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Annual report 2020

Foreword by the general director

The year 2020, marked by the COVID-19 pandemic, was extremely challenging for Slovenské elektrárne. Great time, energy and resources had to be focused on combating the dangerous virus. We were the first to respond to the situation, and in early March we adopted a pandemic plan, implementing dozens of security measures to protect the health and lives of employees, thanks to which we largely managed to suppress the spread of the virus and maintain the reliability and continuity of electricity production and supply.

We reported an operating profit (EBITDA) of 363 million euros. This result was favourably influenced in particular by the development of electricity prices, as well as the Company's ongoing efforts towards optimisation and cost efficiency. Thanks to a balanced energy mix, with a high share of electricity production from nuclear and hydropower plants, we supplied up to 95% of energy without CO_2 emissions to the grid, which is historically the highest share.

This year has been successful for nuclear. Production increased to 15 444 GWh from last year's 15 369 GWh. From the point of view of safety, the WANO index, which assesses the level of nuclear units worldwide, reached the highest possible rating of 100% at both units in Bohunice and Unit 1 in Mochovce. For three years in a row, there has been no operational event with automatic shutdown of the reactor. No radiation event was recorded, nor was the case of exceeding the internal exposure limits of personnel. Despite the pandemic, work on the completion of Units 3 and 4 of Mochovce did not stop. After receiving a permit from the Nuclear Regulatory Authority, it was possible from April to 2020 successfully and safely store fuel at the nuclear facility. The physical progress of works on Unit 3 as at the end of the year stood at 99.95%, with Unit 4 at 87.81%. Production at hydropower plants was very volatile over the course of the year, but thanks to an extremely rainy autumn, after several dry years, the supply of electricity from water was significantly above the planned value. Last year, SE produced at its 31 power plants 2 268 GWh of electricity.

The Nováky power plant produced 961 GWh. In the spring months, during a sharp decline in electricity consumption in the grid, electricity production at ENO was subdued. At the end of the year, we recorded a significant decline in coal supplies due to the pandemic. The Vojany power plant last year produced 97 GWh. A significant increase in the prices of emission allowances had a very negative effect on the operation. Combined with low spot prices during the spring and summer months, it meant that the power plant was out of operation from mid-March to December.

The pandemic stopped many of our activities, including the Slovenské Elektrárne University project. Many educational, sports, cultural or volunteer projects were postponed or moved to the online environment. Where possible, we continued to take an active part, for example in Science and Technology Week, Ekotopfilm junior, or Stars for Children. Through the Slovak Power Plants Endowment Fund, we supported several projects in the social, environmental and educational fields, and our employees also took part in some sporting events, such as To Work on a Bike, where we drove the most kilometres of all participating teams.

We paid special attention to communication with employees, especially at the time of the pandemic, when we had very limited opportunities for personal contact. Through the intranet, e-mail communication, a lot of online discussions, we remained in daily contact with employees. The year 2020 was a really challenging and unprecedented one. However, thanks to the responsible approach of employees to their work and colleagues, we have successfully managed it. Many thanks to everyone for the results.

Slovenské elektrárne

The core business of Slovenské elektrárne¹ is the production and sale of electricity. The company is the largest producer of electricity in Slovakia and one of the largest in Central Europe. SE also generates and sells heat, and provides ancillary services for the power grid.

Slovenské elektrárne operates 31 hydropower², two nuclear³, two thermal⁴ and two photovoltaic⁵ power plants, with a total installed capacity of 4 112.36 MWe.

The Company's goal is to safely, reliably, efficiently and competitively produce, sell and trade electricity and heat, to safely handle radioactive waste and spent nuclear fuel, and to permanently reduce the environmental impact of production processes. Thanks to the balanced mix of production sources, the Company supplied 95% of electricity to the grid without local carbon dioxide emissions in 2020.

Vision and mission

Vision

To be the safest, most innovative and competitive producer in the Central and Eastern Europe, creating value for our customers, shareholders and employees.

Mission

To produce and supply affordable energy safely and respectfully for the environment for all our customers.

²Hereinafter also referred to as PhPP ³Hereinafter also referred to as NPP.

¹Hereinafter referred to as "SE" or the "Company"

⁴ Hereinafter also referred to as TPP. ⁵ Hereinafter also referred to as PhPP

Structure and governance

Shareholder structure

The Company had two shareholders as at 31.12.2020. The majority shareholder is Slovak Power Holding B.V. ("SPH"), owning 66.0000000523% of the share capital. A 50% stake in the share capital of SPH is owned by the company EP Slovakia B.V. (a subsidiary of the EPH group) and the remaining 50% was owned by Enel Produzione SpA (a subsidiary of the Enel group). The Company's minority shareholder, with a 33.9999999477% share in the registered capital, was the Slovak Republic, represented by the Ministry of Economy of the Slovak Republic.

EPH Group

Energetický a průmyslový holding ("EPH") is a leading Central European energy group that owns and operates facilities in the Czech Republic, Slovakia, Germany, Italy, Britain, Ireland, France, and Switzerland. The EPH Group is a vertically integrated energy utility covering the complete value chain: from lignite mining, through electricity and heat production to electricity and heat distribution. It also includes platforms for supply and trading on the one side and management of gas infrastructure on the other.

ENEL Group

The Enel Group is a leading multinational energy company and a prominent integrated player in the global power, gas, and renewables markets. The group is present in over 30 countries, with around 88 GW of installed capacity, and distributes electricity through a network of over 2.2 million kilometers. With more than 74 million business and household end users globally, the Group has the largest global customer base among its European peers and it is the largest European utility by ordinary EBITDA.

Slovak republic

The Slovak Republic has the right to hold three positions on the Company's Board of Directors and it may have two nominated representatives in positions on the Supervisory Board. Annually, the positions of the Chairman and Vice-Chairman of the Supervisory Board are alternately, on a rotation principle, occupied by the appointed representatives of both shareholders. In accordance with applicable legislation, the Ministry of the Economy of the Slovak Republic acts on behalf of the Slovak Republic as a company shareholder.

Board of directors, supervisory board

The Company's statutory body is the Board of Directors. The Supervisory Board functions as the Company's supervisory body; the Supervisory Board also performs the activities of the Audit Committee.

The board of directors

The Company Board of Directors has nine members (eight as of 31 December 2020, without one nomination by the shareholder Slovak Power Holding BV). The Board of Directors is headed by the Chairman, who is represented by the First Vice-Chairman in the case of his absence. As of 31 December 2020 the positions of the Chairman, First Vice-Chairman and Second Vice-Chairman and Members of the Board of Directors were held by:



Branislav Strýček, Member and Chairman of the Board of Directors

Branislav Strýček has been a member of the Board of Directors since 14 May 2009. Based on the nomination of the shareholder Slovak Power Holding BV, he was re-elected to the Board of Directors with effect from 27 June 2017. He has held the position of the Chairman of the Board of Directors since 27 June 2018.



Michele Bologna, Member and First Vice-Chairman of the Board of Directors

Michele Bologna has served as Member and First Vice-Chairman of the Board of Directors since 12 December 2017. He was nominated by the shareholder Slovak Power Holding BV.



Radoslav Zigo, Member and Second Vice-Chairman of the Board of Directors

Radoslav Zigo has served as Member and Second Vice-Chairman of the Board of Directors since 31 October 2020. He was nominated by the shareholder the Slovak Republic.



Jaroslav Holubec, Member of the Board of Directors

Jaroslav Holubec has been a member of the Board of Directors since 8 February 2013. Based on the nomination of the shareholder Slovak Power Holding BV, he was re-elected to the Board of Directors with effect from 9 February 2017.



Milan Horváth, member of the Board of Directors

Milan Horváth is a nominee of the shareholder the Slovak Republic. He has held the position of Member of the Board of Directors since 29 August 2020.



Lubomír Tomík, Member of the Board of Directors

L'ubomír Tomík is a nominee of the shareholder the Slovak Republic. He has held the position of Member of the Board of Directors since 29 August 2020.



Lukáš Maršálek, Member of the Board of Directors

Lukáš Maršálek was elected as a replacement member of the Board of Directors with effect from 13 December 2018. With effect from 21 January 2019, he was elected a full Member of the Board of Directors. He was nominated by the shareholder Slovak Power Holding BV.



Pedro José Caňamero González, Member of the Board of Directors

Pedro José Caňamero González is a nominee of the shareholder Slovak Power Holding BV. He has held the position of Member of the Board of Directors since 25 May 2019.

Supervisory board

The Supervisory Board has fifteen members (thirteen as of 31 December 2020, without two nominees elected by company employees). The Supervisory Board of Directors is headed by the Chairman, who is represented by the Vice-Chairman in the case of his absence. As at 31 December 2020, the positions of Chairman, Vice-Chairman and Members of the Supervisory Board were held by:

Ivan Šramko, Member and Chairman of the Supervisory Board

Ivan Šramko has held the position of Member of the Supervisory Board since 1 October 2020. He was nominated to the position by the shareholder the Slovak Republic.

Jiří Feist, Member and Deputy Chairman of the Supervisory Board

Jiří Feist was nominated to the position of Member of the Supervisory Board by the shareholder Slovak Power Holding BV, and has held this position since 30 July 2019. He has held the position of Deputy Chairman of the Supervisory Board since 30 May 2020.

Jozef Tischler, Member of the Supervisory Board

Jozef Tischler has held the position of Member of the Supervisory Board since 1 October 2020. He was nominated by the shareholder the Slovak Republic.

Zdenek Turian, Member of the Supervisory Board

Zdenek Turian was elected to the position of Member of the Supervisory Board by employees of the Company, and was re-elected as of 23 December 2019.

Ján Topoľovský, Member of the Supervisory Board

Jan Topoľovský was elected to the position of Member of the Supervisory Board by employees of the Company, and has held this position since 23 December 2019.

Maria Antonietta Giannelli, Member of the Supervisory Board

Maria Antonietta Giannelli was nominated to the position of Member of the Supervisory Board by the shareholder Slovak Power Holding BV, and has held this position since 25 May 2019.

Giuseppe Ferrara, Member of the Supervisory Board

Giuseppe Ferrara was nominated to the position of Member of the Supervisory Board by the shareholder Slovak Power Holding BV, and has held this position since 25 May 2019.

Elisabetta Barberi, Member of the Supervisory Board

Elisabetta Barberi was nominated to the position of Member of the Supervisory Board by the shareholder Slovak Power Holding BV and has held this position since 22 November 2019.

Pavel Janík, Member of the Supervisory Board

Pavel Janík was nominated to the position of Member of the Supervisory Board by the shareholder Slovak Power Holding BV, and has held this position since 30 July 2019.

Jan Stříteský, Member of the Supervisory Board

Ján Stříteský was nominated to the position of Member of the Supervisory Board by the shareholder Slovak Power Holding BV, and has held this position since 30 July 2019.

Stanislav Kysel, Member of the Supervisory Board

Stanislav Kysel was elected to the position of Member of the Supervisory Board by employees of the Company, and has held this position since 21 May 2018.

Bohumil Kratochvíl, Member of the Supervisory Board

Bohumil Kratochvíl was nominated to the position of Member of the Supervisory Board by the shareholder Slovak Power Holding BV, and has held this position since 27 June 2018.

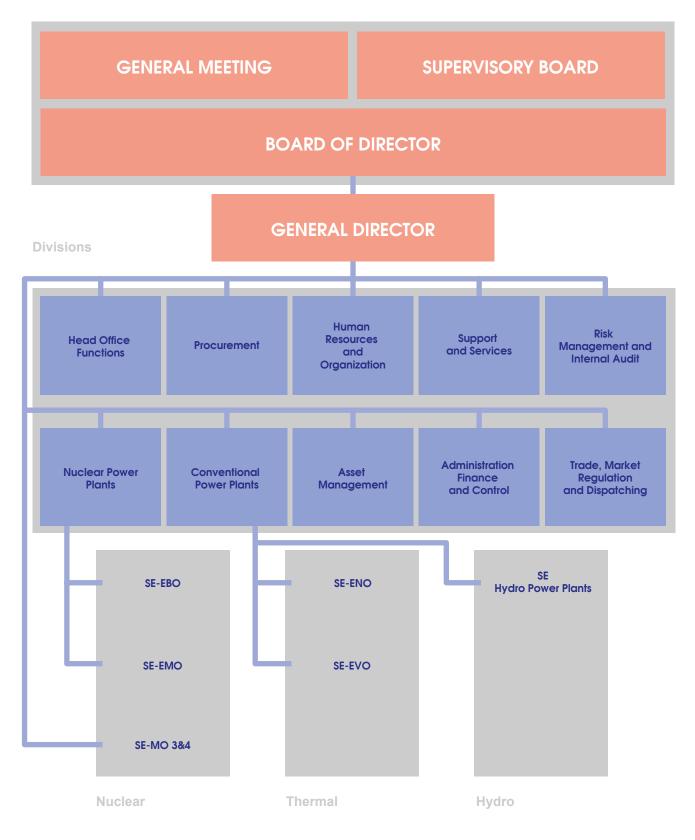
Stefano Checchi, Member of the Supervisory Board

Stefano Checchi was nominated to the position of Member of the Supervisory Board by the shareholder Slovak Power Holding BV, and has held this position since 8 January 2020.

Annual report 2020

Organisational structure

Company Bodies



Annual report 2020

Results

Main financial information

In 2020, SE and its subsidiaries posted a profit before interest, tax, depreciation and amortisation (EBITDA) of 363 million euros. For comparison, the figure for 2019 was 342 million euros.

The change in the EBITDA result against the preceding year was positively influenced in particular by the development of electricity prices driven by underlying commodity prices, as well as by the Company's continuing efforts toward cost optimisation and efficiency, affecting both costs related to power plants and costs at centralised units. The creation of the



nuclear reserve as a result of the reassessment of the discount curve also had an impact on the EBITDA result and the net result for 2020. Cash optimisation and efficient cash flow management continued to be key initiatives to support the Company's profitability, with net debt increasing by 39 million euros, despite higher investments of 304 million euros made over the year. Net profit for 2020 rose to 60 million euros from the level of 23 million euros achieved in 2019.

The Company remains fully committed to sustaining its investment plan for the upcoming years 2021 – 2025, focusing on the completion of Units 3 and 4 of the Mochovce Nuclear Power Plant. Total investments in 2020 amounted to 304 million euros (excluding capitalised interest). For comparison, the figure for 2019 was 420 million euros. The prevailing majority of investments were directed at the construction of Units 3 and 4 in Mochovce.

Moreover, the Company continues to fully utilise and maximise its capability to operate power plants, exploring potential opportunities as well as providing innovative services to its end customers.

Companies in wich a stake is held

The Company holds a capital stake in companies whose business activities are closely related to the its line of business. These are activities consisting in the supply of electricity, gas and heat, the provision of design and engineering services, the provision of comprehensive energy services focused on increasing energy efficiency, research and development, engineering and, last but not least, also the protection of all the Company's facilities. Membership in reinsurance companies is a condition for insuring the Company's nuclear risks.

Detailed overview **Companies in** which Slovenské elektrárne held a capital stake as at **31 December** 2020

Spoločnosť	Year of incorporation (entry)	SE share in %	Line of business
SE Služby inžinierskych stavieb, s.r.o.	2015	100.00	100.00 engineering activities in construction
Slovenské elektrárne – energetické služby, s.r.o.	2008	100.00	electricity, gas and heat supply, energy services
Slovenské elektrárne Česká republika, s.r.o.	2015	100.00	electricity and gas supply, energy services
Centrum pre vedu a výskum, s.r.o.	2011	100.00	science and research
Ochrana a bezpečnosť SE, s.r.o.	2004	100.00	100.00 protection of Company's premises and property
REAKTORTEST, s.r.o.	1991	49.00	inspections and tests at nuclear power plants
ÚJV Řež, a.s.	1998	27.80	research and development of nuclear technologies
Energotel, a.s.	2001	20.00	telecommunication services, cyber security
BlueRe, m.a.	2011	4.55	mutual reinsurance association
ELINI	2002	4.35	mutual reinsurance association
EMANI	1978	1.84	mutual reinsurance association
NIRA	2008	0.42	mutual reinsurance association
DMD holding, a.s. "in liquidation"	1997	2.94	company in liquidation

Trading in electricity, heat and ancillary services

Electricity trading

The Company conducts the sale of production through trades concluded under market conditions, usually through brokerage platforms or Energy Exchange Europe (EEX), which are considered to be the most transparent and reliable means of electricity trading in the region. This strategy has long been positively accepted by the Company's trading partners.

The Company sells the majority of its production on a forward basis with the time horizon of three years in advance of the electricity supply, in accordance with its long-term business strategy. This strategy is an effective way of securing sale prices and planned production volumes.

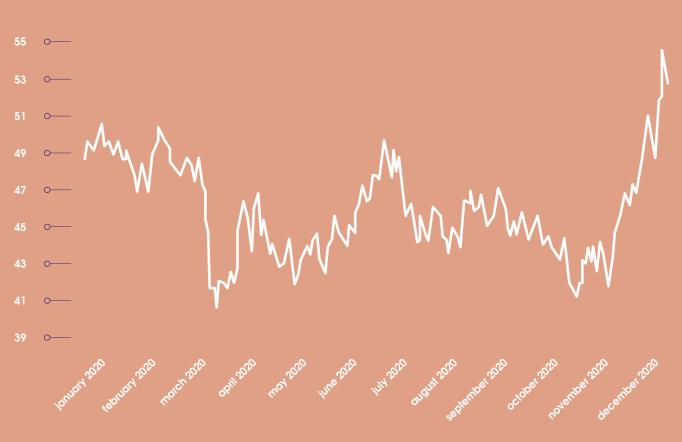
The remaining open position is traded on the Slovak spot market, or on the surrounding markets either on organised trading venues, bilaterally, or through brokerage platforms. This volume represents a small part of the total annual output and is necessary for maintaining the Company's balanced position, respecting in particular the unpredictability of water resources and possible outages of other sources in the Company's production portfolio. Given the effective functioning of the implicit market-coupling method of allocating cross-border transmission capacities, the size of the Slovak spot market is sufficient for the Company's needs.

Development of electricity prices

Wholesale prices in Slovakia again this year followed prices on the German electricity market. Like other industries, energy has not avoided the negative impact of the Covid-19 pandemic. In mid-March, the market saw a drop in prices of more than 35% on the spot market, which also significantly affected the prices of long-term products. The price remained below the level of pre-pandemic prices throughout the year and did not rise above this level until the end of the year. This increase was due to several factors. The main ones are rising commodity prices, primary emission allowance prices, combined with colder winters and sub-normal production from renewable sources in Germany. At the end of the year, the pandemic also had a negative impact on electricity consumption, which returned to its original normal to above-normal values.

