

KONČAR GROUP MANAGING BOARD BUSINESS REPORT
January – March 2019

The KONČAR Group consists of KONČAR – ELEKTROINDUSTRIJA d.d. (KONČAR – ELECTRICAL INDUSTRY Inc.) as the Mother Company and 15 Daughter Companies in which the Mother Company has the prevailing interest (more than 50 % of votes at the Annual / Extraordinary General Meeting). Privileged shares are registered in a part of companies in addition to ordinary shares. Besides, the Mother Company has a minority managing interest in three companies, 2 Associated Companies, i.e. Končar – Energetski transformatori (Končar – Power Transformers) and Elkakon d.o.o (Elkakon Ltd.) and a joint venture, i.e. TBEA Končar Instrument Transformers Ltd, China. Elkakon Ltd. and TBEA Končar Instrument Transformers Ltd, China are indirectly owned by the Mother Company. Investments into associated companies are presented in consolidated financial statements using the equity method. Pursuant the equity method, investments are initially treated as investments at cost and their carrying amounts are increased or decreased to recognise the investor's share in the profit or loss of the company it has been investing into after the acquisition date.

In addition to the stated, KONČAR-XD Visokonaponska sklopna postrojenja (in English: KONČAR – XD High Voltage Switchgear) with headquarters in Zagreb was established as a joint undertaking of Končar – Electrical Industry Inc. and XD Group from China, each partner owing 50 per cent of the company, in December, 2018.

Companies belonging to the Group are legally independent companies supervised, strategically directed and supported by the Mother Company through company supervisory boards and annual general / extraordinary meetings in accordance with the Law on Trading Companies, Statutes of KONČAR - ELEKTROINDUSTRIJA d.d. (KONČAR – ELECTRICAL INDUSTRY Inc.) and Statutes of the Group Companies. The Mother Company also manages a part of assets that are not invested into companies, but they offer a direct or indirect financial support to the marketing and sales of products and equipment of associated companies as a credit and warranty potential.

The potential liability of Končar - Elektroindustrija d.d. (KONČAR – ELECTRICAL INDUSTRY Inc.) for the total issued warranties as of 31/03/2019 amounts to HRK 386.6 million representing an increase by HRK 71.5 million compared to 31/12/2018.

Out of the total warranties and joint and severe securities HRK 220.4 million belongs to performance guarantees.

The Končar Group business activities are divided into business areas:

- Generation, Transmission and Distribution of Electrical Power and Transport: designing and construction of plants and equipment for generation, transmission and distribution of electric energy, electric locomotives, Electric Multiple Units, tramcars and side-line electric traction equipment;
- Industry: electric motor drives, low voltage electric equipment;
- Trade: electrical household appliances, serial products and low voltage electrical apparatuses;
- Special activities: research and development of products and infrastructural services.

As of 31/03/2019 the Končar Group employed 3,535 employees.

Managing Board:

Darinko Bago	President of the Managing Board
Gordan Kolak	Deputy President of the Managing Board
Miki Huljić	Member of the Managing Board in Charge of Finances
Marina Kralj Miliša	Member of the Managing Board in Charge of Legal, Common and Personnel Affairs
Miroslav Poljak	Member of the Managing Board in Charge of Generation of Electric Power, Corporate Development and ICT
Ivan Tomšić	Deputy Member of the Managing Board in Charge of Complex Project Export Coordination and Digital Transformation

Supervisory Board:

Petar Vlaić	President of the Supervisory Board
Josip Lasić	Deputy President of the Supervisory Board
Nikola Anić	Member
Jasminka Belačić	Member
Vicko Ferić	Member
Branko Lampl	Member
Joško Miliša	Member
Vladimir Plečko	Member

As of 31/03/2019 the share capital of Končar – Electrical Industry Inc. amounted to HRK 1,208,895,930 divided into 2,572,119 shares each one having the nominal value of HRK 470.00.

Končar Group Business Results for January to March, 2019

The Končar Group Companies generated consolidated incomes from sales of products and services in the amount of HRK 606.6 million for the time period from January to March, 2019 that is higher by 13.2 % compared to the achievement for the same time period of 2018.

Operating incomes were generated in the amount of HRK 623.7 million making them higher by 8.2 % than the achieved for January to March of 2018. Within operating incomes, incomes from sales of products and services amount to HRK 606.6 million or 97.3 % of the total operating incomes. Operating expenses were generated in the amount of HRK 617.8 million and they are higher by 10.8 % than the achievement for the same time period of 2018. Out of the operating expenses material costs (costs of raw materials and consumables, costs of sold goods and other external costs) were generated in the amount of HRK 444.9 million. A share of material costs in operating incomes (adjusted by changes in inventories) amounted to HRK 67.3 % representing an increase by 3.2 % compared to the same time period of the previous year. Personnel costs for the first quarter of 2019 amounted to HRK 148.7 million and they were lower by 5.2 % compared to the same time period of the previous year. A share of personnel costs in operating incomes (adjusted by changes in inventories) amounted to 22.5 % making it lower by 1.8 percentage points compared to the time period from January to March of 2018.

The difference between operating incomes and operating expenses gives the profit of operating activities in the amount of HRK 5.9 million that is lower by HRK 13.1 million than the achievement for January to March, 2018.

