

Unaudited Business Results of KONČAR Group

Unaudited Consolidated Statements for KONČAR Group

January – March
2023



KONČAR
Inspired by challenge

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Key indicators

Export

+55.7%

Sales income

+46.2%

Backlog

+24%

EBITDA

-15.2%

Book-to-bill ratio

2.4

Net profit

-30.6%

*Compared to Q1 2022
Backlog compared to 31 December 2022*

Key indicators - normalized

EBITDA

+26.9%

EBITDA margin

-1.1 p.p.

EBIT

+18.3%

EBIT margin

-1.1 p.p.

Net profit

+15.7%

Net margin

-1.3 p.p.

Normalized data:

- Excluded income from:
- property sales
 - collection of damages
 - reservation balance
 - revenues from bargain purchases

Compared to 2022

A Statement of the Management Board

Statement by Gordan Kolak, M.Sc., President of the Management Board



KONČAR Group started a new business year on an impressive trajectory. Order intake in Q1 2023 amounts to EUR 404.7 million, representing a double-digit growth year-on-year. The record backlog reached EUR 1.2 billion, an upsurge of EUR 233.1 million compared to the balance at 2022 year-end. Such meaningful order intake upturn is an excellent foundation for further growth in the upcoming quarters.

Exceptionally strong performance was realized in the power transmission and distribution segment. We have recognized and leveraged growth opportunities stemming from rising demand for transformers, driven by the accelerating green transition. Customers, primarily in the demanding EU market, have recognized the quality and reliability of KONČAR solutions, and the reputation we have been consistently building over the years has resulted in record-high order intake. New order intake in the EU market is up by EUR 160.0 million year-on-year, which is accompanied by increasing order intake across all markets served.

The positive upward trajectory is supported by order intake growth and other key performance indicators. Consolidated income generated from the sales of products and services amounts to EUR 171.5 million, representing a year-on-year increase of EUR 54.2 million or 46.2%. In Q1 2023, the share of exports rose to account for 64% of the total sales income. Year-over-year, income from the sales of products and services in foreign markets expanded across all markets, with significant growth of income recorded in the EU market, where exports rose by EUR 30.8 million. Exports to the European Union countries amount to EUR 79.9 million or 73.2% of the total exports.

Despite strong expansion of sales income across all segments and all markets, pressures on profitability continued throughout Q1 2023. Surging prices of commodities, services and energy reflect on profit margins. Additionally, Q1 2022 was marked by significant one-off items (which we reported on last year), and profitability therefore must be observed on a normalized basis. Year-over-year, normalized EBITDA is EUR 2.8 million higher and amounts to EUR 13.5 million (Q1 2022: EUR 10.6 million). Normalized EBITDA margin is down by 1.1 percentage points and amounts to 7.9% (Q1 2022: 9.0%). The declining margins have, to some extent, been offset by efforts invested in negotiations with customers and suppliers, and by improved work efficiency and savings realized on other costs. Earnings before interest, taxes, depreciation and amortization (EBITDA) reduced by 15.2% compared to the same period last year. The reporting operating profit of EUR 10.7 million was achieved, down by EUR 4.3 million.

Although the prices of energy and raw materials have been stabilizing recently, and inflationary pressures have been easing, uncertainty continues, largely propelled by the on-going war in Ukraine. Financial stability and excellent order intake drive the further growth of operations, foster the continuing investment cycle, and make possible the implementation of KONČAR Group Integral Strategy.

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

A handwritten signature in blue ink, appearing to read 'G. Kolak', written in a cursive style.

KEY PERFORMANCE INDICATORS

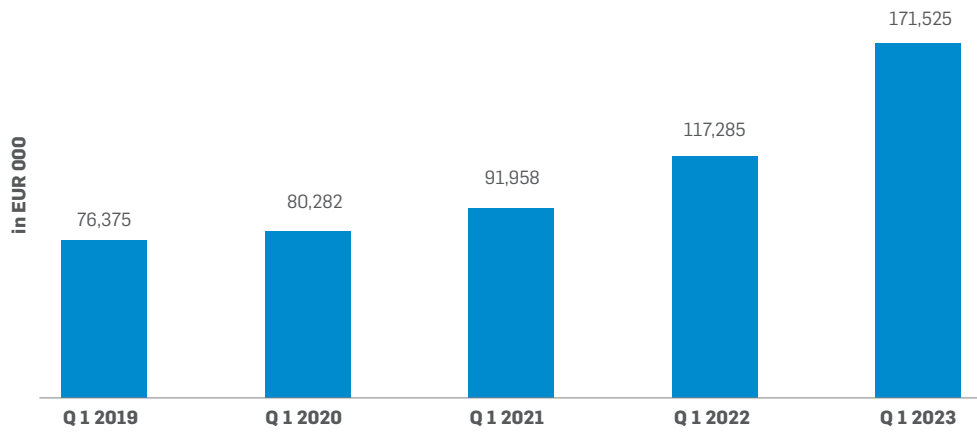
in EUR 000	Index			
	Q 1 2022	Q 1 2023	Δ	2023/2022
Operating income	126,549	175,971	49,422	139.1
Sales income- total	117,285	171,525	54,240	146.2
Sales income- export	70,089	109,100	39,011	155.7
Operating expenses	111,476	165,234	53,758	148.2
Operating profit	15,073	10,737	-4,336	71.2
Operating margin	12.9%	6.3%		
Normalized operating profit	7,212	8,534	1,322	118.3
Normalized operating margin	6.1%	5.0%		
Net profit	14,884	10,327	-4,557	69.4
Normalized net profit	7,023	8,124	1,101	115.7
Normalized net profit margin	6.0%	4.7%		
Depreciation and amortization	3,400	4,937	1,537	145.2
EBITDA	18,473	15,674	-2,799	84.8
EBITDA margin	15.8%	9.1%		
Normalized EBITDA ¹	10,612	13,471	2,859	126.9
Normalized EBITDA margin ¹	9.0%	7.9%		
Order intake	189,001	404,650	215,649	214.1
Backlog²	972,239	1,205,365	233,126	124.0
Book-to-bill ratio	1.6	2.4		

Normalized EBITDA¹: EBITDA less the net effect of provisions, asset sale income, loss compensation income, income from state aid and other income.

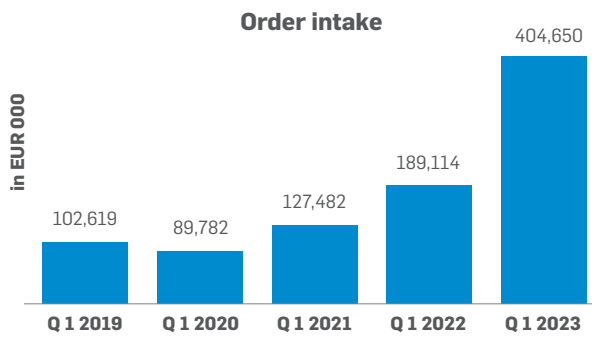
Backlog²: balance as at 31 December 2022