As for commodity prices, the price of gas remained between 11 and 17 EUR/MWh over the year, reaching a minimum in the summer and only starting to rise to maximum annual values at the end of the year. In the case of coal, the development was similar, during the summer the price fell to an annual minimum, which was the price of 50 USD/t, but at the end of the year the price regained a bullish trend and ended just below the value of 70 USD/t. This year was extremely interesting for emission allowances. In addition to the adoption of a 55% emission reduction target by 2030 compared to 1990 by the European Commission, hedge funds have become more interested in emission allowances. They started to increase their market share significantly from June, doubling their market share against the previous year, and significantly contributing to the increase in the price of the allowance to its current maximum of more than 33 EUR/t. This was subsequently reflected in electricity prices. At the end of the year, the value of the forward price for 2021 rose to 52.6 EUR/MWh.

Development of electricity prices in the Slovak Republic (in EUR/MWh)



One important factor is Slovakia's strategic location for trade and transmission of electricity to Hungary and further on to the Balkans, i.e. into a region with higher price levels. Following the connection of Romania to market coupling, the importance of the local market, and of SE in the region, has grown further.

The Company is aware of its standing as the largest trader on the domestic electricity market, and therefore by means of trading platforms it seeks to improve the liquidity and transparency of the Slovak market. As a result, the Slovak market reflects real market conditions and is becoming even more attractive for all its participants.

Market price in Slovakia

The Slovak electricity market is fully liberalised, open to all market participants and has sufficient transmission capacities. There are no obstacles to the free exchange of electricity either within the system or between the surrounding countries. Market prices on the domestic market are in line with the market prices of the surrounding markets, transparently created by supply and demand.

The Slovak electricity market is an important market for its strategic geographical location within the central part of Central Europe. The market price is determined fairly and transparently by market participants, who have the same information. This is evidenced by the steady functioning of the daily organised electricity market, which evaluates and publishes hourly prices for supplies for the day ahead.

Following the successful coupling of the Slovak, Czech, Hungarian and Romanian markets (4M Market Coupling), an upward trend of market coupling is expected in the future, with the expected greater trading capacity and increased stability of the electricity system. Specifically, at the beginning of June 2021, there is planned the connection of 4MMC to the MRC coupling zone, to which most European countries belong, creating a new Interim Coupling Zone.

As a dominant electricity producer on the Slovak market and as an integral part of this environment, SE cannot overlook the impact of market forces. The Company is keeping its prices competitive at the regional level, even despite the difficult conditions on the electricity market.

Domestic sales policy

The Company's business strategy is to sell and purchase electricity in a transparent and nondiscriminatory way. The Company confirms this trend with all business transactions that it always concludes under market conditions, mainly via trading platforms. They are accessible to the majority of wholesale market participants, which ensures the transparency of each concluded trade and the consistency of the concluded price with the current market value.

An integral part of the business strategy is also to focus on the segment of end customers to whom the Company, besides selling electricity, also offers via subsidiaries energy services, and thereby further stabilises its position in the domestic energy market.

Strategy in the region

The Company's main strategic priorities include exploiting opportunities in the surrounding markets of the Czech Republic, Poland and Hungary, taking into account the parallel development of these liberalised markets, and the sufficient level of building transmission links between them. Thanks to active trading on these markets, the Company maintains its position as a major player in the Central European electricity market. The German electricity market plays a specific strategic role in SE's hedging operations related to the sales of its production volumes. Thanks to its size and liquidity, the German electricity market has become a reference market, setting the base price in the region.

Trading in ancillary services and regulation electricity

In order to provide for system services in 2020, the transmission system operator Slovenská elektrizačná prenosová sústava, a.s. purchased ancillary services in compliance with the Operational Rules of the transmission system operator from certified providers, complying with the technical requirements for providing ancillary services defined in the Technical Conditions for Access and Connection and in transmission system operation rules. The division of services remained unchanged into primary, secondary and three- and tenminute tertiary positive and negative active capacity regulation, secondary voltage regulation and black start, provided by the producers and the ancillary services of reduced offtake and increased offtake, provided by customers. From 1 October 2020, however, the hitherto symmetrical service of secondary regulation of active power was divided into a positive and negative service. Compared to the previous year, demand for primary power increased slightly, but at the same time demand for secondary regulation of active power decreased slightly. Demand volumes in other services remained unchanged.

The ceiling prices of ancillary services procured by the transmission system operator, as well as the limit prices

of regulation electricity, were determined by Decision of the Regulatory Office for Network Industries (RONI) no. 0075/2020/E of 3 December 2019. Year-on-year, there was a decrease in unit prices in all services of active power regulation, except for tertiary regulation of negative three- and ten-minute regulation, and services of consumption increase by 2.8%. The prices of secondary voltage regulation and black start remained unchanged. A significant change was the abolition of payment for supplied control electricity from primary regulation of active power. Regulatory electricity prices from other types of services remained the same yearon-year.

In 2020, the value of provided ancillary services continued to be set on the basis of commercial and technical evaluation. The evaluation was reflected in revenues corresponding to the ancillary services provided. The imposition of contractual penalties by Slovenská elektrizačná prenosová sústava, a.s. helped to maintain the quality of the services provided. The Company provided ancillary services in the scope of valid contracted volumes from multi-year, year and day tender selection procedures, contracts taken over on behalf of other providers and in the scope of concluded bilateral contracts (including subcontracts of negative secondary regulation for the virtual unit), in which own sources were utilised. The Company confirmed its orientation on the long-term stable supply of ancillary services.

Part of the activation of the support services was the supply of regulatory electricity for the Slovenská elektrizačná prenosová sústava, a.s. The volume of electricity supplied by ancillary service providers (ASPs) from the territory of the Slovak Republic was significantly negatively affected by the system of cross-border exchanges of regulated electricity (IGCC), to which the operator of our transmission system connected in May 2020. The financial settlement of regulation electricity as well as the settlement of deviations of the Slovenské elektrárne balance group was carried out by OKTE, a.s., the electricity spot market organiser.

Heat trading

SE is the third largest supplier of heat in Slovakia. In 2020, SE produced 812 GWh and sold 676 GWh of heat, achieving revenues of 18.1 million euros. The largest system of the central heat supply in the SE portfolio is a system located at the site of the Jaslovské Bohunice nuclear power plant. This nuclear power plant supplies heat to the towns of Trnava, Hlohovec, Leopoldov and the municipality of Jaslovské Bohunice. The year 2018 saw a fundamental change in the strategy of supplying heat to customers. In line with

Share of plants in heat sales at Slovenské elektrárne, a.s. (GWh)

the Company's strategy in the field of comprehensive customer care, the Company's subsidiary Slovenské elektrárne energetické služby, s.r.o., took over the heat producers in the areas of Nováky, Vojany, Mochovce and the Trnava branch in the area of Jaslovské Bohunice nuclear power plant. The entire transfer of heat customers to the subsidiary was completed in 2020 with the transfer of the remaining customers in the area of the Jaslovské Bohunice nuclear power plant. In so doing the Company now provides comprehensive care for all customers across the portfolio in all areas of energy. In 2020, the subsidiary Slovenské elektrárne - energetické služby, s.r.o. became an exclusive consumer of heat. Heat for customers both in production and non-production sectors was delivered smoothly and reliably, based on their needs, and in line with the quality standards of heat supply.



Plants' Shares in Revenues from Heat Sales in 2020

ENO	70.66 %
EBO	28.40 %
EVO	0.75 %
EMO	0.16 %
MO 3&4	0.03 %

Regulatory period 2017 - 2022

The new five-year regulatory period of 2017 - 2021 began in 2017. During 2020, there was a change in the regulatory policy and the amendment of the current regulatory policy for the period 2017 – 2021 extended the validity of the regulatory period to 2022. Price regulation of thermal energy in the regulatory period is governed in Decree no. 248/2016 Coll. The entire regulatory period focuses on stabilising both variable and fixed costs. The variable heat price is regulated by the Regulatory Office for Network Industries by means of introducing correction coefficients for calculating maximum fuel prices. Fixed costs may be increased on a year-on-year basis only for reason of new investments in improving the efficiency of heat production and distribution. However, the fixed heat price is affected by regulatory input, which is based on real heat supply in the year preceding the submission of a cost proposal. Based on the decision of the regulatory authority, determined heat prices are subject to the clearing obligation for the actual heat offtake and eligible incurred costs. The difference between variable and fixed costs is settled in the form of a credit note at the end of the regulatory year by 31 March of the following calendar year.

Structure and development of heat prices from 2017 – 2022

Regulatory pricing policy aims to stabilise thermal energy prices for the relevant regulatory period 2017 – 2022. Prices for the regulatory period 2017 – 2022 are based on the approved fixed costs in the previous regulatory period and on the planned variable costs for the following year. The issued price decisions remain in force until 2022.

Electricity procing and price structure for the final consumer

The structure of the electricity price for the final consumer consists of three main components: commodity, transmission and distribution fees and system fees. The price of electricity as a commodity is determined by the market without any form of regulation, while other fees are regulated and laid down in a decision of the Regulatory Office for Network Industries (RONI). The main part of system fees serves to support the use of renewable sources, the electricity production from domestic brown coal, the procurement of ancillary services and the operation of the electricity spot market organiser (OKTE, a.s.). Transmission and distribution fees cover costs incurred by the transmission and distribution system operators.

The price of electricity also includes the levy to the National Nuclear Fund, the amount of which is determined by the relevant government decree. In addition to these fees, final customers, other than households, are also charged excise duty. All customers are also subject to value-added tax (VAT), pursuant to applicable laws.

Breakdown of average end-price electricity for households with consumption of 2.5 – 5 MWh/year and for industry with consumption 70 – 150 GWh/year

(EUR/MWh excluding taxes)



	House	holds	Industry		
	2020	2019	2020	2019	
Transmission & distribution fees, incl. losses	39	40	15	19	
System fees	33	35	33	35	
Commodity and supply	55	51	51	50	

Regulatory framework

Highlights at the national level

Support for electricity production at the Nováky power plant

The legal basis for support for electricity production from domestic coal is laid down in Directive no. 2009/72/EC.

In accordance with the Resolution of the Government of the Slovak Republic No. 580/2018, by which it approved the general economic interest in ensuring security of electricity supplies in the Bystričany nodal area, on 5 August 2019 the Ministry of Economy of the Slovak Republic issued Decision No. 17237/2019, imposing an obligation on the operators of Units 1 and 2 and Unit A of the Nováky Thermal Power Plant, starting from 1 September 2019, to produce electricity in the volume of 870 GWh/year to 1 100 GWh/year, for the period during which Units 1 and 2 and Unit A of the Nováky Thermal Power Plant comply with the applicable environmental protection regulations, but in any case to the end of 2023 at the latest. The Regulatory Office for Network Industries on 5 December 2019 issued Decision no. 0086/2020/E, setting a fixed price for the production of electricity from domestic coal in the amount of 133.8115 EUR/MWh and by Decision no. 185/2020/E of 13 December 2019 set the tariff for the operation of the system for the production of electricity from ENO at the level of 5.12 EUR/MWh.

Payments for Access to the Electricity Grid for Slovak Electricity Producers ("G-component")

In 2019, both distribution and transmission system operators continued to charge electricity generators for access to the distribution and transmission system (the so-called "G-component"). An electricity producer connected to the regional distribution system was charged a G-component of 30% of the maximum reserved capacity value. The payment for access to the transmission system to the transmission system operator is paid by the electricity producer at an average rate of 0.5 EUR/MWh. The payment does not apply to any electricity producers whose electricity producing facilities serve solely for providing ancillary services or exclusively for supplying regulation electricity, neither does it apply to any electricity producers operating a facility for electricity production from hydro energy with a total installed capacity of less than 5 MW.

From SE's point of view, the application of the G-component has a negative impact on the functioning and development of the electricity market and at the same time forms a barrier to the development of renewable energy sources, since the G-component fee for hydropower plants may climb up to 32 EUR/MWH, which is roughly 20 EUR/MWh for photovoltaic power plants, or about 17 EUR/MWh for wind power plants. At current market prices, it is therefore a disincentive to operate existing or build new sources. Following the activities carried out in 2019, Slovenské elektrárne, a.s., together with Veolia Energia Slovensko, a.s. and the Slovak Association of the Photovoltaic Industry and RES, lodged a complaint with the European Commission concerning violations of EU legislation in connection with the decree of the Office for the Regulation of Network Industries, which establishes price regulation in the electricity sector.

Extension of the regulatory period

An extension to the regulatory policy was adopted in the second half of 2020 and extended the current regulatory period by one year, i.e. until the end of 2022. In the framework of public commenting, the Company submitted its comments to the Regulatory Office for Network Industries, consisting in the following areas:

- Change to the setting of the fee for access to the system for electricity producers (so-called "G-components");
- Price regulation of supply to households and small businesses;
- Setting of the possibility for financing the support of RES from external sources;
- Reduction of the fee for hydropower potential and its non-discriminatory setting;
- Update to provisions of the regulatory policy in the part of electricity production from domestic coal, so that they are in accordance with the current resolution of the Government of the Slovak Republic and the decision of the Ministry of Economy of the Slovak Republic.

Transposition of the Winter Energy Package

In 2020, preparations for the transposition of the Winter Energy Package began. As part of these preparations, there were several platforms opened for commenting on the upcoming transposition. Slovenské elektrárne a.s. in 2020, actively engaged in commenting on the transposition of the Winter Energy Package, both in the framework of a working group established for this purpose by the Slovak Association of the Photovoltaic Industry and renewable energy sources. Likewise, Slovenské elektrárne, a.s. participated in workshops organised for this purpose by the consultant selected by the Ministry of Economy of the Slovak Republic, EY. Slovenské elektrárne actively participated in these workshops.

Integrated National Energy and Climate Plan and Low-Carbon Development Strategy of the Slovak Republic to 2030 with a view to 2050

Over the course of 2019, the Ministry of Economy of the SR prepared a final version of the Integrated National Energy and Climate Plan ("INE&CP"), whose preparation results from the EU law. The INE&CP is a strategic document on energy sector development by 2030. In its final form it replaces the already surpassed energy policy of the SR dating from 2014.



Key objectives quantified in the area of energy and climate by 2030 are summed up below:

EU and SR objectives	EÚ 2030	SR 2030
Greenhouse gas emissions (as at 1990)	- 40 %	No national objectives set for
Emissions in the ETS sector (as at 2005)	- 43 %	individual Member States
Greenhouse gas emissions in non-ETS (as at 2005)	- 30 %	- 20 %
Total share of renewables	32 %	19.2 % alt. 20.0 %
Share of renewables in transport	14 %	14 %
Energy efficiency	32.5 %	30.3 %
Interconnection of electrical systems	15 %	52 %

Source: INE&CP

In 2019, the Ministry of Environment of the SR prepared a final version the Low-Carbon Development Strategy of the SR to 2030 with a view to 2050, whose preparation results from EU law. Its primary objective is to outline the possibilities for a coherent long-term (30-year) strategic outlook for the transition to a low-carbon economy, which will be completed by achieving climate neutrality in 2050. The strategy identifies key policies and measures that will lead to the achievement of the key goal of the Paris Agreement. In line with this goal, Slovakia has committed itself to achieving climate neutrality by 2050, which means that only such quantity of greenhouse gas emissions can be discharged that can be captured.

Slovenské elektrárne have actively been participating in discussions in contributing with their proposals to create the mentioned documents.

In March 2020, the Low Carbon Development Strategy of the Slovak Republic was discussed by the Government of the Slovak Republic, which approved it by its Resolution No. 104/2020. This strategy is currently undergoing a Strategic Environmental Assessment (SEA) process to assess its impact on the environment.

Highlights at the international level

SE considers the EU ETS to be a key element on the path to the complete implementation of the EU energy and climate policy framework for the period to 2030, as well as a primary driver for decarbonisation.

European Green Agreement

In December 2019, the European Commission published a Communication on the European Green

Agreement, outlining the direction of European policies with an impact on the environment. Through this step, the EU has embarked on a process of transforming all aspects of economic life in the spirit of incorporating defined environmental objectives into the relevant European policies. The Company has been actively monitoring and participating in the relevant public consultations since the beginning of the initiative accompanying the Europe Green Agreement. Key initiatives from the Company's aspect included the forthcoming revision of Council Directive 2003/96/EC restructuring the Community framework for the taxation of energy products and electricity (ETD), increasing the EU's climate ambition to 2030, preparing a European Climate Code that legally defined the goal of achieving climate change neutrality of the EU by 2050, or the revision of rules regarding state aid for Environment and Energy (EEAG). In the process of public consultation, the Company actively communicated with national authorities and associations, as well as with relevant associations at the European level.

Taxonomy

In 2020, the Company paid special attention to the issue of classifying investments from the aspect of achieving environmental goals. The issue of defining sustainable economic activities, the so-called green taxonomy, was amended by Regulation (EU) 2020/852 of the European Parliament and of the Council establishing a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088. From the Company's point of view the question of the position of nuclear energy remained open in the taxonomic legislative framework, which is the only economic activity in the field of energy remained unassessed by experts. The taxonomic status of nuclear energy could not be concluded at the EU level during 2020, so discussions on this topic are expected to continue in 2021. From the point of view of taxonomy, the Company also sensitively perceived the setting of criteria for the production of electricity at hydroelectric power plants, for which criteria were proposed that disadvantage hydroelectric power plants compared to other renewable energy sources. As nuclear and hydropower plants are among the most important sources operated by the Company, and are also pillars of the energy system of the Slovak Republic, the Company actively communicated its concerns and comments to national authorities and associations as well as relevant actors at the EU level in the public consultation process.

