



I-VI/2020

DALEKOVOD GROUP AND DALEKOVOD D.D. UNAUDITED FINANCIAL RESULTS

30/07/2020

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Business revenue and EBITDA Dalekovod Group (I-VI/2020)

BUSINESS REVENUE

601,4 million kuna

EBITDA

32 million kuna

NET PROFIT

5,8 million kuna

Business revenue and EBITDA Dalekovod d.d. (I-VI/2020)

BUSINESS REVENUE

489 million kuna

EBITDA

39,2 million kuna

NET PROFIT

20,4 million kuna

In the reporting period of I-VI 2020 in the consolidated reports, Dalekovod Group (hereinafter: Group) consist of:

- Dalekovod d.d., Croatia
- Proizvodnja MK d.o.o., Croatia
- Proizvodnja OSO d.o.o., Croatia
- Cinčanonica usluge d.o.o., Croatia
- Dalekovod Projekt d.o.o., Croatia
- Dalekovod EMU d.o.o., Croatia
- Dalekovod Adria d.o.o., Croatia
- EL-RA d.o.o., Croatia
- Dalekovod Mostar d.o.o., BIH
- Dalekovod Ljubljana d.o.o., Slovenia
- Dalekovod Norge AS, Norway
- Dalekovod Polska S.A, Poland
- Dalekovod Ukrajina d.o.o., Ukraine

Management Report

Key Indicators

The operations of the Dalekovod Group (hereinafter: the Group) and the parent company (hereinafter: the Company) during the first six months of 2020, despite the challenging situation caused by the COVID-19 virus pandemic, were marked by a high level of business activities, which had a positive impact on business results for the first six months of 2020.

The Group closely monitors the situation regarding the impact of COVID-19 and potential impacts on the operations of all Group companies. The situation in the key markets of Dalekovod, in Scandinavia and in the domestic market is stable, the works are being performed without delays with parallel planning of actions in case of escalation. Activities focused on the amount and optimization of costs were significantly carried out during the last year, while the Group's management is working intensively on the implementation of other activities envisaged by the restructuring plan. Among the most important would be the improvement of processes related to project activities, especially in the part of contracting, project implementation and procurement process and the restructuring of the production part of the Group i.e. companies Proizvodnja MK d.o.o. and Proizvodnja OSO d.o.o..

During the year, the Group contracted works worth over HRK 600 million and the current value of contracted works amounts to more than HRK 1.5 billion.

Financial results for period I-VI 2020

The Group's operating revenues amount to HRK 601.4 million and are 8 percent higher compared to the same period last year. EBITDA at the group level amounts to HRK 32 million, which is an increase of HRK 22.7 million compared to the same period last year. The Company's operating revenues amount to HRK 489 million and are 18 percent higher compared to the same period last year. EBITDA at the Company level amounts to HRK 39.2 million, which is an increase of HRK 20.5 million compared to the same period last year. Operating profit (EBIT) increased strongly in the reporting period, amounting to HRK 15.7 million for the Group and HRK 25.4 million for the Company. Such realization represents an increase of HRK 24.7 million compared to the same period last year at the Group level. A similar trend was recorded at the level of net profit, where an increase was also recorded compared to the same period last year, which during the first quarter of the previous year was influenced by a one-off item of wind farm sales in the amount of HRK 44.5 million and HRK 37.6 million kuna with the Company.

Significant growth in revenues and EBITDA indicators is the result of the high level of contracted operations and the optimization of the cost structure in the context of the restructuring process that began during the previous year. Overhead costs related to the costs of the Group's employees are lower by HRK 10.7 million, and the Company's by HRK 8.9 million compared to the same period last year. A similar trend of lower overhead costs is expected in the future.

Overview of key segments business

The Energy sector (construction of transmission lines and substations) recorded revenue growth of 33% in the first half of the year compared to the same period last year, with total revenues amounting to HRK 432 million. The largest share of revenues was generated on the foreign market, i.e. 93%. The high and low voltage department is currently carrying out works on 22 major projects and 17 smaller ones, and substation department on 4 large projects and 9 smaller ones. During the first half of 2020, **6 new projects in the high and low voltage department and 2 projects in the substation department, with a total value of 550 million kuna, have been contracted.**

The Infrastructure sector recorded a 22% drop in revenues compared to the same period last year, with total revenues this year amounting to HRK 46 million. The largest number of projects relate to the investor HŽ Infrastruktura, followed by HAC and the City of Zagreb. **Two projects amounting to HRK 31.5 million have been contracted and several contracts are in the tendering phase.**

The production segment during the reporting period is marked by separation of the company Proizvodnja MK and OSO d.o.o. into two companies, Proizvodnja MK d.o.o. and Proizvodnja OSO d.o.o. Separation will allow for more efficient implementation of separate development

strategies for each segment with the aim of increasing the efficiency of the operations of both companies. Looking at both companies during the first half, there was a 45 per cent drop in revenues. Revenues for both companies totalled HRK 62.9 million. A significant decrease was recorded in the company Proizvodnja MK d.o.o., due to a change in the strategy of development of the company i.e. reduction of activities with a reduction in the number of employees and a focus on more profitable projects

The design segment, which is related to the activities of Dalekovod Projekt d.o.o., recorded an 18% drop in operating income of 15.4 million kuna. Due to the crisis caused by the spread of the Covid-19 virus, there has been a decline in activity in all markets in which the Company operates.

Among other segments we would emphasize activities related to **Cinčaonica usluge d.o.o.** As the Management previously informed the public, The Company Dalekovod d.d. entered into a settlement in mid-July with the largest individual creditor from pre-bankruptcy settlement Heta asset resolution d.o.o. on the arrangement of relations from three leasing contracts, concluded as far back as 2008 on the basis of which, HETA is an excremental creditor on an asset that is galvanization plant in Dugo Selo. In addition, Cinčaonica usluge d.o.o. generated revenues of HRK 21.7 million and negative EBITDA in the amount of HRK 2.1 million.

