

KONČAR GROUP MANAGING BOARD BUSINESS REPORT
January – September 2019

The KONČAR Group consists of KONČAR – ELEKTROINDUSTRIJA d.d. (KONČAR – ELECTRICAL INDUSTRY Inc.) as the Mother Company and 14 Daughter Companies in which the Mother Company has the prevailing interest (more than 50 % of votes at the Annual / Extraordinary General Meeting). Besides, the Mother Company has a minority managing interest in three companies, 2 Associated Companies, i.e. Končar – Energetski transformatori (Končar – Power Transformers) and Elkakon d.o.o (Elkakon Ltd.) and a joint venture, i.e. TBEA Končar Instrument Transformers Ltd, China. Elkakon Ltd. and TBEA Končar Instrument Transformers Ltd, China are indirectly owned by the Mother Company. KONČAR-XD Visokonaponska sklopna postrojenja (in English: KONČAR – XD High Voltage Switchgear) with headquarters in Zagreb was established as a joint undertaking of Končar – Electrical Industry Inc. and XD Group from China, each partner owing 50 per cent of the company, in December, 2018.

Investments into associated companies are presented in consolidated financial statements using the equity method.

Companies belonging to the Group are legally independent companies supervised, strategically directed and supported by the Mother Company through company supervisory boards and annual general / extraordinary meetings in accordance with the Law on Trading Companies, Statutes of KONČAR - ELEKTROINDUSTRIJA d.d. (KONČAR – ELECTRICAL INDUSTRY Inc.) and Statutes of the Group Companies. The Mother Company also manages a part of assets that are not invested into companies, but they offer a direct or indirect financial support to the marketing and sales of products and equipment of associated companies as a credit and warranty potential.

The potential liability of Končar - Elektroindustrija d.d. (Končar – Electrical Industry Inc.) for the total issued warranties as of 30/09/2019 amounts to HRK 479,9 million representing an increase by HRK 141,5 million compared to 31/12/2018.

Out of the total warranties and joint and severe securities HRK 226,4 million belongs to performance guarantees.

The Končar Group business activities are divided into business areas:

- Generation, Transmission and Distribution of Electrical Power and Transport: designing and construction of plants and equipment for generation, transmission and distribution of electric energy, electric locomotives, Electric Multiple Units, tramcars and side-line electric traction equipment;
- Industry: electric motor drives, low voltage electric equipment;
- Trade: serial products and low voltage electrical apparatuses;
- Special activities: research and development of products and infrastructural services.

As of 30/09/2019 the Končar Group employed 3,391 employees

Managing Board:

Darinko Bago	President of the Managing Board
Gordan Kolak	Deputy President of the Managing Board
Miki Huljić	Member of the Managing Board in Charge of Finances
Marina Kralj Miliša	Member of the Managing Board in Charge of Legal, Common and Personnel Affairs
Miroslav Poljak	Member of the Managing Board in Charge of Generation of Electric Power, Corporate Development and ICT
Ivan Tomšić	Deputy Member of the Managing Board in Charge of Complex Project Export Coordination and Digital Transformation

Supervisory Board:

Petar Vlaić	President of the Supervisory Board by 30 th June, 2019
Luka Gašpar	President of the Supervisory Board since 1 st July, 2019
Josip Lasić	Deputy President of the Supervisory Board
Nikola Anić	Member
Jasminka Belačić	Member
Vicko Ferić	Member
Branko Lampl	Member
Joško Miliša	Member
Vladimir Plečko	Member

Končar – Electrical Industry Inc. Annual General Meeting of 6th June, 2019, passed the decision nominating Luka Gašpar, a master of technical sciences, to be a Supervisory Board Member with the term of office from 1st July 2019 to 12th July, 2020. The Supervisory Board elected Luka Gašpar to be the President of the Supervisory Board anonymously. The term of office of Končar – Electrical Industry Inc. Supervisory Board President and Member, Petar Vlaić, terminated on the basis of his resignation pursuant the Law on Amendment of the Law on Obligatory Pension Funds, Article 42 (Official Gazette of the Republic of Croatia NN 115/18) on 30th June, 2019.

As of 30/06/2019 the share capital of Končar – Electrical Industry Inc. amounted to HRK 1,208,895,930 divided into 2,572,119 shares each one having the nominal value of HRK 470.00.

Končar Group Business Results for January to September, 2019

The Končar Group Companies have generated consolidated incomes from sales of products and services in the amount of HRK 1.868,6 million for the time period from January to September, 2019 that is higher by 7.2 % compared to the achievement for the same time period of the previous year.

Operating incomes have been generated in the amount of HRK 1.935,4 million. Within operating incomes, incomes from sales of products and services make 96.5 % of the total operating incomes. Operating expenses amount to HRK 1.916,8 million. The consolidated profits before tax for the three quarters of 2019 has been generated in the amount of HRK 34.4 million.

The generated consolidated financial result of the Group is lower than the result achieved during the same time period of the previous year utmost due to the blockage of several significant contract agreements, among others the project of construction of a Hydro Power Plant in Bosnia and Herzegovina and a deadlock of an agreement for the delivery of equipment to an Iranian buyer due to a new cycle of sanctions applied to Iran.

On the domestic market the income has been generated in the amount of HRK 721,2 million. Within the structure of incomes from sales of products and services on the domestic market, incomes from sales of products and services to companies within the Croatian Power Authority (HEP), i.e. HEP – Generation, HEP – Distribution System Operator, Croatian Transmission System Operator, represent the most important items. Incomes from sales of products and services in the foreign market have been generated in the amount of HRK 1.147,5 million that is higher by 7.1 percent than the achievement for the same time period of the previous year despite the blockage of the contract agreement for Iran and Bosnia and Herzegovina.