A share in profits of associated entrepreneurs amounts to HRK 1.8 million (a part of profits of Končar Power Transformers in the amount of HRK 2.1 million and a part of the loss of Končar XD in the amount of HRK 0.3 million). The share in profits of associated entrepreneurs is lower by HRK 4,2 million compared to the achievement during the same time period of the previous year.

The difference between financial incomes and expenses is positive and it amounts to HRK 2.4 million.

The profits from operating activities in the amount of HRK 5.9 million, the share in the profit of the associated entrepreneurs in the amount of HRK 1.8 million and the positive difference between financial incomes and expenses in the amount of HRK 2.4 million make consolidated profits before tax in the amount of HRK 10.1 million. The profit tax advance payment amounts to HRK 5.1 million, while the profit after tax amounts to HRK 5 million distributed to the non-controlling interest (the minority interest) in the amount of HRK 4.3 million and to the Group Mother Company shareholders HRK 0.7 million.

Out of 16 Končar Group Companies, 14 Companies generated a positive financial result, while two companies expressed a loss in the total amount of HRK 15.8 million that is completely attributable to the Mother Company shareholders.

On the domestic market the income was generated in the amount of HRK 211.9 making it lower by 5.9 % than the achievement of the first quarter of 2018.

Within the structure of incomes from sales of products and services on the domestic market, incomes from sales of products and services to companies within the Croatian Power Authority (HEP) (HEP – Generation, HEP – ODS – Distribution System Operator, HOPS – Croatian Transmission System Operator) were generated in the amount of HRK 65.8 million (31 % of the total generated incomes from sales of products and services in the domestic market).

Incomes from sales of products and services on the foreign market were generated in the amount of HRK 394.7 million that was higher than the achievement for the same time period of the previous year by 27 %.

The share of the export amounted to 65 % of the total incomes from sales of products and services. The most significant export was performed to Sweden in the amount of HRK 49.5 million or 12.5 % of the total export. In the market of Germany, the export in the amount of HRK 46.8 million or 11.9 % of the total generated export was achieved. Goods and services in the amount of HRK 42.2 million were exported to the U.A.E., HRK 33.2 million to Austria and HRK 26.3 million to the Netherlands.

Compared to the same time period of the previous year, a significant increase of incomes from sales of goods and services in export was generated in the markets of U.A.E (HRK 42 million more), the Netherlands (HRK 17.2 million more) and Austria (HRK 13.4 million more).

During the time period January to March, 2019, the Končar Group Companies contracted new projects in the amount of HRK 759.4 million. Out of the total contracted new projects the amount of HRK 229.5 million (30 % of the total contracted projects) referred to the domestic market, and the amount of HRK 529.9 million (70 % of the total contracted projects) referred to contracts for export. Compared to the same time period of the previous year, it was contracted HRK 108 million or 16.6 % more.

Regarding the delivery dynamics, contracted new projects in the amount of HRK 698.3 million will be performed in 2019, while contracted projects to be performed during 2020 and following years amount to HRK 61.1 million.

As of 31st March, 2019, the contracted project status amounted to HRK 3,524.5 million that was higher by 5 % than the contracted project status at the beginning of the year. The status of due receivables in the domestic market was higher by 1 % and in export higher by 8 % than at the beginning of 2019.

For the time period January – March of 2019 the import was generated in the amount of HRK 168.7 million. The import of raw materials and consumables amounted to HRK 133.3 million and the investment purchases

amounted to HRK 35.4 million. During the same time period of this year, incomes from sales of goods and services in export were generated in the amount of HRK 394.7 million. The export import coverage coefficient amounts to 2.3.

Within the structure of asset sources, the registered capital, provisions, retained profits, profits of the current year and the equity belonging to the not controlling interest amounted to HRK 2,541.7 million that was HRK 4.2 million more compared to the level as of 31st December, 2018 and they made 68.9 % of the total sources. Long term provisions amounted to HRK 204.5 million and they made 5.5 % of the total sources. Long term and current liabilities amounted to HRK 803,9 million making them lower by HRK 23.2 million then the status at the end of 2018 and they made 21.8 % of the total sources. Within the current liabilities, trade payables amounted to HRK 341.1 million and made 9.2 % of the total sources. Total loans (long term and current) amounted to HRK 193.4 million and they were higher by HRK 18.5 million compared to the status as of 31st December, 2018 and they made 5.2 % of the total sources.

Long term asset sources (equity, long term provisions and long-term liabilities) were higher by HRK 685.9 million compared to the long-term assets and the average level of inventories. Current assets were 3.1 times higher than current liabilities. The consolidated balance sheet structure shows a good adjustment of asset sources and investments as well as a good financial stability of the Končar Group.

Signed in the name of the Managing Board

Končar – Electrical Industry Inc.
Managing Board President
Darinko Bago

30th April, 2019

STATEMENT OF PERSONS RESPONSIBLE FOR COMPILATION OF THE KONČAR GROUP CONSOLIDATED FINANCIAL STATEMENTS

This Statement of the Končar – Electrical Industry Inc. Zagreb Managing Board is given regarding compilation and publishing of the Končar Group Consolidated Financial Statements for the time period from January to March 2019.

Financial Reports are made in accordance with International Standards for Financial Reporting applied in the European Union.

