

Zagreb, 27 July 2018

# MANAGEMENT REPORT FOR I – VI 2018

Unaudited, consolidated and unconsolidated



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# I. MANAGEMENT BOARD'S REPORT

In the first semester of 2018 the total business revenues of Dalekovod d.d. were 464.5 million HRK, which is a decrease of 16% compared to the same period in 2017. This is the result of a decrease in operating activities compared to the same period last year, both on foreign markets and the domestic market, which is a consequence of a cyclical nature of the industry in which Dalekovod Group is competing, where a large number of tenders on which Dalekovod intends to compete is dynamically moved forward for several months. Sales activities have been significantly intensified over the past 18 months, and in the future period a significantly larger number of tenders is being prepared than in the previous periods.

The Company's EBITDA in the first semester of 2018 is 34.6 million HRK lower compared to the same period last year. The decrease in EBITDA compared to the first semester of 2017 was mainly due to a decrease in gross margin of 29.9 million HRK, caused by a decrease in operating activity, an increase in negative exchange rates of 4 million HRK compared to the last year resulting from the business activity in the Ukrainian market, as well as due to allocation of Dalekovod Laboratories as a business unit into Dalekovod manufacturing, which resulted in a lack of operating revenues of a separate business unit.

The net loss in the first semester of 2018 for Dalekovod d.d. is 4 million HRK, which is a decrease of 15.2 million HRK compared to the same period last year.

In 2018, Dalekovod d.d. continued fulfilling their obligations resulting from financial restructuring, as in previous years. The creditors were repaid 29 million HRK and cumulatively from 2014 to 2018, Dalekovod d.d. repaid 351 million HRK to their creditors. This strengthens the trust and good relations between Dalekovod d.d. and their partners. By paying the instalment of 31 March, Dalekovod completed their obligations from the pre-bankruptcy settlement towards their suppliers, and the rest are their obligations towards financial institutions for future periods, which significantly decreases the burden of the pre-bankruptcy settlement in the future period. The average annual amount of payments according to the restructuring plan for the period 2014 - 2017 amounted to 80 million HRK, but this amount decreased to 45 million HRK in the period 2018 - 2021. The company's management has been actively working on two key activities that would result in significant improvements in the balance and inflows of cash. The first activity is the sale of the wind farm in the company's ownership, and the second is collection of receivables from the Ministry of Finance, which are put down as revenues in the financial year 2016, but until now they have not yet been charged.

In the first semester of 2018 the total business revenues of Dalekovod group amount to 588 million HRK which represents a decrease of 17% compared to the same period in 2017. The consolidated EBITDA shows a decrease of 28 million HRK compared to the same period last year, mostly due to previously mentioned reasons related to Dalekovod d.d. activities.

The Group plans to continue with further internationalisation and growth in sales revenues in foreign markets, primarily focusing on Scandinavian (Norway, Finland, Sweden), regional (Slovenia,



Bosnia and Herzegovina, Macedonia, Montenegro, Albania), and Eastern and Central European markets (Poland, Ukraine, Georgia). A strong emphasis shall be put on the German market, where Dalekovod has successfully pre-qualified for works on the transmission network at the largest German transmission system operator. In the past few years in these markets there has been an ongoing trend of continuous investment in renovation and extension of energy infrastructure, which represents a potential for the Group's long-term presence in the projects, on condition of its quality positioning.

Dalekovod's strategic guidelines for the future period are as follows:

Focus on revenues increase

Focus on efficacy in performance of projects and increase in gross margin

Strong orientation towards contracting new jobs abroad and in the domestic market

Personnel strengthening at all levels and increased leadership abilities as well as building supportive corporate culture

On behalf of the Management Board:

Alen Premužak

Chairman of the Management Board

Dalekovod d.d.





## II. DECLARATION

Pursuant to Article 410 Paragraph 1 and Article 407 Paragraph 2 Subparagraph 3 and Paragraph 3 of the Capital Market Act, the authorized persons for drawing up the report: Alen Premužak – Chairman of the Board, Helena Jurčić Šestan – member of the Board, Ivica Kranjčić – member of the Board, and Ivan Kurobasa – member of the Board, issue the following

### DECLARATION

According to our best knowledge, the financial Reports for the reporting period were drawn up in compliance with the appropriate financial reporting standards; they provide a complete and honest representation of assets and obligations, and the result of Dalekovod's business activities, as well as of other companies included in the consolidation, with a brief overview of the causes for data provided. Financial reports are not revised.