The share of the export amounts to 62 % of the total incomes from sales of products and services. The most significant export has been performed to Germany, Sweden, Austria, the United Arab Emirates and Hungary.

Compared to the same time period of the previous year, a significant increase of incomes from sales of goods and services in export has been generated in the markets of the United Arab Emirates, Austria and Germany.

During the time period January to September, 2019, the Končar Group Companies have contracted new projects in the amount of HRK 2.1 billion.

The status of contracted projects as of 30th September, 2019 is higher by 8 percent compared to the status at the beginning of the year and they are higher than HRK 3.4 billion.

Long term asset sources (equity, long term provisions and long-term liabilities) are higher by more than HRK 600 million compared to the long-term assets and the average level of inventories. Current assets are 2.8 times higher than current liabilities. The consolidated balance sheet structure shows the adjustment of asset sources and investments as well as a good financial stability of the Končar Group

Note: The number of daughter companies operating within the Group has changed in 2019. Pursuant previously adopted decisions on the restructuring of companies that had not operated within the core business of the Group, stocks of a daughter company, KONČAR – Kućanski aparati (in English: KONČAR – Household Appliances) were sold through the M&E Buyout Model during the second quarter and the stated Company does not make a part of the Group any more. In the same manner, a part of the production programme has been sorted out from the Company KONČAR – Niskonaponske sklopke i prekidači (in English: KONČAR – Low Voltage Switches and Circuit Breakers) and sold to the buyer, Lovato Electric s.p.a. from Bergamo. Lovato Electric s.p.a. has continued to manufacture cam switches acquiring an adequate number of employees with their protected rights vested on the basis of the Collective Labour Agreement showing the care about working places and the continuance of the manufacture.

It is expected that the stated transactions would have a positive influence on the business operations of the KONČAR Group. Stated companies have been excluded from the achieved results for the same accounting period of 2018 due to the comparability.

Prospects by the End of 2019

Increased deliveries following the contracting dynamics are expected for the last quarter of 2019 and on the basis of made estimations non-consolidated incomes from sales of products and services would amount to more than HRK 3.1 billion making them 8 % more than achieved in the previous year and 3 % less than planned.

Signed in the name of the Managing Board

Končar – Electrical Industry Inc.
Managing Board President
Darinko Bago

30th October, 2019

**STATEMENT OF PERSONS RESPONSIBLE FOR COMPILATION OF THE KONČAR GROUP CONSOLIDATED
FINANCIAL STATEMENTS**

This Statement of the Končar – Electrical Industry Inc. Zagreb Managing Board is given regarding compilation and publishing of unaudited unconsolidated Financial Statements of Končar – Electrical Industry Inc. and unaudited unconsolidated Financial Statements of the Končar Group for the time period from January to September of 2019.

Unaudited unconsolidated Financial Statements of Končar – Electrical Industry Inc. and unaudited unconsolidated Financial Statements of the Končar Group are made in accordance with the Accounting Law of the Republic of Croatia and the International Standards for Financial Reporting applied in the European Union and they show a complete and true presentation of assets and liabilities, profit and loss, financial position and business operation of the Mother Company and business operation of the Group and all of its associated companies included into consolidation.

Unaudited unconsolidated Financial Statements of Končar – Electrical Industry Inc. and unaudited unconsolidated Financial Statements of the Končar Group for the time period from January to June of 2019 are approved by the Company Managing Board and while the Company Supervisory Board has took notice of them.

Signed in the name of the Managing Board

Končar – Electrical Industry Inc.
Managing Board President
Darinko Bago

30th September, 2019

Note:

Consolidated Financial Statements were compiled by expert services of Končar – Electrical Industry Inc.

Contract persons:

- Ervin Filipčić, Managing Board Office Head, ervin.filipcic@koncar.hr
- Ivana Baždar, Financial Manager of Končar – Electrical Industry Inc.
- Marina Markušić, Accounting Expert, marina.markusic@koncar.hr

Annex 1

ISSUER'S GENERAL DATA

Reporting period:

1.1.2019

to

30.9.2019

Year:

2019

Quarter:

3.

Quarterly financial statements

Registration number (MB):

03282635

Issuer's home Member

State code:

HR

Entity's registration
number (MBS):

080040936

Personal identification
number (OIB):

45050126417

LEI:

74780000HOSHMRAW0115

Institution
code:

501

Name of the issuer: **Končar Group**

Postcode and town:

10000

ZAGREB

Street and house number:

Fallerovo šetalište 22

E-mail address:

koncar.finance@koncar.hr

Web address:

www.koncar.hrNumber of employees
(end of the reporting

3384

Consolidated report:

KD

(KN-not consolidated/KD-consolidated)

Audited:

RN

(RN-not audited/RD-audited)

Names of subsidiaries (according to IFRS):

Registered office:

MB:

Bookkeeping firm:

No

(Yes/No)

(name of the bookkeeping firm)

Contact person:

Marina Markušić

(only name and surname of the contact person)

Telephone:

01 3667 175

E-mail address:

ivana.bazdar@koncar.hr

Audit firm:

PricewaterhouseCoopers d.o.o.

