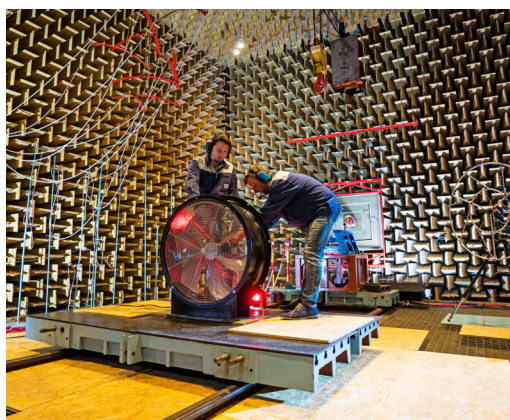


2019

KONČAR - ELEKTROINDUSTRIJA d.d. ZAGREB
(KONČAR – ELECTRICAL INDUSTRY Inc.) MANAGING BOARD REPORT

UNAUDITED CONSOLIDATED REPORTS OF THE KONČAR GROUP AND REPORTS
OF KONČAR – ELECTRICAL INDUSTRY Inc.



KONČAR

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A Managing Board Report

Comment by Gordan Kolak, President of the Managing Board



First of all, we would like to thank the former members of the Managing Board, as well as the President of the Managing Board, Darinko Bago, for everything they have done in the formation and development of the Končar Group. With minor changes in composition, the Managing Board has worked for more than two decades to foster the values that have been created in Končar's 100-year history.

The Končar Group is one of the more important economic entities in the manufacturing sector in Croatia, not only because of its size, but also its presence in domestic and foreign markets, its technological potential and its multiform impact on other companies, stakeholders and society as a whole. All of this represents an obligation for the new Managing Board to continue in the direction of preserving the company, but also an obligation to create new value.

The Managing Board is facing an intense period in which certain changes are expected, and the best solutions for the further development and growth of Končar are sought.

As the Managing Board, we will clearly define the strategic direction and, with socially responsible operations as our guideline, make continuous efforts to motivate all employees in order for Končar to truly follow that direction with their contribution.

Despite facing numerous challenges, most notably the blockades and delays in the implementation of several significant contracts, business results in 2019 are an indicator of continued stable operations.

Thanks to appropriate activities and measures, by expanding operations to new foreign markets, the Končar Group generated income from sales in the amount of 2,811.8 million in 2019, which is 12.8% more than in the previous year. The share of exports in total sales is 59%. Newly contracted projects amount to HRK 3,079.2 million, which is HRK 448 million more than contracted projects in 2018. Of the total amount of new contracts, 63% were contracted in exports, which confirms the strategy of orientation to new markets and retention and growth in markets where Končar has traditionally been present.

The Group recorded a positive result in the amount of HRK 53.9 million. Compared to the previous year, the result is lower due to one-off items of value adjustments, mostly in fixed tangible assets and a significantly smaller share of profit from associated companies.

In 2019, the restructuring of non-core companies continued. Končar – Kućanski aparati (Končar - Household Appliances) company shares have been sold through the M&E buyout model, and the said company is no longer an integral part of the Group. Also, a part of the programme of the company Končar – Niskonaponske sklopke i prekidači (Končar - Low Voltage Switches and Circuit Breakers) was separated and was sold to the buyer Lovato Electric s.p.a. from Bergamo, which continues the production of reef switches along with taking over an adequate number of workers while protecting their vested rights under the Collective Bargaining Agreement, demonstrating concern for jobs and continued production.

Good results have been achieved and are based on our own product and production development, while research projects are a permanent feature of Končar, and they will continue in the upcoming period with innovations and developments that should result in new products and expansion of business activities primarily in foreign markets.

Gordan Kolak
President of the Managing Board

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

Election of President and Deputy President of the Supervisory Board and decision on the appointment of members of the Managing Board

At the meeting of the Supervisory Board held on 20 December 2019, the former Deputy President of the Managing Board Gordan Kolak was appointed President of the Managing Board of Končar - Elektroindustrija d.d. (Končar – Electrical Industry Inc.) At the meeting of the Supervisory Board held on 14 January 2020, Josip Lasić resigned as Deputy President of the Supervisory Board and resigned as a member of the Supervisory Board as of 14 March 2020 due to his appointment and transfer to the position of a member of the Managing Board. At the same meeting, Joško Miliša was elected President of the Supervisory Board and Nikola Anić was elected Deputy President.

At the proposal of the President of the Managing Board, the Supervisory Board appointed the Managing Board of the Company, Ivan Bahun as Deputy President of the Managing Board and Josip Ljulj, Božidar Poldrugáč and Josip Lasić as members of the Managing Board. President of the Managing Board Gordan Kolak and board members Ivan Bahun and Josip Ljulj took office as of 20 January 2020, Božidar Poldrugáč as of 2 March 2020, and Josip Lasić as of 15 March 2020. The President, the Deputy and the members of the Managing Board have been appointed for a term of four years.

Financial results for 2019

Note: The data, comments and comparisons presented along with the unaudited financial statements exclude data relating to discontinued operations in the company Končar - Household Appliances whose shares were sold to employees and management through the M&E buyout model, and to part of the production programme of Končar - Low Voltage Switches and Circuit Breakers Ltd. which was sold to Lovato Electric S.P.A. from Bergamo.

in HRK 000	Index			
Performance indicator ¹	2018	2019	Δ	2019/2018
Operating income	2,660,267	2,938,451	278,184	110,5
Income from sales	2,492,560	2,811,845	319,285	112,8
Operating expenses	2,568,577	2,899,029	330,452	112,9
Net profit	119,260	52,707	-66,553	44,2
Depreciation	88,679	91,466	2,787	103,1
EBIDTA	180,369	130,888	-49,481	72,6
EBIDTA margin	7.24%	4.65%		-259
EBIDTA ² normalised	138,529	152,796	14,267	110,3
EBIDTA ² margin	5.56%	5.43%		-13
Return on sales	4.78%	1.87%		-291
CAPEX	101,213	152,086	50,873	150,3

Performance indicator ¹ - based on discontinued operations

EBIDTA ² - normalised

Discontinued operations	2018	2019
Profit/loss from discontinued operations	9,448	1,232
Total net profit of the Group (discontinued operations included)	128,708	53,939
EBITDA	238,580	134,500
EBITDA margin	8.80%	4.70%
EBIDTA normalised	196,740	156,408
EBIDTA margin normalised	7.30%	5.50%

In the reporting period Končar Group consists of:

KONČAR - ELECTRICAL INDUSTRY Inc. as the Parent Company and 14 daughter companies in which the Parent Company has a prevailing interest (more than 50% of votes at the General Meeting). In addition, the Parent Company has a minority managing interest in three companies, 2 associated companies - Končar - Energetski transformatori (Končar - Power Transformers) and Elkakon d.o.o. (Elkakon Ltd.) as well as a joint venture with TBEA Končar Instrument Transformers Ltd, China. Elkakon Ltd. and TBEA Končar Instrument Transformers Ltd, China are indirectly owned by the Parent Company. In December 2018, KONČAR-XD Visokonaponska sklopna postrojenja (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, with each partner owning 50% of the company.

The companies belonging to the Group are legally independent companies supervised, strategically directed and supported by the Parent Company through company supervisory boards and General Meetings, all in accordance with the Companies Act, the Statute of KONČAR ELECTRICAL INDUSTRY Inc. and the Statutes of the companies. The Parent Company also manages the part of the assets that are not invested in companies but offer direct and indirect financial support for marketing, products and equipment of associated companies as a credit and warranty potential.

Unaudited results for 2019 show continued growth in income from sales in export markets but also growth in the domestic market.

Compared to the same period of the previous year, income from sales, which accounts for 95.7% of total operating income, increased by 12.8%. Operating income, which accounts for 98.1% of total income, is up 10.5%. Total income was 9.1% higher than in the same period of the previous year.

Total expenses are 11.9% higher than in 2018. The income from the share of profit of associated companies has decreased by 65.1% compared to the same period of the previous year. Financial income, which accounts for 1.3% percent of total income, is up 10.5%. Financial expenses, whose share in total expenses was 0.8%, decreased by 39.7% compared to the same period of the previous year.

