

Zagreb, 29 April 2018

# MANAGEMENT REPORT FOR I – III 2018

Unaudited, consolidated and unconsolidated



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# I. MANAGEMENT BOARD'S REPORT

In the first quarter of 2018 the total business revenues of Dalekovod d.d. was 205.8 million HRK which is a decrease of 8% compared to the same period in 2017. This is a consequence of a decrease in operating activities compared to the same period last year, both on foreign markets and the domestic market.

The Company's EBITDA in Q1 of 2018 is 13 million HRK lower compared to the same period last year. The decrease in EBITDA compared to the first quarter of 2017 was mainly due to a decrease in gross margin of 5.9 million HRK, due to a decrease in operating activity, an increase in negative exchange rates of 2.1 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 Q1 of 2018 for Dalekovod d.d. is 11.8 million HRK, which is an increase of 6.5 million HRK compared to the same period last year.

Dalekovod d.d. continued fulfilling their obligations resulting from financial restructuring in 2018, as in previous years. The creditors were repaid 29 million HRK and cumulatively from 2014 to 2018, Dalekovod d.d. repaid 350.3 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.

In the first quarter of 2018 the total business revenues of Dalekovod group amounts to 253 million HRK which represents a decrease by 11% compared to the same period in 2017. The consolidated EBITDA shows a decrease of 19 million HRK compared to the same period last year, mostly due to previously mentioned reasons related to Dalekovod d.d. activities.

Dalekovod group reached the planned EBITDA in the first three months, regardless of the decrease compared to the last year (planned seasonality and project-based activities).

The Group intends to continue with the internationalisation and growth in sales revenues on foreign markets, primarily focusing on regional, Scandinavian (Norway, Finland, Sweden), Eastern European (Ukraine, Georgia) and other markets (Jordan, Lebanon), and some EU markets (Poland, Latvia, Slovenia, Germany). In these markets there is 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 on 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 Premuzak

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)

## 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>	700.223.851	687.901.015	501.798.770	487.575.363
<b>I. INTANGIBLE ASSETS (004 to 009)</b>	<b>003</b>	6.785.437	5.954.037	11.003.454	10.138.476
1. Research & Development expenditure	004	0	0	0	0
2. Patents, licences, royalties, trade marks, software&similar rights	005	5.969.181	5.137.781	7.211.209	6.350.791
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	2.574.685
6. Other intangible assets	009	0	0		0
<b>II. TANGIBLE ASSETS (011 to 019)</b>	<b>010</b>	337.167.501	337.018.170	416.536.361	414.689.386
1. Land	011	0	0	20.612.199	20.568.299
2. Property	012	803.874	779.095	136.337.822	135.825.540
3. Plants and equipment	013	21.551.028	21.084.134	62.259.604	57.956.497
4. Tools, plants&v ehicles	014	15.411.168	20.790.002	28.243.137	33.966.522
5. Biological asset	015	0	0	0	0
6. Prepayments for tangible assets	016	0	0	0	0
7. Assets under construction	017	0	691	9.255.438	9.015.159
8. Other tangible assets	018	159.336.759	158.817.127	159.339.759	156.882.372
9. Investments property	019	140.064.672	135.547.121	488.401	474.996
<b>III. NON-CURRENT FINANCIAL ASSETS (021 to 028)</b>	<b>020</b>	308.301.783	307.253.899	26.165.296	24.745.441
1. Share in related parties	021	280.798.810	280.780.244	0	0
2. Loans to related parties	022	7.127.296	6.757.743	0	0
3. Participating interests (stakes)	023	7.000	7.000	7.000	7.000
4. Loans to participating interest	024	0	0	0	0
5. Investments in securities	025	1.343.025	870.650	1.599.335	875.632
6. Loans & deposits	026	19.025.652	18.838.262	24.558.961	23.862.809
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	37.674.909	48.093.659	38.002.060
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	37.674.909	48.093.659	38.002.060
<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	560.785.092	812.072.394	779.878.922
<b>I. INVENTORIES (036 to 042)</b>	<b>035</b>	8.240.766	6.893.251	160.596.439	172.230.062
1. Raw materials & consumables	036	6.501.169	6.648.029	54.779.952	60.926.775
2. Work in progress	037	0	173	10.160.871	16.479.256
3. Products	038	217.672	207.207	22.833.919	23.720.285
4. Merchandise	039	1.521.925	37.842	7.530.187	5.792.825
5. Prepayments for inventories	040	0	0	254.133	273.545
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	470.789.999	516.521.124	515.792.049
1. Receivables from related parties	044	30.070.234	28.644.571		0
2. Trade receivables	045	217.276.741	235.958.528	313.008.406	296.868.250
3. Receivables from participating parties	046	0	0	0	0
4. Amounts receivable from employees	047	5.078	53.914	23.685	78.866
5. Receivables from government agencies	048	9.667.482	8.559.004	14.342.466	14.163.152
6. Other receivables	049	185.675.115	197.573.982	189.146.566	204.681.781
<b>III. CURRENT FINANCIAL ASSETS (051 to 057)</b>	<b>050</b>	31.841.696	34.956.547	27.576.440	26.218.961
1. Share in related parties	051	0	0	0	0
2. Loans to related parties	052	8.716.833	10.834.790	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	493.527	496.950	493.527
6. Loans & deposits	056	22.627.913	23.628.230	27.079.490	25.725.434
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	48.145.295	107.378.391	65.637.850
<b>D) PREPAYMENTS AND ACCRUED INCOME</b>	<b>059</b>	2.583.322	2.643.390	3.104.509	3.348.605
<b>E) TOTAL ASSETS (001+002+034+059)</b>	<b>060</b>	1.274.933.357	1.251.329.497	1.316.975.674	1.270.802.890
<b>F) OFF-BALANCE SHEET ITEMS</b>	<b>061</b>	609.258.038	643.597.226	663.985.533	695.568.279

