	5,8%		46,6		
Depreciation and amortization	91.487	97.546	97.285	104.579	107,5	22.451	127.378	130,9	11,7		
EBITDA	133.499	182.751	291.277	396.358	136,1	65.878	495.514	170,1	54,8		
EBITDA margin	4,7%	6,1%	8,4%	9,0%		7,6%	9,4%	112	25,5		
Normalized EBITDA ¹	154.354	190.829	306.837	356.361	116,1	66.403	422.765	137,8	39,9		
Normalized EBITDA margin ¹	5,5%	6,4%	8,8%	8,1%		7,7%	8,0%		13,5		
Cash balance (deposits + cash) ²	662.635	820.008	545.582	401.813	73,6	28.509	445.995	81,7	-12,4		
Liabilities for loans and borrowings to banks	327.893	230.087	299.926	546.551	182,2	49.405	564.069	188,8	19,8		
Liabilities for loans, deposits, etc. of undertakings within the group	0	0	350	0			155.350				
Order intake	3.079.211	3.734.951	4.238.487	5.071.276	119,6	864.667	5.935.943	140,0	24,5		
Backlog ²	3.485.203	4.247.593	4.986.701	5.631.987	112,9	1.722.367	7.354.354		28,3		
Book-to-bill ratio	1,10	1,26	1,22	1,15		1,00	1,13				

Normalized EBITDA¹: EBITDA less the net effect of provisions, asset sale income, loss compensation income, income from state aid and one-off effects of transactions related to Dalekovod

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



Significant events in 2022

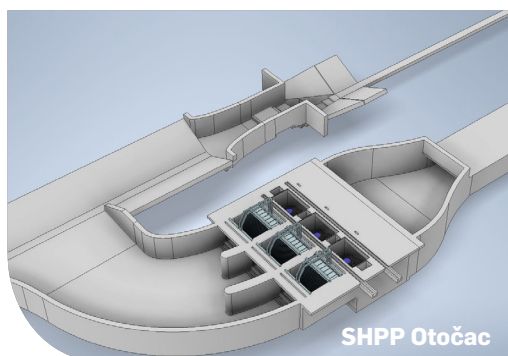
New business

Some of the new agreements concluded in 2022 are significant in terms of volume, customer-specific requirements, participation of Group subsidiaries or material importance:

- In June, an agreement was signed with Iraq's Ministry of Electricity for the revitalization of Haditha hydropower plant. Haditha is the largest hydro power facility in terms of installed power (6x128MVA) and it was constructed by KONČAR 35 years ago. The consortium agreement with the Iraqi company includes the partial revitalization of the HPP. KONČAR - Engineering will spearhead this project and other companies within KONČAR Group will also be involved in the project: Generators and Motors, Electronic and Informatics, Metal Structures, Instrument Transformers, Switchgear and Power Transformers.
- VEPAR project was contracted with Hrvatske vode (Croatian water management company), to significantly improve flood risk management in Croatia. KONČAR - Digital will spearhead the upgrades of the hydrological monitoring system and the implementation of the control and management system at control, regulation and protective water structures and hydrological stations. The project includes the development of a control and management system, as well as equipment and works across a total of 655 sites. KONČAR MARS software, which will be used for control and management of pumping stations across Croatia, will be central to the project.
- Three new agreements were signed with the Hungarian transmission system operator MAVIR for the delivery of more than 1,300 measuring transformers with voltage levels up to 420 kV.



HPP Haditha



SHPP Otočac

- In cooperation with Male hidre d.o.o. the Group contracted the construction of Otočac SHPP. The plant is designed with 1.5 MW connection power and will comprise three independent 500 kW power generation units. At Otočac SHPP KONČAR will install its first advanced smart submersible machines for low-head hydro power plants which enable greater use of hydro power with minimum environmental impact. The machines were fully developed and manufactured by KONČAR within a EU-funded R&D project.
- KONČAR Group and the Greek Public Power Corporation (PPC) signed an agreement for phase one of Messochora hydropower plant revitalization in Greece. Several members of KONČAR Group, led by KONČAR - Engineering, will take part in the project. Phase one of the plant revitalization will

include testing and analysis of all plant equipment, along with the preparatory activities for the commissioning of the plant. Although not as materially significant, the project opens up the possibility for a comeback to the Greek market.

- At the end of 2022, KONČAR signed the Agreement of Sale and Purchase with HŽ - Passenger Transport Ltd. for a prototype battery electric motor unit and battery multiple unit, and six energy storage devices that will be installed along the railway network in the Republic of Croatia. The Agreement was signed as part of the project The application of green technologies in railway passenger transport included in the 2021 - 2026 National Recovery and Resilience Plan (NRRP). The application of green technologies in railway passenger transport improves energy efficiency levels of the transport system and contributes to the reduction of noise and greenhouse gas emissions.

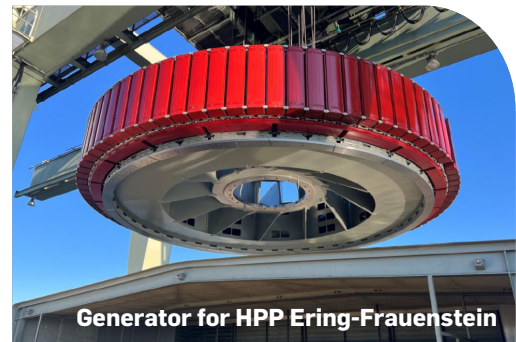
Significant delivered and realised agreements

- The realization of the 110 kV submarine cables project replacement commenced at the start of the year. The project kicked off with the laying of the first submarine cables at Postira (Brač) – Dugi Rat section, in the length of 7,300 metres and at Krk – mainland section, in the length of 4,180 metres. This is the first stage of the strategic investment project of the Croatian Transmission System Operator for the period until 2024.
- The agreement for the stator winding and generator cooling system replacement at Cirata hydropower plant in Indonesia was successfully completed.
- An 80 MVA transformer was delivered to a new customer in Spain, the first with a Products Carbon Footprint (CFP) certificate for medium power transformers according to ISO 14067:2018 standard.
- An agreement was concluded with the Japanese customer Hitachi for the delivery of 66 cooling systems (LCS) to be used for train propulsion converters as part of the East Midlands Railway project, in the United Kingdom.



Submarine cables project replacement

- In collaboration with GE Grid branch in Mönchengladbach the company was awarded the delivery of six new offshore transformer boilers which will be installed at substations in the Atlantic Ocean. Harsh exploitation conditions which the substations are exposed to necessitated careful preparation and application of corrosion protection. These projects will be used for the generation and transmission of electricity from renewable sources.
- A generator located on the Austrian-German border was cold commissioned. The special feature of the project is that the new stator and rotor are installed and assembled on-site, due to their dimensions and technical requirements. Although the customer is an Austrian power company, the project implemented at this cross-border power plant is officially registered in Germany.
- The last of the contracted fourteen low-floor trams for public transport in the city of Liepāja, Latvia was successfully delivered. The vehicles were co-funded by the EU as part of the Comprehensive Reconstruction of Tram Route and Adjacent Territory programme.
- Three out of the 21 contracted EMUs within the HŽPT Renewal of the Rolling Stock project, funded from the Operational Programme Competitiveness and Cohesion 2014 – 2020 were delivered.



Portfolio consolidation and acquisitions continue

- At the beginning of its mandate, the Management Board of KONČAR - Electrical Industry Inc. initiated the development of KONČAR Group 2020+ Integral Strategy and established the strategic priorities for the upcoming period. Simultaneously with the development of the Strategy, restructuring activities were rolled out to merge subsidiaries that had operated in related segments, to set up a new subsidiary KONČAR - Digital, and to transform joint-stock companies fully owned by the Parent Company into limited liability companies. Once completed, these initiatives boosted KONČAR Group's efficiency and profitability. While some products were withdrawn and divested, the digital solutions and platforms segment, rail solutions and renewable energy source have been bolstered.
- Further organizational developments - the digital segment of KONČAR - Electronics and Informatics (development and sales of software solutions) was spun off into a new subsidiary KONČAR - Digital
- Financial restructuring at Dalekovod was completed and all conditions for the supervision and integration of the members of Dalekovod Grup into KONČAR's operations were met. Control over Dalekovod was acquired as of 1 April 2022. By integrating Dalekovod into the operations of KONČAR Group, primarily into the segment of reconstruction and modernization of the power transmission and distribution grid, the portfolio of services and comprehensive solutions will be expanded and the share of export income will increase, adding greater value.
- At the end of 2022, the Share Purchase Agreement on the purchase of 75 percent of equity share in limited liability companies Kodeks sistemske integracije and Exa Globe was signed. The acquisition is aligned with the strategic orientation of KONČAR Group on accelerated development of operations based on development and application of digital technologies, and as such it will strengthen our competencies and expand our portfolio of products, services and digital solutions in power engineering, e-mobility, critical and urban infrastructure.
- At the end of December 100 % equity share in KONČAR - Electrical Equipment Ltd. Split was acquired. The company's core business includes sales, development, design, manufacture, assembly, testing, commissioning and servicing of electrical appliances and equipment for low and medium voltage electrical distribution, industrial and shipbuilding industries, including engineering and construction investment projects in the domestic and foreign markets.
- The second acquisition completed in December is the takeover of 100 % equity share in the limited liability company Telenerg - Inženjering d.o.o., specialized in power engineering for electrical utilities and industry. The completed acquisitions will further reinforce KONČAR's position in both the domestic and foreign markets.



Investment cycle

- In addition to growing the income side, one of the four strategic goals set out in the KONČAR Group 2020+ Strategy is investment in the development of products, technologies and production capacities as driver for the realisation of sales plans.
- The investment focus is on investments in new equipment and machinery. Total investments at the Group level amount to HRK 164.6 million. The most significant investments pertain to the project of construction of a new laboratory and investments in equipment and machinery at manufacturing companies.

Distribution of dividends

On 10 June 2022, the General Assembly of the Shareholders of KONČAR – Electrical Industry Inc. was held. The Assembly adopted the resolution to distribute dividends to the Company's Shareholders in the amount of HRK 13.0 per share. The dividend was distributed on 10 July 2022 to all Shareholders registered in the Issuer's Register (Book of Shares) as at 25 June 2022.

Sustainable business

- The Group has continuously reported on CSR activities since 2006 in the annual Corporate Social Responsibility Report. In all business operations, KONČAR is committed to UN Global Compact principles and integrates seven out of the total seventeen Sustainable Development Goals (SDG 4,5,7,8,9,11,12 and 13) and reports on them in line with GRI.
- KONČAR Group companies use ZelEn product i.e., energy produced solely from renewable sources, offered by HEP - Opskrba. Rational energy consumption, application of environmentally friendly technologies and materials suitable for recycling, use of energy generated exclusively from renewable sources, as well as promotion of environmental awareness among employees and suppliers are encouraged through the Environmental Policy. The Group has also implemented Sustainability Policy and HSEQ Policy.
- We harness innovation to create and add value to our customers and to unlock better performing solutions and low-carbon products.
- The construction of several photovoltaic power plants is underway, which will further drive KONČAR's energy independence, and result in significant financial savings in overhead costs.

