

# ANNUAL REPORT 2015

complete version



2015

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## Foreword

For Jadrová energetická spoločnosť Slovenska, a.s., the year 2015 was one of the most challenging years in the context of its up-to-date existence. Last year the company worked hard in preparing and finalizing the documents necessary for successful completion of the process of environmental impact assessment for the project of the New Nuclear Power Plant in Jaslovské Bohunice site. It is hard to imagine stricter rules and more precise criteria than those applied to development of documentation under the so-called EIA process in relation to preparation of a new modern nuclear power plant project.

The process of environmental impact assessment for the project started in 2013. In March 2014 the company subsequently submitted "The Preliminary Study of the Proposed Activity in accordance with the Act no. 24/2006 Coll. on Environmental Impact Assessment" to the Ministry of Environment of the Slovak Republic. By the end of August 2015 the management of the company submitted one of the key documents in the entire EIA process "The Environmental Impact Assessment Report on the Proposed Activity" to the Ministry of Environment of the Slovak Republic. The submitted Report assesses in detail number of impacts of the planned project of the New Nuclear Power Plant by comparing current status and assessment of expected impacts. The project takes into account location in Jaslovské Bohunice site, where several nuclear facilities have been long-term operated. Thus with the proposed activity the company does not intent to enter a new intact territory and does not even try to bring a new activity to the present site which would significantly differ by its nature from current activities in the concerned site. Detailed expert analyses have clearly confirmed that the expected environmental impacts of the proposed activity are generally insignificant and generally acceptable in all assessed areas. Potential negative impacts, even with consideration of synergistic effects of current activities in the site, are in all areas admissible and well below limits of permissible or acceptable values. With this message, based on the Report published in the 2<sup>nd</sup> half of the year 2015, there was a public hearing held at the level of concerned municipalities and subsequently also cross-border public hearings of the proposed activity were performed in Austria, Hungary, Germany and Ukraine.

Based on these activities there is an Expert Opinion expected to be elaborated in 2016, it will be followed by the Final Statement to be issued by the Ministry of Environment of the Slovak Republic, in accordance with valid legislation, which is a basis for further follow-up procedures and licensing activities in accordance with the Atomic Act and the Building Act. Thus a very important part of the pre-preparation phase of the project shall be concluded. In spite of its vastness and expertise the Report itself shall not be considered safety documentation in accordance with the Atomic Act, it does not address social, political and economic aspects and, finally, it is not a decision on implementation and siting of the new power plant. For all these open issues the answers will be known step by step in the future period.

Overcoming each milestone in the project is constantly increasing its value. Since its establishment Jadrová energetická spoločnosť Slovenska, a.s., has maintained continuity within this difficult process. The company has become a correct communication partner for all concerned parties and it acts responsibly in relation to future generations. The company does not close the project to the general public. Only by coordinating actions and ideas it is possible to move further in fulfilling our vision and goal; i.e. the construction and operation of the new, safe and modern nuclear power plant, which shall significantly contribute to enhancing energy security and self-sufficiency of Slovakia, which shall increase employment in Slovakia and contribute to its further development.

Ján Červenák  
Chairman of the Board of Directors  
Chief Executive Officer

Jadrová energetická spoločnosť Slovenska, a. s., (hereinafter referred to as "JESS") was established on 31<sup>st</sup> December 2009 through its registration in the Commercial Registry of the Slovak Republic as a joint venture of two significant companies, the Slovak company Jadrová a vyradovacia spoločnosť, a. s., (hereinafter referred to as "JAVYS") and the Czech energy company ČEZ, a. s., (hereinafter referred to as "ČEZ").

The question of the need to implement the New Nuclear Power Plant (hereinafter referred to as "NNPP") in Slovakia was based on the main objectives of the Energy Security Strategy of the Slovak Republic (2008), i.e. to ensure self-sufficiency in electricity production, optimal pricing policy and export ability of Slovakia. In 2014 it built on a new Energy Policy of the Slovak Republic which aims to achieve a competitive low-carbon energy industry ensuring reliable supply of all forms of energy, with a view to the year 2050. The implementation of the NNPP project shall promote compliance with these objectives also with regard to gradual decommissioning of production capacities and prognosis of growth in electricity consumption.

## 1.1. Historical Milestones before Establishment of the Company JESS

### 7<sup>th</sup> May 2008

Resolution no. 275/2008 of the Government of the Slovak Republic  
Proposal for the Options of Arranging the Construction of the New Nuclear Power Plant in Jaslovské Bohunice Site

### 17<sup>th</sup> December 2008

Resolution no. 948/2008 of the Government of the Slovak Republic  
New Nuclear Power Plant in Jaslovské Bohunice Site

### 27<sup>th</sup> May 2009

Resolution no. 408/2009 of the Government of the Slovak Republic  
Proposal for the Procedure of Establishing a Joint Venture of the Companies JAVYS, a. s., and ČEZ, a. s.