Commercial risk

Slovenské elektrárne, as an internationally operating company, is exposed to multiple risks. Efficient risk management means increasing the Company's value by optimal exploitation of business opportunities, while minimising market risks arising from such activities. Risk management is therefore part of the Company's financial and operational management and fully identifies, quantifies, regularly monitors and controls the amount of risk to prevent potential negative impact on the Company's financial performance. Constant fluctuations and high volatility in commodity markets require the application of sophisticated risk assessment approaches. It can be stated that SE fully reflects this trend by using the latest statistical and simulation methods and tools. The commodity risks faced by a company producing and selling electricity on a daily basis are mainly related to changes in electricity prices on international markets. These price fluctuations are dependent on the price movements of commodities entering the process of producing and selling electricity, while exchange rate volatility also plays a role in terms of risk. In addressing the mentioned risks, a number of modern mathematical-probabilistic models are used to measure the commodity risk to which the Company is exposed over time. In order to hedge against the abovelisted uncertainties. SE also uses one of the most efficient tools for protecting itself against risks, namely hedging. Hedging operations aimed at minimising or completely eliminating risks have been used in several of the Company's commercial activities. Risk management also deals with the issue of protecting the Company from the insolvency of its business partners. Credit risks mainly concern the monitoring, evaluation and management of counterparty credit exposures in accordance with established individual credit limits. A credit line is assigned to the counterparty by taking into account qualitative and quantitative indicators, and is reviewed regularly with an emphasis on the change in creditworthiness and payment discipline of the counterparty. In 2020, the Company stabilised the customer growth in the represented segments and strived to maximise cooperation with its business partners. Credit risk minimisation is ensured through the assessment of the credit quality of the counterparty on the basis of sophisticated internal systems, processes and mechanisms, through third-party guarantees, bank guarantees and potentially also other instruments. The Company also applies new approaches in the area of credit exposure management within the Slovenské elektrárne portfolio. Risk management at SE is also very efficient in terms of international comparison, as evidenced by the almost 0% share of counterparty failure in the overall portfolio of SE's customers.

Financial risk

Exchange rate risk

Slovenské elektrárne uses currency forwards and cross-currency interest rate swaps to reduce the

exchange rate risk of expected future cash flows in foreign currencies, as well as to hedge its exposure toward currencies other than the euro. Payments in foreign currencies are mainly denominated in US dollars, Russian roubles and Czech korunas.

Interest rate risk

Interest rate derivatives are used by the Company to reduce the amount of debt exposed to interest rate



changes and to reduce the volatility of interest costs. The Company enters into interest rate derivative contracts with counterparties for replacing variable interest rates with fixed interest rates. As at 31 December 2020, the Company had interest rate and interest rate swaps totalling 2 829 million euros.

Insurance

Slovenské elektrárne uses insurance as one of its risk management tools with a view to minimising any negative impact on its business. For thermal, hydro and nuclear power plants, including auxiliary operations, the Company's insurance strategy in the field of property risks is based on the insurance of all tangible and intangible assets against key risks. In 2020, the Company continued to optimise insurance costs.

Liability risks associated with the Company's operating activities are covered by general liability insurance for damage to third parties. The statutory obligation of the Company as an operator of nuclear installations at the Mochovce and Jaslovské Bohunice sites, as well as in connection with the Project for Completion of Units 3 and 4 of the Mochovce nuclear power plant, is met through liability insurance of the nuclear installation operator for any nuclear damage resulting from a nuclear incident at its nuclear installation. The insurance complies with the requirements of the Vienna Convention on Civil Liability for Nuclear Damage which entered into force in the Slovak Republic on 7 June 1995, and likewise complies with Act no. 54/2015 Coll. on civil liability for nuclear damage and its financial coverage and on the amendment of certain acts, which entered into force on 1 January 2016 and sets liability limits of the operator whose nuclear facility is located within the Slovak Republic.

Electricity and heat production

Installed capacity

The Company's production base is balanced and consists of two nuclear (NPP), two thermal (TPP), thirty-one hydro (HPP) and two photovoltaic (PhPP) power plants. Compared to last year, the Company's

installed capacity increased slightly to 4112.36 MW. The reason for the increase in the installed capacity is the implementation of a project to increase the efficiency of Unit 2 at the Mochovce nuclear power plant.

Installed capacity (MW)

	2012	2013	2014	2015	2016	2017	2018	2019	2020
SE	4 992.60	4 992.60	4 520.92	4 300.92	4 175.92	4 080.92	4 080.92	4080.92	4112.36
HPP-G	746.54	746.54	746.54	07	0	0	0	0	0
TOTAL	5 739.14	5 739.14	5 267.46	4 300.92	4 175.92	4 080.92	4 080.92	4080.92	4112.36

Terminal electricity production (GWh)

	2012	2013	2014	2015	2016	2017	2018	2019	2020
SE	19 786	20 224	19 972	19 259	18 981	19 444	18 638	18 865	18 773
HPP-G	2 459	2619	2 043	448 ⁶	0	0	0	0	0
TOTAL	22 245	22 843	22 015	19 707	18 981	19 444	18 638	18 865	18773

⁶ Gabčíkovo hydropower structure (HPP Gabčíkovo, HPP Minor Gabčíkovo, HPP Čuňovo, HPP Mošoň), operation in the balance group of Slovenské elektrárne up to 9.3.2015 23:59.

Nuclear power plants

Power plant	installed capacity (MW)	year of commissioning
Bohunice (EBO)	2 x 500	1984, 1985
Nuclear power plant Mochovce (EMO)	1 x 470.1 x 501.44	1998, 2000
TOTAL	1 940.44	

Thermal power plants

Power plant	fuel type	installed capacity (MW)	year of commissioning
Vojany power plant (EVO 1)	black coal	220	2001
Nováky power plant A (ENO A)	brown coal	46	1996, 2004
Nováky power plant B (ENO B)	brown coal	220	1992, 1994
TOTAL		486	

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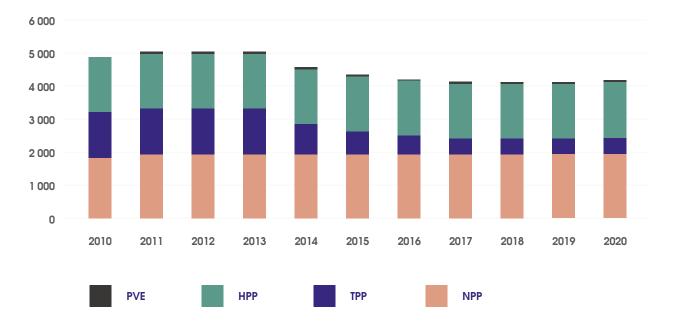
Hydropower plants

Power plant	Installed capacity (MW)	year of commissioning
PUMPED STORAGE HPP		
Čierny Váh	6 x 122.40	1982
Liptovská Mara	2 x 49.00	1976
Ružín I	2 x 30.00	1972
Dobšiná l	2 x 12.00	1953, 1954
RUN-OF-THE-RIVER HPP		
Orava	10.87 + 10.88	1953, 1954
Liptovská Mara	2 x 50.00	1975
Krpeľany	3 x 8.25	1957
Sučany	3 x 12.80	1958
Lipovec	3 x 12.80	1961
Hričov	3 x 10.50	1962, 1964
Mikšová 1	3 x 31.20	1963, 1965
Považská Bystrica	3 x 18.40	1963, 1964
Nosice	3 x 22.50	1957, 1958
Ladce	2 x 9.45	1936
llava	2 x 7.50	1946
Dubnica	2 x 8.25	1949
Trenčín	2 x 8.05	1956
Kostolná	2 x 12.75	1952, 1953
Nové Mesto nad Váhom	2 x 12.75	1953, 1954
Horná Streda	2 x 12.75	1954, 1955
Madunice	3 x 14.40	1960, 1961
Kráľová	2 x 22.53	1985
SMALL HPP		
Čierny Váh flow	0.76	1982
Tvrdošín	2 x 2.80 + 1 x 0.50	1979
Bešeňová	2 x 2.32	1976
Domaša	2 x 6.20	1966
Veľké Kozmálovce	2 x 2.40 + 1 x 0.52	1988
Ružín II	1.80	1974
Dobšiná II	2.00	1994
Dobšiná III	0.32	2014
Rakovec	2 x 0.25	1913
Krompachy	0.33	1932
Švedlár	0.09	1924

Photovoltaic power plants

Power plant	Installed capacity (MW)	Year of commissionin into operation
Mochovce photovoltaic power plant	0.95	2011
Vojany photovoltaic power plant	0.95	2011
TOTAL	1.90	

Development of installed capacity of Slovenské elektrárne (MW)



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Share of power plant types in installed capacity



0,05 % Photovoltaic

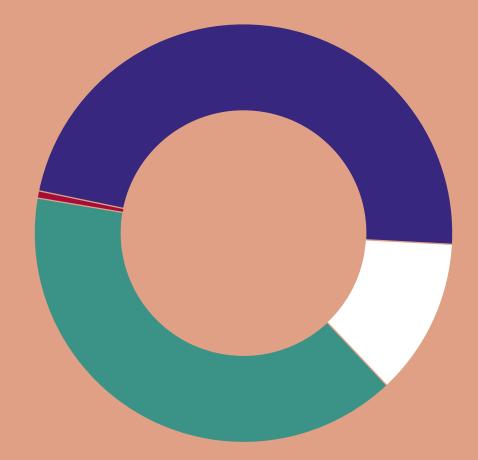


XX

40,20 % Hydro

47,94 % Nuclear

> **11,82 %** Thermal



Electricity and heat generation and supply

In 2020, Slovenské elektrárne produced 18 773 GWh with a year-on-year index of 0.995. Besides the production of electricity, the sources also provided ancillary services, which significantly contributed to the stability of the Slovak power grid.

The Company, thanks to a balanced portfolio of production technologies as well as a decrease in coal production, achieves a high share of greenhouse emission-free electricity. In 2020, SE supplied to the power grid electricity in the amount of 16 994 GWh. As much as 95% of the electricity supplied was greenhouse gas-free, which is historically the highest share so far.

Electricity generation

Nuclear power plants

In terms of electricity generation and supply, the year was successful for nuclear energy. Production increased to 15 444 GWh from last year's 15 369 GWh. We did not record any unscheduled shutdown of a unit; we had only two TG outages, one at each power plant. Besides reliable operation, the higher supply from EBO was achieved also thanks to the targeted shortening of the shutdown plan the framework measures for preventing the spread of Covid, but also due to achieving output at units following the repair of the cooling towers. In total, EBO produced 7 975 GWh and supplied 7 390 GWh to the grid. EMO followed a similar trend. Its units produced 7 469 GWh and supplied 6 943 GWh. Reliable operation together with the implementation of several improvement proposals and finally the successful implementation of the Increasing Unit Efficiency project at Unit 2, completed with a more than a week shorter TG21 outage, delivered additional electricity production. Consumption of MO34 reached 51 GWh. The EMO supply was lower than last year precisely due to a long shutdown over the course of increasing the unit efficiency, but in general, EMO12 delivered roughly 140 GWh more than planned. Throughout the year the nuclear units reliably provided ancillary services, secondary regulation – mainly by means of an EBO electric boiler, as well as negative tertiary capacity regulation and secondary voltage regulation.

Hydropower plants

Production at hydropower plants was very volatile during the year. Strong months alternated with weak ones, but overall the supply mostly lagged behind the plan. A change was seen in October, which was an extremely rainy months and the supply of electricity was the highest in the year, with the uppermost reservoirs being completely filled. In November and December, additional electricity was then generated from water thus captured. After several dry years, the water-based generation was significantly above the planned value. Last year, SE produced at its 31 power plants 2 268 GWh of electricity. From its run-of-the-river power plants, Slovenské elektrárne supplied 1 951 GWh. The pumped-storage power plants confirmed again in 2020 their irreplaceable role in producing peak electricity and in providing ancillary services, in particular fast tertiary capacity regulation, and Čierny Váh also in the compensation operation. Together they produced 282 GWh, with a pumping consumption of 380 GWh.

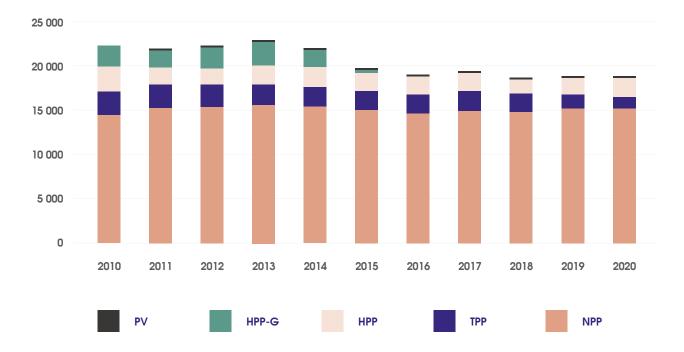
Thermal power plants

Nováky power plant (ENO), which has to buy domestic brown coal and produce and supply electricity within the so-called general economic interest, produced 961 GWh and supplied 791 GWh to the grid. The power plant's operation was affected by the Covid pandemic. In the spring months, during a sharp decline in electricity consumption in the grid, electricity production at ENO was subdued. At the end of the year, we recorded a significant decline in coal supplies, due to the pandemic. Vojany power plant (EVO), burning black coal, produced last year only 97 GWh and supplied 74 GWh of electricity to the grid.

The power plant's operation was adversely affected by a significant increase in the price of emission allowances, which, combined with low spot prices during the spring and summer months, meant that the power plant was out of operation from mid-March. After the electricity price recovered, the power plant began operating again in December. Co-combustion tests of solid secondary fuel up to the level of 100% of operation were successfully carried out during the year.

Biomass co-combustion at EVO produced for SE 13 GWh last year and delivered 11 GWh of electricity.

Photovoltaic power plants produced and supplied 1.9 GWh.



Annual terminal electricity production of operated power plants (GWh)

Share in electricity supply from sources operated by Slovenské elektrárne.



0,01 % Fotovoltické Photovoltaic



10,88 % Vodné Hydro

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4,98 % Tepelné Thermal



84,14 % Jadrové Nuclear

Heat production

Heat production is based mainly on cogeneration of heat and electricity. In 2020, Slovenské elektrárne produced 796 GWh of heat for heating purposes. Of this, the heat production at the Bohunice V2 NPP site was 448 GWh and at the Nováky power plant site it was 258 GWh, with a total of 90 GWh produced at other sites.

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Major projects

Mochovce nuclear power plant completion

Basic information

The completion of Units 3 and 4 of the Mochovce Nuclear Power Plant (MO34) is the largest private investment in Slovakia and the new units will cover up to 26% of Slovakia's electricity demand in the future. In November 2020, the general meeting of Slovenské elektrárne approved a budget increase of 495 million euros, to a total of 6.195 billion euros.

The man-hours worked in December 2020 were 6.76 million, bringing the total number to 102.14 million since the beginning of the project. Despite the Covid pandemic in 2020, it was possible to maintain an average of 3 000 employees on the construction site, including working from home, thanks to the introduction of additional health and safety measures. Approximately 150 suppliers and contractors participated in the construction. More than 50% of contracts were concluded with Slovak companies or branches. The production of units after their verified operation will be 2 x 540 MW (an increase from 471 MW). The technology used is VVER 440/V-213 with pressurised water reactors, i.e. the reactor is moderated and cooled by water. MO34 technology is noted for its evolutionary design with proven technology and numerous safety enhancements; inherent safety with low power density and large primary circuit heat capacity; as well as higher availability and efficiency.

Most significant activities and milestones in 2020

Despite the pandemic situation and its impact on lives around the world, work on the completion of Units 3 and 4 was not suspended. Measures were put in place against the spread of Covid at the workplace, as well as procedures to address the reduced workforce and availability of suppliers, including the establishment of an information committee with suppliers, prioritisation of work, rotation of working groups, additional shifts, etc.

In mid-January 2020 a reheating to nominal parameters at Unit 3 was successfully performed, with a view to carrying out additional pressure tests of the primary circuit and reactor, and functional tests of ventilation and safety systems in accordance with the operating procedures to be used after nuclear fuel loading. The Nuclear Regulatory Authority of the Slovak Republic (NRA) confirmed the performance of all planned tests. Minor findings were remedied by mid-February 2020.

Based on the identification of hidden deficiencies in the cables of the instrumentation and control (I&C) system from one of the suppliers, a complete disassembly and replacement of cables at Unit 3 was carried out by mid-February 2020. In addition, the regrouping of cable trays at Unit 3 was completed in November 2020 with a possible impact on fuel loading. The WANO and IAEA international missions from late 2019 to early 2020 provided an important added value to the operation team in the form of proposed recommendations and identified good practices. These recommendations were focused mainly on the need for a full transition from construction to the operation of Unit 3 and the subsequent takeover of the management by the operation department. A great many activities - inspections, documentation assembly, and data migration - were carried out, in order to hand over all systems needed for fuel loading to the operation and maintenance team.

After receiving a permit from the NRA for the storage of fresh fuel, it was possible from April to successfully and safely store fuel in a nuclear facility.

All significant findings identified during inspections performed by the Building Authority, the Fire and Rescue Corps, the Labour Inspectorate and the NRA were remedied and verified thanks to intensive coordination between the contractors and the MO34 project team. The controlled zone is ready, and will be set up in the entire nuclear part at Unit 3 at the most favourable time before fuel loading.

The required electromagnetic compatibility tests have been completed and, based on confirmations from various independent companies, have met all international standards.

The inspection of thousands of components and material certificates was time consuming. Inspections on the construction site and selection of components for further chemical and mechanical tests in external laboratories were performed according to the methodology coordinated with the NRA. Based on all performed tests and evaluations and in accordance with material specialists and responsible designers, the properties of all components and their use within the relevant systems for safe operation at Unit 3 were verified.

Based on the above facts, Unit 3 is almost completed, a first-instance decision to fuel loading is expected from the NRA (the first proposal was already issued on 15 February 2020).

The progress of work at Unit 4 was influenced by the concentration of resources at Unit 3 on the basis of prioritisation due to Covid, cabling replacement and the above-mentioned inspections of material certificates and properties. Knowledge gained during the construction of Unit 3 will be used to optimise the relevant processes. The physical progress of work on Unit 3 as at December 2020 stood at 99.95% and on Unit 4 was 87.81%. Despite the difficult times, work continues toward commissioning the nuclear power plant at a safe and reliable level as designed.

Safety on the construction site

Occupational health and safety remains a priority number one in the framework of Units 3 and 4 of the project. The Company set itself the very ambitious goal of zero accidents. Therefore, safety is an integral part of the mindset of all Slovenské elektrárne employees and contractors involved in the project.

Safety indicators for construction site activities are better compared to those in this industry, with particularly good reports for the last year: we have managed to reach the primary target for 2020, i.e. no registered accident with 6 759 997 man-hours worked.

The cumulative value of the frequency index from 2009 to 2020 was 0.33, representing one event for every 3 004 116 hours worked. The cumulative value of the severity index in the period from 2009 to 2020 was 0.0096, resulting in a loss of 77.07 hours per each million hours worked.

Nuclear energy projects

Bohunice V2 nuclear power plant

In 2020, we worked on projects in accordance with the approved investment plan in order to increase safety, reliability and efficiency of nuclear power plant production. From the aspect of investment costs, the largest completed project at the Jaslovské Bohunice site is the project for the replacement of control assembly drives. This project is part of the EBO's long-term lifetime programme to 2045 and includes diagnostics, modernisation, and replacement of end-of-life power plant systems and components. The project involved the replacement of 25 drives that were successfully installed on both EBO reactors during shutdowns in 2019 and 2020.