On behalf of the Management Board:

  
Alen Premužak

Chairman of the Management Board

Dalekovod d.d.



### III. BALANCE SHEET (unaudited)

Name of position:	AOP	Previous year (net)	Current year (net)	Previous year (net)	Current year (net)
		DALEKOVOD jsc		DALEKOVOD GROUP	
1	2	3	4	5	6
<b>ASSETS</b>					
<b>A) SUBSCRIBED CAPITAL UNPAID</b>	<b>001</b>			0	0
<b>B) NON CURRENT ASSETS (003+010+020+029+033)</b>	<b>002</b>	700.223.851	704.898.777	501.798.770	502.615.072
<b>I. INTANGIBLE ASSETS (004 to 009)</b>	<b>003</b>	6.785.437	5.126.748	11.003.454	9.300.111
1. Research & Development expenditure	004	0	0	0	0
2. Patents, licences, royalties, trade marks, software&similar rights	005	5.969.181	4.310.492	7.211.209	5.497.516
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	2.579.245	2.589.595
6. Other intangible assets	009	0	0	0	0
<b>II. TANGIBLE ASSETS (011 to 019)</b>	<b>010</b>	337.167.501	346.122.815	416.536.361	421.868.321
1. Land	011	0	0	20.612.199	20.540.732
2. Property	012	803.874	1.215.905	136.337.822	131.999.760
3. Plants and equipment	013	21.551.028	34.270.603	62.259.604	67.952.324
4. Tools, plants&vehicles	014	15.411.168	20.928.554	28.243.137	33.380.215
5. Biological asset	015	0	0	0	0
6. Prepayments for tangible assets	016	0	0	0	0
7. Assets under construction	017	0	0	9.255.438	8.855.516
8. Other tangible assets	018	159.336.759	158.301.528	159.339.759	159.139.774
9. Investments property	019	140.064.672	131.406.225	488.401	0
<b>III. NON-CURRENT FINANCIAL ASSETS (021 to 028)</b>	<b>020</b>	308.301.783	306.275.369	26.165.296	23.746.596
1. Share in related parties	021	280.798.810	280.770.961	0	0
2. Loans to related parties	022	7.127.296	6.757.743	0	0
3. Participating interests (stakes)	023	7.000	4.000	7.000	4.000
4. Loans to participating interest	024	0	0	0	0
5. Investments in securities	025	1.343.025	0	1.599.335	4.984
6. Loans & deposits	026	19.025.652	18.742.665	24.558.961	23.737.612
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>	47.969.130	47.373.845	48.093.659	47.700.044
1. Receivables from related parties	030	0	0	0	0
2. Receivables from credit sales	031	0	0	0	0
3. Other receivables	032	47.969.130	47.373.845	48.093.659	47.700.044
<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>	572.126.184	586.155.222	812.072.394	819.466.243
<b>I. INVENTORIES (036 to 042)</b>	<b>035</b>	8.240.766	9.375.374	160.596.439	183.545.958
1. Raw materials & consumables	036	6.501.169	6.852.736	54.779.952	66.137.689
2. Work in progress	037	0	0	10.160.871	22.681.889
3. Products	038	217.672	48.101	22.833.919	19.627.266
4. Merchandise	039	1.521.925	2.474.537	7.530.187	9.793.454
5. Prepayments for inventories	040	0	0	254.133	268.283
6. Other available-for-sale assets	041	0	0	65.037.377	65.037.377
7. Biological asset	042	0	0	0	0
<b>II. RECEIVABLES (044 to 049)</b>	<b>043</b>	442.694.650	516.510.778	516.521.124	584.264.308
1. Receivables from related parties	044	30.070.234	26.782.432	0	0
2. Trade receivables	045	217.276.741	312.265.081	313.008.406	385.401.348
3. Receivables from participating parties	046	0	0	0	0
4. Amounts receivable from employees	047	5.078	28.813	23.685	93.114
5. Receivables from government agencies	048	9.667.482	8.421.840	14.342.466	16.700.255
6. Other receivables	049	185.675.115	169.012.612	189.146.566	182.069.592
<b>III. CURRENT FINANCIAL ASSETS (051 to 057)</b>	<b>050</b>	31.841.696	35.878.562	27.576.440	22.571.452
1. Share in related parties	051	0	0	0	0
2. Loans to related parties	052	8.716.833	13.543.076	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	496.950	0	496.950	0
6. Loans & deposits	056	22.627.913	22.335.486	27.079.490	22.571.452
7. Other financial assets	057	0	0	0	0
<b>IV. CASH ON HAND AND IN THE BANK</b>	<b>058</b>	89.349.072	24.390.508	107.378.391	29.084.525
<b>D) PREPAYMENTS AND ACCRUED INCOME</b>	<b>059</b>	2.583.322	3.186.350	3.104.509	3.575.806
<b>E) TOTAL ASSETS (001+002+034+059)</b>	<b>060</b>	1.274.933.357	1.294.240.349	1.316.975.674	1.325.657.121
<b>F) OFF-BALANCE SHEET ITEMS</b>	<b>061</b>	609.258.038	536.866.728	663.985.533	536.866.728



