Business performance and unaudited non-consolidated financial statements of **KONČAR Inc.**

January – September

2025

KONČAR

Inspired by challenge

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A Business Report of KONČAR Inc. for January – September 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 – September 2025 represents the report of the Company as a separate legal entity. The companies within the Group are legally independent entities, while the Company exercises oversight, provides strategic direction, and support through Supervisory Boards and General Assemblies of the respective companies, in accordance with the Croatian Companies Act, the Articles of Association of KONČAR Inc., the Articles of Association and Memoranda of Incorporation of the respective subsidiaries.

The Company also manages a portion of the assets not allocated to subsidiaries but used directly or indirectly as financial support for placements, products, and equipment of related companies, serving as a credit-guarantee potential

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.

The increase in revenues and expenses compared to the same period of the previous year is a result of new business segments acquired through the merger of two companies within the Group. However, it primarily stems from the continued strong growth of these segments following the merger, compared to the period prior to it, during the independent operations of the engineering company (in terms of revenue, profitability, and contracted projects).

in EUR 000	Q1 - Q3 2024	Q1 - Q3 2025	Δ	Index 2025/2024
Operating income	**47,682**	**160,262**	**112,580**	**336.1**
Sales revenue	47,447	155,943	108,496	328.7
Income from dividends	13,385	28,628	15,243	213.9
Income from contracts with customers	34,062	127,315	93,253	373.8
Other operating income	235	4,319	4,084	
Operating expenses	**34,878**	**125,030**	**90,152**	**358.5**
EBIT	12,804	35,232	22,428	275.2
Net profit	11,930	35,551	23,621	298.0
EBITDA	**13,923**	**37,771**	**23,848**	**271.3**
Normalised EBITDA[1]	**13,751**	**33,504**	**19,753**	**243.6**

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

Business results

For the nine-month period ended 30 September 2025, the Company recorded operating income of EUR 160.3 million, which represents an increase of EUR 112.6 million compared to the same period of the previous year. The significant year-on-year increase is primarily attributable to the status changes implemented in 2024 and the business segments that continued to operate under KONČAR Inc. following the mergers.

The Company generated EUR 127.3 million in sales revenue from contracts with customers, up EUR 93.3 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 totalled EUR 28.6 million, representing an increase of EUR 15.2 million or 113.9% year-on-year.

Other operating income amounted to EUR 4.3 million, an increase of EUR 4.1 million compared to the period January–September 2024. The largest share of other income was related to gains from the sale of assets totalling EUR 2.2 million, primarily from the Zagreb – Jankomir and Zagreb – Siget locations.

Operating expenses comprised the following:
- Material costs amounted to EUR 96.5 million (January – September 2024: EUR 21.8 million), representing a year-on-year increase of EUR 74.7 million. The increase primarily reflects the increase of cost of goods sold by EUR 72.2 million. Additionally, raw materials and supplies increased by EUR 0.6 million, while other external costs rose by EUR 1.9 million, mainly due to higher raw material prices, utility fees, and expenses associated with the structuring and implementation of KONČAR Group's strategic initiatives.
- Personnel costs totalled EUR 16.5 million, marking a significant increase of EUR 9.5 million compared to the same period last year, primarily due to the increased headcount following the mergers. The average number of employees in the reporting period of 2025 was 578.
- Depreciation and amortisation amounted to EUR 2.5 million, an increase of EUR 1.4 million year-on-year.
- Other expenses totalled EUR 9.5 million, recording an increase of 93.6% year-on-year.

The net financial income was positive, amounting to EUR 0.3 million.

According to the 2024 corporate income tax return, the Company has no obligation to make advance payments for profit tax in 2025, having utilised tax losses carried forward from the 2024 mergers.

Financial position

As at 30 September 2025, the total assets of KONČAR Inc. amounted to EUR 377.8 million, an increase of EUR 17.9 million or 5.0% compared to 31 December 2024.

Total non-current assets amounted to EUR 259.2 million, an increase of EUR 29.1 million or 12.7% compared to the balance as at 31 December 2024. The increase in intangible assets by EUR 0.7 million (72.3%) was primarily due to the capitalisation of license acquisition costs. Property, plant and equipment rose by EUR 1.1 million (1.9%), mainly as a result of continued infrastructure investment and the recognition of leased assets (primarily vehicles) in accordance with IFRS 16 (Leases).