Another completed project interesting from the legislative aspect was the programme for modernising the monitoring of radiation doses. In addition to meeting the legislative requirements of the Public Health Authority for entry into the controlled zone, the implementation of the project enabled us to end the use of film dosimetry and begin to use new technologies in this area. Electronic dosimeters, including additional infrastructure and software, will also allow us to reduce the cost of system evaluation and its administration.

An important completed project in terms of nuclear safety was the modification of selected valves and actuators of the primary circuit. The implementation of the project increased the functional reliability of the systems and extended their service life, while maintaining the required level of nuclear safety.

In order to increase the reliability of heat supply from EBO, we have implemented a project to innovate NOTREP power controllers in the control circuits of the EBO heat-feeder exchange station – Trnava. 14 power controllers were replaced, which were at the end of their service life and could jeopardise the quality of heat supply in the future.

We completed a long-term project of comprehensive modernisation of a special laundry. Washing machines, dryers, irons and all other equipment, including monitoring of clothing contamination, were gradually replaced and the premises and power supplies underwent a partial reconstruction.

This year, we completed a long-term project of replacing security stations for turbines and units at the EBO power plant. The aim of the investment was to modernise obsolete secondary circuit equipment, and install, as part of the project, new process servers and engineering stations. The network topology was changed to client - server.

Another important project in the field of I&C was the successful implementation of the Replacement of the obsolete control system of SAIA circulating cooling water pumps. The modification included the replacement of the original control system with a modern SIMATIC system, two new systems were installed as a backup power supply for the control system, a new operator station with SCADA visualisation, and the system was connected to the dispatching system.

In 2020, we successfully prepared and completed the project of modernising the T-ASDR system, which contributes to increasing the quality of support services provided and thus to the stability of the electricity system in Slovakia.

Mochovce nuclear power plant, units A and 2

The strategic projects at EMO include the project to increase the efficiency of the units, representing a comprehensive modernisation of turbines and related equipment with a consequent increase in the electrical output of the plant's units. The project significantly improved the efficiency of using the heat produced in the reactors on the secondary circuit, and as a result we produce significantly more electricity at the same reactor output. Last year, we replaced turbines, their oil regulation, electronic controllers, humidity separators, measuring nozzles on the feed water, flow meters, unit transformers, coolers for generator exciters and other equipment at EMO Unit 2.

In 2020, the project of seismic resistance of the power plant to a new value of seismic hazard PGA 0.15 g was continued. We carried out a revision of the seismic scenario in order to effectively select the elements needed for strengthening to ensure the functionality of the technology during and after a potential seismic event. We modified, in terms of civil engineering, the seismic resistance of six buildings, we paid attention to the preparation of large technological components, systems, structures, I&C, electrical equipment, switchboards, platforms and pipelines. We will continue to work intensively on the project over the next two years.

In 2020, we expanded the portfolio of resources for the provision of support services through the implementation of the electric boiler project, which will contribute to the stability of the electricity grid in Slovakia.

Conventional energy projects

Nováky thermal power plant

In 2020, as part of the transformation of the power plant that was connected with the termination of support and combustion of domestic coal, we worked intensively on the preparation of the New Heat Source project, the aim of which is to ensure the continuity of heat supply to all customers. In addition, we prepared for implementation environment-related projects – treatment of drainage waters from ENO sludge ponds and increase of the capacity of the final ash sludge pond. In 2020, we successfully prepared and completed at this site the project of modernising the T-ASDR system, which contributes to increasing the quality of support services provided and thus to stabilising the electricity grid in Slovakia.

Vojany thermal power plant

At EVO, we continued in the production cost optimisation programme in 2020, and carried on testing and modifying the technology in order to comprehensively change our fuel base. The result of the project will be the complete cessation of the coal combustion and the introduction of the combustion of a mixture of solid secondary fuel and biomass. In the near future, we anticipate the final testing of the new fuel mixture and the implementation of final modifications to the technology so that we can continue to operate EVO with the new fuel mixture in 2021. EVO is a reliable and flexible source contributing to the stability of the Slovak electricity system and is also an important employer in the region.

Hydropowers plants

In 2020, we prepared an important project for the replacement of first-fill pumps at the Čierny Váh pumped-storage hydropower plant, which addresses the obsolescence of important power plant equipment and by means of its regulation output (2.4 MW) expands the portfolio of sources for providing negative regulating electricity needed for the stability of the electricity system in Slovakia. Completion of the project's implementation is forecast for year 2021.

At the Čierny Váh pumped-storage hydropower plant, we also completed the installation of new inclinometers inside the injection corridor of the lower and upper reservoirs, thus eliminating inaccuracies in the measurement of inclinations of the dam blocks of the lower and upper reservoirs.

At hydropower plants, we also continued in 2020 in the preparation and implementation of individual projects of the power plant service life extension programme. We prepared projects concerning the reconstruction of excitation regulators, turbine regulators, protections, cleaning machines and other key equipment in terms of hydropower maintenance strategies.

In terms of increasing the safety of operating personnel and technical safety of equipment, we successfully completed the projects Reconstruction of protections on TG2 at the Nové Mesto hydropower plant and on TG3 at the Sučany hydropower plant. Both of these projects were exceptional, not so much in their subject, but rather their implementation during operational shifts of outages alongside the difficult coordination of multiple suppliers, due to the Covid situation. We completed the project for reconstruction of the cleaning machines control system at HPP Mikšová and Krpel'any, which contributed to the continuous improvement in the reliability and safety of these hydroelectric power plants.

After two events in the summer of 2019, during which there was a failure of VHV bushings and subsequent fire on the unit transformers of the Mikšová HPP, a decision, among others things, was taken to build up protective barriers. Three sites were identified (hydropower plants of Mikšová, P. Bystrica and Hričov), where a road passes in the immediate vicinity of transformers and there is a high level of public movement. The project team came up with a solution that minimizes the risk of accident in the event of a similar event and at the same time does not hinder the safe operation and maintenance of unit transformer. This concerned a total of nine barriers (three at each site). In the case of the Mikšová HPP, despite the pandemic situation, the construction of barriers was completed in July 2020, in the case of P. Bystrica HPP and Hričov HPP, the barriers were built in December 2020. Barriers protect not only the health of our employees but also the passing public.



Annual report 2020

Safety, inspections and management system

Integrated policy

Preamble

Safety⁷ is the top priority of Slovenské elektrárne and takes precedence over production requirements and business profit. At nuclear installations (NIs), which are unique technology, the priority is to improve and maintain a high level of nuclear safety and radiation protection in accordance with world best practices. The key principle applied at all levels is that every employee in the Company is responsible for the safety and quality of their work, recognising the risks involved.

Principles

Maintain the Integrated Management System (ISM)⁸ in line with the GOSP⁹ model as a corporate governance tool and continuously improve its efficiency and performance so that the Company continuously achieves all its objectives, meets stakeholders'¹⁰ requirements, fulfils relevant legal and other requirements, and thereby ensures sustainable development. The identified Company processes, activities, and projects are managed with regard to the principles and approaches of the integrated risk management system, which is part of the general

framework for strategic and operational management and Company decision-making. Define long-term and short-term objectives and tasks, to periodically review this Policy and fulfilment of defined objectives and tasks at all levels of governance. With a view to achieving the objectives, to ensure the availability of resources to seize opportunities and minimise risks and possible losses to an acceptable level necessary for innovative solutions.

Satisfy the needs and expectations of stakeholders and customers in the provision of products and services, including continuous verification of their satisfaction and pursue an open and constructive dialogue.

Manage risk strategy effectively and comprehensively to increase the likelihood that the Company, programme or project will achieve its objectives. Timely identify and analyse in particular the risks jeopardising the safety of employees, the public, the environment and the Company's assets. Use best practices in identifying, analysing, evaluating, monitoring, and effective and comprehensive risk management with relevant periodic outputs communicated to the Company management for the purposes of effective Company governance.

Create conditions to protect employees' health at work. Monitor and evaluate indicators of the impact of the operation of production equipment on occupational

⁷ Safety – includes the following areas: occupational health and safety, fire safety, prevention of severe industrial accidents, emergency planning and preparation, security 5, at nuclear facilities (nuclear power plants) also nuclear safety and radiation protection.

⁸ ISM – Integrated Management System is a mechanism of company management that integrates individual management systems so that the company meets the set objectives effectively and efficiently.

⁹ GOSP – Governance, Oversight, Support and Perform, a model that ensures that each employee clearly understands their role and tasks in the framework of the Company, by means of the implementation of standardised policies, programs, processes and procedures according to best practice. There are clearly differentiated responsibilities between ownership for standards (governance and oversight) and their implementation (support and performance).

¹⁰ Stakeholder – a person or organisation having or potentially having an impact on the running of the company or who may be impacted by the running of the company. Stakeholders are shareholders, state authorities, employees, customers, clients, business partners, citizens living in the vicinity of plants, etc.

health and safety, the environment (including possible radiation exposure), and Company's assets. Ensure that security measures and procedures are documented, the necessary measures are taken, and compliance is monitored.

Ensure the required number of selected and professionally qualified employees. Promote the maintenance and deepening of the staff qualifications and knowledge, and knowledge management.

Continually require that the Company employees and supplier employees continually adhere to the principles and features of the strong safety culture and risk management, motivate them to professional behaviour and exceptional performance in accordance with the declared Values and Behaviours Model, respect the principles of the Ethics Code and Zero Corruption Tolerance, apply open communication about problems, adhere to the Security principles¹¹ and environmental protection. Perform the activities in the framework of the ISM exclusively according to the applicable documented procedures.

In selecting contractors, emphasise their competence to meet qualification and quality requirements, taking into account their approach to the ISM and the principles of the Code of Ethics and Zero Corruption Tolerance. Maintain an effective crisis and emergency preparedness and response system, including the provision of the necessary resources, infrastructure and staff training. Apply the ALARA principle¹² in nuclear facilities. Protect the environment through technologically meaningful reduction in the creation of waste, air emissions, discharges into the water and soil, with an emphasis on prevention. Apply a strategy of in-depth protection in technical measures through preventive measures minimising the risk of injury, occupational diseases, operational incidents, significant industrial accidents and environmental degradation.

Economically use energy and raw materials, support the use of renewable energy. Direct the development of the production and technical base on technologies that reduce the adverse impact on employee health and safety, on the environment, and which contribute to sustainability.

Manage the existing nuclear power plant production and technical base so that it can be used in the long term. Ensure the long-term operation programme, including managerial, material and human resources for its implementation.

Integrated management system

The Integrated Management System (ISM) of the Company is an essential pillar for setting the Integrated Policy and the main objectives and tasks of the organisation as well as meeting them in an efficient and effective way. It also ensures that all relevant stakeholders' requirements, i.e. shareholders, customers, contractors, and the public, supervisors and employees, are met.

In accordance with the defined characteristics of a healthy nuclear safety culture (according to WANO PL 2013-1), ISM provides the organisational structure and

¹¹ Security – includes fields such as crisis planning and management; continuity planning; protecting the company's reputation, secrecy, business secrecy, personal data; management of physical protection, information, financial, commercial and administrative security

¹² ALARA principle – As Low As Reasonably Achievable – in order to continuously reduce the radiation exposure in and around nuclear installations.

direction of the Company in a way that promotes the development of a safety culture along with achieving the highest level of nuclear safety. The ISM defines a working environment in which personnel resolve security issues without undue delay, fear of persecution, intimidation, reprisals or discrimination.

The ISM includes the following key principles, approaches and values:

- safety first, each Company employee is personally responsible for and contributes to increasing the safety level
- focus on prevention, risk management and opportunities for continuous improvement and learning
- promotion of the optimum course of processes using an adequate organisational structure
- provide information about process performance and the performance of the whole Company
- use of results, operational experience and proposals from ongoing ISM continuous improvement projects
- focus on internal and external customers, provision of information about the satisfaction of customers and other stakeholders, flexible response to eligible requirements of the stakeholders.

The basic requirements to be met by the ISM are the generic requirements of the international standards ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018.

Slovenské elektrárne as an operator of nuclear installations and holder of a licence for the construction and commissioning of nuclear installations must respect and apply a number of legal and other requirements and recommendations, but especially the following:

 the legislative requirements set out in the Act of the National Council of the Slovak Republic no. 541/2004 Coll. on the peaceful use of nuclear energy (the Atomic Act) as amended and subsequent implementing decrees issued by the Nuclear Regulatory Authority of the Slovak Republic (NRA SR).

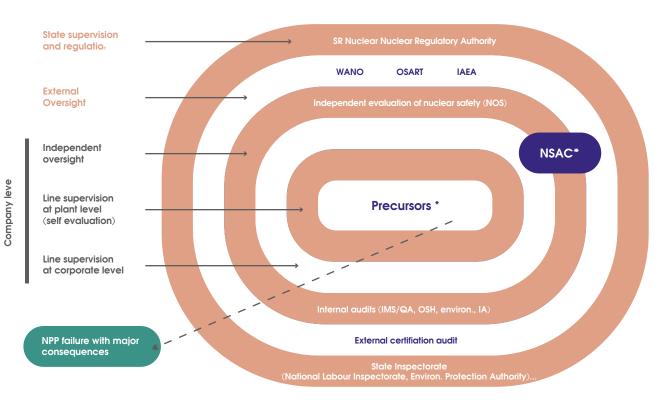
- requirements and recommendations of the relevant regulations of the International Atomic Energy Agency in Vienna (IAEA), in particular GSR, Part 2 Leadership and Management for Safety. General Safety Requirements, for the management systems, that are to integrate strategy, planning and objectives in the field of safety, occupational health and safety, environment, quality assurance, economic aspects and other areas such as social responsibility, etc.
- recommendations from peer reviews and missions of international organisations (WANO, OSART) and inspections by supervisors such as the NRA SR, NLI SR and others
- experience and information obtained from operational events, from the results of selfassessments and benchmarking (comparison with the best in the industry) carried out in cooperation with foreign nuclear power plant operators
- recommendations and experiences of domestic and foreign consulting and advisory companies
- continuous improvement projects.

Functionality and efficiency of the ISM was reviewed in 2020 by a renowned independent accredited authority. As a result the Company had its certificates renewed under the international standards ISO 9001:2015 and ISO 45001:2018 and was successfully recertified under ISO 45001:2018 (see certificates attached in annexes), confirming its orientation on integration and continuous improvement.

Governance and oversight model

The established "Governance and Oversight Model" contains the essential attributes of corporate governance and oversight, including the key elements needed for

continuous achievement and sustainment of a high level of operational safety, reliability and sustainability of production sources.



* Precursors: Latent process and/or organisational shortcomings

** NSAC: Independent external advisory committee for nuclear safety

The model is a set of policies, processes, programmes, self-assessments, as well as independent audits and reviews, including international peer reviews.

The findings identified in the independent feedback process are part of the corrective action programme and the Company's continuous improvement process.

Quality

The quality management system (QMS) is one of the key pillars of the IMS.

An important indicator of a sound company is the ability to define ambitious headline main goals as well as to provide resources and controlled conditions to achieve and meet these goals.

One of the prerequisites for the successful fulfilment of the goals also includes the process approach efficiently applied at Slovenské elektrárne within the "Company's Process Model" framework, the Company's key performance indicators or process documentation.

In 2020, the efficiency and effectiveness of the IMS was verified through 5 integrated IMS audits, coordinated with other departments and feedback tools (e.g. Independent Nuclear Oversight assessments, self-assessments, etc.) and conducted at the headquarters and at selected plants and establishments of the Company. The findings are used on an ongoing basis for the continuous improvement of the IMS through defined corrective and preventive action, or initiatives for continuous improvement projects.

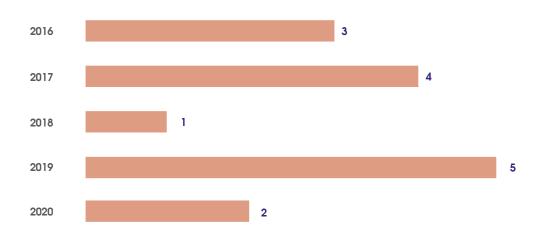
Slovenské elektrárne is aware of the responsibility resulting from its area of activity and also the fact that the responsibility cannot be passed on to its contractors. Therefore, in 2020, 47 external (customer) audits were carried out at selected contractors having a potential impact on nuclear safety. The audits were carried out by qualified auditors in the presence of engineers from plants – nuclear installations or from the field of asset management. The results from audits at contractors serve for overall improvements in contractors' performance, streamlining the procurement process and raising the safety and reliability of the nuclear power plants.

Safety management system

Occupational health and safety

Assessment of occupational health and safety and the development of the occupational injury rate at Slovenské elektrárne is carried out in accordance with the requirements of Act no. 124/2006 on occupational health and safety, as amended, STN ISO 45001:2009 and the Company's internal regulations.

In 2020, Slovenské elektrárne obtained a certificate in the "Safe Company" programme and the safety management system of Slovenské elektrárne was certified in accordance with the standard ISO 45001:2018. In 2020, two registered occupational accidents (none of them classified as serious) and 18 recorded occupational accidents were recorded for the Company's staff.



Registered occupational accidents of SE employees

Recorded occupational accidents of SE employees



Frequency rate (FR)¹³ and severity index (SI)¹⁴ of SE employees



¹³ Frequency Rate (FR): The number of occupational accidents that occurred and were recorded, other than accidents that occurred on the way to/from work, per million hours worked: FR = (number of accidents / hours worked) x 10⁶

¹⁴ Severity Index (SI): The number of working days lost as a result of occupational accidents that occurred and were recorded, other than accidents that occurred on the way to/from work, per thousand hours worked: SI = (number of days lost / hours worked) x 10³

Inspection activities

In 2020, inspection activity in the area of occupational health and safety was carried out in accordance with the approved plans for inspection activities and internal requirements. Regarding the Company employees, 1 628 inspections were carried out by OHS specialists, revealing 1 258 deficiencies; in case of contractors (including inspections carried out on the MO3,4 Completion Project) it was 4 559 inspections with 9 977 deficiencies found. Managers carried out 3 174 inspections in which they identified 2 793 deficiencies. In 2020, the national oversight carried out in total 7 inspections at SE workplaces, with no shortcomings identified.