Name of position:	AOP	Previous year (net)	Current year (net)	Previous year (net)	Current year (net)
		<b>DALEKOVOD jsc</b>		<b>DALEKOVOD GROUP</b>	
1	2	3	4	5	6
<b>EQUITY AND LIABILITIES</b>					
<b>A) CAPITAL AND RESERVES (063+064+065+071+072+075+078)</b>	<b>062</b>	294.573.083	291.057.175	236.301.140	225.460.266
<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>	87.214.738	87.712.402	87.214.738	87.712.402
<b>III. RESERVES FROM PROFIT (066+067-068+069+070)</b>	<b>065</b>	43.675.007	43.675.007	74.860.772	76.473.753
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	-3.909.428	-2.296.447
<b>IV. REVALUATION RESERVES</b>	<b>071</b>	69.402.489	69.402.489	69.402.489	69.402.489
<b>V. RETAINED EARNINGS OR LOSS BROUGHT FORWARD (073-074)</b>	<b>072</b>	-175.222.643	-152.912.201	-254.040.325	-245.756.266
1. Retained earnings	073	0	0	0	0
2. Loss brought forward	074	175.222.643	152.912.201	254.040.325	245.756.266
<b>VI. PROFIT OR LOSS FOR THE FINANCIAL YEAR (076-077)</b>	<b>075</b>	22.310.442	-4.013.572	12.364.147	-8.873.792
1. Profit for the financial year	076	22.310.442	0	12.364.147	0
2. Loss for the financial year	077	0	4.013.572	0	8.873.792
<b>VII. MINORITY INTEREST</b>	<b>078</b>			-693.731	-691.371
<b>B) PROVISIONS (080 to 082)</b>	<b>079</b>	21.805.338	21.451.691	25.135.246	24.629.351
1. Provisions for pensions, severance pay and similar liabilities	080	3.154.198	2.975.487	6.418.406	6.088.225
2. Provisions for tax obligations	081	0	0	0	0
3. Other provisions	082	18.651.140	18.476.204	18.716.840	18.541.127
<b>C) NON-CURRENT LIABILITIES (084 to 092)</b>	<b>083</b>	385.196.802	393.161.452	371.535.796	392.258.992
1. Liabilities to related parties	084	10.352.893	10.070.278	0	0
2. Liabilities for loans, deposits and other	085	0	0	0	0
3. Liabilities towards banks and other financial institutions	086	315.901.100	304.098.039	312.524.631	313.025.670
4. Amounts payable for prepayment	087	0	0	0	0
5. Trade payables	088	1.368.346	1.197.302	1.436.702	1.267.844
6. Amounts payable for securities	089	42.339.770	41.678.312	42.339.771	41.678.313
7. Liabilities toward participating interests	090	0	0	0	0
8. Other non-current liabilities	091	0	0	0	0
9. Deferred tax	092	15.234.693	36.117.521	15.234.693	36.287.165
<b>D) CURRENT LIABILITIES (094 to 105)</b>	<b>093</b>	560.049.768	580.942.619	670.695.124	675.681.100
1. Liabilities to related parties	094	17.988.054	19.020.777	0	0
2. Liabilities for loans, deposits and other	095	0	0	0	0
3. Liabilities towards banks and other financial institutions	096	114.921.873	119.673.137	151.030.116	143.135.669
4. Amounts payable for prepayment	097	65.434.782	55.327.274	70.871.547	63.596.157
5. Trade payables	098	216.931.837	250.742.232	277.140.562	308.153.357
6. Amounts payable for securities	099	60.346.066	59.977.247	59.669.539	59.708.651
7. Liabilities toward participating interests	100	19.209	19.209	19.209	0
8. Liabilities to employees	101	32.487.397	30.137.120	54.717.065	50.540.995
9. Taxes, contributions and similar liabilities	102	35.189.353	33.332.566	40.568.227	37.661.555
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	16.630.212	12.612.072	16.577.875	12.783.731
<b>E) ACCRUED EXPENSES AND DEFERRED INCOME</b>	<b>106</b>	13.308.366	7.627.412	13.308.368	7.627.412
<b>F) TOTAL LIABILITIES (062+079+083+093+106)</b>	<b>107</b>	1.274.933.357	1.294.240.349	1.316.975.674	1.325.657.121
<b>G) OFF-BALANCE SHEET ITEMS</b>	<b>108</b>	609.258.038	536.866.728	663.985.533	536.866.728
<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	109	0	0	236.994.871	226.151.637
2. Attributable to non-controlling interests	110	0	0	-693.731	-691.371



