

Zagreb, 28 July 2017

# MANAGEMENT REPORT FOR JAN – JUN 2017

Unaudited, consolidated and unconsolidated



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# I. MANAGEMENT BOARD'S REPORT

## KEY PERFORMANCE INDICATORS


Operating results achieved in the first half-year of 2017 indicate continuous recovery and growth in all operating segments of Dalekovod d.d. ("the Company") and Dalekovod Grupa ("the Group") after completing the pre-bankruptcy settlement.

The Group's and Company's financial stability relied on activities in four key segments: profitable growth and development, cost-effectiveness, stability of cash flow and risk management.

The Group's focus on revenue growth is reflected in the 42.5% increase in operating revenue compared to the same period in 2016, with sales revenue increasing by 57.5%. Revenue growth is the result of a significant increase in activities compared to the same period last year, both on foreign markets, especially Norway and Finland, and on the domestic market. The share of the revenue generated on the foreign markets in the first half-year of 2017 was 63.4%, against 58.75% generated during the same period in 2016. Dalekovod Grupa remains focused on foreign markets and continues to secure new work contracts abroad. The Group secured a new EUR 35 million project in Norway, and a project in Sweden that is particularly significant, as it opens a new market from which Dalekovod has been absent in the past years.

The Group's EBITDA of HRK 39.4 million is lower by 39.6% compared to 2016, which is expected considering the effects of one-time items of revenue obtained by selling rights to the Ministry of Finance in the first quarter of 2016 (HRK 50 million) and currency translation gains from operating activities, while the first half-year of 2017 was unaffected by one-time items. Excluding the one-time items of revenue from 2016, EBITDA grew by 175.7%. In this period the Group's gross margin, as the best indicator of operating effectiveness, increased by HRK 28.1 million.

The Group's net profit obtained in the first half-year is HRK 11.7 million, HRK 16.4 million less compared to 2016, which is also the result of one-time items of revenue in 2016.



During the same period Dalekovod d.d. (the Company) achieved an operating revenue of HRK 555.1 million, which is a 45.3% increase compared to last year. Comparable to the Group level, the Company's sales revenue is particularly highlighted as it increased by 66.9% compared to the same period the year before.

The Company's EBITDA of HRK 41.3 million is 39.0% decrease compared to the same period last year. As with the Group, this is the result of a one-time item of revenue obtained by selling rights to the Ministry of Finance in the first quarter of 2016 (HRK 50 million) and currency translation gains from operating activities. Unaffected by one-time items from 2016, EBITDA for the first half-year increased by 157.4%. At the same time, the gross margin, as the best indicator of operating effectiveness, increased by 68.8%, continuing a strong upward trend for operating cash flow.

The Company's net profit in the first half-year is HRK 11.3 million, a 72.4% decrease compared to the same period last year, which is, as is the case with other indicators, the result of one-time items of revenue from the first half-year of 2016

On behalf of the Management Board:



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Alen Premužak

Chairman of the Management Board

Dalekovod d.d.








## II. DECLARATION

Pursuant to Article 410(1), Article 407(2)(3), and Article (407)(3) of the Capital Market Act, the persons responsible for preparing the financial statements Alen Premužak – Chairman of the Management Board, Marko Jurković – member of the Management Board, Helena Jurčić Šestan – member of the Management Board, Ivica Kranjčić – member of the Management Board, Ivan Kurobasa – member of the Management Board, hereby make this

### DECLARATION

To the best of our knowledge, the financial statements for the reporting period, prepared according to applicable financial reporting standards, provide an integral and true view of the assets, liabilities, and operating results of DALEKOVOD and of the companies included in consolidation, with the brief comment of the causes of presented information. The financial statements have not been audited.

On behalf of the Management Board:



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Alen Premužak  
Chairman of the Management Board  
Dalekovod d.d.