(name of the audit firm)

Certified auditor:

Kristina Dimitrov

(name and surname)

BALANCE SHEET
balance as at 30.09.2019

in HRK

Submitter: KONCAR-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	1,493,180,514	1,639,489,142
I) INTANGIBLE ASSETS (ADP 004 to 009)	003	45,212,592	43,751,795
1 Research and development	004	15,443,629	17,989,657
2 Concessions, patents, licences, trademarks, software and other rights	005	9,503,537	11,295,417
3 Goodwill	006	7,342,331	7,342,331
4 Advances for the purchase of intangible assets	007	0	0
5 Intangible assets in preparation	008	12,804,339	7,124,390
6 Other intangible assets	009	118,756	0
II) TANGIBLE ASSETS (ADP 011 to 019)	010	1,132,623,038	1,211,609,290
1 Land	011	152,403,625	166,687,452
2 Buildings	012	342,439,639	370,660,642
3 Plant and equipment	013	355,186,507	326,589,364
4 Tools, working inventory and transportation assets	014	62,199,259	56,078,960
5 Biological assets	015	0	0
6 Advances for the purchase of tangible assets	016	31,035,194	40,635,041
7 Tangible assets in preparation	017	48,920,090	133,126,715
8 Other tangible assets	018	1,504,461	1,222,583
9 Investment property	019	138,934,263	116,608,533
III) FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	300,464,821	348,702,520
1 Investments in holdings (shares) of undertakings within the group	021	330,067	290,089
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	238,666,391	252,021,718
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	1,969,395	1,747,660
8 Loans, deposits, etc. given	028	10,925,598	27,230,531
9 Other investments accounted for using the equity method	029	45,720,598	44,300,561
10 Other fixed financial assets	030	2,852,772	23,111,961
IV) RECEIVABLES (ADP 032 to 035)	031	14,648,913	34,613,324
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	5,695,568	5,367,275
4 Other receivables	035	8,953,345	29,246,049
V) DEFERRED TAX ASSETS	036	231,150	812,213
C) CURRENT ASSETS (ADP 038+046+053+063)	037	2,226,677,004	2,042,785,376
I) INVENTORIES (ADP 039 to 045)	038	559,519,525	619,849,639
1 Raw materials and consumables	039	253,749,283	306,778,708
2 Work in progress	040	190,856,804	207,582,436
3 Finished goods	041	69,502,572	92,762,794
4 Merchandise	042	31,697,173	295,620
5 Advances for inventories	043	13,713,693	12,430,081
6 Fixed assets held for sale	044	0	0
7 Biological assets	045	0	0
II) RECEIVABLES (ADP 047 to 052)	046	980,360,748	737,384,363
1 Receivables from undertakings within the group	047	0	0
2 Receivables from companies linked by virtue of participating interests	048	77,733,844	25,918,243
3 Customer receivables	049	633,689,958	629,562,693
4 Receivables from employees and members of the undertaking	050	989,230	2,186,098
5 Receivables from government and other institutions	051	39,351,406	38,482,271
6 Other receivables	052	28,586,310	41,235,058
III) CURRENT FINANCIAL ASSETS (ADP 054 to 062)	053	70,178,194	286,630,989
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	69,884,220	298,440,435
9 Other financial assets	062	293,934	190,564
IV) CASH AT BANK AND IN HAND	063	616,628,577	386,920,375
D) PREPAID EXPENSES AND ACCRUED INCOME	064	7,317,726	32,364,637
E) TOTAL ASSETS (ADP 001+002+037+064)	065	3,727,175,244	3,714,639,155
OFF-BALANCE SHEET ITEMS	066	1,840,137,634	2,289,585,665
LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to 068)	067	2,537,482,292	2,505,388,955
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	682,891,233	753,247,376
1 Legal reserves	071	62,447,461	68,577,325
2 Reserves for treasury shares	072	-10,092,359	-10,919,913
3 Treasury shares and holdings (deductible item)	073	-10,092,359	-10,919,913
4 Statutory reserves	074	421,760,811	440,410,515
5 Other reserves	075	198,482,961	244,259,538
IV) REVALUATION RESERVES	076	0	0
V) FAIR VALUE RESERVES (ADP 078 to 080)	077	0	0
1 Fair value of financial assets 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
VI) RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 082-083)	081	312,124,544	302,901,665
1 Retained profit	082	312,124,544	302,901,665
2 Loss brought forward	083	0	0
VII) PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 085-086)	084	102,837,087	4,236,125
1 Profit for the business year	085	102,837,087	4,236,125
2 Loss for the business year	086	0	0
VIII) MINORITY (NON-CONTROLLING) INTEREST	087	230,213,919	235,388,278
B) PROVISIONS (ADP 089 to 094)	088	206,152,157	197,514,594
1 Provisions for pensions, termination benefits and similar obligations	089	49,288,073	46,172,190
2 Provisions for tax liabilities	090	0	0
3 Provisions for ongoing legal cases	091	1,955,400	1,798,618
4 Provisions for renewal of natural resources	092	1,188,222	1,188,222
5 Provisions for warranty obligations	093	153,720,462	148,355,564
6 Other provisions	094	0	0
C) LONG-TERM LIABILITIES (ADP 096 to 106)	095	97,168,108	168,176,615
1 Liabilities to undertakings within the group	096	0	0

