

Business Results and Unaudited Unconsolidated Financial Statements of KONČAR - Electrical Industry Inc. for manufacturing and services

January – September 2024



KONČAR

Inspired by challenge

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A Management Board Report on the business activity of KONČAR – Electrical Industry Inc. for manufacturing and services for the period January – September 2024

Introduction

The Parent Company of the Group is KONČAR – Electrical Industry Inc. for manufacturing and services. As the Parent Company, the Company draws up consolidated reports, which are presented separately.

This Statement for the period January - September 2024 is a report of the Company as a separate entity. The subsidiaries within the Group are legally autonomous companies that the Parent Company oversees, strategically directs and supports through the supervisory boards and general assemblies of the respective companies, all in compliance with the Companies Act, the Articles of Association of KONČAR – Electrical Industry Inc., and the Articles of Association and Memoranda of Incorporation of the member companies.

The Parent Company administers assets not allocated to subsidiaries but employed both directly and indirectly to bolster the marketing, products, and equipment of associate companies by offering credit-guarantee support.

As the Parent Company of the Group, KONČAR – Electrical Industry Inc. for manufacturing and services invoices the following services to its subsidiaries:

- Brand usage fee (fee for the usage of company name, trademark and service mark)
- Part of the cost of organized joint exhibitions at fairs,
- Part of the cost of joint marketing activities,
- Management seminars, employee training etc.

Pursuant to previously adopted resolutions, as of 1 July 2024, the merger was effected, integrating KONČAR - Engineering Ltd. for manufacturing and services and KONČAR – Energy and Services Ltd. for services into KONČAR - Electrical Industry Inc. for manufacturing and services, serving as the acquiring entity. Post-merger, the incorporated entities have seamlessly continued their regular business operations under the structure of KONČAR - Electrical Industry Inc. With the implemented status change from July 1, 2024, revenues are generated from business operations related to the segments Power Generation, Power Transmission and Distribution and Urban Mobility and Infrastructure.

The year-over-year variances in the financial statements are largely attributed to the integration process. The merger's influence is most evident in operating income, which has demonstrated a significant increase, primarily due to the expanded portfolio from newly incorporated business segments.

	Index			
in EUR 000	Q I-III 2023	Q I-III 2024	Δ	2024/2023
Total operating income	19,817	47,683	27,866	241
Sales income	8,193	34,062	25,869	416
Dividend received	8,685	13,385	4,700	154
Other operating income	2,939	236	-2,703	8
Operating expenses	8,253	34,878	26,625	423
EBIT	11,564	12,805	1,241	111
Net profit	12,714	11,930	-784	94
EBITDA	12,400	13,922	1,522	112
Normalized EBITDA¹	9,475	13,749	4,274	145

¹ Normalized EBITDA: EBITDA, adjusted for the net effect of provisions, proceeds from asset sales, loss compensation income, other operating income, and adjusted for other operating expenses

Business results

During Q1-Q3 2024, KONČAR - Electrical Industry Inc. for manufacturing and services recorded operating income totalling EUR 47.7 million, marking a significant year-on-year increase from the EUR 19.8 million reported in the corresponding period of the previous year. This year-over-year increase is primarily attributable to new business segments acquired through the aforementioned merger within the Group.

Within operating income, sales revenue for Q1-Q3 2024 reached EUR 34.1 million, primarily driven by customer contracts across segments such as Power Generation, Power Transmission and Distribution, Urban Mobility and Infrastructure, and Property Management – newly integrated business areas following the recent merger of subsidiaries.

Dividend income from subsidiaries within the KONČAR Group totalled EUR 13.4 million, representing a 54.1% year-on-year increase.

Total operating expenses for Q1–Q3 2024 amounted to EUR 34.9 million, marking a significant year-on-year increase from the EUR 8.3 million reported in the corresponding period of the previous year. Similar to income, the year-over-year variance in expenses reflects the impact of integrating two KONČAR Group entities.

Operating expenses comprise the following:

- Material costs amount to EUR 21.8 million. The year-on-year increase is largely attributed to purchases of goods and services necessary for fulfilling customer contracts, whereas expenses for raw materials and other external costs have remained relatively stable compared to the corresponding period last year;
- Personnel expenses amounted to EUR 7.0 million, a substantial year-on-year increase driven by a significant rise in headcount following the merger of the subsidiaries. From 1 July to 30 September 2024, the average headcount was 586, compared to an H1 2024 average of 81 (69 during the same period last year);
- Depreciation and amortization amounts to EUR 1.1 million;
- Other expenses amounted to EUR 4.9 million.

For the period from January to September 2024, financial income totalled EUR 2 million, marking a 75.8% increase year-on-year. Finance income mostly includes interest rates on loans given to subsidiaries, and overnight deposit interest rates. Financial expenses reached EUR 0.3 million, largely attributable to interest costs.

Statement of Financial Position

As of 30 September 2024, the value of total assets of KONČAR - Electrical Industry Inc. for manufacturing and services amounted to EUR 316 million, reflecting an increase of EUR 62.1 million, or 24.5%, compared to the balance as at 31 December 2023.

Total non-current assets amount to EUR 179.2 million, which is EUR 14.6 million (or 7.5%) below the position as at 31 December 2023. Intangible assets within non-current assets showed a significant increase due to the merger, while tangible assets grew by 12.4%, attributable both to merger-related effects and to investments in company real estate and equipment.

Non-current financial assets declined by EUR 23 million from 31 December 2023, mainly due to the reclassification of loans set to mature in December 2024, along with a reduction in investments in subsidiaries following the merger with two subsidiaries.

Total current assets were EUR 134.3 million, an increase of EUR 75.4 million compared to the position as at 31 December 2023, largely driven by merger effects. Inventory increased by EUR 2.5 million, total receivables for the amount of EUR 55.2 million (as a result of the merger) and current financial assets for EUR 51 million, while cash decreased by EUR 33.3 million.

