



HRVATSKA AGENCIJA ZA NADZOR  
FINANCIJSKIH USLUGA  
Miramarska 24 B  
Hr-10000 Zagreb

Zagrebačka burza  
Ivana Lučića 20a  
Hr -10000 Zagreb

Zagreb, 15<sup>th</sup> April 2019

Subject: Information regarding the sale of a business share in KONČAR-LE d.o.o., Zagreb, Croatia

Končar - Electrical Industry, Inc. Zagreb as an issuer whose securities are listed on the Official market is publishing a change which was carried out regarding Končar - Low Voltage Switches and Circuit Brakers, Ltd., as part of restructuring process based on resolutions passed by the Management Board and Supervisory Board of Končar - Electrical Industry, Inc.

Končar - Low Voltage Switches and Circuit Brakers, Ltd., Zagreb as the Seller and Lovato Electric s.p.a., Bergamo, Italy as the Buyer have concluded a Business Share Sales and Purchase Agreement of KONČAR-LE d.o.o., Zagreb, Croatia, on April 11<sup>th</sup> 2019. Changes regarding the shareholder of the company in the Court Register are in process. Lovato Electric s.p.a. will continue with the production of rotary cam switches, together with taking over an adequate number of workers, while preserving worker's acquired rights based on the Collective Labour Agreement, which shows due care regarding the continuance of production and work places.

Končar - Electrical Industry, Inc. Zagreb expects that the aforementioned transaction will have positive effect on the profitability of KONČAR Group in the upcoming period.

KONČAR ELECTRICAL INDUSTRY Inc.