2 Liabilities for loans, deposits, etc. of undertakings within the group	097	0	0
3 Liabilities to companies linked by virtue of participating interests	098	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	099	0	0
5 Liabilities for loans, deposits etc.	100	0	369.999
6 Liabilities to banks and other financial institutions	101	89.037.057	159.722.947
7 Liabilities for advance payments	102	0	0
8 Liabilities to suppliers	103	0	126.563
9 Liabilities for securities	104	0	0
10 Other long-term liabilities	105	8.131.049	7.957.106
11 Deferred tax liability	106	0	0
D) SHORT-TERM LIABILITIES (ADP 108 to 121)	107	723.543.425	733.283.595
1 Liabilities to undertakings within the group	108	0	0
2 Liabilities for loans, deposits, etc. of undertakings within the group	109	0	0
3 Liabilities to companies linked by virtue of participating interests	110	13.039.342	13.605.604
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	111	0	0
5 Liabilities for loans, deposits etc.	112	0	92.291
6 Liabilities to banks and other financial institutions	113	85.843.390	133.178.019
7 Liabilities for advance payments	114	128.881.211	181.640.718
8 Liabilities to suppliers	115	413.302.173	316.823.281
9 Liabilities for securities	116	0	0
10 Liabilities to employees	117	34.289.074	37.914.881
11 Taxes, contributions and similar liabilities	118	43.600.983	26.143.894
12 Liabilities arising from the share in the result	119	691.040	822.938
13 Liabilities arising from fixed assets held for sale	120	0	0
14 Other short-term liabilities	121	3.896.212	23.061.969
E) ACCRUALS AND DEFERRED INCOME	122	162.829.264	110.275.396
F) TOTAL – LIABILITIES (ADP 067+088+095+107+122)	123	3.727.175.244	3.714.639.155
G) OFF-BALANCE SHEET ITEMS	124	1.840.137.634	2.289.585.665

STATEMENT OF PROFIT OR LOSS
for the period 01.01.2019 to 30.09.2019

in HRK

Submitter: KONČAR-ELECTRICAL INDUSTRY, Inc.

Item	ADP code	Same period of the previous year		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
I OPERATING INCOME (ADP 126 to 130)	125	1.969.435.502	677.458.838	1.935.449.389	634.615.238
1 Income from sales with undertakings within the group	126	0	0	0	0
2 Income from sales (outside group)	127	1.844.606.071	640.695.833	1.868.633.214	612.760.957
3 Income from the use of own products, goods and services	128	0	0	0	0
4 Other operating income with undertakings within the group	129	0	0	0	0
5 Other operating income (outside the group)	130	124.829.431	36.763.005	66.816.175	21.854.281
II OPERATING EXPENSES (ADP 132+133+137+141+142+143+146+153)	131	1.901.358.676	653.527.267	1.916.858.140	638.410.334
1 Changes in inventories of work in progress and finished goods	132	-46.760.065	15.922.150	-49.020.083	-11.912.430
2 Material costs (ADP 134 to 136)	133	1.296.190.270	425.727.937	1.325.010.534	440.875.234
a) Costs of raw materials and consumables	134	923.625.289	298.069.663	1.012.113.873	342.213.539
b) Costs of goods sold	135	144.621.870	50.676.698	86.039.785	20.546.486
c) Other external costs	136	227.943.111	76.981.576	226.856.876	78.115.209
3 Staff costs (ADP 138 to 140)	137	418.831.283	138.392.867	408.560.142	135.121.997
a) Net salaries and wages	138	244.947.251	81.612.162	240.970.223	79.675.829
b) Tax and contributions from salary costs	139	116.164.898	36.635.622	113.693.216	36.714.131
c) Contributions on salaries	140	57.719.134	20.145.083	53.896.703	18.732.037
4 Depreciation	141	68.083.347	23.137.105	68.418.162	22.484.778
5 Other costs	142	149.056.958	47.605.479	148.235.248	49.401.909
6 Value adjustments (ADP 144+145)	143	1.819.936	1.126.473	2.122.046	410.035
a) fixed assets other than financial assets	144	21.818	-158	17.048	0
b) current assets other than financial assets	145	1.798.118	1.126.631	2.104.998	410.035
7 Provisions (ADP 147 to 152)	146	8.179.930	-918.274	9.043.939	-27.273
a) Provisions for pensions, termination benefits and similar obligations	147	0	0	0	0
b) Provisions for tax liabilities	148	0	0	0	0
c) Provisions for ongoing legal cases	149	0	0	0	0
d) Provisions for renewal of natural resources	150	0	0	0	0
e) Provisions for warranty obligations	151	1.832.335	337.800	7.260.606	272.727
f) Other provisions	152	6.347.595	-1.256.074	1.783.333	-300.000
8 Other operating expenses	153	5.957.017	2.533.530	4.488.152	2.056.084
III FINANCIAL INCOME (ADP 155 to 164)	154	26.795.488	8.858.571	24.110.949	8.234.509
1 Income from investments in holdings (shares) of undertakings within the group	155	0	0	0	0
2 Income from investments in holdings (shares) of companies linked by virtue of participating interests	156	0	0	0	0
3 Income from other long-term financial investment and loans granted to undertakings within the group	157	0	0	0	0
4 Other interest income from operations with undertakings within the group	158	0	0	0	0
5 Exchange rate differences and other financial income from operations with undertakings within the group	159	0	0	0	0
6 Income from other long-term financial investments and loans	160	0	0	0	0
7 Other interest income	161	2.579.515	351.801	7.920.339	2.740.406
8 Exchange rate differences and other financial income	162	23.848.781	8.466.543	13.102.360	5.194.916
9 Unrealised gains (income) from financial assets	163	183.872	0	183.873	34.913
10 Other financial income	164	183.320	40.227	2.904.377	264.274
IV FINANCIAL EXPENSES (ADP 166 to 172)	165	33.930.432	4.483.858	20.515.130	5.401.607
1 Interest expenses and similar expenses with undertakings within the group	166	0	0	0	0
2 Exchange rate differences and other expenses from operations with undertakings within the group	167	0	0	0	0
3 Interest expenses and similar expenses	168	4.499.707	1.386.815	4.148.367	1.549.073
4 Exchange rate differences and other expenses	169	29.373.851	3.084.051	11.468.795	3.852.534
5 Unrealised losses (expenses) from financial assets	170	0	0	353.127	0
6 Value adjustments of financial assets (net)	171	0	0	0	0
7 Other financial expenses	172	56.874	12.992	4.544.841	0
V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VIRTUE OF PARTICIPATING INTERESTS	173	24.871.758	11.891.455	13.630.673	9.310.948
VI SHARE IN PROFIT FROM JOINT VENTURES	174	0	0	0	0
VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST	175	0	0	0	0
VIII SHARE IN LOSS OF JOINT VENTURES	176	0	0	1.420.037	463.195
IX TOTAL INCOME (ADP 125+154+173 + 174)	177	2.021.102.748	698.208.864	1.973.191.011	652.160.695
X TOTAL EXPENDITURE (ADP 131+165+175 + 176)	178	1.935.289.108	658.011.125	1.938.793.307	644.275.136
XI PRE-TAX PROFIT OR LOSS (ADP 177-178)	179	85.813.640	40.197.739	34.397.704	7.885.559
1 Pre-tax profit (ADP 177-178)	180	85.813.640	40.197.739	34.397.704	7.885.559
2 Pre-tax loss (ADP 178-177)	181	0	0	0	0

