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

January – June 2026

KONČAR

Content

A Business Report of KONČAR Inc. for January – June 2026

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 2026 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 also manages a portion of the assets not invested in subsidiaries but used, directly or indirectly, to provide financial support for the placements, products and equipment of related companies, thereby serving as a source of credit support and guarantee capacity.

KONČAR Inc., as the parent company of the Group, invoices its subsidiaries for the following:
- Fees based on the performance of commercial contracts
- Fees for the use of the company name and trademark/brand identity
- Fees under ICT service agreements
- Fees relating to co-debtor arrangements and corporate guarantees
- A portion of the costs of jointly organised participation in trade fairs and marketing activities
- A portion of employee and management training and development costs

Following the corporate restructuring transactions completed in 2024, the Company generates revenue from engineering projects in the Power Generation, Power Transmission and Distribution, and Urban Mobility and Infrastructure segments, as well as revenue from real estate asset and property management.

EUR 000	Q I-II 2025	Q I-II 2026	Δ	Index 2026/2025
Operating Income	**122,122**	**125,554**	**3,432**	**102.8**
Sales revenue	**121,052**	**124,698**	**3,646**	**103.0**
Income from contracts with customers	92,424	91,290	-1,134	98.8
Income from dividends	28,628	33,408	4,780	116.7
Other operating income	1,070	856	-214	80.0
Operating Expenses	**87,129**	**87,854**	**725**	**100.8**
EBIT	34,993	37,700	2,707	107.7
Net profit	35,138	37,696	2,558	107.3
EBITDA	**36,672**	**39,611**	**2,939**	**108.0**
Normalised EBITDA[1]	**35,652**	**38,975**	**3,323**	**109.3**

[1] Normalised EBITDA: EBITDA adjusted for other operating income, impairment losses, provisions and other operating expenses

Business results

In the period from January to June 2026, KONČAR Inc. generated operating income of EUR 125.6 million, compared with EUR 122.1 million in the corresponding period of the previous year, representing a year-on-year increase of EUR 3.4 million, or 2.8%. In the corresponding period of the previous year, the Company completed a capital project involving the delivery of high-value equipment in the Croatian power market, thereby securing an important reference. Through its other business activities in the period under review, but the Company successfully offset the absence of revenue from a project of a comparable type and value, achieving an even better result in the process.

Revenue from contracts with customers amounted to EUR 91.3 million, compared with EUR 92.4 million in the corresponding period of the previous year, representing a year-on-year decrease of EUR 1.1 million, or 1.2%. Revenue was generated in the Power Generation, Power Transmission and Distribution, and Urban Mobility and Infrastructure segments. The Company also generated revenue from fees for the use of the company name and trademarks/service marks, from real estate assets and property management as well as from other services.

Dividend income from Group companies amounted to EUR 33.4 million, representing a year-on-year increase of EUR 4.8 million, or 16.7%.

Other operating income amounted to EUR 0.9 million in the period under review, down EUR 0.2 million compared with H1 2025. The year-on-year decrease was primarily attributable to lower gains on the disposal of non-current assets.

Total operating expenses amounted to EUR 87.9 million in H1 2026, compared with EUR 87.1 million in H1 2025, representing a year-on-year increase of EUR 0.7 million, or 0.8%.

Operating expenses comprised the following:

- Material costs amounted to EUR 61.6 million, representing a year-on-year decrease of EUR 6.4 million, primarily due to a EUR 6.7 million reduction in cost of goods sold. This decrease mainly reflected the effect of the aforementioned capital project completed in the previous year. Costs of raw materials and consumables and other external costs remained broadly in line with H1 2025, increasing by EUR 0.3 million in aggregate
- Staff costs amounted to EUR 14.2 million, up EUR 3.5 million compared with the corresponding period of the previous year. The increase was primarily attributable to higher headcount following the commencement of the implementation of the new operating model in the Power Generation segment, as well as the strengthening of the staffing structure across key business areas (segments) in line with the Company's strategy. The average number of employees in the period from January to June 2026 was 656, compared with 577 in H1 2025
- Depreciation and amortisation amounted to EUR 1.9 million, representing a year-on-year increase of EUR 0.2 million
- Other expenses amounted to EUR 9.9 million, up EUR 3.3 million compared with the corresponding period of the previous year, and this increase is primarily related to professional services and licence fees required for the implementation of strategic initiatives

The net finance result was negative, amounting to EUR 3.5 thousand.

Based on its corporate income tax return for 2025, the Company is not required to make corporate income tax payments during 2026, primarily due to significant dividend income, which reduces the corporate income tax base, and the utilisation of tax loss carryforwards generated in 2025.

Financial position

As at 30 June 2026, total assets of KONČAR Inc. amounted to EUR 466.1 million, representing a decrease of EUR 21.4 million, or 4.4%, compared with 31 December 2025.

Total non-current assets amounted to EUR 312.4 million, an increase of EUR 34.1 million or 12.3% compared to the balance as at 31 December 2025.

The carrying amount of intangible assets remained broadly unchanged from 31 December 2025, at EUR 1.9 million.

Non-current tangible assets increased by EUR 2.4 million, or 3.3%, compared with 31 December 2025. This was primarily attributable to a EUR 1.4 million increase in investment property arising from investments in infrastructure, specifically upgrades to buildings and roads, and a EUR 1.7 million increase in other tangible assets, mainly reflecting an increase in right-of-use assets arising from additions relating to new vehicles. As at 30 June 2026, non-current tangible assets amounted to EUR 76.9 million.

Non-current financial assets increased by EUR 31.5 million, or 15.9%, compared with 31 December 2025, primarily due to a EUR 22.3 million increase in investments in subsidiaries and a EUR 12.2 million increase in loans granted to subsidiaries.

Total current assets amounted to EUR 151.8 million, representing a decrease of EUR 54.8 million, or 26.5%, compared with 31 December 2025. The decrease was primarily attributable to lower receivables and current financial assets. Total receivables decreased by EUR 62.3 million, reflecting the high volume of project execution in the final part of the previous year. Current financial assets decreased by EUR 9.3 million following the repayment of loans granted to subsidiaries.

