

2015 **ANNUAL REPORT**

NEVITEL, a.s.



 **nevitel**

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Address from the Chief Executive Officer

Dear Business Partners and Colleagues,

In recent years the telecommunications market has undergone significant changes, in particular when it comes to the amount of investment in modernization and the expansion of telecommunications infrastructure. Both myself and the company's employees are enthusiastic about the plethora of opportunities, challenges, and contracts this provides us with. All in all, we could say that the telecommunications market is very dynamic and evolving quickly, requiring a high degree of flexibility from all parties involved. The 2008 financial crisis had a significant impact on telecommunications operators, most of whom have reduced or completely halted network development in fear of decreased revenues and profit. Yet the need to expand and modernize infrastructure is continuous. Operators have been gradually pushed by their customers, the market, and their competition to do so. At present we are witnessing a number of positive changes in this area; the telecommunications market was revived and began to catch up quickly in areas that previously had been toned down. The willingness of telecommunications operators for massive investment is growing exponentially.

The second phenomenon that is significantly impacting the current situation is related to events from 10 to 15 years ago. At that time, telecommunications conferences saw enthusiastic debates regarding the importance and future of wired and wireless networks. I remember how optimistic the supporters of mobile networks were. It was their opinion that technical progress would quickly push metallic and optical networks out of the market where it comes to voice and data transfer and services. In many aspects they were right. Nowadays, mobile LTE (4G) networks are indeed capable of unheard-of performance when transferring information. Time, however, has shown that those prognoses were not completely right. At that time no one could predict the huge smartphone and data transfer boom in mobile networks. The fact that only optical cables are capable of transferring unlimited data volumes from base transceiver stations has lead numerous operators to invest in optical networks that will ensure data transfer to and from their BTS.

However, technology has made great strides in this area too. There are technological solutions available, through which metallic networks (within a certain range) are capable of providing services normally only provided by optical networks. These devices are called MSAN, and require connection to an optical cable. Connecting a subscriber to an optical line gives the provider virtually unlimited possibilities in terms of data transfer and providing different services. They also give the operator additional sources of income, thus increasing his revenue in a very competitive and price-sensitive environment that is often limited by EU regulations. Because of that, the development of optical networks clearly is the future of the telecommunications industry, as well as of NEVITEL, a.s. On the other hand, the regulatory authorities place high demands for

1. Introduction

the construction of mobile networks, which forces operators to continue investing in this area.

In 2016, our company celebrates 20 years of helping to build mobile networks in Slovakia. At the same time I am celebrating 25 years of doing business in the telecommunications industry. I am very glad that along with these anniversaries, we are facing similar types of challenges and opportunities I encountered in the beginning of mobile network construction in 1996. I am convinced that we will be able to take advantage of these opportunities to further and grow NEVITEL, a.s., and naturally also our business partners.

I would like to take this opportunity to thank you for the results achieved in 2015, and to thank all of our business partners, colleagues, and employees who have contributed their share.

I am positive that we will accomplish the bold goals we have set for ourselves in 2016. I wish you all much health and success.



Alexander NÉVERI
CEO





NEVITEL, a.s.

From the viewpoint of its long-term history and its current activities on the telecommunications market, NEVITEL a.s. clearly ranks among the most significant suppliers of infrastructure for telecommunications operators both in the Slovak Republic and in neighboring countries. Besides building and maintaining telecommunications infrastructure, it designs and constructs telecommunications base stations, radio links, telecommunication line constructions, and data centers, carries out engineering activities, installs technologies, and performs maintenance of both mobile and fixed telephone and data networks.

In our 20+-year history, our honest and fair approach, our perseverance, and our constant effort to deliver the best possible quality has earned NEVITEL a.s. the professional respect and trust of its business partners.

Looking ahead

Our company focuses mainly on markets meeting the criteria of prospective cooperation, or markets in which the company - besides its professional competences - also has the best local and language knowledge to successfully complete its projects: the Slovak Republic, Czech Republic, Hungary, and Austria.

Our objective is to become the industry leader and the preferred partner for all important telecommunications and IT market players in the Central European region. We want to play an active part in transforming and building new networks, as well as in introducing new technologies that will revolutionize the industry and help improve the lives of millions of people.

We share common values

- Customer satisfaction is paramount
- Material, market, and intellectual growth of the company
- Pleasant working environment, proud and loyal employees
- High quality professional work
- Responsible business conduct with regard to the environment

Mission

Our mission is to provide our business partners with quality technical support based on our long-term experience and expertise. Our primary obligation is to maintain an open, proactive, and creative approach to our customer's requirements - mainly telecommunications operators. At the same time we form a corporate culture favoring friendly and fair relationships between employees, fostering trust, teamwork, and a working atmosphere which positively impacts the performance of all employees.

Ownership Structure and Administrative Bodies of the Company

Company's Board of Directors

- *Alexander Néveri - Chairman of the Board and CEO as of July 1, 2015*
- *Július Varga - Vice-Chairman of the Board*

Supervisory Board

- *Vincent Mikolai - Chairman of the Supervisory Board*
- *Judit Bögi - Member of the Supervisory Board*
- *Gustáv Pálos - Member of the Supervisory Board*

Stake of the shareholders in the company's registered share capital

Alexander Néveri - 100%

The shares are not publicly traded on any markets. In 2014 the company did not acquire any of its own shares or temporary stocks.

The NEVITEL Group

The NEVITEL Group consists of the parent company NEVITEL, a.s. and its subsidiaries established with the objective of making work more efficient and separating individual activities. Any cooperation between the parent company and its subsidiaries is negotiated at arm's length. In 2013 we have established a new organizational unit with its registered office in Prague, intending to streamline cooperation with one of our most significant partners - O2 Czech Republic a.s. - and to support its strategic expansion within the territory of the Czech Republic.

Subsidiaries

- | | |
|----------------------------|-------|
| • NEVITEL HUNGARY Kft. | 100 % |
| • NEVITEL VÝSTAVBA, s.r.o. | 100 % |

Organizational unit

- NEVITEL, a.s., organizational unit, Czech Republic, (established on: September 16, 2013).

Performance of Obligations Towards the State and Other Organizations

NEVITEL, a.s. performs all of its obligations towards the state and other organizations in a due and timely manner. We pay special attention to the disbursement of wages to our employees and the payment of levies to social, healthcare, and pension insurance funds. We also take great care to settle all kinds of taxes pertaining to our company. No bankruptcy order has been made against the company and it is neither bankrupt nor being liquidated. In 2015 the company did not spend any funds on research and development.

Meeting our obligations towards our suppliers is the main precondition for maintaining stable supplier-customer relationships. All risk of damage to property and all liability are insured through insurance contracts concluded with renown insurance companies.

