

# **KONČAR Inc.**

**Report on transactions with related companies for the  
year 2025**

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## **Independent Reasonable Assurance Report on the Report on Transactions with Related Parties for 2025**

**To the Management of KONČAR d.d.**

### ***Subject matter***

We were engaged by KONČAR d.d. (the "Company") to perform a reasonable assurance engagement, in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, on the Report on Transactions with Related Parties of the KONČAR d.d. as at 31 December 2025 and for the year then ended (the "Report").

### ***Criteria applied by the Company***

In preparing the Report, the Company applied the criteria for classifying, identifying, and disclosing related party transactions in accordance with Article 263.e of the Companies Act, and the definition of related parties under Article 263.a of the Companies Act.

The applicable criteria for assessing the appropriateness of the transaction value are the Transfer Pricing Agreement between the Company and the tax authority or one of the five (5) transfer pricing methods prescribed by the Corporate Income Tax Act and related Regulations.

### ***Inherent limitations***

Inherent limitations exist in all assurance engagements.

The Report was prepared based on information on related party transactions that the Company identified as related under Article 263.a of the Companies Act.

There is inherent subjectivity in identifying related parties, which affects the completeness of the transactions included in the Report.

The applicable criteria for assessing the completeness of the Report are the statutory scope of reportable related party transactions under Article 263.a of the Companies Act, including routine transactions, as well as the definition of related parties in International Accounting Standard 24 *Related Party Disclosures*.

In performing the procedures described below, we restricted our work to the information contained in the Transfer Pricing Agreement between the Company and the Tax Authority, which was not subject to our assurance procedures or one of the five (5) transfer pricing methods prescribed by the Corporate Income Tax Act and the Corporate Income Tax Bylaw may be applied.

### ***Purpose and restriction on distribution***

Our report is intended solely for the Management of the Company for the purpose of reporting to the Supervisory Board regarding compliance with Article 263.e of the Companies Act, and may not be distributed to other parties.

Based on the procedures performed and described below, this is a reasonable assurance report and does not constitute, nor is it intended to constitute, a legal opinion on compliance with Article 263.e of the Companies Act or any other legal requirements.

To the fullest extent permitted by law, we accept no responsibility and assume no liability to any party other than the Company in connection with our work, this reasonable assurance report, or the conclusions reached herein.



## **Independent Reasonable Assurance Report on the Report on Transactions with Related Parties for 2025 (continued)**

### ***Responsibilities of Management for the preparation of the Report***

Management of the Company is responsible for preparing the Report for the year 2025 that is free from material misstatement, in accordance with the requirements of Article 263.e of the Companies Act, which includes:

- a statement identifying the related parties included in the Report;
- information on the transactions the Company carried out during the year 2025 with related parties as defined under Article 263.a of the Companies Act, including routine transactions conducted under normal market conditions that are included in the Report;
- information on the criteria applied for the classification and disclosure of transactions with related parties;
- information on the criteria applied to assess the appropriateness of the transaction value;
- information on the amount of the transaction value and performance;
- information on any losses incurred, if applicable; and
- other statutory responsibilities of Management related to the preparation of the Report.

Management is also responsible for:

- designing, implementing and maintaining internal controls to ensure that the information contained in the Report is free from material misstatement, whether due to fraud or error;
- selecting and applying appropriate policies and making reasonable estimates and judgments related to transactions with related parties; and
- properly measuring and reporting transactions with related parties in accordance with the applicable reporting framework.

### ***Auditor's responsibility***

We performed our reasonable assurance engagement in accordance with ISAE 3000 (Revised), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, as required under Articles 263.e and 498 of the Companies Act.

This standard requires the planning and performance of the engagement with the objective of obtaining reasonable assurance regarding the requirements of Article 498(3) of the Companies Act, forming a conclusion, and issuing a report.

Our responsibility is to:

- plan and perform the engagement to obtain reasonable assurance that the Report is free from material misstatement
- form an independent conclusion based on the procedures performed and evidence obtained and
- report our conclusion to the Management.