# 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>555.106.161</b>	<b>464.493.540</b>	<b>706.841.253</b>	<b>588.235.744</b>
1. Sales revenue	112	538.711.768	441.212.083	691.852.179	559.298.711
2. Other operating income	113	16.394.393	23.281.457	14.989.074	28.937.033
<b>II. OPERATING EXPENSES (115+116+120+124+125+126+129+130)</b>	<b>114</b>	<b>531.016.200</b>	<b>475.115.620</b>	<b>689.143.871</b>	<b>599.021.619</b>
1. Changes in inventories of finished products and work in progress	115	10.647	21.168	-2.589.574	-10.053.555
2. Material costs (117 to 119)	116	386.533.286	292.109.205	475.977.067	362.660.246
a) Cost of raw materials & consumables	117	172.088.318	120.846.512	206.272.355	152.914.926
b) Cost of goods sold	118	84.220.976	40.030.307	115.116.903	52.473.579
c) Other costs	119	130.223.992	131.232.386	154.587.809	157.271.741
3. Staff costs (121 to 123)	120	88.291.575	102.723.078	135.924.112	147.836.319
a) Net salaries	121	67.429.558	81.168.936	97.266.475	109.424.772
b) Employee income tax	122	12.756.997	13.500.210	24.113.666	23.954.651
c) Tax on payroll	123	8.105.020	8.053.932	14.543.971	14.456.896
4. Depreciation and amortisation	124	17.167.751	17.230.860	21.709.195	21.936.360
5. Other expenditures	125	5.838.330	5.759.560	12.032.990	9.879.969
6. Value adjustment (127+128)	126	79.850	0	184.732	67
a) non-current assets (without financial assets)	127	79.850	0	81.912	0
b) current assets (without financial assets)	128	0	0	102.820	67
7. Provisions	129	0	0	0	10.586
8. Other operating expenses	130	33.094.761	57.271.749	45.905.349	66.751.626
<b>III. FINANCIAL INCOME (132 to 136)</b>	<b>131</b>	<b>3.533.624</b>	<b>17.707.830</b>	<b>7.417.217</b>	<b>13.423.267</b>
1. Interest income, foreign exchange differences, dividends and other financial income related to subsidiaries	132	433.072	14.940.896	0	0
2. Interest income, foreign exchange differences, dividends and other financial income related to third parties	133	3.053.104	2.764.000	7.369.769	13.420.334
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	47.448	2.934	47.448	2.934
<b>IV. FINANCIAL COSTS (138 to 141)</b>	<b>137</b>	<b>13.787.886</b>	<b>11.099.322</b>	<b>14.073.333</b>	<b>11.410.464</b>
1. Interest, foreign exchange differences and other expenses related to subsidiaries	138	641.745	467.361	0	0