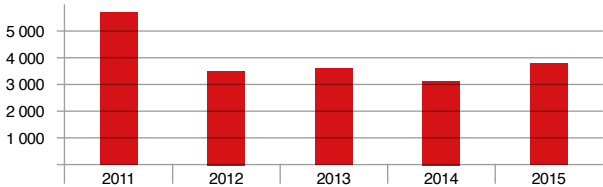
Significant Events

On July 9, 2015, Alexander Néveri became the Chairman of the Board and the Chief Executive Officer of NEVITEL, a.s. We are not aware of any other post-balance sheet events which could have a significant impact on the 2015 Financial Statements or on company activities in the subsequent accounting periods.

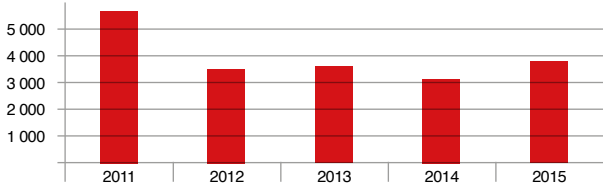
Key Performance Indicators (EUR thousands)

KPI	2011	2012	2013	2014	2015
Turnover	5 710	3 537	3 657	3 088	3 861
Revenues	5 710	3 537	3 657	3 088	3 861
Added value	1 169	782	544	940	1 422
EBITDA	-3,55	10,28	-239,14	81,89	151
Number of mobile network-related projects	326	441	591	354	629
Revenues related to 3 mobile operators	2 545	2 449	3 080	2 330	2 944