The Group's total after-tax profit amounts to HRK 53.9 million, which is HRK 74.8 million less than in the same period of the previous year. The owners of the Parent Company shares are entitled to a profit of HRK 26.5 million and profit attributable to minority interest amounts to HRK 27.4 million.

If the profit from discontinued operations is excluded from the Group's profit, the Group's profit is HRK 52.7 million. The net profit of the Group belonging to the holders of the Parent Company is HRK 25.3 million and the net profit of the Group attributable to minority interest is HRK 27.4 million.

Of the 15 companies in the Končar Group, 13 companies achieved a positive result, while two companies generated a loss in the total amount of HRK 44.5 million, which is entirely attributable to the owners of the Parent Company shares.

Consolidated profit/loss account

	Index			
Positions (in HRK 000)	2018	2019	Δ	2019/2018
OPERATING INCOME	2,660,267	2,938,451	278,184	110.5
OPERATING EXPENSES	2,568,578	2,899,029	330,451	112.9
Material costs and changes in inventories	1,644,886	1,951,250	306,364	118.6
Staff costs	538,502	537,508	-994	99.8
Depreciation	88,679	91,466	2,787	103.1
Other costs	217,591	222,218	4,627	102.1
Value adjustment	18,234	41,359	23,125	226.8
Provisions	60,686	55,228	-5,458	91.0
SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VIRTUE OF PARTICIPATING INTEREST	51,065	18,021	-33,044	35.3
SHARE IN LOSS FROM UNDERTAKINGS LINKED BY VIRTUE OF PARTICIPATING INTEREST	4,738	1,865	-2,873	39.4
FINANCIAL INCOME	35,276	38,987	3,711	110.5
FINANCIAL EXPENSES	40,535	24,443	-16,092	60.3
TOTAL INCOME	2,746,608	2,995,459	248,851	109.1
TOTAL EXPENSES	2,613,851	2,925,337	311,486	111.9
Pre-tax profit	132,757	70,122	-62,635	52.8
Income tax	13,497	17,415	3,918	129.0
PROFIT FOR THE PERIOD	119,260	52,707	-66,553	44.2

Financial position

The financial position is stable and indicates an alignment between asset sources and investments and good financial stability of the Končar Group.

In the structure of asset sources, subscribed capital, reserves, retained profit, current year profit and capital belonging to non-controlling interest amounted to HRK 2,541.1 million, which is HRK 3.7 million more than on 31 December 2018. Capital and reserves account for 64.4 percent of total sources. Long-term provisions amount to HRK 203.6 million and account for 5.1% of total sources. Long-term and short-term liabilities amount to HRK 1,057.4 million, which is HRK 236.7 million more than at the end of 2018, and they account for 26.8% of total sources. In short-term liabilities, liabilities to suppliers amount to HRK 449 million and account for 11.3% of total sources. Total loans (long-term and short-term) amount to HRK 328.6 million, up by HRK 153.7 million compared to 31 December 2018 and they accounted for 8.3% of total sources.

Long-term asset sources (equity, long-term provisions and long-term liabilities) are higher by HRK 743.3 million than long-term assets and average level of inventories. Current assets are 2.6 times higher than current liabilities.

Abbreviated balance sheet (in HRK 000)

	2018	2019	Δ	Index 2019/2018
Assets	3,727,175	3,944,409	217,234	105.8
Long-term assets	1,493,180	1,626,897	133,717	109.0
Short-term assets	2,226,677	2,294,210	67,533	103.0
Prepaid expenses	7,318	23,302	15,984	318.4
Liabilities	1,189,693	1,403,263	213,570	118.0
Provisions	206,152	203,580	-2,572	98.8
Long-term liabilities	97,168	174,968	77,800	180.1
Short-term liabilities	723,544	882,408	158,864	122.0
Accruals and deferred income	162,829	142,307	-20,522	87.4
Capital	2,537,482	2,541,146	3,664	100.1

Operating income by sales markets

For the period of January to December 2019, the companies of Končar Group generated consolidated income from sales of products and services which amounted to HRK 2,811.8 million, which is 12.8% more than in the same period of 2018. In the domestic market, income was generated in the amount of HRK 1,156.4 million, which is HRK 106.9 million or 10.2% more than in 2018. In the domestic market, the most significant share of income from sales relates to companies within Hrvatska elektroprivreda (Croatian electricity company) and Hrvatske željeznice (Croatian railways).

Income from the sales of products and services on the foreign market amounted to HRK 1,655.4 million, which is HRK 212.4 million or 14.7% more than in the same period of the previous year. Exports accounted for 58.9% of total sales of products and services.

Exports were made to 90 countries world-wide: goods and services exported to EU countries amounted to HRK 1,079.9 million or 65.2% of total exports, to Asia and Africa – HRK 135.5 million or 8.2 percent, to Countries of the region (Serbia, Montenegro, Northern Macedonia, Albania) – HRK 107.8 million or 6.5%, to North and South America and Australia – 83.2 million or 5% of total exported goods and services. Exports to other countries amount to HRK 249 million.

By individual country, the most significant exports were realized in the German market, amounting to HRK 211.7 million or 12.7% of total exports, in Sweden – HRK 196.3 million or 11.9%, in Austria – HRK 113.5 million or 6.8%, in Hungary – 67.6 million or 4%, in Bulgaria – HRK 64 million or 3.8% and in the United Arab Emirates – HRK 60.5 million or 3.6% of total exports.

Compared to the same period of the previous year, the following markets have experienced a significant increase in sales of products and services in exports: Bulgaria (HRK 56.9 million more), Guinea (HRK 55.6 million more), Austria (HRK 38.9 million more) and the United Arab Emirates, where HRK 32.1 million more goods and services were exported in comparison with the same period of the previous last year.

In 2019, the companies of the Končar Group contracted new projects in the amount of HRK 3,079.2 million. Of the total amount of contracted projects, HRK 1,139.3 million or 37% were contracted for the domestic market and HRK 1,939.9 million or 63% relate to export contracts. Compared to last year's contracts, HRK 450 million or 16.8% more new projects were contracted in 2019.

The status of contracted projects ("backlog") on 31 December 2019 amounted to HRK 3,342.9 million, which is 9% more than at the beginning of the year.

	Index			
Income from sales (in HRK 000)	2018	2019	Δ	2019/2018
CROATIA	1,049,571	1,156,430	106,859	110.2
EXPORT	1,442,989	1,655,415	212,426	114.7
European Union	926,947	1,079,920	152,973	116.5
Asia and Africa	101,666	135,493	33,827	133.3
America and Australia	77,440	83,228	5,788	107.5
Countries of the region	105,319	107,830	2,511	102.4
Other countries	231,617	248,944	17,327	107.5
TOTAL INCOME FROM SALES	2,492,560	2,811,845	319,285	112.8

Information for shareholders

The shares of Končar - Electrical Industry Inc. are listed on the Official Market of the Zagreb Stock Exchange. The share is marked by the symbol KOEI-RA. In accordance with positive regulations, the Company ensures regular access to information about its operations and activities as well as information about facts and circumstances that may affect the price of shares (price-sensitive information).

The share capital of the company amounts to HRK 1,208,895,930.00 and consists of 2,572,119 ordinary shares with a nominal value of HRK 470.00.

The Company treats all shareholders equally and under the same conditions regardless of the number of shares in their possession, their country of origin, and their other characteristics. Voting rights shall include all shareholders of the Company in such a way that the number of votes belonging to them in the General Meeting is equal to the number of their shares. In 2019, according to the decisions of the General Meeting, based on the results achieved in 2018, the shareholders were paid a dividend in the total amount of HRK 38.4 million, which represents an amount of HRK 15.00 per share.

In 2019, the price of the shares of Končar - Electrical Industry followed the overall market trend. The highest share price was reached in May 2019 and amounted to HRK 710.00 and the lowest, HRK 520, was reached in January. On 31 December 2019 the average share price was HRK 636.47.

Total trading volume of Končar shares amounted to HRK 55.7 million, which is HRK 17.2 million more than in 2018. The total amount of shares traded is 85,915 shares or 45.7 percent more than in 2018.