### 29<sup>th</sup> May 2009

On the occasion of the 4<sup>th</sup> session of the European Nuclear Energy Forum in Prague the representatives of the energy companies JAVYS and ČEZ signed a Shareholders Agreement enabling establishment of the joint venture for implementation of the New Nuclear Power Plant in Jaslovské Bohunice site in Slovakia.

### 4<sup>th</sup> November 2009

European Commission approved the proposal for establishment of the joint venture Jadrová energetická spoločnosť Slovenska, a. s., with the companies ČEZ Bohunice, a. s., and Jadrová a vyradovacia spoločnosť, a. s., as the shareholders.

### 9<sup>th</sup> December 2009

The Government of the Slovak Republic approved establishment of the energy company Jadrová energetická spoločnosť Slovenska, a. s., which shall be responsible for preparation, construction and operation of the New Nuclear Power Plant in Jaslovské Bohunice.

## 1.2. Vision and Mission of the Company

The vision of the company JESS is to build a modern nuclear power plant with the aim to produce electricity as soon as possible, safely and efficiently with an emphasis on maximum safety and minimum environmental impacts. Its mission is to prepare and implement the project of the New Nuclear Power Plant with selection of the most suitable variant, to ensure its construction and operation in Jaslovské Bohunice site, taking into account economic efficiency and energy security of Slovakia.

## 1.3. Shareholder Structure

The company JESS was established without a call for subscription of shares by the memorandum in a form of a notarial deed under which there was also the Charter of the company JESS approved.

Both shareholders have shares in the capital so as to keep the ratio of shareholders expected by the Shareholder Agreement, i.e. 51% of the company JAVYS and 49% of the company ČEZ. The registered capital consists of monetary contributions of both shareholders. The share of JAVYS is formed also by non-monetary contribution consisting mainly of lands, buildings, technical studies and other assets and liabilities related to preparatory works for the construction of the NNPP. The manager control of the company is based on the principle of equality of both partners which is present in all bodies of the company.

## 1.4. The Subsidiary – JESS Invest, s. r. o.

The company JESS Invest, s. r. o. (hereinafter referred to as "JESS Invest") is a 100% subsidiary of the company Jadrová energetická spoločnosť Slovenska, a. s., established by a founding deed dated on 15<sup>th</sup> June 2010. The company was established with the aim to prepare infrastructure for the project of the New Nuclear Power Plant, specifically purchase of land needed for siting of the construction, technological equipment and other related necessary structures.

In connection with fulfilling the mission of JESS Invest a draft of terms for merger of the company JESS Invest with the company JESS was approved at the General Assembly of the company Jadrová energetická spoločnosť Slovenska, a. s., held on 21<sup>st</sup> December 2015. The merger occurred by 31<sup>st</sup> December 2015.

The company JESS Invest was removed from the Commercial Register of the District Court Bratislava I. on 9<sup>th</sup> January 2016. According to § 69 paragraph 3 of the Commercial Code the merger of the company passed its capital ex lege to the company Jadrová energetická spoločnosť Slovenska, a. s., which became the universal legal successor of the company JESS Invest.

# Important Events of the Year 2015

### 25<sup>th</sup> August 2015

The Environmental Impact Assessment Report on the Proposed Activity for the Project of the New Nuclear Power Plant in Jaslovské Bohunice Site was submitted to the Ministry of Environment of the Slovak Republic in accordance with the Act no. 24/2006 Coll. for the assessment process.

### 23<sup>rd</sup> September 2015

Following publication of the Environmental Impact Assessment Report there was a public hearing of this document held on the level of the concerned municipalities in Veľké Kostoľany. It was attended by the mayors of the corresponding municipalities, experts from various areas, as well as the general public concerned and interested in the topic.

### 27<sup>th</sup> October 2015

In Hungary, in the city of Győr, there was a cross-border public hearing and expert consultations held.

### 18<sup>th</sup> – 19<sup>th</sup> November 2015

In Austria, in the city of Vienna, there was a cross-border public hearing and expert consultations held.

### 25<sup>th</sup> – 26<sup>th</sup> November 2015

In Germany, in the city of Munich, there was a cross-border public hearing and expert consultations held.

### 3<sup>rd</sup> – 4<sup>th</sup> December 2015

In Ukraine, in the city of Kiev, there was a cross-border public hearing and expert consultations held.

### 21<sup>st</sup> December 2015

Extraordinary General Assembly of the company JESS approved the merger of the subsidiary JESS Invest with the company JESS, while the company JESS remained the successor company.

# Organisational Structure and Human Resources

The General Assembly is the supreme body of the company and it is composed of all present shareholders. The Supervisory Board is the highest supervisory body which oversees performance of the Board of Directors and performance of the business activities of the company. The Board of Directors is the statutory body that manages the activities of the company and acts on behalf of the company.