Prepaid expenses reflect costs related to trade fairs, marketing activities, and strategic projects that are to be invoiced to subsidiaries.

Total capital and reserves as at 30 September 2024 amount to EUR 251.1 million, which is EUR 10.2 million rise compared to the position as at 31 December 2023. This increase primarily reflects the combined impact of the merger with two subsidiaries, profit generated during the first three quarters of 2024, and the allocation of 2023 earnings.

Total non-current provisions increased by EUR 2.2 million and majority of them relate to warranty provisions acquired through the merger of engineering operations.

Current liabilities rose by EUR 46.7 million compared to the position as at 31 December 2023, primarily as a result of the merger with subsidiaries.

Liabilities for advance payments reflect advances received under active customer contracts. Financial liabilities increased by EUR 23.5 million as a result of the liabilities of the merged subsidiaries. Trade payables have increased, and they refer to suppliers of merged subsidiaries for the purpose of taking over engineering activities.

Accruals and deferred income have risen by EUR 2.3 million.

As at 30 September 2024, off-balance sheet items primarily comprise issued security instruments, mainly bank guarantees, along with guarantees issued at the request of the Group subsidiaries for the requirements of financial institutions and suppliers.



KONČAR

B Financial statements of KONČAR – Electrical Industry Inc. for manufacturing and services for the period January – September 2024

Annex 1

ISSUER'S GENERAL DATA

Reporting period:	01/01/2024	to	30/09/2024
Year:	2024	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:	74780000H0SHMRAW0115
Institution code:	501		
Name of the issuer:	KONČAR - Electrical Industry Inc. for manufacturing and services		
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):	584		
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:		(Yes/No)	
Contact person:	Ivana Mršić (only name and surname of the contact person)		
Telephone:	098 1817 795		
E-mail address:	ivana.mrsic@koncar.hr		
Audit firm:	KPMG (name of the audit firm)		
Certified auditor:	Igor Gošek (name and surname)		

BALANCE SHEET

balance as at 30.09.2024

in EUR

Submitter: KONČAR - Electrical Industry Inc. for manufacturing and services			
Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID	001	0	0
B) FIXED ASSETS (ADP 003+010+020+031+036)	002	193,802,588	179,184,743
I INTANGIBLE ASSETS (ADP 004 to 009)	003	61,756	404,732
1 Research and development	004	0	82,575
2 Concessions, patents, licences, trademarks, software and other rights	005	61,756	134,903
3, Goodwill	006	0	0
4 Advances for the purchase of intangible assets	007	0	0
5 Intangible assets in preparation	008	0	187,254
6 Other intangible assets	009	0	0
II TANGIBLE ASSETS (ADP 011 to 019)	010	52,829,538	59,383,599
1 Land	011	442,521	1,360,280
2 Buildings	012	2,436,105	3,105,510
3 Plant and equipment	013	643,075	727,193
4 Tools, working inventory and transportation assets	014	6,338	897,486
5 Biological assets	015	0	0
6 Advances for the purchase of tangible assets	016	0	0
7 Tangible assets in preparation	017	3,598,289	5,104,971
8 Other tangible assets	018	7,398	1,335,685
9 Investment property	019	45,695,812	46,852,474
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	139,624,132	116,594,817
1 Investments in holdings (shares) of undertakings within the group	021	109,560,702	101,224,773
2 Investments in other securities of undertakings within the group	022	0	0
3 Loans, deposits, etc, to undertakings within the group	023	0	5,725,000
4 Investments in holdings (shares) of companies linked by virtue of participating interests	024	8,988,288	8,988,288
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	456,654	631,864
8 Loans, deposits, etc, given	028	20,618,488	24,892
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	1,287,162	1,831,122
1 Receivables from undertakings within the group	032	0	900,355
2 Receivables from companies linked by virtue of participating interests	033	0	0
3 Customer receivables	034	1,287,162	930,767
4 Other receivables	035	0	0
V DEFERRED TAX ASSETS	036	0	970,473
C) CURRENT ASSETS (ADP 038+046+053+063)	037	58,929,392	134,307,492
I INVENTORIES (ADP 039 to 045)	038	757,255	3,292,079
1 Raw materials and consumables	039	0	410,356
2 Work in progress	040	0	0
3 Finished goods	041	0	0
4 Merchandise	042	0	2,124,468
5 Advances for inventories	043	0	0
6 Fixed assets held for sale	044	757,255	757,255
7 Biological assets	045	0	0

