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Business Report of KONČAR Inc. for January - June 2025

Introduction

KONČAR Inc. ("the Company") is the parent company of KONČAR Group. In its capacity as the parent, the Company prepares consolidated financial statements, which are presented separately.

This Report for January – June 2025 represents the report of the Company as a separate legal entity. The companies within the Group are legally independent entities, while the Parent exercises oversight, provides strategic direction, and support through supervisory boards and general meetings of the companies, in accordance with the Croatian Companies Act, the Articles of Association of KONČAR Inc., the Articles of Association of the respective subsidiaries, and the Declarations of Incorporation.

The Parent Company also manages part of the assets not invested in subsidiaries, but which directly or indirectly support the Group's operations, particularly by serving as financial collateral for the placement of products and equipment of related companies.

KONČAR Inc., as the parent company, invoices the following services to its subsidiaries:

- · Fees for using the company name, trademark and service mark
- · A share of the costs for joint participation in trade fairs
- · Part of the cost of joint marketing activities
- · Manager training seminars, employee education, and similar services

Following the status changes implemented in 2024, KONČAR Inc. reports revenue streams from engineering engagements within the Power Generation, Power Transmission and Distribution, and Urban Mobility and Infrastructure segments, as well as from asset and property management.

Significant differences in the financial statements compared to the same period of 2024 are a result of the aforementioned status changes. The impact of the mergers is reflected in the business revenues, which have significantly increased due to the new business segments acquired through the mergers.

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in EUR 000	Q I-II 2024	Q I-II 2025	Δ	2025/2024
Operating Income	19,202	122,122	102,919	636.0
Sales revenue	19,065	121,052	101,987	634.9
Income from dividends	13,385	28,628	15,243	213.9
Income from contracts with customers	5,680	92,424	86,744	
Other operating income	138	1,070	933	777.1
Operating Expenses	6,723	87,129	80,406	
EBIT	12,480	34,993	22,513	280.4
Net profit	13,733	35,138	21,405	255.9
EBITDA	13,069	36,672	23,603	280.6
Normalised EBITDA ¹	12,989	35,652	22,663	274.5

¹ Normalised figures: Normalised for the net impact of provisions, income from the sale of assets, compensation income, and other operating income, and increased for impairment losses and other operating expenses.

Business results

For the period January – June 2025, KONČAR Inc. generated EUR 122.1 million in operating income, which is increase of EUR 102.9 million compared to EUR 19.2 million in the corresponding period of the prior year. The year-on-year increase is almost entirely attributable to the new business segments the Company acquired as a result of the status changes implemented during 2024.

In the first half of 2025, the Company generated EUR 92.4 million in sales revenue from contracts with customers, up EUR 86.7 million year-on-year. The increase mainly stems from contracts in the Power Generation, Power Transmission and Distribution, and Urban Mobility and Infrastructure segments, as well as from fees related to the use of the company name, trademarks and service marks, and participation in joint marketing activities.

Dividend income amounted to EUR 28.6 million, an increase of EUR 15.2 million or 113.9% year-on-year.

Operating expenses totalled EUR 87.1 million, reflecting a year-on-year increase of EUR 80.4 million relative to the same period of the previous year. As with revenues, the difference in expenses year-on-year is primarily due to the merger of two KONČAR Group companies.

Operating expenses consisted of:

- Material costs amount to EUR 68.0 million (H1 2024: EUR 1.7 million), representing a year-on-year increase of EUR 66.3 million. The increase was largely driven by the purchase of goods and services for the execution of customer contracts, while raw materials, supplies and other costs remained at approximately the same level year-on-year compared to H1 2024.
- Personnel costs amounted to EUR 10.7 million. The significant year-on-year increase in personnel expenses is the result
 of the status changes carried out, which led to a substantial increase in headcount following the integration of employees
 from the merged companies into KONČAR Inc. The average number of employees during the reporting period in 2025 was
 577, compared to 81 in the same period of the previous year.
- Depreciation for the reporting period amounted to EUR 1.7 million, representing a year-on-year increase of EUR 1.1 million.
- Other expenses totalled EUR 6.6 million, recording an increase of 164.1% year-on-year.

Financial income totalled EUR 0.7 million, largely driven by interest from loans to subsidiaries and interest on term deposits. Financial expenses amounted to EUR 0.5 million, up by the same amount compared to last year. As a result, the Company recorded a positive net financial result of EUR 0.1 million.

Financial position

The total assets of KONČAR Inc. as at 30 June 2025 amounted to EUR 375.0 million, representing an increase of EUR 15.0 million or 4.2% compared to the balance as at 31 December 2024.

Total non-current assets amounted to EUR 244.3 million, an increase of EUR 12.7 million or 5.5% compared to the balance as at 31 December 2024. The increase in intangible assets by EUR 0.2 million (21.3%) resulted from the capitalisation of license acquisition costs. The value of property, plant and equipment rose by EUR 0.6 million (1.0%), primarily reflecting continued infrastructure investments and the recognition of right-of-use assets for leased vehicles in accordance with IFRS 16.

Non-current financial assets increased by EUR 11.9 million compared to 31 December 2024, primarily as a result of a loan granted to a subsidiary and investments in equity interests of subsidiaries.

Total current assets amounted to EUR 128.0 million, an increase of EUR 1.5 million compared to 31 December 2024. Inventories increased by EUR 4.6 million, current financial assets by EUR 13.8 million, while current receivables decreased by EUR 30.3 million. Cash and cash equivalents increased by EUR 13.4 million, reaching EUR 21.0 million as at 30 June 2025.

Prepaid expenses relate to trade fair costs, marketing activities, and strategic project expenses that will be recharged to subsidiaries in the upcoming period.

Total capital and reserves amounted to EUR 294.8 million as at 30 June 2025, representing an increase of EUR 27.7 million compared to 31 December 2024. The increase is attributable to the profit generated in the second quarter and the distribution of 2024 retained earnings, pursuant to the General Assembly's resolution.