Cash at bank and in hand amounted to EUR 34.4 million as at 30 June 2026, representing an increase of EUR 13.5 million, or 64.7% compared with 31 December 2025, primarily as a result of positive net cash flows from operating and investing activities.

Prepaid expenses and accrued income amounted to EUR 1.9 million, down EUR 0.7 million, or 28.1%, compared with 31 December 2025. These primarily comprised prepaid licence costs relating to future periods and deferred costs associated with commercial projects.

Total equity and reserves as at 30 June 2026 amounted to EUR 369.2 million, representing an increase of EUR 27.6 million, or 8.1%, compared with 31 December 2025. This increase reflected the profit of EUR 37.7 million generated in H1 2026 and the appropriation of profit for 2025.

Provisions decreased by EUR 0.1 million, or 4.7%, following the reclassification of other provisions as current provisions.

Non-current liabilities amounted to EUR 3.1 million as at 30 June 2026, down EUR 1.2 million, or 27.4%. The decrease is primarily related to a non-current liability recognised in connection with the acquisition of the ownership interest in HELB Ltd.

Current liabilities amounted to EUR 81.1 million, representing a decrease of EUR 43.0 million, or 34.7%, compared with 31 December 2025. The most significant movements by line item were a EUR 23.0 million decrease in borrowings, a EUR 10.0 million decrease in liabilities to Group companies, a EUR 7.3 million decrease in trade payables, a EUR 7.3 million decrease in advance payments received and a EUR 10.2 million increase in profit-sharing liabilities.

Accrued expenses and deferred income decreased by EUR 4.7 million, or 31.3%. The decrease primarily related to deferred income arising from contract liabilities recognised for commercial contracts in progress, the amount of which depends on the stage of completion of each contract.

Off-balance-sheet items as at 30 June 2026 primarily comprised issued security instruments, predominantly bank guarantees, as well as security instruments issued at the request of Group subsidiaries in favour of financial institutions and suppliers.

B Financial Statements of KONČAR Inc. for January – June 2026

Annex 1

ISSUER'S GENERAL DATA			
Reporting period:	**1.1.2026**	to	**30.6.2026**
Year:	**2026**	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:	**74780000H0SHMRAW0I15**
Institution code:	**501**		
Name of the issuer:	**KONČAR Inc.**		
Postcode and town:	**10000**		
Street and house number:	**Fallerovo šetalište 22**		**Zagreb**
E-mail address:	**koncar.finance@koncar.hr**		
Web address:	**www.koncar.hr**		
Number of employees (end of the reporting period):	**684**		
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)	(name of the bookkeeping firm)
Contact person:	**Ivana Mršić** (only name and surname of the contact person)		
Telephone:	**013655160**		
E-mail address:	**ivana.mrsic@koncar.hr**		
Audit firm:	**KPMG Croatia d.o.o.** (name of the audit firm)		
Certified auditor:	**Igor Gošek** (name and surname)		

BALANCE SHEET
balance as at 30.6.2026

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**	0.00	0.00
B) FIXED ASSETS (ADP 003+010+020+031+036)	**002**	278,297,516.00	312,414,358.00
I INTANGIBLE ASSETS (ADP 004 to 009)	**003**	1,768,450.00	1,907,604.00
1 Research and development	**004**	0.00	0.00
2 Concessions, patents, licences, trademarks, software and other rights	**005**	1,073,185.00	1,299,300.00
3 Goodwill	**006**	0.00	0.00
4 Advances for the purchase of intangible assets	**007**	0.00	0.00
5 Intangible assets in preparation	**008**	695,265.00	608,304.00
6 Other intangible assets	**009**	0.00	0.00
II TANGIBLE ASSETS (ADP 011 to 019)	**010**	74,500,084.00	76,946,434.00
1 Land	**011**	1,166,172.00	1,205,392.00
2 Buildings	**012**	4,704,797.00	4,179,361.00
3 Plant and equipment	**013**	5,488,476.00	4,633,491.00
4 Tools, working inventory and transportation assets	**014**	1,005,076.00	1,441,623.00
5 Biological assets	**015**	0.00	0.00
6 Advances for the purchase of tangible assets	**016**	0.00	0.00
7 Tangible assets in preparation	**017**	1,220,857.00	1,468,027.00
8 Other tangible assets	**018**	1,191,850.00	2,888,306.00
9 Investment property	**019**	59,722,856.00	61,130,234.00
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	**020**	198,301,418.00	229,832,756.00
1 Investments in holdings (shares) of undertakings within the group	**021**	179,848,577.00	202,195,175.00
2 Investments in other securities of undertakings within the group	**022**	2,243,000.00	0.00
3 Loans, deposits, etc. to undertakings within the group	**023**	6,420,000.00	18,620,000.00
4 Investments in holdings (shares) of companies linked by virtue of participating interests	**024**	8,988,288.00	8,988,288.00
5 Investment in other securities of companies linked by virtue of participating interests	**025**	0.00	0.00
6 Loans, deposits etc. to companies linked by virtue of participating interests	**026**	0.00	0.00
7 Investments in securities	**027**	771,624.00	0.00
8 Loans, deposits, etc. given	**028**	29,929.00	29,293.00
9 Other investments accounted for using the equity method	**029**	0.00	0.00
10 Other fixed financial assets	**030**	0.00	0.00
IV RECEIVABLES (ADP 032 to 035)	**031**	587,711.00	587,711.00
1 Receivables from undertakings within the group	**032**	0.00	0.00
2 Receivables from companies linked by virtue of participating interests	**033**	0.00	0.00

