

DALEKOVOD D.D.

REPORT ON THE IMPLEMENTATION OF FINANCIAL RESTRUCTURING

26th IMPLEMENTATION REPORT (Q2 2020)

1. Balance sheets, income and cash flow statements

The report was compiled in accordance with the provision of Art. 79, paragraph 4 of the Financial Operations and Pre-Bankruptcy Settlement Act. It refers, in all its contents, to the period from 1 January 2014 to 30 June 2020.

Pre-bankruptcy settlement (hereinafter "settlement") over the debtor Dalekovod d.d. Zagreb (hereinafter "the Company") was reached at the hearing before the Commercial Court in Zagreb on 29/01/2014 and it became final on 14/02/2014.

In accordance with the provisions of Article 79, paragraph 4 of the Law on Financial Operations and Pre-Bankruptcy Settlement, the report contains:

1. description of financial restructuring measures implemented and their impact on a debtor in terms of liquidity and solvency,
2. total amount of payment of creditors' claims, in the shares in which these claims were paid,
3. quarterly balance sheets, income statement, and cash flow statement,
4. statement by the debtor that he has not taken any action that would result in bringing the creditor into an unequal position.

2. Description of the financial restructuring measures implemented and their impact on the debtor in terms of liquidity and solvency and the total amount of payment of creditors' claims, in the shares in which these claims were paid

In the period from 14/02/2014 when the final decision on the pre-bankruptcy settlement came into force by 30/06/2020 the following financial restructuring measures have been implemented:

- A) The share capital was reduced to cover the accumulated losses, and accordingly, the nominal value of the share was reduced from HRK 100 to HRK 10.
- B) The conversion of part of the debt to creditors into the capital was carried out, 852,168 new shares were issued and thus the share capital of the Company was increased by HRK 8,521,680.
- C) A recapitalization of HRK 150,000,000 was made by payment in cash to finance investments and the development of the company. The recapitalization was performed by the company Konsolidator d.o.o. at HRK 10 per share. 15,000,000 new shares were issued and the share capital was increased by HRK 150,000,000.
- D) Recapitalization of HRK 59,998,720 was carried out by payment in cash for financing investments and development of the company. The recapitalization was carried out by the existing shareholders, with the exclusion of the pre-emptive right of shareholders holding the Company's shares issued for a cash investment based on the decision of the regular General Assembly of the Company dated 22/07/2013 under item 8 of the Agenda, at HRK 10 per share. 5,999,872 new shares were issued and the share capital was increased by HRK 59,998,720.
- E) The process of selling shares in the company Dalekovod Professio d.o.o. has been initiated. for investment in renewable energy sources as one of the financial restructuring measures listed in the Settlement.
- F) Following the terms of the Settlement, the Company's debt based on co-debt, joint and several guarantee or guarantee in its entirety and claims of other companies based on co-debt for the Company's obligations to third parties have been released.
- G) Following the terms of the Settlement, the write-off of interest and fee liabilities was performed.
- H) The fair value of long-term liabilities from the pre-bankruptcy settlement on 31/03/2014 was calculated. following International Accounting Standards and represents a one-time significant positive effect on the income statement, and the

Company's balance sheet in the amount of HRK 223.8 million. The calculation of fair value will be performed quarterly and will be presented in future financial statements.

I) The payment of the first installment to suppliers was made by a one-time payment in cash. It included 20% of total debt to creditors of categories (j), (k), (l), (m), and (n), and according to Settlement it amounted to HRK 69.8 million.

J) On 31/03/2015 the first of 13 installments was paid to suppliers in a single payment in cash, which according to the Settlement amounts to a total of HRK 12.4 million.

K) On 30/06/2015 the second of 13 installments was paid to suppliers in a single payment in cash, which according to the Settlement amounts to a total of HRK 12.4 million.

L) On 30/09/2015 the third of 13 installments was paid to suppliers in a single payment in cash, which according to the Settlement amounts to a total of HRK 12.4 million.

M) On 30/12/2015 the fourth of 13 installments was paid to suppliers in a single payment in cash, which according to the Settlement amounts to a total of HRK 12.4 million.