## 3.1. Bodies of the Company and the Management

**The members of the Supervisory Board of the company Jadrová energetická spoločnosť Slovenska, a. s.**

**Peter Čižnár, MBA,**  
Chairman of the Supervisory Board  
**Andrzej Martynek,**  
Vice Chairman of the Supervisory Board  
**Ján Horváth,**  
Member of the Supervisory Board  
**Tomáš Petrán,**  
Member of the Supervisory Board  
**Anton Masár,**  
Member of the Supervisory Board  
**Petr Štulc,**  
Member of the Supervisory Board

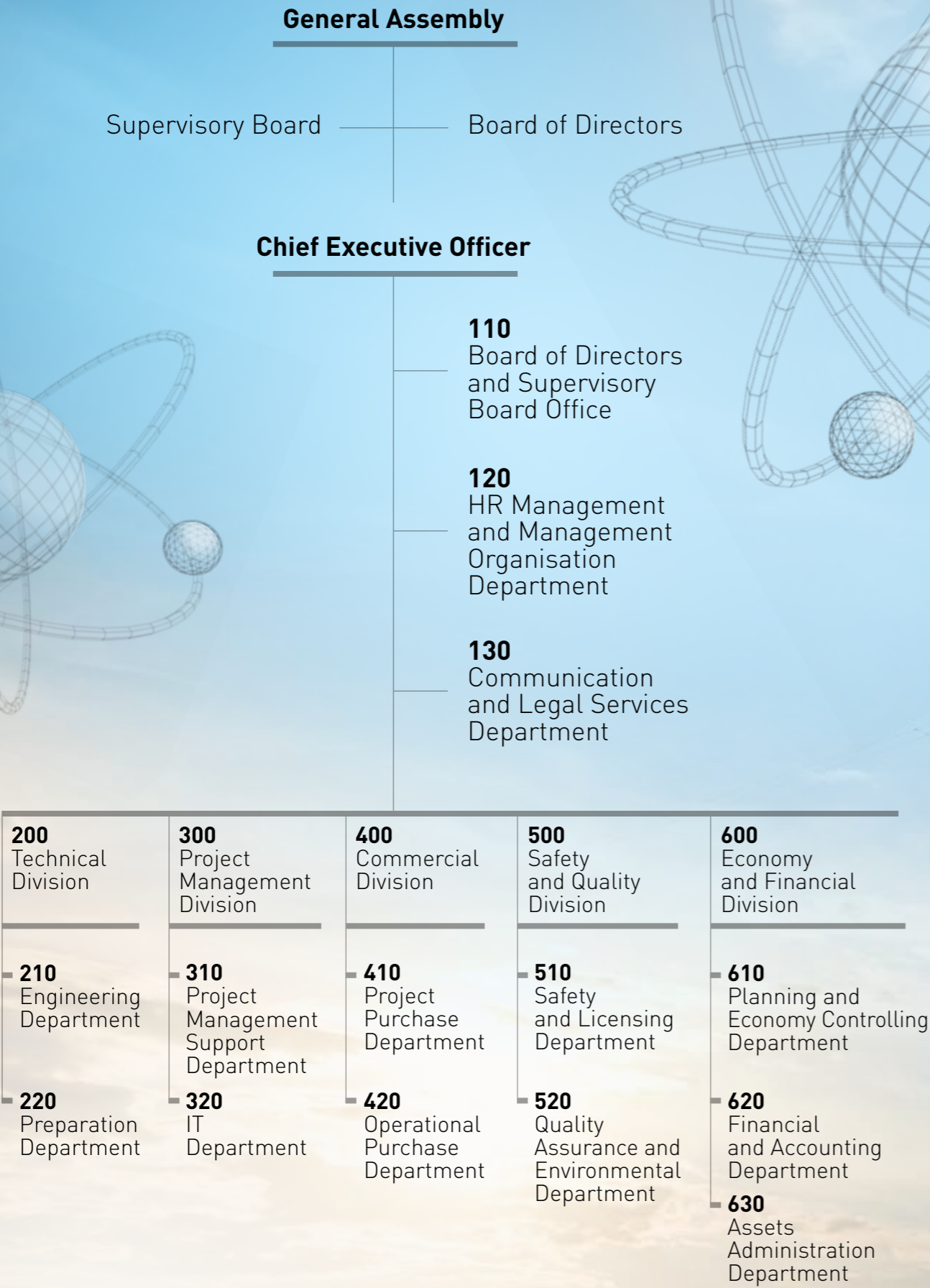
**The members of the Board of Directors of the company Jadrová energetická spoločnosť Slovenska, a. s.**

**Ján Červenák,**  
Chairman of the Board of Directors  
**Petr Závodský,**  
Vice Chairman of the Board of Directors  
**Tomáš Vavruška,**  
Member of the Board of Directors  
**Josef Ježek,**  
Member of the Board of Directors  
**Stanislav Bár,**  
Member of the Board of Directors  
**Dušan Petrik,**  
Member of the Board of Directors

**Executive Management of the company Jadrová energetická spoločnosť Slovenska, a. s.**

**Ján Červenák,**  
Chief Executive Officer  
**Josef Ježek,**  
Technical Director  
**Petr Závodský,**  
Project Management Director  
**Stanislav Bár,**  
Commercial Director  
**Tomáš Vavruška,**  
Safety and Quality Assurance Director  
**Andrej Jahnátek,**  
entrusted with the duties  
of the Economy and Financial Director