The reduction of EUR 0.5 million in provisions for retirement and termination-related obligations is primarily attributable to severance payments executed in January 2025.

Long-term liabilities amounted to EUR 0.6 million, representing an increase of EUR 0.4 million.

As of 30 June 2025, current liabilities declined by EUR 13.6 million, or 16.2%, compared to year-end 2024, mainly due to a reduction in trade payables. Conversely, the most significant increase was noted in liabilities arising from the allocation of profit to shareholders.

Deferred income and accrued expenses increased by EUR 0.5 million compared to 31 December 2024.

Off-balance-sheet items as at 30 June 2025 primarily comprise issued security instruments, mostly bank guarantees, as well as other guarantees issued at the request of Group subsidiaries to financial institutions and suppliers.

B Financial Statements of KONČAR Inc. for January - June 2025

Annex 1

ISSUER'S GENERAL DATA			
Reporting period:	1/1/2025	to	30/6/2025
Year:	2025	Quarter:	2
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: 74780000HOSHMRAW0I15
Institution code:	501		
Name of the issuer:	KONČAR Inc.		
Postcode and town:	10000		ZAGREB
Street and house number:	FALLEROVO ŠE	TALIŠTE 22	
E-mail address:	koncar.finance	@koncar.hr	
Web address:	www.koncar.hr		
Number of employees (end of the reporting period):	583		
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 s	surname of the contact	person)
Telephone:	01 3655 160		
E-mail address:	ivana.mrsic@k	oncar.hr	
Audit firm:	KPMG Ltd. Croa		
Certified auditor:	Igor Gošek (name and surna	ime)	

BALANCE SHEET balance as at 30.6.2025

		Last day of the	At the reporting
ltem	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	231,562,859	244,272,391
I INTANGIBLE ASSETS (ADP 004 to 009)	003	995,633	1,207,478
1 Research and development	004	66,060	33,030
2 Concessions, patents, licences, trademarks, software and other rights	005	478,169	422,195
3, Goodwill	006	0	0
4 Advances for the purchase of intangible assets	007	0	0
5 Intangible assets in preparation	008	451,404	752,253
6 Other intangible assets	009	0	0
II TANGIBLE ASSETS (ADP 011 to 019)	010	60,122,193	60,717,876
1 Land	011	1,360,280	1,360,280
2 Buildings	012	5,246,311	5,171,617
3 Plant and equipment	013	5,723,384	5,381,540
4 Tools, working inventory and transportation assets	014	1,103,989	1,005,479
5 Biological assets	015	0	0
6 Advances for the purchase of tangible assets	016	0	27,918
7 Tangible assets in preparation	017	666,205	1,045,844
8 Other tangible assets	018	665,613	1,077,577
9 Investment property	019	45,356,411	45,647,621
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	168,359,252	180,261,256
1 Investments in holdings (shares) of undertakings within the group	021	151,270,786	160,549,289
2 Investments in other securities of undertakings within the group	022	0	0
3 Loans, deposits, etc, to undertakings within the group	023	7,225,000	9,900,000
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	846,778	794,459
8 Loans, deposits, etc, given	028	28,400	29,220
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	924,702	924,702
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	11,778	11,778
4 Other receivables	035	912,924	912,924
V DEFERRED TAX ASSETS	036	1,161,079	1,161,079
C) CURRENT ASSETS (ADP 038+046+053+063)	037	126,459,476	127,954,421
I INVENTORIES (ADP 039 to 045)	038	2,438,619	7,015,066
1 Raw materials and consumables	039	366,108	454,368
2 Work in progress	040	0	0
3 Finished goods	041	0	0
4 Merchandise	042	1,315,255	6,560,698
5 Advances for inventories	043	0	0
6 Fixed assets held for sale	044	757,256	0
7 Biological assets	045	0	0

BALANCE SHEET balance as at 30.6.2025

Item	ADP code	Last day of the preceding business year	At the reporting date of the curren period		
1	2	3	4		
		'			
II RECEIVABLES (ADP 047 to 052)	046	116,727,244	86,428,655		
1 Receivables from undertakings within the group	047	18,343,638	24,476,423		
2 Receivables from companies linked by virtue of participating interests	048	23,175,270	1,930,746		
3 Customer receivables	049	61,504,160	46,400,849		
4 Receivables from employees and members of the undertaking	050	4,214	30,817		
5 Receivables from government and other institutions	051	3,056,233	3,381,623		
6 Other receivables	052	10,643,729	10,208,19		
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)	053	0	13,817,619		
1 Investments in holdings (shares) of undertakings within the group	054	0	(
2 Investments in other securities of undertakings within the group	055	0	(
3 Loans, deposits, etc, to undertakings within the group	056	0	13,525,000		
4 Investments in holdings (shares) of companies linked by virtue of participating interests	057	0	(
5 Investment in other securities of companies linked by virtue of participating interests	058	0	(
6 Loans, deposits etc, to companies linked by virtue of participating interests	059	0	(
7 Investments in securities	060	0	(
8 Loans, deposits, etc, given	061	0	(
9 Other financial assets	062	0	292,619		
IV CASH AT BANK AND IN HAND	063	7,293,613	20,693,083		
D) PREPAID EXPENSES AND ACCRUED INCOME	064	1,753,931	2,610,742		
E) TOTAL ASSETS (ADP 001+002+037+064)	065	359,776,266	374,837,554		
OFF-BALANCE SHEET ITEMS	066	384,096,854	428,503,159		
LIABILITIES					
A) CAPITAL AND RESERVES (ADP 068 to 070+076+077+081+084+087)	067	267,113,548	294,840,05		
I INITIAL (SUBSCRIBED) CAPITAL	068	159,471,378	159,471,378		
II CAPITAL RESERVES	069	1,073,176	1,073,176		
III RESERVES FROM PROFIT (ADP 071+072-073+074+075)	070	68,674,033	70,246,730		
1 Legal reserves	071	9,325,953	9,524,246		
2 Reserves for treasury shares	072	5,998,550	5,965,222		
3 Treasury shares and holdings (deductible item)	073	-1,998,550	-1,965,222		
4 Statutory reserves	074	34,899,714	34,899,714		
5 Other reserves	075	20,448,366	21,822,770		
IV REVALUATION RESERVES	076	0	(
V FAIR VALUE RESERVES AND OTHER (ADP 078 to 082)	077	0	(
1 Financial assets at fair value through other comprehensive income (i,e, available for sale)	078	0	(
2 Cash flow hedge - effective portion	079	0	(
3 Hedge of a net investment in a foreign operation - effective portion	080	0	(
4 Other fair value reserves	081	0	(
5 Exchange differences arising from the translation of foreign operations (consolidation)	082	0	(
VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 084-085)	083	6,441,028	28,910,549		
1 Retained profit	084	6,441,028	28,910,549		
2 Loss brought forward	085	0	(
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 087-088)	086	31,453,933	35,138,222		
1 Profit for the business year	087	31,453,933	35,138,222		
2 Loss for the business year	088	0	(
	089	0	(