XII INCOME TAX	182	14.254.240	4.506.828	14.253.411	3.986.105
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 179-182)	183	71.559.400	35.690.911	20.144.293	3.899.454
1 Profit for the period (ADP 179-182)	184	71.559.400	35.690.911	20.144.293	3.899.454
2 Loss for the period (ADP 182-179)	185	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 187-188)	186	0	0	0	0
1 Pre-tax profit from discontinued operations	187	0	0	0	0
2 Pre-tax loss on discontinued operations	188	0	0	0	0
XV INCOME TAX OF DISCONTINUED OPERATIONS	189	0	0	0	0
1 Discontinued operations profit for the period (ADP 186-189)	190	0	0	0	0
2 Discontinued operations loss for the period (ADP 189-186)	191	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 179+186)	192	0	0	0	0
1 Pre-tax profit (ADP 192)	193	0	0	0	0
2 Pre-tax loss (ADP 192)	194	0	0	0	0
XVII INCOME TAX (ADP 182+189)	195	0	0	0	0
XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 192-195)	196	0	0	0	0
1 Profit for the period (ADP 192-195)	197	0	0	0	0
2 Loss for the period (ADP 195-192)	198	0	0	0	0
APPENDIX to the P&L (to be filled in by undertakings that draw up consolidated annual financial statements)					
XIX PROFIT OR LOSS FOR THE PERIOD (ADP 200+201)	199	71.559.400	35.690.911	20.144.293	3.899.454
1 Attributable to owners of the parent	200	55.220.671	28.780.420	4.236.125	-1.500.426
2 Attributable to minority (non-controlling) interest	201	16.338.729	6.910.491	15.908.168	5.399.880
STATEMENT OF OTHER COMPREHENSIVE INCOME (to be filled in by undertakings subject to IFRS)					
I PROFIT OR LOSS FOR THE PERIOD	202	71.559.400	35.690.911	20.144.293	3.899.454
II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 204 to 211)	203	-575.032	494.930	-196.151	-307.731
1 Exchange rate differences from translation of foreign operations	204	-575.032	494.930	-196.151	-307.731
2 Changes in revaluation reserves of fixed tangible and intangible assets	205	0	0	0	0
3 Profit or loss arising from subsequent measurement of financial assets available for sale	206	0	0	0	0
4 Profit or loss arising from effective cash flow hedging	207	0	0	0	0
5 Profit or loss arising from effective hedge of a net investment in a foreign operation	208	0	0	0	0
6 Share in other comprehensive income/loss of companies linked by virtue of participating interests	209	0	0	0	0
7 Actuarial gains/losses on the defined benefit obligation	210	0	0	0	0
8 Other changes in equity unrelated to owners	211	0	0	0	0
III TAX ON OTHER COMPREHENSIVE INCOME FOR THE PERIOD	212	0	0	0	0
IV NET OTHER COMPREHENSIVE INCOME OR LOSS (ADP 203-212)	213	-575.032	494.930	-196.151	-307.731
V COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 202+213)	214	70.984.368	36.185.841	19.948.142	3.591.723
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 216+217)	215	70.984.368	36.185.841	19.948.142	3.591.723
1 Attributable to owners of the parent	216	54.917.456	29.041.396	4.132.694	-1.662.693
2 Attributable to minority (non-controlling) interest	217	16.066.912	7.144.445	15.815.448	5.254.416