BALANCE SHEET
balance as at 30.6.2026

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
3 Customer receivables	034	587,711.00	587,711.00
4 Other receivables	035	0.00	0.00
V DEFERRED TAX ASSETS	036	3,139,853.00	3,139,853.00
C) CURRENT ASSETS (ADP 038+046+053+063)	037	206,586,745.00	151,795,007.00
I INVENTORIES (ADP 039 to 045)	038	4,023,304.00	7,288,768.00
1 Raw materials and consumables	039	371,214.00	363,462.00
2 Production in progress	040	0.00	0.00
3 Finished goods	041	0.00	0.00
4 Merchandise	042	3,089,821.00	5,517,318.00
5 Advances for inventories	043	0.00	0.00
6 Fixed assets held for sale	044	562,269.00	1,407,988.00
7 Biological assets	045	0.00	0.00
II RECEIVABLES (ADP 047 to 052)	046	161,609,252.00	99,345,193.00
1 Receivables from undertakings within the group	047	17,865,381.00	23,661,297.00
2 Receivables from companies linked by virtue of participating interests	048	44,745,870.00	1,973,838.00
3 Customer receivables	049	78,241,904.00	52,726,433.00
4 Receivables from employees and members of the undertaking	050	3,818.00	74,539.00
5 Receivables from government and other institutions	051	7,230,386.00	6,759,367.00
6 Other receivables	052	13,521,893.00	14,149,719.00
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)	053	20,046,193.00	10,725,923.00
1 Investments in holdings (shares) of undertakings within the group	054	0.00	0.00
2 Investments in other securities of undertakings within the group	055	0.00	0.00
3 Loans, deposits, etc. to undertakings within the group	056	17,755,000.00	8,425,736.00
4 Investments in holdings (shares) of companies linked by virtue of participating interests	057	0.00	0.00
5 Investment in other securities of companies linked by virtue of participating interests	058	0.00	0.00
6 Loans, deposits etc. to companies linked by virtue of participating interests	059	0.00	0.00
7 Investments in securities	060	0.00	0.00
8 Loans, deposits, etc. given	061	2,000,000.00	2,000,000.00
9 Other financial assets	062	291,193.00	300,187.00
IV CASH AT BANK AND IN HAND	063	20,907,996.00	34,435,123.00
D) PREPAID EXPENSES AND ACCRUED INCOME	064	2,628,061.00	1,888,788.00
E) TOTAL ASSETS (ADP 001+002+037+064)	065	487,512,322.00	466,098,153.00
OFF-BALANCE SHEET ITEMS	066	648,721,537.00	796,568,369.00

BALANCE SHEET
balance as at 30.6.2026

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**
LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to 070+076+077+083+086+089)	**067**	341,573,480.00	369,156,351.00
I INITIAL (SUBSCRIBED) CAPITAL	**068**	159,471,378.00	159,471,378.00
II CAPITAL RESERVES	**069**	2,174,785.00	2,174,785.00
III RESERVES FROM PROFIT (ADP 071+072-073+074+075)	**070**	70,246,730.00	74,253,834.00
1 Legal reserves	**071**	9,325,953.00	9,325,953.00
2 Reserves for treasury shares	**072**	5,871,715.00	5,855,052.00
3 Treasury shares and holdings (deductible item)	**073**	-1,871,715.00	-1,855,052.00
4 Statutory reserves	**074**	34,899,714.00	34,899,714.00
5 Other reserves	**075**	22,021,063.00	26,028,167.00
IV REVALUATION RESERVES	**076**	0.00	0.00
V FAIR VALUE RESERVES AND OTHER (ADP 078 to 083)	**077**	0.00	0.00
1 Financial assets at fair value through other comprehensive income (i.e. available for sale)	**078**	0.00	0.00
2 Cash flow hedge - effective portion	**079**	0.00	0.00
3 Hedge of a net investment in a foreign operation - effective portion	**080**	0.00	0.00
4 Other fair value reserves	**081**	0.00	0.00
5 Exchange rate differences from translation of foreign operations (consolidation)	**082**	0.00	0.00
6 Exchange rate differences from translation into the presentation currency	**083**	0.00	0.00
VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 085-086)	**084**	29,538,507.00	95,559,861.00
1 Retained profit	**085**	29,538,507.00	95,559,861.00
2 Loss brought forward	**086**	0.00	0.00
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 088-089)	**087**	80,142,080.00	37,696,493.00
1 Profit for the business year	**088**	80,142,080.00	37,696,493.00
2 Loss for the business year	**089**	0.00	0.00
VIII MINORITY (NON-CONTROLLING) INTEREST	**090**	0.00	0.00
B) PROVISIONS (ADP 092 to 097)	**091**	2,572,114.00	2,452,358.00
1 Provisions for pensions, termination benefits and similar obligations	**092**	1,023,930.00	1,023,930.00
2 Provisions for tax liabilities	**093**	0.00	0.00
3 Provisions for ongoing legal cases	**094**	0.00	0.00
4 Provisions for renewal of natural resources	**095**	0.00	0.00
5 Provisions for warranty obligations	**096**	1,216,510.00	1,216,510.00
6 Other provisions	**097**	331,674.00	211,918.00

BALANCE SHEET
balance as at 30.6.2026

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
C) LONG-TERM LIABILITIES (ADP 099 to 109)	**098**	4,227,874.00	3,068,854.00
1 Liabilities to undertakings within the group	**099**	0.00	0.00
2 Liabilities for loans, deposits, etc. of undertakings within the group	**100**	0.00	0.00
3 Liabilities to companies linked by virtue of participating interests	**101**	0.00	0.00
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	**102**	0.00	0.00
5 Liabilities for loans, deposits etc.	**103**	0.00	0.00
6 Liabilities to banks and other financial institutions	**104**	303,427.00	949,990.00
7 Liabilities for advance payments	**105**	0.00	0.00
8 Liabilities to suppliers	**106**	0.00	0.00
9 Liabilities for securities	**107**	0.00	0.00
10 Other long-term liabilities	**108**	3,724,132.00	1,918,549.00
11 Deferred tax liability	**109**	200,315.00	200,315.00
D) SHORT-TERM LIABILITIES (ADP 111 to 124)	**110**	124,178,954.00	81,142,954.00
1 Liabilities to undertakings within the group	**111**	20,053,294.00	10,028,582.00
2 Liabilities for loans, deposits, etc. of undertakings within the group	**112**	23,013,787.00	13,787.00
3 Liabilities to companies linked by virtue of participating interests	**113**	4,605,606.00	3,171,296.00
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	**114**	0.00	0.00
5 Liabilities for loans, deposits etc.	**115**	0.00	0.00
6 Liabilities to banks and other financial institutions	**116**	14,231,290.00	13,202,543.00
7 Liabilities for advance payments	**117**	25,114,701.00	17,816,524.00
8 Liabilities to suppliers	**118**	29,283,149.00	21,949,781.00
9 Liabilities for securities	**119**	0.00	0.00
10 Liabilities to employees	**120**	3,424,113.00	2,444,429.00
11 Taxes, contributions and similar liabilities	**121**	2,976,273.00	1,858,636.00
12 Liabilities arising from the share in the result	**122**	25,178.00	10,242,487.00
13 Liabilities arising from fixed assets held for sale	**123**	0.00	0.00
14 Other short-term liabilities	**124**	1,451,563.00	414,889.00
E) ACCRUALS AND DEFERRED INCOME	**125**	14,959,900.00	10,277,636.00
F) TOTAL – LIABILITIES (ADP 067+091+098+110+125)	**126**	487,512,322.00	466,098,153.00
G) OFF-BALANCE SHEET ITEMS	**127**	648,721,537.00	796,568,369.00