### III. BALANCE SHEET (unaudited)

#### ASSETS

Name of position:	AOP	Previous year (net)	Current year (net)	Previous year (net)	Current year (net)
1	2	3	4	5	6
<b>DALEKOVOD jsc</b>				<b>DALEKOVOD GROUP</b>	
<b>ASSETS</b>					
<b>A) SUBSCRIBED CAPITAL UNPAID</b>	<b>001</b>	0	0	0	0
<b>B) NON CURRENT ASSETS (003+010+020+029+033)</b>	<b>002</b>	729.484.108	722.464.160	519.144.893	512.816.383
<b>I. INTANGIBLE ASSETS (004 to 009)</b>	<b>003</b>	9.817.024	8.194.270	14.088.947	12.587.548
1. Research & Development expenditure	004	0	0	0	0
2. Patents, licences, royalties, trade marks, software&similar rights	005	9.000.768	7.378.014	10.400.077	8.693.342
3. Goodwill	006	0	0	1.213.000	1.213.000
4. Prepayments for intangible assets	007	0	0	0	0
5. Intangible assets under construction	008	816.256	816.256	2.475.870	2.681.206
6. Other intangible assets	009	0	0	0	0
<b>II. TANGIBLE ASSETS (011 to 019)</b>	<b>010</b>	367.468.166	362.215.154	449.683.983	444.572.598
1. Land	011	1.157.642	1.157.642	21.792.041	21.712.600
2. Property	012	6.491.873	6.217.039	149.728.949	145.924.385
3. Plants and equipment	013	20.960.778	23.196.862	76.064.955	71.986.677
4. Tools, plants&v ehicles	014	13.468.054	16.484.454	25.372.856	29.531.525
5. Biological asset	015	0	0	0	0
6. Prepay ments for tangible assets	016	0	0	0	0
7. Assets under construction	017	0	0	8.928.218	8.842.818
8. Other tangible assets	018	161.425.158	160.377.357	161.425.158	160.377.357
9. Investments property	019	163.964.661	154.781.800	6.371.806	6.197.236
<b>III. NON-CURRENT FINANCIAL ASSETS (021 to 028)</b>	<b>020</b>	326.699.590	321.922.709	29.677.574	25.389.786
1. Share in related parties	021	276.891.774	280.922.991	0	0
2. Loans to related parties	022	18.924.528	13.954.002	0	0
3. Participating interests (stakes)	023	8.290.373	8.290.373	2.742.698	2.693.402
4. Loans to participating interest	024	0	0	0	0
5. Investments in securities	025	4.073.972	410.587	4.568.447	854.532
6. Loans & deposits	026	18.518.943	18.344.756	22.366.429	21.841.852
7. Other non-current financial assets	027	0	0	0	0
8. Investment accounted by equity method	028	0	0	0	0
<b>IV. TRADE RECEIVABLES (030 to 032)</b>	<b>029</b>	25.499.328	30.132.027	25.694.389	30.266.451