Operational and financial restructuring process

Following the start of the restructuring process in 2019, during this year, the Group carried out a series of activities aimed at optimizing its business and raising the profitability and reducing the Group's indebtedness.

In the context of financial restructuring, the Company signed a settlement in July with the largest single creditor in the Pre-Bankruptcy Settlement, as mentioned above, HETA Asset Resolution d.o.o. The settlement covered a financial debt of almost HRK 100 million, i.e. approximately 1/3 of total financial debt of Dalekovoda d.d. which has an impact on cash flow under the pre-bankruptcy settlement. The economic value of the settlement is approximately 70 million kuna, resulting in a decrease in the total debt of Dalekovod Group of 61 million kuna and receipt in cash of approximately 8 million kuna. The settlement significantly improves the financial position of Dalekovod, reduces total balance sheet debt, and significantly improves cash flow which has been negatively influenced by the repayment of liabilities at the specified HETA leasing, which in the next two and a half years would represent about two-thirds of all repayments per pre-bankruptcy settlement.

The operational restructuring of the production segment is marked by the separation of Proizvodnja MK and OSO d.o.o. into two companies. In the company Proizvodnja MK d.o.o. a collective surplus procedure has been initiated involving approximately 50 employees i.e. 1/3 of all employees of the company concerned. Operational restructuring of the production segment aims to achieve the operational sustainability of these companies or to focus on a smaller number of projects with greater profitability.

In addition, after the reporting period, the Company has entered into an agreement to sell the subsidiary of Dalekovod Polska S.A. By extracting Dalekovod Polska S.A. the Company shifts its focus on markets where it is dominant and successful and where development prospects are expected in the coming time. The transaction itself does not have a material impact on the Group's financial position.

Financial results for I-VI/2020

Key business Indicators

Indicators (in 000 kuna)	Dalekovod Group			Dalekovod d.d.		
	I-VI/2019	I-VI/2020	Index	I-VI/2019	I-VI/2020	Index
Business revenues	556,786	601,411	108	416,040	489,000	118
Sales revenue	539,263	589,170	109	375,407	468,984	125
Operating expenses	565,754	585,668	104	411,524	463,601	113
EBITDA	9,353	32,045	+22,692kn	18,619	39,168	+20,549kn
EBIT	-8,968	15,743	+24,711kn	4,516	25,400	+20,884kn
Net profit	30,042	5,853	-24,189kn	36,686	20,416	-16,270kn
EBITDA margin	1.7%	5.3%		4.5%	8.0%	

Type of Financial debt (in 000 kuna)	Dalekovod Group			Dalekovod d.d.		
	31/12/2019	30/06/2020	Index	31/12/2019	30/06/2020	Index
Senior debt	212,875	214,064	101	212,875	214,064	101
Financial Leasing	101,324	96,680	95	100,985	96,254	95
Bonds	16,871	15,701	93	22,261	20,727	93
Mezzanine	29,516	30,109	102	33,721	34,407	102
SSR debt	67,239	66,179	98	67,239	66,179	98
Other	10,822	19,939	184	14,724	23,436	159
Total financial debt	438,647	442,672	101	451,805	455,067	101
Cash	61,519	66,014	107	49,553	54,375	110
Net financial debt	377,128	376,658	100	402,252	400,692	100
Financial debt*	341,892	346,384	101	350,845	354,481	101

*Financial debt adjusted for debt that has no impact on the company's operating cash flows: (i) Mezzanine debt (ii) Discernicial debt.

Proforma financial debt balance including a settlement with HETA Asset Resolution d.o.o. (after balance sheet date)

Type of Financial debt (in 000 kuna)	Dalekovod Group			Dalekovod d.d.		
	31/12/2019	30/06/2020**	Index	31/12/2019	30/06/2020**	Index
Senior debt	212,875	214,064	101	212,875	214,064	101
Financial Leasing	101,324	24,876	25	100,985	24,450	24
Bonds	16,871	15,701	93	22,261	20,727	93
Mezzanine	29,516	30,109	102	33,721	34,407	102
SSR debt	67,239	66,179	98	67,239	66,179	98
Other	10,822	19,939	184	14,724	23,436	159
Total financial debt	438,647	370,868	85	451,805	383,263	85
Cash	61,519	66,014	107	49,553	54,375	110
Net financial debt	377,128	304,854	81	402,252	328,888	82
Financial debt*	341,892	274,580	80	350,845	282,677	81

*Financial debt adjusted for debt that has no impact on the company's operating cash flows: (i) Mezzanine debt (ii) Discernicial debt.

** 30.06.2020 Proforma balance after balance sheet date (after the decency of Heta leasing)

Group's assets fell 2 per cent as of December 31, 2019. The decrease is repercussion to a decrease in short-term assets, primarily receivables from buyers and other receivables. The commitments with the Group are reduced by HRK 27.7 million and are mainly connected to the reduction of provisions and long-term liabilities.

The Company recorded a 2 per cent rise in assets i.e. 14.5 million kuna respectively. The largest increase is the result

of an increase in customer receivables of HRK 10.7 million. Capital is up 69 per cent and amounts to 50 million kuna. The company's liabilities were reduced to HRK 783 million as a result of a 13% reduction in provisions. In addition to provisions, long-term liabilities are lower due to changes in the maturity of long-term loans maturing within one year and have been transferred to short-term liabilities, which is the reason for the increase.