STATEMENT OF PROFIT OR LOSS
for the period 1.1.2026 to 30.6.2026

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**	122,121,770.00	41,881,412.00	125,554,390.00	50,883,143.00
1 Income from sales with undertakings within the group	**002**	49,626,905.00	12,090,935.00	49,876,625.00	7,851,237.00
2 Income from sales	**003**	71,424,412.00	29,549,414.00	74,821,706.00	42,460,029.00
3 Income from the use of own products, goods and services	**004**	0.00	0.00	0.00	0.00
4 Other operating income with undertakings within the group	**005**	15,516.00	15,516.00	0.00	0.00
5 Other operating income (outside the group)	**006**	1,054,937.00	225,547.00	856,059.00	571,877.00
II OPERATING EXPENSES (ADP 008+009+013+017+018+019+022+029)	**007**	87,128,898.00	40,267,490.00	87,854,410.00	49,605,133.00
1 Changes in inventories of work in progress and finished goods	**008**	0.00	0.00	0.00	0.00
2 Material costs (ADP 010 to 012)	**009**	68,023,879.00	30,043,929.00	61,622,954.00	34,839,892.00
a) Costs of raw materials and consumables	**010**	561,352.00	238,868.00	705,170.00	361,172.00
b) Costs of goods sold	**011**	65,591,817.00	28,680,579.00	58,904,628.00	33,286,972.00
c) Other external costs	**012**	1,870,710.00	1,124,482.00	2,013,156.00	1,191,748.00
3 Staff costs (ADP 014 to 016)	**013**	10,726,774.00	5,360,362.00	14,201,089.00	7,656,489.00
a) Net salaries and wages	**014**	6,297,829.00	3,135,141.00	8,502,847.00	4,685,831.00
b) Tax and contributions from salary costs	**015**	2,965,441.00	1,484,482.00	3,799,046.00	1,964,625.00
c) Contributions on salaries	**016**	1,463,504.00	740,739.00	1,899,196.00	1,006,033.00
4 Depreciation	**017**	1,678,976.00	859,237.00	1,910,547.00	959,099.00
5 Other costs	**018**	6,648,270.00	3,961,719.00	9,899,779.00	5,939,936.00
6 Value adjustments (ADP 020+021)	**019**	0.00	0.00	0.00	0.00
a) fixed assets other than financial assets	**020**	0.00	0.00	0.00	0.00
b) current assets other than financial assets	**021**	0.00	0.00	0.00	0.00
7 Provisions (ADP 023 to 028)	**022**	0.00	0.00	0.00	0.00
a) Provisions for pensions, termination benefits and similar obligations	**023**	0.00	0.00	0.00	0.00
b) Provisions for tax liabilities	**024**	0.00	0.00	0.00	0.00
c) Provisions for ongoing legal cases	**025**	0.00	0.00	0.00	0.00
d) Provisions for renewal of natural resources	**026**	0.00	0.00	0.00	0.00
e) Provisions for warranty obligations	**027**	0.00	0.00	0.00	0.00
f) Other provisions	**028**	0.00	0.00	0.00	0.00
8 Other operating expenses	**029**	50,999.00	42,243.00	220,041.00	209,717.00
III FINANCIAL INCOME (ADP 031 to 040)	**030**	716,189.00	510,481.00	686,513.00	398,245.00
1 Income from investments in holdings (shares) of undertakings within the group	**031**	0.00	0.00	12,525.00	12,525.00
2 Income from investments in holdings (shares) of companies linked by virtue of participating interests	**032**	0.00	0.00	0.00	0.00
3 Income from other long-term financial investment and loans granted to undertakings within the group	**033**	0.00	0.00	0.00	0.00

STATEMENT OF PROFIT OR LOSS
for the period 1.1.2026 to 30.6.2026

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
4 Other interest income from operations with undertakings within the group	034	218,469.00	131,202.00	337,054.00	159,304.00
5 Exchange rate differences and other financial income from operations with undertakings within the group	035	68,660.00	46,663.00	0.00	0.00
6 Income from other long-term financial investments and loans	036	57,220.00	41,121.00	25,088.00	12,565.00
7 Other interest income	037	106,870.00	57,606.00	116,584.00	41,226.00
8 Exchange rate differences and other financial income	038	238,147.00	233,889.00	195,262.00	172,625.00
9 Unrealised gains (income) from financial assets	039	26,823.00	0.00	0.00	0.00
10 Other financial income	040	0.00	0.00	0.00	0.00
IV FINANCIAL EXPENSES (ADP 042 to 048)	041	570,839.00	423,467.00	690,000.00	521,196.00
1 Interest expenses and similar expenses with undertakings within the group	042	15,616.00	0.00	68,055.00	0.00
2 Exchange rate differences and other expenses from operations with undertakings within the group	043	4,020.00	4,020.00	28,939.00	14,091.00
3 Interest expenses and similar expenses	044	144,037.00	72,114.00	189,694.00	129,392.00
4 Exchange rate differences and other expenses	045	329,027.00	269,194.00	95,197.00	69,598.00
5 Unrealised losses (expenses) from financial assets	046	78,139.00	78,139.00	308,115.00	308,115.00
6 Value adjustments of financial assets (net)	047	0.00	0.00	0.00	0.00
7 Other financial expenses	048	0.00	0.00	0.00	0.00
V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VIRTUE OF PARTICIPATING INTERESTS	049	0.00	0.00	0.00	0.00
VI SHARE IN PROFIT FROM JOINT VENTURES	050	0.00	0.00	0.00	0.00
VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST	051	0.00	0.00	0.00	0.00
VIII SHARE IN LOSS OF JOINT VENTURES	052	0.00	0.00	0.00	0.00
IX TOTAL INCOME (ADP 001+030+049 +050)	053	122,837,959.00	42,391,893.00	126,240,903.00	51,281,388.00
X TOTAL EXPENDITURE (ADP 007+041+051 + 052)	054	87,699,737.00	40,690,957.00	88,544,410.00	50,126,329.00
XI PRE-TAX PROFIT OR LOSS (ADP 053-054)	055	35,138,222.00	1,700,936.00	37,696,493.00	1,155,059.00
1 Pre-tax profit (ADP 053-054)	056	35,138,222.00	1,700,936.00	37,696,493.00	1,155,059.00
2 Pre-tax loss (ADP 054-053)	057	0.00	0.00	0.00	0.00
XII INCOME TAX	058	0.00	0.00	0.00	0.00
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 055-059)	059	35,138,222.00	1,700,936.00	37,696,493.00	1,155,059.00
1 Profit for the period (ADP 055-059)	060	35,138,222.00	1,700,936.00	37,696,493.00	1,155,059.00
2 Loss for the period (ADP 059-055)	061	0.00	0.00	0.00	0.00
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	0.00	0.00	0.00	0.00
1 Pre-tax profit from discontinued operations	063	0.00	0.00	0.00	0.00