BALANCE SHEET

balance as at 30.09.2024

in EUR

Submitter: KONČAR - Electrical Industry Inc. for manufacturing and services			
Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
II RECEIVABLES (ADP 047 to 052)			
	046	14,802,613	70,001,782
1 Receivables from undertakings within the group	047	6,064,940	16,842,868
2 Receivables from companies linked by virtue of participating interests	048	8,145,892	2,234,835
3 Customer receivables	049	51,106	43,842,138
4 Receivables from employees and members of the undertaking	050	4,825	7,647
5 Receivables from government and other institutions	051	212,873	3,484,876
6 Other receivables	052	322,977	3,589,418
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)			
	053	5,027,376	55,965,253
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	5,027,376	55,953,488
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	0	0
9 Other financial assets	062	0	11,765
IV CASH AT BANK AND IN HAND	063	38,342,148	5,048,378
D) PREPAID EXPENSES AND ACCRUED INCOME	064	1,168,335	2,492,648
E) TOTAL ASSETS (ADP 001+002+037+064)	065	253,900,315	315,984,883
OFF-BALANCE SHEET ITEMS			
	066	301,355,775	464,445,615
LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to 070+076+077+081+084+087)			
	067	240,834,045	251,054,668
I INITIAL (SUBSCRIBED) CAPITAL			
	068	159,471,378	159,471,378
II CAPITAL RESERVES			
	069	1,072,189	1,073,176
III RESERVES FROM PROFIT (ADP 071+072-073+074+075)			
	070	57,272,455	68,674,033
1 Legal reserves	071	7,540,299	9,325,953
2 Reserves for treasury shares	072	4,507,291	5,998,550
3 Treasury shares and holdings (deductible item)	073	-2,032,193	-1,998,550
4 Statutory reserves	074	28,891,636	34,899,714
5 Other reserves	075	18,365,422	20,448,366
IV REVALUATION RESERVES			
	076	0	0
V FAIR VALUE RESERVES AND OTHER (ADP 078 to 082)			
	077	0	0
1 Financial assets at fair value through other comprehensive income (i.e, available for sale)	078	0	0
2 Cash flow hedge - effective portion	079	0	0
3 Hedge of a net investment in a foreign operation - effective portion	080	0	0
4 Other fair value reserves	081	0	0
5 Exchange differences arising from the translation of foreign operations (consolidation)	082	0	0
VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 084-085)			
	083	9,310,565	9,906,481
1 Retained profit	084	9,310,565	9,906,481
2 Loss brought forward	085	0	0
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 087-088)			
	086	13,707,458	11,929,600
1 Profit for the business year	087	13,707,458	11,929,600
2 Loss for the business year	088	0	0
VIII MINORITY (NON-CONTROLLING) INTEREST			
	089	0	0

BALANCE SHEET

balance as at 30.09.2024

in EUR

Submitter: KONČAR - Electrical Industry Inc. for manufacturing and services			
Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
B) PROVISIONS (ADP 091 to 096)	090	1,449,235	3,674,646
1 Provisions for pensions, termination benefits and similar obligations	091	1,449,235	1,198,601
2 Provisions for tax liabilities	092	0	0
3 Provisions for ongoing legal cases	093	0	0
4 Provisions for renewal of natural resources	094	0	0
5 Provisions for warranty obligations	095	0	2,476,045
6 Other provisions	096	0	0
C) LONG-TERM LIABILITIES (ADP 098 to 108)	097	0	694,439
1 Liabilities to undertakings within the group	098	0	0
2 Liabilities for loans, deposits, etc, of undertakings within the group	099	0	0
3 Liabilities to companies linked by virtue of participating interests	100	0	0
4 Liabilities for loans, deposits etc, of companies linked by virtue of participating interests	101	0	0
5 Liabilities for loans, deposits etc,	102	0	0
6 Liabilities to banks and other financial institutions	103	0	171,585
7 Liabilities for advance payments	104	0	0
8 Liabilities to suppliers	105	0	0
9 Liabilities for securities	106	0	0
10 Other long-term liabilities	107	0	123,030
11 Deferred tax liability	108	0	399,824
D) SHORT-TERM LIABILITIES (ADP 110 to 123)	109	9,841,921	56,494,281
1 Liabilities to undertakings within the group	110	2,497,665	8,840,909
2 Liabilities for loans, deposits, etc, of undertakings within the group	111	0	5,012,589
3 Liabilities to companies linked by virtue of participating interests	112	0	7,079,090
4 Liabilities for loans, deposits etc, of companies linked by virtue of participating interests	113	0	0
5 Liabilities for loans, deposits etc,	114	0	0
6 Liabilities to banks and other financial institutions	115	0	18,510,063
7 Liabilities for advance payments	116	0	4,841,601
8 Liabilities to suppliers	117	5,471,168	7,234,360
9 Liabilities for securities	118	0	0
10 Liabilities to employees	119	676,973	1,300,365
11 Taxes, contributions and similar liabilities	120	872,478	3,342,390
12 Liabilities arising from the share in the result	121	60,625	72,214
13 Liabilities arising from fixed assets held for sale	122	0	0
14 Other short-term liabilities	123	263,012	260,700
E) ACCRUALS AND DEFERRED INCOME	124	1,775,114	4,066,849
F) TOTAL – LIABILITIES (ADP 067+090+097+109+124)	125	253,900,315	315,984,883
G) OFF-BALANCE SHEET ITEMS	126	301,355,775	464,445,615