1. Receiv ables from related parties	030	0	0	0	0
2. Receiv ables from credit sales	031	0	0	0	0
3. Other receiv ables	032	25.499.328	30.132.027	25.694.389	30.266.451
<b>V. DEFERRED TAX ASSETS</b>	<b>033</b>	0	0	0	0
<b>C) CURENT ASSETS (035+043+050+058)</b>	<b>034</b>	620.960.788	609.500.982	926.739.408	901.849.616
<b>I. INVENTORIES (036 to 042)</b>	<b>035</b>	11.059.440	8.336.926	221.770.291	219.456.976
1. Raw materials & consumables	036	10.347.176	7.678.923	77.210.362	70.558.096
2. Work in progress	037	0	0	30.502.896	20.656.956
3. Products	038	235.023	224.376	41.683.014	54.217.429
4. Merchandise	039	477.241	433.627	6.803.287	8.064.934
5. Prepay ments for inventories	040	0	0	527.886	916.715
6. Other av ailable-for-sale assets	041	0	0	65.042.846	65.042.846
7. Biological asset	042	0	0	0	0
<b>II. RECEIVABLES (044 to 049)</b>	<b>043</b>	460.315.534	472.148.631	533.768.966	551.972.457
1. Receiv ables from related parties	044	37.496.398	25.636.858	0	0
2. Trade receiv ables	045	177.715.374	173.018.277	275.484.785	263.128.394
3. Receiv ables from participating parties	046	519.386	428.656	1.056.277	502.654
4. Amounts receiv able from employees	047	197.497	95.461	221.562	120.223
5. Receiv ables from government agencies	048	10.334.763	9.133.139	16.176.070	14.114.660
6. Other receiv ables	049	234.052.116	263.836.240	240.830.272	274.106.526
<b>III. CURRENT FINANCIAL ASSETS (051 to 057)</b>	<b>050</b>	62.736.871	74.529.856	65.772.027	66.254.327
1. Share in related parties	051	0	0	0	0
2. Loans to related parties	052	2.207.466	15.675.129	0	0
3. Participating interests (stakes)	053	0	0	0	0
4. Loans to participating interest	054	0	0	0	0
5. Investments in securities	055	30.485.060	30.490.268	30.485.060	30.490.268
6. Loans & deposits	056	30.044.345	28.364.459	35.286.967	35.764.059
7. Other financial assets	057	0	0	0	0
<b>IV. CASH ON HAND AND IN THE BANK</b>	<b>058</b>	86.848.943	54.485.569	105.428.124	64.165.856
<b>D) PREPAYMENTS AND ACCRUED INCOME</b>	<b>059</b>	2.271.497	2.661.714	2.608.625	3.072.637
<b>E) TOTAL ASSETS (001+002+034+059)</b>	<b>060</b>	1.352.716.393	1.334.626.856	1.448.492.926	1.417.738.636
<b>F) OFF-BALANCE SHEET ITEMS</b>	<b>061</b>	669.618.925	634.411.257	793.206.354	691.792.784