BALANCE SHEET balance as at 30.6.2025

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	3,369,345	3,364,548
1 Provisions for pensions, termination benefits and similar obligations	091	1,550,347	1,545,550
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	1,818,998	1,818,998
6 Other provisions	096	0	0
C) LONG-TERM LIABILITIES (ADP 098 to 108)	097	249,972	637,204
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	160,145	282,692
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	89,827	354,512
11 Deferred tax liability	108	0	0
D) SHORT-TERM LIABILITIES (ADP 110 to 123)	109	83,684,370	70,107,281
1 Liabilities to undertakings within the group	110	10,427,638	5,651,597
2 Liabilities for loans, deposits, etc, of undertakings within the group	111	5,012,440	13,787
3 Liabilities to companies linked by virtue of participating interests	112	5,184,256	3,293,957
4 Liabilities for loans, deposits etc, of companies linked by virtue of participating interests	113	0	350,600
5 Liabilities for loans, deposits etc,	114	0	0
6 Liabilities to banks and other financial institutions	115	10,484,082	9,800,881
7 Liabilities for advance payments	116	23,664,763	21,266,568
8 Liabilities to suppliers	117	23,461,730	19,027,988
9 Liabilities for securities	118	0	0
10 Liabilities to employees	119	3,295,520	1,892,304
11 Taxes, contributions and similar liabilities	120	1,937,210	936,136
12 Liabilities arising from the share in the result	121	28,581	7,668,515
13 Liabilities arising from fixed assets held for sale	122	0	0
14 Other short-term liabilities	123	188,150	204,948
E) ACCRUALS AND DEFERRED INCOME	124	5,359,031	5,888,466
F) TOTAL - LIABILITIES (ADP 067+090+097+109+124)	125	359,776,266	374,837,554
G) OFF-BALANCE SHEET ITEMS	126	384,096,854	428,503,159

STATEMENT OF PROFIT OR LOSS for the period 1.1.2025 to 30.6.2025

Item	AOP	Same period of year		Current period			
	code	Cumulative	Quarter	Cumulative	Quarter		
1	2	3	4	5	6		
OPERATING INCOME (ADP 002 to 006)	001	19,202,484	2,467,469	122,121,770	41,881,4		
1 Income from sales with undertakings within the group	002	19,010,565	2,411,124	49,626,905	12,090,9		
2 Income from sales (outside group)	003	54,169	26,823	71,424,412	29,549,4		
3 Income from the use of own products, goods and services	004	0	0	0			
4 Other operating income with undertakings within the group	005	22,505	21,508	15,516	15,5		
5 Other operating income (outside the group)	006	115,245	8,014	1,054,937	225,5		
OPERATING EXPENSES (ADP 08+009+013+017+018+019+022+029)	007	6,722,668	3,435,205	87,128,898	40,267,4		
1 Changes in inventories of work in progress and finished goods	800	0	0	0			
2 Material costs (ADP 010 to 012)	009	1,689,200	876,444	68,023,879	30,043,9		
a) Costs of raw materials and consumables	010	95,665	44,315	561,352	238,8		
b) Costs of goods sold	011	0	0	65,591,817	28,680,5		
c) Other external costs	012	1,593,535	832,129	1,870,710	1,124,4		
3 Staff costs (ADP 014 to 016)	013	1,868,910	995,038	10,726,774	5,360,		
a) Net salaries and wages	014	1,132,166	637,348	6,297,829	3,135,		
b) Tax and contributions from salary costs	015	476,775	284,657	2,965,441	1,484,		
c) Contributions on salaries	016	259,969	73,033	1,463,504	740,		
4 Depreciation	017	589,236	296,502	1,678,976	859,		
5 Other costs	018	2,517,206	1,262,247	6,648,270	3,961,		
6 Value adjustments (ADP 020+021)	019	0	0	0			
a) fixed assets other than financial assets	020	0	0	0			
b) current assets other than financial assets	021	0	0	0			
7 Provisions (ADP 023 to 028)	022	0	0	0			
a) Provisions for pensions, termination benefits and similar obligations	023	0	0	0			
b) Provisions for tax liabilities	024	0	0	0			
c) Provisions for ongoing legal cases	025	0	0	0			
d) Provisions for renewal of natural resources	026	0	0	0			
e) Provisions for warranty obligations	027	0	0	0			
f) Other provisions	028	0	0	0			
8 Other operating expenses	029	58,116	4,974	50,999	42,		
FINANCIAL INCOME (ADP 031 to 040)	030	1,269,727	652,602	716,189	510,		
1 Income from investments in holdings (shares) of undertakings within the group	031	0	0	0			
2 Income from investments in holdings (shares) of companies linked by virtue of participating interests	032	0	0	0			
3 Income from other long-term financial investment and loans granted to undertakings within the group	033	0	0	0			
4 Other interest income from operations with undertakings within the group	034	506,590	327,135	218,469	131,		
5 Exchange rate differences and other financial income from operations with undertakings within the grou	035	0	0	68,660	46,		
6 Income from other long-term financial investments and loans	036	38,739	38,739	57,220	41,		
7 Other interest income	037	595,428	260,580	106,870	57,1		
8 Exchange rate differences and other financial income	038	0	0	238,147	233,		
9 Unrealised gains (income) from financial assets	039	128,970	26,148	26,823			
10 Other financial income	040	0	0	0			
/ FINANCIAL EXPENSES (ADP 042 to 048)	041	16,209	14,405	570,839	423,		
1 Interest expenses and similar expenses with undertakings within the group	042	13,699	13,699	15,616			
2 Exchange rate differences and other expenses from operations with undertakings within the group	043	0	-1,802	4,020	4		
with undertakings within the group							