2022 KEY PERFORMANCE INDICATORS

Following the session of the General Assembly of Dalekovod d.d. and the election of the members of the Supervisory Board on 31 March 2022, the conditions for acquiring control over Dalekovod Group companies and integration into KONČAR 's operations and consolidated financial statements were met. The Consolidated Financial Statements of KONČAR include the consolidated results of Dalekovod Group for the period April - September 2022.

For the purpose of data comparability, the business results of Dalekovod are excluded from the Consolidated Statement of KONČAR Group, while the business results of KONČAR Group integrating Dalekovod for the period April - December 2022 are presented separately.

Income Statement / excluding Dalekovod

Items (in HRK 000)	2021	2022	Δ	Index 2022/2021
OPERATING INCOME	3.554.258	4.555.407	1.001.149	128,2
OPERATING EXPENSES	3.360.266	4.263.628	903.362	126,9
Material costs and change in value of inventories	2.346.779	3.142.259	795.480	133,9
Staff costs	673.405	730.286	56.881	108,4
Depreciation and amortization	97.285	104.579	7.294	107,5
Other costs	197.935	249.908	51.973	126,3
Value adjustment of non-current and current assets	44.862	36.596	-8.266	81,6
OPERATING PROFIT	193.992	291.779	97.787	150,4
SHARE IN PROFIT OF ASSOCIATED PARTIES	39.226	15.366	-23.860	
SHARE IN LOSS OF ASSOCIATED PARTIES	370	95	-275	
FINANCE INCOME	9.195	15.147	5.952	164,7
FINANCE COSTS	4.134	10.138	6.004	245,2
TOTAL INCOME	3.602.679	4.585.920	983.241	127,3
TOTAL EXPENSES	3.364.770	4.273.861	909.091	127,0
Profit before taxation	237.909	312.059	74.150	131,2
Income tax	26.518	71.091	44.573	268,1
PROFIT FOR THE PERIOD	211.391	240.968	29.577	114,0
Other comprehensive income		172		
PROFIT FOR THE PERIOD	211.391	241.140	29.749	114,1

In 2022 KONČAR Group member companies realised total **operating income** in the amount of HRK 4,555.4 million, which represents an increase of HRK 1,001.1 million or 28.2 % year-on-year.

Consolidated income generated from the sales of products and services amounts to HRK 4,426.0 million, representing a year-on-year increase of HRK 948.5 million or 27.3 %.

Other operating income amounts to HRK 129.4 million, representing a year-on-year increase of HRK 52.6 million. Among other income, the most significant amount pertains to the one-off item related to the acquisition of Dalekovod, net income from the cancellation of provisions, income from sale of assets, income from subsidies, accounts receivable collection write offs and non-current inventories, income from prior years and lease income.

Operating expenses amount to HRK 4,263.4 million, representing a year-on-year increase of 26.9 percent. With reference to operating expenses, material costs (cost of raw materials and commodities, costs of goods sold and other external costs) amount to HRK 3,256.6 million and are HRK 877.2 million (36.9 %) higher year-over-year. The share of material costs in sales income, adjusted for inventory value changes, amounts to 71.7 %, representing an increase of 3.9 percentage points compared to the previous year. The share of costs of raw materials and commodities in sales rose to 62.2 % and is 5 percentage points higher year-on-year. In some manufacturing subsidiaries, the share of costs of raw materials and commodities is up by 9 percentage points year-over-year.

Staff costs amount to HRK 730.3 million, representing a year-on-year increase of HRK 56.9 million or 8.4 %. The share of staff costs in sales income amounts to 16.1 %, representing a year-on-year decrease of 3.1 percentage points. Productivity was improved over the course of 2022, with approximately the same number of employees generating 27.3 % more income than in 2021.

Other operating expenses amount to HRK 238.0 million, representing a year-on-year increase of HRK 49.4 million. Other operating expenses pertain to staff remuneration and other employees' rights amounting to HRK 111.5 million, and manufacturing services, intellectual services, insurance premiums and other, amounting to HRK 126.5 million. The share of other expenses in adjusted sales income is 0.5 percentage points lower compared to the same period in 2021.

Operating profit (EBIT) amounts to HRK 292.0 million, representing an increase of HRK 98.1 million compared to 2021. Operating margin stands at 6.6 %. **Normalized operating profit** amounts to HRK 252.0 million, which is HRK 42.5 million rise year-over-year. Normalized EBIT margin is 5.7 % which is a 0.3 percentage points improvement on the prior year's performance. The difference between finance income and expenses is positive, amounting to HRK 5 million.

Total **consolidated income** generated by the Group amounts to HRK 4,585.9 million, representing an increase of HRK 983.2 million (27.3 %) year-over-year. Operating profit of HRK 292.0 million, share in the profit of associated parties and joint ventures in the amount of HRK 15.2 million and a positive difference between finance income and expenses in the amount of HRK 5 million, result in consolidated profit before tax amounting to HRK 312.1 million. Income tax amounts to HRK 71.1 million, which represents an increase of HRK 44.6 million compared to 2021. Three Group subsidiaries are subject to windfall tax in compliance with the Corporate Windfall Tax Act from December 2022, in the total amount of HRK 18.2 million.

The realized net profit for the reporting period stands at HRK 241 million. Consolidated result of the Group increased by HRK 29.6 million compared to the same financial period of the last year.

EBITDA amounts to HRK 396.6 million, representing a year-on-year increase of HRK 105.4 million. EBITDA margin is 9 % (in 2021 it stood at 8.4 %).

Normalized EBITDA amounts to HRK 356.4 million and is HRK 49.5 million higher year-on-year. Normalized EBITDA is EBITDA less the net effect of provisions, asset sale income, loss compensation income, income from state-issued subsidies and one-off effects of transactions related to Dalekovod and increased by value adjustment of non-current and current assets. Normalized EBITDA margin was 7.2 percent (it amounted to 8.8 % in 2021).

Consolidated Income Statement including Dalekovod

Index

Items (in HRK 000)	2021	2022	Δ	2022/2021
OPERATING INCOME	3.554.258	5.442.320	1.888.062	153,1
OPERATING EXPENSES	3.360.266	5.074.184	1.713.918	151,0
Material costs and change in value of inventories	2.346.779	3.673.838	1.327.059	156,5
Staff costs	673.405	920.697	247.292	136,7
Depreciation and amortization	97.285	127.378	30.093	130,9
Other costs	197.935	314.293	116.358	158,8
Value adjustment of non-current and current assets	44.862	37.978	-6.884	84,7
OPERATING PROFIT	193.992	368.136	174.144	189,8
SHARE IN PROFIT OF ASSOCIATED PARTIES	39.226	15.366	-23.860	
SHARE IN LOSS OF ASSOCIATED PARTIES	370	95	-275	
FINANCE INCOME	9.195	17.405	8.210	189,3
FINANCE COSTS	4.134	15.213	11.079	368,0
TOTAL INCOME	3.602.679	5.475.091	1.872.412	152,0
TOTAL EXPENSES	3.364.770	5.089.492	1.724.722	151,3
Profit before taxation	237.909	385.599	147.690	162,1
Income tax	26.518	77.003	50.485	290,4
PROFIT FOR THE PERIOD	211.391	308.596	97.205	146,0
Profit/loss from discontinued operations		-930	-930	
PROFIT FOR THE PERIOD	211.391	307.666	96.275	145,5
Other comprehensive income		-1.628		
PROFIT FOR THE PERIOD	211.391	306.038	94.647	144,8

Following the session of the General Assembly of Dalekovod d.d. and the election of the members of the Supervisory Board on 31 March 2022, the conditions for acquiring control over Dalekovod Group companies and integration into KONČAR 's operations and consolidated financial statements were met. The Consolidated Financial Statements of KONČAR include the consolidated results of Dalekovod Group for the period April - September 2022.

Pursuant to the International Financial Reporting Standard IFRS 3 - Business Combinations, when the acquirer obtains control of a business, it is required to measure the acquired assets and assumed liabilities at their fair values at acquisition date and to determine the difference between the fair value of the consideration and the fair value of the acquired net assets, which is recognized as goodwill or profit from a bargain purchase, depending which amount is higher. If the acquisition cost is lower than fair value of net assets of the acquired subsidiary, the acquirer reports negative goodwill, i.e., it is shown as a gain on the acquirer's consolidated income statement (bargain purchase).

Dalekovod Group generated operating income in the amount of HRK 871.0 million for the period April - December 2022. Sales income amounts to HRK 861.7 million and operating profit in the amount of HRK 43.4 million was realized. Realized EBITDA is HRK 65.9 million with 7.6 % EBITDA margin. Normalized EBITDA and normalized EBITDA margin remain approximately on the same level. The realized net profit stands at HRK 34.7 million.

When Dalekovod is integrated into the Consolidated Statements of KONČAR, operating income reaches the amount of HRK 5,442.3 million and is HRK 1,888.1 million higher year-on-year. Income from the sales of products and services rose by HRK 1,794.7 million. Income generated in the domestic market amounts to HRK 2,062.8 million. Exports were realized in the amount of HRK 3,209.3 million and account for 61 % of the total sales income.

Integration of Dalekovod resulted in a significant expansion of exports to the Swedish and Norwegian markets, where Dalekovod realised HRK 365.4 million in exports.

Total realized EBITDA is HRK 495.8 million with 9.4 % EBITDA margin. Consolidated net profit of KONČAR Group / KONČAR and Dalekovod amounts to HRK 307.7 million.

Statement of Financial Position

Key indicators of the Statement of Financial Position as at 31 December 2022 - consolidated with Dalekovod

The most notable changes to the Consolidated Statement of Financial Position of KONČAR Group at the end of 2022 compared to the position at 2021 year-end are the result of the integration of Dalekovod Group into the operations of KONČAR Group, significant increase in manufacturing volumes which necessitated investment in working capital, decline in deposits for the purpose of acquisition of a subsidiary and the planned continuation of the investment cycle with a focus on new equipment and machinery, financed partly from own funds and partly from long-term loans from banks.