3.2. Organisational Structure



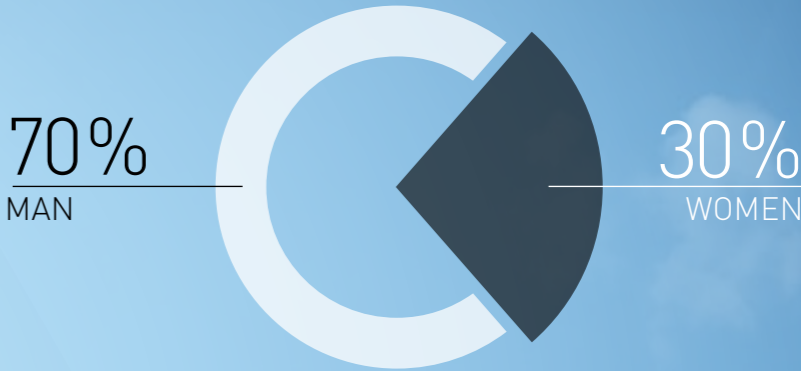
3.3. Human Resources

In 2015 the aim of human resources management was to contribute to optimization of meeting the company objectives through human resources. In the area of employment policy it meant to create such conditions for ensuring and development of the personnel leading to increased efficiency of human resources and thus leading to increased efficiency of the whole company. Optimal use of human resources would be unthinkable without compliance with the defined rules of working behaviour of employees which are regularly evaluated and they form a part of the corporate culture.

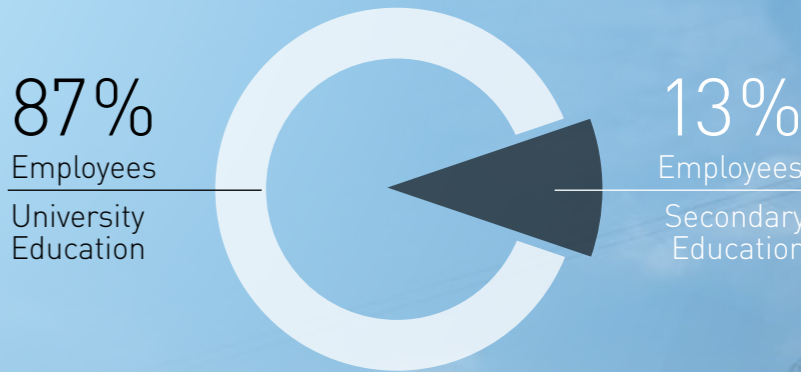
3.3.1. Employment Policy

Providing the company with adequate number of employees of an appropriate structure - education and qualification was one of the tasks of human resources management. With that goal there were three new employees recruited and two employees were re-assigned to other positions last year. By the end of the year 2015 there were 40 employees and 7 agency employees employed by our company, a functional diagram was filled up to 98%.

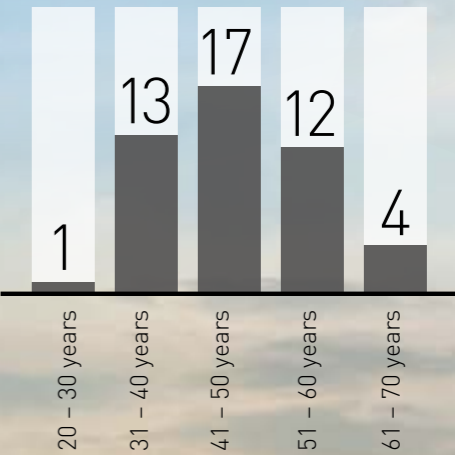
PERCENTAGE SHARE OF MEN AND WOMEN



QUALIFICATION STRUCTURE OF EMPLOYEES



AGE STRUCTURE



### 3.3.2. Employee Training and Development

An important characteristic of human resources is that their value rises up with adequate care, employees become more competent, their qualification is increased and they can achieve higher work efficiency.

In the year 2015, individual training and development of the personnel, performed in several forms, was one of the ways of such improvement. Employees were trained and they developed their professional competencies in courses and trainings organized by external organizations, for example in the course on public procurement, specialized training in health and safety at work, in the area of environmental protection, media training, training in the area of accounting and taxation. The company also encouraged employees at participation on professional conferences in Slovakia and abroad. Training and development of the personnel is the activity planned and evaluated annually and it has a fixed place in the personnel policy of the company.

### 3.3.3. Employee Care

Social care of employees in the company was performed in several forms. The company created a social fund in accordance with the Act no. 152/1994 Coll. on the Social Fund, as amended, with a mandatory allocation of 0.6% of the gross salaries. The company used the social fund for meal allowances of the employees corresponding to the principles of proper nutrition directly in the workplace or in its close vicinity. In exceptional cases the company provided employees with a one-off social assistance.