STATEMENT OF PROFIT OR LOSS for the period 1.1.2025 to 30.6.2025

	AOP	Same period of		Current period				
Item	code	Cumulative	Quarter	Cumulative	Quarter			
1	2	3	4	5	6			
3 Interest expenses and similar expenses	044	0	0	144,037	72,114			
4 Exchange rate differences and other expenses	045	2,494	2,494	329,027	269,19			
5 Unrealised losses (expenses) from financial assets	046	0	0	78,139	78,139			
6 Value adjustments of financial assets (net)	047	0	0	0	(
7 Other financial expenses	048	16	14	0	(
V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VRITUE OF PARTICIPATING INTERESTS	049	0	0	0	ı			
VI SHARE IN PROFIT FROM JOINT VENTURES	050	0	0	0				
VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST	051	0	0	0	ı			
VIII SHARE IN LOSS OF JOINT VENTURES	052	0	0	0				
IX TOTAL INCOME (ADP 001+030+049 +050)	053	20,472,211	3,120,071	122,837,959	42,391,89			
X TOTAL EXPENDITURE (ADP 007+041+051 + 052)	054	6,738,877	3,449,610	87,699,737	40,690,95			
XI PRE-TAX PROFIT OR LOSS (ADP 053-054)	055	13,733,334	-329,539	35,138,222	1,700,93			
1 Pre-tax profit (ADP 053-054)	056	13,733,334	0	35,138,222	1,700,93			
2 Pre-tax loss (ADP 054-053)	057	0	-329,539	0				
XII INCOME TAX	058	0	0	0				
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 055-059)	059	13,733,334	-329,539	35,138,222	1,700,93			
1 Profit for the period (ADP 055-059)	060	13,733,334	0	35,138,222	1,700,93			
2 Loss for the period (ADP 059-055)	061	0	-329,539	0				
DISCONTINUED OPERATIONS (to be filled in by undertakings subj	ect to IFR	S only with discon	tinued operation	s)				
XIV PRE-TAX PROFIT OR LOSS OF DISCONTINUED OPERATIONS (ADP 063-064)	062	0	0	0				
1 Pre-tax profit from discontinued operations	063	0	0	0				
2 Pre-tax loss on discontinued operations	064	0	0	0				
XV INCOME TAX OF DISCONTINUED OPERATIONS	065	0	0	0				
1 Discontinued operations profit for the period (ADP 062-065)	066	0	0	0				
2 Discontinued operations loss for the period (ADP 065-062)	067	0	0	0				
TOTAL OPERATIONS (to be filled in only by undertakings subject	to IFRS wi	th discontinued op	erations)					
XVI PRE-TAX PROFIT OR LOSS (ADP 055-+062)	068	0	0	0				
1 Pre-tax profit (ADP 068)	069	0	0	0				
2 Pre-tax loss (ADP 068)	070	0	0	0				
XVII INCOME TAX (ADP 058+065)	071	0	0	0				
XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 068-071)	072	0	0	0				
1 Profit for the period (ADP 068-071)	073	0	0	0				
2 Loss for the period (ADP 071-068)	074	0	0	0				
APPENDIX to the P&L (to be filled in by undertakings that draw u	p consolid	ated annual finan	cial statements)					
KIX PROFIT OR LOSS FOR THE PERIOD (AOP 076+077)	075	0	0	0				
1 Attributable to owners of the parent	076	0	0	0				
2 Attributable to minority (non-controlling) interest	077	0	0	0				
STATEMENT OF OTHER COMPRHENSIVE INCOME (to be filled in b	y underta	kings subject to IF	RS)					
PROFIT OR LOSS FOR THE PERIOD	078	13,733,334	-329,539	35,138,222	1,700,93			
I OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 80+ 87)	079	0	0	0				
II Items that will not be reclassified to profit or loss (ADP 081 to 085)	080	0	0	0				
1 Changes in revaluation reserves of fixed tangible and intangible assets	081	0	0	0				