Non-current financial assets increased by EUR 27.6 million compared to the balance as at 31 December 2024, primarily due to a loan granted to a subsidiary, the reclassification of loans to subsidiaries, and further investments in equity interests of Group entities.

Total current assets amounted to EUR 117.3 million, down EUR 10.8 million compared to 31 December 2024. Inventories increased by EUR 5.3 million, current financial assets by EUR 13.5 million, while current receivables decreased by EUR 29.8 million. Cash and cash equivalents remained broadly in line with year-end 2024 and totalled EUR 7.6 million as at 30 September 2025.

Prepaid expenses relate to costs of trade fairs, marketing activities, and deferred project expenses for which invoicing conditions have not yet been met.

Total equity and reserves as at 30 September 2025 amounted to EUR 295.9 million, representing an increase of EUR 28.8 million compared to 31 December 2024. The increase is attributable to profit earned in the first three quarters of 2025 and the distribution of 2024 retained earnings, pursuant to the General Assembly's resolution.

Non-current liabilities totalled EUR 5.0 million as at 30 September 2025, an increase of EUR 4.7 million, largely reflecting a long-term liability recognised as part of the acquisition of ownership shares in HELB Ltd.

Current liabilities declined by EUR 19.3 million or 23.0% compared to 31 December 2024. The most significant decrease was recorded in trade payables, while the largest increase was noted in liabilities to banks and other financial institutions.

Deferred income and accrued expenses rose by EUR 3.7 million or 69.2% compared to 31 December 2024, mainly due to deferred income from commercial contracts currently in progress.

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

B Financial Statements of KONČAR Inc. for January – September 2025

Annex 1

ISSUER'S GENERAL DATA

Reporting period:	**1/1/2025**	to	**30/9/2025**
Year:	**2025**	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: **74780000H0SHMRAW0I15**
Institution code:	**501**	
Name of the issuer:	**KONČAR Inc.**	
Postcode and town:	**10000**	**ZAGREB**
Street and house number:	**FALLEROVO ŠETALIŠTE 22**	
E-mail address:	**koncar.finance@koncar.hr**	
Web address:	**www.koncar.hr**	
Number of employees (end of the reporting period):	**580**	
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:	**01 3655 160**	
E-mail address:	**ivana.mrsic@koncar.hr**	
Audit firm:	**KPMG Ltd. Croatia** (name of the audit firm)	
Certified auditor:	**Igor Gošek** (name and surname)	

BALANCE SHEET
balance as at 30.9.2025

in EUR

Submitter: KONČAR Inc.

Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID	**001**	0	0
B) FIXED ASSETS (ADP 003+010+020+031+036)	**002**	230,128,821	259,245,830
I INTANGIBLE ASSETS (ADP 004 to 009)	**003**	995,633	1,715,158
1 Research and development	**004**	66,060	16,515
2 Concessions, patents, licences, trademarks, software and other rights	**005**	478,169	739,241
3 Goodwill	**006**	0	0
4 Advances for the purchase of intangible assets	**007**	0	0
5 Intangible assets in preparation	**008**	451,404	959,402
6 Other intangible assets	**009**	0	0
II TANGIBLE ASSETS (ADP 011 to 019)	**010**	60,122,192	61,249,494
1 Land	**011**	1,360,280	1,317,786
2 Buildings	**012**	5,246,311	5,134,251
3 Plant and equipment	**013**	5,724,083	5,100,124
4 Tools, working inventory and transportation assets	**014**	1,103,989	1,047,500
5 Biological assets	**015**	0	0
6 Advances for the purchase of tangible assets	**016**	0	-6,980
7 Tangible assets in preparation	**017**	666,205	1,061,960
8 Other tangible assets	**018**	665,613	1,404,239
9 Investment property	**019**	45,355,711	46,190,614
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	**020**	166,859,252	194,459,524
1 Investments in holdings (shares) of undertakings within the group	**021**	151,270,786	174,966,464
2 Investments in other securities of undertakings within the group	**022**	0	
3 Loans, deposits, etc, to undertakings within the group	**023**	5,725,000	9,700,000
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	775,348
8 Loans, deposits, etc, given	**028**	28,400	29,424
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	594,612
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	582,834
V DEFERRED TAX ASSETS	**036**	1,227,042	1,227,042
C) CURRENT ASSETS (ADP 038+046+053+063)	**037**	128,063,929	117,305,128
I INVENTORIES (ADP 039 to 045)	**038**	2,438,619	7,693,283
1 Raw materials and consumables	**039**	366,108	418,169
2 Work in progress	**040**	0	0
3 Finished goods	**041**	0	0
4 Merchandise	**042**	1,315,255	7,275,114
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 30.9.2025