2. Interest, foreign exchange differences and other expenses related to third parties	139	13.146.141	10.608.466	14.073.333	11.410.464
3. Unrealized loss (expenses) from the financial assets	140	0	0	0	0
4. Other financial expenses	141	0	23.495	0	0
<b>V. SHARE OF INCOME OF ASSOCIATES</b>	<b>142</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>VI. SHARE OF LOSS OF ASSOCIATES</b>	<b>143</b>	<b>0</b>	<b>0</b>	<b>49.297</b>	<b>0</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>558.639.785</b>	<b>482.201.370</b>	<b>714.258.470</b>	<b>601.659.012</b>
<b>X. TOTAL EXPENSES (114+137+143 + 145)</b>	<b>147</b>	<b>544.804.086</b>	<b>486.214.942</b>	<b>703.266.501</b>	<b>610.432.083</b>
<b>XI. PROFIT OR LOSS BEFORE TAX (146-147)</b>	<b>148</b>	<b>13.835.699</b>	<b>-4.013.572</b>	<b>10.991.969</b>	<b>-8.773.070</b>
1. Profit before tax (146-147)	149	13.835.699	0	10.991.969	0
2. Loss before tax (147-146)	150	0	4.013.572	0	8.773.070
<b>XII. INCOME TAX EXPENSE</b>	<b>151</b>	<b>2.555.750</b>	<b>0</b>	<b>2.770.818</b>	<b>100.722</b>
<b>XIII. PROFIT OR LOSS FOR THE PERIOD (148-151)</b>	<b>152</b>	<b>11.279.949</b>	<b>-4.013.572</b>	<b>8.221.151</b>	<b>-8.873.792</b>
1. Profit for the period (149-151)	153	11.279.949	0	8.221.151	0
2. Loss for the period (151-148)	154	0	4.013.572	0	8.873.792
<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>			0		0
1. Attributable to owners of the company	155	0	0	8.221.151	-8.873.792
2. Attributable to non-controlling interests	156	0	0	0	0
<b>STATEMENTS OF COMPREHENSIVE INCOME (to be filled by entities who work in compliance with IFRS)</b>					
<b>I. PROFIT OR LOSS FOR THE PERIOD (= 152)</b>	<b>157</b>	<b>11.279.949</b>	<b>-4.013.572</b>	<b>8.221.151</b>	<b>-8.873.792</b>
<b>II. OTHER COMPREHENSIVE INCOME /LOSS BEFORE TAX (159 to 165)</b>	<b>158</b>	<b>0</b>	<b>0</b>	<b>-835.059</b>	<b>80.218</b>
1. Exchange differences arising from foreign operations	159	0	0	-835.059	80.218
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>-835.059</b>	<b>80.218</b>
<b>V. TOTAL COMPREHENSIVE INCOME/LOSS FOR THE PERIOD (157+167)</b>	<b>168</b>	<b>11.279.949</b>	<b>-4.013.572</b>	<b>7.386.092</b>	<b>-8.793.574</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	7.385.931	-8.793.383
2. Attributable to non-controlling interests	170	0	0	161	-192