Market capitalization amounts to HRK 1,626.8 million and it is HRK 254.2 million higher than market capitalization at the end of 2018.

In 2019 the Company acquired 1,309 treasury shares (KOEI-RA), accounting for 0.051% of the total share capital of the Company. The shares were purchased on the regulated market of the Zagreb Stock Exchange at a price of HRK 630.00 per share. On 31 December 2019 the Company holds 16,170 treasury shares, which represents 0.63% of the Company's capital.

OWNERSHIP STRUCTURE OF KONČAR – ELECTRICAL INDUSTRY Inc.

No	Shareholder	31 December 2019		31 December 2018	
		Number of shares	Ownership share %	Number of shares	Ownership share %
1.	HPB d.d./Kapitalni fond d.d.	724,515	28.17	724,515	28.17
2.	Addiko Bank d.d./PBZ Croatia Osiguranje mandatory pension fund	420,928	16.37	420,928	16.37
3.	OTP Banka d.d./Erste Plavi mandatory pension fund	394,213	15.33	359,239	13.97
4.	OTP Banka d.d./AZ mandatory pension fund	377,429	14.67	377,429	14.67
5.	Restructuring and sales centre/the Republic of Croatia	73,162	2.84	81,610	3.17
6.	Filončić Kristijan	50,714	1.97	50,714	1.97
7.	Addiko Bank d.d./RBA mandatory pension fund	47,636	1.85	47,636	1.85
8.	Zagrebačka banka d.d./AZ Profit voluntary pension fund	35,222	1.37	32,803	1.28
9.	OTP Banka d.d./OTP index fund – open investment fund with public offering	23,189	0.90	20,009	0.78
10.	Zec Branislav	22,843	0.89	22,843	0.89
11.	Other shareholders	386,098	15.01	419,532	16.31
12.	Končar d.d./treasury shares	16,170	0.63	14,861	0.58
TOTAL		2,572,119	100.00	2,572,119	100.00

B Unaudited Consolidated Financial Statements of the KONČAR Group

Annex 1

ISSUER'S GENERAL DATA

Reporting period:	01/01/2019	to:	31/12/2019
Year:	2019	Quarter:	4

Quarterly financial statements

Registration number (MB):	03282635	Issuer's home Member State code:	HR
Entity's registration number (MBS):	080040936		
Personal identification number (OIB):	45050126417	LEI:	74780000HOSHMRW0115
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.hr		
Number of employees (end of the reporting period):	3408		
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 Inc.	Zagreb	3645363	
Končar - Electronics and Informatics Inc.	Zagreb	3282899	
Končar - Small Electrical Machines Inc.	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 Inc.	Zagreb	3641287	
Končar - Electric Vehicles Inc.	Zagreb	3282660	
Končar - Low Voltage Switches and Circuit Breakers Ltd.	Zagreb	3228398	
Končar - Eng. for Plant Installation & Commissioning Inc.	Zagreb	3654362	
Končar - Power Plant and El. Traction Engineering Inc.	Zagreb	3654354	
Končar - Metal Structures Inc.	Zagreb	1114328	
Power Engineering Transformatory Sp. z o.o.	Czerwonaka, Poznan, Poland		
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:	PricewaterhouseCoopers d.o.o. (name of the audit firm)		
Certified auditor:	Kristina Dimitrov (name and surname)		

BALANCE SHEET

balance as at 31.12.2019

in HRK

Submitter: KONČAR - ELECTRICAL INDUSTRY, Inc.			
Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID	001	0	0
B) FIXED ASSETS (ADP 003+010+020+031+036)	002	1,493,180,514	1,626,896,618
I INTANGIBLE ASSETS (ADP 004 to 009)	003	45,212,592	47,517,375
1 Research and development	004	15,443,629	21,193,174
2 Concessions, patents, licences, trademarks, software and other rights	005	9,503,537	14,427,244
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	4,554,626
6 Other intangible assets	009	118,756	0
II TANGIBLE ASSETS (ADP 011 to 019)	010	1,132,623,038	1,227,555,484
1 Land	011	152,403,625	166,589,706
2 Buildings	012	342,439,639	436,044,459
3 Plant and equipment	013	355,186,507	331,029,270
4 Tools, working inventory and transportation assets	014	62,199,259	60,423,061
5 Biological assets	015	0	0
6 Advances for the purchase of tangible assets	016	31,035,194	41,673,305
7 Tangible assets in preparation	017	48,920,090	41,174,243
8 Other tangible assets	018	1,504,461	1,337,755
9 Investment property	019	138,934,263	149,283,685
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	300,464,821	320,310,093
1 Investments in holdings (shares) of undertakings within the group	021	330,067	290,090
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	239,066,545
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	1,730,760
8 Loans, deposits, etc. given	028	10,925,598	10,712,109
9 Other investments accounted for using the equity method	029	45,720,598	45,158,562
10 Other fixed financial assets	030	2,852,772	23,352,027
IV RECEIVABLES (ADP 032 to 035)	031	14,648,913	31,297,958
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	3,725,742
4 Other receivables	035	8,953,345	27,572,216
V DEFERRED TAX ASSETS	036	231,150	215,708
C) CURRENT ASSETS (ADP 038+046+053+063)	037	2,226,677,004	2,294,210,473
I INVENTORIES (ADP 039 to 045)	038	559,519,525	549,502,598
1 Raw materials and consumables	039	253,749,283	290,578,526
2 Work in progress	040	190,856,804	164,007,115
3 Finished goods	041	69,502,572	84,524,520
4 Merchandise	042	31,697,173	217,301
5 Advances for inventories	043	13,713,693	10,175,136
6 Fixed assets held for sale	044	0	0
7 Biological assets	045	0	0

BALANCE SHEET

balance as at 31.12.2019

Submitter: KONČAR - ELECTRICAL INDUSTRY, Inc.			
Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
II RECEIVABLES (ADP 047 to 052)	046	980,350,748	1,080,416,598
1 Receivables from undertakings within the group	047	0	0
2 Receivables from companies linked by virtue of participating interests	048	77,733,844	46,170,453
3 Customer receivables	049	833,689,958	940,719,531
4 Receivables from employees and members of the undertaking	050	989,230	1,389,293
5 Receivables from government and other institutions	051	39,351,406	35,182,399
6 Other receivables	052	28,586,310	56,954,922
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)	053	70,178,154	294,476,521
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	293,343,843
9 Other financial assets	062	293,934	1,132,678
IV CASH AT BANK AND IN HAND	063	616,628,577	369,814,756
D) PREPAID EXPENSES AND ACCRUED INCOME	064	7,317,726	23,302,778
E) TOTAL ASSETS (ADP 001+002+037+064)	065	3,727,175,244	3,944,409,869
F) OFF-BALANCE SHEET ITEMS	066	1,840,137,634	2,247,173,547
LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to 070+076+077+081+084+087)	067	2,537,482,292	2,541,147,000
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	682,691,233	752,942,588
1 Legal reserves	071	62,447,461	68,577,327
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	440,410,512
5 Other reserves	075	198,482,961	243,954,749
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	304,644,515
1 Retained profit	082	312,124,544	304,644,515
2 Loss brought forward	083	0	0
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 085-086)	084	102,837,087	26,534,551
1 Profit for the business year	085	102,837,087	26,534,551
2 Loss for the business year	086	0	0
VIII MINORITY (NON-CONTROLLING) INTEREST	087	230,213,919	247,409,837