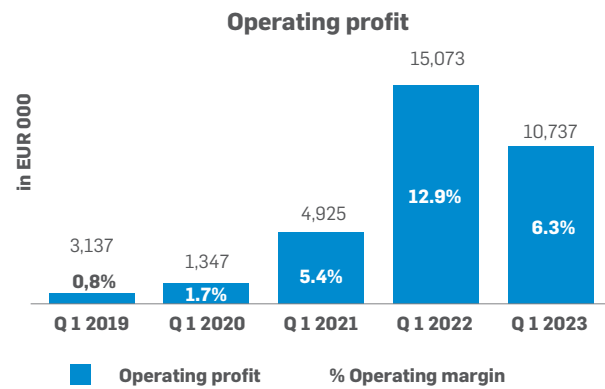
Sales income



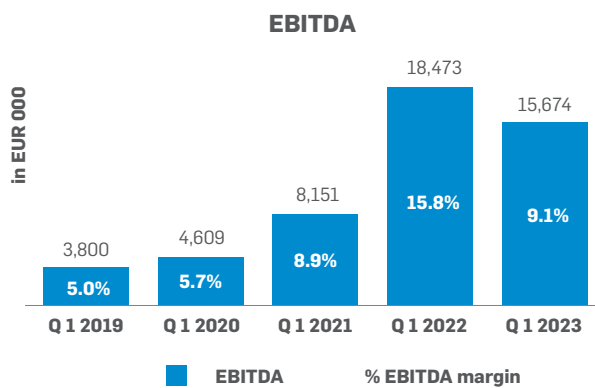
Order intake



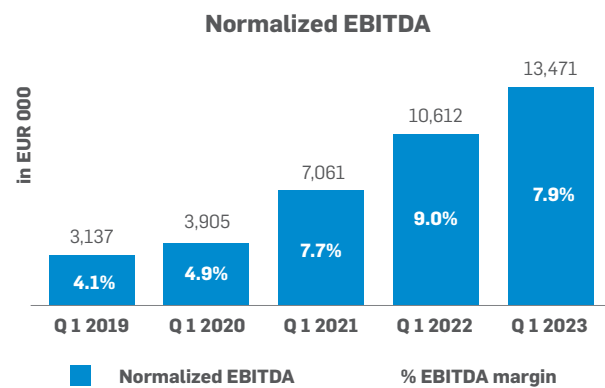
Operating profit



EBITDA



Normalized EBITDA



KEY INDICATORS OF KONČAR GROUP BUSINESS RESULTS FOR THE PERIOD JANUARY – MARCH 2023

Income Statement

For the period January-March 2023 KONČAR Group member companies realised total operating income in the amount of EUR 176.0 million, which represents an increase of EUR 49.2 million or 39.1% year-on-year. Income from the sales of products and services make up 97.5% of total operating income.

Consolidated income generated from the sales of products and services amounts to EUR 171.5 million, an increase of EUR 54.2 million or 46.2% compared to the first quarter of 2022.

Income generated in the domestic market amounts to EUR 62.4 million, which is EUR 15.2 million or 32.1% above income realised in the first quarter of 2022. Share of income realised on the domestic market in total income decreased to 36.4% for the reporting period.

In the structure of income from the sales of products and services in the domestic market, income from the sales of products and services to the HEP Group companies amounts to 20.9 million (12.2% of the total income from the sales of products and services).

Income from the sales of products and services to HŽ PP, HŽ Infrastructure and Rolling Stock Technical Services amounts to EUR 13.3 million (7.7% of the total income from the sales of products and services).

Income generated from the sales of products and services in foreign markets is above plan and actual income generated for the first quarter of 2022. Exports amount to EUR 109.1 million, which is 55.7% increase year-on-year.

Export sales account for 63.6% of total income from the sales of goods and services.

By country, the most significant export volume pertains to the German market, in the amount of EUR 18.6 million or 17.2% of total exports (an increase of EUR 4.4 million year-on-year). Goods and services exported to Sweden amount to EUR 18.0 million or 16.5% of the total exports, exports to Austria amount EUR 7.9 million or 7.2% of the total exports.

Year-over year, products and services exports income increased across all markets except Asia and Africa where actual income is by EUR 1.6 million lower. Significant income increase is achieved in the market of the European Union where export sales are higher by EUR 30.8 million. Exports to the European Union countries amount to EUR 79.9 million or 73.2% of the total exports.

in EUR 000	Q 1 2022	Q 1 2023	Δ	Index 2023/2022
OPERATING INCOME	126,549	175,971	49,422	139.1
OPERATING EXPENSES	111,476	165,235	53,759	148.2
Material costs and change in value of inventories	78,936	117,469	38,533	148.8
Staff costs	22,882	32,863	9,981	143.6
Depreciation and amortization	3,400	4,937	1,537	145.2
Other costs	6,089	9,894	3,805	162.5
Value adjustment of non-current and current assets	169	72	-97	42.6
OPERATING PROFIT	15,073	10,736	-4,337	71.2
SHARE IN PROFIT OD ASSOCIATED PARTIES	1,006	2,237	1,231	222.4
SHARE IN LOSS OD ASSOCIATED PARTIES	3	3	0	100.0
FINANCE INCOME	453	258	-195	57.0
FINANCE EXPENSES	251	1,199	948	477.7
TOTAL INCOME	128,008	178,466	50,458	139.4
TOTAL EXPENSES	111,730	166,437	54,707	149.0
Profit before taxation	16,278	12,029	-4,249	73.9
Income tax	1,394	1,702	308	122.1
PROFIT FOR THE PERIOD	14,884	10,327	-4,557	69.4

In the period from January to March 2023 order intake in foreign markets grew significantly, which created conditions for further export growth in the upcoming period.

Other operating income amounts to EUR 4.4 million, EUR 5.0 million lower than amount reported for the first quarter of 2022.

Operating expenses amount to EUR 165.2 million, representing a year-on-year increase of 47.8%. With reference to operating expenses, material costs (cost of raw materials and commodities, costs of goods sold and other external costs) amount to EUR 138.3 million and are EUR 46.6 million or 50.9% higher year-over-year. The share of material costs in sales income, adjusted for inventory value changes, amounts to 71.9%, representing an increase of 1.3 percentage points compared to the previous year.

Staff costs amount to EUR 32.9 million, representing a year-on-year increase of EUR 10.0 million or 43.5%. The share of staff costs in sales income amounts to 17.1%, representing a year-on-year decrease of 0.6 percentage points.

Other operating expenses amount to EUR 8.8 million, representing a year-on-year increase of EUR 2.9 million. Other operating expenses pertain to staff remuneration and other employees' rights amounting to EUR 4.4 million, and manufacturing services, intellectual services, insurance premiums and other, amounting to EUR 4.3 million. The share of other expenses in adjusted sales income is 0.1 percentage points lower compared to the same period in 2022.

Operating profit (EBIT) amounts to EUR 10.7 million, representing a decrease of EUR 4.3 million compared to 2022. Operating margin stands at 6.3%.

Normalized operating profit amounts to EUR 8.5 million, which is EUR 1.4 million rise year-over-year. Normalized EBIT margin is 5.0% which is a 1.1 percentage points below the prior year's amount (6.1% for the first quarter 2022).

Share in profit of equity accounted investees amounts to EUR 2.2 million.

The difference between finance income and expenses is negative, amounting to EUR 0.9 million.

Total consolidated income generated by the Group amounts to EUR 178.5 million, representing an increase of EUR 50.2 million or 39.1% year-over-year. Operating profit of EUR 10.7 million, share in the profit/loss equity accounted investees in the amount of EUR 2.2 million and a negative difference between finance income and expenses in the amount of EUR 0.9 million, result in consolidated profit before tax of EUR 12.0 million. Income tax advance amounts to EUR 1.7 million. The realized net profit for the reporting period stands at EUR 10.3 million. Consolidated result of the Group decreased by EUR 4.4 million compared to the same financial period of the last year.

Normalised net profit amounts to EUR 8.1 million which is higher by EUR 1.2 million or 17.2% compared to previous period.

EBITDA amounts to EUR 15.7 million, representing a year-on-year decrease of EUR 2.8 million compared to EBITDA for the first quarter of 2022. EBITDA margin is 9.1% (for the first quarter of 2022 it stood at 15.8%).

Normalized EBITDA amounts to EUR 13.5 million and is EUR 2.8 million or 26.8% 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 and increased by value adjustment of non-current and current assets. Normalized EBITDA margin was 7.9% (9.0% for the first quarter of 2022).

Statement of Financial position

in EUR 000	31 December 2022	31 March 2023	Δ
Loan liabilities to banks and other financial institutions	74,868	68,702	-6,166
Lease liabilities	5,233	4,657	-576
Loan liabilities to related parties (non-current)	47	47	0
Financial assets	2,916	2,963	47
Cash and cash equivalents	57,263	82,858	25,595
Net debt	19,969	-12,415	-32,384
Normalized EBITDA	60,581	58,076	-2,505
Net debt / normalizes EBITDA	0.3	n/a	

u 000 eura	31 December 2022	31 March 2023	Δ
Current assets	538,857	554,409	15,552
Current liabilities	285,264	303,086	17,822
Current ratio	1.9	1.8	

Summarised Statement of Financial position

in EUR 000	31 December 2022	31 March 2023	Δ
Non-current assets	262,541	282,847	20,306
Current assets	538,857	554,409	15,552
Assets	801,398	837,256	35,858
Capital and reserves	460,469	470,720	10,251
Long-term liabilities	55,665	63,450	7,785
Short-term liabilities	285,264	303,086	17,822
Total equity and liabilities	801,398	837,256	35,858

in EUR 000	31 December 2022	31 March 2023
Net debt	19,969	-12,415
Equity	460,469	470,720
Debt indicator	4.3%	n/a

Statement of Financial Position

Key indicators of the Statement of Financial Position as of March 31, 2023

Balance of total consolidated funds and sources of funding as of 31 March 2023 amounts to EUR 837.3 million, representing an increase of EUR 35.8 million or 4.5% compared to the balance as of 31 December 2022.

