

- Croatian Financial Services Supervisory Agency
- The Zagreb Stock Exchange
- HINA
- Company website

Fallerovo šetalište 22, 10000 Zagreb

Security : KOEI-R-A
ISIN: HRKOEIRA0009
LEI: 74780000H0SHMRAW0115
Home Member State: Croatia
Regulated market segment: Official
market of the Zagreb Stock
Exchange

Zagreb, 17 November 2020

**Subject: Agreement for supply of twenty-one electric multiple units for
HŽ Passenger Transport**

KONČAR - Electric Vehicles Inc. and HŽ Passenger Transport Ltd. (HŽPT) signed on 17 November 2020 a Sale and Purchase Agreement for 21 (twenty-one) electric multiple units, 11 (eleven) for urban-suburban traffic (UST) and 10 (ten) for regional traffic (RT).

These are low-floor trains that enable fast change of passengers and are specially adapted to accommodate persons with mobility difficulties. The vehicles are equipped with a passenger information system, video surveillance and wireless Internet access, and the passengers also have dedicated space available for their bicycles or additional luggage.

Procurement of new electric multiple units improves the quality of transport services, as well as reliability and availability of vehicles, at significantly lower operational costs and with the possibility of increasing train frequency and the number of passengers carried. The new trains also contribute to pollution reduction and energy savings.

The trains also come with integrated sophisticated equipment that is the result of an in-house development project involving the cooperation of several KONČAR Group companies.

The contract is worth HRK 844.7 million in total. Production of new electric multiple units will be financed mostly by EU funds under the Operational Programme Competitiveness and Cohesion 2014 - 2020 (85%) and partly by the State Budget of the Republic of Croatia (15%).

Deadline for delivery of the first electric multiple unit for urban-suburban traffic will be 24 months after the signing of the Agreement, after which 10 more electric multiple units for urban-suburban traffic will be delivered, followed by 10 units intended for regional traffic. Final deadline for delivery of all trains is December 2023.

Today's signing of this Agreement represents a continuation of cooperation between KONČAR and HŽ Passenger Transport Ltd. in the modernisation and upgrading of railway vehicle fleet. The new multiple units are compliant with the world's highest security and quality standards, which is a confirmation of their ability to compete with the world's largest rolling stock manufacturers.

KONČAR – Electrical Industry Inc.