STATEMENT OF PROFIT OR LOSS for the period 01.01.2024 to 30.09.2024

in EUR

Submitter: KONČAR - Electrical Industry Inc. for manufacturing and services					
Item	AOP code	Same period of the previous year		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
I OPERATING INCOME (ADP 002 to 006)	001	19,817,228	5,760,582	47,682,444	28,479,960
1 Income from sales with undertakings within the group	002	16,787,213	2,810,683	23,754,690	4,744,125
2 Income from sales (outside group)	003	90,883	31,679	23,691,518	23,637,349
3 Income from the use of own products, goods and services	004	0	0	0	0
4 Other operating income with undertakings within the group	005	2,744,954	2,742,960	22,505	0
5 Other operating income (outside the group)	006	194,178	175,260	213,731	98,486
II OPERATING EXPENSES (ADP 08+009+013+017+018+019+022+029)	007	8,252,817	2,839,713	34,878,083	28,155,415
1 Changes in inventories of work in progress and finished goods	008	0	0	0	0
2 Material costs (ADP 010 to 012)	009	2,128,652	719,004	21,773,825	20,084,625
a) Costs of raw materials and consumables	010	153,344	43,613	242,541	146,876
b) Costs of goods sold	011	0	0	19,181,706	19,181,706
c) Other external costs	012	1,975,308	675,391	2,349,578	756,043
3 Staff costs (ADP 014 to 016)	013	2,436,582	797,937	7,010,970	5,142,060
a) Net salaries and wages	014	1,363,107	448,756	4,169,742	3,037,576
b) Tax and contributions from salary costs	015	745,763	241,162	1,894,074	1,417,299
c) Contributions on salaries	016	327,712	108,019	947,154	687,185
4 Depreciation	017	835,655	282,231	1,118,343	529,107
5 Other costs	018	2,837,440	1,040,526	4,911,830	2,394,624
6 Value adjustments (ADP 020+021)	019	0	0	120	120
a) fixed assets other than financial assets	020	0	0	120	120
b) current assets other than financial assets	021	0	0	0	0
7 Provisions (ADP 023 to 028)	022	0	0	0	0
a) Provisions for pensions, termination benefits and similar obligations	023	0	0	0	0
b) Provisions for tax liabilities	024	0	0	0	0
c) Provisions for ongoing legal cases	025	0	0	0	0
d) Provisions for renewal of natural resources	026	0	0	0	0
e) Provisions for warranty obligations	027	0	0	0	0
f) Other provisions	028	0	0	0	0
8 Other operating expenses	029	14,488	15	62,995	4,879
III FINANCIAL INCOME (ADP 031 to 040)	030	1,152,549	439,613	2,026,347	756,620
1 Income from investments in holdings (shares) of undertakings within the group	031	0	0	0	0
2 Income from investments in holdings (shares) of companies linked by virtue of participating interests	032	0	0	0	0
3 Income from other long-term financial investment and loans granted to undertakings within the group	033	0	0	0	0
4 Other interest income from operations with undertakings within the group	034	654,706	173,108	1,148,825	642,235
5 Exchange rate differences and other financial income from operations with undertakings within the group	035	0	0	23,783	23,783
6 Income from other long-term financial investments and loans	036	20,601	0	38,830	91
7 Other interest income	037	379,370	243,036	634,653	39,225
8 Exchange rate differences and other financial income	038	0	0	5,357	5,357
9 Unrealised gains (income) from financial assets	039	97,872	23,469	174,899	45,929
10 Other financial income	040	0	0	0	0
IV FINANCIAL EXPENSES (ADP 042 to 048)	041	2,942	1,013	282,416	266,207
1 Interest expenses and similar expenses with undertakings within the group	042	0	0	62,332	48,633
2 Exchange rate differences and other expenses from operations with undertakings within the group	043	2,738	937	0	0

STATEMENT OF PROFIT OR LOSS for the period 01.01.2024 to 30.09.2024

in EUR

Submitter: KONČAR - Electrical Industry Inc. for manufacturing and services					
Item	AOP code	Same period of the previous year		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
3 Interest expenses and similar expenses	044	204	76	0	0
4 Exchange rate differences and other expenses	045	0	0	84,134	81,640
5 Unrealised losses (expenses) from financial assets	046	0	0	0	0
6 Value adjustments of financial assets (net)	047	0	0	0	0
7 Other financial expenses	048	0	0	135,950	135,934
V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VIRTUE OF PARTICIPATING INTERESTS	049	0	0	0	0
VI SHARE IN PROFIT FROM JOINT VENTURES	050	0	0	0	0
VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST	051	0	0	0	0
VIII SHARE IN LOSS OF JOINT VENTURES	052	0	0	0	0
IX TOTAL INCOME (ADP 001+030+049 +050)	053	20,969,777	6,200,195	49,708,791	29,236,580
X TOTAL EXPENDITURE (ADP 007+041+051 + 052)	054	8,255,759	2,840,726	35,160,499	28,421,622
XI PRE-TAX PROFIT OR LOSS (ADP 053-054)	055	12,714,018	3,359,469	14,548,292	814,958
1 Pre-tax profit (ADP 053-054)	056	12,714,018	3,359,469	14,548,292	814,958
2 Pre-tax loss (ADP 054-053)	057	0	0	0	0
XII INCOME TAX	058	0	0	2,618,692	2,618,692
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 055-059)	059	12,714,018	3,359,469	11,929,600	-1,803,734
1 Profit for the period (ADP 055-059)	060	12,714,018	3,359,469	11,929,600	0
2 Loss for the period (ADP 059-055)	061	0	0	0	-1,803,734
DISCONTINUED OPERATIONS (to be filled in by undertakings subject to IFRS only with discontinued operations)					
XIV PRE-TAX PROFIT OR LOSS OF DISCONTINUED OPERATIONS (ADP 063-064)	062	0	0	0	0
1 Pre-tax profit from discontinued operations	063	0	0	0	0
2 Pre-tax loss on discontinued operations	064	0	0	0	0
XV INCOME TAX OF DISCONTINUED OPERATIONS	065	0	0	0	0
1 Discontinued operations profit for the period (ADP 062-065)	066	0	0	0	0
2 Discontinued operations loss for the period (ADP 065-062)	067	0	0	0	0
TOTAL OPERATIONS (to be filled in only by undertakings subject to IFRS with discontinued operations)					
XVI PRE-TAX PROFIT OR LOSS (ADP 055-+062)	068	0	0	0	0
1 Pre-tax profit (ADP 068)	069	0	0	0	0
2 Pre-tax loss (ADP 068)	070	0	0	0	0
XVII INCOME TAX (ADP 058+065)	071	0	0	0	0
XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 068-071)	072	0	0	0	0
1 Profit for the period (ADP 068-071)	073	0	0	0	0
2 Loss for the period (ADP 071-068)	074	0	0	0	0
APPENDIX to the P&L (to be filled in by undertakings that draw up consolidated annual financial statements)					
XIX PROFIT OR LOSS FOR THE PERIOD (AOP 076+077)	075	0	0	0	0
1 Attributable to owners of the parent	076	0	0	0	0
2 Attributable to minority (non-controlling) interest	077	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	078	12,714,018	3,359,469	11,929,600	-1,803,734
II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 80+ 87)	079	0	0	0	0
III Items that will not be reclassified to profit or loss (ADP 081 to 085)	080	0	0	0	0
1 Changes in revaluation reserves of fixed tangible and intangible assets	081	0	0	0	0