In the structure of funding, total non-current assets amount to EUR 282.9 million and 33.8% of total assets. In the structure of non-current assets, the most significant change occurred in intangible assets which increased by EUR 11.8 million and buildings which increased by EUR 8.6 million. The increase mostly relates to new laboratory and acquisition of the plant of KONČAR-Electrical equipment Ltd., Split. Assets under construction decreased by EUR 4 million (mostly due to start of use of the laboratory).

Current assets as of 31 March 2023 amount to EUR 539.7 million, which represents a rise of EUR 7.1 million in comparison with the position as at 31 December 2022. The increase is mostly due to increase of inventories in the amount of EUR 20.7 million. Due to increase of backlog, increased deliveries are expected and reflected in increased inventories, mostly work in progress (increase of EUR 14.7 million) and finished goods by EUR 6.7 million.

- Total current receivables decreased by EUR 39.2 million. Trade receivables and contract assets decreased by EUR 28.4 million. Dividend receivable decreased by EUR 5.0 million (dividend liability from an associate). Other receivables decreased by EUR 5.6 million.
- Balance of financial assets is similar to the amount at the end of year 2022.
- On Group level cash and cash equivalents increased by EUR 25.6 million. Increase in cash and cash equivalents mainly refers to collection of receivables from prior periods.

Sources of funding item records the following changes as of 31 March 2023:

- Capital, reserves and retained earnings amount to EUR 470.7 million, a rise of EUR 10.3 million compared to the balance as at 31 December 2022 due to retained earnings from 2022 and current period profit.
- Non - controlling (minority interest) amounts to EUR 100.4 million, which is a EUR 5.6 million increase in relation to 31 December 2022.
- Non - current provisions amount to EUR 27.0 million and are up by EUR 1.6 million compared to 2022 year-end.
- Non - current liabilities stand at EUR 36.5 million, representing an increase of EUR 6.2 million. The amount of liabilities towards long-term loans remains on the same level while other long-term liabilities increased by EUR 6.1 million (contingent consideration for acquired business).
- Current liabilities without accruals amount to EUR 275.6 million and are higher by EUR 18.9 million compared to the balance as at 31 December 2022.
- In the structure of current liabilities, significant changes pertain to advance payments received, which increased by EUR 26.1 million. Current liabilities toward banks decreased by EUR 3.3 million and trade payables also decreased by EUR 8.2 million.
- Accrued expenses and deferred income amount to EUR 27.5 million, representing a decrease of EUR 1.1 million.

In the structure of sources of funding, subscribed capital, reserves, retained earnings, current year profits and non-controlling (minority) interest amount to EUR 470.7 million, which accounts for 56.2% of the total sources of funding. Non-current provisions amount to EUR 27.0 million accounting for 3.2 percent of the total sources. Total non-current and current liabilities amount to EUR 312.1 million and account for 37.3% of the total sources.

In the structure of current liabilities, accounts payable in the amount of EUR 110.2 million make up 13.2% of the total sources. Total loans from banks (short-term and long-term) amount to EUR 80.6 million, or 9.6% of the total sources of funding.

Contingent liabilities (off-balance sheet items) as of March 31, 2023, amount to EUR 606.1 million, representing decrease of EUR 691.9 million compared to the balance as at 31 December 2022. Contingent liabilities refer to issued payment security instruments (warranty, guarantees, debentures).

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

Market position

Consolidated income generated from the sales of products and services amounts to EUR 171.5 million, representing a year-on-year increase of EUR 54.2 million or 46.2%.

Income generated in the domestic market amounts to EUR 62.4 million, which is EUR 15.2 million or 32.1% growth year-on-year. Sales in the domestic market account for 36.4% 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) amounts to EUR 20.9 million (12.2% of the total income from the sales of products and services).

Income from the sales of products and services to HŽ Passenger Transport, HŽ Infrastructure and Rolling Stock Technical Services amounts to EUR 13.3 million (7.7% of the total income generated from sales).

Income generated from the sales of products and services in foreign markets is above plan and actual income for the first quarter of 2022. Exports sales amount to EUR 109.1 million which is 55.7% higher than sales generated in the first quarter of 2022. Export sales account for 63.6% of the total product and service sales income.

By country, the most significant export volume pertains to the German market, in the amount of EUR 18.6 million, accounting for 17.2% of the total exports (an increase of EUR 4.4 million year-on-year). Goods and services exported to Sweden amount to EUR 18.0 million (16.5% of the total exports), exports to Austria amount to EUR 7.9 million (7.2% of the total exports).

Year-over-year, product and service export income increased across all markets except for export to Asia and Africa where export sales decreased by EUR 1.6 million. The most significant growth in exports was realised in the EU market where exports increased by EUR 30.8 million. Exports to the European Union countries amount to EUR 79.9 million or 73.2% of the total exports.

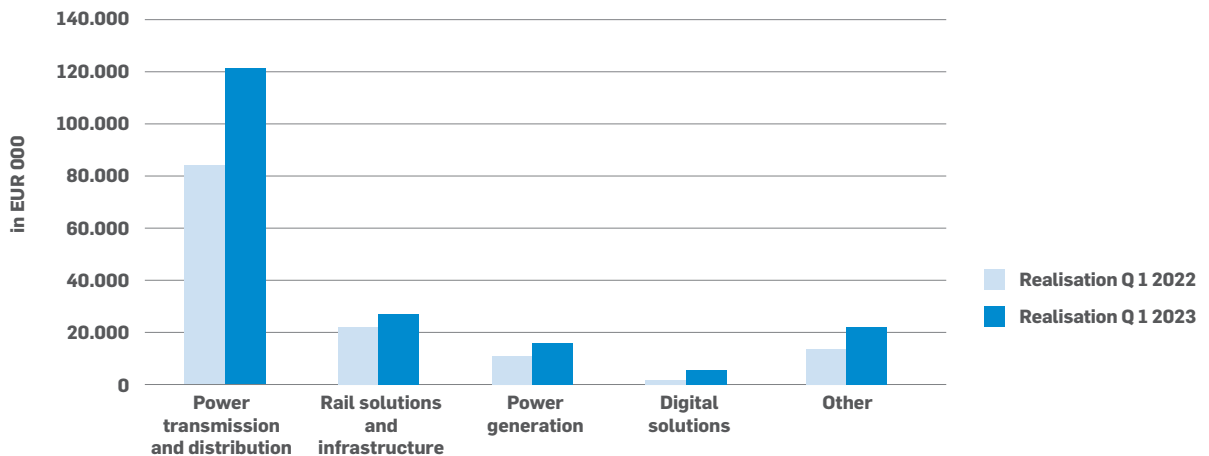
In the first quarter of 2023, order intake in foreign markets grew significantly, which created conditions for further export growth in the upcoming period.



Income by segments

in EUR 000

Segment	Q 1 2022	Share in total	Q 1 2023	Share in total
Power generation	10,576	8.2	16,044	8.4
Power transmission and distribution	84,103	65.1	121,609	63.8
Transmission	32,202	24.9	41,509	21.8
Distribution	51,901	40.2	80,100	42.0
Rails solutions and infrastructure	21,256	16.5	26,729	14.0
Railway vehicles	20,165	15.6	23,710	12.4
Construction and modernization of railway infrastructure	1,122	0.9	3,019	1.6
Digital solutions	885	0.7	4,628	2.4
Other	12,258	9.5	21,520	11.3
Total Sales Income Unconsolidated	129,108	100	190,530	100.0
Intercompany eliminations	11,823		19,005	
Total Sales Income Consolidated	117,285	166	171,525	165.4



Order intake and backlog

In the period January to March 2023, KONČAR Group companies contracted new projects worth EUR 404.7 million. Compared to the previous year, the value of order intake rose by EUR 215.6 million.