Pursuant our best knowledge, Consolidated Financial Statements show a complete and true presentation of the balance sheet, profit and loss account, cash flow and the capital change report of the Končar Group

Signed in the name of the Managing Board

Končar – Electrical Industry Inc.
Managing Board President
Darinko Bago

30th April, 2019

- Note:

Consolidated Financial Statements were compiled by expert services of Končar – Electrical Industry Inc.

Contract persons:

Ervin Filipčić, Managing Board Office Head, ervin.filipcic@koncar.hr

Marina Markušić, Accounting Expert, marina.markusic@koncar.hr

Vesna Ilić, Accounting Department Head, vesna.ilic@koncar.hr

Annex 1**ISSUER'S GENERAL DATA**

Reporting period: to

Year:

Quarter:

Quarterly financial statements

Registration number (MB): Issuer's home Member State code:

Entity's registration number (MBS):

Personal identification number (OIB): LEI:

Institution code:

Name of the issuer:

Postcode and town:

Street and house number:

E-mail address:

Web address:

Number of employees (end of the reporting):

Consolidated report: (KN-not consolidated/KD-consolidated)

Audited: (RN-not audited/RD-audited)

Names of subsidiaries (according to IFRS):

Registered office:

MB:

Končar - Energetika i usluge d.o.o.	Zagreb	1343068
Končar - Institut za elektrotehniku d.d.	Zagreb	3645363
Končar - Elektronika i informatika d.d.	Zagreb	3282899
Končar - Mali električni strojevi d.d.	Zagreb	3282678
Končar - Generatori i motori d.d.	Zagreb	1356216
Končar - Obnovljivi izvori d.o.o.	Zagreb	2435071

Končar - Mjerni transformatori d.d.	Zagreb	3654656
Končar - Distributivni i specijalni transf. d.d.	Zagreb	3654664
Končar - Aparati i postrojenja d.d.	Zagreb	3641287
Končar - Električna vozila d.d.	Zagreb	3282660
Končar - Kućanski aparati d.d.	Zagreb	1403222
Končar - Niskonapon. sklopke i prekid. d.o.o.	Zagreb	3228398
Končar - Montažni inženjering d.d.	Zagreb	3654362
Končar - Inženj. za energetiku i transport d.d.	Zagreb	3654354
Končar - Metalne konstrukcije d.d.	Zagreb	1114328
Power Engineering Transformatory Sp. z o.o.	Czerwonaka, Poznan, Poljska	

Bookkeeping firm: (Yes/No)

(name of the bookkeeping firm)

Contact person:

(only name and surname of the contact person)

Telephone:

E-mail address:

Audit firm:

(name of the audit firm)

Certified auditor:

(name and surname)

BALANCE SHEET
balance as at _____

in HRK

Submitter:			
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	1.493.180.514	1.545.808.287
I INTANGIBLE ASSETS (ADP 004 to 009)	003	45.212.592	44.679.465
1 Research and development	004	15.443.629	19.559.881
2 Concessions, patents, licences, trademarks, software and other rights	005	9.503.537	11.169.149
3 Goodwill	006	7.342.331	7.342.331
4 Advances for the purchase of intangible assets	007	0	0
5 Intangible assets in preparation	008	12.804.339	6.512.279
6 Other intangible assets	009	118.756	95.825
II TANGIBLE ASSETS (ADP 011 to 019)	010	1.132.623.038	1.183.989.717
1 Land	011	152.403.625	174.127.915
2 Buildings	012	342.439.639	356.814.911
3 Plant and equipment	013	355.186.507	338.678.101
4 Tools, working inventory and transportation assets	014	62.199.259	60.637.524
5 Biological assets	015	0	0
6 Advances for the purchase of tangible assets	016	31.035.194	36.356.240
7 Tangible assets in preparation	017	48.920.090	77.076.852
8 Other tangible assets	018	1.504.461	1.410.111
9 Investment property	019	138.934.263	138.888.063
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	300.464.821	300.983.264
1 Investments in holdings (shares) of undertakings within the group	021	330.067	290.527
2 Investments in other securities of undertakings within the group	022	0	0
3 Loans, deposits, etc. to undertakings within the group	023	0	0
4 Investments in holdings (shares) of companies linked by virtue of participating interests	024	238.666.391	240.761.468
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	1.969.395	1.779.692
8 Loans, deposits, etc. given	028	10.925.598	9.369.331
9 Other investments accounted for using the equity method	029	45.720.598	45.379.258
10 Other fixed financial assets	030	2.852.772	3.402.988
IV RECEIVABLES (ADP 032 to 035)	031	14.648.913	15.924.691
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	5.695.568	5.587.852
4 Other receivables	035	8.953.345	10.336.839
V DEFERRED TAX ASSETS	036	231.150	231.150
C) CURRENT ASSETS (ADP 038+046+053+063)	037	2.226.677.004	2.121.025.322
I INVENTORIES (ADP 039 to 045)	038	559.519.525	616.395.088
1 Raw materials and consumables	039	253.749.283	258.404.606
2 Work in progress	040	190.856.804	197.161.105
3 Finished goods	041	69.502.572	97.590.034
4 Merchandise	042	31.697.173	27.631.470
5 Advances for inventories	043	13.713.693	16.307.873
6 Fixed assets held for sale	044	0	19.300.000
7 Biological assets	045	0	0
II RECEIVABLES (ADP 047 to 052)	046	980.350.748	745.027.515
1 Receivables from undertakings within the group	047	0	0
2 Receivables from companies linked by virtue of participating interests	048	77.733.844	20.772.137
3 Customer receivables	049	833.689.958	649.379.901
4 Receivables from employees and members of the undertaking	050	989.230	2.116.693
5 Receivables from government and other institutions	051	39.351.406	33.698.693
6 Other receivables	052	28.586.310	39.060.091
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)	053	70.178.154	284.724.148
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	0	0
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	69.884.220	284.316.251
9 Other financial assets	062	293.934	407.897
IV CASH AT BANK AND IN HAND	063	616.628.577	474.878.571
D) PREPAID EXPENSES AND ACCRUED INCOME	064	7.317.726	22.697.946
E) TOTAL ASSETS (ADP 001+002+037+064)	065	3.727.175.244	3.689.531.555
OFF-BALANCE SHEET ITEMS	066	1.840.137.634	1.940.127.405
LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to 069)	067	2.537.482.252	2.541.861.999
I INITIAL (SUBSCRIBED) CAPITAL	068	1.208.895.930	1.208.895.930
II CAPITAL RESERVES	069	719.579	719.579
III RESERVES FROM PROFIT (ADP 071+072+073+074+075)	070	682.891.233	681.952.524
1 Legal reserves	071	62.447.461	62.447.461
2 Reserves for treasury shares	072	10.092.359	10.919.913
3 Treasury shares and holdings (deductible item)	073	-10.092.359	-10.919.913
4 Statutory reserves	074	421.760.811	421.760.811
5 Other reserves	075	198.482.961	197.654.352
IV REVALUATION RESERVES	076	0	0
V FAIR VALUE RESERVES (ADP 078 to 080)	077	0	0
1 Fair value of financial assets 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
VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 082-083)	081	312.124.544	414.953.217
1 Retained profit	082	312.124.544	414.953.217
2 Loss brought forward	083	0	0
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 085-086)	084	102.837.087	662.843
1 Profit for the business year	085	102.837.087	662.843
2 Loss for the business year	086	0	0
VIII MINORITY (NON-CONTROLLING) INTEREST	087	230.213.919	234.567.806
B) PROVISIONS (ADP 089 to 094)	088	206.152.157	204.537.801
1 Provisions for pensions, termination benefits and similar obligations	089	49.288.073	48.225.334
2 Provisions for tax liabilities	090	0	0
3 Provisions for ongoing legal cases	091	1.955.400	1.955.400
4 Provisions for renewal of natural resources	092	0	0
5 Provisions for warranty obligations	093	153.720.462	153.168.845
6 Other provisions	094	1.188.222	1.188.222
C) LONG-TERM LIABILITIES (ADP 096 to 106)	095	97.168.106	118.990.634
1 Liabilities to undertakings within the group	096	0	0