STATEMENT OF CASH FLOWS - direct method
for the period 01.01.2019 to 30.09.2019

in HRK

Submitter: KONČAR-ELECTRICAL INDUSTRY, Inc.			
Item	ADP code	Same period of the previous year	Current period
1	2	3	4
Cash flow from operating activities			
1 Cash receipts from customers	001	2.103.509.673	2.037.893.560
2 Cash receipts from royalties, fees, commissions and other revenue	002	0	0
3 Cash receipts from insurance premiums	003	23.661.153	9.005.481
4 Cash receipts from tax refund	004	87.051.110	83.446.962
5 Cash payments to suppliers	005	-1.431.059.119	-1.504.663.621
6 Cash payments to employees	006	-462.023.247	-450.777.651
7 Cash payments for insurance premiums	007	-8.022.642	-6.002.627
8 Other cash receipts and payments	008	-164.541.812	-150.649.647
I Cash from operations (ADP 001 to 008)	009	148.575.116	18.252.457
9 Interest paid	010	-4.173.552	-3.941.615
10 Income tax paid	011	-14.623.298	-13.483.318
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 009 to 011)	012	129.778.266	827.524
Cash flow from investment activities			
1 Cash receipts from sales of fixed tangible and intangible assets	013	3.569.007	1.844.755
2 Cash receipts from sales of financial instruments	014	8.219	5.120.798
3 Interest received	015	3.698.944	7.431.841
4 Dividends received	016	1.176.019	62.321.475
5 Cash receipts from the repayment of loans and deposits	017	267.515.670	111.255.495
6 Other cash receipts from investment activities	018	0	0
II Total cash receipts from investment activities (ADP 013 to 018)	019	275.967.859	187.974.364
1 Cash payments for the purchase of fixed tangible and intangible assets	020	-58.070.393	-126.416.884
2 Cash payments for the acquisition of financial instruments	021	-20.000	0
3 Cash payments for loans and deposits	022	-87.145.889	-356.963.961
4 Acquisition of a subsidiary, net of cash acquired	023	0	0
5 Other cash payments from investment activities	024	0	-39.895
III Total cash payments from investment activities (ADP 020 to 024)	025	-145.236.282	-483.420.740
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 019 + 025)	026	130.731.577	-295.446.376
Cash flow from financing activities			
1 Cash receipts from the increase in initial (subscribed) capital	027	0	0
2 Cash receipts the from issue of equity financial instruments and debt financial instruments	028	0	0
3 Cash receipts from credit principals, loans and other borrowings	029	24.835.860	144.935.123
4 Other cash receipts from financing activities	030	348.431	22.471.888
IV Total cash receipts from financing activities (ADP 027 to 030)	031	25.184.291	167.407.011
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	032	-31.811.255	-28.902.518
2 Cash payments for dividends	033	-51.074.775	-51.421.777
3 Cash payments for finance lease	034	-486.652	-469.782
4 Cash payments for the redemption of treasury shares and decrease in initial (subscribed) capital	035	-5.212.085	-827.556
5 Other cash payments from financing activities	036	-1.754.554	-20.697.052
V Total cash payments from financing activities (ADP 032 to 036)	037	-90.339.321	-102.318.685
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 031 +037)	038	-65.155.030	65.088.326
1 Unrealised exchange rate differences in respect of cash and cash equivalents	039	-2.946.792	-177.676
D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 012+026+038+039)	040	192.408.021	-229.708.202

E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	041	520.696.818	616.628.577
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD(ADP 040+041)	042	713.104.839	386.920.375