Dalekovod Group (u 000 kn)	Dalekovod Group			Dalekovod d.d.		
	31.12.2019	30.06.2020	Index	31.12.2019	30.06.2020	Index
ASSETS	946,633	924,897	98	818,522	833,044	102
Fixed Assets	395,851	399,541	101	421,035	423,112	100
Short-term assets	550,782	525,356	95	397,487	409,932	103
LIABILITIES	864,118	836,372	97	788,902	783,009	99
Reservations	36,270	32,395	89	31,468	27,371	87
LT debt	376,594	360,856	96	384,850	369,789	96
ST debt	451,254	443,121	98	372,584	385,849	104
CAPITAL	82,515	88,525	107	29,620	50,035	169

Basic indicators of Group members

Company name (in 000 kuna)	Business revenues			EBITDA		
	I-VI/2019	I-VI/2020	Index	I-VI/2019	I-VI/2020	Index
Dalekovod d.d.	416,040	489,000	118	18,619	39,168	+20,549kn
Proizvodnja MK d.o.o.*		35,735			(9,400)	
Proizvodnja OSO d.o.o.*	113,755	27,186	55	(11,686)	3,661	+5,947kn
Dalekovod Projekt d.o.o.	18,762	15,383	82	590	227	-363kn
Cinčaonica Usluge d.o.o.	16,696	21,696	130	2,498	(2,148)	-4,646kn
Dalekovod EMU d.o.o.	1,614	2,056	127	378	588	+210kn
Other Affiliates	37,970	54,478	143	(699)	2,125	+2,824kn
Elimination	(48,051)	(44,123)	92	(347)	(2,176)	-1,829kn
Group Total	556,786	601,411	108	9,353	32,045	+22,692kn

*** On the day March 1, 2020, in company Proizvodnja MK i OSO d.o.o. economic unit relating to the production of suspension and jointing equipment has been allocated. The above-mentioned economic unit continues its operations as a separate business entity Proizvodnja OSO d.o.o. (OIB: 55411035652), and Proizvodnja MK i OSO d.o.o. changes its name to Proizvodnja MK d.o.o.

Dalekovod d.d. Management Board:



Tomislav Rosandić
predsjednik Uprave



Ivan Kurobasa
Board Member



Hrvoje Šek
član Uprave



Đuro Tatašević
Board Member

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: Tomislav Rosandić – President of the Board, Hrvoje Išek – Member of the Board, Ivan Kurobasa – Member of the Board, Đuro Tatalović – Member of the Board, issue the following

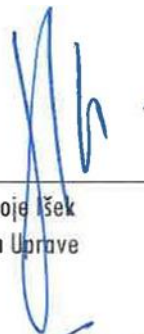
DECLARATION

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.

Dalekovod d.d. Management Board:



Tomislav Rosandić
predsjednik Uprave



Hrvoje Išek
član Uprave



Ivan Kurobasa
Board Member



Đuro Tatalović
Board Member

Group financial report for I-VI 2020 period

Financial position report

Item	AOP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
ASSETS			
A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID	1	-	-
B) FIXED ASSETS (ADP 003+010+020+031+036)	2	395,850,703	399,541,564
I INTANGIBLE ASSETS (ADP 004 to 009)	3	6,056,676	5,465,412
II TANGIBLE ASSETS (ADP 011 to 019)	10	339,294,668	333,865,152
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	20	13,734,197	10,647,018
IV RECEIVABLES (ADP 032 to 035)	31	36,765,161	49,563,982
V DEFERRED TAX ASSETS	36	-	-
C) CURRENT ASSETS (ADP 038+046+053+063)	37	547,440,651	518,456,985
I INVENTORIES (ADP 039 to 045)	38	85,247,917	80,086,706
II RECEIVABLES (ADP 047 to 052)	46	386,124,913	357,355,484
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)	53	14,548,513	15,000,709
IV CASH AT BANK AND IN HAND	63	61,519,308	66,014,086
D) PREPAID EXPENSES AND ACCRUED INCOME	64	3,341,230	6,898,561
E) TOTAL ASSETS (ADP 001+002+037+064)	65	946,632,584	924,897,110
OFF-BALANCE SHEET ITEMS	66	487,526,376	363,472,674
LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to 070+076+077+081+084+087)	67	82,514,227	88,524,248
I INITIAL (SUBSCRIBED) CAPITAL	68	247,193,050	247,193,050
II CAPITAL RESERVES	69	86,141,670	86,141,670
III RESERVES FROM PROFIT (ADP 071+072-073+074+075)	70	74,430,517	74,587,561
IV REVALUATION RESERVES	76	40,706,979	40,706,979
V FAIR VALUE RESERVES (ADP 078 to 080)	77	-	-
VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 082-083)	81	(369,208,977)	(365,957,988)
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 085-086)	84	3,250,989	5,852,976
VIII MINORITY (NON-CONTROLLING) INTEREST	87	-	-
B) PROVISIONS (ADP 089 to 094)	88	36,270,122	32,395,405
C) LONG-TERM LIABILITIES (ADP 096 to 106)	95	376,594,147	360,856,042
D) SHORT-TERM LIABILITIES (ADP 108 to 121)	107	437,706,563	434,514,481
E) ACCRUALS AND DEFERRED INCOME	122	13,547,524	8,606,933
F) TOTAL – LIABILITIES (ADP 067+088+095+107+122)	123	946,632,584	924,897,110
G) OFF-BALANCE SHEET ITEMS	124	487,526,376	363,472,674

