

- Croatian Financial Services Supervisory Agency (HANFA)
- Zagreb Stock Exchange Inc.
- Croatian News Agency (HINA)
- Official company website

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Security: KOEI-R-A

ISIN: HRKOEIRA0009

LEI: 74780000HOSHMRAW0115

Home Member State: Croatia

Regulated Market Segment: Zagreb Stock Exchange Official Market

Zagreb, 12 October 2022

Subject: Agreement for the construction of the Otočac small hydro power plant

On 11 October 2022 Končar - Engineering Ltd. and Male hidre d.o.o signed an agreement for the construction of the small hydro power plant Otočac (SHPP Otočac). The plant is an auxiliary power facility that will enhance the power usability of the river Lika, which feeds the existing HPP Senj.. The total value of the agreement amounts to HRK 90 million, and several KONČAR Group members will participate in the implementation, led by KONČAR - Engineering Ltd.

The generator and the turbine are the result of an R&D project co-financed by the European Regional Development Fund that resulted in the development of new, eco-friendly products that can be recycled after the end of service life and their operation will not pollute the environment even in the event of an accident. Developed and tested in simulated conditions, this original technical solution uses nanotechnology and also includes a newly-developed continuous remote-control system.

The product is designed for the global low-head hydro power market, where there are no large dams or water reservoirs, eliminating any adverse environmental impacts. Most of the components, such as the generator, static converter, control system, transformer and switchgear, will be manufactured by KONČAR, and the rest of the equipment will be manufactured in the local market.

Research and development of a submersible generator for low-head hydro power plants allows for greater use of hydro power with minimum environmental impact. This is one of the many ways in which KONČAR contributes to the green transition and one that will boost market share in this business segment.

KONČAR - Electrical Industry Inc.