## EQUITY AND LIABILITIES

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	282.733.148	236.301.140	212.211.904
<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	87.214.738	87.214.738	87.214.738
<b>III. RESERVES FROM PROFIT (066+067-068+069+070)</b>	<b>065</b>	43.675.007	43.675.007	74.860.772	72.698.063
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	-6.072.138
<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	-241.676.178
1. Retained earnings	073	0	0	0	0
2. Loss brought forward	074	175.222.643	152.912.201	254.040.325	241.676.178
<b>VI. PROFIT OR LOSS FOR THE FINANCIAL YEAR (076-077)</b>	<b>075</b>	22.310.442	-11.839.935	12.364.147	-21.927.962
1. Profit for the financial year	076	22.310.442	0	12.364.147	0
2. Loss for the financial year	077	0	11.839.935	0	21.927.962
<b>VII. MINORITY INTEREST</b>	<b>078</b>	0	0	-693.731	-692.295
<b>B) PROVISIONS (080 to 082)</b>	<b>079</b>	21.805.338	21.777.144	25.135.246	24.955.794
1. Provisions for pensions, severance pay and similar liabilities	080	3.154.198	2.994.544	6.418.406	6.107.968
2. Provisions for tax obligations	081	0	0	0	0
3. Other provisions	082	18.651.140	18.782.600	18.716.840	18.847.827
<b>C) NON-CURRENT LIABILITIES (084 to 092)</b>	<b>083</b>	385.196.802	387.854.593	371.535.796	383.180.712
1. Liabilities to related parties	084	10.352.893	10.404.730	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	318.410.220	312.524.631	323.895.072
4. Amounts payable for prepayment	087	0	0	0	0
5. Trade payables	088	1.368.346	1.197.302	1.436.702	1.266.011
6. Amounts payable for securities	089	42.339.770	42.607.648	42.339.771	42.607.648
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	15.234.693	15.234.693	15.411.982
<b>D) CURRENT LIABILITIES (094 to 105)</b>	<b>093</b>	560.049.768	553.882.039	670.695.124	645.371.906
1. Liabilities to related parties	094	17.988.054	15.094.220	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	110.666.983	151.030.116	136.736.297
4. Amounts payable for prepayment	097	65.434.782	71.830.517	70.871.547	80.039.823
5. Trade payables	098	216.931.837	219.995.969	277.140.562	265.784.948
6. Amounts payable for securities	099	60.346.066	58.511.429	59.669.539	58.509.272
7. Liabilities toward participating interests	100	19.209	19.209	19.209	0
8. Liabilities to employees	101	32.487.397	32.880.800	54.717.065	55.792.390
9. Taxes, contributions and similar liabilities	102	35.189.353	29.783.048	40.568.227	34.139.406
10. Liabilities arising from share in the result	103	100.985	100.985	100.985	101.168
11. Liabilities arising from non-current assets held for sale	104	0	0	0	0
12. Other current liabilities	105	16.630.212	14.998.879	16.577.875	14.268.602
<b>E) ACCRUED EXPENSES AND DEFERRED INCOME</b>	<b>106</b>	13.308.366	5.082.573	13.308.368	5.082.573
<b>F) TOTAL LIABILITIES (062+079+083+093+106)</b>	<b>107</b>	1.274.933.357	1.251.329.497	1.316.975.674	1.270.802.890
<b>G) OFF-BALANCE SHEET ITEMS</b>	<b>108</b>	609.258.038	643.597.226	663.985.533	695.568.279
<b>ANNEX TO THE BALANCE SHEET (to be filled in by a company preparing the consolidated annual financial statement)</b>					
<b>A) CAPITAL AND RESERVES</b>					
1. Attributable to equity holders of the parent company's capital	109	0	0	236.994.871	212.904.199
2. Attributable to non-controlling interests	110	0	0	-693.731	-692.295