Profit and loss report

Item	AOP code	Same period of the previous year		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
I OPERATING INCOME (ADP 126 to 130)	125	556,786,322	336,095,494	601,411,080	321,978,293
2 Income from sales (outside group)	127	539,263,364	323,757,358	589,169,732	313,639,786
5 Other operating income (outside the group)	130	17,522,958	12,338,136	12,241,348	8,338,507
II OPERATING EXPENSES (ADP 132+133+137+141+142+143+146+153)	131	565,754,182	312,629,309	585,668,437	314,130,072
1 Changes in inventories of work in progress and finished goods	132	(6,009,918)	2,662,491	2,276,563	2,265,346
2 Material costs (ADP 134 to 136)	133	339,819,467	183,039,432	356,595,771	188,485,748
a) Costs of raw materials and consumables	134	119,093,914	62,064,712	178,665,366	98,014,378
b) Costs of goods sold	135	81,697,426	29,454,112	33,149,850	13,502,706
c) Other external costs	136	139,028,127	91,520,608	144,780,555	76,968,665
3 Staff costs (ADP 138 to 140)	137	146,248,841	80,412,226	146,240,321	80,660,996
a) Net salaries and wages	138	108,674,829	62,188,316	113,326,525	63,966,495
b) Tax and contributions from salary costs	139	24,065,090	11,610,872	20,489,348	10,365,484
c) Contributions on salaries	140	13,508,922	6,613,038	12,424,448	6,329,017
4 Depreciation	141	18,320,469	8,969,225	16,302,100	8,240,181
5 Other costs	142	13,118,296	8,044,644	12,046,735	6,417,540
6 Value adjustments (ADP 144+145)	143	30,111	-	234,863	16,429
b) current assets other than financial assets	145	30,111	-	234,863	16,429
7 Provisions (ADP 147 to 152)	146	1,612,286	1,612,286	-	-
c) Provisions for ongoing legal cases	149	1,612,286	1,612,286	-	-
8 Other operating expenses	153	52,614,630	27,889,005	51,972,083	28,043,831
III FINANCIAL INCOME (ADP 155 to 164)	154	52,564,507	2,066,430	4,862,417	524,648
7 Other interest income	161	430,890	207,828	391,588	241,560
8 Exchange rate differences and other financial income	162	4,779,183	1,658,718	4,274,562	93,405
10 Other financial income	164	47,354,434	199,884	196,268	189,682
IV FINANCIAL EXPENSES (ADP 166 to 172)	165	13,362,296	7,362,023	14,454,756	(1,709,684)
3 Interest expenses and similar expenses	168	7,975,219	4,338,804	7,385,180	5,115,818
4 Exchange rate differences and other expenses	169	5,387,077	3,023,219	7,069,576	(6,825,501)
IX TOTAL INCOME (ADP 125+154+173 + 174)	177	609,350,829	338,161,924	606,273,497	322,502,940
X TOTAL EXPENDITURE (ADP 131+165+175 + 176)	178	579,116,478	319,991,332	600,123,193	312,420,388
XI PRE-TAX PROFIT OR LOSS (ADP 177-178)	179	30,234,351	18,170,592	6,150,304	10,082,552
1 Pre-tax profit (ADP 177-178)	180	30,234,351	18,170,592	6,150,304	10,082,552
XII INCOME TAX	182	192,472	108,710	297,327	77,005
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 179-182)	183	30,041,879	18,061,882	5,852,976	10,005,547
1 Profit for the period (ADP 179-182)	184	30,041,879	18,061,882	5,852,976	10,005,547
XIX PROFIT OR LOSS FOR THE PERIOD (ADP 200+201)	199	30,041,879	18,061,882	5,852,976	10,005,546
1. Pripisana imateljima kapitala matice	200	30,041,879	18,061,882	5,852,976	10,005,546
STATEMENT OF OTHER COMPREHENSIVE INCOME (to be filled in by undertakings subject to IFRS)					
I PROFIT OR LOSS FOR THE PERIOD	202	30,041,879	18,061,882	5,852,976	10,005,546
II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 204 to 211)	203	(1,812,998)	(528,401)	157,044	(87,972)
1 Exchange rate differences from translation of foreign operations	204	(1,812,998)	(528,401)	157,044	(87,972)
IV NET OTHER COMPREHENSIVE INCOME OR LOSS (ADP 203-212)	213	(1,812,998)	(528,401)	157,044	(87,972)
V COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 202+213)	214	28,228,881	17,533,481	6,010,021	9,917,575
APPENDIX to the Statement on comprehensive income (to be filled in by undertakings th					
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 216+217)	215	28,228,881	17,533,481	9,261,010	13,168,564
1 Attributable to owners of the parent	216	28,228,881	17,533,481	9,261,010	13,168,564