STATEMENT OF PROFIT OR LOSS for the period 1.1.2025 to 30.6.2025

Submitter: KONČAR Inc.							
Item	AOP	Same period o		Current period			
	code	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			
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			
4 Actuarial gains/losses on the defined benefit obligation	084	0	0	0			
5 Other items that will not be reclassified	085	0	0	0			
6 Income tax relating to items that will not be reclassified	086	0	0	0			
IV Items that may be reclassified to profit or loss (ADP 088 to 095)	087	0	0	0			
1 Exchange rate differences from translation of foreign operations	088	0	0	0			
2 Gains or losses from subsequent measurement of debt securities at fair value through other comprehensive income	089	0	0	0			
3 Profit or loss arising from effective cash flow hedging	090	0	0	0			
4 Profit or loss arising from effective hedge of a net investment in a foreign operation	091	0	0	0			
5 Share in other comprehensive income/loss of companies linked by virtue of participating interests	092	0	0	0			
6 Changes in fair value of the time value of option	093	0	0	0			
7 Changes in fair value of forward elements of forward contracts	094	0	0	0			
8 Other items that may be reclassified to profit or loss	095	0	0	0			
9 Income tax relating to items that may be reclassified to profit or loss	096	0	0	0			
V NET OTHER COMPREHENSIVE INCOME OR LOSS (ADP 080+087- 086 - 096)	097	0	0	0			
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 078+097)	098	13,733,334	-329,539	35,138,222	1,700,93		
APPENDIX to the Statement on comprehensive income (to be fille	d in by un	dertakings that d	raw up consolida	ted statements)			
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 100+101)	099	0	0	0			
1 Attributable to owners of the parent	100	0	0	0			
2 Attributable to minority (non-controlling) interest	101	0	0	0			

STATEMENT OF CASH FLOWS - direct method for the period 1.1.2025 to 30.6.2025

Submitter: KONČAR Inc.			IN EUR
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	4,411,546	103,460,470
2 Cash receipts from royalties, fees, commissions and other revenue	002	0	0
3 Cash receipts from insurance premiums	003	0	44,006
4 Cash receipts from tax refund	004	0	778,292
5 Other cash receipts from operating activities	005	761,574	1,409,020
I Total cash receipts from operating activities (ADP 001 to 005)	006	5,173,120	105,691,788
1 Cash payments to suppliers	007	-3,897,089	-84,488,935
2 Cash payments to employees	008	-3,243,786	-14,055,972
3 Cash payments for insurance premiums	009	0	-365,459
4 Interest paid	010	0	0
5 Income tax paid	011	0	0
6 Other cash payments from operating activities	012	-1,082,939	-4,011,908
II Total cash payments from operating activities (ADP 007 to 012)	013	-8,223,814	-102,922,274
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 006 + 013)	014	-3,050,694	2,769,514
Cash flow from investment activities			
1 Cash receipts from sales of fixed tangible and intangible assets	015	74,385	1,261,993
2 Cash receipts from sales of financial instruments	016	0	0
3 Interest received	017	582,935	135,526
4 Dividends received	018	20,253,236	48,743,974
5 Cash receipts from the repayment of loans and deposits	019	5,050,000	0
6 Other cash receipts from investment activities	020	0	0
III Total cash receipts from investment activities (ADP 015 to 020)	021	25,960,556	50,141,493
1 Cash payments for the purchase of fixed tangible and intangible assets	022	-7,418,570	-1,248,117
2 Cash payments for the acquisition of financial instruments	023	-6,244,256	-9,278,500
3 Cash payments for loans and deposits	024	-39,785,000	-16,200,000
4 Acquisition of a subsidiary, net of cash acquired	025	0	0
5 Other cash payments from investment activities	026	0	0
IV Total cash payments from investment activities (ADP 022 to 026)	027	-53,447,826	-26,726,617
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 021 + 027)	028	-27,487,270	23,414,876
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	5,000,000	85,137
4 Other cash receipts from financing activities	032	12,599	15,514
V Total cash receipts from financing activities (ADP 029 to 032)	033	5,012,599	100,651
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	034	0	-5,000,000
2 Cash payments for dividends	035	0	-1,772
3 Cash payments for finance lease	036	0	-61,202
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	-7,807,672
VI Total cash payments from financing activities (ADP 034 to 038)	039	0	-12,870,646
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 033 +039)	040	5,012,599	-12,769,995
1 Unrealised exchange rate differences in respect of cash and cash equivalents	041	-297	-14,927
D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 014 + 028 + 040 + 041)	042	-25,525,662	13,399,468
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	043	38,342,148	7,293,613
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (042+043)	044	12,816,486	20,693,081

STATEMENT OF CHANGES IN EQUITY for the period from 1.1.2025 to 30.6.2025

																			in EUR
					I				Attributable t	to owners of the	e parent		ı						
Item	AOP code	Initial (subscribed) capital	Capital re- serves	Legal reserves	Reserves for treas- ury shares	Treasury shares and holdings (deductible item)	Statutory reserves	Other reserves	Re- valuation reserves	Fair value of fi- nancial assets through other comprehen- sive 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 differ- ences from translation of foreign operations	Retained profit / loss brought forward	Profit/loss for the busi- ness year	Total at- tributable to owners of the parent	Minority (non- controlling) interest	Total capital and reserves
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18 (3 do 6 - 7 + 8 do 17)	19	20 (18+19)
Previous period							· ·												
1 Balance on the first day of the previous business year	01	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	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	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	05	0	0	0	0	0	0	0	0	0	0	0	0	0	0	31,453,933	31,453,933	0	31,453,933
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 invest- ment 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	987	1,352,384	1,524,902	0	6,008,078	2,082,944	0	0	0	0	0	0	-9,887,328	0	1,081,967	0	1,081,967
14 Tax on transactions recognised directly in equity	14	0	0	0	0	0	0										0	0	0
15 Decrease in initial (subscribed) capital (other than arising from the pre- bankruptcy settlement procedure or from the reinvestment of profit)	15	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16 Decrease in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	16	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17 Decrease in initial (subscribed) capital arising from the reinvestment of profit	17	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18 Redemption of treasury shares/holdings	18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19 Payments from members/shareholders	19	0		0	0	0	0	0			0		0	0	0	0	0	0	0
20 Payment of share in profit/dividend	20	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	21	0		0	-33,643	-33,643	0	0	0	l	0	_	0	0	109,571	0	109,571	0	
22 Transfer to reserves according to the annual schedule	22	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	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		9,325,953	5,998,550	1,998,550	34,899,714	20,448,366	0	0	0	0	0	0	6,441,028	31,453,933	267,113,548	0	267,113,548
APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY ((to be filled in b	oy undertakings t	hat draw u	p financial stat	tements in acco	ordance with th	ne IFRS)												
I OTHER COMPREHENSIVE INCOME OF THE PREVIOUS PERIOD, NET OF TAX (ADP 06 to 14)	25	0	987	1,352,384	1,524,902	0	6,008,078	2,082,944	0	0	0	0	0	0	-9,887,328	0	1,081,967	0	1,081,967
II COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP 05+25)	26	0	987	1,352,384	1,524,902	0	6,008,078	2,082,944	0	0	0	0	0	0	-9,887,328	31,453,933	32,535,900	0	32,535,900
III TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 23)	27	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