in EUR

Submitter: KONČAR Inc.			
Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
II RECEIVABLES (ADP 047 to 052)	046	116,811,965	86,988,839
1 Receivables from undertakings within the group	047	18,343,638	23,892,140
2 Receivables from companies linked by virtue of participating interests	048	23,175,270	3,555,745
3 Customer receivables	049	61,504,160	38,378,419
4 Receivables from employees and members of the undertaking	050	4,214	29,388
5 Receivables from government and other institutions	051	3,056,233	3,083,896
6 Other receivables	052	10,728,450	18,049,251
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)	053	1,519,732	15,017,619
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	1,500,000	14,725,000
4 Investments in holdings (shares) of companies linked by virtue of participating interests	057	0	0
5 Investment in other securities of companies linked by virtue of participating interests	058	0	0
6 Loans, deposits etc, to companies linked by virtue of participating interests	059	0	0
7 Investments in securities	060	0	0
8 Loans, deposits, etc, given	061	0	0
9 Other financial assets	062	19,732	292,619
IV CASH AT BANK AND IN HAND	063	7,293,613	7,605,387
D) PREPAID EXPENSES AND ACCRUED INCOME	064	1,753,930	1,259,797
E) TOTAL ASSETS (ADP 001+002+037+064)	065	359,946,680	377,810,755
OFF-BALANCE SHEET ITEMS	066	384,096,854	510,435,767
LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to 070+076+077+081+084+087)	067	267,113,548	295,880,719
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	9,325,953
2 Reserves for treasury shares	072	5,998,550	5,871,715
3 Treasury shares and holdings (deductible item)	073	-1,998,550	-1,871,715
4 Statutory reserves	074	34,899,714	34,899,714
5 Other reserves	075	20,448,366	22,021,063
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	6,441,028	29,538,507
1 Retained profit	084	6,441,028	29,538,507
2 Loss brought forward	085	0	0
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 087-088)	086	31,453,933	35,550,928
1 Profit for the business year	087	31,453,933	35,550,928
2 Loss for the business year	088	0	0
VIII MINORITY (NON-CONTROLLING) INTEREST	089	0	0

BALANCE SHEET
balance as at 30.9.2025

in EUR

Submitter: KONČAR Inc.			
Item	**ADP code**	**Last day of the preceding business year**	**At the reporting date of the current period**
1	**2**	**3**	**4**
B) PROVISIONS (ADP 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**	315,935	4,978,925
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	327,206
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	4,585,756
11 Deferred tax liability	**108**	65,963	65,963
D) SHORT-TERM LIABILITIES (ADP 110 to 123)	**109**	83,788,822	64,521,137
1 Liabilities to undertakings within the group	**110**	10,427,638	5,459,286
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	3,297,893
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**	10,484,082	13,215,178
7 Liabilities for advance payments	**116**	23,664,763	22,226,105
8 Liabilities to suppliers	**117**	23,461,730	16,409,098
9 Liabilities for securities	**118**	0	0
10 Liabilities to employees	**119**	3,295,520	1,366,946
11 Taxes, contributions and similar liabilities	**120**	1,937,210	810,257
12 Liabilities arising from the share in the result	**121**	28,581	25,689
13 Liabilities arising from fixed assets held for sale	**122**	0	0
14 Other short-term liabilities	**123**	292,602	1,696,898
E) ACCRUALS AND DEFERRED INCOME	**124**	5,359,030	9,065,426
F) TOTAL – LIABILITIES (ADP 067+090+097+109+124)	**125**	359,946,680	377,810,755
G) OFF-BALANCE SHEET ITEMS	**126**	384,096,854	510,435,767

STATEMENT OF PROFIT OR LOSS
for the period 1.1.2025 to 30.9.2025

in EUR

Submitter: KONČAR Inc.