N) On 31/03/2016 the fifth of 13 installments was paid to suppliers in a single payment in cash, which according to the Settlement amounts to a total of HRK 12.4 million.

O) On 30/06/2016 the sixth of 13 installments was paid to suppliers in a single payment in cash, which according to the Settlement amounts to a total of HRK 12.4 million.

P) On 30/09/2016 the seventh of 13 installments was paid to suppliers in a single payment in cash, which according to the Settlement amounts to a total of HRK 12.4 million.

Q) On 30/12/2016 the eighth of 13 installments was paid to suppliers by a one-time payment in cash, which according to the Settlement amounts to a total of HRK 12.4 million.

R) On 31/03/2017 the ninth of 13 installments was paid to suppliers in a single payment in cash, which according to the Settlement amounts to a total of HRK 12.4 million.

S) On 31/03/2017 the principal of senior debt to banks was paid in the total amount of HRK 4.8 million and interest on loans for the first quarter in the amount of HRK 2.2 million.

T) according to the Decision on Pre-Bankruptcy Settlement and Settlement of Claims of a category (h), claims based on commercial papers issued by the Debtor, and which part of the claims was settled by refinancing through the issue of bonds, Dalekovod d.d. is 14/02/2017 redeemed interest on security marked DLKV-O-302E in the nominal amount of EUR 0.12 per bond, ie according to the middle exchange rate of the CNB 7.462096 HRK / 1 EUR on 14/02/2017 which amounts to HRK 0.89545152 per bond, and interest on the security marked DLKV-O-302A in the nominal amount of HRK 0.12 per bond. Thus, Dalekovod d.d. reduced debt on issued bonds by HRK 3.0 million. The listing agent is Zagrebačka banka d.d. Zagreb.

U) On 01/03/2017 the payment of the contractual penalty was made due to the default of the Debtor of sale and transfer of business shares in the company Dalekovod Professio (following Art. 212 of the Settlement) in total amount of HRK 3.7 million.

C) On 30/06/2017 the tenth of 13 installments was paid to suppliers in a single payment in cash, which according to the Settlement amounts to a total of HRK 12.4 million.

W) On 30/06/2017 2nd installment of principal of the senior debt to the banks was paid in the total amount of HRK 4.8 million.

X) All liabilities from the pre-bankruptcy settlement to financial institutions have been duly settled. Liabilities were paid based on interest on loans for the second quarter in the amount of HRK 2.5 million, and the basis of annuities on financial leasing of HRK 2.7 million. There are no overdue outstanding liabilities based on invoices issued from liabilities under PSN.