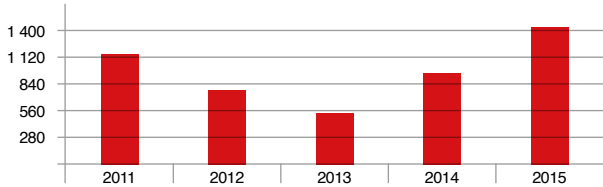
Turnover



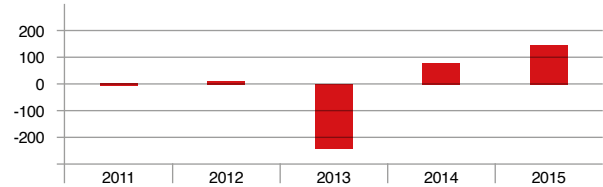
Revenues



Added value



EBITDA

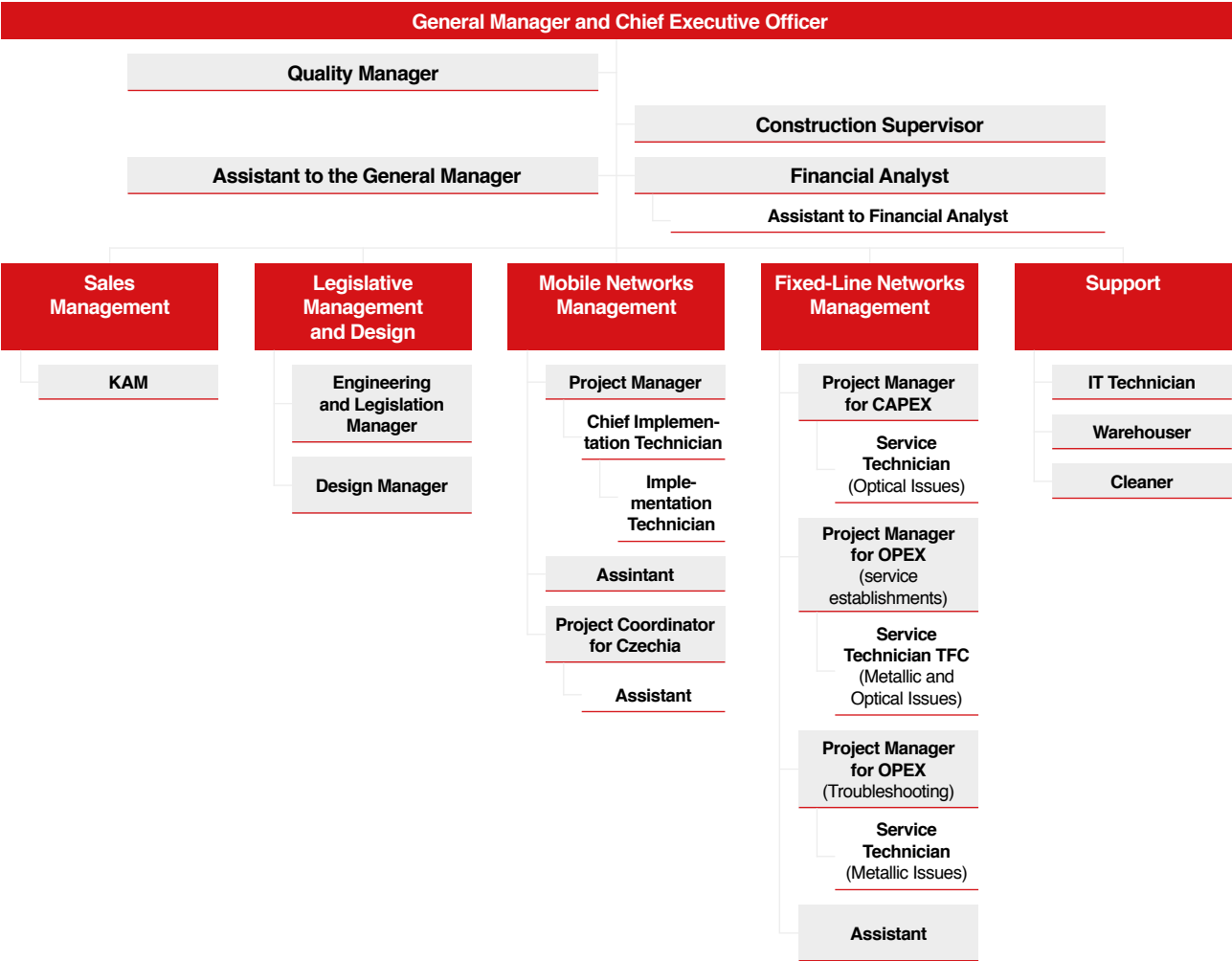


Selected Indicators

KPI	2011	2012	2013	2014	2015
Total income (provision exclude	5 807 395	3 683 425	3 798 004	3 156 381	4 718 546
Total cost (tax excluded)	5 940 714	3 765 348	4 105 385	3 151 982	4 657 659
Turnover (return on the sales of goods and products)	5 709 962	3 537 120	3 656 844	3 088 284	3 861 732
Added value	1 168 847	781 800	543 977	939 869	1 422 867
EBITDA (profit before interests, tax and depreciation)	(3 553)	10 281	(239 141)	81 887	151 515
Profit/loss before tax	(133 319)	(81 923)	(307 381)	4 399	60 886
Profit/loss after tax	(115 546)	(81 933)	(307 381)	5 409	53 178
Total asset	4 409 962	3 920 546	3 799 750	2 908 221	3 756 505
Total account receivable	4 136 998	3 724 294	3 623 780	1 890 266	3 523 790
Total liabilities	2 597 546	2 255 197	2 499 358	1 815 354	2 581 382
Average number of employees	55	35	30	38	51
EBITDA margin %	(0,1)	0,3	(6,3)	2,6	3,9
ROA (Return on Assets) %	(2,6)	(2,1)	(8,1)	0,2	1,4
ROS (Return on Sales) %	(2,0)	(2,3)	(8,4)	0,2	1,4
Total liquidity	1,62	1,68	1,48	1,09	1,10
Total debt (%)	58,90	57,52	65,78	62,42	68,71
Solvency ratio (%)	41,10	42,48	34,22	37,58	31,29
Average collection period for trade receivables (days) *	167	225	230	154	189
Average collection period for trade liabilities (days) **	83	93	78	71	89

The company turned a profit of EUR 5,409 in 2014, which was transferred upon a decision of the sole shareholder in NE-VITEL, a.s. dated 20 May 2015 to the following account: 428 retained profits from past years.

Organisational structure



Company management

**Alexander Néveri**

Founder and Owner of the Company

Mr Néveri spent six years working for Slovenské telekomunikácie at the district level after completing his studies in Technical Telecommunications Operations at the University of Transport and Communications in Žilina. He established NEVITEL in 1991, originally was a limited company, which grew into a joint-stock company, NEVITEL, a.s., in 2001 in which he remained the majority and later the sole owner. He has served as the company's executive, CEO and chairman of the board of directors.

Mr Néveri has long been active in his community as the founder of a number of non-profit organisations and is a supporter of the local civil sector, serving in local politics as the mayor of the city of Veľký Meder from 2010 to 2014, entrusting the management of the company to experienced professionals during such time. As owner, he continued to monitor events in the company and actively participated in strategic decisions.

Mr Néveri returned back after five years away effective on 1 July 2015, NEVITEL, a.s. to serve as its CEO and the chairman of the board of directors of NEVITEL, a.s.

**Július Varga**

Vice-Chairman of the Board and Deputy CEO, Strategy and Development

Július Varga serves as the deputy chairman of the board of directors and the deputy CEO for strategy and development. Mr Varga completed his studies at the Faculty of Electrical Engineering from the University of Technology in Bratislava in 1989. He worked as a computer administrator, telecommunications technician, project manager and technical director until the end of 1998. He then served as technical director at a multi-national telecommunications company for seven years.

He joined NEVITEL, a.s. in 2007 as business development manager. He has served on the board of directors since December 2008.

2015

The Telecommunications Market and the Business Environment in 2015

In recent years, the economic environment did not favor an increase in the revenues of European telecommunications operators. Market regulation and decreasing revenues pose a great challenge to the telecommunications industry and also indirectly influence the companies that help operators build and maintain telecommunications infrastructure.

Listed below are the most significant events within the Slovak telecommunications market in 2015 that had a direct impact on the activities and functioning of NEVITEL, a.s.:

- One of the most significant events was the massive construction of LTE (4G) networks by **all mobile network operators**, including the fourth one.
- With the help of its partners, SWAN Mobil sought suitable locations to build its own LTE network, following which it commenced the construction of 4G base stations and launched its 4G network. At the end of 2015, SWAN covered more than 50% of all areas of interest with its own LTE network and signed contracts with 100 customers. The operator's ambitious plan is to cover up to 80% of the territory of Slovakia until the end of 2016, signing contracts with as many as 300 thousand customers.
- **O2, Swan, and Benestra** (formerly GTS) purchased new frequencies in the 3600 - 3800 MHz band in an electronic auction held in February of 2015.
- At the end of March, **O2** announced its intention to introduce fixed-line services for its business customers. The new O2 unit was planning to build its own infrastructure. The operator announced its intention to invest a relatively large amount of money in its technological infrastructure, including the construction of a fixed access network (optical) to connect end-consumers primarily in the large cities and industrial parks where its potential clients may reside. The first step, however, was to build an infrastructure based on a new 3.7 GHz wireless network. O2 obtained a license to use this frequency band in an auction conducted by the regulatory authority in February of this year.
- **T-COM, the largest fixed-line operator**, announced the launch of a project to modernize its fixed infrastructure in towns and rural areas and the thereto-related investment in expanding its broadband network across all of Slovakia within the next five years. The most important objective will be the expansion of FTTx (optical) networks and the construction of technology cabinets connected to the operator's backbone network as close as possible to its existing customers, who currently use metallic connections. As part of the integrated network strategy, in addition to expanding its FTTx network and speeding up its metallic network, T-Com is focusing on quickly connecting existing 4G base stations to its optical backbone to ensure its mobile service customers can enjoy the maximum available speed.

Market Position and Rating of NEVITEL, a.s.

NEVITEL, a.s. has positioned itself as an important partner of the leading operators in the territory of Slovakia. Its main line of business is the implementation of telecommunication structures. Our objective is to maintain our position and expand our activities as an expert partner for technological and non-technological construction and the maintenance of network infrastructure throughout all of Slovakia. In Western Slovakia, we have become the key partner for the leading telecommunications operators, and we are in a similar position in the other regions of Slovakia as well.

Our total market share in Slovakia is estimated to be about 20%. We are one of the three suppliers of O2 in Slovakia with an existing master agreement to carry out complex activities related to the construction and maintenance of its mobile infrastructure. In the case of Slovak Telekom, we are one of its five contractual partners in charge of building fixed infrastructure, setting-up customer services, removing defects, and performing network maintenance. In 2015 we signed an agreement to start the construction of fixed networks in Eastern Slovakia. One of the most important events was the selection of our company as a partner of ST, a.s. as well as the signing of a contract to design fixed telecommunications infrastructure. For the third consecutive year we have been partnering with one of the largest companies in Austria to directly liaise with mobile operators and to build and reconfigure mobile networks for them.

Implemented Projects

The cooperation between NEVITEL, a.s. and its key customers - mobile operators - is based mainly on the existing master agreements which determine the scope and contents of our common projects. The main projects for our individual customers include:

Slovak Telekom, a.s. (mobile division)

- Acquisition, engineering, and implementation of more than 160 objects
- Implementation activities for the construction of 2G, 3G, and 4G networks and more than 200 telecommunications points

Slovak Telekom, a.s. (fixed-line division)

- Maintenance of the fixed network, establishing customer connections, device installation and servicing
- Construction of fixed metallic and optical network, complex implementation of both internal and external lines
- Completion of investment projects in the construction of FTTx networks, the construction of MSAN technology and implementation of fiber optic connections for mobile base stations (F2BTS)
- Construction and electro-engineering work related to fixed networks in Western Slovakia
- Design and engineering related to the construction of optical networks throughout all of Slovakia
- Restoration of air communication (landline) infrastructure (more than 300 wooden telephone poles) in the villages of the region

O2 Slovakia, s.r.o.