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**	47,682,444	28,479,960	160,262,209	38,140,439
1 Income from sales with undertakings within the group	**002**	23,754,690	4,744,125	59,823,703	10,196,798
2 Income from sales (outside group)	**003**	23,691,518	23,637,349	96,118,547	24,694,135
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**	22,505	0	2,716,753	2,701,237
5 Other operating income (outside the group)	**006**	213,731	98,486	1,603,206	548,269
II OPERATING EXPENSES (ADP 08+009+013+017+018+019+022+029)	**007**	34,878,083	28,155,415	125,029,606	37,900,708
1 Changes in inventories of work in progress and finished goods	**008**	0	0	0	0
2 Material costs (ADP 010 to 012)	**009**	21,773,825	20,084,625	96,452,198	28,428,319
a) Costs of raw materials and consumables	**010**	242,541	146,876	835,273	273,921
b) Costs of goods sold	**011**	19,181,706	19,181,706	91,402,228	25,810,411
c) Other external costs	**012**	2,349,578	756,043	4,214,697	2,343,987
3 Staff costs (ADP 014 to 016)	**013**	7,010,970	5,142,060	16,476,525	5,749,751
a) Net salaries and wages	**014**	4,169,742	3,037,576	9,690,378	3,392,549
b) Tax and contributions from salary costs	**015**	1,894,074	1,417,299	4,557,394	1,591,953
c) Contributions on salaries	**016**	947,154	687,185	2,228,753	765,249
4 Depreciation	**017**	1,118,343	529,107	2,537,925	858,949
5 Other costs	**018**	4,911,830	2,394,624	9,511,429	2,863,159
6 Value adjustments (ADP 020+021)	**019**	120	120	0	0
a) fixed assets other than financial assets	**020**	120	120	0	0
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**	62,995	4,879	51,529	530
III FINANCIAL INCOME (ADP 031 to 040)	**030**	2,026,347	756,620	1,073,611	357,422
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**	1,148,825	642,235	390,161	171,692
5 Exchange rate differences and other financial income from operations with undertakings within the grou	**035**	23,783	23,783	77,758	9,098
6 Income from other long-term financial investments and loans	**036**	38,830	91	57,311	91
7 Other interest income	**037**	634,653	39,225	172,443	65,573
8 Exchange rate differences and other financial income	**038**	5,357	5,357	349,116	110,969
9 Unrealised gains (income) from financial assets	**039**	174,899	45,929	26,822	-1
10 Other financial income	**040**	0	0	0	0
IV FINANCIAL EXPENSES (ADP 042 to 048)	**041**	282,416	266,207	755,286	184,447
1 Interest expenses and similar expenses with undertakings within the group	**042**	62,332	48,633	15,616	0
2 Exchange rate differences and other expenses from operations with undertakings within the group	**043**	0	0	12,247	8,227

STATEMENT OF PROFIT OR LOSS
for the period 1.1.2025 to 30.9.2025

in EUR

Submitter: KONČAR Inc.

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	0	0	237,235	93,198
4 Exchange rate differences and other expenses	045	84,134	81,640	392,938	63,911
5 Unrealised losses (expenses) from financial assets	046	0	0	97,250	19,111
6 Value adjustments of financial assets (net)	047	0	0	0	0
7 Other financial expenses	048	135,950	135,934	0	0
V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VRITUE 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	49,708,791	29,236,580	161,335,820	38,497,861
X TOTAL EXPENDITURE (ADP 007+041+051 + 052)	054	35,160,499	28,421,622	125,784,892	38,085,155
XI PRE-TAX PROFIT OR LOSS (ADP 053-054)	055	14,548,292	814,958	35,550,928	412,706
1 Pre-tax profit (ADP 053-054)	056	14,548,292	814,958	35,550,928	412,706
2 Pre-tax loss (ADP 054-053)	057	0	0	0	0
XII INCOME TAX	058	2,618,692	2,618,692	0	0
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 055-059)	059	11,929,600	-1,803,734	35,550,928	412,706
1 Profit for the period (ADP 055-059)	060	11,929,600	0	35,550,928	412,706
2 Loss for the period (ADP 059-055)	061	0	-1,803,734	0	0
DISCONTINUED OPERATIONS (to be filled in by undertakings subject to IFRS only with discontinued operations)					
XIV PRE-TAX PROFIT OR LOSS OF DISCONTINUED OPERATIONS (ADP 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 COMPRHENSIVE INCOME (to be filled in by undertakings subject to IFRS)					
I PROFIT OR LOSS FOR THE PERIOD	078	11,929,600	-1,803,734	35,550,928	412,706
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 1.1.2025 to 30.9.2025