Book-to bill ratio for the first quarter of 2023 is 2.4.

Significant increase of orders intake compared to the planned was realized in the area of Power transmission and distribution especially in the companies producing transformers program.

Out of the total amount of order intake, EUR 335.6 million (83% of the total order intake) pertains to export agreements, whereas EUR 69.0 million (17% of the total order intake) pertains to the Croatian market. It should be noted that book-to bill ratio in exports amounts to 3.1.

In terms of order intake in the domestic market, the most significant volume in the amount of EUR 19.7 million pertains to the agreements with HEP Group (HEP - Generation, HEP - Distribution System Operator, HEP Transmission System Operator). HEP accounts for 4.9% of the total order intake.

Two significant agreements in the domestic market include the agreement with Strabag in the amount of EUR 8.7 million (railway reconstruction project Hrvatski Leskovac-Karlovac) and the tramway maintenance and service agreement with Zagrebački holding (Zagreb holding) in the amount of EUR 3.3 million.

In 2022, order intake in the foreign markets amounted to EUR 335.6 million.

Of the total order intake in foreign markets, the majority pertains to the European Union countries, amounting to EUR 265.7 million, which is EUR 160.0 million more than contracted in the same period 2022. The EU market accounts for 79.1% of the total order intake. There is an upturn in order intake across all markets year-over-year.

Broken down by countries, the most significant order intake volume pertains to the German market, in the amount of EUR 62.6 million and Austria market, EUR 42.5 million.

In terms of delivery dynamics, EUR 210.0 million was contracted to be realised in 2023, which accounts for 52% of the order intake, and EUR 194.6 million (48%) was contracted for realisation in the upcoming years.

The value of order intake (backlog) as at 31 March 2023 amounts to EUR 1,205.4 million, representing a 24% rise compared to the value at the year-start. Backlog at the end Q1 2023 is higher by EUR 469.0 million year-on-year (EUR 736.4 million as at 31 March 2022).

In the balance of open liabilities, orders for realisation in 2023 amount to EUR 726.6 million, which represents a full realisation of the 2023 sales income plan.

Information for Shareholders

KOEI-R-A	31.3.2022	31.3.2023	Index
Final price (EUR)	118,18	127,00	107.5
Highest price (EUR)	130,13	137,00	105.3
Lowest price (EUR)	109,55	115,00	105.0
Volume	23,449	14,955	63.8
Turnover (EUR)	2,782,015,00	1,896,387,00	68.2
Market capitalisation (EUR)	300,816,578,14	323,359,780,00	107.5
EPS (EUR) (profit of the parent company/weighted average number of shares)	5.14	2.93	57.0

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).

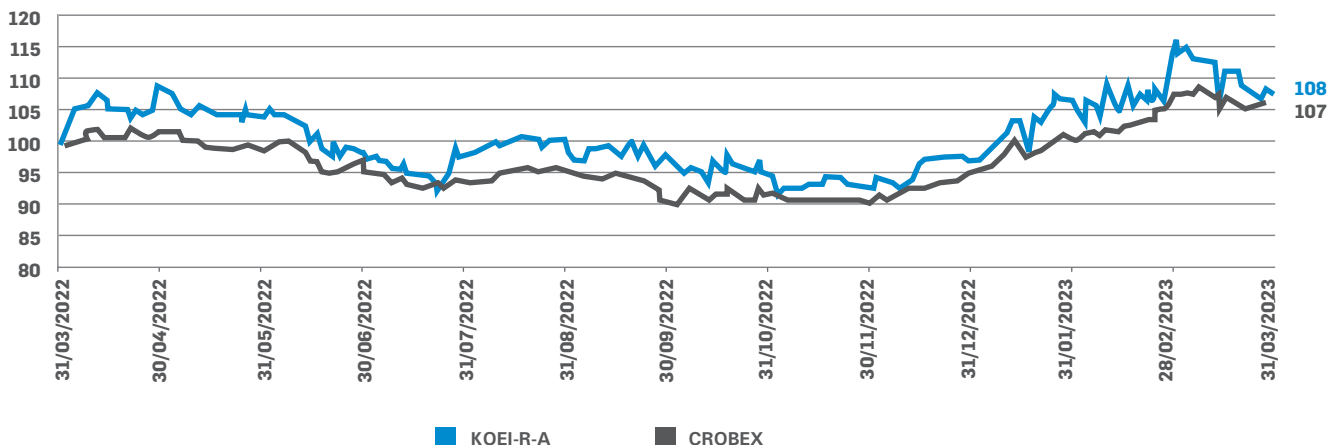
The Company's share capital amounts to EUR 160,448,062.91 and is divided into 2,572,119 ordinary shares with a nominal value of EUR 62.38.

Earnings per share amount to EUR 2.93, based on the Q1 results.

Market capitalisation amounts to EUR 323.4 million, representing a growth of EUR 22.6 million year-on-year.

The General Assembly of the Shareholders of KONČAR – Electrical Industry Inc. will be held on 13 June 2023. Management and Supervisory board suggested the General Assembly distribution dividends to the Company's Shareholders in the amount of EUR 2.0 per share.

Kretanje indeksa cijene dionice KOEI i vrijednosti CROBEX-a



B Unaudited consolidated financial statements of KONČA Group for the period January – March 2023

Annex 1

ISSUER'S GENERAL DATA

Reporting period:	01/01/2023	to	31/03/2023
Year:	2023	Quarter:	1

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:	74780000HOSHMRAWO115
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):	4845		
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 31.03.2023

in EUR

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	262,540,875	282,846,656
I INTANGIBLE ASSETS (ADP 004 to 009)	003	11,794,794	23,633,775
1 Research and development	004	2,931,309	3,176,033
2 Concessions, patents, licences, trademarks, software and other rights	005	3,456,994	3,401,729
3, Goodwill	006	1,135,920	12,964,135
4 Advances for the purchase of intangible assets	007	0	0
5 Intangible assets in preparation	008	4,267,838	4,089,487
6 Other intangible assets	009	2,733	2,391
II TANGIBLE ASSETS (ADP 011 to 019)	010	202,746,228	207,390,746
1 Land	011	39,517,143	40,264,231
2 Buildings	012	63,068,977	71,451,044
3 Plant and equipment	013	53,837,485	53,434,088
4 Tools, working inventory and transportation assets	014	12,015,966	12,263,977
5 Biological assets	015	0	0
6 Advances for the purchase of tangible assets	016	6,588,811	6,970,412
7 Tangible assets in preparation	017	11,165,793	7,147,280
8 Other tangible assets	018	316,047	315,964
9 Investment property	019	16,236,006	15,543,750
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	35,453,356	36,808,351
1 Investments in holdings (shares) of undertakings within the group	021	10,921	8,269
2 Investments in other securities of undertakings within the group	022	0	0
3 Loans, deposits, etc, to undertakings within the group	023	0	0
4 Investments in holdings (shares) of companies linked by virtue of participating interests	024	29,022,513	31,157,583
5 Investment in other securities of companies linked by virtue of participating interests	025	0	0
6 Loans, deposits etc, to companies linked by virtue of participating interests	026	0	0
7 Investments in securities	027	322,839	403,453
8 Loans, deposits, etc, given	028	2,242,527	1,282,844
9 Other investments accounted for using the equity method	029	3,100,603	3,199,388
10 Other fixed financial assets	030	753,953	756,814
IV RECEIVABLES (ADP 032 to 035)	031	6,319,888	8,903,856
1 Receivables from undertakings within the group	032	0	0
2 Receivables from companies linked by virtue of participating interests	033	0	0
3 Customer receivables	034	1,582,841	1,976,800
4 Other receivables	035	4,737,047	6,927,056
V DEFERRED TAX ASSETS	036	6,226,609	6,109,928
C) CURRENT ASSETS (ADP 038+046+053+063)	037	532,673,104	539,726,903
I INVENTORIES (ADP 039 to 045)	038	191,523,077	212,246,934
1 Raw materials and consumables	039	114,009,424	113,937,176
2 Work in progress	040	41,355,158	55,459,148
3 Finished goods	041	24,260,460	30,992,323
4 Merchandise	042	806,136	2,039,534
5 Advances for inventories	043	9,026,043	7,752,908
6 Fixed assets held for sale	044	2,065,856	2,065,845
7 Biological assets	045	0	0