2 Liabilities for loans, deposits, etc. of undertakings within the group	097	0	0
3 Liabilities to companies linked by virtue of participating interests	098	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	099	0	0
5 Liabilities for loans, deposits etc.	100	0	0
6 Liabilities to banks and other financial institutions	101	89.037.057	110.849.992
7 Liabilities for advance payments	102	0	0
8 Liabilities to suppliers	103	0	0
9 Liabilities for securities	104	0	0
10 Other long-term liabilities	105	8.131.049	8.140.642
11 Deferred tax liability	106	0	0
D) SHORT-TERM LIABILITIES (ADP 108 to 121)	107	723.543.425	684.861.798
1 Liabilities to undertakings within the group	108	0	0
2 Liabilities for loans, deposits, etc. of undertakings within the group	109	0	0
3 Liabilities to companies linked by virtue of participating interests	110	13.039.342	5.068.157
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	111	0	0
5 Liabilities for loans, deposits etc.	112	0	0
6 Liabilities to banks and other financial institutions	113	85.843.390	82.584.831
7 Liabilities for advance payments	114	128.881.211	156.926.197
8 Liabilities to suppliers	115	413.302.173	336.037.696
9 Liabilities for securities	116	0	0
10 Liabilities to employees	117	34.289.074	38.475.763
11 Taxes, contributions and similar liabilities	118	43.600.983	28.140.805
12 Liabilities arising from the share in the result	119	691.040	865.005
13 Liabilities arising from fixed assets held for sale	120	0	0
14 Other short-term liabilities	121	3.896.212	36.763.345
E) ACCRUALS AND DEFERRED INCOME	122	162.829.264	139.479.322
F) TOTAL – LIABILITIES (ADP 067+088+095+107+122)	123	3.727.175.244	3.689.531.655
G) OFF-BALANCE SHEET ITEMS	124	1.840.137.634	1.940.127.405