Main initiatives in the area of OSH and FP

The main activities in the occupational health and safety and fire protection in 2020 included activities aimed especially at prevention, preparation and implementation of measures against the spread of Covid (establishment and operation of working groups at SE headquarters and branch plants, elaboration of pandemic plans, installation of thermal cameras to measure body temperature at the entrances to SE premises, procurement of germicidal lamps, disinfectants, personal protective equipment, distribution of face masks and vitamin D among all employees, provision of regular antigen testing, use of extended home office working, etc.) Safety communication was strengthened through the "Are you sure?" information - awareness campaign. It included communication regarding work safety in confined spaces, safety when walking and the communication status when using ladders, and the issues concerning the Covid prevention. At the turn of October and November, a "Safety Week" was organised at all Slovenské elektrárne sites. Due to Covid measures, all Safety Week activities took place online in the form of webinars (Microsoft Live Events in the MS Teams application). The Safety Week topics included financial and criminal liability of managers, prevention of Covid, strengthening health and immunity, and cyber security.

Investments to improve safety

The Company invested a total of 6.93 million euros in 2020 into projects which, among other things, brought benefits in terms of increased safety. For example:

- EBO modifications to technological buildings, optimisation of pumping and filtration station, reconstruction of the buffet;
- EMO replacement of the generator stator, reconstruction of cooling towers, modification of the nitrogen exhaust pipe from the hydraulic accumulator;
- HPP replacement of pumps at the Čierny Váh PSHPP, reconstruction of the control system of the cleaning equipment at Mikšová HPP and Krpeľany HPP, purchase of a new vehicle for the diver group;
- SE purchase of Covid prevention equipment (thermal cameras and others).

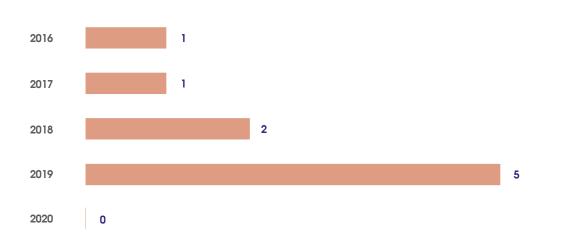
Fire protection

The assessment of the state of fire protection is carried out in SE in accordance with the requirements of Act No. 314/2001 Coll. on fire protection, as amended, ISO OHSAS 45001:2018 and in accordance with the Company's internal regulations.

In 2020, the Company did not record any fire.

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Number of fires



Inspection activities

The internal inspection activities of the fire prevention expert units were carried out by the fire prevention technicians in accordance with the approved inspection plans for 2020. Some 1178 preventive fire protection inspections were performed during which 389 shortcomings were detected. One followup fire inspection was carried out by the national fire inspectorate in 2020, during which no deficiencies were found.

Nuclear safety

Slovenské elektrárne fulfils its vision and mission in accordance with its integrated safety policy. Safety, in particular nuclear safety and radiation protection, of which they are integral parts, is represented in the Company management and is the basic pillar of the Company's operation with greater priority than production targets and business profit.

The basic approach in the use of nuclear energy is to make continuous improvements in processes, the organisation of activities, staff training and the implementation of necessary technical improvements.

The objective is to ensure a high level of nuclear safety and reliability of equipment and personnel at nuclear power plants (NPPs).

NPP	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
EBO	0	0	1	0	0	0	1	0	0	0	0
EMO	1	0	0	0	0	0	0	0	0	0	1

Operational Events in the Company, INES 1 Evaluation

In 2020, no INES grade 1 operation events were recorded at EBO units, meaning an event with a low potential safety impact. One event evaluated as INES 1 was recorded at the EMO units – event UZ1_001_2020_EMO01_P01 – Loading an assembly with a non-compliant Technical Inspection protocol.

Average Number of Automatic Reactor Scrams (AO1) per Unit at SE

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
number	0.25	0.25	0.25	0	0	0	0.25	0	0	0	0

In 2020, there was no operational event recorded that would cause a reactor scram.

Radiation protection

SE complies with requirements for the radiation protection of people and the environment from radiation and its effects, including means for ensuring radiation protection.

The ALARA principle (As Low As Reasonably Achievable) is the basic principle for radiation protection and is applied for management of personal doses of employees and contractors, the generation of radioactive waste and the release of radioactive substances into the environment. Personal doses of SE employees and contractors are significantly below the radiation limits. Under legislation, such activities that entail the radiation exposure of workers or inhabitants are permitted only when justified. The Company has long achieved excellent results in radiation protection.

As the following table shows, the collective effective dose of ionizing radiation of power plant and contractor staff is at a very low level, and Slovak units are in the world top ten among pressurised water reactor operators.

NPP	2014	2015	2016	2017	2018	2019	2020
EBO	97	199	196	89	159	95	115
EMO	156	128	96	163	157	114	87

Average collective effective dose per unit at SE (in man mSv)

There was not a single case in 2020 where the individual dose limits of personnel would have been exceeded. There was no radiation incident or accident. Gases and liquids discharged into the environment had low levels of radioactivity and were within permissible guide values. For the purposes of protection of the population, this means the maximum calculated individual effective dose rate is in the order a tenth of a microsievert. It is an insignificant fraction when compared to the basic annual radiology limits for an individual among citizens and their exposure to radiation from the nuclear power plant operation. The limit set by the Public Health Authority of the Slovak Republic is 50 microsieverts per year.

In order to understand these values better, it is necessary to give a comparison of personal doses from exposure to ionising radiation that may occur over the course of everyday life:

- mean effective population dose from natural background ~ 2 400 microsieverts/year;
- mean radiation dose from medical applications ~ 1 500 microsieverts/year;
- annual radiation population limit for all source of ionising radiation and for all activities involving exposure as laid down by law is ~ 1 000 microsieverts/year;
- threshold population those from all nuclear facilities in one locality given by law ~ 250 microsieverts/ year;

- basic radiological population exposure limit caused by the operation of a nuclear power plant ~ 50 microsieverts/year;
- three hours flight by plane at 10 km height of approx. 10 microsieverts/flight;
- maximum calculated individual effective dose for an inhabitant resident in the vicinity of EMO in 2020 was 0.249 microsievert and 0.224 microsievert for residents in the vicinity of EBO.

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These facts show that the operation of SE's nuclear power plants has a negligible impact on human health.

Emergency planning

The Company meets the requirements for permanent preparedness to implement measures from emergency planning for managing accidents or incidents with very low probability of occurrence. The system of emergency preparedness at the Company is subject to continuous maintenance, testing and refining on the basis of own experience and the experience of operators of other plants around the world.

The main objective of emergency preparedness is to ensure that employees and external persons meet the technical, personnel and documentary requirements for the successful management of extraordinary events and the mitigation of their consequences. At the same time the Company places a strong emphasis on preventing the occurrence of incidents and accidents.

Independent nuclear oversight

Mission of the independent nuclear oversight department

The department's mission is to provide the Company's management with an independent evaluation of the performance in the operation of nuclear installations in order to identify areas for improvement in safety and reliability of nuclear installations, compared to the Company management's goals and expectations and the best world practices in nuclear sector, in accordance with the performance objectives of the World Association of Nuclear Operators (WANO).

Activity overview

In 2020, the mission of the independent nuclear oversight was hampered by the Covid pandemic. Work from home and movement restrictions between sites meant that some of the planned comprehensive inspections were postponed to 2021.

Nevertheless, the necessary oversight over the implementation of shutdowns of all nuclear units was ensured. The activity focused on the review of the organisation's readiness for commissioning Unit 3 of the Mochovce NPP. The review included an assessment of the state of implementation of the International Atomic Energy Agency's recommendation, formulated at the end of 2019 as part of the Pre-OSART mission. Maximum attention will be paid to the commissioning of Unit 3 of the Mochovce NPP during this entire process.

Nuclear safety advisory committee

The independent nuclear oversight includes an international Nuclear Safety Advisory Committee (NSAC), which is an advisory body to the Company board, and whose members are external internationally recognised experts. Following the decision of some Committee members to end their work in nuclear safety, Peter Prozesky, Director of the World Association of Nuclear Operators – WANO CEO until 2019, and John Munro, Director of EdF Energy, were accepted as new members last year. Other members are Roger Seban, former director of international projects at EdF, and Manel Campoy, director of nuclear safety at ENDESA.

The pandemic limited the activities of this Committee; they could not be physically present at our power plants and their assessment of the operation of the Bohunice and Mochovce nuclear power plants was carried out in the form of a video conference.

Security

SE pays appropriate attention to corporate security issues, including areas such as information and cyber security, physical protection of assets, crisis management and continuity management, and security analytics, including the verification and monitoring of counterparties. All activities are performed so as to ensure an adequate level of protection of the Company's assets against identified security risks and so that they are in line with the security interests of the Slovak Republic.

Information and cyber security

The aim of information and cyber security is to

ensure an adequate level of protection for Company's information, networks and information systems through appropriate and adequate security measures so that networks and information systems are able to withstand to some degree of reliability any behaviour that compromises the availability, authenticity, integrity or confidentiality of transmitted or processed data or related services provided or accessible through these networks and information systems, and to prevent cyber security incidents, deal with cyber security incidents and minimise their impact on the continuity of SE's activities. In accordance with the Cyber Security Act, the Company was included in the Register of the Operators of Essential Services. Being aware of the importance of cyber security, this field is one of the Company's priorities. In 2020, there was further progress in the project of implementing the legislative requirements in the field of cyber security in the SE environment.

Physical protection of assets

Physical protection of assets at the Company is ensured via a set of technical, organisational and personnel measures needed for securing against and preventing any unauthorised activities threatening the Company's assets. In 2020, SE continued in fulfilling the enhanced security measures.

Crisis management and business continuity management

In the area of crisis management and continuity management, the Company fulfils the tasks arising from the relevant legislation of the Slovak Republic and decisions of state authorities, especially in the field of economic mobilisation. In 2020, the SE Crisis Plan was updated, and in particular the Covid related tasks and measures were fulfilled.

Audit and internal control system

Internal audit is an independent, objective, assurance and consulting activity designed to add value and improve the organisation. Internal Audit helps the organisation to accomplish its objectives by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of the organisation's risk management, governance and control processes, and management.

The Company has an internal audit unit established to complete this definition by monitoring the internal control system, identifying its weaknesses and proposing action plans to improve and streamline that system.

On the basis of identified risks and incentives from management, the internal audit service establishes an annual audit plan that takes into account the results of the risk analysis updated on a regular basis. The output of the internal audits is a final report, which includes a list of corrective actions/action plans. In line with set deadlines, they are evaluated and submitted to the Company management on a half-yearly basis.

Over the course of 2020, the Internal Audit carried out five planned internal audits and five ad-hoc audits.

In the past period, the Company continued its initiative to fight corruption, financial crime, breach of sanctions, and monitor the effectiveness of internal control mechanisms implemented within the framework of an organisational model aimed at minimising the risk of perpetration of such offences. The Company is committed to respecting its own Code of Ethics, defining the principles of corporate social responsibility, which the Company declares to follow. The Company has established an ethical hotline which can be used to report suspected violations of the Code of Ethics and the Zero Corruption Tolerance Plan, and which will be subsequently investigated by the Company's internal audit department.

The Company has established a line and determined rules for whistleblowing, record keeping of whistleblower reports, their verification and notification of the outcome of verification of the reported crime or other antisocial activity (Whistle-blower Programme) pursuant to Act no. 54/2019 Coll. on protection of whistle-blowers of anti-social activity and on amendments of certain acts. A person responsible for the Company's whistle-blower programme and for the verification of reports are the risk management and the internal audit departments, performing the employer's tasks set out by law.

Company risk management

The implementation of the risk management process continued in 2020 with the update of the management documentation in the form of a directive and methodological guideline. The update was carried out on the basis of suggestions from practice, from expert departments and also on the basis of knowledge from other operators. Over the year, risks were identified in individual risk areas at all plants, including the SE Headquarters. Subsequently, the risks were analysed and assessed according to uniform criteria. The phase of defining and implementing measures is currently under way, and will continue in the coming period in the form of monitoring the measures, identifying new and reviewing the existing threats and opportunities. In project risk management, methodologies for project management were commented on and requirements for projects risk management were incorporated. Training materials were prepared and trainings for project managers were conducted.

In cooperation with ICT, a Business Intelligence tool is being developed for the analysis and presentation of data on the state of risk management in individual processes (Power BI).

Arecertification audit in accordance with the requirements of ISO 9001, 14001 and 45001 performed by an external body included integrated risk management among the Company's strengths. As part of the preparation for the WANO Peer Review, the risk management process was tested in the form of a Targeted Self-Assessment according to the WANO PO&C 2019-1 criteria. As part of the benchmarking process, meetings with ČEZ continued aimed at exchanging experience in the following areas: integrated risk management, corporate risks, NPP operational and project risks, software tools for risk management (SAP GRC). An informal market survey was conducted to select a software solution for the Risk Management process.

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Environment

Environmental management system

In 2020, an ISM re-certification audit was carried out at the Company, in the framework of which one of the main cornerstones of the ISM – the environmental management system – was successfully defended. In 2020, the Company continued to observe the requirements of ISO 14001 standard according to the set mechanisms, which were applied also in the previous period and assessed positively by the auditors. The preventive approach, highly qualified personnel, and project management were rated as strengths in the environmental protection system.

Atmospheric protection

The operation at thermal power plants, which are practically the only assets from among the SE's sources to emit pollutants, met in 2020 air protection requirements in accordance with the Industrial Emissions Directive and related national legislation.

The high efficiency of emission abatement equipment (deSOX, deNOX (SNCR), electrostatic precipitators) in combination with the deployment of sources has had a positive effect on the year-on-year reduction of emissions of all basic pollutants (SO₂, NO_x and CO), and thereby also on the fulfilment of the set emission limits.

By replacing fossil fuels with wood chips – biomass in fluidised-bed boilers at the Vojany power plant in the volume of 12 907 tonnes, a greenhouse gas saving was achieved in the amount of 14 270 tonnes of carbon dioxide (CO_2). Solid secondary fuel (SSF) co-combustion testing also contributed to the further reduction. The equivalent savings of around 3 000 tonnes of CO_2 , compared to the same quantity of electricity produced in coal-fired power plants, were achieved by making full use of the installed capacity of the photovoltaic power plants at Mochovce and Vojany.

Emissions of basic pollutants into the air for SE

Pollutant (tonnes)	2016	2017	2018	2019	2020
PM (particulate matter)	169	102	50	34	49
SO_2 (sulphur oxides)	6 393	7 248	3 144	1 386	1197
NO_x (nitrogen oxides)	1 887	1 824	1317	1 210	967
CO_2 (carbon monoxide)	1 144	974	914	612	356

Specific (nominal) CO_2 emissions related to net electricity supply fell in 2020 to a historically low level due to a balanced energy mix with a high share of nuclear and hydro power generation and lower supply

from fossil fuel-fired thermal power plants, i.e. a yearon-year decline of almost 30%.

Specific (nominal) emissions of CO₂

		2016	2017	2018	2019	2020
Verified CO ₂ emissions	kt	2 305	2 409	2 291	1 825	1 297
Electricity supplied	TWh	17.2	17.5	16.8	17.1	17.0
Specific emissions of CO ₂ related to SE electricity supplies	g/kWh	133.7	137.3	136.5	106.7	76.3

The Company is required to monitor atmospheric quality by continuous measurement using automatic monitoring stations (AMS) of outdoor air quality in the vicinity of ENO (Oslany village) and EVO (Leles village). The air quality data is continuously provided by

the relevant district environmental authorities as well as by the Slovak Hydrometeorological Institute. Measured pollutant values have been below the limit values for human health protection and critical levels to protect vegetation over the long term.

Mass concentration of pollutants at Oslany AMS

Pollutant			lass concentratio erage annual (µg.1		
	2016	2017	2018	2019	2020
PM10	25	26	22	22	19
SO ₂	4.1	5.6	4.3	4.1	4.1
NO _x	13.3	15.0	12.8	12.3	10.8

Mass concentration of pollutants at Leles AMS

Pollutant			ass concentration erage annual (µg.1		
	2016	2017	2018	2019	2020
PM10	22	23	20	21	19
SO ₂	3.5	3.7	3.9	4.0	3.0
NO _x	8.9	9.3	9.0	8.7	8.4

Water protection

There was a slight year-on-year decrease in potable water consumption, and overall drinking water consumption remains on a downward trend. The main reasons for the decrease in potable water consumption include the continuous repair of leaks on pipes.

Potable water consumption 2016 - 2020

	2016	2017	2018	2019	2020
Potable water ('000 m ³)	284	301	244	277	244

In 2020, the Company recorded a significant decline in the consumption of technological and cooling water for electricity and heat generation. This decrease was due particularly to the limited deployment of thermal power plant units, and in consequence of the pandemic situation, especially at the beginning of 2020. Over the long term, the Company is maintaining a steady trend in water consumption, which is both a reflection of overall savings, as well as the drive for operating with the lowest possible input costs.

Consumption of technological and cooling water 2016 - 2020

	2016	2017	2018	2019	2020
Technological and cooling water ('000 m ³)	50 899	53 662	54 801	52 816	49 496

Waste management

The total quantity of waste is affected mainly by the production of technological waste from the combustion processes at thermal power plants and the limited possibilities for placing the waste on the market.

Quantity of waste produced at the Company over the years 2016 - 2020

Waste category	2016	2017	2018	2019	2020
other (t)	702 319	712 387	619 819	547 050	416 898
hazardous (†)	2 437	577	496	422	363
TOTAL (†)	704 756	712 964	620 315	547 472	417 261

Raising environmental awareness among employees, and related educational activities are you having a positive impact on the growing trend towards separating waste (glass, paper, plastics) at all the Company's plants.

Environmental burdens

Aware of the impact of its past activities on the surrounding environment, Slovenské elektrárne takes a consistent and responsible approach to environmental protection. Over the long term, the Company has been paying attention to the issues of environmental burdens, especially at sites the of the Nováky and Vojany thermal power plants. In 2020, in the framework of the issue of environmental burdens, attention was focused mostly on the following activities:

ENO temporary sludge bed – at the site, the ground environment and groundwater are contaminated with arsenic. To prevent the contaminated water from flowing into the Chalmová spa, a reaction barrier has been built between the spa and the sludge bed. At the barrier, in reaction baskets, the pollutants are captured and only purified water continues to flow through.

Back in 2016, part of the barrier was built as a pilot experiment, the results of which confirmed the effectiveness of this remediation method up to 96%. In the years 2019 to 2020, a reaction barrier with a total length of 210m was built between the spa and the sludge pond, which significantly reduces the flow of pollutants and no longer poses a risk to the spa itself or to the Nitra River. In the coming period, the effectiveness of remediation will be monitored, followed by long-term operation of the reaction barrier. At the Nováky power



plant, a detailed survey of the definitive sludge pond was also launched, which determines whether the sludge pond is an environmental burden and whether it poses a risk to the environment and human health. Based on the study results, the necessary measures will be taken to eliminate the potential risk.