Index

Summarised Statement of Financial Position (in HRK 000)	31/12/2021	31/12/2022	Δ	2022/2021
Assets	4.447.303	6.015.748	1.568.445	135,3
Non-current assets	1.502.885	1.943.045	440.160	129,3
Intangible assets	50.282	82.641	32.359	164
Tangible assets	1.128.124	1.526.435	398.311	135
Non-current financial assets	275.512	257.466	-18.046	93
Receivables	14.744	47.301	32.557	321
Deferred tax assets	34.223	29.202	-5.021	85
Current assets	2.944.418	4.072.703	1.128.285	138,3
Inventories	987.085	1.457.532	470.447	148
Receivables	1.213.609	2.132.529	918.920	176
Current financial assets	302.056	22.481	-279.575	7
Cash	423.831	430.322	6.491	102
Prepaid expenses and accrued income	17.837	29.839	12.002	167
Liabilities	1.603.662	2.766.798	1.163.136	172,5
Provisions	178.661	199.531	20.870	111,7
Non-current liabilities	104.914	394.533	289.619	376,1
Current liabilities	1.320.087	2.172.734	852.647	164,6
Equity	2.843.641	3.248.950	405.309	114,3

Net debt

Net debt-to-EBITDA ratio measures the net debt level in relation to the results KONČAR Group realized and this indicator reflects the Group's ability to service its financial liabilities.

in HRK 000	31/12/2021	31/12/2022	Δ
Non-current liabilities for loans to banks	100.912	179.831	78.919
Current liabilities for loans to banks	199.014	384.238	185.224
Liabilities for loans, deposits etc,	350	155.350	155.000
Financial assets	180.588	6.808	-173.780
Cash balance (deposits + cash)	545.582	445.995	-99.587
Net debt	-425.894	266.616	692.510
Normalized EBITDA	306.837	422.765	115.928
Net debt / normalized EBITDA	neg	0.6	

Debt indicator

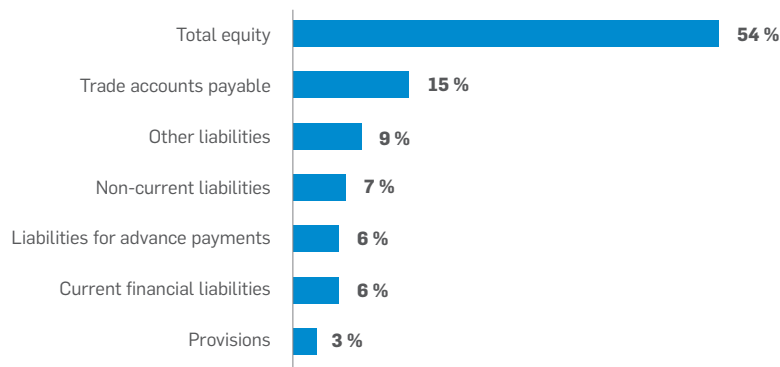
in HRK 000	31/12/2021	31/12/2022
Net debt	n/a	266.616
Equity	2.843.641	3.248.950
Debt indicator	n/a	8,2%

Current ratio

Current ratio indicates that the Group liquidity ratio is sound and that the Group is able to service its current liabilities from its current assets.

in HRK 000	31/12/2021	31/12/2022	Δ
Current assets	2.944.418	4.072.703	1.128.285
Current liabilities	1.320.087	2.172.734	852.647
Current ratio	2.2	1.9	

Capital structure and liabilities as at 31 December 2022



Balance of total consolidated funds and sources of funding as at 31 December 2022 amounts to HRK 6,015.7 million, representing an increase of HRK 1,568.4 million or 35.3% compared to the balance as at 31 December 2021.

In the structure of funding, total non-current assets amount to HRK 1,943.0 million, which is HRK 440.2 million higher than as at 31 December 2021. Total current assets amount to HRK 4,042.9 million, which is HRK 1,117.3 million more than as at 31 December 2021. Prepaid expenses and accrued income as at the end of December 2022 amount to HRK 29.8 million, which is an increase of HRK 10.9 million.

In the structure of non-current assets, intangible assets grew by HRK 32.4 million year-on-year, of which HRK 25 million pertains to trademark recognition resulting from Dalekovod transaction. **Financial assets** increased by HRK 398.3 million. The growth of material assets, primarily items land, plant and buildings impacted by the integration of Dalekovod as well as the purchase of land and buildings for the purpose of expansion of manufacturing capacity.

Non-current financial assets decreased by HRK 18.0 million. **Non-current receivables** amount to HRK 47.3 million, which represents a rise of HRK 32.6 million as at 31 December 2021. The increase mostly pertains to the integration of Dalekovod in the Statement of Financial Position.

Deferred tax assets are down by HRK 5 million.

As at 31 December 2022, current assets are increased by HRK 1,117.4 million year-on-year, with the following changes in comparison with the position as at 31 December 2021:

following changes in comparison with the position as at 31 December 2021:

- **Inventories** are HRK 470.4 million higher. Increase in inventories in all Group subsidiaries is attributed to significant backlog and upcoming increased deliveries. Non-current assets held for sale amount to HRK 15.6 million, a reduction of HRK 37.4 million. The decrease resulted from sales of facilities that are not in the function of the core business at several locations.
- **Total current receivables** increased by HRK 919.9 million. Trade receivables and contract assets grew by HRK 801.1 million. The effect of Dalekovod on the increase of total current receivables amounts to HRK 575.1 million (the most significant item is trade receivables and contract assets amounting to HRK 409.9 million).
- **Dividend payable** is up by HRK 3.4 million year-on-year, and pertains to the dividend liability from an affiliated company, in the amount of HRK 38.2 million. Other receivables are up by HRK 115.4 million. The most significant part of which pertains to receivables from the state, which are HRK 44 million higher year-over-year.

- **Financial assets** decreased by HRK 279.5 million. Deposits over three months amount to HRK 15.2 million and are down by HRK 106.6 million compared 2021 year-end. Other financial assets amount to HRK 6.8 million, representing a decrease of HRK 173.1 million compared to 31 December 2021, and pertain to the process of share capital increase of Dalekovod.
- In 2022 on KONČAR Group level more significant changes occurred in the item cash and cash equivalents. Cash and cash equivalents declined by HRK 143,8 million. The main items that impacted the decline include:
 - HRK 867 million investment in working capital over the course of the year, primarily in subsidiaries that recorded significant deliveries and an increase in order intake over the years. Certain subsidiaries made investments towards the purchase of non-current tangible assets amounting to HRK 158 million. The investments were partly funded from retained earnings, and partly from long-term loans which saw an increase compared to 2021 and amount to HRK 78.5 million. With respect to 2021 year-end, short-term and long-term loans increased by HRK 243 million.
 - KONČAR Group cash flow from operating activities (including Dalekovod) is negative in the amount of HRK 382.3 million. Cash receipts from operating activities amount to HRK 5,088.1 million, with cash receipts from customers the most significant at HRK 4,778.1 million. Cash payments from operating activities amount to HRK 5,470.4 million, with cash payments to suppliers the most significant at HRK 4,161.4 million. Cash flow from investment activities is negative in the amount of HRK 96 million. In the structure of cash payments from investment activities, capital expenditure for the purchase of non-current tangible and intangible assets CAPEX stands at HRK 164.6 million which represents an increase of HRK 96.5 million in relation to CAPEX realized in 2021. Cash flow from financing activities is positive in the amount of HRK 486.9 million. Cash receipts from financing activities amount to HRK 740.1 million, which represents an increase of HRK 579.6 million year-on-year. Cash payments from financing activities were realized in the amount of HRK 253.2 and mostly pertain to repayment of loan principals (long-term and short-term) in the amount of HRK 175.3 million (up by HRK 127.4 million year-on-year) and dividend expenses in the amount of HRK 54.1 million (increase of HRK 22.3 million year-on-year).

Sources of funding item records the following changes as at 31 December 2022:

- **Capital and reserves** amount to HRK 3,249.0 million, a rise of HRK 405.3 million compared to the balance as at 31 December 2021.
- **Non-controlling (minority interest)** amounts to HRK 533.3 million, which is a HRK 217.9 million gain in relation to 31 December 2021.
- **Non-current provisions** amount to HRK 199.5 million and are up by HRK 21.0 million compared to 2021 year-end.
- **Non-current liabilities** stand at HRK 394.5 million, representing an increase of HRK 289.6 million. The amount of liabilities towards long-term loans expanded by HRK 101.0 million. The most considerable increase pertains to long-term loans of subsidiaries for the purpose of capital investments in machinery purchase.
- Current liabilities for loans (not towards banks) amount to HRK 155.4 million, representing an increase of HRK 155.0 million compared to 2021 year-end (Dalekovod share capital injection).
- **Current liabilities** amount to HRK 1,977.7 million and are higher by HRK 805.6 million compared to the balance as at 31 December 2021.

In the structure of current liabilities, significant changes pertain to trade payables, which increased by HRK 386.7 million.

Current liabilities toward banks amount to HRK 384.2 million, representing an increase of HRK 185.2 million compared to 2021 year-end. The amount of liabilities towards short-term loans expanded the most in subsidiaries that were in need of greater working capital arising from significant growth in deliveries.

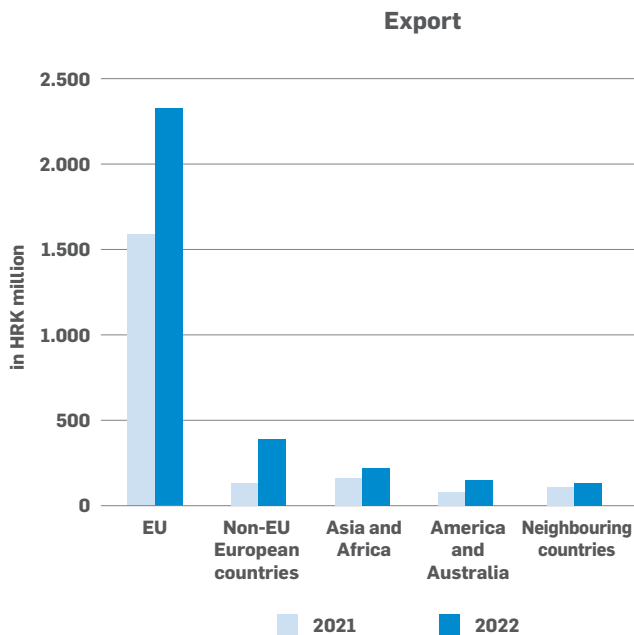
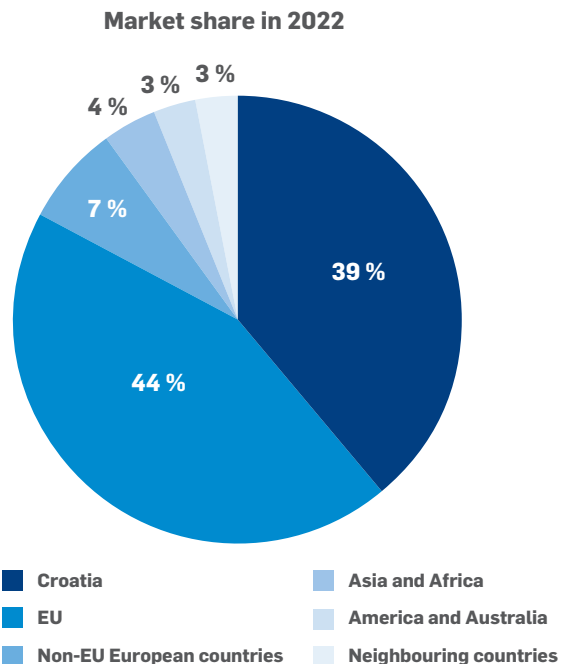
Accrued expenses and deferred income amount to HRK 195.1 million, representing an increase of HRK 46.9 million.