## LIABILITIES

Name of position:	AOP	Previous year (net)	Current year (net)	Previous year (net)	Current year (net)
1	2	3	4	5	6
<b>DALEKOVOD jsc</b>					
<b>EQUITY AND LIABILITIES</b>					
<b>A) CAPITAL AND RESERVES (063+064+065+071+072+075+078)</b>	<b>062</b>	271.183.667	282.463.616	259.907.516	270.793.608
<b>I. SHARE CAPITAL</b>	<b>063</b>	247.193.050	247.193.050	247.193.050	247.193.050
<b>II. CAPITAL RESERVES</b>	<b>064</b>	86.141.670	86.141.670	86.141.670	86.141.670
<b>III. RESERVES FROM PROFIT (066+067-068+069+070)</b>	<b>065</b>	43.675.007	43.675.007	75.581.849	74.744.130
1. Legal reserves	066	11.486.600	11.486.600	11.652.410	11.652.410
2. Reserves for own shares	067	8.465.950	8.465.950	8.465.950	8.465.950
3. Own shares and stakes (less)	068	-8.465.950	-8.465.950	-8.465.950	-8.465.950
4. Statutory reserves	069	32.188.407	32.188.407	67.117.790	67.117.790
5. Other reserves	070	0	0	-3.188.351	-4.026.070
<b>IV. REVALUATION RESERVES</b>	<b>071</b>	69.396.583	69.396.583	69.396.583	69.396.583
<b>V. RETAINED EARNINGS OR LOSS BROUGHT FORWARD (073-074)</b>	<b>072</b>	-200.410.664	-175.222.643	-254.479.421	-217.711.128
1. Retained earnings	073	0	0	0	0
2. Loss brought forward	074	200.410.664	175.222.643	254.479.421	217.711.128
<b>VI. PROFIT OR LOSS FOR THE FINANCIAL YEAR (076-077)</b>	<b>075</b>	25.188.021	11.279.949	36.768.293	11.721.151
1. Profit for the financial year	076	25.188.021	11.279.949	36.768.293	11.721.151
2. Loss for the financial year	077	0	0	0	0
<b>VII. MINORITY INTEREST</b>	<b>078</b>	0	0	-694.508	-691.848
<b>B) PROVISIONS (080 to 082)</b>	<b>079</b>	22.654.443	22.654.443	25.855.947	25.833.094
1. Provisions for pensions, severance pay and similar liabilities	080	4.404.568	4.404.568	7.542.238	7.540.261
2. Provisions for tax obligations	081	0	0	0	0
3. Other provisions	082	18.249.875	18.249.875	18.313.709	18.292.833
<b>C) NON-CURRENT LIABILITIES (084 to 092)</b>	<b>083</b>	428.509.757	424.134.461	415.647.492	412.856.875
1. Liabilities to related parties	084	13.141.088	13.526.553	0	0
2. Liabilities for loans, deposits and other	085	0	0	0	0
3. Liabilities towards banks and other financial institutions	086	347.508.682	341.229.792	347.718.745	343.411.377
4. Amounts payable for prepayment	087	0	0	0	0
5. Trade payables	088	9.742.640	10.894.674	9.811.399	10.962.056
6. Amounts payable for securities	089	42.495.986	43.007.202	42.495.987	43.007.202
7. Liabilities toward participating interests	090	387.965	242.844	387.965	242.844
8. Other non-current liabilities	091	0	0	0	0
9. Deferred tax	092	15.233.396	15.233.396	15.233.396	15.233.396
<b>D) CURRENT LIABILITIES (094 to 105)</b>	<b>093</b>	614.606.694	594.468.787	731.320.138	697.349.510
1. Liabilities to related parties	094	37.787.055	35.559.642	0	0
2. Liabilities for loans, deposits and other	095	0	0	0	0
3. Liabilities towards banks and other financial institutions	096	113.854.477	104.499.299	157.023.499	135.199.096
4. Amounts payable for prepayment	097	130.455.505	90.031.566	135.581.042	94.582.228
5. Trade payables	098	154.428.383	175.332.286	225.830.671	246.874.737
6. Amounts payable for securities	099	60.832.636	58.509.271	60.832.637	58.509.272
7. Liabilities toward participating interests	100	0	0	1.153.639	486.179
8. Liabilities to employees	101	25.739.721	33.663.366	48.739.877	57.346.583
9. Taxes, contributions and similar liabilities	102	28.301.085	37.852.970	33.408.724	42.651.252
10. Liabilities arising from share in the result	103	100.985	100.985	100.985	100.985
11. Liabilities arising from non-current assets held for sale	104	0	0	0	0
12. Other current liabilities	105	63.106.847	58.919.402	68.649.064	61.599.178
<b>E) ACCRUED EXPENSES AND DEFERRED INCOME</b>	<b>106</b>	15.761.832	10.905.549	15.761.833	10.905.549
<b>F) TOTAL LIABILITIES (062+079+083+093+106)</b>	<b>107</b>	1.352.716.393	1.334.626.856	1.448.492.926	1.417.738.636
<b>G) OFF-BALANCE SHEET ITEMS</b>	<b>108</b>	669.618.925	634.411.257	793.206.354	691.792.784
<b>ANNEX TO THE BALANCE SHEET (to be filled in by a company preparing the consolidated annual financial statements)</b>					
<b>A) CAPITAL AND RESERVES</b>					
1. Attributable to equity holders of the parent company's capital	<b>109</b>			260.602.024	271.485.456
2. Attributable to non-controlling interests	<b>110</b>			-694.508	-691.848