BALANCE SHEET

balance as at 31.12.2019

in HRK

Submitter: KONČAR - ELECTRICAL INDUSTRY, Inc.			
Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
B) PROVISIONS (ADP 089 to 094)	088	206,152,157	203,580,169
1 Provisions for pensions, termination benefits and similar obligations	089	49,288,073	48,942,659
2 Provisions for tax liabilities	090	0	0
3 Provisions for ongoing legal cases	091	1,955,400	1,912,985
4 Provisions for renewal of natural resources	092	1,188,222	1,247,440
5 Provisions for warranty obligations	093	153,720,462	151,477,085
6 Other provisions	094	0	0
C) LONG-TERM LIABILITIES (ADP 096 to 106)	095	97,168,106	174,967,633
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	165,241,188
7 Liabilities for advance payments	102	0	0
8 Liabilities to suppliers	103	0	0
9 Liabilities for securities	104	0	0
10 Other long-term liabilities	105	8,131,049	9,356,446
11 Deferred tax liability	106	0	0
D) SHORT-TERM LIABILITIES (ADP 108 to 121)	107	723,543,425	882,408,423
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	13,987,694
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	0
6 Liabilities to banks and other financial institutions	113	85,843,390	163,379,759
7 Liabilities for advance payments	114	128,881,211	169,951,385
8 Liabilities to suppliers	115	413,302,173	448,965,759
9 Liabilities for securities	116	0	0
10 Liabilities to employees	117	34,289,074	33,729,092
11 Taxes, contributions and similar liabilities	118	43,600,983	44,733,686
12 Liabilities arising from the share in the result	119	691,040	920,115
13 Liabilities arising from fixed assets held for sale	120	0	0
14 Other short-term liabilities	121	3,896,212	6,740,933
E) ACCRUALS AND DEFERRED INCOME	122	162,829,264	142,306,644
F) TOTAL – LIABILITIES (ADP 067+088+095+107+122)	123	3,727,175,244	3,944,409,869
G) OFF-BALANCE SHEET ITEMS	124	1,840,137,634	2,247,173,547

STATEMENT OF PROFIT OR LOSS for the period 01.01.2019 to 31.12.2019

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	2,660,266,944	832,055,418	2,938,451,157	1,052,035,188
1 Income from sales with undertakings within the group	126	0	0	0	0
2 Income from sales (outside group)	127	2,492,559,359	789,019,358	2,811,844,978	991,780,469
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	167,707,585	43,036,060	126,606,179	60,254,719
II OPERATING EXPENSES (ADP 132+133+137+141+142+143+146+153)	131	2,568,577,185	805,934,366	2,899,029,369	1,028,077,915
1 Changes in inventories of work in progress and finished goods	132	-31,507,710	15,252,355	855,108	51,274,753
2 Material costs (ADP 134 to 136)	133	1,676,393,498	506,274,676	1,950,395,077	663,765,993
<i>a) Costs of raw materials and consumables</i>	134	1,336,601,884	413,558,155	1,555,999,877	545,135,319
<i>b) Costs of goods sold</i>	135	40,392,129	14,306,576	65,634,246	13,614,120
<i>c) Other external costs</i>	136	299,399,485	78,409,945	328,760,954	105,016,554
3 Staff costs (ADP 138 to 140)	137	538,502,345	125,762,787	537,507,929	131,863,752
<i>a) Net salaries and wages</i>	138	314,625,930	73,313,130	316,547,078	77,535,976
<i>b) Tax and contributions from salary costs</i>	139	146,791,544	32,194,150	147,187,099	34,041,982
<i>c) Contributions on salaries</i>	140	77,084,871	20,255,507	73,773,752	20,285,794
4 Depreciation	141	88,678,513	20,897,716	91,465,835	23,532,950
5 Other costs	142	208,962,840	65,410,128	210,491,152	64,768,045
6 Value adjustments (ADP 144+145)	143	18,234,132	16,414,196	41,359,131	39,237,085
<i>a) fixed assets other than financial assets</i>	144	8,133,306	8,111,488	26,853,142	26,836,094
<i>b) current assets other than financial assets</i>	145	10,100,826	8,302,708	14,505,989	12,400,991
7 Provisions (ADP 147 to 152)	146	60,686,049	52,506,119	55,228,142	46,184,203
<i>a) Provisions for pensions, termination benefits and similar obligations</i>	147	10,311,940	10,311,940	4,125,136	4,125,136
<i>b) Provisions for tax liabilities</i>	148	0	0	0	0
<i>c) Provisions for ongoing legal cases</i>	149	550,000	550,000	613,367	613,367
<i>d) Provisions for renewal of natural resources</i>	150	0	0	0	0
<i>e) Provisions for warranty obligations</i>	151	48,605,244	40,425,314	43,327,146	36,066,540
<i>f) Other provisions</i>	152	1,218,865	1,218,865	7,162,493	5,379,160
8 Other operating expenses	153	8,627,518	3,416,389	11,726,995	7,451,134
III FINANCIAL INCOME (ADP 155 to 164)	154	35,276,097	9,054,825	38,986,957	17,494,638
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	1,353,305	1,353,305	0	0
7 Other interest income	161	4,665,702	2,086,346	11,868,584	3,948,764
8 Exchange rate differences and other financial income	162	28,701,243	5,426,479	22,841,393	9,773,769
9 Unrealised gains (income) from financial assets	163	183,871	0	3,818,484	3,634,611
10 Other financial income	164	371,976	188,695	458,496	137,494
IV FINANCIAL EXPENSES (ADP 166 to 172)	165	40,534,962	7,237,962	24,443,294	8,441,415
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

STATEMENT OF PROFIT OR LOSS for the period 01.01.2019 to 31.12.2019

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
3 Interest expenses and similar expenses	168	5,877,793	1,516,086	5,854,241	1,732,412
4 Exchange rate differences and other expenses	169	33,938,997	5,060,157	17,426,043	5,968,802
5 Unrealised losses (expenses) from financial assets	170	0	0	395,643	42,516
6 Value adjustments of financial assets (net)	171	0	0	0	0
7 Other financial expenses	172	718,172	661,298	767,367	697,685
V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VIRTUE OF PARTICIPATING INTERESTS	173	51,065,249	26,193,491	16,718,417	3,087,744
VI SHARE IN PROFIT FROM JOINT VENTURES	174	0	0	1,303,210	1,303,210
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	4,738,563	4,738,563	1,865,246	445,209
IX TOTAL INCOME (ADP 125+154+173 + 174)	177	2,746,608,290	867,303,734	2,995,459,741	1,073,920,780
X TOTAL EXPENDITURE (ADP 131+165+175 + 176)	178	2,613,850,710	817,910,470	2,925,337,909	1,036,964,539
XI PRE-TAX PROFIT OR LOSS (ADP 177-178)	179	132,757,580	49,393,264	70,121,832	36,956,241
1 Pre-tax profit (ADP 177-178)	180	132,757,580	49,393,264	70,121,832	36,956,241
2 Pre-tax loss (ADP 178-177)	181	0	0	0	0
XII INCOME TAX	182	13,497,280	-756,960	17,415,144	3,161,733
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 179-182)	183	119,260,300	50,150,224	52,706,688	33,794,508
1 Profit for the period (ADP 179-182)	184	119,260,300	50,150,224	52,706,688	33,794,508
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	9,447,727	6,998,403	1,232,113	0
1 Pre-tax profit from discontinued operations	187	9,447,727	6,998,403	1,232,113	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	9,447,727	6,998,403	1,232,113	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	142,205,307	56,391,667	71,353,945	33,794,508
1 Pre-tax profit (ADP 192)	193	142,205,307	56,391,667	71,353,945	33,794,508
2 Pre-tax loss (ADP 192)	194	0	0	0	0
XVII INCOME TAX (ADP 182+189)	195	13,497,280	-756,960	17,415,144	3,161,733
XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 192-195)	196	128,708,027	57,148,627	53,938,801	33,794,508
1 Profit for the period (ADP 192-195)	197	128,708,027	57,148,627	53,938,801	33,794,508
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	128,708,027	57,148,627	53,938,801	33,794,508
1 Attributable to owners of the parent	200	102,837,087	47,616,416	26,534,551	22,298,426
2 Attributable to minority (non-controlling) interest	201	25,870,940	9,532,211	27,404,250	11,496,082
STATEMENT OF OTHER COMPREHENSIVE INCOME (to be filled in by undertakings subject to IFRS)					
I PROFIT OR LOSS FOR THE PERIOD	202	128,708,027	57,148,627	53,938,801	33,794,508
II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (AOP 204 do 211)	203	-668,540	-93,508	1,278,413	1,474,564
1 Exchange rate differences from translation of foreign operations	204	-668,540	-93,508	1,278,413	1,474,564
2 Changes in revaluation reserves of fixed tangible and intangible assets	205	0	0	0	0