- Acquisition, engineering, design, and installation of more than 120 objects
- Revision and prophylactic maintenance of steel structures used on base stations in all of Slovakia

Other important projects implemented in 2015 include the following:

Cisco International Limited

- EPC implementation for a mobile operator in Slovakia

SLOVNAFT MONTÁŽE A OPRAVY, a.s.

- Warranty service for end-customer's cable infrastructure

Technopol International, s.r.o.

- Installation of antenna system masts

Doprastav, a.s.

- Relocation of telecommunication infrastructure in the area of the D1 junction Senec - Blatné

O2 Bussiness Services, s.r.o.

- Acquisition, engineering, and design of FWA base stations on the frequency of 3,7 GHz on more than 50 objects
- Implementation activities for the construction of FWA networks on more than 50 telecommunication points

O2 Czech Republic a.s.

- Acquisition, engineering, design and installation of mobile networks on more than 70 locations based on a framework agreement in a consortium with the Czech partner

SPL Tele GmbH & Co KG

- Reconfiguration of 2G and 3G technologies and implementation of LTE networks for two local mobile operators in cooperation with our Austrian partner



Sound Supplier-Customer Relations

2015 followed in the spirit of previous years as we sought to constantly improve our cooperation and communication with our suppliers and investors. NEVITEL, a.s. continues to meet all of its statutory obligations, submits all required reports, and settles any employee-related taxes and levies. Stability and fairness are the basic attributes of our supplier-customer relations, based on strict financial discipline and the timely settlement of all payables. NEVITEL, a.s. has taken out insurance contracts with reputable insurance companies to cover the risk of damage to property and liability for damage.

Key customers in the telecommunications market in Slovakia in 2015:

- Slovak telekom, a.s.
- O2 Slovakia s.r.o.
- O2 Business Services, a.s.
- SWAN a.s.

Key customers in the telecommunications market in Austria in 2015:

- SPL Tele GmbH & Co KG

Our supplier-customer relations are based on fair and equitable business practices, openness, ethics, and equality of opportunities for all suppliers. At the same time we are particular about mutual respect and trust, as well as long-term, efficient cooperation.

NEVITEL, a.s. has concluded multiple partnership and master agreements which govern our successful cooperation with most of our business partners. We strive to respect and abide by the agreed-upon contractual terms.



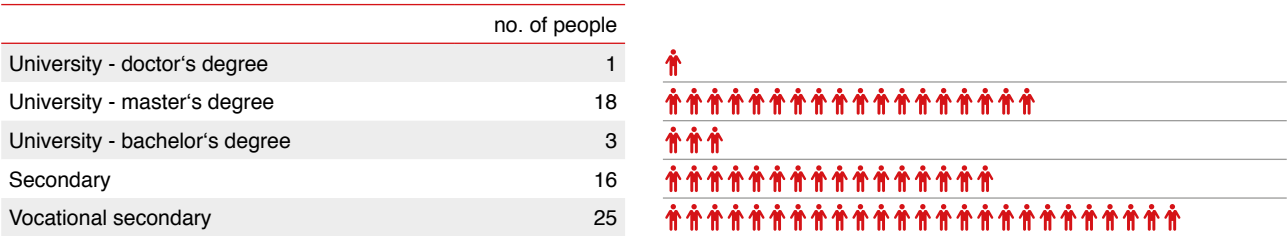
Employees

Our employees are our most important asset, allowing us to acquire and maintain a competitive market position. As of December 31, 2015, NEVITEL, a.s. had a total of 64 employees, out of which 13 were women and 51 were men. Throughout the year we have terminated the employment of 9 existing employees and hired 24 new employees.

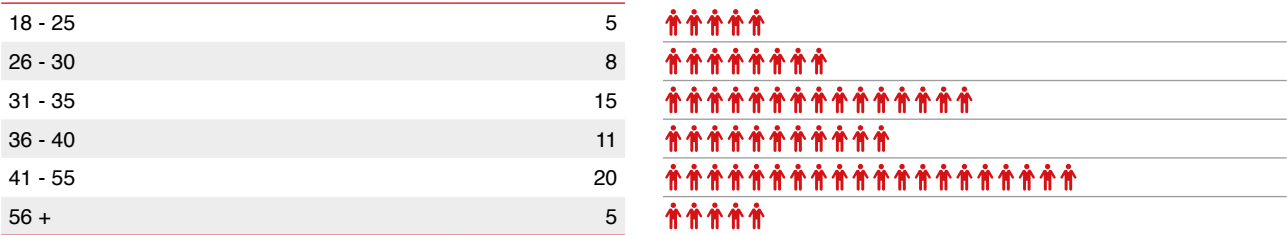
The company management is well aware that a highly-qualified staff is the key to the success of our company, and accordingly pay increased attention to developing the potential of its employees. The company devotes much time and resources towards educating its employees. Besides the introductory training, training courses, and seminars, our employees take part in different professional and IT training courses. These educational activities focus primarily on the needs pertaining to professional knowledge, efficiency, and the improvement of employee performance.

As part our social program and employee care, NEVITEL, a.s. has introduced for its employees and their families the so-called “**Family day**” where employees can participate in different team-building and leisure time activities. NEVITEL, a.s. also supports its employees in their participation in sports activities. In 2015, they put their football skills to the test at the “**Information & Communications Technology Football Challenge 2015**” in Bratislava.

Employee educational structure



Employee age structure





Quality

NEVITEL, a.s. constantly strives to improve the quality of its processes through management and continuous improvement. A professional approach, technical perfection, efficiency, and the security of our supplies are always at the forefront of our efforts.

At NEVITEL, a.s. we introduced a quality assurance and control system as early as 2002. In 2003 the quality management system was certified by DNV-GL BUSINESS ASSURANCE GROUP AS in accordance with ISO 9001:2000. In February 2015, the system was recertified according to ISO 9001:2008 along with the environmental management system (ISO 14001:2004) in the following areas:

- Design and construction of telecommunications base stations and radio line constructions
- Engineering and installation of technologies
- Maintenance of mobile and fixed telephone and data networks
- Supply, installation, and servicing of telecommunications devices

The quality management system clearly determines the responsibilities and obligations of all employees while at the same time helps to improve customer trust.