BALANCE SHEET

balance as at 31.03.2023

in EUR

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)			
II RECEIVABLES (ADP 047 to 052)	046	280,904,899	241,658,211
1 Receivables from undertakings within the group	047	0	0
2 Receivables from companies linked by virtue of participating interests	048	8,458,383	5,133,164
3 Customer receivables	049	237,067,484	206,925,183
4 Receivables from employees and members of the undertaking	050	81,354	206,533
5 Receivables from government and other institutions	051	9,817,351	9,547,536
6 Other receivables	052	25,480,327	19,845,795
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)			
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)	053	2,982,425	2,963,545
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	2,078,807	2,216,813
9 Other financial assets	062	903,618	746,732
IV CASH AT BANK AND IN HAND	063	57,262,703	82,858,213
D) PREPAID EXPENSES AND ACCRUED INCOME	064	6,184,248	14,682,146
E) TOTAL ASSETS (ADP 001+002+037+064)	065	801,398,227	837,255,705
OFF-BALANCE SHEET ITEMS			
	066	606,800,054	606,108,120
LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to 070+076+077+081+084+087)			
A) CAPITAL AND RESERVES (ADP 068 to 070+076+077+081+084+087)	067	460,468,534	470,719,746
I INITIAL (SUBSCRIBED) CAPITAL	068	160,448,063	160,448,063
II CAPITAL RESERVES	069	95,505	95,505
III RESERVES FROM PROFIT (ADP 071+072-073+074+075)	070	111,871,146	112,063,797
1 Legal reserves	071	9,662,202	9,676,559
2 Reserves for treasury shares	072	4,526,798	4,526,798
3 Treasury shares and holdings (deductible item)	073	-2,051,700	-2,051,700
4 Statutory reserves	074	67,872,168	67,872,171
5 Other reserves	075	31,861,678	32,039,969
IV REVALUATION RESERVES	076	0	0
V FAIR VALUE RESERVES AND OTHER (ADP 078 to 082)	077	-29,495	97,207
1 Financial assets at fair value through other comprehensive income (i.e, available for sale)	078	0	0
2 Cash flow hedge - effective portion	079	0	0
3 Hedge of a net investment in a foreign operation - effective portion	080	0	0
4 Other fair value reserves	081	-13,351	0
5 Exchange differences arising from the translation of foreign operations (consolidation)	082	-16,144	97,207
VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 084-085)	083	58,812,800	90,197,385
1 Retained profit	084	58,812,800	90,197,385
2 Loss brought forward	085	0	0
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 087-088)	086	34,568,528	7,465,795
1 Profit for the business year	087	34,568,528	7,465,795
2 Loss for the business year	088	0	0
VIII MINORITY (NON-CONTROLLING) INTEREST	089	94,701,987	100,351,994

BALANCE SHEET

balance as at 31.03.2023

in EUR

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	25,364,022	26,986,705
1 Provisions for pensions, termination benefits and similar obligations	091	4,781,289	5,545,609
2 Provisions for tax liabilities	092	0	40,360
3 Provisions for ongoing legal cases	093	3,402,745	2,941,473
4 Provisions for renewal of natural resources	094	837,337	837,337
5 Provisions for warranty obligations	095	16,302,287	17,260,662
6 Other provisions	096	40,364	361,264
C) LONG-TERM LIABILITIES (ADP 098 to 108)	097	30,301,402	36,463,609
1 Liabilities to undertakings within the group	098	0	0
2 Liabilities for loans, deposits, etc, of undertakings within the group	099	0	0
3 Liabilities to companies linked by virtue of participating interests	100	0	0
4 Liabilities for loans, deposits etc, of companies linked by virtue of participating interests	101	0	0
5 Liabilities for loans, deposits etc,	102	46,453	46,453
6 Liabilities to banks and other financial institutions	103	22,533,270	22,991,145
7 Liabilities for advance payments	104	0	0
8 Liabilities to suppliers	105	0	0
9 Liabilities for securities	106	1,540,381	1,540,442
10 Other long-term liabilities	107	3,755,328	9,462,972
11 Deferred tax liability	108	2,425,970	2,422,597
D) SHORT-TERM LIABILITIES (ADP 110 to 123)	109	259,980,794	275,592,603
1 Liabilities to undertakings within the group	110	0	0
2 Liabilities for loans, deposits, etc, of undertakings within the group	111	0	0
3 Liabilities to companies linked by virtue of participating interests	112	9,390,355	6,015,824
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	14,600
6 Liabilities to banks and other financial institutions	115	52,334,533	45,710,522
7 Liabilities for advance payments	116	45,502,012	71,589,858
8 Liabilities to suppliers	117	110,720,056	106,460,285
9 Liabilities for securities	118	187,537	0
10 Liabilities to employees	119	9,213,419	10,938,283
11 Taxes, contributions and similar liabilities	120	17,022,118	14,901,302
12 Liabilities arising from the share in the result	121	97,265	93,688
13 Liabilities arising from fixed assets held for sale	122	119,185	119,233
14 Other short-term liabilities	123	15,394,314	19,749,008
E) ACCRUALS AND DEFERRED INCOME	124	25,283,483	27,493,042
F) TOTAL – LIABILITIES (ADP 067+090+097+109+124)	125	801,398,235	837,255,705
G) OFF-BALANCE SHEET ITEMS	126	606,800,054	606,108,120

STATEMENT OF PROFIT OR LOSS for the period 01.01.2023 to 31.03.2023

in EUR

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	126,549,118	126,549,118	175,970,801	175,970,801
1 Income from sales with undertakings within the group	002	0	0	0	0
2 Income from sales (outside group)	003	117,285,066	117,285,066	171,525,781	171,525,781
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	9,264,052	9,264,052	4,445,020	4,445,020
II OPERATING EXPENSES (ADP 08+009+013+017+018+019+022+029)	007	111,475,864	111,475,864	165,234,615	165,234,615
1 Changes in inventories of work in progress and finished goods	008	-12,651,676	-12,651,676	-20,804,797	-20,804,797
2 Material costs (ADP 010 to 012)	009	91,587,027	91,587,027	138,274,335	138,274,335
a) Costs of raw materials and consumables	010	80,855,864	80,855,864	111,695,366	111,695,366
b) Costs of goods sold	011	2,161,068	2,161,068	9,363,963	9,363,963
c) Other external costs	012	8,570,095	8,570,095	17,215,006	17,215,006
3 Staff costs (ADP 014 to 016)	013	22,882,893	22,882,893	32,861,891	32,861,891
a) Net salaries and wages	014	14,009,698	14,009,698	20,450,237	20,450,237
b) Tax and contributions from salary costs	015	5,816,057	5,816,057	8,342,608	8,342,608
c) Contributions on salaries	016	3,057,138	3,057,138	4,069,046	4,069,046
4 Depreciation	017	3,400,046	3,400,046	4,936,966	4,936,966
5 Other costs	018	5,806,369	5,806,369	8,771,128	8,771,128
6 Value adjustments (ADP 020+021)	019	169,240	169,240	71,680	71,680
a) fixed assets other than financial assets	020	0	0	0	0
b) current assets other than financial assets	021	169,240	169,240	71,680	71,680
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	281,965	281,965	1,123,412	1,123,412
III FINANCIAL INCOME (ADP 031 to 040)	030	452,118	452,118	258,646	258,646
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	75,329	75,329	23,210	23,210
7 Other interest income	037	162,252	162,252	135,106	135,106
8 Exchange rate differences and other financial income	038	149,206	149,206	115	115
9 Unrealised gains (income) from financial assets	039	25,310	25,310	84,417	84,417
10 Other financial income	040	40,021	40,021	15,798	15,798
IV FINANCIAL EXPENSES (ADP 042 to 048)	041	250,624	250,624	1,199,595	1,199,595
1 Interest expenses and similar expenses with undertakings within the group	042	0	0	0	0
2. Tečajne razlike i drugi rashodi s poduzetnicima unutar grupe	043	0	0	0	0