STATEMENT OF PROFIT OR LOSS for the period 01.01.2019 to 31.12.2019

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
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	-668,540	-93,508	1,278,413	1,474,564
V COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 202+213)	214	128,039,487	57,055,119	55,217,214	35,269,072
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	128,039,487	57,055,119	55,217,214	35,269,072
1 Attributable to owners of the parent	216	102,484,566	47,567,110	27,208,658	23,075,964
2 Attributable to minority (non-controlling) interest	217	25,554,921	9,488,009	28,008,556	12,193,108

STATEMENT OF CASH FLOWS - direct method for the period 01.01.2019 to 31.12.2019

in HRK

Submitter: KONČAR - ELECTRICAL INDUSTRY, Inc.			
Item	AOP code	Same period of the previous year	Current period
1	2	3	4
Cash flow from operating activities			
1 Cash receipts from customers	001	2,815,935,304	2,779,576,900
2 Cash receipts from royalties, fees, commissions and other revenue	002	0	0
3 Cash receipts from insurance premiums	003	32,966,359	12,847,304
4 Cash receipts from tax refund	004	121,097,324	116,057,409
5 Cash payments to suppliers	005	-1,983,220,560	-2,105,724,616
6 Cash payments to employees	006	-620,907,609	-612,761,901
7 Cash payments for insurance premiums	007	-9,653,116	-10,385,496
8 Other cash receipts and payments	008	-237,551,127	-207,756,594
I Cash from operations (ADP 001 to 008)	009	118,666,575	-28,146,994
9 Interest paid	010	-5,581,558	-5,385,320
10 Income tax paid	011	-18,515,924	-17,671,242
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 009 to 011)	012	94,569,093	-51,203,556
Cash flow from investment activities			
1 Cash receipts from sales of fixed tangible and intangible assets	013	5,749,469	2,526,316
2 Cash receipts from sales of financial instruments	014	8,219	27,004,172
3 Interest received	015	4,757,076	10,359,454
4 Dividends received	016	1,493,306	62,587,154
5 Cash receipts from the repayment of loans and deposits	017	302,636,936	146,022,023
6 Other cash receipts from investment activities	018	0	0
II Total cash receipts from investment activities (ADP 013 to 018)	019	314,645,006	248,499,119
1 Cash payments for the purchase of fixed tangible and intangible assets	020	-101,213,413	-152,085,649
2 Cash payments for the acquisition of financial instruments	021	-37,094,110	0
3 Cash payments for loans and deposits	022	-104,851,490	-368,329,338
4 Acquisition of a subsidiary, net of cash acquired	023	0	0
5 Other cash payments from investment activities	024	0	-20,039,895
III Total cash payments from investment activities (ADP 020 to 024)	025	-243,159,013	-540,454,882
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 019 + 025)	026	71,485,993	-291,955,763
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	35,921,169	205,993,175
4 Other cash receipts from financing activities	030	0	695,279
IV Total cash receipts from financing activities (ADP 027 to 030)	031	35,921,169	206,688,454
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	032	-44,221,532	-57,180,112
2 Cash payments for dividends	033	-51,074,775	-51,342,582
3 Cash payments for finance lease	034	0	-626,039
4 Cash payments for the redemption of treasury shares and decrease in initial (subscribed) capital	035	-5,948,574	-827,556
5 Other cash payments from financing activities	036	-1,785,008	-1,163,986
V Total cash payments from financing activities (ADP 032 to 036)	037	-103,029,889	-111,140,275
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 031 + 037)	038	-67,108,720	95,548,179
1 Unrealised exchange rate differences in respect of cash and cash equivalents	039	-3,014,606	797,319
D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 012+026+038+039)	040	95,931,760	-246,813,821
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	041	520,696,817	616,628,577
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (ADP 040+041)	042	616,628,577	369,814,756

STATEMENT OF CHANGES IN EQUITY

for the period from 01/01/2019 to 31/12/2019

B Unaudited Consolidated Financial Statements of the KONČAR Group

in HRK

Item	AOP code	Attributable to owners of the parent														Minority (non-controlling) interest	Total capital and reserves
		Initial (subscribed) capital	Capital reserves	Legal reserves	Reserves for treasury shares	Treasury shares and holdings (deductible item)	Statutory reserves	Other reserves	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		
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
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	337,981,548	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	-8,085,727	0	-8,085,727	-861,332	-8,947,059
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	2,246,429,483	229,523,563	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	0	-352,521	-316,019	-668,540
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	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	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
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
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
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
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
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
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	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	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	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	-15,139,773	-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	-8,492,856
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	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	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

STATEMENT OF CHANGES IN EQUITY
for the period from 01/01/2019 to 31/12/2019

B Unaudited Consolidated Financial Statements of the KONČAR Group

in HRK

Item	AOP code	Attributable to owners of the parent														Minority (non-controlling) interest	Total capital and reserves
		Initial (subscribed) capital	Capital reserves	Legal reserves	Reserves for treasury shares	Treasury shares and holdings (deductible item)	Statutory reserves	Other reserves	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		
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
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	26,534,551	26,534,551	27,404,250	53,938,801
6 Exchange rate differences from translation of foreign operations	32	0	0	0	0	0	0	674,107	0	0	0	0	0	0	674,107	604,306	1,278,413
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	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	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	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	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	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	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	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	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	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	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	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	-38,358,870	0	-38,358,870	-13,030,069	-51,388,939
20 Other distribution to owners	46	0	0	0	0	0	0	0	0	0	0	0	-1,573,281	0	-1,573,281	2,217,431	644,150
21 Transfer to reserves according to the annual schedule	47	0	0	6,129,866	827,554	0	18,649,701	44,797,681	0	0	0	0	32,452,122	-102,837,087	19,837	0	19,837
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	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	68,577,327	10,919,913	10,919,913	440,410,512	243,954,749	0	0	0	0	304,644,515	26,534,551	2,293,737,163	247,409,837	2,541,147,000
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 FOR THE CURRENT PERIOD, NET OF TAX (AOP 32 to 40)	50	0	0	0	0	0	0	674,107	0	0	0	0	0	0	674,107	604,306	1,278,413
II COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 31+50)	51	0	0	0	0	0	0	674,107	0	0	0	0	0	26,534,551	27,208,658	28,008,556	55,217,214
III TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 41 to 48)	52	0	0	6,129,866	827,554	827,554	18,649,701	44,797,681	0	0	0	0	-7,480,029	-102,837,087	-40,739,868	-10,812,638	-51,552,506

Notes to consolidated financial reports

Issuer's name: Končar – Elektroindustrija d.d. (in English: Končar – Electrical Industry Inc.)

PIN: 45050126417

Reporting period: From 1 January 2019 to 31 December 2019

1. Division of shares

There was no division of shares.

2. Changes in ownership structure

There were no significant changes in ownership structure compared to the previous quarter.

3. Mergers and acquisitions

There were no new mergers or acquisitions.

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 income or possible future costs)

There were no significant uncertainties regarding the collection of incomes or possible future costs.

6. Business operation results

Data expressed in the profit and loss account which refer to discontinued operations refer to the company Končar – Kućanski aparati d.d. (in English: Končar – Household Appliances Inc.) the shares of which were sold to employees and the management through the M&E buyout model, and the part of the production programme of the company Končar – Nisko-naponske sklopke i prekidači (In English: Končar - Low Voltage Switches and Circuit Breakers) which was sold to Lovato Electric S.P.A. from Bergamo. Business operation results which refer to continuous business operations are the following: compared to the same period of the previous year, income from sales (which accounts for 93.9% of total income) are higher by 12.8%, and operating income (which accounts for 98.1% of total income) are higher by 10.5%. Total income is 9.1% higher in relation to the same period of the previous year. Total expenses are 11.9% higher compared to the same period of the previous year, while operating expenses with changes in inventories, which account for 99.1% of total expenses, are 12.9% higher. Income from investment in associated companies are down 65.1% compared to the same period of the previous year. Financial income (which accounts for 1.3% of total income) is 10.5% higher, and financial expenses (which account for 0.8% of total expenses) are down by 39.7% compared to the same period of the previous year.

7. Operating and other expenditures

In the period of January to December 2019, compared to the same period of the previous year, there was an increase in the share of material costs in operating income of 4.2 percentage points and share of costs of value adjustments of 0.7 percentage points, and there was a decrease in the share of staff costs of 1.7 percentage points, depreciation costs of 0.2 percentage points, the share of costs for provisions of 0.4 percentage points, and other costs and expenses by 0.5 percentage points.