Code of Conduct

The Code of Conduct is a binding document derived from our corporate values and applies to all employees of NEVITEL, a.s. Honesty and transparency are our utmost priority and are expected from all employees and external partners.

Through our Code of Conduct we instruct our employees, business partners, and others that ethics is an integral part of our business activities. In improving our business reputation, we also pay attention to upholding the highest possible levels of honesty and integrity in business conduct.

The following are the key principles of our company:

- Fairness, honesty, transparency
- Protection of our reputation and assets
- Mutual trust, cooperation, and respect among our employees
- Team thinking and communication
- Principle of equality - no discrimination
- Fair trade and business policy
- Customer satisfaction is paramount
- Taking care of employees, business partners, and the company as a whole

OHS

NEVITEL, a.s. pays great attention to providing excellent health and social care to its employees and creating a secure working environment. The general rules of prevention as well as the basic conditions to ensure occupational health and safety and exclude factors causing occupational injuries and bodily harm are reflected in the respective internal regulations. One of our goals in terms of OHS is the identification and minimization of safety risks by organizing training courses, hands-on training, introducing new technologies, and the like.

Our company uses an OHS management system based on voluntary international standards, e.g., the British BS 8800 standard or the OHSAS 18000 standard of the Certification Institute Association. One of the stimuli for introducing an effective management system at NEVITEL, a.s. was the 2001 International MOP Standard for OHS management.

We continuously verify and evaluate the efficiency of the OHS system, carry out internal annual audits, and introduce corrective and preventive measures based on their findings.

The Environment

As is the case with most companies, the business activities of NEVITEL a.s. also have an environmental impact. As an environmentally responsible business, our company strives to minimize its environmental impact by using environmentally-friendly technologies.

Since the beginning of 2009 we have conformed to the rules and requirements set by the ISO 14001:2004 standard. We were awarded the respective certificate in December 2009. In 2010, we included the new management system in our integrated management process, and in February 2015 this system was recertified. Compliance with the principles and provisions of this standard is continuously monitored and evaluated by performing regular internal audits.

We have adopted the following standards to enforce our environmental policy

- Comply with the legal and other requirements related to environmental protection
- Provide a secure working environment
- All decisions with regard to our investment plans and their implementation must be adopted with respect to the environment
- Manage and guide our employees to fully respect the corporate environmental policy
- Form conditions that support ecological behaviors in our employees
- Have a responsible approach to risk prevention in situations that could have a negative environmental impact
- Carry out the regular maintenance of all vehicles, machines, and devices
- Follow the principles of our environmental policy and request the same from our business partners

Corporate Responsibility

NEVITEL, a.s. abides by the following rules: “Corporate Social Responsibility is the continuing commitment by businesses to conduct their business in an ethical manner, and contribute to sustainable economic development while improving the quality of life of the workforce and their families as well as of the community and society at large” (World Business Council for Sustainable Development).

As part of this effort, our top priority is to comply with the ISO 14001:2008 and 9001:2008 standards, with our compliance successfully confirmed by recertification. NEVITEL, a.s. forms suitable conditions for reducing the amount of waste produced and resources consumed, thus reinforcing its eco-friendliness.



Designation	ASSETS	Line no.	Current accounting period Gross	Current accounting period Correction	Current accounting period Nett	Preceding accounting period Nett
	Total assets I. 02 + I. 33 + I. 74	01	4 521 996	765 491	3 756 505	2 908 221
A.	Non-current assets excluding non-current receivables I. 03 + I. 11 + I. 21	02	893 064	759 512	133 552	915 152
A.I.	Non-current intangible assets - total (lines 04 to 10)	03	126 376	118 257	8 119	7 561
A.I.1.	Capitalized development costs (012) - /072, 091A/	04				
2.	Software (013) - /073, 091A/	05	54 155	51 644	2 511	0
3.	Valuable rights (014) - /074, 091A/	06	72 221	66 613	5 608	7 561
4.	Goodwill (015) - /075, 091A/	07				
5.	Other non-current intangible assets (019, 01X) - /079, 07X, 091A	08				
6.	Acquisition of non-current intangible assets (041) - 093	09				
7.	Advance payments made for non-current intangible assets (051) - 095A	10				
A.II.	Non-current tangible assets (lines 12 to 20)	11	501 767	407 588	94 179	118 108
A.II.1.	Land (031) - 092A	12				
2.	Buildings and constructions (021) - /081, 092A/	13				
3.	Separate movable items and groups of movable items (022) - /082, 092A/	14	501 767	407 588	94 179	118 108
4.	Permanent growth (025) - /085, 092A/	15				
5.	Livestock (026) - /086, 092A/	16				
6.	Other non-current tangible assets (029, 02X, 032) - /089, 08X, 092A/	17				
7.	Non-current tangible assets in progress (042) - /094/	18				
8.	Advance payments made for property, plant and equipment (052) - 095A	19				
9.	Value adjustment to acquired assets (+/- 097) +/- 098	20				
A.III.	Non-current financial assets - total (lines 22 to 32)	21	264 921	233 667	31 254	789 483

Designation	ASSETS	Line no.	Current accounting period Gross	Current accounting period Correction	Current accounting period Nett	Preceding accounting period Nett
A.III. 1.	Securities and shares in related accounting entities (061A, 062A, 063A) - /096A/	22	241 664	215 410	26 254	26 254
2.	Securities and shares with ownership interest excluding those in related accounting entities (062A) - /096A/	23	0	0	0	20 000
3.	Other realizable securities and shares (063A) - /096A/	24	5 000	0	5 000	0
4.	Loans granted to related accounting entities (066A) - /096A/	25				
5.	Loans within ownership interest excluding those granted to related accounting entities (066A) - /096A/	26				
6.	Other loans (067A) - /096A/	27				
7.	Debt securities and other non-current financial assets (065A, 069A, 06XA) - /096A/	28	18 257	18 257	0	743 229
8.	Loans and other non-current financial assets with residual maturity up to one year (066A, 067A, 069A, 06XA) - /096A/	29				
9.	Bank time deposits with maturity over one year (22XA)	30				
10.	Non-current financial assets in progress (043) - /096A/	31				
11.	Advances granted for non-current financial assets (053) - /095A/	32				
B.	Current assets + non-current receivables I. 34 + I. 41 + I. 53 + I. 66 + I. 71	33	3 619 685	5 979	3 613 706	1 980 123
B.I.	Inventory total (lines 35 to 40)	34	79 758	0	79 758	84 896
B.I.1.	Raw material (112, 119, 11X) - /191, 19X/	35	79 758	0	79 758	84 896
2.	Work in progress (121, 122, 12X) - /192, 193, 19X/	36				
3.	Finished goods (123) - /194/	37				
4.	Animals (124) - /195/	38				
5.	Merchandise in stock and retail stores (132, 133, 13X, 139) - /196, 19X/	39				
6.	Advance payments provided on inventory (314A) - 391A	40				