In the structure of sources of funding, subscribed capital, reserves, retained earnings, current year profits and non-controlling (minority) interest amount to HRK 3,249.0 million, which accounts for 54 % of the total sources of funding. Non-current provisions amount to HRK 199.5 million accounting for 3.3 percent of the total sources. Total non-current and current provisions amount to HRK 2,567.3 million and account for 42.7 % of the total sources.

In the structure of current liabilities, accounts payable in the amount of HRK 924.4 million make up 15.4 % of the total sources. Total loans from banks (short-term and long-term) amount to HRK 564.1 million, or 9.4% of the total sources of funding.

Total current assets and prepaid expenses exceed 1.9 times total current liabilities, accrued expenses and deferred income. The structure of the Consolidated Statement of Financial Position indicates a balance between source of funding and investments and an overall financial stability of KONČAR Group.

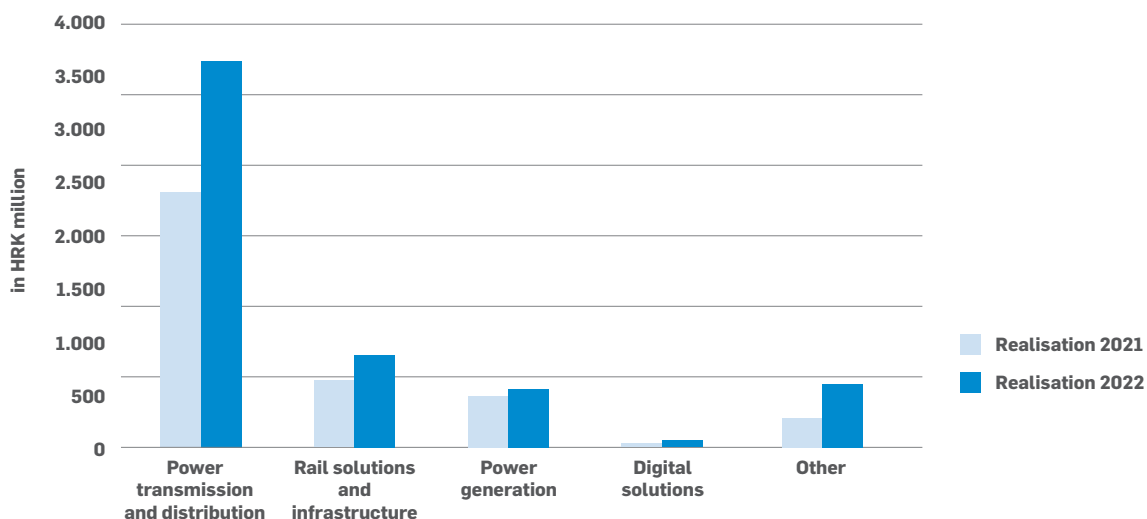
Market position



in 000 HRK

Income by segments

Segment	Realisation 2021	Share in total	Realisation 2022	Share in total
Power generation	504.381	12,9	575.212	9,9
Power transmission and distribution	2.444.833	62,7	3.692.314	63,4
Transmission	789.879	20,3	1.458.608	25,0
Distribution	1.654.954	42,5	2.233.706	38,4
Rails solutions and infrastructure	633.444	16,3	892.885	15,3
Railway vehicles	576.109	14,8	761.120	13,1
Construction and modernization of railway infrastructure	57.335	1,5	131.765	2,3
Digital solutions	29.667	0,8	59.105	1,0
Other	283.908	7,3	604.916	10,4
Total Sales Income Unconsolidated	3.896.233	100	5.824.432	100,0
Intercompany eliminations	418.779		552.287	
Total Sales Income Consolidated	3.477.454		5.272.145	



Consolidated income generated from the sales of products and services amounts to HRK 4,426.0 million, representing a year-on-year increase of HRK 948.5 million or 27.3 %. When results are broken down by segment, all segments achieved year-on-year growth of income. The most significant growth was realised in power transmission and distribution segment, where the company leveraged the rising demand for power engineering products and equipment, primarily transformers. Considerable growth was also achieved in rail solutions and infrastructure segment, which is primarily the result of agreement completion with HŽ Passenger Transport and Liepaja tram delivery.

Income generated in the domestic market amounts to HRK 1,816.9 million, which is HRK 402.2 million (28.4 %) growth year-on-year. Sales in the domestic market account for 41.1% of the total sales income.

In the structure of income from the sales in the domestic market, income from the sales of products and services to HEP Group companies (HEP Generation, HEP Distribution System Operator, and Croatian Transmission System Operator) amount to HRK 754.3 million (17.4 % of the total income from the sales of products and services). The realized amount is HRK 115.9 million higher year-on-year.

Income from the sales of products and services to HŽ Passenger Transport, HŽ Infrastructure and Rolling Stock Technical Services amounts to HRK 514.4 million (11.6 % of the total income generated from sales). The most significant amount pertains to the realization of the agreement for the delivery of trains to HŽ Passenger Transport (a total of 10 electric motor units delivered).

Income generated from the sales of products and services in **foreign markets** amounts to HRK 2,609.1 million, representing a gain of HRK 546.4 million or 26.5 percent year-on-year. Exports account for 58.9 percent of the total product and service sales income.

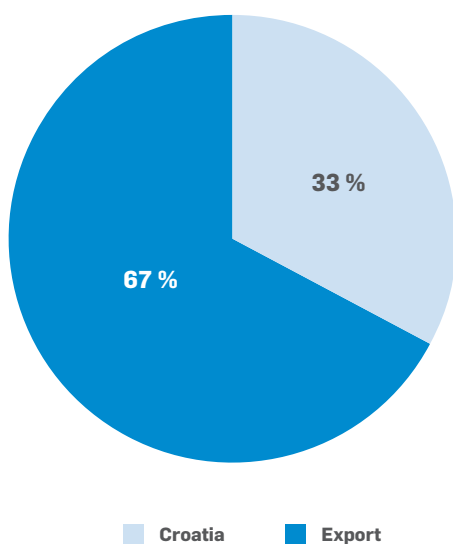
By country, the most significant export volume pertains to the German market, in the amount of HRK 473.4 million, accounting for 18.1 percent of the total exports (an increase of HRK 62.5 million year-on-year). Goods and services exported to Sweden amount to HRK 303.8 million (11.6 % of the total exports) and to Netherlands they amount to HRK 127.2 million (4.9 % of the total exports).

Year-over-year, product and service export income increased across all markets. The most significant growth in exports was realised in the EU market with an expansion of HRK 348.5 million. Exports to the European Union countries amounts to HRK 1,941.9 million or 74.4 % of the total exports. Year-on-year, exports to European countries outside the EU grew by HRK 77.5 , to Americas and Australia by HRK 62.2 million, to Asian and African countries by HRK 54.0 million, while exports to neighbouring countries increased by HRK 4.1 million.

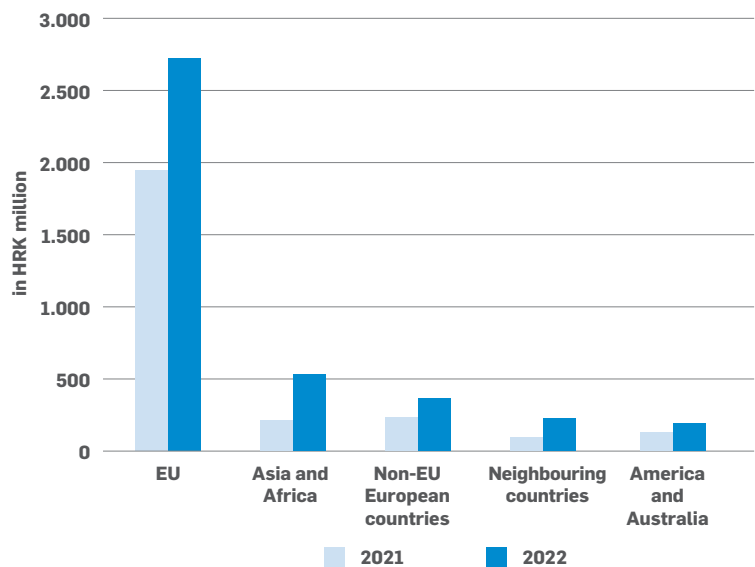
In 2022, order intake in foreign markets grew significantly, which created conditions for further export growth in the upcoming period.

Order intake and backlog

Order intake in 2022



Order intake - export



In the period January - December 2022, KONČAR Group companies **contracted new projects** worth HRK 5,071.3 million. Compared to the previous year, the value of order intake rose by HRK 832.8 million (19.6 %).

Out of the total amount of order intake, HRK 3,613.0 million (71.2% of the total order intake) pertains to export agreements, whereas HRK 1,458.3 million (28.8 % of the total order intake) pertains to the Croatian market.

In terms of order intake in **the domestic market**, the most significant volume in the amount of HRK 622.7 million pertains to the agreements with HEP Group (HEP - Generation, HEP - Distribution System Operator, HEP Transmission System Operator). HEP accounts for 12.3 % of the total order intake.

Two significant agreements in the domestic market include the agreement with Hrvatske vode (Croatian water management company) in the amount of HRK 77.8 million and the tramway maintenance and service agreement with Zagrebački holding (Zagreb holding) in the amount of HRK 74.3 million.

In 2022, order intake in the **foreign markets** amounted to HRK 3,613.0 million, a gain of HRK 1,038.4 million or 40.3 % percent year-on-year.

Of the total order intake in foreign markets, the majority pertains to European Union countries, amounting to HRK 2,495.2 million, which is HRK 566.3 million or 29.3 percent more than contracted in 2021. The EU market accounts for 69.1 % of the total order intake. There is an upturn in order intake across all markets year-over-year. The volume of order intake outside EU increased by HRK 260.7 million, in Asia and Africa it grew by HRK 124.0 million, in the American and Australian markets by HRK 54.3 million and in the neighbouring countries by HRK 33.0 million.