At the Vojany power plant, activities were carried out mainly related to the future reclamation and remediation of the tailings pond. Various options for decommissioning the tailings pond were analysed in order to find the most efficient way, while complying with all legislative obligations. In addition, the remediation of the environmental burden was being prepared on plant premises, which is located next to the operating building.



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Innovations, science and research

Innovations, science and research

Science and research are an integral part of the activities of Slovenské elektrárne. As a leading company in the nuclear industry and the only company operating nuclear reactors in Slovakia, SE's research is focused mainly on activities aimed at supporting increased nuclear safety, ensuring long-term NPP operation, ancillary activities in the operation of the EBO V2 and EMO12 NPPs, as well as of conventional power plants. In addition to ancillary activities in performing nuclear safety enhancement measures resulting from periodic evaluations, the research of 2020 was also focused on promoting the project of completion of Units 3 and 4 of Mochovce Nuclear Power Plant (MO34), namely in the area of risk analysis and quality of components and materials used. Other areas of interest are safety aspects in the operation of power plants, reliability maintenance of systems, components and structures reliability, development and evaluation of new material diagnostic methods and equipment maintenance workflows.

Increasing demands for safety and optimum operation require new solutions, materials and procedures, which the Company addresses through research and applied science. Other partners, especially Slovak universities of technology, are involved in the solutions. The Company thus demonstrably supports science and research in the Slovak Republic.

In 2020, work continued intensively at the Vojany TPP to increase the economic efficiency of the operation and to reduce the share of CO2 greenhouse gases produced. The project was related to scientific research work on the expansion of the fuel base with solid secondary fuel (SSF). SSF co-combustion tests were successfully performed in the proportion of some 50% and 100% of

the calorific energy of the boiler at Unit 5.

Centrum pre vedu a výskum, s.r.o. [Centre for Science & Research] (CVV), as a 100% subsidiary of the Company, whose main focus is to support research and development activities in the nuclear sector, maintenance and development of nuclear capabilities, support for the completion of MO34 construction, improvement of operational safety and extension of the service life of nuclear installations and streamlining of operational parameters at conventional power plants.

CVV assists the Company in implementing specific projects:

In 2020, CVV for the Company draw up methodological documents of the comprehensive programme for the long-term operation of EMO12. The long-term operation is based on a safety assessment, taking into account limiting processes and the properties of systems, structures and components.

A research project for evaluation of the state of integrity and materials of structural parts of the steam generator of the VVER 440/230 nuclear power plant is focused on evaluating the state of steam generators made available through the decommissioning of NPP Bohunice V1. In 2020, CVV began cooperation on updating chapters of the PPBS/27048 Pre-operational Safety Report for Units 1 and 2 of the EMO and updating Chapters 6-BSP-001 of the V2 NPP Safety Report. The work will continue in 2021. In the area of increasing safety, CVV is carrying out a modification of heterogeneous welds on the steam generator node at Units 3 and 4 of the EBO NPP. The aim of the project is to modify heterogeneous welded joints, and will use an automated method of welding, with subsequent application of galvanic plating on the inner surface, in order to protect the weld root from the operating medium.

In cooperation with the Slovak University of Technology (STU), CVV prepared research reports aimed at evaluating the residual life of the VVER-440 reactor pressure vessel and calculating the activation of reactor construction materials using the MCNP6 code. CVV also, in cooperation with STU and professional organizations, developed a numerical simulation and experimentally measured the extreme effects of wind load on the object of the main production unit of EBO V2 NPP.

In cooperation with Comenius University, an update to the seismic, geological, geophysical and geotechnical database for EBO and EMO was prepared in accordance with the new requirements of the IAEA SSG-9 safety manual. In particular, it is required that the minimum radius of the Region be increased to 300 km, which has significantly increased the requirement to supplement the relevant types of information, especially from neighbouring countries.

Energy services

The strategy for business development in the field of energy services in the period 2020 – 2025 is to continue to expand the offered range of long-term projects (10 – 15 years), which will make it possible to constantly increase and stabilise the margin. Looking at 2020, the share of long-term projects is about 50%, while the goal in the next 5 years is to achieve a share of up to 80% or more. From this point of view, the areas of development are investments in energy centres in the area of development projects, operation of public lighting, photovoltaic power plants as a service, battery systems as a service and EPC (Energy Performance Contracting) projects in the public sector.

Commodity supplier

The Company's long-term strategy for supplying commodities to end customers is to focus on segments that show a stable offtake, a reasonable trading margin and, at the same time, the potential of selling energy services that add value to customers over the long term. Given the clear strategy of concentrating on long-term sustainable business in the supply of commodities to end customers, the Company focuses on stabilising the portfolio of end customers. Total electricity supply for 2020 decreased slightly and represents a volume of more than 3 TWh; gas supply was at the level of 0.4 TWh; and the volume of supplied heat represents the volume of 0.7 TWh.

In 2020, the subsidiary Slovenské elektrárne – energetické služby, s.r.o. (SE-ES) supplied electricity, gas, heat as well as energy services to more than 5 000 customers within its portfolio. This confirms the Company's stable position in the market and its role of a major player in providing comprehensive energy services.

The Company is represented in the Czech market of supplies to final customers through its subsidiary Slovenské elektrárne Česká republika, s.r.o., (SEČR). SEČR does not just focus on the supply of commodities, but also provides comprehensive energy services. Its customers include important Czech and international companies, ranking SEČR among the most important suppliers and providers of energy services in the Czech market.

In Poland the sale of electricity is carried out by through a branch of the Company in Warsaw.

Many important clients year after year renew their trust toward the Company as a stable, reliable and

innovative supplier. The Company's clients include many small and medium-sized enterprises. The small and medium-sized enterprise segment in particular is becoming increasingly attractive and, in view of its nature, they provide some stabilisation in the portfolio of final customers.

Energy service provider

In 2020, SE-ES launched a new product "Energy as a Service" on the Slovak market and implemented the first project with this business model. The first implemented project consisted of a photovoltaic power plant with an output of 500 kW and a battery system with an output of 432 kWh installed at the Muller Textile Slovakia plant in Humen. This system is owned by SE-ES and leased to



Muller Textile Slovakia for 13 years, enabling the client to optimise its consumption profile and concurrently fulfil its strategy of sustainable development.

SE-ES continues to expand its portfolio of energy centres for the supply of heat and cool to residential and office complexes. In 2020, the Kolísky projects in Záhorská Bystrica and the Square project in Miloslavovo were added to the portfolio. Together with various partners, a long series of potential projects is being defined, mainly in the vicinity of Bratislava, but also in other regions of Slovakia.

In 2020, SE-ES won a tender for the reconstruction of the industrial lighting of 6 production halls for Železiarne Podbrezová, a.s., for a total of approximately 1000 light points replaced by modern and efficient LED lights and an smart control system in order to maximise energy savings. Implementation began in 2020 and will be completed in the first half of 2021.

In the public sector, SE-ES manages public lighting services for about 40 Slovak cities and municipalities and is constantly looking for other opportunities in EPC (Energy performance contracting). The modernisation of public buildings is a market with very great potential, although public authorities have not yet resolved issues associated with financing investments outside EPC. SE-ES is, though, actively contributing to solving these problems, by means of its membership in the Association of Energy Service Providers, which is one of the main actors in finding solutions to the abovementioned challenges.

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Our people

Basic data

Safe and reliable production of electricity for the whole of Slovakia, the implementation of innovative projects in technology, but also unique corporate know-how, for all this, Slovenské elektrárne thanks its employees. They stand behind all our successes and create value that lasts above all others.

Number of employees

Slovenské elektrárne employed as at 31 December 2020 a total of 3 708 employees, of whom 561 were women. In 2020, the number of years worked per employee averaged 19.56 years, reflecting the great expertise and low voluntary staff turnover.

Employee relations

The main task of human resources management at Slovenské elektrárne is to emphasise the continuous development of employees, the creation of a corporate culture, the creation of a balance of life inside and outside of work, and continuously raising motivation.

Motivating employees means not just steady financial remuneration with the possibility of bonuses depending on individual performance. It means also certainty of employment, and in no small measure, also above-standard care in the form of benefits significantly above the framework set by law, for example in the number of days' holiday leave, a 7½-hour working time, an employer's contribution to supplementary pension saving, as well as in wage benefits for work during state holidays, days off or a contribution at a work jubilee. At the same time, employees have the opportunity to take advantage of various discounts and benefits for

the purchase of goods and services from the portfolio of benefits, which we are constantly expanding. Discounts for the purchase of black and white goods, vitamin supplements were the most frequently used, and the Multisport card is also a very popular benefit.

Employees' health is also very important for Slovenské elektrárne; at the end of 2020, employees were provided with vitamin packages to support immunity.

Campaigns aimed at finding and implementing good ideas through the Idea Exchange project and the General Director's Award competition also contribute to corporate culture. It is aimed at further highlighting the roles and responsibilities of employees who fulfil the Company's goals in some exceptional way, achieve a high level of security, create a positive margin, streamline, optimise costs, innovate processes and, through their personal approach, significantly contribute to improving safety and climate at the Company, and this all in accordance with the Company's Model of Values and Conduct.

In order to identify with the employer's brand, it is important that employees at work have a pleasant working environment, which completes the overall picture of the Company, its operation and philosophy. In connection with the change of the new supplier of catering services at the plants, the right decision was made – to beautify and renovate the interior of canteens, cafeterias, and the entrance to the directorate. The whole concept of space redesign is based on the new SE Design Manual. Available at the web address identita.seas.sk, announced in October 2020, the basic motif of which is Slovak folklore, graphically transformed into electro-technical signs – electric folklore.

Education

The specific industry Slovenské elektrárne operates in stimulates us toward long-term development of programmes for educating and training our employees in order that their unique know-how is maintained and experience in each field is strengthened. We place special emphasis on the systematic improvement of skills in the framework of regular training and required qualification. In so doing we offer our employees a unique opportunity to grow and apply themselves at a company with a long history and broad portfolio of partnerships with international organisations.

An important element in this development remains to be the training programme for operative-technical personnel of unit supervision and the organisation of emergency response at nuclear power plants. Their members are systematically trained throughout the year, both professionally and in terms of other specific skills, focused mainly on teamwork and managing various situations in the field of safety, and preventing operational events.

The implementation of the e-learning form of education and training in the online environment took on even greater importance last year. Support applications for shared communication are part of every form of training we provide to employees.

For training in engineering positions, the training centres use simulators enabling the oversight and control of the equipment and systems of an NPP under normal, abnormal and emergency situations of nuclear units.

At our practical training centres we conducted both basic and periodic professional training aimed at compliance with safety rules and procedural practices. In all crucial areas of the production department, the Company continues to apply the internationally recognised methodology of the Systematic Approach to Preparation.

Cooperation with universities

In cooperation with universities, Slovenské elektrárne annually gives graduates the opportunity to apply for the Aurel Stodol Prize, which is awarded for the best theses in the field of power engineering. A total of 16 professional theses were entered in the thirteenth year of the competition, of which 2 were dissertations and 16 diploma works. An expert panel composed of university professors chose the best from among them all - 3 diploma works and 1 dissertation work. In 2020, Slovenské elektrárne provided the opportunity for secondary-school and university students to learn during the school year and school holidays through student internships, practical exercises, and the Graduate programme. At the same time, the Company also employed eight students on a permanent basis. Graduates strengthen the Company's teams, which can pass on the experience to a new generation of energy professionals. At the same time, SE experts provide their knowledge and experience, as well as consultations to university students who, in the course of their vocational training, prepare their theses, papers or other forms of scientific publications.

As part of the Practical Training project, which the Company has been running now in its third year in collaboration with the Secondary Vocational School of Electrical Engineering in Trnava, we launched a new year for third- and fourth-graders in September 2020, in which some eight students participated for the first time. The first three successful graduates who joined Slovenské elektrárne during the summer also had practical training. For university students who enjoy information technology and working with data, the Company has an IT Academy project. An advantage of the IT Academy is that students have flexible working hours, which they can easily adapt to their studies.

For students, the Company also organises a number of other activities and events that help increase interest in the power and nuclear industry among young people. For the first time, the Company took part in the nationwide innovation competition BeReady Awards, where talented, technically oriented high-school students designed the city of the future – the energyindependent town of Smart City. Slovenské elektrárne prepared interesting workshops, provided expert consultations on the works and, in the final, decided as panel members of the competition on the best projects from among 24 four-member teams.

The Company also participated in the Open Day of the Secondary Vocational School of Electrical Engineering in Trnava, and the Materials Technology Faculty of the Slovak University of Technology in Trnava.

Idea exchange

In the year and a half of its existence, the improvement initiative - Idea Exchange – has managed to collect more than 600 ideas, from which the implementation of the 67 most interesting projects has been approved. Their total financial contribution, regardless of the cost and time value of all financial flows, amounts to 112 million euros. Taking these factors into account, i.e. the cost and time value of money, the financial benefit amounts to 56.1 million euros.

In 2020, the Company's goal of increasing the Company's performance was determined through the Net Present Value (NPV) of approved projects and was set at a target amount of 22 million euros. With the value of ideas approved for implementation in 2020 in the amount of 23.9 million euros, this target was fulfilled to 108.45%. At the same time, we managed to surpass the target set in 2019, by 1.05%.

This initiative for 2020 resulted in rewards for 105 employees for 35 approved ideas.



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Corporate social responsibility

Support for regions

Cooperation with regions

Slovenské elektrárne has long sought to build and cultivate good public relations in the vicinity of their power plants, through open and transparent communication.

For informing the public about events and activities at Slovenské elektrárne, we use various tools, such as events, competitions, activities for employees and family members, as well as our "Energy for the Country" magazine. In 2020, Slovenské elektrárne published five issues, each with 5 000 copies. The magazine is primarily distributed to critical locations in the zone of 20 km from both nuclear power plants free of charge to all municipal and city authorities, and is also available in electronic form on the website www.seas.sk.

At the localities of both nuclear power plants, we actively participate in the activities of the Municipal Information Commissions, whose members are the mayors of municipalities in the vicinity of the Bohunice Nuclear Power Plant and the Mochovce Nuclear Power Plant. Their main task is to transfer information between power plants and the public, to conduct an open dialogue on the use of nuclear energy and to inform the public about all aspects and impacts on the environment due to the existence of a nuclear facility in the region.

Visits and excursions

Due to the coronavirus pandemic, the year 2020 was also marked by very low attendance at our facilities. As early as February, the Company took the precautionary measure of prohibiting any visits and excursions, not just at the power plants, but, from 1 March 2020, also closed the Energoland information and education centre for the public. It was open just a few weeks at the beginning of the year. During that time, it was visited by 1523 primary and secondary school students.

Employee volunteering

Corporate volunteering is an integral part of Slovenské elektrárne. Through our volunteer programme, we create space for employees who want to participate in planned activities, but also to bring ideas for projects whose common goal is to help in their regions in diverse areas. Through volunteering, employees apply their skills and knowledge, and build and develop team spirit, while contributing to the revitalisation of public spaces, schools, facilities for children and young people, as well as cleaning hiking trails in protected areas of the Tatra National Park, and other environmentally focused activities.

The Company motivates its staff to become increasingly involved in volunteer activities. Every year, our employees participate in the nationwide project Our Town and they themselves design volunteer projects in the regions, in which they not just actively participate, but also they themselves coordinate. As part of the Show in a Good Light add-on programme, all employees, together with the public, can vote for the proposed projects and thus support the most interesting ones, which will receive an additional grant from Slovenské elektrárne.

The pandemic year caused Slovenské elektrárne to the precautionary decision not to participate in person in volunteer projects in 2020 in the interest of protecting the health and safety of its employees and subsequently its operations. Despite the impossibility of participating in person, Slovenské elektrárne helped, and provided all sixteen – volunteer projects registered by employees – with funds for support. Corporate volunteering and charity are very tightly intertwined. For the fourth year in a row, employees of Slovenské elektrárne, anonymously, as Christmas Angels, have been fulfilling dreams and desires for children from the Centres for Children & Families and crisis centres in areas surrounding the plants. In 2020, employees of Slovenské elektrárne met the Christmas wishes of some 265 children. In this difficult period, when crisis centres and Centres for Children and Families had to invest funds to fight the pandemic, Slovenské elektrárne also supported all nine organisations whose children received gifts from employees as Christmas Angels.

With the help of its employees, Slovenské elektrárne also carries out pro bono activities in the form of expert volunteering.

Philanthropic and charity activities

Slovenské elektrárne has long been developing a social responsibility scheme Energy for the Country, whose main objective is to promote community activities and initiatives thematically divided into five areas focusing on culture, science and education, sports, the environment and social assistance. The Slovenské elektrárne Endowment Fund at the Pontis Foundation implements the Company's philanthropic activities aimed at supporting the employees and communities in which they live in order to establish relationships with important partners, as well as to promote meaningful projects that create and deliver value. The Slovenské elektrárne Endowment Fund reaffirmed its strong position in the non-profit sector in its open approach to information disclosure regarding its activity, and rightly ranks among the leaders to whom the Association of Corporate Foundations and Endowment Funds (ASFIN) has awarded a transparency certificate several times in a row.

Culture

Supporting cultural heritage, preserving artistic values and traditions for future generations is the core mission of the Energy for Culture scheme. The past year had a significant impact on the field of culture. Of the many planned activities that Slovenské elektrárne successfully implemented in recent years (regional festivities and festivals in the vicinity of the plants, support for theatres, arts & crafts, partnership with the Slovak National Gallery), were halted in 2020 due to anti-pandemic measures. The only exception in the field of culture, which still managed to take place in January, was support for a theatrical play staged by the Radošinský Naive Theatre called Little Big Man, written by Stanislav Štepka based on the impressive life stories of MR Štefánik. Slovenské elektrárne financially supported five performances in the Piešťany Arthouse. The performances were intended for employees from all sites. The selection of the title confirmed that there was great interest in the performances, employees filled the capacity of the Arthouse with each rerun. The Radošinský Naive Theatre studied the play in creative collaboration with dancers and musicians of the Slovak Folk Art Collective.

The inability to hold any cultural events prevented any further significant representation of Slovenské elektrárne in this area.