8. Profit or loss

The Group's total after-tax profit amounts to HRK 53.9 million, which is HRK 74.8 million less than in the same period of the previous year. If the profit from discontinued operations is excluded from the Group's profit, the Group's profit amounts to HRK 52.7 million, which is HRK 66.55 million less than the profit in the same period of the previous year. The net profit of the Group belonging to the owners of the Parent Company shares amounts to HRK 26.53 million, which is HRK 76.30 million less compared to the same period of the previous year. If discontinued operating profit in the amount of HRK 1.23 million (2018: HRK 9.45 million) is excluded from the total profit of the Group, the profit of the Group belonging to the holders of the Parent Company shares amounts to HRK 25.30 million, which is HRK 68.09 million less than in the same period of the previous year. Net profit attributable to minority interests is HRK 27.40 million, which is HRK 1.53 million more than in the same period of the previous year. Of the 15 companies that make up the Končar Group, two companies reported a loss of HRK 44.53 million, which belongs to the holders of the Parent Company shares.

9. Earnings per share

Earnings per share for the period of January to December 2019 is HRK 10.38 and is less than earnings per share in the same period of the previous year by HRK 29.83. If profit from discontinued operations is excluded, earnings per share are HRK 9.90, down by HRK 11.68 compared to the same period of the previous year.

10. Liquidity

The balance of cash and cash equivalents at the end of 2019 are HRK 246.81 million lower compared to the beginning of the year.

11. Accounting policies

In preparing the consolidated financial reports of the Končar Group, the same accounting policies were applied as in the most recent annual financial reports for 2018, except in the Leases section, where there was a change in policies regarding the application of the new IFRS 16 Leases. The financial reports for 2018 are available for review on the official website of the Zagreb Stock Exchange (www.zse.hr), Croatian Financial Services Supervisory Agency (www.hanfa.hr) and the company's web site (www.koncar.hr).

12. Other notes

On the basis of the decision of the General Annual Meeting of Končar – Electrical Industry Inc., at its meeting held on 18 January 2018, the Supervisory Board adopted the Plan of Continuation of Ownership Restructuring of the Company Končar – Household Appliances Inc. Through the M&E buyout model suggested by the Managing Board of Končar Electrical Industry Inc. All shares of the company Končar – Household Appliances Inc. were offered for sale in an invitation to bid, with 60% offered to the employees of the Končar Group and 40% to the Management of the company. On 5 April 2019 agreements on sales, purchase and transfer of shares of the company were concluded, and in the reporting period of April to December 2019 the financial information of the company Končar – Household Appliances Inc. is no longer consolidated at the level of the Group. In the second quarter of 2019, in line with the decision of the Supervisory Board of Končar – Electrical Industry Inc., a part of the production programme of the company Končar – Low Voltage Switches and Circuit Breakers Ltd. was sold to Lovato Electric S.P.A. from Bergamo.

C Unaudited financial statements of KONČAR – Electrical Industry Inc.

Annex 1

ISSUER'S GENERAL DATA

Reporting period:	01/01/2019	to	31/12/2019
Year:	2019	Quarter:	4

Quarterly financial statements

Registration number (MB):	03282635	Issuer's home Member State code:	HR
Entity's registration number (MBS):	080040936		
Personal identification number (OIB):	45050126417	LEI:	74780000HOSHMRW0115
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):	50		
Consolidated report:	KN	(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)	
Contact person:	BAŽDAR IVANA (only name and surname of the contact person)		
Telephone:	01 3655 978		
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 31.12.2019

in HRK

Submitter: KONČAR - ELECTRICAL INDUSTRY, Inc.			
Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID	001	0	0
B) FIXED ASSETS (ADP 003+010+020+031+036)	002	1,360,685,152	1,400,089,088
I INTANGIBLE ASSETS (ADP 004 to 009)	003	1,441,796	3,161,796
1 Research and development	004	0	0
2 Concessions, patents, licences, trademarks, software and other rights	005	0	0
3 Goodwill	006	0	0
4 Advances for the purchase of intangible assets	007	0	0
5 Intangible assets in preparation	008	1,441,796	3,161,796
6 Other intangible assets	009	0	0
II TANGIBLE ASSETS (ADP 011 to 019)	010	392,217,148	413,300,373
1 Land	011	72,935,155	98,596,896
2 Buildings	012	102,630,956	132,843,744
3 Plant and equipment	013	12,701,404	13,187,921
4 Tools, working inventory and transportation assets	014	2,840,325	1,728,556
5 Biological assets	015	0	0
6 Advances for the purchase of tangible assets	016	1,490,571	0
7 Tangible assets in preparation	017	46,923,821	3,714,115
8 Other tangible assets	018	69,446	69,446
9 Investment property	019	152,625,470	163,159,695
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	953,037,502	953,038,132
1 Investments in holdings (shares) of undertakings within the group	021	846,929,805	846,818,715
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	104,776,367	104,776,367
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	1,331,330	1,443,050
8 Loans, deposits, etc. given	028	0	0
9 Other investments accounted for using the equity method	029	0	0
10 Other fixed financial assets	030	0	0
IV RECEIVABLES (ADP 032 to 035)	031	13,988,706	30,588,787
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	5,696,007	22,296,088
4 Other receivables	035	8,292,699	8,292,699
V DEFERRED TAX ASSETS	036	0	0
C) CURRENT ASSETS (ADP 038+046+053+063)	037	363,094,764	281,978,781
I INVENTORIES (ADP 039 to 045)	038	0	0
1 Raw materials and consumables	039	0	0
2 Work in progress	040	0	0
3 Finished goods	041	0	0
4 Merchandise	042	0	0
5 Advances for inventories	043	0	0
6 Fixed assets held for sale	044	0	0
7 Biological assets	045	0	0

BALANCE SHEET

balance as at 31.12.2019

in HRK

Submitter: KONČAR - ELECTRICAL INDUSTRY, Inc.			
Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
II RECEIVABLES (ADP 047 to 052)	046	72,220,297	35,024,024
1 Receivables from undertakings within the group	047	6,799,712	9,447,805
2 Receivables from companies linked by virtue of participating interests	048	61,454,620	16,256,928
3 Customer receivables	049	1,015,951	1,246,441
4 Receivables from employees and members of the undertaking	050	0	0
5 Receivables from government and other institutions	051	0	0
6 Other receivables	052	2,950,014	8,072,850
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)	053	29,403,487	203,575,666
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	28,937,025	2,500,000
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	466,462	201,075,666
9 Other financial assets	062	0	0
IV CASH AT BANK AND IN HAND	063	261,470,980	43,379,091
D) PREPAID EXPENSES AND ACCRUED INCOME	064	1,386,306	847,090
E) TOTAL ASSETS (ADP 001+002+037+064)	065	1,725,166,222	1,682,914,959
F) OFF-BALANCE SHEET ITEMS	066	365,516,815	459,846,136
LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to 070+076+077+081+084+087)	067	1,676,815,166	1,645,084,257
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	386,931,800	423,268,113
1 Legal reserves	071	44,839,799	48,614,954
2 Reserves for treasury shares	072	10,092,356	10,919,913
3 Treasury shares and holdings (deductible item)	073	-10,092,356	-10,919,913
4 Statutory reserves	074	217,684,029	217,684,029
5 Other reserves	075	124,407,972	156,969,130
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	4,764,752	4,764,752
1 Retained profit	082	4,764,752	4,764,752
2 Loss brought forward	083	0	0
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 085-086)	084	75,503,105	7,435,883
1 Profit for the business year	085	75,503,105	7,435,883
2 Loss for the business year	086	0	0
VIII MINORITY (NON-CONTROLLING) INTEREST	087	0	0