STATEMENT OF CHANGES IN EQUITY for the period from 1.1.2025 to 30.6.2025

		Attributable to owners of the parent															in EUR		
ltem	AOP code	Initial (subscribed) capital	Capital re- serves	Legal reserves	Reserves for treas- ury shares	Treasury shares and holdings (deductible item)	Statutory reserves	Other reserves	Re- valuation reserves	Fair value of fi- nancial assets through other comprehen- sive 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 differ- ences from translation of foreign operations	Retained profit / loss brought forward	Profit/loss for the busi- ness year	Total at- tributable to owners of the parent	Minority (non- controlling) interest	Total capital and reserves
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18 (3 do 6 - 7 + 8 do 17)	19	20 (18+19)
Current period							'					•							
1 Balance on the first day of the previous business year	28	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	6,441,028	31,453,933	267,113,548	0	267.113.548
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	1,073,176	9,325,953	5,998,550	1,998,550	34,899,714	20,448,366	0	0	0	0	0	0	6,441,028	31,453,933	267,113,548	0	267.113.548
5 Profit/loss of the period	32	0	0	0	0	0	0	0	0	0	0	0	0	0	0	35,138,222	35,138,222	0	35.138.222
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 invest- ment in a foreign operation	37	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11 Share in other comprehensive income/loss of companies linked by virtue of participating interests	38	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12 Actuarial gains/losses on the defined benefit obligation	39	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13 Other changes in equity unrelated to owners	40	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14 Tax on transactions recognised directly in equity	41	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15 Decrease in initial (subscribed) capital (other than arising from the pre- bankruptcy settlement procedure or from the reinvestment of profit)	42	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16 Decrease in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	43	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17 Decrease in initial (subscribed) capital arising from the reinvestment of profit	44	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18 Redemption of treasury shares/holdings	45	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19 Payments from members/shareholders	46	0	0	0	0	0	0	0	0		0	0	0	0	0	0	0	0	0
20 Payment of share in profit/dividend	47	0	0	0	0	0	0	0	0	-	0		0	0	0	-7,641,705	-7,641,705	0	_
21 Other distributions and payments to members/shareholders	48	0	0	0	-33,328	-33,328	0	0	0	_	0		0	0	229,990	0	229,990	0	229.990
22 Transfer to reserves according to the annual schedule	49	0	0	198,293	0	0	0	1,374,404	0	0	0	0	0	0	22,239,531	-23,812,228	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	9.524.246	5.965.222	1.965.222	34.899.714	21.822.770	0	0	0	0	0	0	28.910.549	35.138.222	294.840.055	0	294.840.055
APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in I	oy undertakings t	hat draw u	p financial stat	tements in acco	ordance with th	ne IFRS)												
I OTHER COMPREHENSIVE INCOME OF THE CURRENT PERIOD, NET OF TAX (ADP 33 to 41)	52	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
II COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 32 to 52)	53	0	0	0	0	0	0	0	0	0	0	0	0	0	0	35,138,222	35,138,222	0	35,138,222
III TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 42 to 50)	54	0	0	198,293	-33,328	-33,328	0	1,374,404	0	0	0	0	0	0	22,469,521	-31,453,933	-7,411,715	0	-7,411,715

NOTES TO THE FINANCIAL STATEMENTS

Name of issuer: KONČAR Inc.

PIN: 45050126417

Reporting period: 1 January 2025 - 30 June 2025

1. General information about the company

KONCAR Inc. (PIN: 45050126417), Zagreb, Fallerovo šetalište 22 (hereinafter: the "Company") is the Parent Company of the KONČAR Group. As the Parent Company, the Company also prepares consolidated reports, which are presented separately. These unconsolidated financial statements represent the financial statements of the Company as a standalone entity. The Company manages its wholly-owned subsidiaries and associated companies.

During 2024, the Company underwent status changes, resulting in the merger of four companies. The mergers were carried out as follows:

- On 1 July 2024, the Company merged with KONČAR Engineering Co. Ltd. for production and services and KONČAR -Infrastructure and Services Ltd. for services:
- On 11 November 2024, the Company merged with KONČAR Investments Ltd. for business services;
- On 31 December 2024, the Company merged with Advanced energy solutions Llc. for investment.

Significant differences in the financial statements compared to the same period of 2024 are a result of the aforementioned status changes.

The average number of employees during H1 2025 was 577 (H1 2024: 81 employees).

2. Significant accounting policies

These semi-annual reports for the period ended 30 June 2025 should be read in conjunction with the latest annual financial statements of the Company as at and for the year ended 31 December 2024 ("the latest annual financial statements"), as they do not include all the information required for a complete set of financial statements prepared in accordance with International Financial Reporting Standards (IFRS). However, selected explanatory notes are included to explain events and transactions that are significant for an understanding of the changes in the Company's financial position and performance since the last annual financial statements. The Company's separate and consolidated annual financial statements are available on the Company's website.

In preparing the financial statements, the Management used judgments and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. The resulting accounting estimates will, by definition, seldom equal the related actual results. The key accounting estimates remain consistent with those described in the latest annual financial statements. The accounting policies applied in these financial statements are the same as those applied in the financial statements as at and for the year ended 31 December 2024.