STATEMENT OF PROFIT OR LOSS for the period 01.01.2023 to 31.03.2023

in EUR

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	240,149	240,149	607,201	607,201
4 Exchange rate differences and other expenses	045	0	0	591,392	591,392
5 Unrealised losses (expenses) from financial assets	046	0	0	0	0
6 Value adjustments of financial assets (net)	047	0	0	0	0
7 Other financial expenses	048	10,475	10,475	1,002	1,002
V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VIRTUE OF PARTICIPATING INTERESTS	049	873,582	873,582	2,135,070	2,135,070
VI SHARE IN PROFIT FROM JOINT VENTURES	050	132,140	132,140	101,858	101,858
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	3,070	3,070	3,073	3,073
IX TOTAL INCOME (ADP 001+030+049 +050)	053	128,006,958	128,006,958	178,466,375	178,466,375
X TOTAL EXPENDITURE (ADP 007+041+051 + 052)	054	111,729,558	111,729,558	166,437,283	166,437,283
XI PRE-TAX PROFIT OR LOSS (ADP 053-054)	055	16,277,400	16,277,400	12,029,092	12,029,092
1 Pre-tax profit (ADP 053-054)	056	16,277,400	16,277,400	12,029,092	12,029,092
2 Pre-tax loss (ADP 054-053)	057	0	0	0	0
XII INCOME TAX	058	1,393,895	1,393,895	1,702,185	1,702,185
XIII. DOBIT ILI GUBITAK RAZDOBLJA (AOP 055-059)	059	14,883,505	14,883,505	10,326,907	10,326,907
1. Dobit razdoblja (AOP 055-059)	060	14,883,505	14,883,505	10,326,907	10,326,907
2. Gubitak razdoblja (AOP 059-055)	061	0	0	0	0
DISCONTINUED OPERATIONS (to be filled in by undertakings subject to IFRS only with discontinued operations)					
XIV PRE-TAX PROFIT OR LOSS OF DISCONTINUED OPERATIONS (ADP 063-064)	062	0	0	0	0
1 Pre-tax profit from discontinued operations	063	0	0	0	0
2 Pre-tax loss on discontinued operations	064	0	0	0	0
XV INCOME TAX OF DISCONTINUED OPERATIONS	065	0	0	0	0
1 Discontinued operations profit for the period (ADP 062-065)	066	0	0	0	0
2 Discontinued operations loss for the period (ADP 065-062)	067	0	0	0	0
TOTAL OPERATIONS (to be filled in only by undertakings subject to IFRS with discontinued operations)					
XVI PRE-TAX PROFIT OR LOSS (ADP 055-+062)	068	0	0	0	0
1 Pre-tax profit (ADP 068)	069	0	0	0	0
2 Pre-tax loss (ADP 068)	070	0	0	0	0
XVII INCOME TAX (ADP 058+065)	071	0	0	0	0
XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 068-071)	072	0	0	0	0
1 Profit for the period (ADP 068-071)	073	0	0	0	0
2 Loss for the period (ADP 071-068)	074	0	0	0	0
APPENDIX to the P&L (to be filled in by undertakings that draw up consolidated annual financial statements)					
XIX PROFIT OR LOSS FOR THE PERIOD (AOP 076+077)	075	14,883,505	14,883,505	10,326,907	10,326,907
1 Attributable to owners of the parent	076	13,071,740	13,071,740	7,465,795	7,465,795
2 Attributable to minority (non-controlling) interest	077	1,811,765	1,811,765	2,861,112	2,861,112
STATEMENT OF OTHER COMPREHENSIVE INCOME (to be filled in by undertakings subject to IFRS)					
I PROFIT OR LOSS FOR THE PERIOD	078	14,883,505	14,883,505	10,326,907	10,326,907
II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 80+ 87)	079	-185,386	-185,386	202,438	202,438
III Items that will not be reclassified to profit or loss (ADP 081 to 085)	080	0	0	0	0
1 Changes in revaluation reserves of fixed tangible and intangible assets	081	0	0	0	0

STATEMENT OF PROFIT OR LOSS for the period 01.01.2023 to 31.03.2023

in EUR

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	-185,386	-185,386	202,438	202,438
1 Exchange rate differences from translation of foreign operations	088	-185,386	-185,386	202,438	202,438
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	-185,386	-185,386	202,438	202,438
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 078+097)	098	14,698,119	14,698,119	10,529,345	10,529,345
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	14,698,119	14,698,119	10,529,345	10,529,345
1 Attributable to owners of the parent	100	12,973,986	12,973,986	7,572,540	7,572,540
2 Attributable to minority (non-controlling) interest	101	1,724,133	1,724,133	2,956,805	2,956,805

STATEMENT OF CASH FLOWS - direct method for the period 01.01.2023 to 31.03.2023

in EUR

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	127,840,720	239,139,372
2 Cash receipts from royalties, fees, commissions and other revenue	002	0	0
3 Cash receipts from insurance premiums	003	290,723	117,416
4 Cash receipts from tax refund	004	4,508,603	6,366,454
5 Other cash receipts from operating activities	005	1,216,638	2,382,477
I Total cash receipts from operating activities (ADP 001 to 005)	006	133,856,684	248,005,719
1 Cash payments to suppliers	007	-96,913,361	-150,655,481
2 Cash payments to employees	008	-21,985,769	-33,829,104
3 Cash payments for insurance premiums	009	-328,164	-312,292
4 Interest paid	010	-106,129	-327,428
5 Income tax paid	011	-544,680	-1,488,163
6 Other cash payments from operating activities	012	-7,444,221	-18,392,832
II Total cash payments from operating activities (ADP 007 to 012)	013	-127,322,324	-205,005,300
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 006 + 013)	014	6,534,360	43,000,419
Cash flow from investment activities			
1 Cash receipts from sales of fixed tangible and intangible assets	015	1,031,978	91,505
2 Cash receipts from sales of financial instruments	016	0	0
3 Interest received	017	284,275	15,486
4 Dividends received	018	4,613,817	5,065,285
5 Cash receipts from the repayment of loans and deposits	019	4,100	1,597
6 Other cash receipts from investment activities	020	15,112,361	0
III Total cash receipts from investment activities (ADP 015 to 020)	021	21,046,531	5,173,873
1 Cash payments for the purchase of fixed tangible and intangible assets	022	-3,999,111	-5,244,480
2 Cash payments for the acquisition of financial instruments	023	-213,260	-5,839,804
3 Cash payments for loans and deposits	024	-503,014	-195,950
4 Acquisition of a subsidiary, net of cash acquired	025	-41,122,523	0
5 Other cash payments from investment activities	026	-239	0
IV Total cash payments from investment activities (ADP 022 to 026)	027	-45,838,147	-11,280,234
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 021 + 027)	028	-24,791,616	-6,106,361
Cash flow from financing activities			
1 Cash receipts from the increase in initial (subscribed) capital	029	0	0
2 Cash receipts from the issue of equity financial instruments and debt financial instruments	030	0	0
3 Cash receipts from credit principals, loans and other borrowings	031	48,136,725	2,180,403
4 Other cash receipts from financing activities	032	21,067	324,518
V Total cash receipts from financing activities (ADP 029 to 032)	033	48,157,792	2,504,921
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	034	-6,567,731	-11,295,901
2 Cash payments for dividends	035	-1,945	-3,576
3 Cash payments for finance lease	036	-21,157	-386,594
4 Cash payments for the redemption of treasury shares and decrease in initial (subscribed) capital	037	0	0
5 Other cash payments from financing activities	038	-155,327	-1,979,283
VI Total cash payments from financing activities (ADP 034 to 038)	039	-6,746,160	-13,665,354
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 033 + 039)	040	41,411,632	-11,160,433
1 Unrealised exchange rate differences in respect of cash and cash equivalents	041	169,640	-138,115
D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 014 + 028 + 040 + 041)	042	23,324,016	25,595,510
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	043	56,222,556	57,262,703
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (042+043)	044	79,546,572	82,858,213

