



www.dalekovod.hr, Ulica Marijana Čavića 4, Zagreb

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CROATIAN FINANCIAL SERVICES
SUPERVISORY AGENCY
Zagreb, Franje Račkog 6

ZAGREB STOCK EXCHANGE
Zagreb, Ivana Lučića 2a

OTS HINA (Croatian News Agency)

Dalekovod Group significantly improves the financial position by regulating the relationship with creditor from PSN HETA Asset Resolution

Dalekovod d.d. entered into a settlement with the largest individual creditor of the Pre-Bankruptcy Settlement HETA Asset Resolution d.o.o. on the regulation of relations from three leasing contracts, concluded in 2008, on basis of which HETA is the exclusive creditor of the property, galvanizing plant in Dugo Selo. The settlement covers a financial debt of almost HRK 100 million, i.e. the amount of approximately 1/3 of the total financial debt of Dalekovod d.d. which has an impact on cash flow according to the pre-bankruptcy settlement.

Galvanizing plant has been operating on the market for a long time, where, in addition to operations for the needs of the Dalekovod Group, it performed about 50% of its operations. In the period I-V 2020 Cinčaonica usluge d.o.o. had operating income of HRK 17.8 million, loss before interest, taxes, and depreciation (EBITDA) of HRK -1.7 million and loss before tax of HRK -1.9 million.

HETA takes over the lease assets and sells them to the end customer, NFS Cink d.o.o. member of the Czech Signum Group, which already includes 9 galvanizing plants in the Czech Republic, Slovakia and Croatia, and the production of metal structures, and which will continue to perform corrosion protection in the galvanizing plant in Dugo Selo with employees who were part of the Dalekovod Group.

The economic value of the settlement amounts to approximately HRK 70 million, resulting in a reduction of the Dalekovod Group's total financial debt of HRK 61 million and a predictable cash receipt of HRK 8 million. The settlement significantly improves Dalekovod's financial position, reduces total balance sheet debt, significantly improves cash flow, which was very negatively affected by the repayment of liabilities under this lease to HETA, which in the next two and a half years accounted for about 2/3 of all repayment under the concluded pre-bankruptcy settlement.

With this transaction, Dalekovod continued to achieve its main objectives: (i) reduction of the Company's financial liabilities, (ii) further implementation of financial and operational restructuring.

DALEKOVOD JSC

Ordinary share **DLKV-R-A** Listed on the Zagreb Stock Exchange official market

Issuing country of origin Croatia

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Notice in accordance with the Capital Market Act

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