

- Croatian Financial Services Supervisory Agency (HANFA)
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KONČAR – Electrical Industry Inc for manufacturing and services
Fallerovo šetalište 22, 10000 Zagreb
Security: KOEI-R-A
ISIN: HRKOEIRA0009
LEI: 74780000H0SHMRAW0I15
Home Member State: Croatia
Regulated market segment:
Official market of the Zagreb Stock Exchange

Zagreb, 4 April 2024

Subject: Supervisory Board meeting

On 4 April 2024, the Supervisory Board of KONČAR Inc. convened, passing resolutions critical to the ongoing operations and growth of KONČAR Group.

- Aligning with the strategic vision and ongoing development of KONČAR's organizational and operational structure, the Supervisory Board ratified the Management Board's proposal for organizational restructuring. This involves the merger of KONČAR - Engineering Ltd. for manufacturing and services and KONČAR – Energy and Services Ltd. for services into KONČAR – Electrical Industries Inc. for manufacturing and services, serving as the acquiring entity. This strategic reorganization is anticipated to fortify synergies across KONČAR Group entities, facilitating the delivery of complex, high-value solutions more effectively. The merger is slated for completion on 1 July 2024.
- The Management Board and Supervisory Board adopted the Sustainability Strategy of the KONČAR Group for the period 2024.-2026.
Recognizing its pivotal role in technological innovation and as Croatia's leading net exporter aiding the global and local electric power sector's decarbonization, KONČAR Group acknowledges its significant environmental and community responsibilities. Outlining priority areas such as decarbonizing production, enhancing resource efficiency, advancing circular economy practices, ensuring employee health and safety, fostering diversity and inclusion,

engaging and developing young talent, improving community well-being, and maintaining ethical and responsible governance across operations and the supply chain.

The adoption of the Sustainability Strategy reflects KONČAR Group's commitment to achieving its defined goals, thereby guaranteeing the effective realization of its strategic initiatives.

- Furthermore, the Supervisory Board endorsed the Management Board's proposal for implementing a centralized ERP system. SAP was selected as the optimal solution for KONČAR, expected to modernize and streamline business operations, bringing standardization, improved efficiency, and centralized processing of shared functions.

KONČAR Inc.