Designation	ASSETS	Line no.	Current accounting period Gross	Current accounting period Correction	Current accounting period Nett	Preceding accounting period Nett
B.II.	Non-current receivables total (I. 42 + I. 46 to I. 52)	41	823 609	0	823 609	24 529
B.II.1.	Trade receivables total (lines 43 to 45)	42				
1.a.	Trade receivables from related accounting entities (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/	43				
1.b.	Trade receivables within ownership interest excluding those from related accounting entities (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/	44				
1.c.	Other trade receivables (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/	45				
2.	Net value of the contract (316A)	46				
3.	Other receivables from related accounting entities (351A) - /391A/	47				
4.	Other receivables within ownership interest excluding those from related accounting entities (351A) - /391A/	48				
5.	Receivables from partners, members and associations (354A, 355A, 358A, 35XA) - 391A	49	803 908	0	803 908	0
6.	Receivables from derivative transactions (373A, 376A)	50				
7.	Other receivables (335A, 336A, 33XA, 371A, 374A, 375A, 378A) - /391A/	51				
8.	Deferred tax asset (481A)	52	19 701	0	19 701	0
B.III.	Current receivables total (I. 54 + I. 58 to I. 65)	53	2 706 160	5 979	2 700 181	1 865 737
B.III.1.	Trade receivables total (lines 55 to 57)	54	2 044 144	5 979	2 038 165	1 335 711
1.a.	Trade receivables from related accounting entities (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/	55	46 684	0	46 684	61 983
1.b.	Trade receivables within ownership interest excluding receivables from related accounting entities (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/	56				

Designation	ASSETS	Line no.	Current accounting period Gross	Current accounting period Correction	Current accounting period Nett	Preceding accounting period Nett
1.c.	Other trade receivables (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/	57	1 997 460	5 979	1 991 481	1 273 728
2.	Net value of the contract (316A)	58	236 494	0	236 494	91 034
3.	Other receivables from related accounting entities (351A) - /391A/	59	282 122	0	282 122	295 585
4.	Other receivables within ownership interest excluding receivables from related accounting entities (351A) - /391A/	60				
5.	Receivables from partners, members and associations (354A, 355A, 358A, 35XA, 398A) - /391A/	61	140 067	0	140 067	139 463
6.	Receivables from social security (336A) - /391A/	62				
7.	Tax receivables and subsidies (341, 342, 343, 345, 346, 347) - /391A/	63				
8.	Receivables from derivative transactions (373A, 376A)	64				
9.	Other receivables (335A, 33XA, 371A, 374A, 375A, 378A) - /391A/	65	3 333	0	3 333	3 944
B.IV.	Current financial assets - securities total (lines 67 to 70)	66				
B.IV.1.	Current financial assets in related accounting entities (251A, 253A, 256A, 257A, 25XA) - /291A, 29XA/	67				
2.	Current financial assets without current financial assets in related accounting entities (251A, 253A, 256A, 257A, 25XA) - /291A, 29XA/	68				
3.	Own shares and own ownership interest (252)	69				
4.	Acquisition of current financial assets (259, 314A) - /291A/	70				
B.V.	Current financial assets I. 72 + I. 73	71	10 158	0	10 158	4 961
B.V.1.	Cash (211, 213, 21X)	72	3 619	0	3 619	3 639
2.	Bank accounts (221A, 22X, +/- 261)	73	6 539	0	6 539	1 322
C.	Accrued assets (lines 75 to 78)	74	9 247	0	9 247	12 946
C.1.	Non-current prepaid expenses (381A, 382A)	75				
2.	Current prepaid expenses (381A, 382A)	76				

Designation	ASSETS	Line no.	Current accounting period Gross	Current accounting period Correction	Current accounting period Nett	Preceding accounting period Nett
3.	Non-current accrued income (385A)	77				
4.	Current accrued income (385A)	78				

Designation	LIABILITIES AND EQUITY	Line no.	Current accounting period	Preceding accounting period
	Total equity and liabilities I. 80 + I. 101 + I. 141	79	3 756 505	2 908 221
A.	Equity I. 81 + I. 85 + I. 86 + I. 87 + I. 90 + I. 93 + I. 97 + I. 100	80	1 175 123	1 092 867
A.I.	Registered capital total (lines 82 to 84)	81	1 300 000	1 300 000
A.I.1.	Registered capital (411 or +/- 491)	82	1 300 000	1 300 000
2.	Changes in registered capital +/- 419	83		
3.	Receivables related to unpaid registered capital (/-/353)	84		
A.II.	Share premium (412)	85		
A.III.	Other capital funds (413)	86		
A.IV.	Legal reserve funds I. 88. + I. 89	87		
A.IV.1.	Legal reserve fund and non-distributable fund (417A, 418, 421A, 422)	88		
2.	Reserve fund for own shares and own ownership interest (417A, 421A)	89		
A.V.	Other funds created from profit I. 91 + I. 92	90		
A.V.1	Statutory funds (423, 42X)	91		
2.	Other funds (427, 42X)	92		
A.VI.	Differences from revaluation - total (I. 94 to I. 96)	93	0	-145 678
A.VI.1	Differences from revaluation of assets and payables (+/- 414)	94	0	-145 678
2.	Revaluation of capital participation (+/- 415)	95		
3.	Merger or division revaluation (+/- 416)	96		

Designation	LIABILITIES AND EQUITY	Line no.	Current accounting period	Preceding accounting period
A.VII.	Net profit/loss of previous years I. 98 and I. 99	97	-178 055	-66 864
A.VII.1	Retained earnings of previous years (428)	98	742 447	737 038
2.	Uncompesated losses of previous years (-/-429)	99	-920 502	-803 902
A.VIII.	Profit/loss for the accounting period after tax /+/- I. 01 - (I. 81 + I. 85 + I. 86 + I. 087 + I. 90 + I. 93 + I. 97 + I. 101 + I. 141)	100	53 178	5 409
B.	Payables I. 102 + I. 118 + I. 121 + I. 122 + I. 136 + I. 139 + I. 140	101	2 581 382	1 815 354
B.I.	Non-current payables total (I. 103 + I. 107 to I. 117)	102	22 251	28 998
B.I.1.	Non-current trade payables total (I. 104 to I. 106)	103		
1.a.	Trade payables to related accounting entities (321A, 475A, 476A)	104		
1.b.	Trade payables within ownership interest excluding related accounting entities (321A, 375A, 476A)	105		
1.c.	Other trade payables (321A, 475A, 476A)	106		
2.	Net value of the contract (316A)	107		
3.	Other payables to related accounting entities (471A, 47XA)	108		
4.	Other payables within ownership interest excluding payables to related accounting entities (471A, 47XA)	109		
5.	Other non-current payables (479A, 47XA)	110		
6.	Long-term advance payments received (475A)	111		
7.	Non-current bills of exchange payable (478A)	112		
8.	Bonds issued (473A/-/255A)	113		
9.	Social fund payables (472)	114	5 877	753
10.	Other non-current payables (336A, 372A, 474A, 47XA)	115	16 374	28 245
11.	Non-current payables from derivative transactions (373A, 377A)	116		
12.	Deferred tax payable (481A)	117		