STATEMENT OF CHANGES IN EQUITY
for the period from **1.1.2019** to **30.9.2019**

in HRK

Item	ADP code	Attributable to owners of the parent																
		Initial (subscribed) capital	Capital reserves	Legal reserves	Reserves for treasury shares	Treasury shares and holdings (deductible item)	Statutory reserves	Other reserves	Revaluation reserves	Fair value of financial assets available for sale	Cash flow hedge - effective portion	Hedge of a net investment in a foreign operation - effective portion	Retained profit / loss brought forward	Profit/loss for the business year	Total attributable to owners of the parent	Minority (non-controlling) interest	Total capital and reserves	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16 (3 to 6, 7 + 8 to 15)	17	18 (16+17)	
Previous period																		
1 Balance on the first day of the previous business year	01	1.208.895.930	719.579	57.920.857	4.143.784	4.143.784	405.400.310	159.971.372	0	0	0	0	337.981.948	83.625.614	2.254.515.210	230.384.895	2.484.900.105	
2 Changes in accounting policies	02	0	0	0	0	0	0	0	0	0	0	0	-6.065.727	0	-6.065.727	-691.332	-6.947.059	
3 Correction of errors	03	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	57.920.857	4.143.784	4.143.784	405.400.310	159.971.372	0	0	0	0	329.895.821	83.625.614	2.246.429.463	229.523.983	2.475.953.046	
5 Profit/loss of the period	05	0	0	0	0	0	0	0	0	0	0	0	0	102.837.087	102.837.087	25.870.940	128.708.027	
6 Exchange rate differences from translation of foreign operations	06	0	0	0	0	0	0	-352.521	0	0	0	0	0	-352.521	-316.019	-666.540		
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		
8 Profit or loss arising from subsequent measurement of financial assets available for sale	08	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		
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		
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		
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		
13 Other changes in equity unrelated to owners	13	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		
15 Increase/decrease in initial (subscribed) capital (other than from reinvesting profit and other than arising from the pre-bankruptcy settlement procedure)	15	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
16 Increase in initial (subscribed) capital arising from the reinvestment of profit	16	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
17 Increase in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	17	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	5.948.575	0	0	0	0	0	0	0	0	-5.948.575	0	-5.948.575	
19 Payment of share in profit/dividend	19	0	0	0	0	0	0	0	0	0	0	0	-36.929.037	0	-36.929.037	-15.130.773	-52.068.810	
20 Other distribution to owners	20	0	0	0	-51.425	0	0	66.314	0	0	0	0	1.217.047	0	1.231.936	-9.724.792	-4.492.856	
21 Transfer to reserves according to the annual schedule	21	0	0	4.526.604	6.000.000	0	16.360.501	38.797.796	0	0	0	0	17.940.713	-83.625.614	0	0		
22 Increase in reserves arising from the pre-bankruptcy settlement procedure	22	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
23 Balance on the last day of the previous business year reporting period (04 to 22)	23	1.208.895.930	719.579	62.447.461	10.092.359	10.092.359	421.760.811	198.482.961	0	0	0	0	312.124.544	102.837.087	2.307.268.373	230.213.919	2.537.482.292	
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)	24	0	0	0	0	0	0	-352.521	0	0	0	0	0	0	-352.521	-316.019	-668.540	
II COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP 05+24)	25	0	0	0	0	0	0	-352.521	0	0	0	0	0	102.837.087	102.484.566	25.554.921	128.039.487	
III TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 22)	26	0	0	4.526.604	5.948.575	5.948.575	16.360.501	38.864.110	0	0	0	0	-17.771.277	-83.625.614	-41.645.676	-24.864.565	-66.510.241	
Current period																		
1 Balance on the first day of the current business year	27	1.208.895.930	719.579	62.447.461	10.092.359	10.092.359	421.760.811	198.482.961	0	0	0	0	312.124.544	102.837.087	2.307.268.373	230.213.919	2.537.482.292	
2 Changes in accounting policies	28	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
3 Correction of errors	29	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
4 Balance on the first day of the current business year (restated) (ADP 27 to 29)	30	1.208.895.930	719.579	62.447.461	10.092.359	10.092.359	421.760.811	198.482.961	0	0	0	0	312.124.544	102.837.087	2.307.268.373	230.213.919	2.537.482.292	
5 Profit/loss of the period	31	0	0	0	0	0	0	0	0	0	0	0	0	4.236.125	4.236.125	15.908.168	20.144.293	
6 Exchange rate differences from translation of foreign operations	32	0	0	0	0	0	0	-103.430	0	0	0	0	0	-103.430	-92.721	-196.151		
7 Changes in revaluation reserves of fixed tangible and intangible assets	33	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
8 Profit or loss arising from subsequent measurement of financial assets available for sale	34	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	35	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	36	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	37	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
12 Actuarial gains/losses on the defined benefit obligation	38	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
13 Other changes in equity unrelated to owners	39	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
14 Tax on transactions recognised directly in equity	40	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
15 Increase/decrease in initial (subscribed) capital (other than from reinvesting profit and other than arising from the pre-bankruptcy settlement procedure)	41	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
16 Increase in initial (subscribed) capital arising from the reinvestment of profit	42	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
17 Increase 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		
18 Redemption of treasury shares/holdings	44	0	0	0	0	827.554	0	0	0	0	0	0	0	0	-827.554	0	-827.554	
19 Payment of share in profit/dividend	45	0	0	0	0	0	0	0	0	0	0	0	-38.358.670	0	-38.358.670	-13.030.069	-51.388.939	
20 Other distribution to owners	46	0	0	0	0	0	0	0	0	0	0	0	-2.233.605	0	-2.233.605	2.388.981	156.376	
21 Transfer to reserves according to the annual schedule	47	0	0	6.129.864	827.554	0	18.649.704	45.880.007	0	0	0	0	31.369.596	-102.837.087	19.636	0	19.636	
22 Increase in reserves arising from the pre-bankruptcy settlement procedure	48	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
23 Balance on the last day of the current business year reporting period (ADP 30 to 48)	49	1.208.895.930	719.579	68.577.325	10.919.913	10.919.913	440.410.515	244.259.536	0	0	0	0	302.901.665	4.236.125	2.270.000.677	235.388.276	2.505.388.955	
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 32 to 40)	50	0	0	0	0	0	0	-103.430	0	0	0	0	0	0	-103.430	-92.721	-196.151	
II COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 31+50)	51	0	0	0	0	0	0	-103.430	0	0	0	0	0	4.236.125	4.132.695	15.815.447	19.948.142	
III TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 41 to 48)	52	0	0	6.129.864	827.554	827.554	18.649.704	45.880.007	0	0	0	0	-9.222.879	-102.837.087	-41.400.391	-10.641.088	-52.041.479	

Notes to Consolidated Financial Statements

Issuer's name: Končar – Elektroindustrija d.d.
(In English: Končar: Electrical Industry Inc.)
PID: 45050126417
Reporting period: From 1st January 2019 to 30th September 2019

1. Division of shares

There have been no divisions of shares.

2. Changes in ownership structure

There have been no more significant changes in the ownership structure compared to the previous quarter.

3. Mergers and amalgamations

There have been no new mergers or amalgamations.

4. Description of products and services

Manufacture of electrical equipment for generation, transmission and consumption of electric power and manufacture of transport equipment.

5. Uncertainty (description of cases for which there are some uncertainties regarding collection of incomes or possible future costs)

There have been no more significant uncertainties regarding collection of incomes or possible future costs.