STATEMENT OF PROFIT OR LOSS for the period 01.01.2024 to 30.09.2024

in EUR

Submitter: KONČAR - Electrical Industry Inc. for manufacturing and services					
Item	AOP code	Same period of the previous year		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
2 Gains or losses from subsequent measurement of equity instruments at fair value through other comprehensive income	082	0	0	0	0
3 Fair value changes of financial liabilities at fair value through statement of profit or loss, attributable to changes in their credit risk	083	0	0	0	0
4 Actuarial gains/losses on the defined benefit obligation	084	0	0	0	0
5 Other items that will not be reclassified	085	0	0	0	0
6 Income tax relating to items that will not be reclassified	086	0	0	0	0
IV Items that may be reclassified to profit or loss (ADP 088 to 095)	087	0	0	0	0
1 Exchange rate differences from translation of foreign operations	088	0	0	0	0
2 Gains or losses from subsequent measurement of debt securities at fair value through other comprehensive income	089	0	0	0	0
3 Profit or loss arising from effective cash flow hedging	090	0	0	0	0
4 Profit or loss arising from effective hedge of a net investment in a foreign operation	091	0	0	0	0
5 Share in other comprehensive income/loss of companies linked by virtue of participating interests	092	0	0	0	0
6 Changes in fair value of the time value of option	093	0	0	0	0
7 Changes in fair value of forward elements of forward contracts	094	0	0	0	0
8 Other items that may be reclassified to profit or loss	095	0	0	0	0
9 Income tax relating to items that may be reclassified to profit or loss	096	0	0	0	0
V NET OTHER COMPREHENSIVE INCOME OR LOSS (ADP 080+087- 086 - 096)	097	0	0	0	0
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 078+097)	098	12,714,018	3,359,469	11,929,600	-1,803,734
APPENDIX to the Statement on comprehensive income (to be filled in by undertakings that draw up consolidated statements)					
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 100+101)	099	0	0	0	0
1 Attributable to owners of the parent	100	0	0	0	0
2 Attributable to minority (non-controlling) interest	101	0	0	0	0

STATEMENT OF CASH FLOWS - direct method for the period 01.01.2024 to 30.09.2024

in EUR

Submitter: KONČAR - Electrical Industry Inc. for manufacturing and services			
item	AOP code	Same period of the previous year	Current period
1	2	3	4
Cash flow from operating activities			
1 Cash receipts from customers	001	8,723,045	35,231,553
2 Cash receipts from royalties, fees, commissions and other revenue	002	0	0
3 Cash receipts from insurance premiums	003	0	5,325
4 Cash receipts from tax refund	004	0	939,546
5 Other cash receipts from operating activities	005	914,497	5,976,793
I Total cash receipts from operating activities (ADP 001 to 005)	006	9,637,542	42,153,217
1 Cash payments to suppliers	007	-3,478,576	-28,684,454
2 Cash payments to employees	008	-3,267,779	-8,255,713
3 Cash payments for insurance premiums	009	0	-202,467
4 Interest paid	010	-69	-14,553
5 Income tax paid	011	0	-331,161
6 Other cash payments from operating activities	012	-2,150,460	-2,809,030
II Total cash payments from operating activities (ADP 007 to 012)	013	-8,896,884	-40,297,378
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 006 + 013)	014	740,658	1,855,839
Cash flow from investment activities			
1 Cash receipts from sales of fixed tangible and intangible assets	015	3,403,480	725,955
2 Cash receipts from sales of financial instruments	016	390,643	0
3 Interest received	017	662,127	677,942
4 Dividends received	018	13,771,320	21,083,972
5 Cash receipts from the repayment of loans and deposits	019	35,275,698	7,050,000
6 Other cash receipts from investment activities	020	0	2,292
III Total cash receipts from investment activities (ADP 015 to 020)	021	53,503,268	29,540,161
1 Cash payments for the purchase of fixed tangible and intangible assets	022	-1,695,770	-8,278,521
2 Cash payments for the acquisition of financial instruments	023	-10,617,540	-6,244,256
3 Cash payments for loans and deposits	024	-7,514,900	-41,090,000
4 Acquisition of a subsidiary, net of cash acquired	025	0	0
5 Other cash payments from investment activities	026	0	-702,400
IV Total cash payments from investment activities (ADP 022 to 026)	027	-19,828,210	-56,315,177
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 021 + 027)	028	33,675,058	-26,775,016
Cash flow from financing activities			
1 Cash receipts from the increase in initial (subscribed) capital	029	0	0
2 Cash receipts the from issue of equity financial instruments and debt financial instruments	030	0	0
3 Cash receipts from credit principals, loans and other borrowings	031	0	5,000,000
4 Other cash receipts from financing activities	032	0	0
V Total cash receipts from financing activities (ADP 029 to 032)	033	0	5,000,000
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	034	0	0
2 Cash payments for dividends	035	-5,092,836	-6,417,265
3 Cash payments for finance lease	036	0	0
4 Cash payments for the redemption of treasury shares and decrease in initial (subscribed) capita	037	0	0
5 Other cash payments from financing activities	038	0	-6,951,013
VI Total cash payments from financing activities (ADP 034 to 038)	039	-5,092,836	-13,368,278
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 033 + 039)	040	-5,092,836	-8,368,278
1 Unrealised exchange rate differences in respect of cash and cash equivalents	041	-2,006	-6,315
D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 014 + 028 + 040 + 041)	042	29,320,874	-33,293,770
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	043	13,473,705	38,342,148
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (042+043)	044	42,794,579	5,048,378