STATEMENT OF PROFIT OR LOSS
for the period 1.1.2026 to 30.6.2026

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 Pre-tax loss on discontinued operations	064	0.00	0.00	0.00	0.00
XV INCOME TAX OF DISCONTINUED OPERATIONS	065	0.00	0.00	0.00	0.00
1 Discontinued operations profit for the period (ADP 062-065)	066	0.00	0.00	0.00	0.00
2 Discontinued operations loss for the period (ADP 065-062)	067	0.00	0.00	0.00	0.00
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	0.00	0.00	0.00	0.00
1 Pre-tax profit (ADP 068)	069	0.00	0.00	0.00	0.00
2 Pre-tax loss (ADP 068)	070	0.00	0.00	0.00	0.00
XVII INCOME TAX (ADP 058+065)	071	0.00	0.00	0.00	0.00
XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 068-071)	072	0.00	0.00	0.00	0.00
1 Profit for the period (ADP 068-071)	073	0.00	0.00	0.00	0.00
2 Loss for the period (ADP 071-068)	074	0.00	0.00	0.00	0.00
APPENDIX to the P&L (to be filled in by undertakings that draw up consolidated annual financial statements)					
XIX PROFIT OR LOSS FOR THE PERIOD (ADP 076+077)	075	0.00	0.00	0.00	0.00
1 Attributable to owners of the parent	076	0.00	0.00	0.00	0.00
2 Attributable to minority (non-controlling) interest	077	0.00	0.00	0.00	0.00
STATEMENT OF OTHER COMPREHENSIVE INCOME (to be filled in by undertakings subject to IFRS)					
I PROFIT OR LOSS FOR THE PERIOD	078	35,138,222.00	1,700,936.00	37,696,493.00	1,155,059.00
II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 80 + 87)	079	0.00	0.00	0.00	0.00
III Items that will not be reclassified to profit or loss (ADP 081 to 085)	080	0.00	0.00	0.00	0.00
1 Changes in revaluation reserves of fixed tangible and intangible assets	081	0.00	0.00	0.00	0.00
2 Profit or loss arising from subsequent measurement of equity securities at fair value through other comprehensive income	082	0.00	0.00	0.00	0.00
3 Changes in the fair value of the financial liability at fair value through statement of profit or loss that is attributable to changes in the credit risk of that liability	083	0.00	0.00	0.00	0.00
4 Actuarial gains/losses on the defined benefit obligation	084	0.00	0.00	0.00	0.00
5 Other items that will not be reclassified	085	0.00	0.00	0.00	0.00
6 Income tax relating to items that will not be reclassified	086	0.00	0.00	0.00	0.00
IV Items that may be reclassified to profit or loss (ADP 088 to 095)	087	0.00	0.00	0.00	0.00
1 Exchange rate differences from translation of foreign operations	088	0.00	0.00	0.00	0.00
2 Exchange rate differences from translation into the presentation currency	089	0.00	0.00	0.00	0.00
3 Profit or loss arising from subsequent measurement of debt securities at fair value through other comprehensive income	090	0.00	0.00	0.00	0.00
4 Profit or loss arising from effective cash flow hedging	091	0.00	0.00	0.00	0.00

STATEMENT OF PROFIT OR LOSS
for the period 1.1.2026 to 30.6.2026

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
5 Profit or loss arising from effective hedge of a net investment in a foreign operation	092	0.00	0.00	0.00	0.00
6 Share in other comprehensive income/loss of companies linked by virtue of participating interests	093	0.00	0.00	0.00	0.00
7 Changes in fair value of the time value of an option	094	0.00	0.00	0.00	0.00
8 Changes in fair value of the forward elements of forward contracts	095	0.00	0.00	0.00	0.00
9 Other items that may be reclassified to profit or loss	096	0.00	0.00	0.00	0.00
10 Income tax relating to items that may be reclassified to profit or loss	097	0.00	0.00	0.00	0.00
V NET OTHER COMPREHENSIVE INCOME OR LOSS (ADP 080+087 - 086 - 097)	**098**	0.00	0.00	0.00	0.00
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 078+099)	**099**	35,138,222.00	1,700,936.00	37,696,493.00	1,155,059.00
APPENDIX to the Statement on comprehensive income (to be filled in by undertakings that draw up consolidated statements)					
VII COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 101+102)	**100**	0.00	0.00	0.00	0.00
1 Attributable to owners of the parent	**101**	0.00	0.00	0.00	0.00
2 Attributable to minority (non-controlling) interest	**102**	0.00	0.00	0.00	0.00

STATEMENT OF CASH FLOWS - direct method
for the period 1.1.2026 to 30.6.2026

in EUR

Submitter: KONČAR Inc.