## IV. STATEMENT OF COMPREHENSIVE INCOME (unaudited)

Name of position	AOP	Previous period	Current period	Previous period	Current period
1	2	3	4	5	6
<b>DALEKOVOD J.S.C.</b>				<b>DALEKOVOD GROUP</b>	
<b>I. OPERATING INCOME (112+113)</b>	<b>111</b>	<b>382.087.740</b>	<b>555.106.161</b>	<b>495.858.498</b>	<b>706.841.253</b>
1. Sales revenue	112	322.869.767	538.711.768	439.297.883	691.852.179
2. Other operating income	113	59.217.973	16.394.393	56.560.615	14.989.074
<b>II. OPERATING EXPENSES (115+116+120+124+125+126+129+130)</b>	<b>114</b>	<b>331.419.314</b>	<b>531.016.200</b>	<b>455.867.999</b>	<b>689.143.871</b>
1. Changes in inventories of finished products and work in progress	115	16.792	10.647	-25.564.112	-2.589.574
2. Material costs (117 to 119)	116	204.747.281	386.533.286	282.273.999	475.977.067
a) Cost of raw materials & consumables	117	86.786.927	172.088.318	139.395.092	206.272.355
b) Cost of goods sold	118	22.094.027	84.220.976	35.404.442	115.116.903
c) Other costs	119	95.866.327	130.223.992	107.474.465	154.587.809
3. Staff costs (121 to 123)	120	74.842.853	88.291.575	121.192.327	135.924.112
a) Net salaries	121	55.125.397	67.429.558	83.311.837	97.266.475
b) Employee income tax	122	12.603.943	12.756.997	24.865.570	24.113.666
c) Tax on payroll	123	7.113.513	8.105.020	13.014.920	14.543.971
4. Depreciation and amortisation	124	16.961.993	17.167.751	25.301.518	21.709.195
5. Other expenditures	125	5.649.101	5.838.330	10.802.039	12.032.990
6. Value adjustment (127+128)	126	0	79.850	22.151	184.732
a) non-current assets (without financial assets)	127	0	79.850	22.151	81.912
b) current assets (without financial assets)	128	0	0	0	102.820
7. Provisions	129	0	0	0	0
8. Other operating expenses	130	29.201.294	33.094.761	41.840.077	45.905.349
<b>III. FINANCIAL INCOME (132 to 136)</b>	<b>131</b>	<b>3.306.992</b>	<b>3.533.624</b>	<b>7.449.759</b>	<b>10.917.217</b>
1. Interest income, foreign exchange differences, dividends and other financial income related to subsidiaries	132	2.271.389	433.072	0	0
2. Interest income, foreign exchange differences, dividends and other financial income related to third parties	133	1.035.603	3.053.104	7.453.346	10.869.769
3. Part of income from associates and participating interests	134	0	0	0	0
4. Unrealized gains (income) from the financial assets	135	0	0	0	0
5. Other financial income	136	0	47.448	-3.587	47.448
<b>IV. FINANCIAL COSTS (138 to 141)</b>	<b>137</b>	<b>10.738.086</b>	<b>13.787.886</b>	<b>17.986.907</b>	<b>14.073.333</b>
1. Interest, foreign exchange differences and other expenses related to subsidiaries	138	659.636	641.745	0	0
2. Interest, foreign exchange differences and other expenses related to third parties	139	10.078.450	13.146.141	17.986.907	14.073.333
3. Unrealized loss (expenses) from the financial assets	140	0	0	0	0
4. Other financial expenses	141	0	0	0	0
<b>V. SHARE OF INCOME OF ASSOCIATES</b>	<b>142</b>	<b>0</b>	<b>0</b>	<b>1.017.686</b>	<b>0</b>
<b>VI. SHARE OF LOSS OF ASSOCIATES</b>	<b>143</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>49.297</b>