STATEMENT OF CHANGES IN EQUITY

for the period from 01.01.2024 to 30.09.2024

B Financial statements of KONČAR – Electrical Industry Inc. for manufacturing and services for the period January - September 2024

in EUR

Item	AOP code	Attributable to owners of the parent																Minority (non-controlling) interest	Total capital and reserves
		Initial (subscribed) capital	Capital re-serves	Legal reserves	Reserves for treasury shares	Treasury shares and holdings (deductible item)	Statutory reserves	Other reserves	Re-valuation reserves	Fair value of financial assets through other comprehensive income (available for sale)	Cash flow hedge - effective portion	Hedge of a net investment in a foreign operation - effective portion	Other fair value reserves	Exchange rate differences from translation of foreign operations	Retained profit / loss brought forward	Profit/loss for the business year	Total attributable to owners of the parent		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18 (3 to 6 - 7 + 8 to 17)	19	20 (18+19)
Previous period																			
1 Balance on the first day of the previous business year	01	160,448,063	95,505	6,790,178	4,526,798	2,051,700	28,891,636	18,365,422	0	0	0	0	0	0	113,855	15,002,409	232,182,166	0	232,182,166
2 Changes in accounting policies	02	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 Correction of errors	03	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4 Balance on the first day of the previous business year (restated) (ADP 01 to 03)	04	160,448,063	95,505	6,790,178	4,526,798	2,051,700	28,891,636	18,365,422	0	0	0	0	0	0	113,855	15,002,409	232,182,166	0	232,182,166
5 Profit/loss of the period	05	0	0	0	0	0	0	0	0	0	0	0	0	0	0	13,707,458	13,707,458	0	13,707,458
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	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	0	0
8 Gains or losses from subsequent measurement of financial assets at fair value through other comprehensive income (available for sale)	08	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9 Profit or loss arising from effective cash flow hedge	09	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10 Profit or loss arising from effective hedge of a net investment in a foreign operation	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11 Share in other comprehensive income/loss of companies linked by virtue of participating interests	11	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12 Actuarial gains/losses on the defined benefit obligation	12	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13 Other changes in equity unrelated to owners	13	0	-1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14 Tax on transactions recognised directly in equity	14	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15 Decrease in initial (subscribed) capital (other than arising from the pre-bankruptcy settlement procedure or from the reinvestment of profit)	15	-976,685	976,685	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16 Decrease in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	16	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17 Decrease in initial (subscribed) capital arising from the reinvestment of profit	17	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18 Redemption of treasury shares/holdings	18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19 Payments from members/shareholders	19	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20 Payment of share in profit/dividend	20	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-5,092,281	-5,092,281	0	-5,092,281
21 Other distributions and payments to members/shareholders	21	0	0	0	-19,507	-19,507	0	0	0	0	0	0	0	0	36,701	0	36,701	0	36,701
22 Transfer to reserves according to the annual schedule	22	0	0	750,120	0	0	0	0	0	0	0	0	0	0	9,160,009	-9,910,128	1	0	1
23 Increase in reserves arising from the pre-bankruptcy settlement procedure	23	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24 Balance on the last day of the previous business year reporting period (ADP 04 to 23)	24	159,471,378	1,072,189	7,540,299	4,507,291	2,032,193	28,891,636	18,365,422	0	0	0	0	0	0	9,310,565	13,707,458	240,834,045	0	240,834,045
APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)																			
I OTHER COMPREHENSIVE INCOME OF THE PREVIOUS PERIOD, NET OF TAX (ADP 06 to 14)	25	0	-1	1	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+25)	26	0	-1	1	0	0	0	0	0	0	0	0	0	0	0	13,707,458	13,707,458	0	13,707,458
III TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 23)	27	-976,685	976,685	750,120	-19,507	-19,507	0	0	0	0	0	0	0	0	9,196,710	-15,002,409	-5,055,579	0	-5,055,579

STATEMENT OF CHANGES IN EQUITY

for the period from 01.01.2024 to 30.09.2024

B Financial statements of KONČAR – Electrical Industry Inc. for manufacturing and services for the period January - September 2024

in EUR

Item	AOP code	Attributable to owners of the parent																Minority (non-controlling) interest	Total capital and reserves
		Initial (subscribed) capital	Capital reserves	Legal reserves	Reserves for treasury shares	Treasury shares and holdings (deductible item)	Statutory reserves	Other reserves	Re-valuation reserves	Fair value of financial assets through other comprehensive income (available for sale)	Cash flow hedge - effective portion	Hedge of a net investment in a foreign operation - effective portion	Other fair value reserves	Exchange rate differences from translation of foreign operations	Retained profit / loss brought forward	Profit/loss for the business year	Total attributable to owners of the parent		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18 (3 to 6 - 7 + 8 to 17)	19	20 (18+19)
Current period																			
1 Balance on the first day of the previous business year	28	159,471,378	1,072,189	7,540,299	4,507,291	2,032,193	28,891,636	18,365,422	0	0	0	0	0	0	9,310,565	13,707,458	240,834,045	0	240,834,045
2 Changes in accounting policies	29	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 Correction of errors	30	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4 Balance on the first day of the previous business year (restated) (ADP 28 to 30)	31	159,471,378	1,072,189	7,540,299	4,507,291	2,032,193	28,891,636	18,365,422	0	0	0	0	0	0	9,310,565	13,707,458	240,834,045	0	240,834,045
5 Profit/loss of the period	32	0	0	0	0	0	0	0	0	0	0	0	0	0	0	11,929,600	11,929,600	0	11,929,600
6 Exchange rate differences from translation of foreign operations	33	0	0	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	34	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8 Gains or losses from subsequent measurement of financial assets at fair value through other comprehensive income (available for sale)	35	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9 Profit or loss arising from effective cash flow hedge	36	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10 Profit or loss arising from effective hedge of a net investment in a foreign operation	37	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11 Share in other comprehensive income/loss of companies linked by virtue of participating interests	38	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12 Actuarial gains/losses on the defined benefit obligation	39	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13 Other changes in equity unrelated to owners	40	0	987	1,352,384	1,524,902	0	6,008,078	2,082,944	0	0	0	0	0	0	-6,421,875	0	4,547,420	0	4,547,420
14 Tax on transactions recognised directly in equity	41	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15 Decrease in initial (subscribed) capital (other than arising from the pre-bankruptcy settlement procedure or from the reinvestment of profit)	42	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16 Decrease in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	43	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17 Decrease in initial (subscribed) capital arising from the reinvestment of profit	44	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18 Redemption of treasury shares/holdings	45	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19 Payments from members/shareholders	46	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20 Payment of share in profit/dividend	47	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-6,365,968	-6,365,968	0	-6,365,968
21 Other distributions and payments to members/shareholders	48	0	0	0	-33,643	-33,643	0	0	0	0	0	0	0	0	109,571	0	109,571	0	109,571
22 Transfer to reserves according to the annual schedule	49	0	0	433,270	0	0	0	0	0	0	0	0	0	0	6,908,220	-7,341,490	0	0	0
23 Increase in reserves arising from the pre-bankruptcy settlement procedure	50	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24 Balance on the last day of the previous business year reporting period (ADP 31 to 50)	51	159,471,378	1,073,176	9,325,953	5,998,550	1,998,550	34,899,714	20,448,366	0	0	0	0	0	0	9,906,481	11,929,600	251,054,668	0	251,054,668
APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)																			
I OTHER COMPREHENSIVE INCOME OF THE CURRENT PERIOD, NET OF TAX (ADP 33 to 41)	52	0	987	1,352,384	1,524,902	0	6,008,078	2,082,944	0	0	0	0	0	0	-6,421,875	0	4,547,420	0	4,547,420
II COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 32 to 52)	53	0	987	1,352,384	1,524,902	0	6,008,078	2,082,944	0	0	0	0	0	0	-6,421,875	11,929,600	16,477,020	0	16,477,020
III TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 42 to 50)	54	0	0	433,270	-33,643	-33,643	0	0	0	0	0	0	0	0	7,017,791	-13,707,458	-6,256,397	0	-6,256,397