Cash flow report

Item	AOP code	Same period of the previous year	Current period
1	2	3	4
Cash flow from operating activities			
1 Pre-tax profit	1	30,041,879	6,150,304
2 Adjustments (ADP 003 to 010):	2	(19,726,291)	30,437,376
a) Depreciation	3	18,320,469	16,302,100
b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets	4	(80,562)	-
c) Gains and losses from sale and unrealised gains and losses and value adjustment of financial assets	5	(47,350,902)	1,590,693
d) Interest and dividend income	6	(430,890)	(391,588)
e) Interest expenses	7	7,975,219	7,385,180
f) Provisions	8	1,612,286	-
g) Exchange rate differences (unrealised)	9	228,089	5,550,990
I Cash flow increase or decrease before changes in working capital (ADP 001+002)	11	10,315,588	36,587,680
3 Changes in the working capital (ADP 013 to 016)	12	(56,675,767)	(32,008,938)
a) Increase or decrease in short-term liabilities	13	(35,703,366)	(3,192,082)
b) Increase or decrease in short-term receivables	14	(42,239,378)	28,769,429
c) Increase or decrease in inventories	15	93,496	5,161,212
d) Other increase or decrease in working capital	16	21,173,481	(62,747,497)
II Cash from operations (ADP 011+012)	17	(46,360,179)	4,578,742
4 Interest paid	18	(6,213,430)	(2,954,390)
5 Income tax paid	19	-	5,337,314
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)	20	(52,573,609)	6,961,666
1 Cash receipts from sales of fixed tangible and intangible assets	21	10,000	3,219
2 Cash receipts from sales of financial instruments	22	108,702,713	-
3 Interest received	23	652,158	165
5 Cash receipts from repayment of loans and deposits	25	136,840	92,707
6 Other cash receipts from investment activities	26	-	3,600,046
III Total cash receipts from investment activities (ADP 021 to 026)	27	109,501,711	3,696,137
1 Cash payments for the purchase of fixed tangible and intangible assets	28	(4,655,226)	(8,891,737)
3 Cash payments for loans and deposits for the period	30	(10,896,528)	(39,500)
IV Total cash payments from investment activities (ADP 028 to 032)	33	(15,551,754)	(8,931,237)
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)	34	93,949,957	(5,235,100)
3 Cash receipts from credit principals, loans and other borrowings	37	24,830,780	10,403,787
V Total cash receipts from financing activities (ADP 035 to 038)	39	24,830,780	10,403,787
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial	40	(82,916,539)	(4,380,629)
2 Cash payments for dividends	41	-	(22,316)
3 Cash payments for finance lease	42	(5,548,350)	(3,072,274)
4 Cash payments for the redemption of treasury shares and decrease in initial (subscribed) capital	43	-	(160,356)
5 Other cash payments from financing activities	44	(109,578)	-
VI Total cash payments from financing activities (ADP 040 to 044)	45	(88,574,467)	(7,635,575)
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)	46	(63,743,687)	2,768,212
D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 020+034+046+047)	48	(22,367,339)	4,494,778
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	49	66,179,291	61,519,308
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD(ADP 048+049)	50	43,811,952	66,014,086

Report on changes in capital for the current period

Item	AOP code	Attributable to owners of the parent											Minority (non-controlling) interest	Total capital and reserves
		Initial (subscribed) capital	Capital reserves	Legal reserves	Reserves for treasury shares	shares and holdings (deductible item)	Statutory reserves	Other reserves	Revaluation reserves	Retained profit / loss brought forward	Profit/loss for the business year	Total attributable to owners of the parent		
1	2	3	4	5	6	7	8	9	10	14	15	+ 8 do 15)	17	18 (16+17)
Current period														
1 Balance on the first day of the current business year	27	247,193,050	86,141,670	11,652,410	8,465,950	8,465,950	32,188,407	30,589,700	40,706,979	(369,208,977)	3,250,989	82,514,228	-	82,514,228
2 Changes in accounting policies	28	-	-	-	-	-	-	-	-	-	-	-	-	-
3 Correction of errors	29	-	-	-	-	-	-	-	-	-	-	-	-	-
4 Balance on the first day of the current business year (restated) (ADP 2	30	247,193,050	86,141,670	11,652,410	8,465,950	8,465,950	32,188,407	30,589,700	40,706,979	(369,208,977)	3,250,989	82,514,228	-	82,514,228
5 Profit/loss of the period	31	-	-	-	-	-	-	-	-	-	5,852,976	5,852,976	-	5,852,976
6 Exchange rate differences from translation of foreign operations	32	-	-	-	-	-	-	157,044	-	-	-	157,044	-	157,044
20 Other distribution to owners	46	-	-	-	-	-	-	-	-	3,250,989	(3,250,989)	-	-	-
23 Balance on the last day of the current business year reporting period (	49	247,193,050	86,141,670	11,652,410	8,465,950	8,465,950	32,188,407	30,746,744	40,706,979	(365,957,988)	5,852,976	88,524,248	-	88,524,248
APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)														
I OTHER COMPREHENSIVE INCOME FOR THE CURRENT PERIOD, NET OF	50	-	-	-	-	-	-	157,044	-	-	-	157,044	-	157,044
II COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 3	51	-	-	-	-	-	-	157,044	-	-	5,852,976	6,010,020	-	6,010,020
III TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED	52	-	-	-	-	-	-	-	-	3,250,989	(3,250,989)	-	-	-

Report on changes in capital for the previous period

Item	AOP code	Attributable to owners of the parent											Minority (non-controlling) interest	Total capital and reserves
		Initial (subscribed) capital	Capital reserves	Legal reserves	Reserves for treasury shares	Treasury shares and holdings (deductible item)	Statutory reserves	Other reserves	Revaluation reserves	Retained profit / loss brought forward	Profit/loss for the business year	Total attributable to owners of the parent		
1	2	3	4	5	6	7	8	9	10	14	15	16 (3 do 6 - 7 + 8 do 15)	17	18 (16+17)
Previous period														
1 Balance on the first day of the previous business year	1	247,193,050	88,235,980	11,652,410	8,465,950	8,465,950	32,188,407	32,251,148	40,706,979	(249,638,779)	(119,570,198)	83,018,997	(693,731)	82,325,266
4 Balance on the first day of the previous business year (restated) (ADP (	4	247,193,050	88,235,980	11,652,410	8,465,950	8,465,950	32,188,407	32,251,148	40,706,979	(249,638,779)	(119,570,198)	83,018,997	(693,731)	82,325,266
5 Profit/loss of the period	5	-	-	-	-	-	-	-	-	-	3,250,989	3,250,989	-	3,250,989
6 Exchange rate differences from translation of foreign operations	6	-	-	-	-	-	-	(1,661,448)	-	-	-	(1,661,448)	-	(1,661,448)
13 Other changes in equity unrelated to owners	13	-	-	-	-	-	-	-	-	-	-	-	693,731	693,731
20 Other distribution to owners	20	-	(2,094,310)	-	-	-	-	-	-	(119,570,198)	119,570,198	(2,094,310)	-	(2,094,310)
23 Balance on the last day of the previous business year reporting period	23	247,193,050	86,141,670	11,652,410	8,465,950	8,465,950	32,188,407	30,589,700	40,706,979	(369,208,977)	3,250,989	82,514,228	-	82,514,228
APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)														
I OTHER COMPREHENSIVE INCOME OF THE PREVIOUS PERIOD, NET OF	24	-	-	-	-	-	-	(1,661,448)	-	-	-	(1,661,448)	693,731	(967,717)
II COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP	25	-	-	-	-	-	-	(1,661,448)	-	-	3,250,989	1,589,541	693,731	2,283,272
III TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD	26	-	(2,094,310)	-	-	-	-	-	-	(119,570,198)	119,570,198	(2,094,310)	-	(2,094,310)

