

THE INDEPENDENT AUDITOR'S REPORT

from the Audit of the Annual Accounts and the Annual Report

**To the Shareholders, the Supervisory Board and the Board of
Directors
of the joint stock company**

TERMONOVA, a.s., SNP 98, 018 51 Nová Dubnica, Slovakia
ID No.: 36 322 644

The Report from the Audit of the Annual Accounts

Opinion

We carried out the audit of the Annual Accounts of **TERMONOVA, a.s., with its registered office in Nová Dubnica, Slovakia** (hereinafter referred to as the "Company") comprising the Balance Sheet as of 31 December 2016, the Profit and Loss Statement for the year ending on the given date and the Notes comprising the summary of the important accounting principles and accounting methods.

In our opinion, the attached Annual Accounts provide the true and accurate picture of the financial situation of the Company as on 31 December 2016 and its profit/loss for the year ending on the given date according to the Act No. 431/2002 Coll. on accounting as amended (hereinafter referred to as the "Act on Accounting").

The Basis for the Opinion

We have carried out the audit pursuant to the International Standards on Auditing, ISA. According to the standards, our responsibility is specified in paragraph the Responsibility of Auditor for the Annual Accounts Audit. We are independent of the Company pursuant to the stipulations of the Act No.423/2015 Coll. on statutory audit and on the amendment and supplementation of the Act No. 431/2002 Coll. on accounting as amended (hereinafter referred to as the "Act on Statutory Audit") regarding the ethics, including the Auditor's Code of Ethics, relevant for our audit of the Annual Accounts and we met also the other requirements of the stipulations regarding ethics. We are persuaded the audit evidences we obtained provide the sufficient and suitable basis for our opinion.

The Responsibility of the Statutory Body for the Annual Accounts

The statutory body is responsible for the compilation of the Annual Accounts in such a way they would provide the true and accurate picture in accordance with the Act on Accounting and for the internal checks considered by him to be necessary for the compilation of the Annual Accounts not comprising the significant incorrectnesses, either due to a fraud or an error.

When compiling the Annual Accounts, the statutory body is responsible for the assessment of the ability of the Company to permanently continue in its business, for the description of the facts regarding the permanent continuity in the business, if necessary, and for the application of the assumption of the permanent continuity in the business of the Company, unless he/she/it has the intention to liquidate the Company or to terminate its business, or unless there is no other realistic option for him/her/it just to do so.

The Responsibility of an Auditor for the Annual Accounts Audit

Our responsibility is to get the reasonable assurance the Annual Accounts as a unit do not comprise the significant incorrectnesses, either due to a fraud or an error and to issue the Auditor's Report, including the opinion. The reasonable assurance is the assurance of a high level, yet it is not the guarantee, that the audit was executed in accordance with the international standards on auditing, if they exist. The incorrectnesses may occur due to a fraud or an error and they shall be considered to be significant when it would be possible to reasonably expect they would individually or collectively affect the economical decisions of the users made on the basis of the Annual Accounts.

Within the audit carried out in accordance with the International Standards on Auditing, we apply the expert's judgement and keep the professional scepticism all the time.

In addition:

- We identify and assess the risks of a significant incorrectness of the Annual Accounts, either due to a fraud or error, we propose and execute the auditor's procedures responding to the risks and obtain the audit evidences that are sufficient and suitable for the provision of the basis for our opinion. The risk of the failure to reveal the significant incorrectness of a fraud is higher than the risk due to an error, since the fraud may include also the secret agreement, falsification, the intentional omission, false declaration or internal check avoidance.
- We get familiar with the internal checks relevant for audit in order to propose the auditing procedures suitable under the particular circumstances, yet not for the purpose of the expression of the opinion of the efficiency of the internal checks of the company.
- We assess the suitability of the applied accounting principles and accounting methods and the reasonability of the accounting estimates and the disclosure of related information carried out by the statutory body.
- We draw the conclusion whether the statutory body applies the assumption of permanent continuance of the business in accounting in a suitable way and to draw the conclusion whether there is a significant uncertainty in relation to the events or circumstances that would significantly

compromise the ability of the Ability to permanently continue in business on the basis of the obtained audit evidences. As long as we reach the conclusion there is any significant uncertainty, we shall be obliged to warn of it in our Auditor's Report, the same shall apply to the related information disclosed in the Annual Accounts or as long as the information is insufficient, to modify our opinion. Our conclusions come from the audit evidences obtained before the date of our Auditor's Report. However, the future events or circumstances may cause the Company stops continuing the permanent business.

- We assess the overall presentation, structure and contents of the Annual Accounts, including the information stated there, as well as whether the Annual Accounts capture the executed transactions and events in the way leading to their accurate depiction.

Report to Further Requirements of the Acts and Other Legal Regulations

The Report Regarding the Information Stated in the Annual Report

The responsibility for the information stated in the Annual Report compiled in accordance with the requirements of the Act on Accounting is borne by the statutory body. Our above opinion on the Annual Accounts does not refer to the other information in the Annual Report.

With regard to the audit of the Annual Accounts, our responsibility is getting familiar with the information stated in the Annual Report and the assessment whether the information is not in a significant disaccord with the audited Annual Accounts or our knowledge obtained by us during the audit of the Annual Accounts or does not seem to be significantly incorrect.

We assessed whether the Annual Report of the Company comprises the information the statement of which is required by the Act on Accounting.

On the basis of the works carried out during the audit of the Annual Accounts, in our opinion:

- The information stated in the Annual Report compiled for 2016 is in accord with the Annual Accounts for the given year,
- The Annual Report comprises the information in accordance with the Act on Accounting.

In addition, on the basis of our knowledge of the accounting unit and the situation in it we obtained during the audit of the Annual Accounts, we are obliged to state whether we found the significant incorrectnesses in the Annual Report we

received prior to the date of this Auditor's Report. In this regard, there are no findings we should state.

Done in Trenčín, on 21 April 2017

D.E.A. Consult Trenčín, s.r.o.
Braneckého 8, 911 01 Trenčín
Licence No. 113 SKAU

Ing. Jana Vojteková, Statutory Auditor
Licence No. 19 SKAU