STATEMENT OF PROFIT OR LOSS
for the period 1.1.2019 to 31.3.2019

in HRK

Submitter: **KONČAR GROUP**

Item	ADP code	Same period of the previous year		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
I OPERATING INCOME (ADP 126 to 130)	125	576.411.532	576.411.532	623.686.352	623.686.352
1 Income from sales with undertakings within the group	126	0	0	0	0
2 Income from sales (outside group)	127	536.041.080	536.041.080	606.629.101	606.629.101
3 Income from the use of own products, goods and services	128	0	0	0	0
4 Other operating income with undertakings within the group	129	0	0	0	0
5 Other operating income (outside the group)	130	40.370.452	40.370.452	17.057.251	17.057.251
II OPERATING EXPENSES (ADP 132+133+137+141+142+143+146+153)	131	557.434.626	557.434.626	617.828.064	617.828.064
1 Changes in inventories of work in progress and finished goods	132	-70.039.836	-70.039.836	-37.520.664	-37.520.664
2 Material costs (ADP 134 to 136)	133	414.587.902	414.587.902	444.902.712	444.902.712
a) Costs of raw materials and consumables	134	299.689.491	299.689.491	330.105.558	330.105.558
b) Costs of goods sold	135	44.125.877	44.125.877	44.791.109	44.791.109
c) Other external costs	136	70.772.534	70.772.534	70.006.045	70.006.045
3 Staff costs (ADP 138 to 140)	137	137.962.608	137.962.608	135.423.573	135.423.573
a) Net salaries and wages	138	81.097.094	81.097.094	80.656.446	80.656.446
b) Tax and contributions from salary costs	139	38.586.117	38.586.117	37.416.264	37.416.264
c) Contributions on salaries	140	18.279.397	18.279.397	17.350.863	17.350.863
4 Depreciation	141	22.910.192	22.910.192	23.500.967	23.500.967
5 Other costs	142	48.268.021	48.268.021	46.743.763	46.743.763
6 Value adjustments (ADP 144+145)	143	307.970	307.970	651.055	651.055
a) fixed assets other than financial assets	144	22.240	22.240	0	0
b) current assets other than financial assets	145	285.730	285.730	651.055	651.055
7 Provisions (ADP 147 to 152)	146	2.175.351	2.175.351	2.881.818	2.881.818
a) Provisions for pensions, termination benefits and similar obligations	147	0	0	0	0
b) Provisions for tax liabilities	148	0	0	0	0
c) Provisions for ongoing legal cases	149	0	0	0	0
d) Provisions for renewal of natural resources	150	0	0	0	0
e) Provisions for warranty obligations	151	847.851	847.851	815.151	815.151
f) Other provisions	152	1.327.500	1.327.500	2.066.667	2.066.667
8 Other operating expenses	153	1.262.418	1.262.418	1.244.840	1.244.840
III FINANCIAL INCOME (ADP 155 to 164)	154	10.380.037	10.380.037	6.325.294	6.325.294
1 Income from investments in holdings (shares) of undertakings within the group	155	0	0	0	0
2 Income from investments in holdings (shares) of companies linked by virtue of participating interests	156	0	0	0	0
3 Income from other long-term financial investment and loans granted to undertakings within the group	157	0	0	0	0
4 Other interest income from operations with undertakings within the group	158	0	0	0	0
5 Exchange rate differences and other financial income from operations with undertakings within the group	159	0	0	0	0
6 Income from other long-term financial investments and loans	160	0	0	0	0
7 Other interest income	161	1.904.470	1.904.470	2.306.711	2.306.711
8 Exchange rate differences and other financial income	162	8.404.518	8.404.518	3.818.755	3.818.755
9 Unrealised gains (income) from financial assets	163	0	0	148.960	148.960
10 Other financial income	164	71.049	71.049	50.868	50.868
IV FINANCIAL EXPENSES (ADP 166 to 172)	165	17.429.350	17.429.350	3.814.370	3.814.370
1 Interest expenses and similar expenses with undertakings within the group	166	0	0	0	0
2 Exchange rate differences and other expenses from operations with undertakings within the group	167	0	0	0	0
3 Interest expenses and similar expenses	168	1.527.488	1.527.488	1.301.085	1.301.085
4 Exchange rate differences and other expenses	169	15.873.471	15.873.471	2.457.005	2.457.005
5 Unrealised losses (expenses) from financial assets	170	0	0	0	0
6 Value adjustments of financial assets (net)	171	0	0	0	0
7 Other financial expenses	172	28.391	28.391	56.280	56.280
V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VIRTUE OF PARTICIPATING INTERESTS	173	5.995.030	5.995.030	2.120.423	2.120.423
VI SHARE IN PROFIT FROM JOINT VENTURES	174	0	0	0	0
VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST	175	0	0	341.340	341.340
VIII SHARE IN LOSS OF JOINT VENTURES	176	0	0	0	0
IX TOTAL INCOME (ADP 125+154+173 + 174)	177	592.786.599	592.786.599	632.132.069	632.132.069
X TOTAL EXPENDITURE (ADP 131+165+175 + 176)	178	574.863.976	574.863.976	621.983.774	621.983.774
XI PRE-TAX PROFIT OR LOSS (ADP 177-178)	179	17.922.623	17.922.623	10.148.295	10.148.295
1 Pre-tax profit (ADP 177-178)	180	17.922.623	17.922.623	10.148.295	10.148.295
2 Pre-tax loss (ADP 178-177)	181	0	0	0	0