Company financial report for I-VI 2020 period

Financial position report

Item	AOP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
ASSETS			
A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID	1	-	-
B) FIXED ASSETS (ADP 003+010+020+031+036)	2	421,035,334	423,112,234
I INTANGIBLE ASSETS (ADP 004 to 009)	3	4,173,237	3,530,229
II TANGIBLE ASSETS (ADP 011 to 019)	10	313,343,368	309,229,403
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	20	66,888,987	60,788,620
IV RECEIVABLES (ADP 032 to 035)	31	36,629,742	49,563,982
V DEFERRED TAX ASSETS	36	-	-
C) CURRENT ASSETS (ADP 038+046+053+063)	37	395,086,035	405,103,698
I INVENTORIES (ADP 039 to 045)	38	6,345,879	10,098,888
II RECEIVABLES (ADP 047 to 052)	46	322,077,130	325,094,457
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)	53	17,109,884	15,535,529
IV CASH AT BANK AND IN HAND	63	49,553,142	54,374,824
D) PREPAID EXPENSES AND ACCRUED INCOME	64	2,400,906	4,828,148
E) TOTAL ASSETS (ADP 001+002+037+064)	65	818,522,275	833,044,080
OFF-BALANCE SHEET ITEMS	66	356,786,379	350,554,414
LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to 070+076+077+081+084+087)	67	29,619,554	50,035,168
I INITIAL (SUBSCRIBED) CAPITAL	68	247,193,050	247,193,050
II CAPITAL RESERVES	69	86,141,670	86,141,670
III RESERVES FROM PROFIT (ADP 071+072-073+074+075)	70	43,675,007	43,675,007
IV REVALUATION RESERVES	76	40,706,979	40,706,979
V FAIR VALUE RESERVES (ADP 078 to 080)	77	-	-
VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 082-083)	81	-393,897,901	(388,097,152)
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 085-086)	84	5,800,749	20,415,614
VIII MINORITY (NON-CONTROLLING) INTEREST	87	-	-
B) PROVISIONS (ADP 089 to 094)	88	31,468,170	27,371,592
C) LONG-TERM LIABILITIES (ADP 096 to 106)	95	384,850,490	369,788,699
D) SHORT-TERM LIABILITIES (ADP 108 to 121)	107	358,650,576	376,895,780
E) ACCRUALS AND DEFERRED INCOME	122	13,933,485	8,952,841
F) TOTAL – LIABILITIES (ADP 067+088+095+107+122)	123	818,522,275	833,044,080
G) OFF-BALANCE SHEET ITEMS	124	356,786,379	350,554,414

Profit and loss report

Item	AOP code	Last day of the preceding business year		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
I OPERATING INCOME (ADP 126 to 130)	125	416,040,181	258,508,473	489,000,217	265,358,085
1 Income from sales with undertakings within the group	126	23,613,832	1,370,701	8,183,578	2,430,481
2 Income from sales (outside group)	127	375,407,264	245,859,499	468,983,598	256,912,378
4 Other operating income with undertakings within the group	129	8,176,215	3,579,280	9,595,757	5,457,772
5 Other operating income (outside the group)	130	8,842,870	7,698,993	2,237,284	557,454
II OPERATING EXPENSES (ADP 132+133+137+141+142+143+146+153)	131	411,523,710	235,470,361	463,600,573	258,175,737
2 Material costs (ADP 134 to 136)	133	245,322,024	143,360,991	290,500,260	162,539,300
a) Costs of raw materials and consumables	134	84,191,933	50,205,288	153,663,607	84,854,731
b) Costs of goods sold	135	41,176,047	13,713,619	4,871,181	1,826,335
c) Other external costs	136	119,954,044	79,442,084	131,965,472	75,858,234
3 Staff costs (ADP 138 to 140)	137	102,305,911	57,665,943	108,826,001	61,634,499
a) Net salaries and wages	138	80,926,898	47,559,049	89,665,112	51,851,297
b) Tax and contributions from salary costs	139	13,451,161	6,365,233	11,592,500	5,904,493
c) Contributions on salaries	140	7,927,852	3,741,661	7,568,389	3,878,709
4 Depreciation	141	14,102,617	7,103,419	13,768,693	6,932,273
5 Other costs	142	6,314,353	3,769,584	7,890,440	4,367,031
6 Value adjustments (ADP 144+145)	143	-	-	250,062	(3,046)
b) current assets other than financial assets	145	-	-	250,062	(3,046)
7 Provisions (ADP 147 to 152)	146	1,612,286	1,612,286	-	-
c) Provisions for ongoing legal cases	149	1,612,286	1,612,286	-	-
8 Other operating expenses	153	41,866,519	21,958,138	42,365,117	22,705,680
III FINANCIAL INCOME (ADP 155 to 164)	154	43,515,254	3,009,495	9,378,426	2,277,863
1 Income from investments in holdings (shares) of undertakings within the group	155	2,315,249	2,315,249	4,434,730	1,941,004
4 Other interest income from operations with undertakings within the group	158	421,877	245,506	208,564	98,836
7 Other interest income	161	587,128	280,589	460,570	204,075
8 Exchange rate differences and other financial income	162	2,563,380	168,151	4,274,562	33,948
10 Other financial income	164	37,627,620	-	-	-
IV FINANCIAL EXPENSES (ADP 166 to 172)	165	11,345,784	6,046,482	14,362,456	(2,081,716)
1 Interest expenses and similar expenses with undertakings within the group	166	230,619	202,205	102,121	50,115
2 Exchange rate differences and other expenses from operations with undertakings within the group	167	95,458	48,104	93,302	46,906
3 Interest expenses and similar expenses	168	5,858,667	3,115,908	5,215,777	3,904,478
4 Exchange rate differences and other expenses	169	5,161,040	2,680,265	8,951,256	(6,083,215)
IX TOTAL INCOME (ADP 125+154+173 + 174)	177	459,555,435	261,517,968	498,378,643	267,635,948
X TOTAL EXPENDITURE (ADP 131+165+175 + 176)	178	422,869,494	241,516,843	477,963,029	256,094,021
XI PRE-TAX PROFIT OR LOSS (ADP 177-178)	179	36,685,941	20,001,125	20,415,614	11,541,927
1 Pre-tax profit (ADP 177-178)	180	36,685,941	20,001,125	20,415,614	11,541,927
XII INCOME TAX	182	-	-	-	-
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 179-182)	183	36,685,941	20,001,125	20,415,614	11,541,927
1 Profit for the period (ADP 179-182)	184	36,685,941	20,001,125	20,415,614	11,541,927
XIX PROFIT OR LOSS FOR THE PERIOD (ADP 200+201)	199	-	-	-	-
1. Pripisana imateljima kapitala matice	200	-	-	-	-
STATEMENT OF OTHER COMPREHENSIVE INCOME (to be filled in by undertakings subject to IFRS)					
I PROFIT OR LOSS FOR THE PERIOD	202	36,685,941	20,001,125	20,415,614	11,541,927
II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 204 to 211)	203	-	-	-	-
III TAX ON OTHER COMPREHENSIVE INCOME FOR THE PERIOD	212	-	-	-	-
IV NET OTHER COMPREHENSIVE INCOME OR LOSS (ADP 203-212)	213	-	-	-	-
V COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 202+213)	214	36,685,941	20,001,125	20,415,614	11,541,927
APPENDIX to the Statement on comprehensive income (to be filled in by undertakings that draw)	-	-	-	-	-
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 216+217)	215	-	-	-	-

