

KONČAR Inc.

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LEI: 74780000H0SHMRAW0I15

Home Member State: Croatia

Regulated Market Segment: Official Market of the Zagreb Stock Exchange

Zagreb, 1 August 2025

Subject: KONČAR and Siemens Energy to Invest €260 Million in Large Power Transformers Production Expansion

In response to recent media reports regarding Siemens Energy's investment in Croatia, KONČAR Group wishes to clarify the situation to prevent the further spread of inaccurate and potentially misleading information. Neither KONČAR nor Siemens Energy authored or confirmed the content of the aforementioned reports. As a publicly listed company, KONČAR is committed to transparent and responsible communication and has a legal and ethical obligation to provide the investment public with accurate and verified information.

To address the growing global demand for equipment in electricity transmission and distribution, KONČAR – Power Transformers (KPT), a joint venture between KONČAR and Siemens Energy, is investing in the expansion of its large power transformer factory in Jankomir, Zagreb. Construction is scheduled to begin in 2026. The expansion will create approximately 350 new jobs, including 250 in production and 100 for highly qualified professionals. The initial production expansion began in 2022 with the goal of increasing capacity from 22,000 MVA to 30,000 MVA by 2027. The new investment cycle, valued at approximately €260 million, will further increase capacity to 45,000 MVA by 2031.

KONČAR and Siemens Energy have maintained a successful partnership since 1995, when the joint company KONČAR – Power Transformers (KPT) was established. Siemens Energy holds a 51% stake in KPT, while KONČAR holds 49%. Located in Jankomir, the factory is now among the global leaders in the production of large power transformers. KPT specializes in generator step-up transformers up to 550 kV / 1000 MVA, network and autotransformers up to 550 kV / 1000 MVA, HVDC

transformers up to 550 kV DC, and shunt reactors up to 550 kV / 250 MVar. As of 2024, the company employed 650 people.

In addition to the aforementioned investment, and building on their successful collaboration, KONČAR and Siemens Energy established another joint venture in 2024 – KONČAR – Transformer Tanks (KTK) – with the aim of addressing the growing global demand for transformers. KONČAR holds a 60% stake in KTK, while Siemens Energy owns 40%. The company specializes in the production and sale of transformer tanks – a key component of transformers. A modern KTK factory is in the final stages of construction in Sesvetski Kraljevec and is expected to begin operations in October 2025. The facility will employ over 400 people and produce approximately 160 custom-made tanks annually, tailored to specific market and customer requirements. It is important to note that KONČAR has previously produced transformer tanks independently. The establishment of KTK significantly strengthens our capacity and competitiveness in this segment.

Both strategic partnerships represent a major step forward in strengthening domestic industry, advancing technological development, and positioning Croatia on the global map of the energy transition. The cooperation enables capacity expansion, knowledge and expertise exchange, risk sharing, and a stronger global market presence. In addition to enhancing resilience and operational efficiency, the collaboration creates new jobs and opportunities for professional development, innovation, and long-term business stability.

The joint projects of KONČAR and Siemens Energy reinforce both partners' positions as key players in the green transition, focused on sustainability, energy efficiency, and technological excellence. With the opening of new manufacturing facilities and the employment of hundreds of professionals, the companies are fostering safer, higher-quality working environments, continuous upskilling, and collaborative innovation. These efforts actively support economic growth and contribute to building a more energy-independent and sustainable future.

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