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS - TFI

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

PIN: 45050126417

Reporting period: 1 January 2024 to 30 September 2024

1 General information about the company

KONČAR – Electrical Industry Inc. for manufacturing and services (PIN: 45050126417) Zagreb, Fallerovo šetalište 22 ("the Company") is the Parent Company of the KONČAR Group. As the Parent Company, the Company draws up consolidated reports, which are presented separately. These separate financial statements represent the Company as a separate entity. The Company manages its wholly-owned subsidiaries and associate companies.

Pursuant to previously adopted resolutions, as of 1 July 2024, a statutory consolidation was effected, integrating KONČAR - Engineering Ltd. for manufacturing and services and KONČAR - Energy and Services Ltd. for services into KONČAR - Electrical Industries Inc. for manufacturing and services, serving as the acquiring entity. Post-merger, the incorporated entities have seamlessly continued their regular business operations under the structure of KONČAR - Electrical Industries Inc. The year-over-year variances in the financial statements are largely attributed to the integration process.

The average headcount for H1 2024 was 81 employees, rising to 586 in Q3 2024 (compared to an average of 69 employees in Q1–Q3 2023).

2 Significant accounting policies

These quarterly statements for the period ended 30 September 2024 are to be read together with the most recent annual financial statement of the Company as of and for the year ended 31 December 2023 ("the most recent annual financial statements") considering the fact that they do not include all the necessary information for the entire set of financial statements drawn up in accordance with the International Financial Reporting Standards. However, the explanations selected include explanations of the events and transactions significant for understanding changes in the financial position and performance of the Company since the most recent annual financial statement. Annual individual and consolidated financial statements have been published on the Company's website.

While drawing up quarterly financial statements, the Management Board used the judgments and estimates affecting the application of accounting policies and the recorded amounts of assets and liabilities, revenue and expenses. The resulting accounting estimates will, by definition, seldom equal the related actual results. Key accounting estimates are equal to those described in the most recent annual financial statement. The accounting policies applied in these quarterly financial statements are equal to those applied in the financial statements of the Company as of and for the year ended 31 December 2023.

Seasonal effects

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

3 Sales revenue

	January-September 2024 EUR	January-September 2023 EUR
Income from dividends /i/	13,384,701	8,685,435
Income from contracts with customers /ii/	34,061,507	8,192,661
	47,446,208	16,878,096

/i/ Income from dividends

	January-September 2024 EUR	January-September 2023 EUR
Income from dividends – Subsidiaries	13,384,701	8,685,435
Income from dividends – Associates	-	-
	13,384,701	8,685,435

/ii/ Income from contracts with customers

	January-September 2024 EUR	January-September 2023 EUR
<i>Type of service</i>		
Brand usage fee (fee for the usage of company name, trade-mark and service mark)	5,837,868	5,322,046
Income from Power Generation	9,983,294	0
Income from Power Transmission and Distribution	11,579,602	0
Income from Urban Mobility and Infrastructure	2,624,440	0
Income from real estate management and administration	3,344,247	2,365,866
Income from other fees	692,055	504,749
Total income from contracts with customers	34,061,506	8,192,661

4 Other income and operating expenses

During Q1 - Q3 2024, there were no items of operating expenses of exceptional size or incidence that would consequently require additional disclosure.

5 Income tax

Income tax expense is recognised at an amount determined by multiplying the profit before tax for the reporting period by the management's best estimate of the average annual income tax rate expected for the full financial year. Income tax expense is adjusted for the tax effect of certain items recognised in full in the reporting period. Given the uncertainty regarding the final corporate income tax liability for 2024, the expense has been provisionally recognized at the statutory tax rate of 18%.