Cash flow report

Item	AOP code	Same period of the previous year	Current period
1	2	3	4
1 Pre-tax profit	1	36,685,941	20,415,614
2 Adjustments (ADP 003 to 010):	2	(23,007,529)	20,902,517
a) Depreciation	3	14,102,617	13,768,693
c) Gains and losses from sale and unrealised gains and losses and value adjustment of financial assets	5	(37,538,518)	1,590,693
d) Interest and dividend income	6	(3,324,254)	(5,103,864)
e) Interest expenses	7	6,000,185	5,317,898
f) Provisions	8	(197,022)	-
g) Exchange rate differences (unrealised)	9	43,774	5,329,097
h) Other adjustments for non-cash transactions and unrealised gains and losses	10	(2,094,311)	-
I Cash flow increase or decrease before changes in working capital	11	13,678,412	41,318,131
3 Changes in the working capital (ADP 013 to 016)	12	(67,915,830)	(32,728,089)
a) Increase or decrease in short-term liabilities	13	1,315,257	6,581,815
b) Increase or decrease in short-term receivables	14	(78,356,293)	(16,235,054)
c) Increase or decrease in inventories	15	1,540,843	(3,753,009)
d) Other increase or decrease in working capital	16	7,584,363	(19,321,841)
II Cash from operations (ADP 011+012)	17	(54,237,418)	8,590,042
4 Interest paid	18	(6,470,869)	(3,100,346)
5 Income tax paid	19	-	(5,337,050)
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)	20	(60,708,287)	152,646
1 Cash receipts from sales of fixed tangible and intangible assets	21	-	500
2 Cash receipts from sales of financial instruments	22	108,702,713	20,000
3 Interest received	23	968,348	37,431
4 Dividends received	24	-	4,434,730
5 Cash receipts from repayment of loans and deposits	25	10,377,458	2,900,020
6 Other cash receipts from investment activities	26	-	3,600,046
III Total cash receipts from investment activities (ADP 021 to 026)	27	120,048,519	10,992,727
1 Cash payments for the purchase of fixed tangible and intangible assets	28	(9,362,091)	(8,847,663)
3 Cash payments for loans and deposits for the period	30	(12,211,293)	(5,000)
4 Acquisition of a subsidiary, net of cash acquired	31	(20,000)	(20,000)
IV Total cash payments from investment activities (ADP 028 to 031)	33	(21,593,384)	(8,872,663)
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +031)	34	98,455,135	2,120,064
3 Cash receipts from credit principals, loans and other borrowings	37	24,830,780	10,601,787
V Total cash receipts from financing activities (ADP 035 to 038)	39	24,830,780	10,601,787
1 Cash payments for the repayment of credit principals, loans and other borrowings	40	(75,297,413)	(4,980,541)
3 Cash payments for finance lease	42	(5,438,245)	(3,072,274)
VI Total cash payments from financing activities (ADP 040 to 044)	45	(80,735,658)	(8,052,815)
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)	46	(55,904,878)	2,548,972
D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 020+034+046)	48	(18,158,030)	4,821,682
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	49	51,076,527	49,553,142
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD(ADP 020+034+046+049)	50	32,918,497	54,374,824