Item	ADP code	Same period of the previous year	Current period
1	2	3	4
Cash flow from operating activities			
1 Cash receipts from customers	**001**	103,460,470.00	100,884,077.00
2 Cash receipts from royalties, fees, commissions and other revenue	**002**	0.00	0.00
3 Cash receipts from insurance premiums	**003**	44,006.00	17,184.00
4 Cash receipts from tax refund	**004**	778,292.00	2,471,208.00
5 Other cash receipts from operating activities	**005**	1,409,020.00	669,130.00
I Total cash receipts from operating activities (ADP 001 to 005)	**006**	105,691,788.00	104,041,599.00
1 Cash payments to suppliers	**007**	-84,488,935.00	-75,065,090.00
2 Cash payments to employees	**008**	-14,055,972.00	-17,069,684.00
3 Cash payments for insurance premiums	**009**	-365,459.00	-610,568.00
4 Interest paid	**010**	0.00	-138,378.00
5 Income tax paid	**011**	0.00	-1,662.00
6 Other cash payments from operating activities	**012**	-4,011,908.00	-3,469,750.00
II Total cash payments from operating activities (ADP 007 to 012)	**013**	-102,922,274.00	-96,355,132.00
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 006 + 013)	**014**	2,769,514.00	7,686,467.00
Cash flow from investment activities			
1 Cash receipts from sales of fixed tangible and intangible assets	**015**	1,261,993.00	167,176.00
2 Cash receipts from sales of financial instruments	**016**	0.00	772,316.00
3 Interest received	**017**	135,526.00	774,322.00
4 Dividends received	**018**	48,743,974.00	69,208,645.00
5 Cash receipts from the repayment of loans and deposits	**019**	0.00	22,675,000.00
6 Other cash receipts from investment activities	**020**	0.00	0.00
III Total cash receipts from investment activities (ADP 015 to 020)	**021**	50,141,493.00	93,597,459.00
1 Cash payments for the purchase of fixed tangible and intangible assets	**022**	-1,248,117.00	-3,379,962.00
2 Cash payments for the acquisition of financial instruments	**023**	-9,278,500.00	-23,791,388.00
3 Cash payments for loans and deposits	**024**	-16,200,000.00	-25,545,736.00
4 Acquisition of a subsidiary, net of cash acquired	**025**	0.00	0.00
5 Other cash payments from investment activities	**026**	0.00	-11,592.00
IV Total cash payments from investment activities (ADP 022 to 026)	**027**	-26,726,617.00	-52,728,678.00
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 021 + 027)	**028**	23,414,876.00	40,868,781.00
Cash flow from financing activities			
1 Cash receipts from the increase in initial (subscribed) capital	**029**	0.00	0.00
2 Cash receipts from the issue of equity financial instruments and debt financial instruments	**030**	0.00	0.00

STATEMENT OF CASH FLOWS - direct method
for the period 1.1.2026 to 30.6.2026

in EUR

Submitter: KONČAR Inc.

Item	ADP code	Same period of the previous year	Current period
1	2	3	4
3 Cash receipts from credit principals, loans and other borrowings	031	85,137.00	0.00
4 Other cash receipts from financing activities	032	15,514.00	10,003.00
V Total cash receipts from financing activities (ADP 029 to 032)	033	100,651.00	10,003.00
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	034	-5,000,000.00	-23,000,000.00
2 Cash payments for dividends	035	-1,772.00	-263.00
3 Cash payments for finance lease	036	-61,202.00	-152,279.00
4 Cash payments for the redemption of own shares and decrease in initial (subscribed) capital	037	0.00	0.00
5 Other cash payments from financing activities	038	-7,807,672.00	-11,870,385.00
VI Total cash payments from financing activities (ADP 034 to 038)	039	-12,870,646.00	-35,022,927.00
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 033+039)	040	-12,769,995.00	-35,012,924.00
1 Unrealised exchange rate differences in respect of cash and cash equivalents	041	-14,927.00	-15,197.00
D) NET INCREASE OR DECREASE IN CASH FLOW (ADP 014 + 028 + 040 + 041)	042	13,399,468.00	13,527,127.00
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	043	7,293,613.00	20,907,996.00
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (ADP 042+043)	044	20,693,081.00	34,435,123.00

STATEMENT OF CHANGES IN EQUITY
for the period from 1.1.2026 to 30.6.2026

in EUR

Item	ADP 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	Financial assets at fair value 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	Exchange rate differences from translation into the presentation currency	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	19 (3 to 6 - 7 + 8 to 18)	20	21 (19+20)
Previous period																				
1 Balance on the first day of the previous business year	**01**	159,471,378.00	1,073,176.00	9,325,953.00	5,998,550.00	1,998,550.00	34,899,714.00	20,448,366.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6,441,028.00	31,453,933.00	267,113,548.00	0.00	267,113,548.00
2 Changes in accounting policies	**02**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3 Correction of errors	**03**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4 Balance on the first day of the previous business year (restated) (ADP 01 to 03)	**04**	159,471,378.00	1,073,176.00	9,325,953.00	5,998,550.00	1,998,550.00	34,899,714.00	20,448,366.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6,441,028.00	31,453,933.00	267,113,548.00	0.00	267,113,548.00
5 Profit/loss of the period	**05**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	80,142,080.00	80,142,080.00	0.00	80,142,080.00
6 Exchange rate differences from translation of foreign operations	**06**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7 Changes in revaluation reserves of fixed tangible and intangible assets	**07**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8 Gains or losses from subsequent measurement of financial assets at fair value through other comprehensive income (available for sale)	**08**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
9 Profit or loss arising from effective cash flow hedge	**09**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10 Profit or loss arising from effective hedge of a net investment in a foreign operation	**10**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11 Share in other comprehensive income/loss of companies linked by virtue of participating interests	**11**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
12 Actuarial gains/losses on the defined benefit obligation	**12**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
13 Other changes in equity unrelated to owners	**13**	0.00	1,101,609.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,101,609.00	0.00	1,101,609.00
14 Tax on transactions recognised directly in equity	**14**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
15 Decrease in initial (subscribed) capital (other than arising from the pre-bankruptcy settlement procedure or from the reinvestment of profit)	**15**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
16 Decrease in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	**16**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
17 Decrease in initial (subscribed) capital arising from the reinvestment of profit	**17**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
18 Redemption of treasury shares/holdings	**18**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
19 Payments from members/shareholders	**19**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
20 Payment of share in profit/dividend	**20**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-7,641,705.00	-7,641,705.00	0.00	-7,641,705.00
21 Other distributions and payments to members/shareholders	**21**	0.00	0.00	0.00	-126,835.00	-126,835.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	857,948.00	0.00	857,948.00	0.00	857,948.00
22 Transfer to reserves according to the annual schedule	**22**	0.00	0.00	0.00	0.00	0.00	0.00	1,572,697.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	22,239,531.00	-23,812,228.00	0.00	0.00	0.00
23 Increase in reserves arising from the pre-bankruptcy settlement procedure	**23**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
24 Balance on the last day of the previous business year reporting period (ADP 04 to 23)	**24**	159,471,378.00	2,174,785.00	9,325,953.00	5,871,715.00	1,871,715.00	34,899,714.00	22,021,063.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	29,538,507.00	80,142,080.00	341,573,480.00	0.00	341,573,480.00
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**	0.00	1,101,609.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,101,609.00	0.00	1,101,609.00
II COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP 05+25)	**26**	0.00	1,101,609.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	80,142,080.00	81,243,689.00	0.00	81,243,689.00
III TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 23)	**27**	0.00	0.00	0.00	-126,835.00	-126,835.00	0.00	1,572,697.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	23,097,479.00	-31,453,933.00	-6,783,757.00	0.00	-6,783,757.00

