

KONČAR Inc.

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Security: KOEI-R-A

ISIN: HRKOEIRA0009

LEI: 74780000H0SHMRAW0I15

Home Member State: Croatia

Regulated Market Segment: Official Market of the Zagreb Stock Exchange

Zagreb, 15 January 2026

Subject: Reconstruction Contract for Generating Units at HPP Varaždin

On January 15, 2026, KONČAR Inc. and HEP – Proizvodnja Ltd. signed a contract for the reconstruction of generating units at the Varaždin Hydropower Plant (hereinafter: "HPP Varaždin"). The total contract value amounts to EUR 95.2 million (excluding VAT). The contract covers the preparation of technical documentation, the manufacture and delivery of primary equipment and associated systems for two new generating units of HPP Varaždin. The agreed implementation period for the works specified in the contract is 53 months from the commencement date, with completion expected in 2030.

HPP Varaždin is located near the city of Varaždin and with a current installed capacity of 94 MW, ranks as the sixth largest among HEP's 27 hydropower plants. It is the first of three hydropower plants built on the Drava River in Croatia, which regulate and utilize the Drava up to its confluence with the Mura River. It was commissioned in 1975 and together with HPP Čakovec and HPP Dubrava, forms a cascade that has been operated since 1998 from the remote monitoring and control center in Varaždin.

This turnkey reconstruction project is a testament to KONČAR Group's collaborative strength, with multiple companies joining forces to deliver cutting-edge energy solutions. The contract reinforces KONČAR's leadership in delivering advanced energy infrastructure, accelerating power system modernization, and shaping Croatia's sustainable energy transition.

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