Science and education

Slovenské elektrárne devotes great attention to the promotion of education, recognising the importance

of educated and qualified youth for the economic development of society. The advent of the information society, the development of technologies, and the transformation of the labour market, all go to underline the strategic importance of education. One of the most important events of popularisation of science and education is the Science and Technology Week, organised by the Ministry of Education, Science, Research and Sport of the Slovak Republic in cooperation with the Centre of Scientific and Technical Information, which annually engages dozens of elementary and secondary schools from all over Slovakia. The event also involves the Association for Youth, Science and Technology (AMAVET) with its Festival for Science and Technology, where 90 best scientific works are announced. This year, science also had to "adapt". The whole event, full of interesting topics, lectures and workshops, took place online. Slovenské elektrárne is a proud partner of the event.

The Energoland entertainment and educational information centre in Mochovce, which regularly becomes the venue for many internal and external events, was closed for ten months in the year of the pandemic.

Sport

Investing in a healthy lifestyle through the development of sporting activities is an important part of the Energy for Sport scheme. One of the most popular sports at the Company is cycling. This undemanding and easily accessible device is used by many employees as a means of transport to their workplaces. This is one of the reasons why Slovenské elektrárne joined the national initiative Go to Work by Bike for the second time in 2020 and in competition with 1 012 companies, despite extensive work from home, won fourth place in the overall ranking, despite being clearly the best in mileage and third in the number of $\rm CO_2$ emissions saved.

Slovenské elektrárne also supported cycling races, which could take place despite strict measures, e.g. Slovak Cycling Cup in Tlmače with a hobby ride for the public to Mochovce and the Slovak Cyclocross Championship in Topoľčianky. Running sport is also gaining in popularity. In the Nováky Power Plant region, we have become a partner of the Gull in the Clouds cross-country race.

The sporting event with a charity objective Stars for Children, held in Trenčín, is every year organised by the Trenčín Sports Club for both youth and adults. Together with the organisers, we found a way to prepare it safely this year as well. Although without spectators and public participation, we still managed to support charitable projects throughout Slovakia with proceeds from the event. We brought our employees an exclusive discussion with the participation of the Hossa brothers, the popular couple Junior and Marcel and others.

Environment

As part of its strategy for the protection of natural heritage, Slovenské elektrárne has long taken a responsible approach toward issues of biodiversity conservation and restoration, efforts to stop degradation of the ecosystem, achieving energy savings and greenhouse gas reduction.

Corporate volunteering and employee involvement has its own platform in the framework of the nationwide Our City event, where projects brought by our employees are mainly in the field of environmental protection, revitalisation of city parks and assistance in preserving castle ruins in the regions of our power plants.

The Clean Mountains event is just as popular. In 2020, we interrupted our 11 consecutive years of participation in this event, and with regard to the health and safety of employees, we did not participate this time. Once again, however, we found an opportunity to help the national park and supported conservationists in retrofitting a rescue station for injured animals at risk of death, especially in winter. Our involvement was also focused on projects to support biodiversity in the largest national park TANAP.

Climate change and related global warming is the topic of the International Film Festival Ekotopfilm/Junior, of which Slovenské elektrárne is the general partner and their presentations throughout Slovakia explain the benefits of nuclear power generation in the context of climate change. Last year, the festival for school youth brought lectures on global warming and the carbon footprint of human activity, which were attended by almost 15 000 children from 20 cities across Slovakia, of which more than a third in person, the remainder online.

Slovenské elektrárne supports many other smaller regional projects focused on nature conservation, revitalisation of public areas, hiking trails and nature reserves.

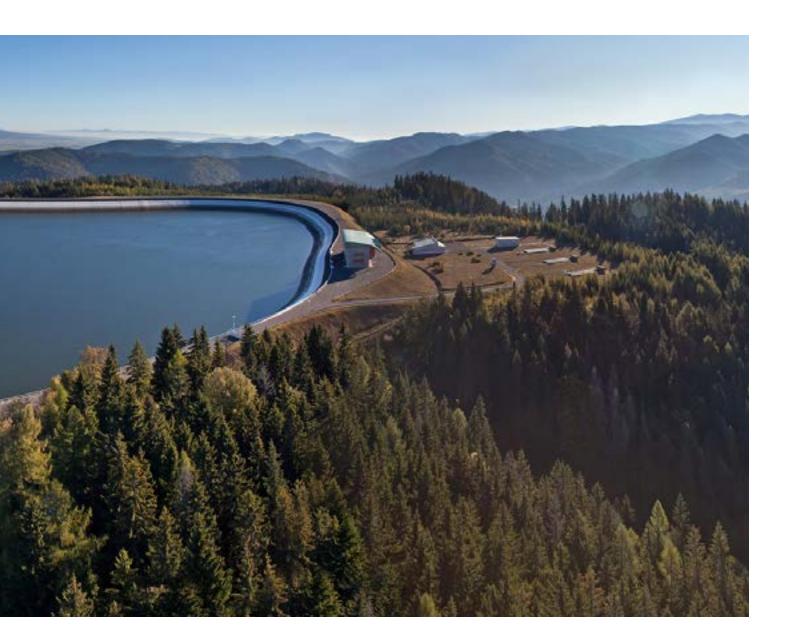
Social field

Slovenské elektrárne has long-term supported socially disadvantaged groups within their initiatives, demonstrating that through their own efforts they can improve their living conditions. In 2020, the Company focused on the inclusion of marginalised groups, orphaned and abandoned children, homeless people or otherwise disadvantaged people. The Company is not indifferent to the social situation of its own staff either. Slovenské elektrárne provides assistance to employees in difficult life conditions through its Endowment Fund, which is managed by the Pontis Foundation. Last year, we also opened the Special Employee Programme to the public. Until now, only employees of Slovenské elektrárne could be applicants, this year the opportunity to apply for financial support to overcome a difficult life situation was opened also to the public. A condition, though, was that applicants who are not employees of Slovenské elektrárne, at least have a recommendation from one of our employees. The aim of the change was to support the idea of solidarity between all employees not only within the Company, but also in their surroundings, in the place where they live and can help and show compassion with the support of their employer. The essence has remained the same, that is to help where it is needed. Through this programme, Slovenské elektrárne supported 21 requests for assistance.

Slovenské elektrárne also helped mitigate the consequences of the tragedy in the region of the Nováky thermal power plant in the difficult year of 2020. A local retirement home caught fire in the summer. At a time when the whole world has been trying to fight a pandemic, any misfortune is multiplied severalfold. All the more so when it directly affects those who belong to the most at-risk groups – seniors. Slovenské elektrárne purchased infirmary equipment, which suffered the most from the fire, for a non-profit organisation that operates a home for the elderly. We also supported doctors and paramedics who take care of their clients in the Upper Ponitrie district at a mobile hospice.

Human life and health are the most precious gift, which is exposed to tough tests in mountain areas, not just because of human indifference, disabilities, or unexpected changes in weather. These are the situations requiring rapid help, which is often difficult to access in such demanding terrains. Therefore, Slovenské elektrárne last year supported the work of rescuers with a subsidy for the purchase of special sledges for transporting injured persons, but also for the equipment of rescuers, which will significantly help them in the search for lost tourists (drones). In the past, the Company donated twelve defibrillators to mountain huts and the Belianska Cave. We also helped rescuers by supporting the placement of safety signs for ski mountaineers in the four valleys, with the help of which ski mountaineers will perform the necessary diagnostics of an avalanche finder before embarking on a hike directly in the field.

In 2020, the Company supported a total of 78 projects under the Social Responsibility and Sustainable Development scheme.



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Abbreviations

CENTREL	a cooperative group of four transmission system operators
ACER	Agency for Cooperation of Energy Regulators
ASP	ancillary services provider
ALARA	as low as reasonably achievable
AMAVET	Association for Youth, Science and Technology
AP	automatic protection
AO1	automatic shutdown
EBO	Bohunice nuclear power plant
BO V2	Bohunice V2 Nuclear Power Plant
CVV	Centrum pre vedu a výskum, s.r.o.
CEZ	CEZ The Largest Electricity Producer in the Czech Republic
DUK	Children's Comenius University
COP	coefficient of performance
CA	Control assembly
CPP	conventional power plant
CAP	corrective actions programme
DH	district heating
EBITDA	Earnings before Interest, Taxes, Depreciation and Amortisation
e-GCC	System of Cross-Border Exchanges of Electricity
ERO	emergency response organisation
ENDESA	ENDESA Largest Producer of Electricity in Spain (a subsidiary of Enel)
EPH	Energetický a průmyslový holding, a.s.
ENIQ	ENIQ European Network for Inspection and Qualification
EIA	Environmental Impact Assessment
EU ETS	EU Emissions Trading System
EC	European Commission
EEX	European Energy Exchange
ENTSO-E	European Network of Transmission System Operators for Electricity
ENSREG	European Nuclear Safety Regulators Group
ESMA	European Securities and Markets Authority
EU	European Union
FP	fire protection
GDPR	General Data Protection Regulation
GSh	General shutdown
SE-HQ	Headquarters of Slovenské elektrárne
HPP	hydro power plant

HPP-G	Hydropower plant Gabčíkovo, Čunovo, Mošoň and S VII
NOS	Independent Nuclear Safety Assessment Unit
INPO	Institute of Nuclear Power Operations
I&C	instrumentation & control
IMS	Integrated Management System
INE&CP	Integrated national energy and climate plan
IAEA	International Atomic Energy Agency
INES	International Nuclear Event Scale
JAVYS	Jadrová a vyraďovacia spoločnosť, a. s.
MSR	market stabilisation reserve
MiFID II	Markets in Financial Instruments Directive (second version)
EMO	Mochovce Nuclear Power Plant
MO12	Mochovce nuclear power plant, Units 1 and 2
EPC	model of Guaranteed Energy Services
FNM SR	National Property Fund of the SR
NPV	net present value
Nitra	Nitra region
ENO	Nováky Power Plant
ENO A	Nováky Power Plant A, operation
ENO B	Nováky Power Plant B, operation
NIRA	Nuclear Industry Reinsurance Association
NPP	nuclear power plant
NRA SR	Nuclear Regulatory Authority of the Slovak Republic
NS	nuclear safety
NSAC	Nuclear Safety Advisory Committee
V1	Nuclear Unit B2 of JAVYS
OH&S	occupational health & safety
OSART	operational safety review team
PM	particulate matter
PXE	Prague Energy Exchange
PSHPP	pumped-storage hydro power plant
QMS	Quality Management System
EMIR	Regulation on OTC derivatives, central counterparties and trade repositories
REMIT	Regulation on wholesale energy market integrity and transparency
RONI	Regulatory Office for Network Industries
Rnbls	renewables

SAM	Severe Accident Management
OKTE	Short-term electricity Market Operator – OKTE, a.s.
SAV	Slovak Academy of Sciences
SAE	Slovak Association of Electric Vehicles
SNG	Slovak National Gallery
SPH	Slovak Power Holding
SR	Slovak Republic
KST	Slovak Tourists Club
SUT BA	Slovak University of Technology in Bratislava
SEPS	Slovenská elektrizačná a prenosová sústava, a. s.
SE-ES	Slovenské elektrárne – energetické služby, s.r.o.
SE	Slovenské elektrárne, a. s.
SHPP	small hydro power plant
SSF	Solid secondary fuel
SC SR	Supreme Court of the Slovak Republic
SNETP	Sustainable Nuclear Energy Technology Platform
SAT	Systematic Approach to Training
TANAP	Tatras National Park
TPP	thermal power plant
TG	Turbo generator
MO34	Unit 3 and 4, Mochovce Nuclear Power Plant
UCF	Unit Capability Factor
UCLF	Unplanned Capability Loss Factor
VAT	value-added tax
VV	Vodohospodárska výstavba, š. p.
EVO	Vojany Power Plant
EVO 1	Vojany Power Plant 1
EVO 2	Vojany Power Plant 2
WANO	WANO World Association of Nuclear Operators
WENRA	Western European Nuclear Regulators Association
ZSD	Západoslovenská distribučná, a.s.









Independent Auditor's Report on the Audit of the Consolidated Financial Statements Prepared in Accordance with International Financial Reporting Standards as Adopted in the European Union as at 31 december 2020 and Report on other Legal and Regulatory Requirements

-00-00-00-

Deloitte.

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Registered in the Business Register of the District Court Bratislava I Section Sro, File 4444/8 Company ID: 31 343 414 VAT ID: 5K2020325516

SLOVENSKÉ ELEKTRÁRNE, a.s.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders, Supervisory Board and Board of Directors of Slovenské elektrárne a.s.:

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of Slovenské elektrárne, a.s. and its subsidiaries (the "Group"), which comprise the consolidated balance sheet as at 31 December 2020, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31. December 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted in the European Union (EU).

Bob for Opinion

We conducted our oudit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the AuAtor's Responsibilities for the AuSt of the Consulidated Financial Statuenows section of our report. We are independent of the Group in accordance with the provisions of Act No. 423/2015 Coll. on Statutory Audit and on Amendment to and Supplementation of Act No. 431/2002 Coll. on Accounting, as amended (hereinafter the "Act on Statutory Audit") related to ethical requirements, including the Code of Ethics for Auditors that are relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Metters

We draw attention to Notes 3 and 15 to the consolidated Financial statements. The Group has evaluated its obligations in respect of the operations of nucleon electricity plants and recorded related provisions as at 31 December 2020 on the basis of management's estimate of the expanditure required to settle those obligations when they full due. The estimates and assumptions considered by management in determining these provisions are inherently sensitive to expectations about future casts and forecasted cash outflows, timing of cash outflows, inflation rates, discount rates, technical plans and changes in government legislation. Any changes in these parameters could materially affect the carrying amounts of the provisions recorded in the consolidated financial statements in future periods.

We draw attention to Notes 2.1, 5, 19 and 32 to the consolidated financial statements in relation to significant amounts recorded as assets under construction for nuclear power plant Mochovoe Units 3 and 4 and horrowings that have a significant impact on the financial situation of the Group. The recoverability of these assets assumes the successful commissioning of the Unit 3 as a minimum. Additionally, a significant portion of the non-current horrowings has been classified as current pending further negotiations with the Group's financing creditors on the prokongation of an existing technical coverant for Machovce unit 3 and 4 timeline completion. The Group has also not signed, for the time being, the further renewal of an expired interim waiver for this technical coverant from one of its creditors. The consolidated financial statements do not include any adjustments to the carrying value of assets or finalities that might be necessary if the Group's creditors demond acceleration of debt represent, which is currently scheduled for periods beyond 2025, to earlier.

We draw attention to Note 29 to the coverdidated financial statements which describes uncertainty related to the outcome of several court disputes pertaining to Vodné elektrónne Gabilitovo ("VEG") Operating Agreement, the Agreement on Settlement of Legal Relations with respect to the VEG Assets and the Agreement of Indemnity.

Our opinion is not modified in respect of these matters.

This is a transition of the column section's report invest in the Street imgraph to the accompanying Resordsi distants in the English improgra-

Deletite relax is one or more of Delatite Touche Televator United ("DTL"), is global relevator immediate intervaluation and their valuated emittee (collective), the "Deletite cognituation"). DTL base referred to as "Delatite (Rebel") and each of its member items and related emittee and independent emittee, which council obligate or time each often in respect of their partice. DTL and each OT R, member item and related emitty is their only for its comments and orthogram, and not these of each other. DTL does not provide partice, it clama. Please see warm. Addition.com/do/my/about to been ware.

Other Matter

The consolidated firmutial statements of Skorenské elektrifine, a.s. and its subsidiaries for the year ended 31 December 2019 were audited by another auditor who expressed an unqualified opinion on the consolidated financial statements on 22 April 2020.

Regensibilities of Management and These Charged with Generative for the Constituted Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS as adopted in the EU, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governments are responsible for overseeing the Group's financial reporting process.

Author's Reparatelities for the Author State Consultated Foundal Subarrana

Our objectives are to obtain reasonable assumance about whether the coreolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional compticion throughout the sudit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to finand or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from finand is higher than for one resulting from error, as froud may involve collusion, forgery, intentional ornissions, missign contations, or the wrentide of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated framedial statements or, if such disclosures are indequate, to modify our opinion. Our conclusions are based on the undit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cause to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the
 disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a
 manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain safely responsible for our audit opinion.

We communicate with those charged with governance about, inter alia, the planned scope and time schedule of the audit, and significant audit findings, including all material deliciencies of internal control identified during our audit.

REPORT ON OTHER LEGAL AND REPULATORY REQUIREMENTS

Report on Information Plackwei in the Consultated Annual Report

The statutory body is responsible for information disclosed in the coreolidisted annual report prepared under the requirements of the Act on Accounting No. 431/2022 Coll. as amended [the "Act on Accounting"]. Our opinion on the coreolidisted financial statements stated above does not apply to other information in the coreolidated annual report.

In connection with the suffit of coreolidated financial statements, our responsibility is to gain an undestanding of the information disclosed in the coreolidated annual report and coreider whether such information is materially incoreited with the coreolidated financial statements or our knowledge obtained in the audit of the consolidated financial statements, or otherwise appears to be materially missisted. We essessed whether the Group's consolidated annual report includes information whose disclosure is required by the Act on Accounting.

Based on procedures performed during the audit of the consolidated financial statements, in our opinion:

- Information disclosed in the consolidated annual report prepared for 2020 is consistent with the consolidated financial statements for the relevant year; and
- The consolidated annual report includes information pursuant to the Act on Accounting.

Furthermore, based on our understanding of the Group and its position, obtained in the audit of the consolidated financial statements, we are required to disclose whether material missistements were identified in the consolidated annual report, which we received prior to the date of issuence of this auditor's report. There are no findings that should be reported in this regard.