Report on changes in capital for the current period

Item	AOP code	Attributable to owners of the parent										Total capital and reserves
		Initial (subscribed) capital	Capital reserves	Legal reserves	Reserves for treasury shares	shares and holdings (deductible item)	Statutory reserves	Revaluation reserves	Retained profit / loss brought forward	Profit/loss for the business year	Total attributable to owners of the parent (+ 8 do 15)	
1	2	3	4	5	6	7	8	10	14	15	+ 8 do 15)	18 (16+17)
Current period												
1 Balance on the first day of the current business year	27	247,193,050	86,141,670	11,486,600	8,465,950	8,465,950	32,188,407	40,706,979	(393,897,901)	5,800,749	29,619,554	29,619,554
4 Balance on the first day of the current business year (restated) (ADP 2	30	247,193,050	86,141,670	11,486,600	8,465,950	8,465,950	32,188,407	40,706,979	(393,897,901)	5,800,749	29,619,554	29,619,554
5 Profit/loss of the period	31	-	-	-	-	-	-	-	-	20,415,614	20,415,614	8,873,687
20 Other distribution to owners	46	-	-	-	-	-	-	-	5,800,749	(5,800,749)	-	-
23 Balance on the last day of the current business year reporting period (	49	247,193,050	86,141,670	11,486,600	8,465,950	8,465,950	32,188,407	40,706,979	(388,097,152)	20,415,614	66,967,068	38,493,241
APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)												
I OTHER COMPREHENSIVE INCOME FOR THE CURRENT PERIOD, NET OF	50	-	-	-	-	-	-	-	-	-	-	-
II COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 3	51	-	-	-	-	-	-	-	-	20,415,614	20,415,614	8,873,687
III TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED	52	-	-	-	-	-	-	-	5,800,749	(5,800,749)	-	-

Report on changes in capital for the previous period

Item	AOP code	Attributable to owners of the parent									Total attributable to owners of the parent	Total capital and reserves
		Initial (subscribed) capital	Capital reserves	Legal reserves	Reserves for treasury shares	Treasury shares and holdings (deductible item)	Statutory reserves	Revaluation reserves	Retained profit / loss brought forward	Profit/loss for the business year		
1	2	3	4	5	6	7	8	10	14	15	16 (3 do 6 - 7 + 8 do 15)	18 (16+17)
Previous period												
1 Balance on the first day of the previous business year	1	247,193,050	88,235,980	11,486,600	8,465,950	8,465,950	32,188,407	40,706,979	(160,874,981)	(233,022,920)	25,913,115	25,913,115
4 Balance on the first day of the previous business year (restated) (ADP (	4	247,193,050	88,235,980	11,486,600	8,465,950	8,465,950	32,188,407	40,706,979	(160,874,981)	(233,022,920)	25,913,115	25,913,115
5 Profit/loss of the period	5	-	-	-	-	-	-	-	-	5,800,749	5,800,749	5,800,749
20 Other distribution to owners	20	-	(2,094,310)	-	-	-	-	-	-	-	(2,094,310)	(2,094,310)
23 Balance on the last day of the previous business year reporting period	23	247,193,050	86,141,670	11,486,600	8,465,950	8,465,950	32,188,407	40,706,979	(160,874,981)	(227,222,171)	29,619,554	29,619,554
APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)												
I OTHER COMPREHENSIVE INCOME OF THE PREVIOUS PERIOD, NET OF	24	-	-	-	-	-	-	-	-	-	-	-
II COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP	25	-	-	-	-	-	-	-	-	5,800,749	5,800,749	5,800,749
III TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD	26	-	(2,094,310)	-	-	-	-	-	-	-	(2,094,310)	(2,094,310)

Notes to financial statements

I. BASIC INFORMATION

MANAGEMENT BOARD (on 30-06-2020)

Tomislav Rosandić — president of the Board

Hrvoje Išek — Board member

Ivan Kurobasa — Board member

Đuro Tatalović — Board member

SUPERVISORY BOARD (on 30-06-2020.)

Dinko Novoselec - president

Hrvoje Markovinović - member

Toni Đikić - member

Gordan Kuvek - member

Dražen Buljić - member

Damir Sertić - member

Mladen Gregović - member

DALEKOVOD JOINT STOCK COMPANY FOR ENGINEERING, PRODUCTION AND CONSTRUCTION

Marijana Čavića 4, 10 000 Zagreb, Croatia

10001 Zagreb, P.P. 128

URL: www.dalekovod.hr, www.dalekovod.com

E-mail: dalekovod@dalekovod.hr

Equity: 247,193,050.00, 00 kn. Number of shares: 24,719,305

IBAN: HR8323600001101226102 ZABA Zagreb

MBS: 080010093, Commercial Court in Zagreb

MB: 3275531

OIB: 47911242222

Activity code: 4222 (Electrical and telecommunication power lines construction)

II. SHAREHOLDERS STRUCTURE (on 30-06-2020):

Konsolidator d.o.o.	15.000.000
Individuals	6.397.383
Financial Institutions	2.601.768
Others	621.313
Own Shares	98.841
TOTAL	24.719.305

III. ACQUISITIONS, MERGERS, SALE, FOUNDATION

On March 1st, 2020, in company Proizvodnja MK i OSO d.o.o. economic unit relating to the production of suspension and coupling equipment has been allocated. The above-mentioned economic unit continues its operations as a separate business entity Proizvodnja OSO d.o.o. (OIB: 55411035652), and Proizvodnja MK i OSO d.o.o. changes its name to Proizvodnja MK d.o.o.

IV. UNCERTAINTY

There were no identified suspicious or disputable claims in the first six months of 2020 which would affect the continuity of business.

V. DESCRIPTION OF PRODUCTS AND SERVICES

Over time, Dalekovod d.d. specialized for the realization 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

VI. CHANGES IN ACCOUNTING POLICIES

There are no new accounting policies.