6. Business operation results

Data expressed in the Profit and Loss Account for the time period from January to September 2018 comprise data for the company Končar – Kućanski aparati d.d. (in English: Končar – Household Appliances Inc.) for the same time period. All stocks of that company were sold to employees and the management applying the M&E Buyout Model in April, 2019 and business operation results of the company Končar – Kućanski aparati d.d. (in English: Končar – Household Appliances Inc.) have not been included into consolidated financial reports since then. That means that the Consolidated Profit and Loss Account for the time period from January to September 2019 comprises data for the company Končar – Kućanski aparati d.d. (in English: Končar – Household Appliances Inc.) only for the time period from January to March 2019 and therefore data for the time period from January to September of 2018 and from January to September of 2019 are not comparable.

If we exclude total incomes of the company Končar – Kućanski aparati d.d. (in English: Končar – Household Appliances Inc.) for the time period from April to September 2018 in the amount of HRK 101.49 million and the total expenditures in the amount of HRK 99.63 million from the Profit and Loss Account the business operation results are as follows:

Incomes from sales (that make 94.7 % of the total incomes) are higher by 7.2 % and the operating incomes (that make 98.1 % of the total incomes) are higher by 3.6 % compared to the same time period of the previous year. Total incomes are higher by 2.8 % compared to the same time period of the previous year. Total expenditures are higher by 5.6 % compared to the same time period of the previous year, while the operating expenditures comprising changes in stocks that make 98.9 % of the total expenditures are higher by 6.4 %. The income for investments into associated companies are lower by 56.2 % compared to the same time period of the previous year. Financial incomes (that make 1.2 % of the total incomes) are lower by 9.1 % and financial expenditures (whose share in the total

expenditures amounts to 1.1 %) are lower by 38.8 % compared to the same time period of the previous year.

7. Operating and other expenditures

When data for the company Končar – Kućanski aparati d.d. (in English: Končar – Household Appliances Inc.) for the time period from April to September of 2018 are excluded from the time period from January to September 2018, the share of material costs in the operating incomes is increased by 3.8 percentage points and the share of personnel costs is decreased by 1,0 percentage point, the share of depreciation costs by 0.1 percentage point and the share of other costs and expenditures by 0.1 percentage point.

8. Profit or loss

The profit after tax for the Group amounts to HRK 20.14 million making it lower by HRK 51.41 million compared to the results of the same time period of the previous year; (when the profit of the company Končar – Kućanski aparati d.d. (in English: Končar – Household Appliances Inc.) for the time period from April to September of 2018 in the amount of HRK 2.15 million are excluded, the profit of the Group are lower by HRK 49.26 million). The net profit of the Group belonging to mother company shareholders for the time period from January to September, 2019 amounts to HRK 4.24 million making it lower by HRK 50,98 million compared to the same time period of the previous year, i.e. by HRK 49.27 million when the profit of the company Končar – Kućanski aparati d.d. (in English: Končar – Household Appliances Inc.) for the time period from April to September, 2018, is excluded. The net profit attributed to the minor interest amounts to HRK 15.90 million and it is lower by HRK 0.43 compared to the same time period of the previous year. Out of 15 companies making the Končar Group, four companies have expressed a loss in the amount of HRK 26.71 million that belongs completely to the mother company shareholders.

9. Earnings per share

The achieved earnings per share for the time period from January to September, 2019, amounts to HRK 1.66 and it is lower by HRK 19.92 than the earnings per share for the same time period of the previous year. When we exclude the profit of the company Končar – Kućanski aparati d.d. (in English: Končar – Household Appliances Inc.) for the time period from April to September of 2018, the earning per share is lower by HRK 19.09 compared to the same time period of the previous year.

10. Liquidity

The situation of the cash and cash equivalents at the end of the third quarter of 2019 is lower by HRK 229.71 million compared to the beginning of the year.

11. Accounting policies

The same accounting policies were applied to compilation of the Končar Group Consolidated Financial Statements as to the latest annual financial statements and reports for 2018.

2018 Financial Statements can be reviewed at the Zagreb Stock Exchange official web sites (www.zse.hr), at the web sites of the Croatian Financial Services Agency (www.hanfa.hr) and the Company web sites (www.koncar.hr).

12. Other notes

On the basis of the Decision of the General Annual Meeting of Končar – Elektroindustrija d.d. (In English: Končar: Electrical Industry Inc.), the Supervisory Board adopted the Plan of Continuation of Ownership Restructuring of the Company

Končar – Kućanski aparati d.d. (in English: Končar – Household Appliances Inc.) at its meeting held on 18th January, 2019. The applied model was M&E Buyout proposed by the Managing Board of Končar – Elektroindustrija d.d. (In English: Končar: Electrical Industry Inc.). All stocks of the company Končar – Kućanski aparati d.d. (in English: Končar – Household Appliances Inc.) were offered to sale in an invitation to bid, offering 60 % of stocks to all the employees of the Končar Group and 40 % of stocks to the Company Management. On 5th April, 2019 Agreements on Sales, Purchase and Transfer of Stocks of the Company were concluded and therefore financial data of the company Končar – Kućanski aparati d.d. (in English: Končar – Household Appliances Inc.) were not consolidated at the level of the Group for the reporting time period from April to June of 2018.

During the second quarter of 2019 a part of manufacturing programme of the Company Končar – Niskonaponske sklopke i prekidači d.o.o. (in English: Low Voltage Switches and Circuit Breakers Ltd.) was sold to Lovato Electric S.P.A. from Bergamo pursuant the Decision of the Supervisory Board of Končar – Elektroindustrija d.d. (In English: Končar: Electrical Industry Inc.).