Seasonal effects

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

3. Sales revenue	January - June 2025 EUR	January - June 2024 EUR
Income from dividends /i/	28,627,623	13,384,701
Revenue from contracts with customers /ii/	92,423,694	5,680,033
	121,051,317	19,064,734
/i/ Income from dividends		
	January - June 2025 EUR	January - June 2024 EUR
Income from dividends – subsidiaries	28,627,623	13,384,701
Income from dividends – associates		-
	28,627,623	13,384,701

/ii/ Revenue from contracts with customers

_	January - June 2025 EUR	January - June 2024 EUR
Type of service		
Revenue from brand fee (company name, trademark and service mark usage, joint marketing activities)	8,809,481	3,710,853
Revenue from the Power Generation segment	15,474,607	-
Revenue from the Power Transmission and Distribution segment	54,485,755	-
Revenue from Urban Mobility and Infrastructure segment	9,209,625	-
Revenue from property management	3,528,243	1,577,438
Revenue from the provision of ICT services	502,526	-
Other fees	413,457	391,742
Total revenue from contracts with customers	92,423,694	5,680,033

4. Other income

In H1 2025, other income primarily comprised the disposal of the Siget property, which had been classified as held-for-sale, resulting in a total gain of EUR 0.5 million. The balance includes the reversal of previously recognised provisions for warranty repairs and other liabilities. There were no significant transactions in H1 2024 requiring separate disclosure.

5. Operating Expenses

During H1 2025, significant changes in operating expenses occurred compared to the corresponding period in 2024. These changes were primarily driven by the mergers that took place during 2024 and the realization of engineering and property management activities, accompanied by a significant increase in employee numbers.

6. Income tax

Income tax expense is recognised based on the pre-tax profit for the reporting period multiplied by the Management's best estimate of the annual effective tax rate expected for the full financial year. Based on the 2024 tax return, the Company is not required to make corporate income tax advance payments in 2025 due to the utilisation of carried-forward tax losses acquired through mergers in 2024. Given the uncertainty regarding the final corporate income tax liability for 2025 and the Management's estimate that any liability would be minimal or non-existent, no tax rate has been applied for the first quarter, and it is assumed that carried-forward tax losses will be utilised.

7. Earnings per share

	January - June 2025 EUR	January - June 2024 EUR
Profit for the year	35,138,222	13,733,334
Weighted average number of shares	2,547,170	2,546,387
Earnings per share (EUR)	13.80	5.39

8. Property, plant and equipment and investment property

During H1 2025, the Company acquired property, plant and equipment amounting to EUR 1.8 million (H1 2024: EUR 2.8 million). Depreciation expense for the period amounted to EUR 1.7 million (H1 2024: EUR 0.6 million).

9. Investments in subsidiaries

Compared to 31 December 2024, the Company made an additional capital contribution to the capital reserves of KONČAR - Transformer Tanks Ltd. and also sold a portion of its equity interest in the same company, resulting in Siemens Energy acquiring a 40% ownership stake. In June 2025, the Company resolved to invest an additional EUR 3.0 million into the capital reserves of KONČAR – Metal Structures Ltd. Additionally, based on the share purchase agreement for business interests in INK PROJEKT Ltd., further equity interests amounting to EUR 0.1 million were acquired.

	30 June 2025 EUR' 000	31 Decem- ber 2024 EUR' 000	30 June 2025 Share in %	31 December 2024 Share in %
Stakes (shares) in subsidiaries in Croatia				
KONČAR - Switchgear Ltd. for manufacturing, Zagreb	11,197	11,197	100	100
KONČAR - Metal Structures Ltd. for manufacturing, Zagreb	19,779	16,779	100	100
KONČAR - Generators and Motors Ltd. for manufacturing, Zagreb	7,902	7,902	100	100
KONČAR - Distribution and Special Transformers Inc. for manufacturing, Zagreb	8,245	8,245	52.73	52.73
KONČAR - Electrical Engineering Institute Ltd. for research, development and services, Zagreb	8,087	8,087	100	100
KONČAR - Electronics and Informatics Ltd. for manufacturing and services, Zagreb	8,353	8,353	100	100
KONČAR - Renewable Energy Sources Ltd., Zagreb	222	222	100	100
KONČAR - Motors and Electrical Systems Ltd. for manufacturing and services, Zagreb	6,450	6,450	100	100
KONČAR - Electric Vehicles Inc. for manufacturing, Zagreb	5,641	5,641	84.73	84.73
KONČAR - Instrument Transformers Inc. for manufacturing, Zagreb	4,041	4,041	61.97	61.97
KONČAR - Digital Ltd. for digital services, Zagreb	14,684	14,684	100	100
KONČAR - Transformer Tanks Ltd. for manufacturing, Sesvetski Kraljevec	7,300	1,102	60	100
Dalekovod Inc., Zagreb	51,370	51,370	75.16	75.16
Energy Park Pometeno brdo Ltd., Zagreb	6,061	6,061	100	100
TELENERG-ENGINEERING Ltd., Zagreb	1,008	1,008	100	100
INK PROJEKT Ltd., Zagreb	206	126	100	100
KONČAR - Hydro Turbine Ltd.	3	3	100	100
_	160,549	151,271		

10. Capital and reserves

The Company's share capital is set at EUR 159,471,378 (31 December 2024: EUR 159,471,378), comprising 2,572,119 ordinary shares with a nominal value of EUR 62 each. The Company's shares are listed on the Official Market of the Zagreb Stock Exchange under the ticker symbol KOEI-R-A. As at 30 June 2025, the Company held 24,884 treasury shares (31 December 2024: 25,306 shares).

11. Contingent liabilities and off-balance sheet items

As at 30 June 2025, off-balance sheet items mainly comprised issued financial guarantees, primarily bank guarantees, as well as other security instruments issued at the request of the Company's subsidiaries in favour of financial institutions and suppliers.