# 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>223.660.464</b>	<b>205.772.902</b>	<b>283.335.627</b>	<b>252.596.275</b>
1. Sales revenue	112	212.879.153	198.068.259	273.729.799	241.546.259
2. Other operating income	113	10.781.311	7.704.643	9.605.829	11.050.016
<b>II. OPERATING EXPENSES (115+116+120+124+125+126+129+130)</b>	<b>114</b>	<b>220.258.547</b>	<b>215.326.063</b>	<b>284.661.923</b>	<b>273.075.490</b>
1. Changes in inventories of finished products and work in progress	115	9.033	10.464	-5.348.456	-7.360.995
2. Material costs (117 to 119)	116	159.284.604	129.981.326	198.225.480	163.743.764
a) Cost of raw materials & consumables	117	68.141.487	47.759.676	79.485.388	66.559.138
b) Cost of goods sold	118	42.031.402	25.103.734	60.658.919	32.891.335
c) Other costs	119	49.111.715	57.117.916	58.081.173	64.293.291
3. Staff costs (121 to 123)	120	35.624.232	46.726.261	59.247.790	69.387.704
a) Net salaries	121	25.869.713	36.013.114	40.681.026	50.254.243
b) Employee income tax	122	6.157.761	6.792.699	11.954.244	11.938.985
c) Tax on payroll	123	3.596.758	3.920.448	6.612.520	7.194.475
4. Depreciation and amortisation	124	8.584.077	8.462.649	10.793.991	10.783.275
5. Other expenditures	125	2.603.455	2.895.128	5.189.186	4.556.561
6. Value adjustment (127+128)	126	18.219	0	18.219	39.911
a) non-current assets (without financial assets)	127	18.219	0	18.219	39.911
b) current assets (without financial assets)	128	0	0	0	0
7. Provisions	129	0	0	0	45
8. Other operating expenses	130	14.134.927	27.250.235	16.535.712	31.925.226
<b>III. FINANCIAL INCOME (132 to 136)</b>	<b>131</b>	<b>951.110</b>	<b>6.262.604</b>	<b>4.546.230</b>	<b>7.126.398</b>
1. Interest income, foreign exchange differences, dividends and other financial income related to subsidiaries	132	189.713	4.422.440	0	0
2. Interest income, foreign exchange differences, dividends and other financial income related to third parties	133	761.389	1.840.138	4.546.222	7.126.372
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	8	26	8	26
<b>IV. FINANCIAL COSTS (138 to 141)</b>	<b>137</b>	<b>8.849.789</b>	<b>8.549.378</b>	<b>8.735.292</b>	<b>8.562.340</b>
1. Interest, foreign exchange differences and other expenses related to subsidiaries	138	452.002	332.631	0	0
2. Interest, foreign exchange differences and other expenses related to third parties	139	8.396.127	8.202.189	8.732.551	8.553.030
3. Unrealized loss (expenses) from the financial assets	140	0	0	0	0
4. Other financial expenses	141	1.660	14.558	2.741	9.310
<b>V. SHARE OF INCOME OF ASSOCIATES</b>	<b>142</b>	<b>0</b>	<b>0</b>	<b>582.736</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>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>224.611.574</b>	<b>212.035.506</b>	<b>288.464.593</b>	<b>259.722.673</b>
<b>X. TOTAL EXPENSES (114+137+143 + 145)</b>	<b>147</b>	<b>229.108.336</b>	<b>223.875.441</b>	<b>293.397.215</b>	<b>281.637.830</b>
<b>XI. PROFIT OR LOSS BEFORE TAX (146-147)</b>	<b>148</b>	<b>-4.496.762</b>	<b>-11.839.935</b>	<b>-4.932.621</b>	<b>-21.915.157</b>
1. Profit before tax (146-147)	149	0	0	0	0
2. Loss before tax (147-146)	150	4.496.762	11.839.935	4.932.621	21.915.157
<b>XII. INCOME TAX EXPENSE</b>	<b>151</b>	<b>818.525</b>	<b>0</b>	<b>923.829</b>	<b>12.805</b>
<b>XIII. PROFIT OR LOSS FOR THE PERIOD (148-151)</b>	<b>152</b>	<b>-5.315.287</b>	<b>-11.839.935</b>	<b>-5.856.451</b>	<b>-21.927.962</b>
1. Profit for the period (149-151)	153	0	0	0	0
2. Loss for the period (151-148)	154	5.315.287	11.839.935	5.856.451	21.927.962
<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	-5.856.451	-21.927.962
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>-5.315.287</b>	<b>-11.839.935</b>	<b>-5.856.451</b>	<b>-21.927.962</b>
<b>II. OTHER COMPREHENSIVE INCOME /LOSS BEFORE TAX (159 to 165)</b>	<b>158</b>	<b>0</b>	<b>0</b>	<b>-590.541</b>	<b>-2.162.709</b>
1. Exchange differences arising from foreign operations	159	0	0	-590.541	-2.162.709
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>-590.541</b>	<b>-2.162.709</b>
<b>V. TOTAL COMPREHENSIVE INCOME/LOSS FOR THE PERIOD (157+167)</b>	<b>168</b>	<b>-5.315.287</b>	<b>-11.839.935</b>	<b>-6.446.992</b>	<b>-24.090.671</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	-6.442.390	-24.073.465
2. Attributable to non-controlling interests	170	0	0	-4.601	-17.206