XII INCOME TAX	182	4.186.355	4.186.355	5.122.139	5.122.139
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 179-182)	183	13.736.268	13.736.268	5.026.156	5.026.156
1 Profit for the period (ADP 179-182)	184	13.736.268	13.736.268	5.026.156	5.026.156
2 Loss for the period (ADP 182-179)	185	0	0	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 187-188)	186	0	0	0	0
1 Pre-tax profit from discontinued operations	187	0	0	0	0
2 Pre-tax loss on discontinued operations	188	0	0	0	0
XV INCOME TAX OF DISCONTINUED OPERATIONS	189	0	0	0	0
1 Discontinued operations profit for the period (ADP 186-189)	190				
2 Discontinued operations loss for the period (ADP 189-186)	191				
TOTAL OPERATIONS (to be filled in only by undertakings subject to IFRS with discontinued operations)					
XVI PRE-TAX PROFIT OR LOSS (ADP 179+186)	192				
1 Pre-tax profit (ADP 192)	193	0	0	0	0
2 Pre-tax loss (ADP 192)	194	0	0	0	0
XVII INCOME TAX (ADP 182+189)	195				
XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 192-195)	196				
1 Profit for the period (ADP 192-195)	197				
2 Loss for the period (ADP 195-192)	198				
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 200+201)	199	13.736.268	13.736.268	5.026.156	5.026.156
1 Attributable to owners of the parent	200	9.105.539	9.105.539	662.843	662.843
2 Attributable to minority (non-controlling) interest	201	4.630.729	4.630.729	4.363.313	4.363.313
STATEMENT OF OTHER COMPREHENSIVE INCOME (to be filled in by undertakings subject to IFRS)					
I PROFIT OR LOSS FOR THE PERIOD	202	13.736.268	13.736.268	5.026.156	5.026.156
II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 204 to 211)	203	-372.424	-372.424	-57.405	-57.405
1 Exchange rate differences from translation of foreign operations	204	-372.424	-372.424	-57.405	-57.405
2 Changes in revaluation reserves of fixed tangible and intangible assets	205	0	0	0	0
3 Profit or loss arising from subsequent measurement of financial assets available for sale	206	0	0	0	0
4 Profit or loss arising from effective cash flow hedging	207	0	0	0	0
5 Profit or loss arising from effective hedge of a net investment in a foreign operation	208	0	0	0	0
6 Share in other comprehensive income/loss of companies linked by virtue of participating interests	209	0	0	0	0
7 Actuarial gains/losses on the defined benefit obligation	210	0	0	0	0
8 Other changes in equity unrelated to owners	211	0	0	0	0
III TAX ON OTHER COMPREHENSIVE INCOME FOR THE PERIOD	212	0	0	0	0
IV NET OTHER COMPREHENSIVE INCOME OR LOSS (ADP 203-212)	213	-372.424	-372.424	-57.405	-57.405
V COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 202+213)	214	13.363.844	13.363.844	4.968.751	4.968.751
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 216+217)	215	13.363.844	13.363.844	4.968.751	4.968.751
1 Attributable to owners of the parent	216	8.909.159	8.909.159	632.574	632.574
2 Attributable to minority (non-controlling) interest	217	4.454.685	4.454.685	4.336.177	4.336.177

STATEMENT OF CASH FLOWS - indirect method
for the period 1.1.2019 to 31.3.2019

in HRK

Submitter: KONČAR GROUP			
Item	ADP code	Same period of the previous year	Current period
1	2	3	4
Cash flow from operating activities			
1 Pre-tax profit	001	0	0
2 Adjustments (ADP 003 to 010):	002	0	0
a) Depreciation	003	0	0
b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets	004	0	0
c) Gains and losses from sale and unrealised gains and losses and value adjustment of financial assets	005	0	0
d) Interest and dividend income	006	0	0
e) Interest expenses	007	0	0
f) Provisions	008	0	0
g) Exchange rate differences (unrealised)	009	0	0
h) Other adjustments for non-cash transactions and unrealised gains and losses	010	0	0
I Cash flow increase or decrease before changes in working capital (ADP 001+002)	011	0	0
3 Changes in the working capital (ADP 013 to 016)	012	0	0
a) Increase or decrease in short-term liabilities	013	0	0
b) Increase or decrease in short-term receivables	014	0	0
c) Increase or decrease in inventories	015	0	0
d) Other increase or decrease in working capital	016	0	0
II Cash from operations (ADP 011+012)	017	0	0
4 Interest paid	018	0	0
5 Income tax paid	019	0	0
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)	020	0	0
Cash flow from investment activities			
1 Cash receipts from sales of fixed tangible and intangible assets	021	0	0
2 Cash receipts from sales of financial instruments	022	0	0
3 Interest received	023	0	0
4 Dividends received	024	0	0
5 Cash receipts from repayment of loans and deposits	025	0	0
6 Other cash receipts from investment activities	026	0	0
III Total cash receipts from investment activities (ADP 021 to 026)	027	0	0
1 Cash payments for the purchase of fixed tangible and intangible assets	028	0	0
2 Cash payments for the acquisition of financial instruments	029	0	0
3 Cash payments for loans and deposits for the period	030	0	0
4 Acquisition of a subsidiary, net of cash acquired	031	0	0
5 Other cash payments from investment activities	032	0	0
IV Total cash payments from investment activities (ADP 028 to 032)	033	0	0
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)	034	0	0
Cash flow from financing activities			
1 Cash receipts from the increase in initial (subscribed) capital	035	0	0
2 Cash receipts from the issue of equity financial instruments and debt financial instruments	036	0	0
3 Cash receipts from credit principals, loans and other borrowings	037	0	0
4 Other cash receipts from financing activities	038	0	0
V Total cash receipts from financing activities (ADP 035 to 038)	039	0	0
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	040	0	0
2 Cash payments for dividends	041	0	0