STATEMENT OF CHANGES IN EQUITY

for the period from 01.01.2023 to 31.03.2023

B Unaudited consolidated financial statements of KONČAR Group for the period January - March 2023

in EUR

Item	AOP code	Attributable to owners of the parent																Minority (non-controlling) interest	Total capital and reserves
		Initial (subscribed) capital	Capital reserves	Legal reserves	Reserves for treasury shares	Treasury shares and holdings (deductible item)	Statutory reserves	Other reserves	Re-valuation reserves	Fair value of financial assets through other comprehensive income (available for sale)	Cash flow hedge - effective portion	Hedge of a net investment in a foreign operation - effective portion	Other fair value reserves	Exchange rate differences from translation of foreign operations	Retained profit / loss brought forward	Profit/loss for the business year	Total attributable to owners of the parent		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18 (3 to 6 - 7 + 8 to 17)	19	20 (18+19)
Previous period																			
1 Balance on the first day of the previous business year	01	160,448,063	95,505	9,326,668	4,581,370	2,106,272	63,724,452	31,359,234	0	0	0	0	0	-15,218	46,344,816	21,759,267	335,517,885	41,862,190	377,380,075
2 Changes in accounting policies	02	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 Correction of errors	03	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4 Balance on the first day of the previous business year (restated) (ADP 01 to 03)	04	160,448,063	95,505	9,326,668	4,581,370	2,106,272	63,724,452	31,359,234	0	0	0	0	0	-15,218	46,344,816	21,759,267	335,517,885	41,862,190	377,380,075
5 Profit/loss of the period	05	0	0	0	0	0	0	0	0	0	0	0	0	0	0	34,568,528	34,568,528	14,578,442	49,146,970
6 Exchange rate differences from translation of foreign operations	06	0	0	0	0	0	0	0	0	0	0	0	-13,351	-926	0	0	-14,277	-11,165	-25,442
7 Changes in revaluation reserves of fixed tangible and intangible assets	07	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8 Gains or losses from subsequent measurement of financial assets at fair value through other comprehensive income (available for sale)	08	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9 Profit or loss arising from effective cash flow hedge	09	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10 Profit or loss arising from effective hedge of a net investment in a foreign operation	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11 Share in other comprehensive income/loss of companies linked by virtue of participating interests	11	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12 Actuarial gains/losses on the defined benefit obligation	12	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13 Other changes in equity unrelated to owners	13	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	41,278,579	41,278,579
14 Tax on transactions recognised directly in equity	14	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15 Decrease in initial (subscribed) capital (other than arising from the pre-bankruptcy settlement procedure or from the reinvestment of profit)	15	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16 Decrease in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	16	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17 Decrease in initial (subscribed) capital arising from the reinvestment of profit	17	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18 Redemption of treasury shares/holdings	18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19 Payments from members/shareholders	19	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20 Payment of share in profit/dividend	20	0	0	0	0	0	0	0	0	0	0	0	0	0	-4,391,909	0	-4,391,909	-2,793,210	-7,185,119
21 Other distributions and payments to members/shareholders	21	0	0	0	-54,572	-54,572	0	-37,222	0	0	0	0	0	0	87,540	0	50,318	-212,849	-162,531
22 Transfer to reserves according to the annual schedule	22	0	0	299,534	0	0	4,147,716	539,666	0	0	0	0	0	0	16,772,353	-21,759,267	2	0	2
23 Increase in reserves arising from the pre-bankruptcy settlement procedure	23	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24 Balance on the last day of the previous business year reporting period (ADP 04 to 23)	24	160,448,063	95,505	9,626,202	4,526,798	2,051,700	67,872,168	31,861,678	0	0	0	0	-13,351	-16,144	58,812,800	34,568,528	365,730,547	94,701,987	460,432,534
APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)																			
I OTHER COMPREHENSIVE INCOME OF THE PREVIOUS PERIOD, NET OF TAX (ADP 06 to 14)	25	0	0	0	0	0	0	0	0	0	0	0	-13,351	-926	0	0	-14,277	41,267,414	41,253,137
II COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP 05+25)	26	0	0	0	0	0	0	0	0	0	0	0	-13,351	-926	0	34,568,528	34,554,251	55,845,856	90,400,107
III TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 23)	27	0	0	299,534	-54,572	-54,572	4,147,716	502,444	0	0	0	0	0	0	12,467,984	-21,759,267	-4,341,589	-3,006,059	-7,347,648

STATEMENT OF CHANGES IN EQUITY

for the period from 01.01.2023 to 31.03.2023

B Unaudited consolidated financial statements of KONČAR Group for the period January - March 2023

in EUR

Item	AOP code	Attributable to owners of the parent																Minority (non-controlling) interest	Total capital and reserves
		Initial (subscribed) capital	Capital reserves	Legal reserves	Reserves for treasury shares	Treasury shares and holdings (deductible item)	Statutory reserves	Other reserves	Re-valuation reserves	Fair value of financial assets through other comprehensive income (available for sale)	Cash flow hedge - effective portion	Hedge of a net investment in a foreign operation - effective portion	Other fair value reserves	Exchange rate differences from translation of foreign operations	Retained profit / loss brought forward	Profit/loss for the business year	Total attributable to owners of the parent		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18 (3 to 6 - 7 + 8 to 17)	19	20 (18+19)
Current period																			
1 Balance on the first day of the previous business year	28	160,448,063	95,505	9,626,202	4,526,798	2,051,700	67,872,168	31,861,678	0	0	0	0	0	-16,144	58,799,449	34,568,528	365,730,547	94,701,987	460,432,534
2 Changes in accounting policies	29	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
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	160,448,063	95,505	9,626,202	4,526,798	2,051,700	67,872,168	31,861,678	0	0	0	0	0	-16,144	58,799,449	34,568,528	365,730,547	94,701,987	460,432,534
5 Profit/loss of the period	32	0	0	0	0	0	0	0	0	0	0	0	0	0	0	7,465,795	7,465,795	2,861,112	10,326,907
6 Exchange rate differences from translation of foreign operations	33	0	0	0	0	0	0	0	0	0	0	0	0	113,351	0	0	113,351	89,087	202,438
7 Changes in revaluation reserves of fixed tangible and intangible assets	34	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8 Gains or losses from subsequent measurement of financial assets at fair value through other comprehensive income (available for sale)	35	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9 Profit or loss arising from effective cash flow hedge	36	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10 Profit or loss arising from effective hedge of a net investment in a foreign operation	37	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11 Share in other comprehensive income/loss of companies linked by virtue of participating interests	38	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12 Actuarial gains/losses on the defined benefit obligation	39	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13 Other changes in equity unrelated to owners	40	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14 Tax on transactions recognised directly in equity	41	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15 Decrease in initial (subscribed) capital (other than arising from the pre-bankruptcy settlement procedure or from the reinvestment of profit)	42	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16 Decrease in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	43	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17 Decrease in initial (subscribed) capital arising from the reinvestment of profit	44	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18 Redemption of treasury shares/holdings	45	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19 Payments from members/shareholders	46	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20 Payment of share in profit/dividend	47	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21 Other distributions and payments to members/shareholders	48	0	0	0	0	0	0	0	0	0	0	0	0	0	-2,941,944	0	-2,941,944	2,699,808	-242,136
22 Transfer to reserves according to the annual schedule	49	0	0	50,357	0	0	3	178,291	0	0	0	0	0	0	34,339,880	-34,568,528	3	0	3
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	160,448,063	95,505	9,676,559	4,526,798	2,051,700	67,872,171	32,039,969	0	0	0	0	0	97,207	90,197,385	7,465,795	370,367,752	100,351,994	470,719,746
APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)																			
I OTHER COMPREHENSIVE INCOME OF THE CURRENT PERIOD, NET OF TAX (ADP 33 to 41)	52	0	0	0	0	0	0	0	0	0	0	0	0	113,351	0	0	113,351	89,087	202,438
II COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 32 to 52)	53	0	0	0	0	0	0	0	0	0	0	0	0	113,351	0	7,465,795	7,579,146	2,950,199	10,529,345
III TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 42 to 50)	54	0	0	50,357	0	0	3	178,291	0	0	0	0	0	0	31,397,936	-34,568,528	-2,941,941	2,699,808	-242,133

NOTES TO THE FINANCIAL STATEMENTS - TFI

Name of issuer: KONČAR – Electrical Industry Inc.