Designation	LIABILITIES AND EQUITY	Line no.	Current accounting period	Preceding accounting period
B.II.	Non-current provisions I. 119 + I. 120	118		
B.II.1.	Legal provisions (451A)	119		
2.	Other provisions (459A, 45XA)	120		
B.III.	Non-current bank loans (461A, 46XA)	121		
B.IV.	Current payables total total (I. 123 + I. 127 to I. 135)	122	1 202 190	808 163
B.IV.1.	Trade payables total (I. 124 to I. 126)	123	952 526	613 372
1.a.	Trade payables to related accounting entities (321A, 322A, 326A, 32XA, 475A, 476A, 478A, 47XA)	124	0	720
1.b	Trade payables within ownership interest excluding payables to related accounting entities (321A, 322A, 32XA, 475A, 476A, 478A, 47XA)	125	0	187
1.c.	Other trade payables (321A, 322A, 324A, 325A, 326A, 32XA, 475A, 476A, 478A, 47XA)	126	952 526	612 465
2.	Net value of the contract (316A)	127	3 956	11 010
3.	Other payables to related accounting entities (361A, 36XA, 471A, 47XA)	128		
4.	Other payables within ownership interest except for payables to related accounting entities (361A, 36XA, 471A, 47XA)	129		
5.	Payables to partners and association (364, 365, 366, 367, 368, 398A, 478A, 479A)	130	10 683	12 160
6.	Payables to employees (331, 333, 33X, 479A)	131	61 992	46 177
7.	Social security payable (336A)	132	39 044	29 310
8.	Taxes payables and subsidies (341, 342, 343, 345, 346, 347, 34X)	133	105 729	63 345
9.	Payables from derivative transactions (373A, 377A)	134		
10.	Other payables (372A, 379A, 474A, 475A, 479A, 47XA)	135	28 260	32 789
B.V.	Current provisions I. 137 + I. 138	136	38 684	65 926
B.V.1.	Legal provisions (323A, 451A)	137	21 870	23 736

Designation	LIABILITIES AND EQUITY	Line no.	Current accounting period	Preceding accounting period
2.	Other provisions (323A, 32X, 459A, 45XA)	138	16 814	42 190
B.VI.	Current bank loans (221A, 231, 232, 23X, 461A, 46XA)	139	1 318 257	912 267
B.VII.	Current financial assistance (241, 249, 24X, 473A, /-255A)	140		
C.	Accruals total total (lines 142 to 145)	141		
C.1	Non-current accrued expenses (383A)	142		
2.	Current accrued expenses (383A)	143		
3.	Non-current deferred income (384A)	144		
4.	Current deferred income (384A)	145		

Designation	TEXT	Line no.	Current accounting period	Preceding accounting period
*	Net turnover (part acc. class 6 under the Act)	01	3 861 732	3 088 284
**	Revenues from operating activities total (I. 03 to I. 09)	02	3 903 275	3 148 256
I.	Revenue from the sale of merchandise (604, 607)	03		
II.	Revenue from the sale of own products (601)	04		
III.	Revenue from the sale of services (602, 606)	05	3 861 732	3 088 284
IV.	Changes in internal inventory (+/- acc. group 61)	06		
V.	Capitalisation (acc. group 62)	07		
VI.	Revenue from the sale of long-term intangible and tangible assets and materials sold (641, 642)	08	12 844	47 008
VII.	Other operating income (644, 645, 646, 648, 655, 657)	09	28 699	12 964
**	Expenses for operating activities total I. 11 + I. 12 + I. 13 + I. 14 + I. 15 + I. 20 + I. 21 + I. 24 + I. 25 + I. 26	10	3 781 188	3 081 694
A.	Cost of merchandise sold (504, 505A, 507)	11		

Designation	TEXT	Line no.	Current accounting period	Preceding accounting period
B.	Consumed raw materials, energy consumption, and consumption of other non-inventory supplies (501, 502, 503)	12	620 625	413 659
C.	Value adjustments for inventories (+/-) (505)	13	0	-1 799
D.	Services (acc. group 51)	14	1 818 240	1 736 555
E.	Personnel expenses total (lines 16 to 19)	15	1 204 291	799 690
E.1.	Wages and salaries (521, 522)	16	866 699	553 858
2.	Remuneration of board members of company or cooperative (523)	17	22 100	17 400
3.	Social insurance expenses (524, 525, 526)	18	281 211	206 482
4.	Social expenses (527, 528)	19	34 281	21 950
F.	Taxes and fees (acc. group 53)	20	54 946	48 864
G.	Amortization and depreciation of and value adjustments to non-current intangible and tangible assets (I. 22 + I. 23)	21	55 420	33 567
G.1.	Amortization of non-current intangible assets and depreciation of non-current tangible assets (551)	22	55 420	33 567
2.	Value adjustments to non-current intangible assets and non-current tangible assets (+/-) (553)	23		
H.	Net book value of non-current assets and materials sold (541, 542)	24	7 938	49 007
I.	Adjustment to receivables (+/-) (547)	25		
J.	Other operating expenses (543, 544, 545, 546, 548, 549, 555, 557)	26	19 728	2 151
***	Profit/loss on operating activities (+/-) (I. 02 - I. 10)	27	122 087	66 562
*	Added value (I. 03 + I. 04 + I. 05 + I. 06 + I. 07) - (I. 11 + I. 12 + I. 13 + I. 14)	28	1 422 867	939 869
**	Revenue from financing activities total I. 30 + I. 31 + I. 35 + I. 39 + I. 42 + I. 43 + I. 44	29	815 270	8 125
VIII.	Revenue from the sale of securities and shares (661)	30	806 908	0
IX.	Income from non-current financial assets total (lines 32 to 34)	31		
IX.1.	Revenue from securities and shares from related accounting entities (665A)	32		