- Y) On 29/09/2017 the eleventh installment of 13 installments was paid to suppliers in a single payment in cash, which according to the Settlement amounts to a total of HRK 12.4 million
- Z) On 29/09/2017, 3rd installment of the principal of the senior debt to banks was paid in the total amount of HRK 4.8 million.
- AA) All obligations from the pre-bankruptcy settlement to financial institutions have been duly settled. Liabilities were paid on basis of interest on loans for third quarter in the amount of HRK 2.5 million, and on basis of annuities on financial leasing in the amount of HRK 2.7 million. There are no overdue outstanding liabilities based on invoices issued from liabilities under PSN
- BB) On December 29, 2017, the twelfth of 13 installments was paid to suppliers in a one-time payment in cash, which according to the Settlement amounts to a total of HRK 12.4 million.
- CC) On 29/12/2017 fourth installment of the principal of the senior debt to banks was paid in the total amount of million HRK.
- DD) All obligations from the pre-bankruptcy settlement to financial institutions have been duly settled. Liabilities were paid on basis of interest on loans for fourth quarter in the amount of HRK 2.5 million, and on basis of annuities on financial leasing in amount of HRK 2.7 million. There are no overdue outstanding liabilities based on invoices issued from liabilities under PSN.
- EE) On 02/03/2018 payment of contractual penalty was made due to default of the Debtor of sale and transfer of business shares in company Dalekovod Professio (in accordance with Art. 212 of Settlement) in the total amount of HRK 3.7 million.
- FF) On March 30, 2018, the thirteenth of 13 installments was paid to suppliers by a one-time payment into new ones, which according to the Settlement amounts to a total of HRK 12.4 million
- GG) On 30/03/2018 the 5th installment of the principal of senior debt to banks was paid in the total amount of HRK 4.8 million
- HH) All obligations from the pre-bankruptcy settlement to financial institutions have been duly settled. Liabilities were paid on the basis of interest on loans for the first quarter of 2018 in the amount of HRK 2.5 million, and on the basis of annuities on financial leasing in the amount of HRK 2.7 million. No outstanding liabilities based on issued invoices from liabilities under PSN
- II) The 6th installment of the principal of senior debt to banks was paid in the total amount of HRK 4.8 million
- JJ) All liabilities from pre-bankruptcy settlement to financial institutions have been duly settled. Liabilities were paid on basis of interest on loans for second quarter of 2018 in amount of HRK 2.37 million, and on basis of annuities on financial leasing in the amount of HRK 2.7 million. There are no overdue outstanding liabilities based on invoices issued from liabilities under PSN
- KK) On 14 November 2018, all liabilities based on interest and principal of senior debt from the pre-bankruptcy settlement to financial institutions on loans for the third quarter of 2018 in the amount of HRK 7.2 million were settled, and on the basis of annuities on financial leasing in the amount of HRK 2.7 million.
- LL) As of January 14, 2019, all liabilities based on interest and principal of senior debt from the pre-bankruptcy settlement to financial institutions on loans for the fourth quarter of 2018 in the amount of HRK 7.48 million were settled. All liabilities based on annuities on financial leasing in the amount of HRK 2.7 million for the reporting quarter have been settled.
- MM) As of May 17, 2019, all liabilities based on interest and principal of senior debt from the pre-bankruptcy settlement to financial institutions on loans for the first quarter of 2019 in the amount of HRK 7.04 million were settled. Liabilities from annuities on financial leasing in the amount of HRK 1.8 million for the reporting quarter were settled.
- NN) In the period from 15/01/2019 to 25/02/2019, a payment was made in the amount of HRK 59.47 million. The stated amount of funds was paid to the mezzanine creditors on the basis of the sale of Dalekovod Professio in accordance with the provisions of the pre-bankruptcy settlement
- OO) On 14/02/2020, bonds DLKV-O-302A and DLKV-O-302A were redeemed in amount of principal and interest HRK 2.54 mil.
- PP) As of 15 May 2020, Company and Group have due liabilities based on regular interest and principal of senior debt from pre-bankruptcy settlement in amount of HRK 27.65 mil. and HRK 14.02 mil. based on annuities under financial leasing.

3. Balance sheets, income statement and cash flow statement

Source: Business results of Dalekovod Group and Dalekovod d.d. for the period I - VI 2020

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 + 8 do 15)		
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)	-	-	-

Regular stock DLKV-R-A included in the official market of the Zagreb Stock Exchange

Issuing country of origin Croatia

ISIN: HRDLKVRA0006, LEI: 74780000WOKHNRDW7105

Notice in accordance with the capital market law

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)

Regular stock DLKV-R-A included in the official market of the Zagreb Stock Exchange

Issuing country of origin Croatia

ISIN: HRDLKVR A0006, LEI: 74780000WOKHNRDW7105

Notice in accordance with the capital market law

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									
		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
1	2	3	4	5	6	7	8	10	14	15	+ 8 - 15)
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
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
5 Profit/loss of the period	31	-	-	-	-	-	-	-	-	20.415.614	20.415.614
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
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
III TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED	52	-	-	-	-	-	-	-	5.800.749	(5.800.749)	-

Regular stock DLKV-R-A included in the official market of the Zagreb Stock Exchange

Issuing country of origin Croatia

ISIN: HRDLKVRA0006, LEI: 74780000WOKHNRDW7105

Notice in accordance with the capital market law

Report on changes in capital for the previous 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	Treasury 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	
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)

4. Statement of the debtor that he did not take any action that would result in putting creditors in an unequal position

STATEMENT

by which we confirm that we have not taken any action that would result in bringing creditors into an unequal position.

A handwritten signature in blue ink, appearing to be 'Duro Tatalović'.A handwritten signature in blue ink, appearing to be 'Duro Tatalović', written over a horizontal line.

Duro Tatalović, Management Board member