<b>VII. EXTRAORDINARY - OTHER INCOME</b>	<b>144</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>VIII. EXTRAORDINARY - OTHER EXPENSES</b>	<b>145</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>IX. TOTAL INCOME (111+131+142 + 144)</b>	<b>146</b>	<b>385.394.732</b>	<b>558.639.785</b>	<b>504.325.943</b>	<b>717.758.470</b>
<b>X. TOTAL EXPENSES (114+137+143 + 145)</b>	<b>147</b>	<b>342.157.400</b>	<b>544.804.086</b>	<b>473.854.906</b>	<b>703.266.501</b>
<b>XI. PROFIT OR LOSS BEFORE TAX (146-147)</b>	<b>148</b>	<b>43.237.332</b>	<b>13.835.699</b>	<b>30.471.037</b>	<b>14.491.969</b>
1. Profit before tax (146-147)	149	43.237.332	13.835.699	30.471.037	14.491.969
2. Loss before tax (147-146)	150	0	0	0	0
<b>XII. INCOME TAX EXPENSE</b>	<b>151</b>	<b>2.336.046</b>	<b>2.555.750</b>	<b>2.396.198</b>	<b>2.770.818</b>
<b>XIII. PROFIT OR LOSS FOR THE PERIOD (148-151)</b>	<b>152</b>	<b>40.901.286</b>	<b>11.279.949</b>	<b>28.074.839</b>	<b>11.721.151</b>
1. Profit for the period (149-151)	153	40.901.286	11.279.949	28.074.839	11.721.151
2. Loss for the period (151-148)	154	0	0	0	0
<b>ANNEX TO THE PROFIT AND LOSS ACCOUNT (to be filled in by entities submitting consolidated financial statements)</b>					
<b>XIV. PROFIT OR LOSS FOR THE PERIOD</b>					
1. Attributable to owners of the company	155	0	0	28.074.839	11.721.151
2. Attributable to non-controlling interests	156	0	0	0	0
<b>STATEMENTS OF COMPREHENSIVE INCOME (to be filled in by entities who work in compliance with IFRS)</b>					
<b>I. PROFIT OR LOSS FOR THE PERIOD (= 152)</b>	<b>157</b>	<b>40.901.286</b>	<b>11.279.949</b>	<b>28.074.839</b>	<b>11.721.151</b>
<b>II. OTHER COMPREHENSIVE INCOME /LOSS BEFORE TAX (159 to 165)</b>	<b>158</b>	<b>0</b>	<b>0</b>	<b>145.431</b>	<b>-835.059</b>
1. Exchange differences arising from foreign operations	159	0	0	145.431	-835.059
2. Revaluation of non-current assets and intangible assets	160	0	0	0	0
3. Gains or loss available for sale investments	161	0	0	0	0
4. Gains or loss on net movement on cash flow hedges	162	0	0	0	0
5. Gains or loss on net investments hedge	163	0	0	0	0
6. Share of the other comprehensive income/loss of associates	164	0	0	0	0
7. Actuarial gain / loss on post employment benefit obligations	165	0	0	0	0
<b>III. TAX ON OTHER COMPREHENSIVE INCOME OF THE PERIOD</b>	<b>166</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>IV. NET OTHER COMPREHENSIVE INCOME OR LOSS FOR THE YEAR (158-166)</b>	<b>167</b>	<b>0</b>	<b>0</b>	<b>145.431</b>	<b>-835.059</b>
<b>V. TOTAL COMPREHENSIVE INCOME/LOSS FOR THE PERIOD (157+167)</b>	<b>168</b>	<b>40.901.286</b>	<b>11.279.949</b>	<b>28.220.270</b>	<b>10.886.092</b>
<b>APPENDIX Statement of Comprehensive Income (to be filled in by entities submitting consolidated financial statements)</b>					
<b>VI. TOTAL COMPREHENSIVE INCOME/LOSS FOR THE PERIOD</b>					
1. Attributable to owners of the company	169	0	0	28.222.425	10.883.431
2. Attributable to non-controlling interests	170	0	0	-2.155	2.661