## Independent Reasonable Assurance Report on the Report on Transactions with Related Parties for 2025 (continued)

### *Our Independence and Quality Management*

We have complied with the independence and other ethical requirements set out in the *International Code of Ethics for Professional Accountants (including International Independence Standards)*, which was issued by the International Ethics Standards Board for Accountants (IESBA) (the IESBA Code), as applicable to Public Interest Entities, together with the ethical requirements that are relevant to Public Interest Entities in the Republic of Croatia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We possess the necessary competence and experience to perform this assurance engagement.

We also apply International Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, and, accordingly, we design, implement and operate a system of quality management, including policies and procedures relating to compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

### *Summary of work performed*

In relation to the subject matter, we performed the following procedures:

- obtained an understanding of internal controls relevant to the Report in order to design procedures appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal controls;
- made inquiries of relevant persons within the Company to understand the procedures the Company uses to ensure the completeness of the list of related parties and the completeness of the list of legal transactions and actions that must be included in the Report;
- made inquiries of relevant persons in the Company regarding the disclosures in the Report and the related risks;
- reviewed, where applicable, the list of transactions with related parties that required prior approval of the Supervisory Board, as well as the related decisions and disclosures published on the Company's website;
- checked, where applicable, the consistency of the information on related-party transactions presented in the Report with the Company's accounting records (general ledger and subledgers) and with the audited annual financial statements;
- tested the consistent application of the Transfer Pricing Agreement between the Company and the Tax Authority or one of the five (5) transfer-pricing methods, on a sample basis, for the selected transactions included in the Report, and assessed whether the transaction value for selected transactions was not higher than the amount determined under appropriate transfer pricing methods (not unreasonably high);
- obtained an understanding of differences between expected and actual amounts disclosed in the Report;
- reviewed, on a sample basis, relevant Company documentation (contracts and invoices) related to the transactions included in the Report;
- assessed the appropriateness of the criteria applied by the Company in preparing the Report; and
- assessed the appropriateness of the methods, policies, judgments and models used in preparing the Report.



## **Independent Reasonable Assurance Report on the Report on Transactions with Related Parties for 2025 (continued)**

The nature, timing and extent of the procedures selected depended on our judgement, including the assessment of the risks of material misstatement in the Report, whether due to fraud or error. We identified and assessed the risks of material misstatement through gaining an understanding of the Report and the circumstances of the engagement.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our reasonable assurance conclusion.

### ***Reasonable Assurance Conclusion***

In our opinion:

- a) the disclosures contained in the Company's Report as at 31 December 2025 and for the year then ended are, in all material respects, accurate
- b) for the legal transactions disclosed in the Report, based on circumstances known at the time they were undertaken, the transaction value paid by the Company was not, in all material respects, unreasonably high.

**KPMG Croatia d.o.o. za reviziju**  
Croatian registered auditors  
Ivana Lučića 2a, Eurotower  
10000 Zagreb  
Croatia

**16 April 2026**

# I INTRODUCTION

Pursuant to Article 263.e of the Croatian Companies Act (Official Gazette 111/93, 34/99, 121/99, 52/00, 118/03, 107/07, 146/08, 137/09, 125/11, 152/11, 111/12, 68/13, 110/15, 40/19, 34/22, 114/22, 18/23, 130/23, 136/24), the Management Board of KONČAR Inc. prepares this report on transactions with related companies.

Companies in which KONČAR Inc. has more than 50% of the votes, as well as associated companies and joint ventures, are considered related companies.

In Annex 1, we provide a list of companies of the KONČAR Group and other related companies.

This report is structured as follows:

II. Transactions with related Companies

III. Statement of the Management Board

Pursuant to Article 263 of the Croatian Companies Act the Management Board is required to prepare an annual report on transactions with related companies within the meaning of the provisions of Article 263a. Transactions with related companies are legal transactions and actions whereby an object or other property value is transferred for consideration or free of charge, encumbered, or made available for use, and which are undertaken with related companies but are not regular transactions of the company conducted with related companies under usual market conditions, unless otherwise regulated by the articles of association, as well as transactions that must be consented to or approved by the company's general meeting.

This report lists statements related to transactions with related companies within the meaning of the provisions of Article 263.a.