Broken down by countries, the most significant order intake volume pertains to the German market, in the amount of HRK 668.9 million (HRK 157.1 rise year-on-year),

Sweden is the second largest market in terms of new order intake in 2022, with HRK 377.9 million. The agreement for the revitalization of Haditha HPP in Iraq amounts to HRK 320.4 million. HRK 301.7 million of order intake was realised in the Spanish market.

In terms of delivery dynamics, HRK 1,638.3 million was contracted to be realised in 2022, which accounts for 32.3 % of the order intake, and HRK 3,433.0 million (68.1 %) was contracted for realization in the upcoming years.

The value of order intake (backlog) as at 31 December 2022 amounts to 5,632,0, representing an 12.9% rise compared to the value at the year-start. **Backlog** at the end 2022 is higher by HRK 645.3 million year-on-year (HRK 4,986.7 million as at 31 December 2021). In the balance of open liabilities, orders for realization in 2023 amount to HRK 4,291.2 million, which represents a 94.6 % realization of the 2023 sales income plan.

The integration of Dalekovod resulted in the Group backlog at year-end in the amount of HRK 7.4 billion, of which HRK 4.3 billion or 59 % pertains to export agreements. Backlog is 47.5 % higher year-on-year.

Information for Shareholders

KOEI-R-A	31/12/2021	31/12/2022	Index
Final price (HRK)	900.00	865.00	96,1
Highest price (HRK)	900.00	980.00	108,9
Lowest price (HRK)	580.00	810.00	139,7
Volume	91.767	56.466	61,5
Turnover (HRK)	65.270.145	50.091.015	76,7
Market capitalization (HRK)	2.290.904.100	2.201.813.385	96,1
Earnings per share (HRK) (profit of the parent company owner / weighted average number of shares)	64,08	86,91	135,6

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

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

The war in Ukraine and the consequences caused by the war had a strong impact on the world economy and thus on the capital market. The movement of global indices and their decline also reflected on the Croatian capital market. The Crobex index ended the past year with a loss of 4.8 %. The value of the KONČAR share recorded a slightly smaller decline of 3.9 %.

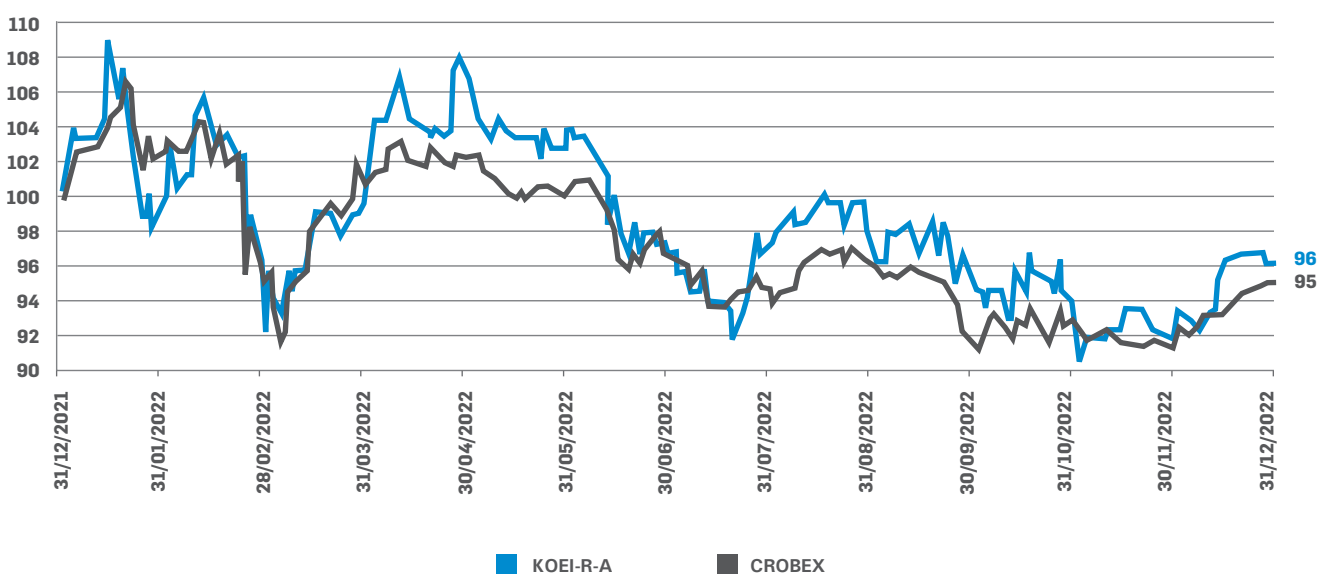
Compared to the same date in 2022, the final KONČAR share price increased by 3.9 percent.

Earnings per share amount to HRK 86.91, representing a gain of HRK 22.83 (35.6 %) compared to earnings per share realized in 2021.

Market capitalisation amounts to HRK 2,201.8 million, representing a growth of HRK 89.1 million year-on-year.

On 10 June 2022, the General Assembly of the Shareholders of KONČAR – Electrical Industry Inc. was held. The Assembly adopted the resolution to distribute dividends to the Company's Shareholders in the amount of HRK 13.0 per share. The dividend was distributed on 10 July 2022 to all Shareholders registered in the Issuer's Register (Book of Shares) as at 25 June 2022.

Indices of KOEI price and CROBEX value changes through the past year



B Unaudited consolidated financial statements of KONČA Group for the period January – December 2022

Annex 1

ISSUER'S GENERAL DATA

Reporting period:	01/01/2022	to	31/12/2022
Year:	2022	Quarter:	4

Quarterly financial statements

Registration number (MB):	03282635	Issuer's home Member State code:	HR
Entity's registration number (MBS):	080040936		
Personal identification number (OIB):	45050126417	LEI:	74780000HOSHMRW0I15
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):	4826		
Consolidated report:	KD	(KN-not consolidated/KD-consolidated)	
Audited:	RN	(RN-not audited/RD-audited)	

Names of subsidiaries (according to IFRS):	Registered office:	MB:
KONČAR - Infrastructure and Services Ltd.	Zagreb	1343068
KONČAR - Electrical Engineering Institute Ltd.	Zagreb	3645363
KONČAR - Electronics and Informatics Inc.	Zagreb	3282899
KONČAR - Motors and Electrical Systems Ltd.	Zagreb	3282678
KONČAR - Generators and Motors Inc.	Zagreb	1356216
KONČAR - Renewable Sources Ltd.	Zagreb	2435071
KONČAR - Instrument Transformers Inc.	Zagreb	3654656
KONČAR - Distribution and Special Transformers Inc.	Zagreb	3654664
KONČAR - Switchgear Ltd.	Zagreb	3641287
KONČAR - Electric Vehicles Inc.	Zagreb	3282660
KONČAR - Engineering Co. Ltd.	Zagreb	3654354
KONČAR - Metal Structures Ltd.	Zagreb	1114328
KONČAR - Investments Ltd.	Zagreb	5423392
KONČAR - Digital Ltd.	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 31.12.2022

in HRK

Submitter: KONČAR - ELECTRICAL INDUSTRY Inc.			
Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID	001	0	0
B) FIXED ASSETS (ADP 003+010+020+031+036)	002	1.502.885.341	1.943.044.686
I INTANGIBLE ASSETS (ADP 004 to 009)	003	50.281.675	82.640.902
1 Research and development	004	23.441.820	22.085.946
2 Concessions, patents, licences, trademarks, software and other rights	005	13.639.257	30.292.630
3, Goodwill	006	7.342.331	8.558.590
4 Advances for the purchase of intangible assets	007	0	0
5 Intangible assets in preparation	008	5.857.012	21.683.142
6 Other intangible assets	009	1.255	20.594
II TANGIBLE ASSETS (ADP 011 to 019)	010	1.128.124.352	1.526.435.397
1 Land	011	153.078.764	302.350.089
2 Buildings	012	423.354.403	480.105.848
3 Plant and equipment	013	282.923.461	404.144.493
4 Tools, working inventory and transportation assets	014	61.709.713	89.905.234
5 Biological assets	015	0	0
6 Advances for the purchase of tangible assets	016	7.290.898	49.643.401
7 Tangible assets in preparation	017	82.354.481	88.015.729
8 Other tangible assets	018	2.119.205	2.325.517
9 Investment property	019	115.293.427	109.945.086
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	275.512.196	257.465.870
1 Investments in holdings (shares) of undertakings within the group	021	9.882.280	82.280
2 Investments in other securities of undertakings within the group	022	0	0
3 Loans, deposits, etc, to undertakings within the group	023	0	0
4 Investments in holdings (shares) of companies linked by virtue of participating interests	024	236.796.078	208.696.397
5 Investment in other securities of companies linked by virtue of participating interests	025	0	0
6 Loans, deposits etc, to companies linked by virtue of participating interests	026	0	0
7 Investments in securities	027	2.475.644	2.410.847
8 Loans, deposits, etc, given	028	2.497.574	17.212.603
9 Other investments accounted for using the equity method	029	20.503.106	23.361.496
10 Other fixed financial assets	030	3.357.514	5.702.247
IV RECEIVABLES (ADP 032 to 035)	031	14.744.079	47.301.160
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	14.719.851	14.894.200
4 Other receivables	035	24.228	32.406.960
V DEFERRED TAX ASSETS	036	34.223.039	29.201.357
C) CURRENT ASSETS (ADP 038+046+053+063)	037	2.926.581.656	4.042.863.536
I INVENTORIES (ADP 039 to 045)	038	987.085.333	1.457.531.633
1 Raw materials and consumables	039	497.075.569	869.777.934
2 Work in progress	040	286.011.805	314.936.936
3 Finished goods	041	79.653.664	183.216.482
4 Merchandise	042	991.303	6.057.676
5 Advances for inventories	043	70.416.953	67.977.494
6 Fixed assets held for sale	044	52.936.039	15.565.111
7 Biological assets	045	0	0