In the year 2015 Jadrová energetická spoločnosť Slovenska, a.s., contributed to supplementary pension savings of its employees by 3% of the settled gross salaries. The aim of supplementary pension savings of the employees is to enable savers to acquire additional income in accordance with the Act no. 650/2004 Coll. as amended.

Creation of safe and healthy working environment which protects workers against pollutants of various nature was a considerable part of the employee care.

Quality working environment and health care for employees were provided in cooperation with the occupational health service.

### 4.1. EIA Procedure – Environmental Impact Assessment of the New Nuclear Power Plant

In 2015 the process of Environmental Impact Assessment of the New Nuclear Power Plant continued according to the project schedule. The main activities of the process were the following: elaboration of the Environmental Impact Assessment Report on the Proposed Activity, its public hearings at the level of concerned municipalities and cross-border expert consultations and public hearings with neighbouring countries.

#### The Environmental Impact Assessment Report on the Proposed Activity

Following the Scope of Assessment of the Proposed Activity issued by the Ministry of Environment of the Slovak Republic there was the Environmental Impact Assessment Report on the Proposed Activity for the New Nuclear Power Plant in Jaslovské Bohunice Site (hereinafter referred to as "the Report") elaborated based on supporting and accompanying studies. There was a variant assessed - one reactor unit with pressurized water reactor of generation III+ with maximum net installed electric capacity of 1,700 MWe, as well as the zero variant. For the needs of international assessments, the Report was published in both English and German languages. Parts of the Report related to cross-border impacts were also published in Hungarian, Ukrainian and Polish languages.

At assessing the environmental impacts there was a conservative approach (so-called "Plant Parameters Envelope") applied in the Report, it meant that all environmental impacts were assessed at their potential maximum.


The assessment dealt with all areas of the environment (population and public health, air and climate, noise, ionizing radiation, surface and ground water, rock environment and natural resources, fauna, flora and ecosystems, landscape, material assets, cultural monuments, transportation and other infrastructure) and all stages of the plant life cycle. There were also all operational risks and measures to mitigate the environmental impacts assessed.

Based on the results of the assessment it can be concluded that non-radiological as well as radiological impacts of the New Nuclear Power Plant on the environment are acceptable in all aspects. There were no facts identified which would suggest for exceeding the prescribed legal limits and requirements or for significant impact on the environment and public health. This conclusion takes into account also the concurrent (cumulative) effect of other activities at the site and the environmental background. Environmental risks are acceptable, transboundary impacts are not significant.

#### Public Hearing at the Territory of the Slovak Republic

The Report outlines 19 municipalities that will be concerned by the construction and operation of the New Nuclear Power Plant. In accordance with the Act no. 24/2006 Coll. on Environmental Impact Assessment, as amended, there was a

# Project Activities in 2015



public hearing of the Report held in September with the mayors and citizens of these municipalities. The inhabitants of nearby municipalities and towns also participated at the hearing.

#### **Cross-Border Expert Consultations and Public Hearings**

In accordance with the international conventions applicable for the area of environmental impact assessment expert consultations and public hearings were held during the period from October to December 2015 in the neighbouring countries: Hungary, Austria, Germany and Ukraine. Poland and the Czech Republic did not require public hearings to be held. The records of consultations form the basis documents for preparation of the Expert Opinion and then the Final Statement to be issued by the Ministry of Environment of the Slovak Republic.

#### **4.2. Connection of the New Nuclear Power Plant to the Electricity System of the Slovak Republic**

After obtaining the Certificate of the Ministry of Economy of the Slovak Republic (hereinafter referred to as "the Ministry of Economy") for the construction of an energy facility in 2014 the company JESS continued also in 2015 with the process of connecting the NNPP to the electricity system of the Slovak Republic (hereinafter referred to as "the ES SR"). Within the process of preparation of documents necessary for conclusion of the agreement on common approach between JESS and the company Slovenská elektrizačná prenosová sústava, a.s. (transmission system operator in the Slovak Republic, herein-

after referred to as "SEPS") the first part of the document "Land-Use Study of the Siting and Technical Solution of the Unit Switchyard (hereinafter referred to as "US ") in Jaslovské Bohunice" was elaborated in 2015. In this part of the study the siting of the new US Jaslovské Bohunice was assessed in terms of territorial aspects and optimal ways of connecting to the ES SR. The environmental impacts were also analysed, as well as the impacts of the risk of icing from the cooling towers, collisions of existing networks and connection to other infrastructure. The results of the study prepared in cooperation with SEPS specified the siting of the US at the site and confirmed the results of the NNPP Project Feasibility Study prepared in 2012. Other activities of the project for preparation of the NNPP connection to the electricity system of the Slovak Republic will continue for the selected variant of the US and the technical solution will be elaborated in more details.

#### **4.3. Tender Documentation for Selection of the EPC Contractor**

Preparation of the tender documentation (hereinafter referred to as "the TD") is an important activity in preparation of the NNPP project. The tender documentation includes requirements for selection of a future contractor of the NNPP. Regarding the fact that this is a time consuming process, there was a decision made on starting to process the documentation well in advance.