## **II TRANSACTIONS WITH RELATED COMPANIES**

In accordance with article 263.e of the Croatian Companies Act, the Management Board of KONČAR Inc. declares that during the business year 2025 the Company did not have transactions with related companies within the meaning of the provisions of Article 263.a of the Croatian Companies Act.

## IV STATEMENT OF THE MANAGEMENT BOARD

Pursuant to Article 263.e of the Croatian Companies Act (Official Gazette 111/93, 34/99, 121/99, 52/00, 118/03, 107/07, 146/08, 137/09, 125/11, 152/11, 111/12, 68/13, 110/15, 40/19, 34/22, 114/22, 18/23, 130/23, 136/24) and on the previously stated transaction values, the Management Board of KONČAR Inc. gives the following:

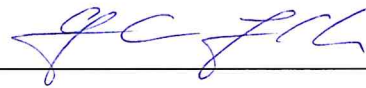
### STATEMENT

The Management Board declares that the report has been prepared in accordance with legal requirements, including the provisions of Article 263.e of the Croatian Companies Act which relate to reporting transactions with related Companies.

KONČAR Inc.  
Fallerovo šetalište 22  
10000 Zagreb

Zagreb, 16 April 2026

On behalf of the Management Board



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Gordan Kolak,  
President of the Management Board



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Mario Radaković,  
Member of the Management Board

## Annex 1. List of KONČAR Group companies as of 31 December 2025 and during 2025

KONČAR Inc.

### Ovisna društva

KONČAR - Motori i električni sustavi d.o.o., Zagreb

KONČAR - Institut za elektrotehniku d.o.o., Zagreb

KONČAR - Generatori i motori d.o.o., Zagreb

KONČAR - Obnovljivi izvori d.o.o., Zagreb

Energetski park Pometeno brdo d.o.o.

KONČAR - Električna vozila d.d., Zagreb

KONČAR - Metalne konstrukcije d.o.o., Zagreb

KONČAR - Elektronika i informatika d.o.o., Zagreb

ENAKON MOBILITY d.o.o.

KONČAR - Hydro Turbine d.o.o.

KONČAR – Aparati i Postrojenja d.o.o., Zagreb

KONČAR - Transformatorski kotlovi d.o.o.

KONČAR - Mjerni transformatori d.d., Zagreb

KONČAR - Distributivni i specijalni transformatori d.d., Zagreb

Ferokotao d.o.o.

Novi Feromont d.o.o. (od 17. prosinca 2025.)

HELB d.o.o. (od 1. kolovoza 2025.)

Solarna elektrana Deponija fosfogipsa d.o.o.

Vjetroelektrana Rust d.o.o.

KONČAR-Digital d.o.o.

Liburnia Solar d.o.o.

South East Energy d.o.o.

Dalekovod d.d.

KONČAR SISTEMSKE INTAGRACIJE d.o.o. (1. listopada 2025. godine pripojeno društvu KONČAR – Digital d.o.o.)

Telenerg Inženjering d.o.o.

INK-PROJEKT d.o.o..

KREANCA SUSTAVI d.o.o.

ADNET d.o.o.

Dalekovod d.d.

PROIZVODNJA MK d.o.o.

PROIZVODNJA OSO d.o.o.

DALEKOVOD – PROJEKT d.o.o.

DALEKOVOD EMU d.o.o.

EL-RA d.o.o.

DALEKOVOD Mostar d.o.o.

SPORTSKI GRAD TPN d.o.o. u stečaju

DALEKOVOD d.o.o. Ljubljana

KONSTRUKTOR -INŽENJERING d.d. u stečaju

DALEKOVOD Norge AS

DALEKOVOD Ukrajina d.o.o.

DALEKOVOD TKS a.d. u stečaju

DALEKOVOD Libya

DALEKOVOD Plt, Namibija

DALEKOVOD - SOLEX Ltd., Nigerija

Power Engineering Transformatory Sp. z o.o. (PET) iz Czerwonak, Poznan, Poljska

Konell d.o.o., Sofija, Bugarska

**Associated companies and joint ventures:**

Končar - Energetski transformatori d.o.o., Zagreb

Elkakon d.o.o., Zagreb

TBEA Končar Instrument Transformers Ltd, Kina

Male Hidre d.o.o.