# 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>CASH FLOW FROM OPERATING ACTIVITIES</b>					
1. Pre-tax profit	001	-4.496.762	-11.839.935	-4.932.621	-21.915.157
2. Depreciation	002	8.584.077	8.462.649	10.793.991	10.783.275
3. Increase in short-term liabilities	003	55.041.075	170.298	55.774.308	0
4. Decrease in short-term receivables	004	0	0	0	0
5. Reduction of stocks	005	0	1.347.515	0	0
6. Other increase in cash flow	006	0	0	0	12.240.529
<b>I. Total increase in cash flow from operating activities (001 to 006)</b>	<b>007</b>	<b>59.128.390</b>	<b>-1.859.473</b>	<b>61.635.678</b>	<b>1.108.647</b>
1. Decrease in short-term liabilities	008	0	0	0	6.906.014
2. Increase in short-term receivables	009	24.477.119	17.256.124	10.676.876	0
3. Increase in stocks	010	10.522.073	0	21.637.369	11.633.623
4. Other decrease in cash flow	011	42.128.660	4.426.781	44.556.424	11.533.189
<b>II Total decrease in cash flow from operating activities (008 to 011)</b>	<b>012</b>	<b>77.127.852</b>	<b>21.682.905</b>	<b>76.870.670</b>	<b>30.072.826</b>
<b>A1) NET INCREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES</b>	<b>013</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>A2) NET DECREASE IN CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>014</b>	<b>17.999.462</b>	<b>23.542.378</b>	<b>15.234.992</b>	<b>28.964.179</b>
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>					
1. Cash receipts from sale of fixed tangible and intangible assets	015	0	152.880	0	152.880
2. Cash receipts from sale of treasury and debt financial instruments	016	0	0	0	0
3. Cash receipts from interests	017	0	166.994	0	166.994
4. Cash receipts from dividends	018	0	1.411.737	0	0
5. Other cash receipts from investment activities	019	952.762	1.187.161	893.307	1.190.485
<b>III. Total cash receipts from investment activities (015 to 019)</b>	<b>020</b>	<b>952.762</b>	<b>2.918.772</b>	<b>893.307</b>	<b>1.510.359</b>
1. Expenditures for buying fixed assets and intangible assets	021	9.376.554	7.481.918	10.857.076	7.514.432
2. Expenditures for purchasing treasury and debt financial instruments	022	4.406.258	0	0	0
3. Other expenditures from investment activities	023	0	3.005.000	0	0
<b>IV. Total expenditures from investment activities (021 to 023)</b>	<b>024</b>	<b>13.782.812</b>	<b>10.486.918</b>	<b>10.857.076</b>	<b>7.514.432</b>
<b>B1) NET INCREASE IN CASH FLOW FROM INVESTMENT ACTIVITIES</b>	<b>025</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>b2) NET DECREASE IN CASH FLOW FROM INVESTMENT ACTIVITIES</b>	<b>026</b>	<b>12.830.050</b>	<b>7.568.146</b>	<b>9.963.769</b>	<b>6.004.073</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 loans	028	2.306.278	0	2.187.576	18.000.000
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>2.306.278</b>	<b>0</b>	<b>2.187.576</b>	<b>18.000.000</b>
1. Expenditures for repayment of loan principal and bonds	031	5.456.165	5.706.342	5.317.292	20.336.816
2. Expenditures for payment of dividends	032	0	0	0	0
3. Expenditures for financial leasing	033	3.551.574	4.386.911	3.637.387	4.388.320
4. Expenditures for redemption of treasury shares	034	0	0	0	0
5. Other expenditures from financial activities	035	2.070.564	0	2.070.565	47.153
<b>VI. Total expenditures from financial activities (031 to 035)</b>	<b>036</b>	<b>11.078.303</b>	<b>10.093.253</b>	<b>11.025.244</b>	<b>24.772.289</b>
<b>C1) NET INCREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES</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</b>	<b>038</b>	<b>8.772.025</b>	<b>10.093.253</b>	<b>8.837.668</b>	<b>6.772.289</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	39.601.537	41.203.777	34.036.429	41.740.541
<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>39.601.537</b>	<b>41.203.777</b>	<b>34.036.429</b>	<b>41.740.541</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>044</b>	<b>47.247.406</b>	<b>48.145.295</b>	<b>71.391.695</b>	<b>65.637.850</b>