## V. CASH FLOW STATEMENT (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>	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
1. Pre-tax profit	001	13.835.699	-4.013.572	10.991.969	-8.773.070
2. Depreciation	002	17.167.751	17.230.860	21.709.195	21.936.360
3. Increase in short-term liabilities	003	18.676.490	34.843.118	23.876.606	9.618.670
4. Decrease in short-term receivables	004	14.479.800	0	12.910.014	0
5. Reduction of stocks	005	2.722.514	0	2.313.315	0
6. Other increase in cash flow	006	0	9.326.224	0	28.707.268
<b>I. Total increase in cash flow from operating activities (001 to 006)</b>	<b>007</b>	<b>66.882.254</b>	<b>57.386.630</b>	<b>71.801.099</b>	<b>51.489.228</b>
1. Decrease in short-term liabilities	008	0	0	0	0
2. Increase in short-term receivables	009	0	91.700.538	0	67.349.569
3. Increase in stocks	010	0	1.134.608	0	22.949.519
4. Other decrease in cash flow	011	63.402.252	0	78.561.052	8.725.948
<b>II Total decrease in cash flow from operating activities (008 to 011)</b>	<b>012</b>	<b>63.402.252</b>	<b>92.835.146</b>	<b>78.561.052</b>	<b>99.025.036</b>
<b>A1) NET INCREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES (007-</b>	<b>013</b>	<b>3.480.002</b>		<b>0</b>	<b>0</b>
<b>A2) NET DECREASE IN CASH FLOW FROM OPERATING ACTIVITIES (012-</b>	<b>014</b>		<b>35.448.516</b>	<b>6.759.953</b>	<b>47.535.808</b>
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>					
1. Cash receipts from sale of fixed tangible and intangible assets	015	0	244.606	0	321.590
2. Cash receipts from sale of treasury and debt financial instruments	016	0	0	0	249.775
3. Cash receipts from interests	017	404.258	1.970.427	0	3.261.752
4. Cash receipts from dividends	018	2.167.567	4.907.027	0	0
5. Other cash receipts from investment activities	019	4.785.535	1.314.653	91.573	7.038.387
<b>III. Total cash receipts from investment activities (015 to 019)</b>	<b>020</b>	<b>7.357.360</b>	<b>8.436.713</b>	<b>91.573</b>	<b>10.871.504</b>
1. Expenditures for buying fixed assets and intangible assets	021	10.291.985	24.527.485	15.096.411	25.920.539
2. Expenditures for purchasing treasury and debt financial instruments	022	0	0	0	0
3. Other expenditures from investment activities	023	13.751.681	6.941.471	0	82.587
<b>IV. Total expenditures from investment activities (021 to 023)</b>	<b>024</b>	<b>24.043.666</b>	<b>31.468.956</b>	<b>15.096.411</b>	<b>26.003.126</b>
<b>B1) NET INCREASE IN CASH FLOW FROM INVESTMENT ACTIVITIES</b>	<b>025</b>			<b>0</b>	<b>0</b>
<b>b2) NET DECREASE IN CASH FLOW FROM INVESTMENT ACTIVITIES</b>	<b>026</b>	<b>16.686.306</b>	<b>23.032.243</b>	<b>15.004.838</b>	<b>15.131.622</b>
<b>CASH FLOW FROM FINANCIAL ACTIVITIES</b>					
1. Cash receipts from issuance of treasury and debt financial	027	0	0	0	0
2. Cash receipts from loan principal, bonds, borrowings and other	028	0	7.915.781	0	14.621.858
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>0</b>	<b>7.915.781</b>	<b>0</b>	<b>14.621.858</b>
1. Expenditures for repayment of loan principal and bonds	031	9.330.908	6.194.128	9.330.908	21.084.128
2. Expenditures for payment of dividends	032	0	0	0	0
3. Expenditures for financial leasing	033	8.014.013	8.199.458	8.354.419	8.333.913
4. Expenditures for redemption of treasury shares	034	0	0	0	0
5. Other expenditures from financial activities	035	1.812.149	0	1.812.150	830.253
<b>VI. Total expenditures from financial activities (031 to 035)</b>	<b>036</b>	<b>19.157.070</b>	<b>14.393.586</b>	<b>19.497.477</b>	<b>30.248.294</b>
<b>C1) NET INCREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES (030-</b>	<b>037</b>			<b>0</b>	<b>0</b>
<b>C2) NET DECREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES (036-</b>	<b>038</b>	<b>19.157.070</b>	<b>6.477.805</b>	<b>19.497.477</b>	<b>15.626.436</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	32.363.374	64.958.564	41.262.268	78.293.866
<b>Cash and cash equivalents at the beginning of the period</b>	<b>041</b>	<b>86.848.943</b>	<b>89.349.072</b>	<b>105.428.124</b>	<b>107.378.391</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>32.363.374</b>	<b>64.958.564</b>	<b>41.262.268</b>	<b>78.293.866</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>044</b>	<b>54.485.569</b>	<b>24.390.508</b>	<b>64.165.856</b>	<b>29.084.525</b>