In 2015 the technical part of the tender documentation was elaborated and the activities continue with elaboration of commercial, business and economic part of the TD.

The technical part of the TD specifies in details the required scope of supply of the NNPP, as well as the boundaries between the main supply and related and induced investments. The technical part also specifies requirements for the nuclear and turbine island of the NNPP as well as other technological and non-technological parts of the NNPP. At the same time there are the requirements specified for operation of the NNPP and its maintenance, together with requirements for its construction and commissioning. Definition of requirements on safety, quality, licensing and authorization is an integral part of the technical requirements. The technical part of the tender documentation also provides a description of the site for the construction of the NNPP, identification of areas intended for siting of the construction itself, the construction site and the technical infrastructure areas.

The documents for preparation and implementation of related and induced investments are prepared together with preparation of the tender documentation.

#### **4.4. The Structure of the Documentation to Accompany the Application for a Decision on the Siting of the New Nuclear Power Plant**

In accordance with the Act no. 50/1976 Coll. on Land Use Planning and Building Regulations it will be necessary to develop documentation for the project of the NNPP in future as a part of the application for a decision on the siting of the construction (land-use decision). Because of this, an internal document was prepared in advance

which includes a summary of comprehensive information as a basis document for performance of other activities of the project within the authorization processes in accordance with the Building Act.

#### **4.5. Location Aspects**

During the year 2015 we launched geological research and exploration of the site and the nearby region of the NNPP as preparatory works for processing the documentation required to obtain "the approval for a nuclear facility siting" in accordance with the Atomic Act. These activities have been performed in accordance with new methodologies and international practice and the activities will continue in the future period.

#### **4.6. State of Infrastructure for Implementation of the New Nuclear Power Plant**

In January 2013 after completing the preparatory process the company JESS Invest launched the project of arrangements for land acquisition for the NNPP in Jaslovské Bohunice in the area of interest of 115 ha. The project continued in 2015 within the cadastral areas of the municipalities Radošovce and Bohunice in the Trnava Region. The extent of the area corresponds to requirements for siting of the technological equipment, related necessary structures and the nuclear island technology itself.

By 31<sup>st</sup> December 2015, through the decision of the Cadastral Department of the District Office Trnava the registration to land on the property deed of the company JESS Invest with an area of about 104 ha was authorized, corresponding to 91.13% of the area of interest.

# The Environment

Management of the environmental activities is directly related to implementation of the objectives and principles of environmental policy of the company. One of the most important principles of environmental policy is to focus even in the process of project preparation on selection of the most advanced technologies which will ensure minimization of environmental impacts in the future.

Within building the integrated management system the company JESS continued at implementation of the requirements of the international standard ISO 14001: 2004 - "Environmental Management Systems" in particular by updating its environmental aspects and potential current and future environmental impacts. Audits of the integrated management system were performed as an effective tool of feedback.

Normal operation was ensured in the area of the environment in the period of the year 2015 - waste disposal, drinking water supply, sewerage, gas boiler operation and service control of refrigeration and air conditioning equipment through contractors.

Inspections on compliance with legislative requirements in the environmentally significant structures were performed regularly in accordance with the precautionary principle and in pursuit of continuous improvement.

## 5.1. Waste Management

In 2015 the following waste was produced:

Catalogue number	Name of waste	Category	Amount (t)	Place of disposal
200301	Mixed municipal waste	0	8,355	ASA Trnava
170904	Mixed waste from construction and demolition	0	206,63	Disposal site Vlčie Hory Hlohovec

## 5.2. Air Protection

The company operated one medium-sized air polluting source gas boiler for the purpose of heating the buildings.

The amount of pollutants released into the atmosphere in 2015.

Name of the source	Number of operating hours	Fuel consumption /m <sup>3</sup> /	Emissions released into the atmosphere /t . year-1/				
			SP	SO <sub>2</sub>	NO <sub>x</sub>	CO	ΣC
PK 740.IX-1	524	470184	0,003586	0,000430	0,069927	0,02824	0,004707

### Legend:

SP – solid pollutants; SO<sub>2</sub> – sulphur dioxide; NO<sub>x</sub> – nitrogen oxides; CO – carbon monoxide; ΣC – summary organic carbon

# Public Relation

In 2015 in the area of communication the company JESS adhered to its established principles of open communication and in active supplying of information to all interested parties as well as the general public. The company has adopted the disclosure of actual information on the website as the key communication component available to the public. Besides these, there is also the whole genesis of the NNPP project available on the web site from the very beginning, as well as general information on the energy sector.

Professional energy community can follow progress of the project also through the portal [www.energia.sk](http://www.energia.sk) where the company JESS worked in 2015 as a communication partner. In addition to virtual information support we make use of variety of printed media, where we focus mainly on specialized publications such as the Yearbook of electrical engineering and energy, but also general local newspapers.