12. Transactions with related companies

Transactions for the quarter ended

EUR'000	30 June 2025	30 June 2024
Revenue from operating activities		
Subsidiaries	16,372	5,430
Associates	4,628	198
Proceeds from sale of property		
Subsidiaries	16	-
Associates	-	21
Income from dividends		
Subsidiaries	28,628	13,385
Associates	-	-
Finance income		
Subsidiaries	218	507
Associates	69	-
Procurement costs		
Subsidiaries	6,892	1,898
Associates	304	-
Finance costs		
Finance costs Subsidiaries	16	
Associates	16 4	-
ASSOCIATES	4	-
EUR'000	30 June 2025 3	1 December 2024
Trade receivables		
Subsidiaries	12,560	7,891
Associates	1,931	1,881
Dividend receivables		
Subsidiaries	902	-
Associates	-	21,294
Interest receivables		
Subsidiaries	511	321
Other receivables		
Subsidiaries	10,504	10,041
Receivables from financing activities		
Subsidiaries	23,425	7,225
Liabilities from operating activities		
Subsidiaries	5,652	10,395
Associates	3,294	5,184
Other liabilities		
Subsidiaries	14	12
Associates	351	-
Interest liabilities		
Subsidiaries	-	32
Liabilities from financing activities		
Subsidiaries	-	5,000

13. Events after the balance sheet date

On 9 July 2025, the Croatian Competition Agency approved the intended concentration of KONČAR Inc. over HELB Ltd., deeming the transaction permissible at Level 1 pursuant to Article 22, Paragraph 1 of the Competition Act. This approval fulfils one of the conditions stipulated in the share purchase agreement, which outlines the legal obligations and procedures the contracting parties must fulfil for the transaction to be completed and ownership transferred to KONČAR Inc.

Pursuant to the resolution of the Supervisory Board adopted at its session on 7 July 2025, the allocation and number of shares granted to Management Board members for 2024 were determined in line with the Rulebook on Long-Term Remuneration of Management Board Members. As part of this allocation, the Company released 1,184 of its own ordinary shares (ticker: KOEI-R-A, LEI: 74780000H0SHMRAW0I15), representing 0.0460% of the Company's share capital. Following the transaction, the Company held a total of 23,700 treasury shares, equivalent to 0.9214% of the Company's share capital.

Other than the aforementioned, no events occurred after the reporting date and up to the date of approval of these financial statements that would have a material impact on the Company's financial statements and therefore require disclosure.

C Management's Statement of Responsibility

The unaudited financial statements of KONČAR Inc. for the period from 1 January to 30 June 2025 have been prepared in accordance with the International Financial Reporting Standards (IFRS) and the Croatian Accounting Act.

The unaudited financial statements of KONČAR Inc. for the period from 1 January to 30 June 2025 present, in all material respects, a true and fair view of the Company's assets and liabilities, profit and loss, financial position, and performance.

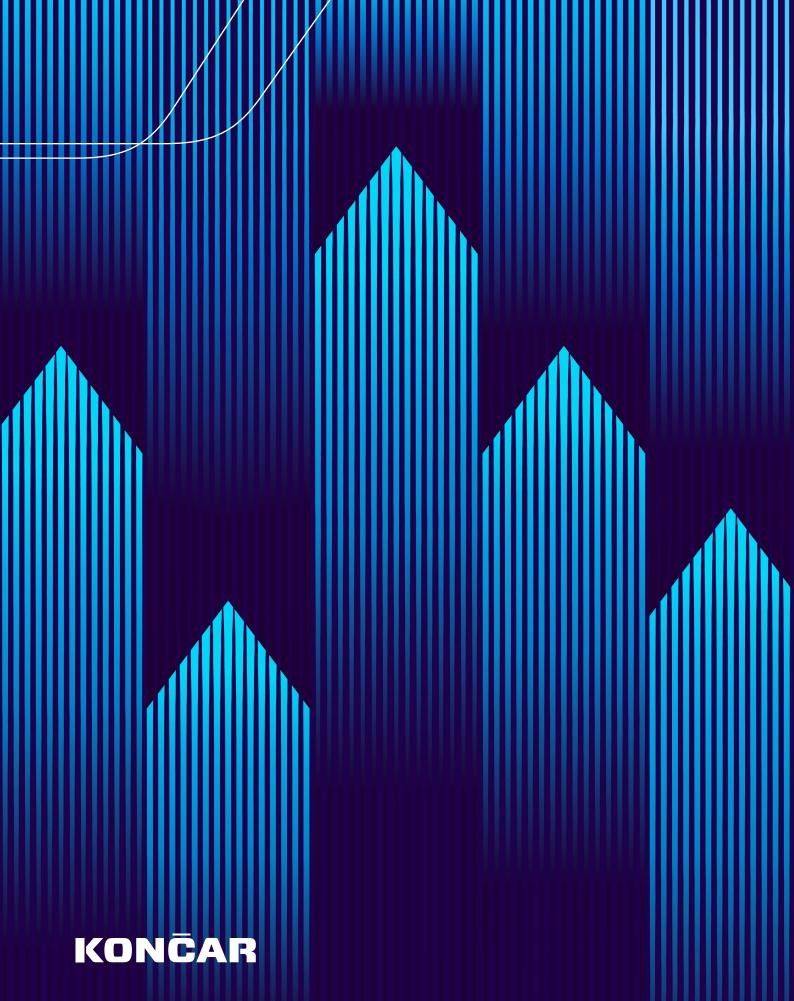
The Management Report for the period up to 30 June 2025 contains a true and fair presentation of the Company's operating

On behalf of the Board, signed by:

Gordan Kolak, MSc. Eng. President of the Management Board

Mario Radaković, CFA Member of the Management Board in charge of Finance

Zagreb, 30 July 2025



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