BALANCE SHEET

balance as at 31.12.2022

in HRK

Submitter: KONČAR - ELECTRICAL INDUSTRY Inc.			
Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
II RECEIVABLES (ADP 047 to 052)			
	046	1.213.609.164	2.132.528.748
1 Receivables from undertakings within the group	047	0	0
2 Receivables from companies linked by virtue of participating interests	048	55.571.385	63.699.148
3 Customer receivables	049	995.792.393	1.789.888.894
4 Receivables from employees and members of the undertaking	050	678.444	562.325
5 Receivables from government and other institutions	051	36.365.969	81.238.635
6 Other receivables	052	125.200.973	197.139.746
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)			
	053	302.056.346	22.481.100
1 Investments in holdings (shares) of undertakings within the group	054	0	0
2 Investments in other securities of undertakings within the group	055	0	0
3 Loans, deposits, etc, to undertakings within the group	056	0	0
4 Investments in holdings (shares) of companies linked by virtue of participating interests	057	0	0
5 Investment in other securities of companies linked by virtue of participating interests	058	0	0
6 Loans, deposits etc, to companies linked by virtue of participating interests	059	0	0
7 Investments in securities	060	0	0
8 Loans, deposits, etc, given	061	121.468.792	15.672.794
9 Other financial assets	062	180.587.554	6.808.306
IV CASH AT BANK AND IN HAND			
	063	423.830.813	430.322.055
D) PREPAID EXPENSES AND ACCRUED INCOME			
	064	17.836.520	29.839.220
E) TOTAL ASSETS (ADP 001+002+037+064)			
	065	4.447.303.517	6.015.747.442
OFF-BALANCE SHEET ITEMS			
	066	4.853.437.636	4.569.549.410
LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to 070+076+077+081+084+087)			
	067	2.843.641.423	3.248.949.681
I INITIAL (SUBSCRIBED) CAPITAL			
	068	1.208.895.930	1.208.895.930
II CAPITAL RESERVES			
	069	719.579	719.579
III RESERVES FROM PROFIT (ADP 071+072-073+074+075)			
	070	805.599.688	842.363.411
1 Legal reserves	071	70.543.024	72.799.858
2 Reserves for treasury shares	072	34.518.334	34.107.162
3 Treasury shares and holdings (deductible item)	073	-15.869.707	-15.458.535
4 Statutory reserves	074	480.131.885	511.382.852
5 Other reserves	075	236.276.152	239.532.074
IV REVALUATION RESERVES			
	076	0	-689.991
V FAIR VALUE RESERVES AND OTHER (ADP 078 to 082)			
	077	-114.657	-24.114
1 Financial assets at fair value through other comprehensive income (i.e, available for sale)	078	0	0
2 Cash flow hedge - effective portion	079	0	0
3 Hedge of a net investment in a foreign operation - effective portion	080	0	0
4 Other fair value reserves	081	0	0
5 Exchange differences arising from the translation of foreign operations (consolidation)	082	-114.657	-24.114
VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 084-085)			
	083	349.185.016	443.125.041
1 Retained profit	084	349.185.016	443.125.041
2 Loss brought forward	085	0	0
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 087-088)			
	086	163.945.197	221.258.990
1 Profit for the business year	087	163.945.197	221.258.990
2 Loss for the business year	088	0	0
VIII MINORITY (NON-CONTROLLING) INTEREST			
	089	315.410.670	533.300.835

BALANCE SHEET

balance as at 31.12.2022

in HRK

Submitter: KONČAR - ELECTRICAL INDUSTRY Inc.			
Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
B) PROVISIONS (ADP 091 to 096)	090	178.661.356	199.531.066
1 Provisions for pensions, termination benefits and similar obligations	091	38.356.892	41.935.375
2 Provisions for tax liabilities	092	0	0
3 Provisions for ongoing legal cases	093	4.451.979	25.639.108
4 Provisions for renewal of natural resources	094	5.940.601	6.308.918
5 Provisions for warranty obligations	095	119.186.884	122.925.674
6 Other provisions	096	10.725.000	2.721.991
C) LONG-TERM LIABILITIES (ADP 098 to 108)	097	104.913.819	394.532.838
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	350.000	155.350.000
6 Liabilities to banks and other financial institutions	103	100.912.003	179.831.245
7 Liabilities for advance payments	104	0	0
8 Liabilities to suppliers	105	0	0
9 Liabilities for securities	106	0	11.606.463
10 Other long-term liabilities	107	3.651.816	28.729.552
11 Deferred tax liability	108	0	19.015.578
D) SHORT-TERM LIABILITIES (ADP 110 to 123)	109	1.183.895.480	1.977.654.280
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	13.241.375	69.527.319
4 Liabilities for loans, deposits etc, of companies linked by virtue of participating interests	113	0	0
5 Liabilities for loans, deposits etc,	114	0	0
6 Liabilities to banks and other financial institutions	115	199.013.910	384.238.189
7 Liabilities for advance payments	116	306.826.207	367.900.630
8 Liabilities to suppliers	117	511.192.171	872.052.296
9 Liabilities for securities	118	0	1.412.971
10 Liabilities to employees	119	45.957.750	72.993.868
11 Taxes, contributions and similar liabilities	120	57.421.521	162.201.465
12 Liabilities arising from the share in the result	121	528.155	732.840
13 Liabilities arising from fixed assets held for sale	122	0	898.360
14 Other short-term liabilities	123	49.714.391	45.696.342
E) ACCRUALS AND DEFERRED INCOME	124	136.191.439	195.079.577
F) TOTAL – LIABILITIES (ADP 067+090+097+109+124)	125	4.447.303.517	6.015.747.442
G) OFF-BALANCE SHEET ITEMS	126	4.853.437.636	4.569.549.410

STATEMENT OF PROFIT OR LOSS for the period 01.01.2022 to 31.12.2022

in HRK

Submitter: KONČAR - ELECTRICAL INDUSTRY Inc.					
Item	AOP code	Same period of the previous year		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
I OPERATING INCOME (ADP 002 to 006)	001	3.554.258.034	1.069.533.351	5.442.318.548	1.684.097.710
1 Income from sales with undertakings within the group	002	0	0	0	0
2 Income from sales (outside group)	003	3.477.453.369	1.064.557.738	5.272.143.987	1.709.399.781
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	76.804.665	4.975.613	170.174.561	-25.302.071
II OPERATING EXPENSES (ADP 08+009+013+017+018+019+022+029)	007	3.360.265.886	1.032.782.618	5.074.182.656	1.620.530.250
1 Changes in inventories of work in progress and finished goods	008	-32.604.494	7.320.137	-113.461.546	-15.674.581
2 Material costs (ADP 010 to 012)	009	2.379.381.906	716.821.683	3.787.299.046	1.223.522.438
a) Costs of raw materials and consumables	010	2.008.022.919	614.340.627	3.012.916.770	931.562.925
b) Costs of goods sold	011	58.984.119	11.775.065	181.606.122	86.752.444
c) Other external costs	012	312.374.868	90.705.991	592.776.154	205.207.069
3 Staff costs (ADP 014 to 016)	013	673.406.152	185.927.302	920.696.357	249.681.054
a) Net salaries and wages	014	410.299.261	111.142.529	585.279.532	156.672.849
b) Tax and contributions from salary costs	015	173.006.159	50.089.289	223.516.543	63.218.846
c) Contributions on salaries	016	90.100.732	24.695.484	111.900.282	29.789.359
4 Depreciation	017	97.285.253	24.571.990	127.377.943	33.628.699
5 Other costs	018	188.660.310	54.511.484	298.176.171	86.876.934
6 Value adjustments (ADP 020+021)	019	44.861.660	40.999.643	37.977.589	32.698.266
a) fixed assets other than financial assets	020	29.285.690	29.252.964	826.589	826.589
b) current assets other than financial assets	021	15.575.970	11.746.679	37.151.000	31.871.677
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	9.275.099	2.630.379	16.117.096	9.797.440
III FINANCIAL INCOME (ADP 031 to 040)	030	9.195.618	2.229.029	17.405.805	10.348.839
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	202.957	117.585	2.113.079	624.695
7 Other interest income	037	6.602.724	1.006.187	5.373.028	2.154.656
8 Exchange rate differences and other financial income	038	1.005.684	985.969	6.479.319	4.850.124
9 Unrealised gains (income) from financial assets	039	136.009	-319.809	20.866	20.866
10 Other financial income	040	1.248.244	439.097	3.419.513	2.698.498
IV FINANCIAL EXPENSES (ADP 042 to 048)	041	4.133.988	1.018.576	15.213.369	6.370.998
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 01.01.2022 to 31.12.2022

in HRK

Submitter: KONČAR - ELECTRICAL INDUSTRY Inc.					
Item	AOP code	Same period of the previous year		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
3 Interest expenses and similar expenses	044	3.998.889	973.487	12.548.324	4.666.992
4 Exchange rate differences and other expenses	045	0	0	731.159	731.159
5 Unrealised losses (expenses) from financial assets	046	13.185	13.185	17.344	-721.572
6 Value adjustments of financial assets (net)	047	0	0	0	0
7 Other financial expenses	048	121.914	31.904	1.916.542	1.694.419
V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VIRTUE OF PARTICIPATING INTERESTS	049	35.391.832	22.363.127	10.310.711	938.685
VI SHARE IN PROFIT FROM JOINT VENTURES	050	3.833.977	233.910	5.055.260	1.606.292
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	369.969	25.287	94.857	17.820
IX TOTAL INCOME (ADP 001+030+049 +050)	053	3.602.679.461	1.094.359.417	5.475.090.324	1.696.991.526
X TOTAL EXPENDITURE (ADP 007+041+051 + 052)	054	3.364.769.843	1.033.826.481	5.089.490.882	1.626.919.068
XI PRE-TAX PROFIT OR LOSS (ADP 053-054)	055	237.909.618	60.532.936	385.599.442	70.072.458
1 Pre-tax profit (ADP 053-054)	056	237.909.618	60.532.936	385.599.442	70.072.458
2 Pre-tax loss (ADP 054-053)	057	0	0	0	0
XII INCOME TAX	058	26.518.394	3.626.795	77.002.969	42.594.639
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 055-059)	059	211.391.224	56.906.141	308.596.473	27.477.819
1 Profit for the period (ADP 055-059)	060	211.391.224	56.906.141	308.596.473	27.477.819
2 Loss for the period (ADP 059-055)	061	0	0	0	0
DISCONTINUED OPERATIONS (to be filled in by undertakings subject to IFRS only with discontinued operations)					
XIV PRE-TAX PROFIT OR LOSS OF DISCONTINUED OPERATIONS (ADP 063-064)	062	0	0	-930.483	-218.094
1 Pre-tax profit from discontinued operations	063	0	0	0	0
2 Pre-tax loss on discontinued operations	064	0	0	930.483	218.094
XV INCOME TAX OF DISCONTINUED OPERATIONS	065	0	0	0	0
1 Discontinued operations profit for the period (ADP 062-065)	066	0	0	0	0
2 Discontinued operations loss for the period (ADP 065-062)	067	0	0	930.483	218.094
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	237.909.618	60.532.936	384.668.959	69.854.364
1 Pre-tax profit (ADP 068)	069	237.909.618	60.532.936	384.668.959	69.854.364
2 Pre-tax loss (ADP 068)	070	0	0	0	0
XVII INCOME TAX (ADP 058+065)	071	26.518.394	3.626.795	77.002.969	42.594.639
XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 068-071)	072	211.391.224	56.906.141	307.665.990	27.259.725
1 Profit for the period (ADP 068-071)	073	211.391.224	56.906.141	307.665.990	27.259.725
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	211.391.224	56.906.141	307.665.990	27.259.725
1 Attributable to owners of the parent	076	163.945.197	41.038.560	221.258.990	37.069.853
2 Attributable to minority (non-controlling) interest	077	47.446.027	15.867.581	86.407.000	-9.810.128
STATEMENT OF OTHER COMPREHENSIVE INCOME (to be filled in by undertakings subject to IFRS)					
I PROFIT OR LOSS FOR THE PERIOD	078	211.391.224	56.906.141	307.665.990	27.259.725
II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 80+ 87)	079	65.018	560.248	-1.628.347	-1.105.301
III Items that will not be reclassified to profit or loss (ADP 081 to 085)	080	0	0	-1.800.058	-1.800.058
1 Changes in revaluation reserves of fixed tangible and intangible assets	081	0	0	-1.800.058	-1.800.058