in EUR

Submitter: KONČAR Inc.					
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	11,929,600	-1,803,734	35,550,928	412,706
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 1.1.2025 to 30.9.2025

in EUR

Submitter: KONČAR Inc.

item	AOP code	Same period of the previous year	Current period
1	2	3	4
Cash flow from operating activities			
1 Cash receipts from customers	001	35,231,553	146,013,582
2 Cash receipts from royalties, fees, commissions and other revenue	002	0	0
3 Cash receipts from insurance premiums	003	5,325	55,879
4 Cash receipts from tax refund	004	939,546	1,105,739
5 Other cash receipts from operating activities	005	5,976,793	3,041,918
I Total cash receipts from operating activities (ADP 001 to 005)	006	42,153,217	150,217,118
1 Cash payments to suppliers	007	-28,684,454	-106,836,239
2 Cash payments to employees	008	-8,255,713	-20,498,352
3 Cash payments for insurance premiums	009	-202,467	-637,724
4 Interest paid	010	-14,553	0
5 Income tax paid	011	-331,161	-110,732
6 Other cash payments from operating activities	012	-2,809,030	-4,990,146
II Total cash payments from operating activities (ADP 007 to 012)	013	-40,297,378	-133,073,193
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 006 + 013)	014	1,855,839	17,143,925
Cash flow from investment activities			
1 Cash receipts from sales of fixed tangible and intangible assets	015	725,955	1,269,143
2 Cash receipts from sales of financial instruments	016	0	135,811
3 Interest received	017	677,942	211,633
4 Dividends received	018	21,083,972	49,635,685
5 Cash receipts from the repayment of loans and deposits	019	7,050,000	11,300,000
6 Other cash receipts from investment activities	020	2,292	0
III Total cash receipts from investment activities (ADP 015 to 020)	021	29,540,161	62,552,272
1 Cash payments for the purchase of fixed tangible and intangible assets	022	-8,278,521	-2,372,878
2 Cash payments for the acquisition of financial instruments	023	-6,244,256	-24,382,852
3 Cash payments for loans and deposits	024	-41,090,000	-28,500,000
4 Acquisition of a subsidiary, net of cash acquired	025	0	0
5 Other cash payments from investment activities	026	-702,400	0
IV Total cash payments from investment activities (ADP 022 to 026)	027	-56,315,177	-55,255,730
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 021 + 027)	028	-26,775,016	7,296,542
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	0	263,968
V Total cash receipts from financing activities (ADP 029 to 032)	033	5,000,000	349,105
1 Cash payments for the repayment of credit principals, loans andother borrowings and debt financial instruments	034	0	-5,000,000
2 Cash payments for dividends	035	-6,417,265	-7,644,598
3 Cash payments for finance lease	036	0	-105,601
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	-6,951,013	-11,709,192
VI Total cash payments from financing activities (ADP 034 to 038)	039	-13,368,278	-24,459,391
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 033 +039)	040	-8,368,278	-24,110,286
1 Unrealised exchange rate differences in respect of cash and cash equivalents	041	-6,315	-18,407
D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 014 + 028 + 040 + 041)	042	-33,293,770	311,774
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	5,048,378	7,605,387

STATEMENT OF CHANGES IN EQUITY
for the period from 1.1.2025 to 30.9.2025

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 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		
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	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	-6,365,968	-6,365,968	0	-6,365,968
21 Other distributions and payments to members/shareholders	**21**	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	**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	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
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	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 30.9.2025

