

Zagreb, 17 December 2020

## **KONČAR Group adopts business plan for 2021**

Based on the proposal of the Management Board of KONČAR – Elektroindustrija d.d., the Supervisory Board has adopted the business plan of KONČAR – Elektroindustrija d.d. and the consolidated plan of the Group for 2021.

The business plan for 2021 is based on the substantial number of contracts concluded, with which KONČAR ends the 2020 business year.

The value of transactions contracted (backlog) at the end of 2020 amounts to HRK 4.4 billion, which represents a significant increase compared to the value at the start of the year.

In 2021, the KONČAR Group companies plan to generate operating income in the amount of HRK 3.4 billion, which is a 10% increase compared to the business assessment for the current year. 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. The planned train delivery to HŽ Passenger Transport has a significant impact on the increase of revenue in the Croatian market. 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 planned major export destinations are Germany, Sweden, Austria, Latvia, Hungary, North Macedonia and the United Arab Emirates.

The total planned value of newly contracted transactions in 2021 is HRK 3.1 billion, with a share of 58% in the foreign market.

In the extremely difficult operating conditions caused by the global coronavirus pandemic in 2020, KONČAR Group has proved to be resilient to the crisis, primarily due to the functioning of the entire system and due to the capabilities and dedication of its employees. Although the uncertainty regarding further development and consequences of the pandemic remains great, the 2021 business plan predicts further business growth and improvement of operational efficiency. The substantial number of contracts concluded, ensured liquidity and a stable balance sheet enable further growth and development of the Group in the next business year.

Priorities will remain the same in 2021 – organisation and continuation of production, compliance with the agreed deadlines for delivery and, most of all, protection of health and safety of employees and business partners in the conditions of possible continuation of the pandemic in the next year.

Management Board of KONČAR – Elektroindustrija d.d.