## V. STATEMENT OF CASH FLOWS (unaudited)

Name of position:	AOP	Previous period	Current period	Previous period	Current period
1	2	3	4	5	6
			<b>DALEKOVOD jsc</b>		
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
1. Pre-tax profit	001	43.237.332	13.835.699	30.471.037	14.491.969
2. Depreciation	002	16.961.993	17.167.751	25.301.518	21.709.195
3. Increase in short-term liabilities	003	0	18.676.490	0	20.376.606
4. Decrease in short-term receivables	004	108.304.146	14.479.800	95.801.838	12.910.014
5. Reduction of stocks	005	9.037.401	2.722.514	0	2.313.315
6. Other increase in cash flow	006	0	0	0	0
<b>I. Total increase in cash flow from operating activities (001 to 006)</b>	<b>007</b>	<b>177.540.872</b>	<b>66.882.254</b>	<b>151.574.393</b>	<b>71.801.099</b>
1. Decrease in short-term liabilities	008	80.749.206	0	37.843.480	0
2. Increase in short-term receivables	009	0	0	0	0
3. Increase in stocks	010	0	0	32.486.275	0
4. Other decrease in cash flow	011	47.461.969	63.402.252	60.492.040	78.561.052
<b>II Total decrease in cash flow from operating activities (008 to 011)</b>	<b>012</b>	<b>128.211.175</b>	<b>63.402.252</b>	<b>130.821.795</b>	<b>78.561.052</b>
<b>A1) NET INCREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES (007-012)</b>	<b>013</b>	<b>49.329.697</b>	<b>3.480.002</b>	<b>20.752.598</b>	<b>0</b>
<b>A2) NET DECREASE IN CASH FLOW FROM OPERATING ACTIVITIES (012-007)</b>	<b>014</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6.759.953</b>
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>					
1. Cash receipts from sale of fixed tangible and intangible assets	015	0	0	6.398.734	0
2. Cash receipts from sale of treasury and debt financial instruments	016	0	0	0	0
3. Cash receipts from interests	017	0	404.258	0	0
4. Cash receipts from dividends	018	0	2.167.567	0	0
5. Other cash receipts from investment activities	019	382.866	4.785.535	4.963.193	91.573
<b>III. Total cash receipts from investment activities (015 to 019)</b>	<b>020</b>	<b>382.866</b>	<b>7.357.360</b>	<b>11.361.927</b>	<b>91.573</b>
1. Expenditures for buying fixed assets and intangible assets	021	6.398.734	10.291.985	0	15.096.411
2. Expenditures for purchasing treasury and debt financial instruments	022	869.411	0	0	0
3. Other expenditures from investment activities	023	3.266.424	13.751.681	597.133	0
<b>IV. Total expenditures from investment activities (021 to 023)</b>	<b>024</b>	<b>10.534.569</b>	<b>24.043.666</b>	<b>597.133</b>	<b>15.096.411</b>
<b>B1) NET INCREASE IN CASH FLOW FROM INVESTMENT ACTIVITIES (020-024)</b>	<b>025</b>	<b>0</b>	<b>0</b>	<b>10.764.794</b>	<b>0</b>
<b>b2) NET DECREASE IN CASH FLOW FROM INVESTMENT ACTIVITIES (024-020)</b>	<b>026</b>	<b>10.151.703</b>	<b>16.686.306</b>	<b>0</b>	<b>15.004.838</b>
<b>CASH FLOW FROM FINANCIAL ACTIVITIES</b>					
1. Cash receipts from issuance of treasury and debt financial instruments	027	0	0	0	0
2. Cash receipts from loan principal, bonds, borrowings and other loans	028	2.751.126	0	33.021.752	0
3. Total cash receipts from financial activities	029	0	0	0	0
<b>V. Total cash receipts from financial activities (027 to 029)</b>	<b>030</b>	<b>2.751.126</b>	<b>0</b>	<b>33.021.752</b>	<b>0</b>
1. Expenditures for repayment of loan principal and bonds	031	0	9.330.908	15.373.320	9.330.908
2. Expenditures for payment of dividends	032	0	0	0	0
3. Expenditures for financial leasing	033	6.250.790	8.014.013	6.387.505	8.354.419
4. Expenditures for redemption of treasury shares	034	649.148	0	503.718	0
5. Other expenditures from financial activities	035	40.041.923	1.812.149	46.763.339	1.812.150
<b>VI. Total expenditures from financial activities (031 to 035)</b>	<b>036</b>	<b>46.941.861</b>	<b>19.157.070</b>	<b>69.027.882</b>	<b>19.497.477</b>
<b>C1) NET INCREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES (030-036)</b>	<b>037</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>C2) NET DECREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES (036-030)</b>	<b>038</b>	<b>44.190.735</b>	<b>19.157.070</b>	<b>36.006.130</b>	<b>19.497.477</b>
Total increase in cash flow (013 – 014 + 025 – 026 + 037 – 038)	039	0	0	0	0
Total decrease in cash flow (014 – 013 + 026 – 025 + 038 – 037)	040	5.012.741	32.363.374	4.488.738	41.262.268
<b>Cash and cash equivalents at the beginning of the period</b>	<b>041</b>	<b>81.849.024</b>	<b>86.848.943</b>	<b>102.077.241</b>	<b>105.428.124</b>
<b>Increase in cash and cash equivalents</b>	<b>042</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Decrease in cash and cash equivalents</b>	<b>043</b>	<b>5.012.741</b>	<b>32.363.374</b>	<b>4.488.738</b>	<b>41.262.268</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>044</b>	<b>76.836.283</b>	<b>54.485.569</b>	<b>97.588.503</b>	<b>64.165.856</b>