STATEMENT OF CHANGES IN EQUITY
for the period from 1.1.2026 to 30.6.2026

in EUR

Item	ADP 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	Financial assets at fair value 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	Exchange rate differences from translation into the presentation currency	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	19 (3 to 6 - 7 + 8 to 18)	20	21 (19+20)
Current period																				
1 Balance on the first day of the previous business year	**28**	159,471,378.00	2,174,785.00	9,325,953.00	5,871,715.00	1,871,715.00	34,899,714.00	22,021,063.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	29,538,507.00	80,142,080.00	341,573,480.00	0.00	341,573,480.00
2 Changes in accounting policies	**29**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3 Correction of errors	**30**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4 Balance on the first day of the previous business year (restated) (ADP 28 to 30)	**31**	159,471,378.00	2,174,785.00	9,325,953.00	5,871,715.00	1,871,715.00	34,899,714.00	22,021,063.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	29,538,507.00	80,142,080.00	341,573,480.00	0.00	341,573,480.00
5 Profit/loss of the period	**32**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	37,696,493.00	37,696,493.00	0.00	37,696,493.00
6 Exchange rate differences from translation of foreign operations	**33**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7 Changes in revaluation reserves of fixed tangible and intangible assets	**34**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8 Gains or losses from subsequent measurement of financial assets at fair value through other comprehensive income (available for sale)	**35**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
9 Profit or loss arising from effective cash flow hedge	**36**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10 Profit or loss arising from effective hedge of a net investment in a foreign operation	**37**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11 Share in other comprehensive income/loss of companies linked by virtue of participating interests	**38**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
12 Actuarial gains/losses on the defined benefit obligation	**39**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
13 Other changes in equity unrelated to owners	**40**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-44,528.00	0.00	-44,528.00	0.00	-44,528.00
14 Tax on transactions recognised directly in equity	**41**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
15 Decrease in initial (subscribed) capital (other than arising from the pre-bankruptcy settlement procedure or from the reinvestment of profit)	**42**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
16 Decrease in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	**43**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
17 Decrease in initial (subscribed) capital arising from the reinvestment of profit	**44**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
18 Redemption of treasury shares/holdings	**45**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
19 Payments from members/shareholders	**46**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
20 Payment of share in profit/dividend	**47**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-10,194,344.00	-10,194,344.00	0.00	-10,194,344.00
21 Other distributions and payments to members/shareholders	**48**	0.00	0.00	0.00	-16,663.00	-16,663.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	125,250.00	0.00	125,250.00	0.00	125,250.00
22 Transfer to reserves according to the annual schedule	**49**	0.00	0.00	0.00	0.00	0.00	0.00	4,007,104.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	65,940,632.00	-69,947,736.00	0.00	0.00	0.00
23 Increase in reserves arising from the pre-bankruptcy settlement procedure	**50**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
24 Balance on the last day of the previous business year reporting period (ADP 31 to 50)	**51**	159,471,378.00	2,174,785.00	9,325,953.00	5,855,052.00	1,855,052.00	34,899,714.00	26,028,167.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	95,559,861.00	37,696,493.00	369,156,351.00	0.00	369,156,351.00
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**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-44,528.00	0.00	-44,528.00	0.00	-44,528.00
II COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 32 to 52)	**53**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-44,528.00	37,696,493.00	37,651,965.00	0.00	37,651,965.00
III TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 42 to 50)	**54**	0.00	0.00	0.00	-16,663,00	-16,663.00	0.00	4,007,104.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	66,065,882.00	-80,142,080.00	-10,069,094.00	0.00	-10,069,094.00

NOTES TO THE FINANCIAL STATEMENTS

Name of issuer: KONČAR Inc.
PIN/OIB: 45050126417
Reporting period: 1 January 2026 - 30 June 2026

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.

The average number of employees during H1 2026 amounted to 656, compared with an average of 577 employees in the corresponding period of the previous year.

2 Significant accounting policies
These interim financial statements for the period ended 30 June 2026 should be read in conjunction with the latest annual financial statements of the Company as at and for the year ended 31 December 2025 ("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 2025.

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

3 Sales revenue

	1. - 6.2026 EUR	1. - 6.2025 EUR
Income from dividends /i/	33,408,199	28,627,623
Revenue from contracts with customers /ii/	91,290,133	92,423,694
	124,698,332	**121,051,317**

/i/ Income from dividends

	1. - 6.2026 EUR	1. - 6.2025 EUR
Income from dividends – subsidiaries	33,408,199	28,627,623
	33,408,199	**28,627,623**

/ii/ Income from contracts with customers

	1. - 6.2026 EUR	1. - 6.2025 EUR
Type of service		
Brand usage fee (fee for the usage of company name, trademark and service mark)	10,456,247	8,809,481
Revenue from the Power Generation segment	26,940,900	15,474,607
Revenue from the Power Transmission and Distribution segment	38,239,976	54,485,755
Revenue from Urban Mobility and Infrastructure segment	9,635,958	9,209,625
Revenue from property management	3,658,602	3,528,243
Revenue from the provision of ICT services	1,664,271	502,526
Other fees	694,179	413,457
Total income from contracts with customers	**91,290,133**	**92,423,694**

4 Other income
Other operating income in H1 2026 primarily related to the sale of real estate and the reversal of provisions for warranty costs.