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

Name of position:	AOP	Previous period	Current period	Previous period	Current period
		<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	87.214.738	87.214.738	87.214.738	87.214.738
3. Reserves from profit	003	43.675.007	43.675.007	74.860.772	72.698.063
4. Retained profit or loss carried forward	004	-175.222.643	-152.912.201	-254.040.325	-241.676.178
5. Profit or loss of current year	005	22.310.442	-11.839.935	12.364.147	-21.927.962
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>282.733.148</b>	<b>236.994.871</b>	<b>212.904.199</b>
11. Foreign exchange differences arising from the titles of net investment in foreign operations	011	0	0	-721.078	-2.162.709
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	-11.839.935	13.442.669	-21.927.963
<b>17. Total increase or decrease in equity (AOP 011 to 016)</b>	<b>017</b>	<b>23.389.416</b>	<b>-11.839.935</b>	<b>12.721.591</b>	<b>-24.090.672</b>
17 a. Attributed to parent company equity holders	018	0	0	236.994.871	212.904.199
17 b. Attributed to minority interest	019	0	0	-693.731	-692.295

## 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

Marko Lesić – Chairman of the Supervisory Board

Ivan Peteržilnik – Deputy Chairman of the Supervisory Board

Krešimir Ružđak – Supervisory Board member

Vlado Čović – Supervisory Board member

Hrvoje Markovinović – Supervisory Board member

Milan Račić – Supervisory Board member

Marko Makek – Supervisory Board member

Mirela Tomljanović Radović – Supervisory Board member

Rajko Pavelić – Supervisory Board 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 31 March 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 quarter of 2018.

## 4. UNCERTAINTY

There were no identified suspicious or disputable claims in the first quarter 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.