BALANCE SHEET

balance as at 31.12.2019

in HRK

Submitter: KONČAR - ELECTRICAL INDUSTRY, Inc.			
Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
B) PROVISIONS (ADP 089 to 094)	088	3,715,146	4,775,197
1 Provisions for pensions, termination benefits and similar obligations	089	3,715,146	4,775,197
2 Provisions for tax liabilities	090	0	0
3 Provisions for ongoing legal cases	091	0	0
4 Provisions for renewal of natural resources	092	0	0
5 Provisions for warranty obligations	093	0	0
6 Other provisions	094	0	0
C) LONG-TERM LIABILITIES (ADP 096 to 106)	095	0	1,245,038
1 Liabilities to undertakings within the group	096	0	1,173,304
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	0
6 Liabilities to banks and other financial institutions	101	0	0
7 Liabilities for advance payments	102	0	0
8 Liabilities to suppliers	103	0	0
9 Liabilities for securities	104	0	0
10 Other long-term liabilities	105	0	71,734
11 Deferred tax liability	106	0	0
D) SHORT-TERM LIABILITIES (ADP 108 to 121)	107	44,077,162	29,704,302
1 Liabilities to undertakings within the group	108	35,961,383	25,447,119
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	0	0
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	0
6 Liabilities to banks and other financial institutions	113	0	0
7 Liabilities for advance payments	114	0	0
8 Liabilities to suppliers	115	2,487,462	1,075,734
9 Liabilities for securities	116	0	0
10 Liabilities to employees	117	2,137,405	1,091,153
11 Taxes, contributions and similar liabilities	118	2,764,233	1,170,514
12 Liabilities arising from the share in the result	119	540,603	692,480
13 Liabilities arising from fixed assets held for sale	120	0	0
14 Other short-term liabilities	121	186,076	227,302
E) ACCRUALS AND DEFERRED INCOME	122	558,748	2,106,165
F) TOTAL – LIABILITIES (ADP 067+088+095+107+122)	123	1,725,166,222	1,682,914,959
G) OFF-BALANCE SHEET ITEMS	124	365,516,815	459,846,136

STATEMENT OF PROFIT OR LOSS for the period 01.01.2019 to 31.12.2019

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	68,049,763	13,584,111	109,939,166	28,952,411
1 Income from sales with undertakings within the group	126	47,567,277	11,704,909	95,009,557	59,071,249
2 Income from sales (outside group)	127	160,410	68,898	615,176	190,470
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	19,103,418	1,212,213	11,745,032	-31,128,784
5 Other operating income (outside the group)	130	1,218,658	598,091	2,569,401	819,476
II OPERATING EXPENSES (ADP 132+133+137+141+142+143+146+153)	131	79,181,653	23,209,744	113,378,391	53,041,990
1 Changes in inventories of work in progress and finished goods	132	0	0	0	0
2 Material costs (ADP 134 to 136)	133	38,888,967	17,502,497	31,484,102	9,612,055
<i>a) Costs of raw materials and consumables</i>	134	5,725,565	1,780,903	6,216,939	1,594,875
<i>b) Costs of goods sold</i>	135	0	0	0	0
<i>c) Other external costs</i>	136	33,163,402	15,721,594	25,267,163	8,017,180
3 Staff costs (ADP 138 to 140)	137	23,223,513	7,543,183	22,085,221	5,067,772
<i>a) Net salaries and wages</i>	138	11,183,270	3,639,355	11,502,910	2,736,221
<i>b) Tax and contributions from salary costs</i>	139	8,636,516	2,799,962	7,466,565	1,618,881
<i>c) Contributions on salaries</i>	140	3,403,727	1,103,866	3,115,746	712,670
4 Depreciation	141	8,091,285	1,983,624	9,309,434	2,692,084
5 Other costs	142	8,016,428	-4,725,026	19,245,458	4,797,227
6 Value adjustments (ADP 144+145)	143	0	0	28,718,142	28,718,142
<i>a) fixed assets other than financial assets</i>	144	0	0	28,718,142	28,718,142
<i>b) current assets other than financial assets</i>	145	0	0	0	0
7 Provisions (ADP 147 to 152)	146	961,460	961,460	2,536,034	2,536,034
<i>a) Provisions for pensions, termination benefits and similar obligations</i>	147	961,460	961,460	2,536,034	2,536,034
<i>b) Provisions for tax liabilities</i>	148	0	0	0	0
<i>c) Provisions for ongoing legal cases</i>	149	0	0	0	0
<i>d) Provisions for renewal of natural resources</i>	150	0	0	0	0
<i>e) Provisions for warranty obligations</i>	151	0	0	0	0
<i>f) Other provisions</i>	152	0	0	0	0
8 Other operating expenses	153	0	-55,994	0	-381,324
III FINANCIAL INCOME (ADP 155 to 164)	154	105,380,892	61,861,920	13,023,195	3,527,087
1 Income from investments in holdings (shares) of undertakings within the group	155	39,524,345	0	0	0
2 Income from investments in holdings (shares) of companies linked by virtue of participating interests	156	61,350,031	61,350,031	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	1,634,291	158,320	229,270	5,592
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	370,026	123,289	1,534,503	1,232,938
8 Exchange rate differences and other financial income	162	2,248,425	230,280	2,763,811	1,867,815
9 Unrealised gains (income) from financial assets	163	183,872	0	917,590	420,742
10 Other financial income	164	69,902	0	7,578,021	0
IV FINANCIAL EXPENSES (ADP 166 to 172)	165	18,745,897	13,800,164	2,148,087	644,299
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	24,600	24,600

STATEMENT OF PROFIT OR LOSS for the period 01.01.2019 to 31.12.2019

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
3 Interest expenses and similar expenses	168	0	-705	0	-641
4 Exchange rate differences and other expenses	169	5,400,239	455,211	1,987,595	614,788
5 Unrealised losses (expenses) from financial assets	170	13,265,563	13,265,563	130,340	0
6 Value adjustments of financial assets (net)	171	79,135	79,135	0	0
7 Other financial expenses	172	960	960	5,552	5,552
V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VIRTUE OF PARTICIPATING INTERESTS	173	0	0	0	0
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	0	0
IX TOTAL INCOME (ADP 125+154+173 + 174)	177	173,430,655	75,446,031	122,962,361	32,479,498
X TOTAL EXPENDITURE (ADP 131+165+175 + 176)	178	97,927,550	37,009,908	115,526,478	53,686,289
XI PRE-TAX PROFIT OR LOSS (ADP 177-178)	179	75,503,105	38,436,123	7,435,883	-21,206,791
1 Pre-tax profit (ADP 177-178)	180	75,503,105	38,436,123	7,435,883	0
2 Pre-tax loss (ADP 178-177)	181	0	0	0	-21,206,791
XII INCOME TAX	182	0	0	0	0
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 179-182)	183	75,503,105	38,436,123	7,435,883	-21,206,791
1 Profit for the period (ADP 179-182)	184	75,503,105	38,436,123	7,435,883	0
2 Loss for the period (ADP 182-179)	185	0	0	0	-21,206,791
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	0	0	0	0
1 Attributable to owners of the parent	200	0	0	0	0
2 Attributable to minority (non-controlling) interest	201	0	0	0	0
STATEMENT OF OTHER COMPREHENSIVE INCOME (to be filled in by undertakings subject to IFRS)					
I PROFIT OR LOSS FOR THE PERIOD	202	75,503,105	38,436,123	7,435,883	-21,206,791
II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (AOP 204 do 211)	203	0	0	0	0
1 Exchange rate differences from translation of foreign operations	204	0	0	0	0
2 Changes in revaluation reserves of fixed tangible and intangible assets	205	0	0	0	0

STATEMENT OF PROFIT OR LOSS for the period 01.01.2019 to 31.12.2019

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
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	0	0	0	0
V COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 202+213)	214	75,503,105	38,436,123	7,435,883	-21,206,791
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	0	0	0	0
1 Attributable to owners of the parent	216	0	0	0	0
2 Attributable to minority (non-controlling) interest	217	0	0	0	0

