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Fallerovo šetalište 22, 10000 Zagreb

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KONČAR Group marks 100 years of doing business in nearly 130 markets worldwide

On 24 January, KONČAR Group, the regional leader in power engineering, marks its 100th anniversary. Over a century of business operations, it has established itself as one of the largest Croatian exporters and one of the longest-lived Croatian companies. On that occasion, Mr Gordan Kolak, MScEng, President of KONČAR Management Board, commented on the Group's operations, announced upcoming business activities and gave an overview of the current situation and plans.

“The greatest importance in KONČAR's success can be attributed to its employees, who have invested their expertise, knowledge and dedication in making this company what it is today. I can proudly say that in 100 years of doing business, we have delivered our products and services to almost 130 markets worldwide. We have delivered 400,000 transformers of various types, voltage levels and power outputs to all continents, constructed and reconstructed 375 hydropower plants, manufactured and revitalized 700 generators, and manufactured and delivered 180 low-floor trams and trains”, said Kolak, continuing that despite the demanding circumstances caused by the global pandemic, KONČAR Group managed to maintain high-level performance, with estimated revenue from sale of products and services of nearly **HRK 3 billion**, which represents a 6% increase compared to the revenue generated the year before. *“2020 was a turning point for us. It showed us once again how important it is to have a high-quality system that functions even at times of the greatest crisis. That is precisely why I am pleased to be celebrating our 100th anniversary after such a difficult and challenging year, and to be reminded once again that during all these years we have shown agility, adaptability to change, resilience and undeniable dedication of our employees,”* said Kolak.

In 2020, KONČAR Group achieved some of its greatest successes:

- ✓ In 2020, the Company KONČAR – Instrument Transformers expanded its product range and supplied nine transformers to a customer in the USA for substation own power supply, with voltage level of 525 kV and power output of 250 kVA. **Those are the largest transformers the Company has ever manufactured, and among the largest transformers of their type in the world, in terms of voltage level and power output.** The buyer is one of the strategically most important power companies in the USA.

- ✓ **2020 saw the commissioning of Vis SPP, the largest solar power plant in Croatia with rated power of 3.5 MW.** KONČAR Group's scope of works included the obtaining of all required permits, drawing up the design documentation and delivery of a turnkey project, which included delivery of equipment, performing of construction and electrical installation works, anchoring and mounting of bearing structures, installation and commissioning of photovoltaic modules, development, delivery, installation and commissioning of KonSol 720 inverters, delivery and implementation of the SCADA system ProzaNet and, finally, connection of the power plant to the connection facility TS 35/10 kV Vis.
- ✓ **Company KONČAR – Electric Vehicles is manufacturing twelve low-floor electric trams for the Latvian company Liepājas Tramvajs, the delivery of which has been defined in two agreements.** In November 2018, an agreement on the delivery of six low-floor trams was concluded, with a possibility of delivering additional vehicles. At the end of August 2020, the company Liepājas Tramvajs obtained more funds and an agreement was concluded for additional six trams. The first tram was delivered to the buyer at the end of 2020, and the delivery of the last one, under the second agreement, is planned for mid-2022.
- ✓ **Agreement has been concluded with HŽ Passenger Transport for the supply of 11 new electromotor trains for urban-suburban traffic (UST) and 10 electromotor trains for regional traffic (RT).**

In addition to the successes of the past year, over a century of operations, KONČAR has demonstrated innovation and competitiveness through developing and manufacturing high-tech products for markets around the world. *“It would be difficult to single out the specific achievements that marked the business of the KONČAR Group and opened so many new markets for us, in which we operate using a unique approach to each customer, which distinguishes us from other major global companies,”* said Kolak.

2021 income over HRK 3 billion

KONČAR Group intends to maintain its high-level performance in the future, and consequently its business plan for 2021 envisages further growth and improvement of operational efficiency. In 2021, the KONČAR Group companies plan to generate operating income **in the amount of HRK 3.4 billion**. Revenue from sales in the Croatian market are planned to **amount to HRK 1.4 billion**, which represents a **23%** increase compared to the business assessment for 2020. Further increase of export revenue is planned, in the amount of **HRK 1.9 billion**. The share of export in total revenue from sales is **59%**. The total planned value of newly contracted transactions in 2021 is **HRK 3.1 billion, with a share of 58% in the foreign market**, with the planned major export destinations being Germany, Sweden, Austria, Latvia, Hungary, North Macedonia and the United Arab Emirates.

“Our goals are very clear - growth and development of employees, further improved efficiency of organizational structure and production processes, increased revenue, as well as opening of new markets and expansion of our products and services portfolio. All that will enable continued growth and development of the Group, which I believe will maintain its competitiveness in markets around the world and continue to demonstrate how good a partner it is to Croatian entrepreneurs and economy”, said Kolak

Končar – Electrical Industry Inc.