Designation	TEXT	Line no.	Current accounting period	Preceding accounting period
2.	Revenues from securities and shares within ownership interest excluding revenues from related accounting entities (665A)	33		
3.	Other income from securities and shareholdings (665A)	34		
X.	Other income from current financial assets total (lines 36 to 38)	35		
X.1.	Revenues from current financial assets from related accounting entities (666A)	36		
2.	Revenues from current financial assets within ownership interest excluding revenues from related accounting entities (666A)	37		
3.	Other income from current financial assets (666A)	38		
XI.	Interest income (I. 40 + I. 41))	39	6 367	7 188
XI.1.	Interest income from related accounting entities (662A)	40	5 501	6 317
2.	Other interest income (662A)	41	866	871
XII.	Exchange rate gains (663)	42	1 995	937
XIII.	Gains on revaluation of securities and income from derivative transactions (664, 667)	43		
XIV.	Other income from financing activities (668)	44		
**	Expenses for financing activities total I. 46 + I. 47 + I. 48 + I. 49 + I. 52 + I. 53+ I. 54	45	876 471	70 288
K.	Securities and shares sold (561)	46	818 907	
L.	Expenses related to current financial assets (566)	47		
M.	Value adjustments to financial assets (+/-) (565)	48		
N.	Interest expense (I. 50 + I. 51)	49	35 209	43 921
N.1.	Interest expense for related accounting entities (562A)	50		
2.	Other interest expense (562A)	51	35 209	43 921
O.	Exchange rate losses (563)	52	6 560	7 873
P.	Loss on revaluation of securities and expenses related to derivative transactions (564, 567)	53		

Designation	TEXT	Line no.	Current accounting period	Preceding accounting period
Q.	Other expenses related to financial activities (568, 569)	54	15 795	18 494
***	Profit/loss from financial activities (+/-) [I. 29 - I. 45]	55	-61 201	-62 163
****	Profit/loss for the accounting period before tax (+/-) [I. 27 + I. 55]	56	60 886	4 399
R.	Income tax (I. 58 + I. 59)	57	7 708	-1 010
R.1.	Income tax current (591, 595)	58	2 880	2 880
2.	Income tax deferred (+/-) (592)	59	4 828	-3 890
S.	Transfer of net profit/net loss shares to partners (+/- 596)	60		
****	Transfer of net profit/net loss shares to partners (+/-) [I. 56 - I. 57 - I. 60]	61	53 178	5 409

RIVAL IN NOVELTY



Opinion of the Supervisory Board of NEVITEL, a.s.

The Supervisory Board reviewed the 2015 Financial Statements of NEVITEL, a.s. and arrived at the conclusion that it was prepared in accordance with the Accounting Act. The accounting reports and all other documentation submitted as part of the Financial Statements are complete, and the data reported on December 31, 2015 provide a true image of the economic results.

The Supervisory Board also states that the Financial Statements have been verified by auditors from BMB Leitner Bratislava, s.r.o., SKAU license No. 245. Having read the auditor's report, the Supervisory Board hereby certifies the correctness of the economic results.

Based on the above facts, the Supervisory Board of NEVITEL, a.s. recommends that the General Meeting approves the 2015 Financial Statements and the proposal to settle the 2015 economic results submitted by the Board of Directors. The profit shall be transferred to Account 428 - Retained Earnings.



Vincent Mikolai

Chairman of the Supervisory Board

Appendix to the auditor's report

to audit the consistency of the annual report with the financial statements
in accordance with Act No. 540/2007 Coll. § - u 23 (5)

To the shareholder, supervisory board and board of directors of NEVITEL, a.s.

I. We audited the financial statements of NEVITEL, a.s. compiled as at 31 December 2015 to which we issued an auditor's report on 27 April 2014 in the following wording:

Independent auditor's report

To the shareholder, supervisory board and board of directors of NEVITEL, a.s.

We completed an audit of the provided financial statements of NEVITEL, a.s. compiled as at 31 December 2015 comprised of the balance sheet, profit and loss account and the notes to the financial statements.

Statutory body responsibility for the financial statements

The statutory body of the company is responsible for the compilation and objective presentation of the financial statements in accordance with the Slovak Accounting Act and other specific regulations. Its responsibility includes proposing, implementing and preserving internal audits relevant for the preparation and objective presentation of the financial statements, which are free of any material misstatements as a result of fraud or error, selecting and applying suitable accounting rules and creating accounting estimates that are appropriate under the given circumstances.

Responsibility of the auditor

Our responsibility is to express an opinion with respect to the financial statements on the basis of this audit. Our audit was completed in accordance with International Standards on Accounting (ISA). Based on these standards, we must comply with ethical requirements and plan and conduct the audit to obtain adequate assurances that the financial statements do not contain any material misstatements.

The audit includes the completion of procedures to obtain audit evidence regarding the sums and data reported in the financial statements. The procedures selected are completely up to the auditor, including the evaluation of a risk of a material misstatement in the financial statements as a result of fraud or error. When evaluating this risk, the audit considers internal audits relevant for the compilation and objective presentation of the financial statements in order to propose audit procedures suitable for the given circumstances, but not for the purpose of expressing an opinion with respect to the efficacy of internal audits conducted by the accounting unit. The audit also includes an evaluation of the suitability of accounting rules and the adequacy of significant accounting estimates completed by company management and an evaluation of the presentation of the financial statements as a whole. We are convinced that the audit evidence we obtained is sufficient and suitable for us to use as a basis for our opinion.

Opinion

In our opinion, the provided financial statements objectively express all material aspects of the company's financial situation

as at 31 December 2015 and its earnings and cash flow for the year ending on this date in accordance with the Slovak Accounting Act and other specific regulations.



BMB Leitner Bratislava, s.r.o.
Zámocká 32, 811 01 Bratislava
Licencia SKAU č. 245

Bratislava, 3.5.2016



Marián Novák
Zodpovedný audítor
Licencia SKAU č. 549

II. We also audited the consistency of the annual report and the financial statements identified above. The statutory body of the company is responsible for the accuracy of the completed annual report. Our role is to issue an opinion based on the consistency of the annual report and the financial statements.

We conducted this audit in accordance with International Standards on Auditing. These standards require the auditor to plan and conduct the audit to obtain adequate assurances that the information contained in the annual report and reported in the financial statements are the same as that contained in the financial statements in all material aspects. The information contained in the annual report was compared to the information contained in the financial statements as at 31 December 2015. Any data and information other than accounting information obtained from the financial statements and accounting ledgers was not audited. We are convinced that the completed audit is suitable for us to use as a basis for our opinion.

In our opinion, the accounting information contained in the NEVITEL, a.s. annual report provides, in all material aspects, a true and fair view of the financial statements as at 31 December 2014 and complies with Act No. 431/2002 Coll. on Accounting as amended.



BMB Leitner Bratislava, s.r.o.
Zámocká 32, 811 01 Bratislava
Licencia SKAU č. 245

Bratislava, 29. júla 2016



Marián Novák
Zodpovedný audítor
Licencia SKAU č. 549

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The annual report is delivered free of charge to our business partners and those interested in a printed or electronic form upon their request. It is also available on the company's web site.