PIN: 45050126417

Reporting period: 1 January 2023 to 31 March 2023

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

The Group comprises 11 subsidiaries involved in core business activities and 3 subsidiaries with special activities, specifically research and development of products and infrastructural services and investments and companies controlled by subsidiaries including companies of the Dalekovod Group.

The Group has one associate 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 March 2023, the Group has 4,845 employees (31 December 2022: 4,826 employees).

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

Basis of preparation

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

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

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

Going concern assumption

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

Significant accounting policies

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

Key accounting estimates and judgments

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

Seasonal effects

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

3. SUBSIDIARIES

	31 Mar 2023	31 Dec 2022
	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>	38.33	38.33
<i>Proizvodnja MK d.o.o., Velika Gorica (indirect ownership through Dalekovod d.d.)</i>	38.33	38.33
<i>Proizvodnja OSO d.o.o., Velika Gorica (indirect ownership through Dalekovod d.d.)</i>	38.33	38.33
<i>Dalekovod Projekt d.o.o., Zagreb (indirect ownership through Dalekovod d.d.)</i>	38.33	38.33
<i>Dalekovod EMU d.o.o., Vela Luka (indirect ownership through Dalekovod d.d.)</i>	38.33	38.33
<i>EL-RA d.o.o., Vela Luka (indirect ownership through Dalekovod d.d.)</i>	38.33	38.33
<i>Dalekovod Adria d.o.o., Zagreb (indirect ownership through Dalekovod d.d.)</i>	38.33	38.33
<i>Cinčaonica usluge d.o.o. in liquidation, Dugo selo, (indirect ownership through Dalekovod d.d.)</i>	38.33	38.33
<i>Wind Farm Rust Ltd. (Indirect ownership through the subsidiary KONČAR - Renewable Energy Sources Ltd.)</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	51.00
<i>KONČAR - Electric Equipment Inc., Dicmo Prisoje (indirect ownership through the subsidiary KONČAR - Switchgear Ltd.)</i>	100.00	-
<i>Telenerg - Inženjering d.o.o., Zagreb (indirect ownership through the subsidiary KONČAR - Engineering Ltd.)</i>	100.00	-
<i>Kodeks systemske integracije d.o.o., Zagreb (indirect ownership through the subsidiary KONČAR - Digital Ltd.)</i>	75.00	-
<i>EXA Globe d.o.o., Zagreb (indirect ownership through the subsidiary KONČAR - Digital Ltd.)</i>	75.00	-
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>	67.90	67.90
<i>Dalekovod Mostar d.o.o., Mostar, Bosnia and Herzegovina (indirect ownership through Dalekovod d.d.)</i>	38.33	38.33
<i>Dalekovod Ljubljana d.o.o., Ljubljana, Slovenia (indirect ownership through Dalekovod d.d.)</i>	38.33	38.33
<i>Dalekovod Norge AS, Oslo, Norway (indirect ownership through Dalekovod d.d.)</i>	38.33	38.33
<i>Dalekovod Ukrajina d.o.o., Kiev, Ukraine (indirect ownership through Dalekovod d.d.)</i>	38.33	38.33
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 March 2023	31 December 2022
	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 tanks, substations, equipment for primary and secondary power distribution, low voltage plants, monitoring systems, diagnostics, testing and technical control
- rail solutions and infrastructure - construction and sales of rail vehicles such as trains and trams, and related maintenance services
- digital solutions and platforms - digital solutions, digital services, digitalization of products and production, business support systems, ICT infrastructure and services.

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

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

Sales income by segment

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

	1/1/2023 - 31/3/2023	1/1/2022 - 31/3/2022
	EUR' 000	EUR' 000
Power generation	16,044	10,576
Power transmission and distribution	121,609	84,103
- transmission	41,509	32,202
- distribution	80,100	51,901
Rails solutions and infrastructure	26,729	21,286
- rail solutions	23,710	20,165
- construction and modernization of railway infrastructure	3,019	1,121
Digital solutions	4,628	885
Total reportable segments	169,010	116,850
Other	21,520	12,258
Total income from contracts with customers	190,530	129,108
Intercompany eliminations	(19,004)	(11,823)
Total income from contracts with customers	171,526	117,285
Associate companies	4,891	3,580
Un-associate companies	166,634	113,705
Total income from contracts with customers	171,526	117,285

5. OTHER OPERATING INCOME AND EXPENSES

Other operating income amounts to EUR 4.44 million and relates to asset sale revenue, loss compensation, income from state aid and other income.

6. CAPITALISED SALARY COSTS

In the period January - March 2023, the Group companies capitalised salaries in the total amount of EUR 845 thousand (net salaries in the amount of EUR 503 thousand, taxes, surcharges and salary contributions paid by the employee amounting to EUR 230 thousand, and salary contributions paid by the employer in the amount EUR 112 thousand).

7. EARNINGS PER SHARE

	1/1/2023 - 31/3/2023 EUR' 000	1/1/2022 - 31/3/2022 EUR' 000
Profit for the year attributable to the owners	7,466	13,072
Weighted average number of shares	2,546,140	2,545,449
Basic and diluted earnings per share in HRK	2.93	5.14

8. NON-CURRENT TANGIBLE AND INTANGIBLE ASSETS

Over the course of Q1 2023, the Group procured assets in the amount of EUR 5,798 thousand (Q1 2022: EUR 9,316 thousand). Depreciation and amortization expenses in the period January - March 2023 amount to EUR 4,937 thousand (Q1 2022: EUR 3,400 thousand).

9. INVENTORIES

Over the course of Q1 2023, the Group recognised value adjustment of inventories in the amount of EUR 72 thousand (Q1 2022: EUR 169 thousand).

10. EQUITY AND RESERVES

Share (subscribed) capital is determined in the nominal amount of EUR 160,448,063 (as at 31 December 2022: EUR 160,448,063) divided in 2,572,119 shares each in the nominal value of HRK 62.30. 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 March 2023, the Company holds 25,979 treasury shares (as at 31 December 2022: 25,979 shares).

11. LIABILITIES UNDER LOANS

	31 March 2023 EUR' 000	31 December 2022 EUR' 000
Liabilities under loans		
Non-current	22,991	22,533
Current	45,711	52,335
	68,702	74,868

Bank borrowings are secured by mortgages over the Group's immovable property and pledges over its movable property. The current value of immovable property on which a lien has been registered amounts to EUR 47,844 thousand, while the current value of movable property on which a lien has been registered amounts to EUR 4,538 thousand.

Long-term bank borrowings mature as follows:

	31 March 2023
	EUR' 000
Within one year	45,711
In 1 to 2 years	3,203
In 2 to 5 years	11,249
More than 5 years	8,539
	68,702

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 - March 2023 the Group realised the total of EUR 29.3 million of sales income with state institutions and other companies where the State is a majority owner or has a significant influence (Q1 2022: EUR 34.9 million), which mostly pertain to engineering services in the energy sector, rail vehicles and industrial electronics.

	31 March 2023	31 December 2022
	EUR' 000	EUR' 000
Receivables		
Associate companies	5,019	8,175
Joint ventures	114	283
	5,133	8,458
Liabilities		
Associate companies	3,735	9,374
Joint ventures	2,281	16
	6,016	9,390
	1/1/2023 - 31/3/2023	1/1/2022 - 31/3/2023
	EUR' 000	EUR' 000
Sales income		
Associate companies	4,734	3,580
Joint ventures	157	0
	4,891	3,580
Operating expenses		
Associate companies	3,993	3,273
Joint ventures	-	10
	3,993	3,283

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 - March 2023 and as a result, these 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 March 2023 give a comprehensive and true view of assets and liabilities, profit and loss, financial position and business operations of the issuer and the companies included in the consolidation as a whole.

The Management Statement for the period ending 31 March 2023 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, 27 April 2023



KONČAR

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