STATEMENT OF PROFIT OR LOSS for the period 01.01.2022 to 31.12.2022

in HRK

Submitter: KONČAR - ELECTRICAL INDUSTRY Inc.					
Item	AOP code	Same period of the previous year		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
2 Gains or losses from subsequent measurement of equity instruments at fair value through other comprehensive income	082	0	0	0	0
3 Fair value changes of financial liabilities at fair value through statement of profit or loss, attributable to changes in their credit risk	083	0	0	0	0
4 Actuarial gains/losses on the defined benefit obligation	084	0	0	0	0
5 Other items that will not be reclassified	085	0	0	0	0
6 Income tax relating to items that will not be reclassified	086	0	0	0	0
IV Items that may be reclassified to profit or loss (ADP 088 to 095)	087	65.018	560.248	171.711	694.757
1 Exchange rate differences from translation of foreign operations	088	65.018	560.248	171.711	694.757
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	65.018	560.248	-1.628.347	-1.105.301
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 078+097)	098	211.456.242	57.466.389	306.037.643	26.154.424
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	211.456.242	57.466.389	306.037.643	26.154.424
1 Attributable to owners of the parent	100	163.979.481	41.333.979	220.659.542	36.746.206
2 Attributable to minority (non-controlling) interest	101	47.476.761	16.132.410	85.378.101	-10.591.782

STATEMENT OF CASH FLOWS - direct method for the period 01.01.2022 to 31.12.2022

in HRK

Submitter: KONČAR - ELECTRICAL INDUSTRY Inc.			
item	AOP code	Same period of the previous year	Current period
1	2	3	4
Cash flow from operating activities			
1 Cash receipts from customers	001	3.395.452.032	4.777.968.840
2 Cash receipts from royalties, fees, commissions and other revenue	002	0	0
3 Cash receipts from insurance premiums	003	5.757.753	3.527.191
4 Cash receipts from tax refund	004	110.750.346	212.926.001
5 Other cash receipts from operating activities	005	47.809.044	93.694.791
I Total cash receipts from operating activities (ADP 001 to 005)	006	3.559.769.175	5.088.116.823
1 Cash payments to suppliers	007	-2.726.906.954	-4.161.350.252
2 Cash payments to employees	008	-670.968.100	-948.525.244
3 Cash payments for insurance premiums	009	-16.431.290	-19.157.719
4 Interest paid	010	-3.780.093	-6.209.260
5 Income tax paid	011	-19.966.494	-31.748.080
6 Other cash payments from operating activities	012	-219.804.321	-303.408.744
II Total cash payments from operating activities (ADP 007 to 012)	013	-3.657.857.252	-5.470.399.299
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 006 + 013)	014	-98.088.077	-382.282.476
Cash flow from investment activities			
1 Cash receipts from sales of fixed tangible and intangible assets	015	14.659.736	21.165.951
2 Cash receipts from sales of financial instruments	016	36.667.560	2.864.716
3 Interest received	017	6.501.716	12.763.441
4 Dividends received	018	26.217.306	39.169.277
5 Cash receipts from the repayment of loans and deposits	019	63.499.234	120.533.927
6 Other cash receipts from investment activities	020	179.498	114.023.210
III Total cash receipts from investment activities (ADP 015 to 020)	021	147.725.050	310.520.522
1 Cash payments for the purchase of fixed tangible and intangible assets	022	-72.040.520	-164.589.376
2 Cash payments for the acquisition of financial instruments	023	-12.922.848	-1.627.658
3 Cash payments for loans and deposits	024	-108.115.450	-19.568.142
4 Acquisition of a subsidiary, net of cash acquired	025	0	-220.656.466
5 Other cash payments from investment activities	026	-215.738.585	-124.078
IV Total cash payments from investment activities (ADP 022 to 026)	027	-408.817.403	-406.565.720
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 021 + 027)	028	-261.092.353	-96.045.198
Cash flow from financing activities			
1 Cash receipts from the increase in initial (subscribed) capital	029	9.800	470.000
2 Cash receipts the from issue of equity financial instruments and debt financial instruments	030	0	0
3 Cash receipts from credit principals, loans and other borrowings	031	158.983.939	736.033.778
4 Other cash receipts from financing activities	032	1.495.380	3.628.291
V Total cash receipts from financing activities (ADP 029 to 032)	033	160.489.119	740.132.069
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	034	-82.455.794	-175.276.936
2 Cash payments for dividends	035	-31.690.961	-54.066.697
3 Cash payments for finance lease	036	-860.059	-8.245.361
4 Cash payments for the redemption of treasury shares and decrease in initial (subscribed) capita	037	0	0
5 Other cash payments from financing activities	038	-3.513.139	-15.598.768
VI Total cash payments from financing activities (ADP 034 to 038)	039	-118.519.953	-253.187.762
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 033 + 039)	040	41.969.166	486.944.307
1 Unrealised exchange rate differences in respect of cash and cash equivalents	041	-2.705.111	-2.125.391
D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 014 + 028 + 040 + 041)	042	-319.916.375	6.491.242
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	043	743.747.188	423.830.813
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (042+043)	044	423.830.813	430.322.055

STATEMENT OF CHANGES IN EQUITY

for the period from 01.01.2022 to 31.12.2022

B Unaudited consolidated financial statements of KONČAR Group for the period January - December 2022

in HRK

Item	AOP code	Attributable to owners of the parent																Minority (non-controlling) interest	Total capital and reserves
		Initial (subscribed) capital	Capital reserves	Legal reserves	Reserves for treasury shares	Treasury shares and holdings (deductible item)	Statutory reserves	Other reserves	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	1.208.895.930	719.579	70.601.681	34.518.334	15.869.707	458.880.493	229.655.913	0	0	0	0	0	-148.941	319.397.188	73.888.927	2.380.539.397	289.980.934	2.670.520.331
2 Changes in accounting policies	02	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 Correction of errors	03	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4 Balance on the first day of the previous business year (restated) (ADP 01 to 03)	04	1.208.895.930	719.579	70.601.681	34.518.334	15.869.707	458.880.493	229.655.913	0	0	0	0	0	-148.941	319.397.188	73.888.927	2.380.539.397	289.980.934	2.670.520.331
5 Profit/loss of the period	05	0	0	0	0	0	0	0	0	0	0	0	0	0	0	163.945.197	163.945.197	47.446.027	211.391.224
6 Exchange rate differences from translation of foreign operations	06	0	0	0	0	0	0	0	0	0	0	0	0	34.284	0	0	34.284	30.734	65.018
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	-14.763.604	0	-14.763.604	-16.978.617	-31.742.221
21 Other distributions and payments to members/shareholders	21	0	0	0	0	0	0	0	0	0	0	0	0	0	-1.524.521	0	-1.524.521	-5.068.408	-6.592.929
22 Transfer to reserves according to the annual schedule	22	0	0	-58.657	0	0	21.251.392	6.620.239	0	0	0	0	0	0	46.075.953	-73.888.927	0	0	0
23 Increase in reserves arising from the pre-bankruptcy settlement procedure	23	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24 Balance on the last day of the previous business year reporting period (ADP 04 to 23)	24	1.208.895.930	719.579	70.543.024	34.518.334	15.869.707	480.131.885	238.276.152	0	0	0	0	0	-114.657	349.185.016	163.945.197	2.528.230.753	315.410.670	2.843.641.423
APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)																			
I OTHER COMPREHENSIVE INCOME OF THE PREVIOUS PERIOD, NET OF TAX (ADP 06 to 14)	25	0	0	0	0	0	0	0	0	0	0	0	0	34.284	0	0	34.284	30.734	65.018
II COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP 05+25)	26	0	0	0	0	0	0	0	0	0	0	0	0	34.284	0	163.945.197	163.979.481	47.476.761	211.456.242
III TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 23)	27	0	0	-58.657	0	0	21.251.392	6.620.239	0	0	0	0	0	0	29.787.828	-73.888.927	-16.288.125	-22.047.025	-38.335.150

STATEMENT OF CHANGES IN EQUITY

for the period from 01.01.2022 to 31.12.2022

B Unaudited consolidated financial statements of KONČAR Group for the period January - December 2022

in HRK

Item	AOP code	Attributable to owners of the parent																Minority (non-controlling) interest	Total capital and reserves
		Initial (subscribed) capital	Capital reserves	Legal reserves	Reserves for treasury shares	Treasury shares and holdings (deductible item)	Statutory reserves	Other reserves	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	1.208.895.930	719.579	70.543.024	34.518.334	15.869.707	480.131.885	236.276.152	0	0	0	0	0	-114.657	349.185.016	163.945.197	2.528.230.753	315.410.670	2.843.641.423
2 Changes in accounting policies	29	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 Correction of errors	30	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4 Balance on the first day of the previous business year (restated) (ADP 28 to 30)	31	1.208.895.930	719.579	70.543.024	34.518.334	15.869.707	480.131.885	236.276.152	0	0	0	0	0	-114.657	349.185.016	163.945.197	2.528.230.753	315.410.670	2.843.641.423
5 Profit/loss of the period	32	0	0	0	0	0	0	0	0	0	0	0	0	0	0	221.258.990	221.258.990	86.407.000	307.665.990
6 Exchange rate differences from translation of foreign operations	33	0	0	0	0	0	0	0	0	0	0	0	0	90.543	0	0	90.543	81.168	171.711
7 Changes in revaluation reserves of fixed tangible and intangible assets	34	0	0	0	0	0	0	0	-689.991	0	0	0	0	0	0	0	-689.991	-1.110.067	-1.800.058
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	156.503.456	156.503.456
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	-33.090.837	0	-33.090.837	-21.045.441	-54.136.278
21 Other distributions and payments to members/shareholders	48	0	0	0	-411.172	-411.172	28	-810.186	0	0	0	0	0	0	659.546	0	-150.612	-2.945.951	-3.096.563
22 Transfer to reserves according to the annual schedule	49	0	0	2.256.834	0	0	31.250.939	4.066.108	0	0	0	0	0	0	126.371.316	-163.945.197	0	0	0
23 Increase in reserves arising from the pre-bankruptcy settlement procedure	50	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24 Balance on the last day of the previous business year reporting period (ADP 31 to 50)	51	1.208.895.930	719.579	72.799.858	34.107.162	15.458.535	511.382.852	239.532.074	-689.991	0	0	0	0	-24.114	443.125.041	221.258.990	2.715.648.846	533.300.835	3.248.949.681
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	-689.991	0	0	0	0	90.543	0	0	-599.448	155.474.557	154.875.109
II COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 32 to 52)	53	0	0	0	0	0	0	0	-689.991	0	0	0	0	90.543	0	221.258.990	220.659.542	241.881.557	462.541.099
III TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 42 to 50)	54	0	0	2.256.834	-411.172	-411.172	31.250.967	3.255.922	0	0	0	0	0	0	93.940.025	-163.945.197	-33.241.449	-23.991.392	-57.232.841

NOTES TO THE FINANCIAL STATEMENTS - TFI

Name of issuer: KONČAR – Electrical Industry Inc.