STATEMENT OF CASH FLOWS - direct method for the period 01.01.2019 to 31.12.2019

in HRK

Submitter: KONČAR - ELECTRICAL INDUSTRY, Inc.			
Item	AOP code	Same period of the previous year	Current period
1	2	3	4
Cash flow from operating activities			
1 Cash receipts from customers	001	25,215,598	24,665,015
2 Cash receipts from royalties, fees, commissions and other revenue	002	0	0
3 Cash receipts from insurance premiums	003	0	0
4 Cash receipts from tax refund	004	0	0
5 Cash payments to suppliers	005	-22,533,800	-37,451,054
6 Cash payments to employees	006	-22,534,848	-24,748,549
7 Cash payments for insurance premiums	007	0	0
8 Other cash receipts and payments	008	-6,505,020	-4,327,107
I Cash from operations (ADP 001 to 008)	009	-26,358,070	-41,861,695
9 Interest paid	010	-685	-594
10 Income tax paid	011	0	0
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 009 to 011)	012	-26,358,755	-41,862,289
Cash flow from investment activities			
1 Cash receipts from sales of fixed tangible and intangible assets	013	35,021,895	35,553,358
2 Cash receipts from sales of financial instruments	014	8,219	5,115,798
3 Interest received	015	3,138,812	0
4 Dividends received	016	39,594,248	92,664,103
5 Cash receipts from the repayment of loans and deposits	017	205,653,990	29,299,000
6 Other cash receipts from investment activities	018	0	0
II Total cash receipts from investment activities (ADP 013 to 018)	019	283,417,164	162,632,259
1 Cash payments for the purchase of fixed tangible and intangible assets	020	-24,975,238	-51,541,536
2 Cash payments for the acquisition of financial instruments	021	-119,083,910	-45,479,600
3 Cash payments for loans and deposits	022	-29,250,000	-202,729,246
4 Acquisition of a subsidiary, net of cash acquired	023	0	0
5 Other cash payments from investment activities	024	0	0
III Total cash payments from investment activities (ADP 020 to 024)	025	-173,309,148	-299,750,382
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 019 + 025)	026	110,108,016	-137,118,123
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	0	0
4 Other cash receipts from financing activities	030	0	0
IV Total cash receipts from financing activities (ADP 027 to 030)	031	0	0
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	032	0	0
2 Cash payments for dividends	033	-35,933,866	-38,283,920
3 Cash payments for finance lease	034	0	0
4 Cash payments for the redemption of treasury shares and decrease in initial (subscribed) capital	035	-5,948,574	-827,557
5 Other cash payments from financing activities	036	0	0
V Total cash payments from financing activities (ADP 032 to 036)	037	-41,882,440	-39,111,477
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 031 + 037)	038	-41,882,440	-39,111,477
1 Unrealised exchange rate differences in respect of cash and cash equivalents	039	0	0
D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 012+026+038+039)	040	41,866,821	-218,091,889
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	041	219,604,159	261,470,980
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (ADP 040+041)	042	261,470,980	43,379,091

STATEMENT OF CHANGES IN EQUITY
for the period from 01/01/2019 to 31/12/2019

C Unaudited financial statements of KONČAR - Electrical Industry Inc.

in HRK

Item	AOP code	Attributable to owners of the parent														Minority (non-controlling) interest	Total capital and reserves
		Initial (subscribed) capital	Capital reserves	Legal reserves	Reserves for treasury shares	Treasury shares and holdings (deductible item)	Statutory reserves	Other reserves	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		
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
Previous period																	
1 Balance on the first day of the previous business year	01	1.208.895.930	719.579	41.386.077	4.143.785	4.143.785	217.684.029	100.648.987	0	0	0	0	6.248.041	69.074.443	1.644.657.086	0	1.644.657.086
2 Changes in accounting policies	02	0	0	0	0	0	0	0	0	0	0	0	-1.483.289	0	-1.483.289	0	-1.483.289
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	41.386.077	4.143.785	4.143.785	217.684.029	100.648.987	0	0	0	0	4.764.752	69.074.443	1.643.173.797	0	1.643.173.797
5 Profit/loss of the period	05	0	0	0	0	0	0	0	0	0	0	0	0	75.503.105	75.503.105	0	75.503.105
6 Exchange rate differences from translation of foreign operations	06	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
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
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	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
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
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
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
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
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
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	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	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	0
18 Redemption of treasury shares/holdings	18	0	0	0	0	5.948.574	0	0	0	0	0	0	0	0	-5.948.574	0	-5.948.574
19 Payment of share in profit/dividend	19	0	0	0	0	0	0	0	0	0	0	0	0	-35.927.612	-35.927.612	0	-35.927.612
20 Other distribution to owners	20	0	0	0	-51.426	0	0	65.876	0	0	0	0	0	0	14.450	0	14.450
21 Transfer to reserves according to the annual schedule	21	0	0	3.453.722	6.000.000	0	0	23.693.109	0	0	0	0	0	-33.146.831	0	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	0
23 Balance on the last day of the previous business year reporting period (04 to 22)	23	1.208.895.930	719.579	44.839.799	10.092.359	10.092.359	217.684.029	124.407.972	0	0	0	0	4.764.752	75.503.105	1.676.815.166	0	1.676.815.166
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	0	0	0	0	0	0	0	0	0	0
II COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP 05+24)	25	0	0	0	0	0	0	0	0	0	0	0	0	75.503.105	75.503.105	0	75.503.105
III TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 22)	26	0	0	3.453.722	5.948.574	5.948.574	0	23.758.985	0	0	0	0	0	-69.074.443	-41.861.736	0	-41.861.736

STATEMENT OF CHANGES IN EQUITY
for the period from 01/01/2019 to 31/12/2019

C Unaudited financial statements of KONČAR - Electrical Industry Inc.

in HRK

Item	AOP code	Attributable to owners of the parent														Minority (non-controlling) interest	Total capital and reserves
		Initial (subscribed) capital	Capital reserves	Legal reserves	Reserves for treasury shares	Treasury shares and holdings (deductible item)	Statutory reserves	Other reserves	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		
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
Current period																	
1 Balance on the first day of the current business year	27	1,208,895,930	719,579	44,839,799	10,092,359	10,092,359	217,684,029	124,407,972	0	0	0	0	4,764,752	75,503,105	1,676,815,166	0	1,676,815,166
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	44,839,799	10,092,359	10,092,359	217,684,029	124,407,972	0	0	0	0	4,764,752	75,503,105	1,676,815,166	0	1,676,815,166
5 Profit/loss of the period	31	0	0	0	0	0	0	0	0	0	0	0	0	7,435,883	7,435,883	0	7,435,883
6 Exchange rate differences from translation of foreign operations	32	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
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	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	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	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	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	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	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	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	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	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	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	0
18 Redemption of treasury shares/holdings	44	0	0	0	0	827,556	0	0	0	0	0	0	0	0	-827,556	0	-827,556
19 Payment of share in profit/dividend	45	0	0	0	0	0	0	0	0	0	0	0	0	-38,339,236	-38,339,236	0	-38,339,236
20 Other distribution to owners	46	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21 Transfer to reserves according to the annual schedule	47	0	0	3,775,155	827,556	0	0	32,561,158	0	0	0	0	0	-37,163,869	0	0	0
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	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	48,614,954	10,919,915	10,919,915	217,684,029	156,969,130	0	0	0	0	4,764,752	7,435,883	1,645,084,257	0	1,645,084,257
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 FOR THE CURRENT PERIOD, NET OF TAX (AOP 32 to 40)	50	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
II COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 31+50)	51	0	0	0	0	0	0	0	0	0	0	0	0	7,435,883	7,435,883	0	7,435,883
III TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 41 to 48)	52	0	0	3,775,155	827,556	827,556	0	32,561,158	0	0	0	0	0	-75,503,105	-39,166,792	0	-39,166,792

D Management's Statement of Responsibility

The consolidated financial reports of the Končar Group and the companies Končar - Electrical Industry Inc. Zagreb are prepared in accordance with International Financial Reporting Standards (IFRS) and the Croatian Accounting Act.

The unaudited consolidated financial reports of the Končar Group and the financial reports of Končar - Electrical Industry Inc. for the period from 1 January to 31 December 2019 give a complete and fair view of the assets and liabilities, profit and loss, financial position and operations of the issuers and companies included in the consolidation as a whole

The Management's report for the period up to 31 December 2019 contains a true and fair view of the results of the Company's operations.

Signed on behalf of the Managing Board:

Gordan Kolak
Managing Board President



Zagreb, 28 February 2020



KONČAR

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Fallerovo Selo, Zagreb

KONČAR

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