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	Revaluation 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 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	35,550,928	35,550,928	0	35,550,928
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	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	0
20 Payment of share in profit/dividend	**47**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-7,641,705	-7,641,705	0	-7,641,705
21 Other distributions and payments to members/shareholders	**48**	0	0	0	-126,835	-126,835	0	0	0	0	0	0	0	0	857,948	0	857,948	0	857,948
22 Transfer to reserves according to the annual schedule	**49**	0	0	0	0	0	0	1,572,697	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	9,325,953	5,871,715	1,871,715	34,899,714	22,021,063	0	0	0	0	0	0	29,538,507	35,550,928	295,880,719	0	295,880,719
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	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	35,550,928	35,550,928	0	35,550,928
III TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 42 to 50)	**54**	0	0	0	-126,835	-126,835	0	1,572,697	0	0	0	0	0	0	23,097,479	-31,453,933	-6,783,757	0	-6,783,757

NOTES TO THE FINANCIAL STATEMENTS

Name of issuer: KONČAR Inc.
PIN: 45050126417
Reporting period: 1 January 2025 - 30 September 2025

1 General information about the company

KONČAR Inc. (PIN: 45050126417), Zagreb, Fallerovo šetalište 22 (hereinafter: the "Company") is the Parent Company of the KONČAR Group. In its capacity as the parent, the Company prepares consolidated financial statements, 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 Ltd. for manufacturing and services and KONČAR – Energy 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 Ltd. for investments.

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 the first three quarters of 2025 was 578. For comparison, in the same period of the previous year, the average headcount between 1 July and 30 September 2024 was 586, while the average number of employees in the Company during the first half of 2024, prior to the mergers, stood at 81.

2 Significant accounting policies

These quarterly financial statements for the period ended 30 September 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 understanding the changes in the Company's financial position and performance since the last annual financial statements. Annual individual and consolidated financial statements have been published 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 - September 2025 EUR	**January - September 2024** EUR
Income from dividends /i/	28,627,623	13,384,701
Revenue from contracts with customers /ii/	127,314,627	34,061,507
	155,942,250	**47,446,208**

/i/ Income from dividends

	January - September 2025 EUR	**January - September 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 - September 2025 EUR	**January - September 2024** EUR
Type of service		
Revenue from brand fee (company name, trademark and service mark usage, joint marketing activities)	14,105,302	5,837,868
Revenue from the Power Generation segment	29,994,977	9,983,294
Revenue from the Power Transmission and Distribution segment	65,349,117	11,579,602
Revenue from Urban Mobility and Infrastructure segment	11,103,683	2,624,440
Revenue from property management	5,259,370	3,344,247
Revenue from the provision of ICT services	742,540	-
Other fees	759,638	692,055
Total revenue from contracts with customers	**127,314,627**	**34,061,506**

4 Other income

Other income for the first three quarters of 2025 primarily relates to the sale of the Siget property, which had previously been classified as an asset held for sale. The total gain on the sale amounted to EUR 0.5 million. In addition, income was recognised from the release of previously recorded provisions, mainly related to warranty-period repairs and other provisions. In the third quarter, the Company sold land located in Jankomir to its associate company KONČAR – Power Transformers Ltd., generating a gain of EUR 1.7 million. Furthermore, in July, the Company completed the sale of its equity interest in Energetski park Pometeno Brdo Ltd., which also contributed to the increase in other sales-related income from transactions with related parties during the reporting period. No material transactions occurred in the first three quarters of 2025 that would have required separate disclosure.

5 Operating Expenses

During the first three quarters of 2025, a significant increase in operating expenses was recorded compared to the corresponding period in 2024. This was primarily the result of mergers completed during 2024, as well as the expansion of engineering operations and property management activities, which were also accompanied by a notable increase in headcount.

6 Income tax

Income tax expense is recognised based on the profit before tax 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 two quarters, and it is assumed that carried-forward tax losses will be utilised.

