

**Croatian Financial Services Supervisory Agency
Zagreb Stock Exchange
OTS HINA
Company website**

Fallerovo šetalište 22, 10000 Zagreb

Security : KOEI-R-A
ISIN: HRKOEIRA0009
LEI: 74780000H0SHMRAW0I15
Home Member State: Croatia
Regulated market segment: Official market of the Zagreb Stock Exchange

Zagreb, 20 January 2022

Subject: Recapitalization of Dalekovod d.d.

The General Assembly of Dalekovod d.d. with a registered seat in Zagreb, Marijana Čavića 4, PIN 47911242222, voted on 30 June 2021 to increase the share capital of the Company by investing in money and / or entering rights and a public invitation to subscribe for new shares was published.

Napredna energetska rješenja d.o.o. with a registered seat in Zagreb, Fallerovo šetalište 22, PIN 48374695230, on 23 July 2021 submitted a Subscription Form for the subscription of 31.000.000 new ordinary shares,

Based on the decision of the Commercial Court in Zagreb Tt-22/974-2 from 19 January 2022, the Company Register of the Commercial Court in Zagreb registered the decision to increase the share capital of the Company adopted at the General Assembly of the Company on 30 June 2021.

Pursuant to the Decision on the increase of the share capital and the submitted Registration Form, we hereby notify the public and interested parties that Napredna energetska rješenja d.o.o. made on 19 January 2022 payment in cash in the amount of 310,000,000.00 HRK.

The founders of Napredna energetska rješenja d.o.o. from Zagreb are Končar – Investments Ltd. and Construction Line Limited. The company Končar – Investments Ltd. is wholly owned by Končar – Electrical Industry Inc.

Once the payment has been made and the process of capital injection completed, Napredna energetska rješenja d.o.o. shall become the majority owner of Dalekovod d.d., and shall hold a share exceeding 75 percent.

By participating in the process of financial restructuring of Dalekovod, KONČAR has recognized an opportunity for future growth and development which is related to reconstruction and modernization of the power grid for transmission and distribution. The complementarity of the product ranges of KONČAR and Dalekovod will enable the expansion of the portfolio of services and comprehensive solutions and will increase the share of revenue from export with greater added value.

KONČAR – Elektroindustrija d.d.