3 Cash payments for finance lease	042	0	0
4 Cash payments for the redemption of treasury shares and decrease in initial (subscribed) capital	043	0	0
5 Other cash payments from financing activities	044	0	0
VI Total cash payments from financing activities (ADP 040 to 044)	045	0	0
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)	046	0	0
1 Unrealised exchange rate differences in respect of cash and cash equivalents	047	0	0
D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 020+034+046+047)	048	0	0
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	049	0	0
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD(ADP 048+049)	050	0	0

STATEMENT OF CASH FLOWS - direct method
for the period ____ to ____

in HRK

Submitter: _____			
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	746.484.909	811.479.871
2 Cash receipts from royalties, fees, commissions and other revenue	002	0	0
3 Cash receipts from insurance premiums	003	1.056.359	515.147
4 Cash receipts from tax refund	004	37.157.193	29.764.737
5 Cash payments to suppliers	005	-499.694.731	-572.763.189
6 Cash payments to employees	006	-147.164.758	-143.035.121
7 Cash payments for insurance premiums	007	-2.763.648	-2.184.571
8 Other cash receipts and payments	008	-56.123.607	-55.804.392
I Cash from operations (ADP 001 to 008)	009	78.951.717	67.972.482
9 Interest paid	010	-1.215.079	-1.569.238
10 Income tax paid	011	-5.430.447	-4.291.773
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 009 to 011)	012	72.306.191	62.111.471
Cash flow from investment activities			
1 Cash receipts from sales of fixed tangible and intangible assets	013	771.401	1.234.747
2 Cash receipts from sales of financial instruments	014	0	5.833.275
3 Interest received	015	2.998.648	2.232.237
4 Dividends received	016	0	61.350.031
5 Cash receipts from the repayment of loans and deposits	017	183.995.668	25.910.198
6 Other cash receipts from investment activities	018	0	0
II Total cash receipts from investment activities (ADP 013 to 018)	019	187.765.717	96.560.488
1 Cash payments for the purchase of fixed tangible and intangible assets	020	-15.683.674	-77.925.902
2 Cash payments for the acquisition of financial instruments	021	0	0
3 Cash payments for loans and deposits	022	-65.627.329	-240.515.674
4 Acquisition of a subsidiary, net of cash acquired	023	0	0
5 Other cash payments from investment activities	024	0	-396.744
III Total cash payments from investment activities (ADP 020 to 024)	025	-81.311.003	-318.838.320
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 019 + 025)	026	106.454.714	-222.277.832
Cash flow from financing activities			
1 Cash receipts from the increase in initial (subscribed) capital	027	0	0
2 Cash receipts the from issue of equity financial instruments and debt financial instruments	028	0	0
3 Cash receipts from credit principals, loans and other borrowings	029	9.843.381	23.818.357
4 Other cash receipts from financing activities	030	44.195	0
IV Total cash receipts from financing activities (ADP 027 to 030)	031	9.887.576	23.818.357
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	032	-7.419.958	-4.026.844
2 Cash payments for dividends	033	-2.230	-18.528
3 Cash payments for finance lease	034	-169.565	-246.364
4 Cash payments for the redemption of treasury shares and decrease in initial (subscribed) capital	035	0	-827.554
5 Other cash payments from financing activities	036	-1.420.038	-214.168
V Total cash payments from financing activities (ADP 032 to 036)	037	-9.011.791	-5.333.458
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 031 +037)	038	875.785	18.484.899
1 Unrealised exchange rate differences in respect of cash and cash equivalents	039	-3.098.861	-68.544
D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 012+026+038+039)	040	176.537.829	-141.750.006

E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	041	520.696.818	616.628.577
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD(ADP 040+041)	042	697.234.647	474.878.571