7 Earnings per share	**January - September 2025** EUR	**January - September 2024** EUR
Profit for the year	35,550,928	11,929,600
Weighted average number of shares	2,547,560	2,546,533
Earnings per share (EUR)	**13.95**	**4.68**

8 Property, plant and equipment

During Q1–Q3 2025, the Company acquired assets totalling EUR 3.1 million (Q1–Q3 2024: EUR 4.0 million), while depreciation expense amounted to EUR 2.5 million (Q1–Q3 2024: EUR 1.1 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. It also sold a portion of its equity interest in the same company, resulting in Siemens Energy acquiring a 40% ownership stake. In June and September 2025, resolutions were made to invest into the capital reserves of KONČAR – Metal Structures Ltd. On 31 July 2025, a share transfer agreement was signed under which KONČAR Inc. acquired a 75% ownership interest in HELB Ltd. In July 2025, KONČAR – Digital Ltd. received an additional equity injection. This capital increase was carried out in line with the adopted strategy and strategic business goals of the KONČAR Group. Also in July 2025, KONČAR Inc. and KONČAR – Renewable Sources Ltd. signed a share purchase and transfer agreement. Under this agreement, the equity interest in Energetski park Pometeno Brdo Ltd. was sold to KONČAR – Renewable Sources Ltd. This transaction was likewise executed in alignment with the KONČAR Group's strategic objectives.

	30 September 2025 EUR' 000	31 December 2024 EUR' 000	30 September 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	21,979	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	5,651	5,641	84.85	84.73
KONČAR - Instrument Transformers Inc. for manufacturing, Zagreb	4,041	4,041	61.97	61.97
KONČAR - Digital Ltd. for digital services, Zagreb	24,684	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	-	100
TELENERG-ENGINEERING Ltd., Zagreb	1,008	1,008	100	100
INK PROJEKT Ltd., Zagreb	206	126	100	100
KONČAR - Hydro Turbine Ltd., Zagreb	3	3	100	100
HELB Ltd., Božjakovina	8,268	-	75	-
	174,966	**151,271**		

10 Capital and reserves

The Company's share capital is set at nominal value of 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 September 2025, the Company held 23,700 treasury shares (31 December 2024: 25,306 shares).

11 Contingent liabilities and off-balance sheet items

As at 30 September 2025, off-balance sheet items mainly comprised issued security instruments, 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 Related party transactions

EUR'000	Transactions for the quarter ended 30 September 2025	30 September 2024
Revenue from operating activities		
Subsidiaries	23,468	8,993
Associates	7,728	1,379
Proceeds from sale of property		
Subsidiaries	16	21
Associates	1,694	-
Income from dividends		
Subsidiaries	28,628	13,385
Associates	-	-
Finance income		
Subsidiaries	390	1,173
Associates	78	-
Other income		
Subsidiaries	1,007	-
Procurement costs		
Subsidiaries	12,620	7,580
Associates	308	-
Finance costs		
Subsidiaries	16	62
Associates	12	-

EUR'000	30 September 2025	31 December 2024
Trade receivables		
Subsidiaries	12,285	7,981
Associates	3,415	1,881
Dividend receivables		
Subsidiaries	10	-
Associates	-	21,294
Interest receivables		
Subsidiaries	654	321
Other receivables		
Subsidiaries	10,943	10,041
Associates	141	-
Receivables from financing activities		
Subsidiaries	24,425	7,225
Liabilities from operating activities		
Subsidiaries	5,197	10,395
Associates	3,298	5,184
Other liabilities		
Subsidiaries	262	-
Associates	-	-
Interest liabilities		
Subsidiaries	-	32
Liabilities from financing activities		
Subsidiaries	14	5,012

13 Events after the reporting date

In July 2025, KONČAR Inc. and KONČAR – Renewable Sources Ltd. signed a share purchase and transfer agreement. Under this agreement, the equity interest in Energetski park Pometeno Brdo Ltd. was sold to KONČAR – Renewable Sources Ltd. This transaction was likewise executed in alignment with the KONČAR Group's strategic objectives. Pursuant to the General Assembly resolution of KONČAR – Renewable Sources Ltd. dated 9 September 2025, the company's share capital was increased from EUR 3,716 thousand by EUR 7,068 to EUR 10,784 thousand. The amount of the capital increase represents a receivable arising from the sale of shares by KONČAR Inc. On October 1, 2025, the capital increase was formally registered with the Commercial Court in Zagreb.