6 Earnings per share

	January-September 2024 EUR	January-September 2023 EUR
Profit for the year	11,929,600	12,714,018
Weighted average number of shares	2,546,533	2,546,212
Earnings per share in EUR	4.68	4.99

7 Property, plant and equipment

In Q1-Q3 2024, the Company acquired assets totalling EUR 4,012 thousand (Q1-Q3 2023: EUR 2,876 thousand), while depreciation expense reached EUR 1,118 thousand (Q1-Q3 2023: EUR 836 thousand).

8 Investments in subsidiaries

	30 Septem- ber 2024	31 Decem- ber 2023	30 Septem- ber 2024	31 Decem- ber 2023
	EUR' 000	EUR' 000	Share in %	Share in %
Stakes (shares) in subsidiaries in Croatia				
KONČAR - Switchgear Ltd., Zagreb	11,197	11,197	100	100
KONČAR - Metal Structures Ltd., Zagreb	16,779	16,779	100	100
KONČAR - Generators and Motors Ltd., Zagreb	9,600	9,600	100	100
KONČAR - Distribution and Special Transformers Inc., Zagreb	8,245	8,245	52.73	52.73
KONČAR - Electrical Engineering Institute Ltd., Zagreb	8,087	8,088	100	100
KONČAR - Infrastructure and Services Ltd., Zagreb	-	7,524	-	100
KONČAR - Electronics and Informatics Inc., Zagreb	8,353	8,353	100	100
KONČAR - Renewable Energy Sources Ltd., Zagreb	2,159	5,733	100	91.25
KONČAR - Engineering Ltd., Zagreb	-	9,304	-	100
KONČAR - Motors and Electrical Systems Ltd., Zagreb	6,450	6,450	100	100
KONČAR - Electric Vehicles Inc., Zagreb	5,639	5,058	84.73	77.74
KONČAR - Instrument Transformers Inc., Zagreb	4,041	4,041	61.97	61.97
KONČAR - Digital Ltd., Zagreb	14,684	9,184	100	100
KONČAR - Investments Ltd., Zagreb	31	3	100	100
KONČAR - Transformer Tanks Ltd., Sesevski Kraljevec	702	2	100	100
Energy park Pometeno brdo Ltd, Zagreb	4,124	-	100	-
TELENERG-INŽENJERING Ltd., Zagreb	1,008	-	100	-
INK PROJECT Ltd., Zagreb	126	-	100	-
	101,225	109,561		

9 Capital and reserves

Share (subscribed) capital is determined in the nominal amount of EUR 159,471,378 (as at 31 December 2023: EUR 159,471,378) divided in 2,572,119 shares each in the nominal value of EUR 62. The Company's ordinary shares are listed on the Official Market of Zagreb Stock Exchange, identified by the symbol KOEI-R-A. As at 30 September 2024 the Company owns 25,306 treasury shares (31 December 2023: 25,732 shares).

10 Contingent liabilities and off-balance sheet items

As at 30 September 2024, off-balance sheet items primarily comprise issued security instruments, mainly bank guarantees, along with guarantees issued at the request of the Group subsidiaries for the requirements of financial institutions and suppliers.

11 Related party transactions

<i>in EUR thousand</i>	Transactions for the reporting period	
	30 September 2024	30 September 2023
Income from operating activities		
Subsidiaries	8,993	7,752
Associates	1,379	353
Gain from sale of assets		
Subsidiaries	21	0
Associates	0	2,742
Dividend income		
Subsidiaries	13,385	8,685
Associates	0	0
Finance income		
Subsidiaries	1,173	655
Finance cost		
Subsidiaries	62	0
Cost of goods and services procurement		
Subsidiaries	7,580	2,676
<i>in EUR thousand</i>	30 September 2024	31 December 2023
Trade Receivables from operating activities		
Subsidiaries	12,804	4,583
Associates	2,235	128
Dividend Receivables		
Subsidiaries	-	-
Associates	-	8,017
Accrued Interest Receivables		
Subsidiaries	2,080	980
Other receivables		
Subsidiaries	2,858	504
Receivables from Financing Activities		
Subsidiaries	63,759	26,626
Trade Payables from operating activities		
Subsidiaries	8,147	2,498
Associates	6,848	-
Liabilities from Financing Activities		
Subsidiaries	5,013	-
Other Liabilities		
Subsidiaries	694	-
Associates	231	-

12 Events after the balance sheet date

On 20 September 2024, a meeting of the Supervisory Board of KONČAR Inc. was held. During the meeting, in line with KONČAR's strategic direction and the ongoing transformation of its organizational and operational model, the Supervisory Board ratified the Management Board's proposal to implement a merger of subsidiaries. This involves merging KONČAR - Investments Ltd. and Advanced Energy Solutions Ltd., as the merging entities, into KONČAR - Electrical Industry Inc. for manufacturing and services, designated as the acquiring entity. The first step will be the merger of KONČAR - Investments Ltd. Following the registration of this status change in the court register, and KONČAR - Electrical Industry Inc. for manufacturing and services ex lege becoming the sole shareholder of Advanced Energy Solutions Ltd., the merger of Advanced Energy Solutions Ltd. will be carried out. The completion of these mergers is anticipated by the end of 2024.

Aside from these events, there have been no significant post-reporting events affecting the Company's financial statements that would warrant disclosure between the reporting date and the date of financial statement approval.

Management's Statement of Responsibility

Unaudited Financial Statements of KONČAR – Electrical Industry Inc. for manufacturing and services for the period 1 January to 30 September 2024 have been drawn up in accordance with the International Financial Reporting Standards (IFRS) and with the Croatian Accounting Act.

Unaudited Financial Statements of KONČAR – Electrical Industry Inc. for manufacturing and services for the period from 1 January to 30 September 2024 give a comprehensive and a true and fair view of assets and liabilities, profit and loss, financial position and business operations of the issuer and the Company.

The Management Statement for the period ended 30 September 2024 gives a true and fair view of the company's business performance.

Signed on behalf of the Management Board:

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



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



Zagreb, 31 October 2024



KONČAR

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