## VI. STATEMENT OF CHANGES IN EQUITY (unaudited)

Name of position:	AOP	Previous period	Current period	Previous period	Current period
1	2	3	4	5	6
<b>DALEKOVOD jsc</b>					
<b>DALEKOVOD GROUP</b>					
1. Share capital	001	247.193.050	247.193.050	247.193.050	247.193.050
2. Capital reserves	002	86.141.670	86.141.670	86.141.670	86.141.670
3. Reserves from profit	003	43.675.007	43.675.007	75.581.849	74.744.130
4. Retained profit or loss carried forward	004	-200.410.664	-175.222.643	-255.173.929	-218.402.976
5. Profit or loss of current year	005	25.188.021	11.279.949	36.768.293	11.721.151
6. Revaluation of longterm tangible assets	006	69.396.583	69.396.583	69.396.583	69.396.583
7. Revaluation of intangible assets	007	0	0	0	0
8. Revaluation of financial assets available for sale	008	0	0	0	0
9. Other revaluations	009	0	0	0	0
<b>10. Total equity and reserves (AOP 001 to 009)</b>	<b>010</b>	<b>271.183.667</b>	<b>282.463.616</b>	<b>259.907.516</b>	<b>270.793.608</b>
11. Foreign exchange differences arising from the titles of net	011	0	0	-71.160	-835.059
12. Current and deferred taxes (part)	012	0	0	0	0
13. Cash flow protection	013	0	0	0	0
14. Changes in accounting policies	014	0	0	0	0
15. Correction of significant errors in the previous period	015	0	0	0	0
16. Other changes in equity	016	0	0	37.812.521	11.723.811
<b>17. Total increase or decrease in equity (AOP 011 to 016)</b>	<b>017</b>	<b>0</b>	<b>0</b>	<b>37.741.361</b>	<b>10.888.752</b>
17 a. Attributed to parent company equity holders	018	0	0	37.739.999	10.886.092
17 b. Attributed to minority interest	019	0	0	1.362	2.660

## VII. NOTES TO THE FINANCIAL STATEMENTS

### 1. GENERAL INFORMATION

#### MANAGEMENT BOARD

Alen Premužak – Chairman of the Management Board

Marko Jurković – member of the Management Board

Helena Jurčić Šestan – member of the Management Board

Ivica Kranjčić – member of the Management Board

Ivan Kurobasa – member of the Management Board

#### SUPERVISORY BOARD

Marko Lesić – Chairman of the Supervisory Board

Ivan Peteržilnik – Deputy Chairman of the Supervisory Board

Krešimir Ružđak – member of the Supervisory Board

Vlado Čović – member of the Supervisory Board

Hrvoje Markovinović – member of the Supervisory Board

Uwe Heiland – member of the Supervisory Board

Marko Makek – member of the Supervisory Board

Mirela Tomljanović Radović – member of the Supervisory Board

Anton Pernar – member of the Supervisory Board

#### Dalekovod dioničko društvo za inženjering, proizvodnju i izgradnju

Marijana Čavića 4, 10 000 Zagreb, CROATIA

10001 Zagreb, PO box 128

URL: [www.dalekovod.hr](http://www.dalekovod.hr), [www.dalekovod.com](http://www.dalekovod.com)

E-mail: [dalekovod@dalekovod.hr](mailto:dalekovod@dalekovod.hr)

Share capital: HRK 247,193,050.00 Number of shares: 24,719,305

IBAN: HR8323600001101226102 ZABA Zagreb

Reg. No.: 080010093, the Commercial Court in Zagreb

Stat. No.: 3275531

Tax number (OIB): 47911242222

Economic activity code: 4222 (Construction of utility projects for electricity and telecommunications)

## 2. SHAREHOLDER STRUCTURE (as of 30 June 2017):

Konsolidator d.o.o.	15,000,000
Natural persons	4,519,043
Financial institutions	4,170,952
Others	930,469
Own shares	98,841
TOTAL	24,719,305

## 3. MERGERS AND CONSOLIDATIONS

There were no mergers or consolidations in the first half-year of 2017.

## 4. UNCERTAINTY

No items of doubtful and bad debt affecting business continuity were identified in the first half-year of 2017.

## 5. DESCRIPTION OF PRODUCTS AND SERVICES

Over the years, Dalekovod d.d has specialized in performing turn-key contracts in the following areas:

- electrical facilities, especially transmission lines of voltage ranging from 0.4 to 750 kV
- substations of all levels and voltages, up to 500 kV
- overhead, underground and underwater cables, up to 110 kV
- telecommunication facilities, all types of networks and antennas
- production of suspension and joining equipment for all types of transmission lines and substations of voltage ranging from 0.4 to 750 kV
- production and installation of metal road equipment, especially road lighting, safety barriers and traffic signalling, tunnel lighting and traffic management
- electrification of railway and tram tracks

## 6. CHANGES IN ACCOUNTING POLICIES

There are no new accounting policies.