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 September 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 September 2025 present, in all material respects, a complete and accurate view of the Company's assets and liabilities, profit and loss, financial position, and performance.

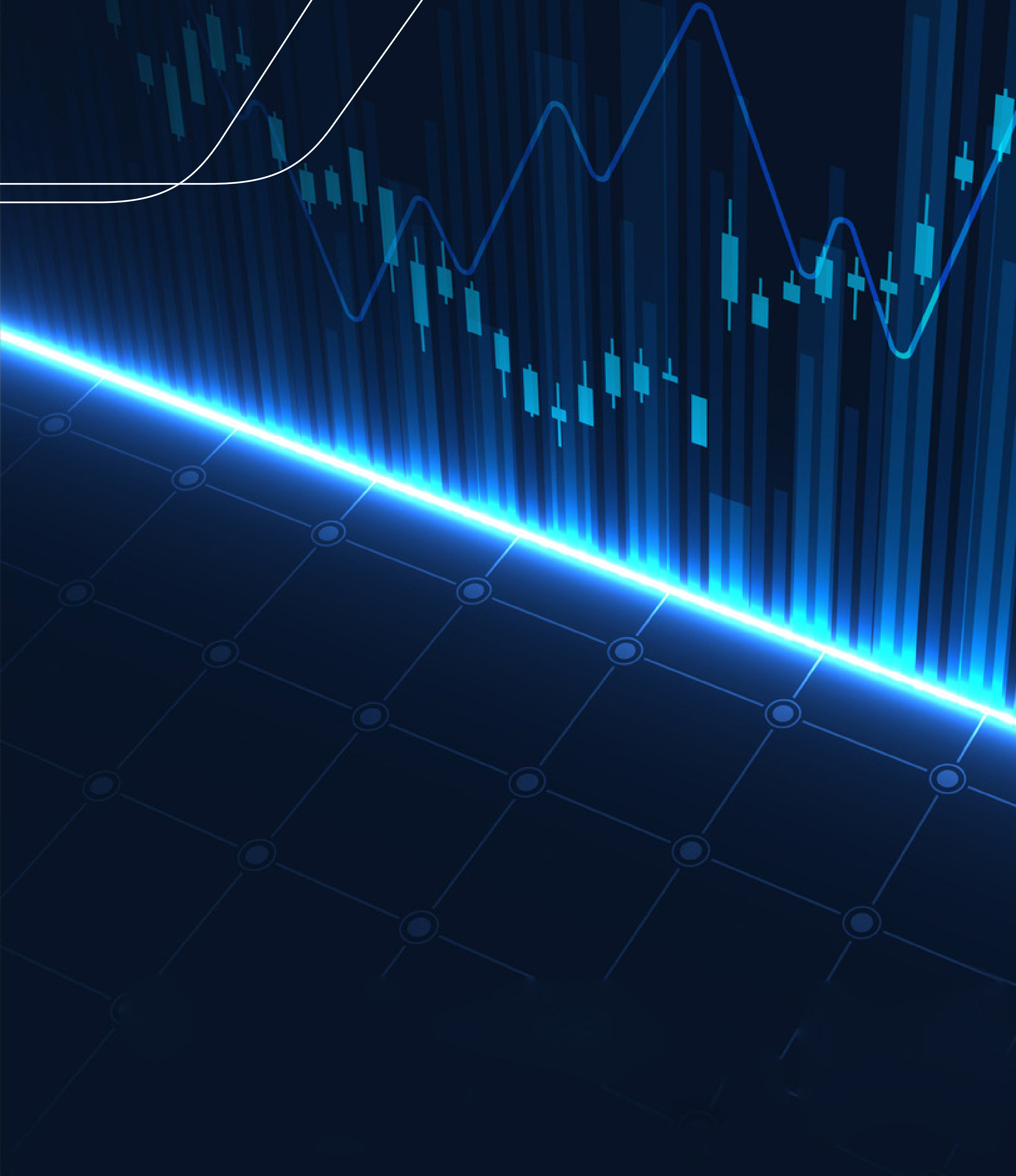
The Management Report for the period up to 30 September 2025 contains a true and fair presentation of the Company's operating results.

On behalf of the Board, signed by:

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

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

Zagreb, 29 October 2025



KONČAR

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