PIN: 45050126417

Reporting period: 1 January 2022 to 31 December 2022

1. GENERAL INFORMATION

Business segments

The main 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 performing core business activities and three subsidiaries performing special activities, namely product research and development, infrastructure services and investments.

The Group has one affiliated company in Croatia.

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

The Company manages its wholly-owned subsidiaries.

Number of employees

As at 31 December 2022, the Group had 4826 employees, while as at 31 December 2021 the Group had 3640 employees. The number of employees increased due to the integration of Dalekovod Group into the operations of KONČAR Group as of 1 April 2022. Dalekovod Group employed 1088 people as at 31 December 2022.

The average number of employees in the period January - December 2022 was 4444 (the corresponding period in 2021: 3616).

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

Basis of preparation

The Consolidated Financial Statements for the quarterly period January - September 2022 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 2021. 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 on the Company's website (www.koncar.hr).

Going concern assumption

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

Significant accounting policies

The Consolidated financial statements for the period January - December 2022 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 2021.

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

	31 December 2022	31 December 2021
	Voting rights (%)	Voting rights (%)
Consolidated subsidiaries registered in Croatia:		
KONČAR - Motors and Electrical Systems Ltd., Zagreb	100,00	100,00
KONČAR - Engineering 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 - Generators and Motors Ltd., Zagreb	100,00	100,00
KONČAR - Steel Structures Ltd., Zagreb	100,00	100,00
KONČAR - Switchgear Ltd.	100,00	100,00
KONČAR - Renewable Energy Sources Ltd., Zagreb	100,00	100,00
<i>Direct ownership</i>	91,25	91,25
<i>Indirect ownership</i>	8,75	8,75
KONČAR - Electric Vehicles Inc., Zagreb	75,04	75,04
KONČAR - Electronics and Informatics Ltd., Zagreb	100,00	97,64
KONČAR - Instrument Transformers Inc., Zagreb	99,77	99,77
KONČAR - Distribution and Special Transformers Inc., Zagreb	67,90	67,90
KONČAR - Investments Ltd., Zagreb	100,00	100,00
KONČAR - Digital Ltd., Zagreb	100,00	100,00
Consolidated indirectly owned companies registered in Croatia:		
<i>Advanced Energy Solutions Ltd., Zagreb (indirect ownership through the subsidiary KONČAR - Investments Ltd.)</i>	51,00	51,00
<i>Dalekovod d.d., Zagreb (indirect ownership through Advanced Energy Solutions Ltd.)</i>	75,16	-
<i>Proizvodnja MK d.o.o., Velika Gorica (indirect ownership through Dalekovod d.d.)</i>	100,00	-
<i>Proizvodnja OSO d.o.o., Velika Gorica (indirect ownership through Dalekovod d.d.)</i>	100,00	-
<i>Dalekovod Projekt d.o.o., Zagreb (indirect ownership through Dalekovod d.d.)</i>	100,00	-
<i>Dalekovod EMU d.o.o., Vela Luka (indirect ownership through Dalekovod d.d.)</i>	100,00	-
<i>EL-RA d.o.o., Vela Luka (indirect ownership through Dalekovod d.d.)</i>	100,00	-
<i>Dalekovod Adria d.o.o., Zagreb (indirect ownership through Dalekovod d.d.)</i>	100,00	-
<i>Cinčaonica usluge d.o.o. in liquidation, Dugo selo, (indirect ownership through Dalekovod d.d.)</i>	100,00	-
<i>Wind Farm Rust Ltd. (Indirect ownership through the subsidiary KONČAR – Renewable Energy Sources)</i>	100,00	100,00
<i>Solar power plant Deponija fosfogipsa d.o.o., Zagreb (indirect ownership through the subsidiary KONČAR - Renewable Energy Sources Ltd.)</i>	51,00	-
Consolidated indirectly owned companies not registered in Croatia:		
<i>Power Engineering Transformatory Sp. z o.o. (PET) Poznań, Poland (indirect ownership through the subsidiary KONČAR – Distribution and Special Transformers Inc.)</i>	100,00	100,00
<i>Dalekovod Mostar d.o.o., Mostar, Bosnia and Herzegovina (indirect ownership through Dalekovod d.d.)</i>	100,00	-
<i>Dalekovod Ljubljana d.o.o., Ljubljana, Slovenia (indirect ownership through Dalekovod d.d.)</i>	100,00	-
<i>Dalekovod Norge AS, Oslo, Norway (indirect ownership through Dalekovod d.d.)</i>	100,00	-
<i>Dalekovod Ukrajina d.o.o., Kiev, Ukraine (indirect ownership through Dalekovod d.d.)</i>	100,00	-
Indirectly owned companies not consolidated due to immateriality:		
<i>Konell Ltd., Sofia, Bulgaria (Indirect ownership through the subsidiary KONČAR – Electric Vehicles Ltd.)</i>	85,00	85,00

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:

	31 December 2022	31 December 2021
	Ownership share (%)	Ownership share (%)
KONČAR - Instrument Transformers Inc., Zagreb	61,97	61,97
KONČAR - Distribution and Special Transformers 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 boilers, 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 income by segment

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

	1 January 2022 - 31 December 2022	1 January 2021 - 31 December 2021
	HRK' 000	HRK' 000
Power generation	575.212	504.381
Power transmission and distribution	3.692.312	2.444.833
- transmission	1.458.607	789.879
- distribution	2.233.705	1.654.954
Rails solutions and infrastructure	892.885	633.444
- rail solutions	761.120	576.109
- construction and modernization of railway infrastructure	131.765	57.335
Digital solutions	59.105	29.667
Total reportable segments	5.219.515	3.612.325
Other	604.916	283.908
Total income from contracts with customers	5.824.431	3.896.233
Intercompany eliminations	(552.287)	(418.780)
Total income from contracts with customers	5.272.144	3.477.453
Affiliated companies	123.804	96.793
Unaffiliated companies	5.148.340	3.380.661
Total income from contracts with customers	5.272.144	3.477.453

Dalekovod Group accounts for 14.79 % (HRK 861.7 million) of the total sales income.

5. OTHER OPERATING INCOME AND EXPENSES

Other operating income amounts to HRK 170.17 million and relates to asset sale revenue, loss compensation income and a one-off effect of the transaction related to the share capital increase of Dalekovod.

6. CAPITALISED SALARY COSTS

In the period January - December 2022, the Group companies capitalised salaries in the total amount of HRK 10,348 thousand (net salaries in the amount of HRK 6,318 thousand, taxes, surcharges and salary contributions paid by the employee amounting to HRK 2,709 thousand, and salary contributions paid by the employer in the amount HRK 1,321 thousand).

7. EARNINGS PER SHARE

	1 January 2021 - 31 December 2022	1 January 2021 - 31 December 2021
	HRK' 000	HRK' 000
Profit for the year attributable to the owners	221.259	163.945
Weighted average number of shares	2.545.741	2.545.449
Basic and diluted earnings per share in HRK	86,91	64,41

8. NON-CURRENT TANGIBLE AND INTANGIBLE ASSETS

In the period January - December 2022, the Group procured assets in the amount of HRK 243,201 thousand (Jan-Dec 2021: HRK 113,336 thousand). Depreciation expenses in the period January - December 2022 amounted to HRK 127,378 thousand (Jan-Dec 2021: HRK 97,285 thousand).

9. INVENTORIES

In the period January - December 2022, the Group recognised value adjustment of inventories in the amount of HRK 24,855 thousand (Jan-Dec 2021: HRK 14,200 thousand).

10. EQUITY AND RESERVES

Share (registered) capital is determined in the nominal amount of HRK 1,208,895,930.00 (as at 31 December 2021: HRK 1,208,895,930.00) divided in 2,572,119 shares each in the nominal value of HRK 470.00. The Company's ordinary shares are listed on the Official Market of Zagreb Stock Exchange, identified by the symbol KOEI-R-A. As at 31 December 2022, the Company owned 25,979 treasury shares (as at 31 December 2021: 26,670 shares).

11. LIABILITIES UNDER LOANS

	31 December 2022	31 December 2021
	HRK' 000	HRK' 000
Liabilities under loans		
Non-current	179.831	100.912
Current	384.238	199.014
	564.069	299.926

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 HRK 155,953 thousand, while the current value of movable property on which a lien has been registered amounts to HRK 36,334 thousand.

Long-term bank borrowings mature as follows:

	31 December 2022
	HRK' 000
Within one year	391.772
In 1 to 2 years	26.957
In 2 to 5 years	72.119
More than 5 years	73.221
	564.069

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 - December 2022 the Group realised the total of HRK 1,456 million (Jan-Dec 2021: HRK 947 million) of sales income with state institutions and other companies where the State is a majority owner or has a significant influence, which mostly pertain to engineering services in the energy sector, rail vehicles and industrial electronics.

	31 December 2022	31 December 2021
	HRK' 000	HRK' 000
Receivables		
Affiliated companies	61.564	53.912
Joint ventures	2.135	1.660
	63.999	55.572
Liabilities		
Affiliated companies	69.569	13.192
Joint ventures	121	49
	69.527	13.241
	1 January 2022 -	1 January 2021 -
	31 December 2022	31 December 2021
	HRK' 000	HRK' 000
Sales income		
Affiliated companies	120.517	95.312
Joint ventures	3.287	1.481
	123.804	96.793
Operating expenses		
Affiliated companies	91.909	100.066
Joint ventures	303	217
	92.212	100.283

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 - December 2022 and as a result, those financial statements are appropriate for disclosure.

C 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 31 December 2022 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 ending 31 December 2022 gives a true and fair view of the company's business performance.

Signed on behalf of the Management Board:

Gordan Kolak
President of the Management Board



Josip Lasić
Member of the Management Board in charge of Finance



Zagreb, 28 February 2023



KONČAR

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