5 Operating Expenses
Total operating expenses amounted to EUR 87.9 million in H1 2026, compared with EUR 87.1 million in the corresponding period of the previous year.

Actual operating expenses were EUR 2.2 million, or 2.4%, below plan. This favourable variance against plan was primarily attributable to savings in the procurement of materials and services for commercial projects (cost of goods sold).

6 Income tax
Based on the 2025 corporate income tax return, the Company has no corporate income tax liability, mainly as a result of significant dividend income reducing the taxable base (similarly, no corporate income tax liability arose in 2025). However, as at 31 December 2025, the Company recognised a deferred tax asset relating to tax loss carryforwards and deductible temporary differences. Given the uncertainty regarding the final corporate income tax liability for 2026 and the estimate that any liability would be minimal or non-existent, no tax rate has been applied for the first half of the year and it is assumed that carried-forward tax losses will be utilised.

7 Earnings per share

	1. - 6.2026 EUR	1. - 6.2025 EUR
Profit for the period	37,696,493	35,138,222
Weighted average number of shares	2,548,562	2,547,170
Earnings per share (EUR)	**14.79**	**13.80**

NOTES TO THE FINANCIAL STATEMENTS

8 Property, plant and equipment and investment property
The carrying amount of intangible assets remained broadly unchanged compared with 31 December 2025. Within non-current tangible assets, the most significant movement was an increase of EUR 1.4 million in investment property compared with 31 December 2025. This increase resulted from investments in infrastructure, specifically upgrades to buildings and roads. In addition, right-of-use assets increased by EUR 1.3 million, primarily due to additions relating to new vehicles.

9 Investments in subsidiaries
Since 31 December 2025, the Company has made additional contributions to the capital reserves of its subsidiaries. The carrying amount of the investment in KONČAR – Transformer Tanks Ltd. increased by EUR 2.3 million, while a contribution to the capital reserves of KONČAR – Electronics and Informatics Ltd. increased the carrying amount of that investment by EUR 0.5 million. In January 2026, an additional capital contribution of EUR 18.0 million was made to KONČAR – Digital ltd. The capital contribution was made to support the implementation of the adopted strategy and the strategic business objectives of KONČAR Group. The acquisition of additional ownership interests in HELB Ltd. increased the carrying amount of the investment by EUR 1.7 million. In January 2026, following the merger of INK PROJEKT Ltd. into the Company, the investment in that company, amounting to EUR 0.2 million, was derecognised.

Investments in shares (equity interests) of domestic and foreign subsidiaries	30 June 2026 EUR' 000	31 December 2025 EUR' 000	30 June 2026 Share in %	31 December 2025 Share in %
KONČAR – Switchgear Ltd. for manufacturing, Zagreb	11,197	11,197	100	100
KONČAR – Metal Structures Ltd. for manufacturing, Zagreb	5,301	5,301	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	8,853	8,353	100	100
KONČAR – Renewable Energy Sources Ltd., Zagreb	7,290	7,290	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	5,725	5,725	85.73	85.73
KONČAR – Instrument Transformers Inc. for manufacturing, Zagreb	4,041	4,041	61.97	61.97
KONČAR – Digital Ltd. for digital services, Zagreb	42,684	24,684	100	100
KONČAR – Transformer Tanks Ltd. for manufacturing, Sesvetski Kraljevec	26,354	23,978	60	60
Dalekovod jsc., Zagreb	51,370	51,370	75.16	75.16
TELENERG-ENGINEERING Ltd., Zagreb	1,008	1,008	100	100
INK PROJECT Ltd., Zagreb	-	206	-	100
KONČAR – Hydro turbine Ltd., Zagreb	3	3	100	100
HELB Ltd., Božjakovina	7,205	5,529	100	75
KONCAR Switzerland GmbH	22	22	100	100
	201,737	**179,391**		

10 Equity and reserves
The Company's share capital is set at EUR 159,471,378 (31 December 2025: 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 2026, the Company held 23,533 treasury shares (31 December 2025: 23,700 shares).

11 Contingent liabilities and off-balance sheet items
As at 30 June 2026, 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 affiliated companies

	Transactions for the period	
EUR'000	**Jan - Jun 2026**	**Jan - Jun 2025**
Revenue from operating activities		
Subsidiaries	12,464	16,372
Associates	4,005	4,628
Proceeds from sale of property		
Subsidiaries	-	16
Income from dividends		
Subsidiaries	33,408	28,628
Associates		-
Finance income		
Subsidiaries	337	218
Associates	13	69
Procurement costs		
Subsidiaries	10,836	6,892
Associates	110	304
Finance costs		
Subsidiaries	68	16
Associates	29	4

NOTES TO THE FINANCIAL STATEMENTS

EUR'000	30 June 2026	31 December 2025
Trade receivables		
Subsidiaries	9,277	9,931
Associates	1,974	1,766
Dividend receivables		
Subsidiaries	7,179	-
Associates	-	42,980
Interest receivables		
Subsidiaries	273	696
Other receivables		
Subsidiaries	6,933	7,238
Receivables from financing activities		
Subsidiaries	27,046	24,175
Liabilities from operating activities		
Subsidiaries	10,029	19,983
Associates	3,171	4,606
Interest liabilities		
Subsidiaries	-	70
Liabilities from financing activities		
Subsidiaries	14	23,014

13 Events after the balance sheet date
On July 1, 2026, based on a decision by the Commercial Court, the share capital of KONČAR – Helb Ltd.. was increased by contributing the business unit 'Assembly' from KONČAR Inc.

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 2026 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 2026 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 June 2026 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, 30 July 2026

KONČAR

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