In the professional field, at the regional level, the Association of Towns and Municipalities of the Region of Nuclear Power Plants Jaslovské Bohunice and Citizens Information Committee Bohunice became naturally the communication partner for us. We appreciate enormously serious communication during common negotiations and cooperation which is to be mutually developed in all stages of the project.

For our company it is important to know the attitudes, opinions, but also problems the region is dealing with. Therefore, even in the past year, the representatives of the company JESS participated at several meetings with representatives of the region and the mayors of the municipalities in order to be able to coordinate together various activities and tendencies that should help to achieve an important goal - to produce electricity safely and efficiently with emphasis on maximum safety and minimum impact on the environment.

# 07 Economic Results

## REPORT ON BUSINESS ACTIVITIES AND THE STATE OF ASSETS

In 2015 activities related to the development of the NNPP project continued in the pre-preparatory phase. The main activities included preparation of the document "The Environmental Impact Assessment Report on the Proposed Activity for the Project of the New Nuclear Power Plant", which was preceded by elaboration of 29 support studies used as input data.

Business activity was not changed compared with previous years and it was focused on leasing of movable property and assets that the company currently does not use.

By 31<sup>st</sup> December 2015 the company planned its pre-tax loss in the amount of € 5,738,680. The actually achieved loss was in the amount of € 3,093,970.

More favourable real economic result was reached due to exceeding revenues, especially unplanned, related to capitalized costs incurred for the NNPP project, and cost savings, which were lower in all groups of costs compared to planned costs, considering the current state of the project.

There were € 4,753,846 invested in investment activities in the following areas:

- Project investments;
- Retail investment activity.

The project investments were purchased in the amount of € 4,485,346, of which the following items were the most significant: the documentation of EIA in the amount of € 1,930,556, the agency agreements in the amount of € 878,592 (employing employees with specific knowledge), consulting related to the NNPP project implemented through Service Level Agreement with ČEZ in the amount of € 876,991 and activation of the own expenses in the amount of € 540,161.

Retail investment activity was in the amount of € 258,622 of which the following issues were carried out: land acquisition within the area blending in the amount of € 127,000; reconstruction of the cooling system in the canteen building in the amount of € 114,500, the security investment in the amount of € 17,122 and the investment in information technologies in the amount of € 9,878.

By 31<sup>st</sup> December 2015 the company recorded the total assets in the amount of € 218,957,722 representing a decrease of € 603,197 compared to the state of 1<sup>st</sup> January 2015.

The long-term tangible assets in the amount of € 135,284,784 are the most important item of the assets which reached an annual increase of € 6,503,911. Except for outsourced assets acquired there is also the increase in assets considered in the final state of the long-term tangible assets as a result of the implementation of changes in the valuation of the assets in the amount of selected own expenses, which can be clearly assigned to the NNPP project for the years 2010 - 2014 in the amount of € 2,468,283.

Long-term financial assets - shares in the company subsidiary - decreased of € 126,462 which represents the loss of the company subsidiary for the year 2015.

Financial accounts represent another important item of assets, with their decrease in absolute terms by € 7,155,793. These accounts are used to provide finances for operation purposes and investments.

Short-term receivables were € 81,109 higher than in the previous year, while short-term trade receivables were the most significant items which represented the increase of € 49,276 and the tax assets which represented the increase of € 31,962.

Other items of current assets were changed by insignificant amounts.

The increase of accruals of € 106,908 was recorded as a result of the higher rate of income accrued as interest on term deposits with the increase of € 100,872 and higher rate of costs accrued with the increase of € 6,036.

STRUCTURE OF ASSETS	State of 1. 1. 2015	State of 31. 12. 2015
	in EUR	in EUR
<b>A. NON-CURRENT ASSETS</b>	<b>140,545,068</b>	<b>146,909,798</b>
A.I. LONG-TERM INTANGIBLE ASSETS	18,769	6,050
A.II. LONG-TERM TANGIBLE ASSETS	128,780,873	135,284,784
A.III. LONG-TERM FINANCIAL ASSETS	11,745,426	11,618,964
<b>B. CURRENT ASSETS</b>	<b>78,569,849</b>	<b>71,495,014</b>
B.I. INVENTORIES	1,115	964
B.II. LONG-TERM RECEIVABLES	0	0
B.III. SHORT-TERM RECEIVABLES	257,946	339,055
B.IV. CURRENT FINANCIAL ASSETS	0	0
B.V. FINANCIAL ACCOUNTS	78,310,788	71,154,995
<b>C. ACCRUALS</b>	<b>446,002</b>	<b>552,910</b>
<b>TOTAL ASSETS</b>	<b>219,560,919</b>	<b>218,957,722</b>

All activities were financed from the company's own resources within the approved short-term financial plan for the year 2015.

The achieved economic results and the state of assets of the company are presented in the financial statements to which an independent auditor expressed his opinion without reservations.

The economic result for the year 2015 will be reversed to the account 429 - Accumulated losses from previous years.