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

Name of position:	AOP	Previous period	Current period	Previous period	Current period
		DALEKOVOD jsc		DALEKOVOD GROUP	
1. Share capital	001	247.193.050	247.193.050	247.193.050	247.193.050
2. Capital reserves	002	87.214.738	87.712.402	87.214.738	87.712.402
3. Reserves from profit	003	43.675.007	43.675.007	74.860.772	76.473.753
4. Retained profit or loss carried forward	004	-175.222.643	-152.912.201	-254.040.325	-245.756.266
5. Profit or loss of current year	005	22.310.442	-4.013.572	12.364.147	-8.873.792
6. Revaluation of longterm tangible assets	006	69.402.489	69.402.489	69.402.489	69.402.489
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>294.573.083</b>	<b>291.057.175</b>	<b>236.994.871</b>	<b>226.151.637</b>
11. Foreign exchange differences arising from the titles of net investment in foreign operations	011	0	0	-721.078	1.236.077
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	23.389.416	-3.515.908	13.442.669	-12.079.311
<b>17. Total increase or decrease in equity (AOP 011 to 016)</b>	<b>017</b>	<b>23.389.416</b>	<b>-3.515.908</b>	<b>12.721.591</b>	<b>-10.843.234</b>
17 a. Attributed to parent company equity holders	018	0	0	236.994.871	226.151.637
17 b. Attributed to minority interest	019	0	0	-693.731	-691.371



## 1. BASIC INFORMATION

### MANAGEMENT BOARD

Alen Premužak – Chairman of the Management Board

Helena Jurčić Šestan – Management Board member

Ivica Kranjčić – Management Board member

Ivan Kurobasa – Management Board member

### SUPERVISORY BOARD

UNTIL 20.06.2018.

Marko Lesić – President

Ivan Peteržilnik – Deputy President

Krešimir Ružđak – Member

Vlado Čović – Member

Hrvoje Markovinović – Member

Milan Račić – Member

Marko Makek – Member

Mirela Tomljanović Radović – Member

Rajko Pavelić – Member

FROM 20.06.2018.

Željko Perić - President

Hrvoje Markovinović - Member

Hrvoje Habuš - Member

Dinko Novoselec - Member

Vlado Čović - Member

Vladimir Maoduš - Member

Rajko Pavelić - Member

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

Marijana Čavića 4, 10 000 Zagreb, Croatia

10001 Zagreb, P.P. 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: 247,193,050.00 HRK. Number of shares: 24,719,305

IBAN: HR8323600001101226102 ZABA Zagreb

Reg. No.: 080010093, Commercial Court in Zagreb

Stat. No.: 3275531

PIN: 47911242222

Activity code: 4222 (Construction of electricity and telecommunications lines)



## 2. SHAREHOLDERS STRUCTURE (on 30 June 2018):

Konsolidator d.o.o.	15,000,000
Domestic natural persons	4,715,592
Financial institutions	4,200,814
Others	704,058
Own shares	98,841
TOTAL	24,719,305

## 3. ACQUISITION AND MERGERS

There were no acquisitions or mergers in the first semester of 2018.

## 4. UNCERTAINTY

There were no identified suspicious or disputable claims in the first semester 2018 which would affect the continuity of business.

## 5. DESCRIPTION OF PRODUCTS AND SERVICES

Over time, Dalekovod d.d. specialized for the realisation of “turn-key” contracts in the following fields:

- electricity facilities, especially transmission lines between 0.4 and 750 kV
- transformer substations of all levels and voltages up to 500 kV
- air, underground and underwater cables up to 100 kV
- telecommunications facilities, all types of networks and antennas
- production of suspension and jointing equipment for all types of transmission lines and sub-stations between 0.4 and 750 kV
- manufacture and installation of all metal parts for roads, especially for road lighting, security barriers and traffic signals, tunnel lighting and traffic management
- electrification of railroads and tramways

## 6. CHANGES IN ACCOUNTING POLICIES

There are no new accounting policies.