STATEMENT OF CHANGES IN EQUITY
for the period from to

in HRK

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	Fair value of financial assets available for sale	Cash flow hedge - effective portion	Hedge of a net investment in a foreign operation - effective portion	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 (3 to 6 + 8 to 15)	17	18 (16+17)
Previous period																	
1 Balance on the first day of the previous business year	01	1,208,895,930	719,579	57,920,857	4,143,784	4,143,784	405,400,310	159,971,372	0	0	0	0	337,881,548	83,625,614	2,254,515,210	230,384,895	2,484,900,105
2 Changes in accounting policies	02	0	0	0	0	0	0	0	0	0	0	0	-8,085,727	-8,085,727	-8,085,727	-8,085,727	-8,085,727
3 Correction of errors	03	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	1,208,895,930	719,579	57,920,857	4,143,784	4,143,784	405,400,310	159,971,372	0	0	0	0	329,895,821	83,625,614	2,246,429,483	229,523,963	2,475,953,046
5 Profit/loss of the period	05	0	0	0	0	0	0	0	0	0	0	0	0	102,837,087	102,837,087	25,870,940	128,708,027
6 Exchange rate differences from translation of foreign operations	06	0	0	0	0	0	0	-352,521	0	0	0	0	0	0	-352,521	-316,019	-668,540
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
8 Profit or loss arising from subsequent measurement of financial assets available for sale	08	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
10 Profit or loss arising from effective hedge of a net investment in a foreign operation	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
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
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
13 Other changes in equity unrelated to owners	13	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14 Tax on transactions recognised directly in equity	14	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15 Increase/decrease in initial (subscribed) capital (other than from reinvesting profit and other than arising from the pre-bankruptcy settlement procedure)	15	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16 Increase in initial (subscribed) capital arising from the reinvestment of profit	16	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17 Increase in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	17	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	5,948,575	0	0	0	0	0	0	0	-5,948,575	0	0	-5,948,575
19 Payment of share in profit/dividend	19	0	0	0	0	0	0	0	0	-36,929,037	0	0	0	0	-15,130,773	-52,068,810	
20 Other distribution to owners	20	0	0	0	-51,425	0	0	66,314	0	1,217,047	0	0	0	1,231,938	-9,724,792	-8,492,856	
21 Transfer to reserves according to the annual schedule	21	0	0	4,526,604	6,000,000	0	16,360,501	38,797,796	0	0	0	0	17,940,713	-83,625,614	0	0	0
22 Increase in reserves arising from the pre-bankruptcy settlement procedure	22	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23 Balance on the last day of the previous business year reporting period (04 to 22)	23	1,208,895,930	719,579	62,447,461	10,092,359	10,092,359	421,760,811	198,482,961	0	0	0	0	312,124,544	102,837,087	2,307,268,373	230,213,919	2,537,482,292
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)																	
1	24	0	0	0	0	0	0	-352,521	0	0	0	0	0	0	-352,521	-316,019	-668,540
II COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP 05+24)																	
1	25	0	0	0	0	0	0	-352,521	0	0	0	0	0	102,837,087	102,484,566	25,554,921	128,039,487
III TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 22)																	
1	26	0	0	4,526,604	5,948,575	5,948,575	16,360,501	38,864,110	0	0	0	0	-17,771,277	-83,625,614	-41,645,676	-24,864,505	-66,510,241
Current period																	
1 Balance on the first day of the current business year	27	1,208,895,930	719,579	62,447,461	10,092,359	10,092,359	421,760,811	198,482,961	0	0	0	0	312,124,544	102,837,087	2,307,268,373	230,213,919	2,537,482,292
2 Changes in accounting policies	28	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 Correction of errors	29	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4 Balance on the first day of the current business year (restated) (ADP 27 to 29)	30	1,208,895,930	719,579	62,447,461	10,092,359	10,092,359	421,760,811	198,482,961	0	0	0	0	312,124,544	102,837,087	2,307,268,373	230,213,919	2,537,482,292
5 Profit/loss of the period	31	0	0	0	0	0	0	0	0	0	0	0	0	662,843	662,843	5,026,156	
6 Exchange rate differences from translation of foreign operations	32	0	0	0	0	0	0	-30,270	0	0	0	0	0	0	-30,270	-27,135	-57,405
7 Changes in revaluation reserves of fixed tangible and intangible assets	33	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8 Profit or loss arising from subsequent measurement of financial assets available for sale	34	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	35	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	36	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	37	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	38	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13 Other changes in equity unrelated to owners	39	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14 Tax on transactions recognised directly in equity	40	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15 Increase/decrease in initial (subscribed) capital (other than from reinvesting profit and other than arising from the pre-bankruptcy settlement procedure)	41	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16 Increase in initial (subscribed) capital arising from the reinvestment of profit	42	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17 Increase 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
18 Redemption of treasury shares/holdings	44	0	0	0	0	827,554	0	0	0	0	0	0	0	0	-827,554	0	-827,554
19 Payment of share in profit/dividend	45	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20 Other distribution to owners	46	0	0	0	0	0	0	0	0	0	0	0	20,801	20,801	17,709	38,510	
21 Transfer to reserves according to the annual schedule	47	0	0	0	827,554	0	0	-798,339	0	0	0	0	102,807,872	-102,837,087	0	0	0
22 Increase in reserves arising from the pre-bankruptcy settlement procedure	48	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23 Balance on the last day of the current business year reporting period (ADP 30 to 48)	49	1,208,895,930	719,579	62,447,461	10,919,913	10,919,913	421,760,811	197,654,352	0	0	0	0	414,953,217	662,843	2,307,094,193	234,967,806	2,541,661,999
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 FOR THE CURRENT PERIOD, NET OF TAX (ADP 32 to 40)																	
1	50	0	0	0	0	0	0	-30,270	0	0	0	0	0	0	-30,270	-27,135	-57,405
II COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 31+50)																	
1	51	0	0	0	0	0	0	-30,270	0	0	0	0	0	662,843	632,573	4,336,176	4,968,751
III TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 41 to 48)																	
1	52	0	0	0	827,554	827,554	0	-798,339	0	0	0	0	102,828,673	-102,837,087	-806,753	17,709	-789,044

NOTES TO FINANCIAL STATEMENTS - TFI
(drawn up for quarterly reporting periods)

Name of the issuer: KONČAR GROUP

Personal identification number (OIB): 45050126417

Reporting period: 1.1.2019.-31.3.2019.

Notes to financial statements for quarterly periods include:

- a) an explanation of business events relevant to understanding changes in the statement of financial position and financial performance for the quarterly reporting period of the issuer with respect to the last business year: information is provided regarding these events and relevant information published in the last annual financial statement is updated
- b) information on the access to the latest annual financial statements, for the purpose of understanding information published in the notes to financial statements drawn up for the quarterly reporting period
- c) a statement explaining that the same accounting policies are applied while drawing up financial statements for the quarterly reporting period as in the latest annual financial statements or, in the case where the accounting policies have changed, a description of the nature and effect of the changes
- d) a description of the financial performance in the case of the issuer whose business is seasonal.