08

# Independent Auditor's Report

## Deloitte

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### **SUPPLEMENT TO THE AUDITOR'S REPORT on the verification of the annual report's compliance with the accounting balance under Act No. 540/2007 Coll., Paragraph 23, Section 5**

For the shareholders and Board of Jadrová energetická spoločnosť Slovenska, a.s.:

- I. We have audited the accounting balance of Jadrová energetická spoločnosť Slovenska, a.s. (hereinafter as "the Company") up to 31<sup>st</sup> December 2015 as set out in the appendix to the annual report, for which we have issued the following audit report on 22<sup>nd</sup> March 2016:

#### **INDEPENDENT AUDITOR'S REPORT**

For the shareholders and Board of Jadrová energetická spoločnosť Slovenska, a.s.:

We have audited the accompanying accounting balance of Jadrová energetická spoločnosť Slovenska, a.s. (hereinafter known as "the Company"), comprising the balance sheet to 31<sup>st</sup> December 2015, the income and loss statement for the year ended on that date, and notes comprising a summary of significant accounting procedures and other explanatory information.

#### **Statutory Body's Responsibility for Accounting Balance**

The Company's statutory body is responsible for the preparation and fair presentation of this accounting balance in accordance with Slovak Act No. 431/2002 Coll., on Accounting as amended (hereinafter "Accounting Act") and the internal inspections the statutory body considers necessary for the preparation of an accounting balance free from significant inaccuracy, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion to this accounting balance, based on our audit.

We conducted our audit in accordance with International Auditing Standards. Based on these standards we are required to comply with ethical requirements, plan, and perform the audit to obtain reasonable assurance the accounting balance free of significant inaccuracies.

The audit involves the performance of procedures to obtain auditing evidence on the amounts and facts disclosed in the accounting balance. The procedures selected depend on the auditor's judgment, including an assessment of the risk that the accounting balance may contain inaccuracies due to fraud or error. When assessing such risks the auditor assesses internal Company controls relating to the preparation and fair presentation of the accounting balance. The aim of assessing the Company's internal controls is to design auditing procedures appropriate to the circumstances, not express the opinion concerning the efficiency of these internal controls. The audit also includes the evaluation of the appropriateness of the accounting practices used in the accounting balance and the statutory body's accounting estimates, as well as evaluating the overall presentation of the accounting balance as a whole.

We believe that the auditing evidence provides a sufficient and reasonable basis for our assessment.

#### **Opinion**

Based on our assessment, the accounting balance truthfully shows, in all respects, the financial position of Jadrová energetická spoločnosť Slovenska, a.s. to 31<sup>st</sup> December 2015 and the results of its operations for the year that ended on the given date, in accordance with the Accounting Act.

#### **Emphasizing the Matter**

Please note the comment A.2 to the financial statements, which describes the status of the project of the planned new nuclear power plant construction and the comment D.12, which describes correction of an error from previous years. In those circumstances our opinion has not been modified.

- II. We have also audited the consistency of the annual report with the aforementioned accounting balance. The Company's statutory organ is responsible for the report's accuracy. Our task is to issue our opinion on the consistency of annual reports with the accounting balance based on the verification.

We conducted our auditing in accordance with International Auditing Standards. These standards require that the auditor plans and performs the audit to obtain reasonable assurance that the information in the annual report, being subject to the presentation in the accounting balance, complies with the relevant accounting balance in all material respects. We have examined the annual report information with the accounting balance information to 31<sup>st</sup> December 2015. We have not verified data and information other than accounting derived from the accounting balance and accounting books. We believe that the conducted audit provides a reasonable basis for our auditor's opinion.

According to our assessment the financial information in the annual report is in accordance with the aforementioned accounting balance for the year that ended on 31<sup>st</sup> December 2015 in all material respects.

Bratislava, 22<sup>nd</sup> March 2016

Deloitte Audit s.r.o.  
SKA License no. 014

Ing. Wolda K. Grant, FCCA  
Auditor Responsible  
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# Abbreviations

**Jadrová energetická spoločnosť Slovenska, a. s.**  
Tomášikova 22, 821 02 Bratislava, Slovak Republic  
**[www.jess.sk](http://www.jess.sk)**

<b>a. s.</b>	– Joint Stock Company
<b>ČEZ</b>	– ČEZ, a. s.
<b>Coll.</b>	– Collection of Acts of the Slovak, Codex
<b>EIA</b>	– Environmental Impact Assessment
<b>EPC</b>	– Engineering, Procurement and Construction
<b>ES SR</b>	– Electricity System of the Slovak Republic
<b>JAVYS</b>	– Jadrová a vyradovacia spoločnosť, a. s.
<b>JESS</b>	– Jadrová energetická spoločnosť Slovenska, a. s.
<b>NNPP</b>	– New Nuclear Power Plant
<b>SEPS</b>	– Slovenská elektrizačná prenosová sústava, a. s.
<b>SR</b>	– Slovak Republic
<b>s. r. o.</b>	– Limited Liability Company
<b>i. e.</b>	– id est (latin), that is
<b>TD</b>	– Tender Documentation
<b>US</b>	– Unit Switchyard