Bratisime, 17 May2021

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ing, Walda K. Grant, FCCA Responsible Auditor Licence SKAu No. 921

On behalf of Dekitte Audit s.r.o. Licence SKAu No. 014

-00-00-00-

Consolidated Financial Statementa Prepared In Accordance with International Financial Reporting Standards as Adopted by the European Union

31 December 2020

Branisley Strycek

Chief Executive Officer Chairman of the Board of Directors

Lukas Marsálok Member of the Board of Orectors

Bratielava, 17 May 2021

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CONSOLIDATED BALANCE SHEET as at 31 December 2020 (in thousands of EUR)

	Alcas	21 December 2020	31 December 2019
ASTETS			
NDN-CURRENT ASSETS	_		
Property, plant and equipment	5	9,445,701	9,175,952
interative assets Assets from emissionist derivatives	7	5,507	5,985
Derivative assets	ź	254	£2B
invesiments in associates	9	22,233	20,035
Cher inscinents Cher in science in the Mathematika sector of	9	5,914	5,495
Right for reinburgement from the National Nuclear Fund Other resolvation	15 11	1,65,920	1,339,112
Citer non-current assets	13	1,175	128
Defenesi tax asset	22	944	1,517
Prepagments for non-current assets	5.	11,555	27,434
Tabi san-current seuds		1115-21	11-12-102
CURRENT ADDETS			
inventories	10	317,721	131,515
Trade and other receivables Current income inc receivable	11 23	167,878 48	179,471 198
Assels from embedded derivatives	7	200	29
Derivalhe assels	7	145,995	182,796
Cash and cash equivalents	12	14,273	12,400
kasels classifieti as held for sale. Citer current assets	5	270 34,670	276 271,823
Tabi cumitanda		23 ,000	742,650
TOTAL ASSETS	-	11,745,865	11,01,02
EQUITY AND LIABLINES	-		
Share capital	м.	1,263,236	1,261,296
Realistic conve	м	3,221,273	3,361,333
Cherreseves Delated content of their	14 14	142,465	188,803
Retained comings, of that Retained comings of prior periods	м	(262,767) (322,588)	(322,556) (545,767)
List factors for the year		50,770	22,601
Total equity all buildle to equity holders of the Company	-	4.07.27	4,65,526
Nan-caninaling interest. Tabai aquity		4471.87	4.01.926
		SALE OF	
NDN-CURRENT LIABILITES			
Subordinated ison Provision for musicar decomplicationing and skyrage costs	19 15	452,512	250,903 2,150,109
Provision for diamoniting of internal power plants	16	135,342	125,717
Employee benefits	17	42,600	41,490
Citer provisions	10	24,813	19,719
Learns and koncentrys Derivalive Rebillies	19 7	1,011,154 199,947	2,918,671 99,115
Line nakalisi salisi	20	2,313	2,350
Delened tax liability	28	381,914	423,134
Tabi con-corrent initialities	-	5,63,54	E 138,484
CURRENT LIABILITIES			
Subardinated issue	19		-
Provision for marker descendenting and charage mails for sides for descending of fermion course study	16	2,20	15,752
Provision for diamonding of linemal power plants" Employee benetik	16 17	220 1,528	150 1.682
Cher provisions	10	41,872	43,677
Learns and burgerings	19	1251674	20,778
Derivalive liabilities	7	145,046	182,623
Trade and other current payables. Current incurre has liability	21 23	265.072 50,810	310.228 21,622
Cheramet libilies	20	6,145	6.674
Tabi cumutikbi Bas		1,75	731,312
Talai initi ilian		7,275,615	6,536,726
TOTAL EQUITY AND LIABILITIES		11,745,816	11,05,62

The roles ions as integral part of the consolitated investal statements.

CONSOLIDATED INCOME STATEMENT for the year ended 31 December 2020 (in thousands of ELIR)

	ile a	Year ander 21 Outstaber 2020	Year ended 31 December 2910
Bedricty and heal measure	22	2,871,932	2,444,508
Olher opësaling income Talini mvenuari	25	26,272	<u> </u>
OPERATING EXPECTES			
Nuclear fuel		(53,766)	(71.011)
Rosal and other finel		(79,233)	ஸ்கன்
Cost of electricity purchased for results	22	(1,674,127)	(1571.015)
Repains and maintenance Other car maintains and consumables		(38,165) (116,923)	(35,213) (100,196)
Here a strategy and a	24	(137,201)	(134,841)
Changes in providen for nuclear decorministening and			
storage costs Changes in provisions for diamaniling of thermal power plants	15 16	(134,029) (1,763)	(45,817) 4,654
Ohe opealing costs, oher has depending, another on	10	(1,122)	-,
and impairment	23	(90,017)	(96,436)
Talat opening appears		p.255,259	2,160,001)
FROFIT BEFORE FRIANCIAL RESULT, TAX.			
DEPRECIATION, ANDREBATION AND INFARMENT		32,275	30,75
	-		124 244
Realisation of property, plant and equipment Depresistion, amortimation and impairment	5	(211,724)	(30,321) (217,644)
	_		
PROFIT BEFORE FINANCIAL REBULT AND TAX		151,145	54,28
Since of profit of annutsies		3,363	1,234
Finance income	25	35,591	34,781
Franke make	25	(163,458)	(91,296)
PROFIT REFORE TAIL		6,52	31,049
NEXTE TAL	27	26,853	(1.448)
NET FREATH FOR THE YEAR		23,773	22,691
Profit all Hudable for State indices of the Company Non-carboling interest of other sources of manification		58,779	22,601

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 December 2020 (in thousands of ELIR)

	, Name	Year andled 31 Classeniaer 2020	Herended 31 Occumber 2019
Not profil for the year		93,775	22,511
Olior congruturativo incores			
Other comprehensive income in the restanciber in profil or Into its automappent periods:			
Not represent on each liter hadges, not of be	7,27	(44,80D)	15,173
Olher, nel offaz		(517)	692
lint often comprehensive income in the reclassified in prefil or ions in subsequent parison		(45,445)	65,864
Otor comprehensive income on in he reclassified to profil or max in concernment persons.			
Revaisation of property, plant and equipment, net of tax	5,77	-	533,111
Changes in valuation of property, plaint and equipment, net of tax	5,77	20	(907)
Change in estimates of the provision for nuclear decommissioning and sinceps cosis forcuph cossission reserve, net of fact	15 ,27	(40,864)	(18,894)
Change in estimates of the provision for diamenting of themail power plants itrough resolution measure, net of lar	16 ,27	(2,262)	(482)
Change in estimates of the environmental provision through recalladium receive, nel of tax	18.27	(14)	(585)
Remeasurement lasses on delined benefit plans, net of tax	17,27	(872)	(1.362)
list etne comprehensive income act is to rectana Bad is prelif or ious in retractant particle		(43,522)	461,00
Olive comprehensive income for the year, not of for		(ES,435)	517,142
Talai comprehensive income for the year, and at tax		(2 ,63)	525,74
Total competensive income afbituiable in: Equity lighters of the Company Non-controling interests of other panets of substitutes		(23,629) -	529,745

The roles item as integral part of the consolidated linearcial statements.

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the year ended 31 December 2020 (in thousands of B.D.Q.

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	Ì		Hedro	Rectorder		Annual	ļ		
Relevance of the second state									
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teres terminations manage Restriction of restarts start and an inclusion of the	16.5	,		111 111	'		111 205	'	111 111
Constant in participant part and approximate and an Change in statement of monthly statement and of	ľ	ı	I		•	I	ļ	1	
taryoni maata a pupay, paran approx, sa u ta	225	'	'	100	'	'		'	600
Carge in extrates of the protein for nuclear	ſ								
مقملعه الوساة خمدة ودماء ودوافي فللمتعاطفة									
- 1		•	•		•	•		•	
Clarge in colorise of the position to decoding of france received through societation access and active	16 M	1	1		,	1		1	0.00
poet per antega contra antega en		•	•		•	•		•	Į
targe courses a concernant process and restriction process of a far	11 27		'	CATCA C	'		12451		(SEC)
			66177	ľ					10
Renovement to so defind beneficiary, net al lar	12/11	•	'	'		'		'	
Citer, relation		'	'	'	261	'	512	'	28
القلا مصوطوراتها المسريح ملاملا والمرالية		•	217	21 [,] 15			7,025		
Belarce on at 21 December 2013		126126	رويندي	1,20,705	22,52	400-100J	44333	•	10125
			5						
Net insure to the year		'	'	'	•	92,129	E.ø	'	54,779
Ober comprehensive Namoe									
Carges in seven to propriy, part and equipment, and of									
	22	'	'	R	'	'	R	'	Ŕ
Clarge in scinates of the position for nuclear									
करता सम्बद्धा पुत्र व जन्मुह स्वर्थ लाग्गुन हरू जन्म त्वराख्त तर्द व फि	15,27	·	'	(1922)(1943)	'	I	(40.054)		(10,854)
Corre in extreme of the applicants decoding of hered	ı			1			1		1
pose ptarts itracy realistic escave, set of tac	12'R	'	'	2221	•	'	[2362]	'	(2322)
Carge in extremts of the environmental provides through	I			1			1		1
nsaidim mane, ed of las	77 M	'	'	E	'	'	Ξ	'	2
Net movement on cash the insigns, and of has	12'2	'	(898°)	ı	'	'	(47 BGB(14)	'	
Removement incos on defind beneficitars, nel of fac	12/21	'	'	'	(220)	'	(223)	'	(22 <u>9</u>)
ctier, rel of be			'	'	507	•	(547)		500
الفلط مسيعت فحطبه اعمسمر يطرط أعد		•			(EUVL)	8	(esaled)	•	ġ
Buints and 31 December 200		126126					A COXC	•	ATTEN A
		1		1			ŀ		

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CONSOLIDATED STATEMENT OF CASH FLOWS for the year ended 31 December 2020 (in thousands of EUR)

n thousands of EURy	

		Year eavied 31 December 2020	Yes and St December 2018
CATH FLOWS FROM OPERATING ACTIVITIES			
Profit ballson lacrona factor		1 ,52	31,049
Adjustenia in Annalis profession (Active Raiss in the CEA) Part operating activities:			
Cepetalian, anothetica and ingerment of non-current assets	5,6	772,525	216,524
Elect of the revolution	5		30,321
Amerikalism of defense income		ទ្រាញ	(921)
sanan seca papaty, part ancepapant an ningae ands	24	(can)	նդ
	2	(2,472)	(2,644)
interst clarge on other provisions (employee benetiks, environmental provision)	25	855	949
interest change on provision for marker decomplicationing and storage			
case and denoming of ihernal power plants	2	96,255	92,050
interest from bans and bunchings Characteries of an attention stream in terms in the sector of the s		1,752	1,630
Charge is estimate of provision for nuclear decompositioning and storage costs and domaniting of themai power plants fromgis income			
diferent	15,16	119,831	24,455
Directorys in provision for nuclear descriminationing and slorage			
casis and diamaniling of themai power planks Change in valuation of embedded destailses	15,16 30	(619) 451	1,230 305
Change in realization of enclosed conversion Change in environmental and employee benefits provision	24	(459)	(844)
Change in other providers		(1,123)	10,067
interest income from the National Nuclear Punch	15, 26	G1,539)	(30,681)
National Nuclear Fund administration fee	15	68	794
Change in resolution of derivatives income statement		9,166	35,812
Share of public frazentation		(1,363)	(1,234)
Bied of other finance cast		2,778	2,400
Changes in other assets and labilities through equily		9,022	(189)
Clanças in vertino capital: Inveniaries	10	-	
Trate and other receivables		19,774	4,003
Trate and other payables		5,745 (12,923)	(33,699) (51,573)
Direr assels and lighting		(43,406)	(15,507)
Cash generalist from operations		£1,072	314,750
Interest acceled		-5	109
interest paid		(144,667)	(123,450)
income taxes paid		(13,844)	4,616
Hel such liters operating activities		<u> </u>	199,025
EASH FLOWE FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		(318,902)	(47,201)
Acquisites of intergible assets		(1,064)	(6.22)
Prozens from sale of properly, plant and equipment and intargible access		530	77
Contributions to the National Nuclear Punct	15	65,933	(71.346)
Hel cash used in investing activities			27.72
CASH FLOWS FROM FRANCING ACTIVITIES			
Craning of benomings		1,446,930	2,451,254
Repayment of Issuenings		(1,362,359)	(2,125,726)
Kei oon inan inancing activities		L .51	314,572
NET DECREASE IN CASH AND CASH EQUIVALENTS		1,213	(623)
CASH AND CASH EQUIVALENTS, BESSINGS OF PERIOD	12	12,42	13 199
CASH AND CASH EQUIVALENTS, END OF PERIOD	12	14,273	12,420

NOTES TO THE CONSOLIDATED RINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

1. General information

Slovershé elektráme, a.s. (hereinalter as the "Company", or "SE") is an electricity and heat generation, supply and lracing company, which owns and operates 53.1% (2018: 52.8%) of the installed capacity of power plants in the Slovak Republic.

The Company's registered address and registration numbers are: Slovenské elektrárne, a.s. Registration number: 36 829 052 Tax registration number: 2020261353 Nijveské miny 47 824 09 Bratistava Slovak Regulatic

The Company was set up on 13 December 2001 and was incorporated into the Commercial Register on 21 January 2002.

The Company and its subsidiaries (hereinafter as the "Group") has two branches, one is established in the Czech Republic and the second one is in Poland.

The companies in the Group are not a partner with unlimited liability in any company.

During the year 2020, the Group had 4,240 employees on average (2010: 4,223 employees), the number of employees as at 31 December 2020 was 4,297 (as at 31 December 2019: 4,220), of which 30 were management (31 December 2010: 31 managers).

These consolidated financial statements are presented in thousands of euros.

These consolidated financial statements have been prepared as ordinary consolidated financial statements according to Section 17 (8) of the Stovak Accounting Act No. 431/2002 Coll. on omended.

The consolidated financial statements are available at the Company's registered address and at the Commercial Register of District Court in Bratistava I, Zâhrachicka 10, 812 44 Bratistava. According to Section 23 of the Slovak According Act No. 431/2001 Coll. as amended, the consolidated financial statements are also filed in the registry of the financial statements, in the electronic form.

Comerskip structure

As at the date of these consolidated financial statements the Company's shares were canned by Skowic Power Holding B.V., the Netherlands (ancounting to 60% of the share capital) and by the Stovak Republic, on behalf of which acts the Ministry of Economy of the Stovak Republic (amounting to 34% of the sharee capital).

As at the date of these consolidated financial statements, the shares of Slovak Power Holding B.V. (hereinafter as "SPH") were owned by Enel Produzione S.p.A., Italy (hereinafter as "Enel Produzione") in the amount equal to SDX of the share capital and by EP Slovakia B.V., the Metherlands (hereinafter as "EP Slovakia") also in an amount equal to SDX of the share capital. The only shareholder of EP Slovakia was Energetisky a primy-slowy loading a.s., Goesh Republic (hereinafter as "EPT"). The ultimate parent entity of the Company is SPH.

The shareholders agreement and contract for the sale of the state held through SPH by Enel Produzione in Slovenské elektráme, a.s., executed on 18 December 2015, as amended in August 30, 2018 and recently updated on December 22, 2020, provides among other things for a call option in favour of EP Slovakia for the acquisition of the remaining SPH shares held by Enel Produzione that is exercisable 0 months after the signature of the updated contract until the earlier of (i) 4 years from the completion of the Trial Run of Unit 4 or (ii) December 2028.

Furthermore, always with respect to the remaining 50% of the SPH's share capital held by Enel Produzione, the always mentioneal agreements provide for a put option in favour of Enel Produzione and a scall options, in farour of EP Storation that can be both exercised when the latest of these exerts has occurred (() 6 months after the Trial Run of Unit 4, (ii) the date of completion of the first outage of Mochoves unit 4 and (ii) the malurity of the shareholder bans set in year 2032.

Upon exercise of the above options, Errel Produzione shall transfer the remaining 50% of the SPH's share capital to EP Stovatia and EPH shall take over the shareholder loans according to an agreed schedule.

NOTES TO THE CONSOLIDATED RINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

2.1 Basis of preparation

The consolidated financial statements were prepared using the going concern assumption that the Group will continue its operations for the foreseeable future.

As described in Notes 5,19 and 32, the Oroup resorded significant amounts as access under carelradium for nuclear power plant Machovce Units 3 and 4 and drawn borrowings that have a significant impact on the financial situation of the Group. Additionally, as of the date of these consolidated financial statements, the Group is still under negatizations with the banks on the prolongation of an existing technical covenant related to the Machovce unit 3 and 4 timeline.

The Group is also negotialing with some of its creditors the granting of an interim naiver in relation to this lectroical coverant until a final agreement is reached in the short term. Under this situation, a significant portion of the drawn non-current borrowings were classified as current, pending further negotiations with the Group's financing creditors. The consolidated financial statements do not include any adjustments to the carrying value of assets or liabilities that might be necessary if the Group's creditors demand acceleration of debt reportment, which is currently scheduled for periods beyond 2025, to ewfor.

The financial year is the same as the calendar year.

The consolidated financial statements of the Group for the previous period were approved by the ordinary Annual General Meeting of the Company held on 29 May 2020.

The assets and liabilities reported in the consolidated balance sheet are classified on a current/non-current basis, with separate presentation of assets classified as held for sale. Current assets, which include cash and cash equivalents, are assets that are intended to be realised, sold or consumed during the normal operating cycle of the Group or within the backer months following the balance sheet date. Current fabilities are liabilities that are capacited to be celled during the normal operating cycle of the Group or within the backer months following the balance sheet date.

The costs in the consulidated income statement are classified according to their nature.

The indirect method is used for the consolidated statement of cash flows that presents the net cash flows attributable to the operating, investing and financing activities.

The consolidated financial statements have been prepared on the historical cost basis except for the following:

- properly, plant and equipment are carried all heir revalued amounts,
- derivative linearial incluments are measured at Gir whee,
- francial instruments al fair value through profit or loss are measured at fair naive.

The methods used to measure fair values are discussed further in Note 5 and 30.

i) Information on the consulidated group

The consolidated financial statements of the Group are included in the consolidated financial statements of Slovak Power Holding B.V. and are available directly at the registered address of the company, at Herengracht 471, 1017 BS Amsterdam, the Netherlands. The consolidated financial statements are filed in the business register of the Chamber of Commerce of Amsterdam, De Ruijterlade 5, 1013 AA, Amsterdam, the Netherlands.

Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union. IFRS comprise standards and interpretations approved by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("ITRO").

iii) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries (hereinafter as "the Group") as at 31 December 2020.

NOTES TO THE CONSOLIDATED RINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control coases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All intra-group balances, income and expenses, unrealised gains and losses and dividends resulting from intra-group balances are eliminated in full.

2.2 Changes in accounting policies and disclosures

The accounting policies adopted are consistent with those applied in the consolidated financial statements prepared as at 31 December 2019 except as follows:

The Group has adopted the following new and amended FRS as at 1 January 2020 all adopted by the European Union (hereinable as the TEUT):

- IAS 1 Amendments to IAS 1 and IAS 8: Definition of Material (effective for annual repuring periods)
 IAS 8 beginning on or after 1 January 2020;
- IFRS 9 IAS 39 IFRS 7 Amendments to IFRS 9, IAS 39 and IFRS 17: Interest Rate Benchmark Reform (effective for IFRS 7 Amendments to IFRS 9, IAS 39 and IFRS 17: Interest Rate Benchmark Reform (effective for IFRS 7
- IFRS3 Amendments to IFRS 3 Business Combinations (effective for annual reporting periods beginning on or after 1 January 2020);
- IFRS 16 Amendment to IFRS 16 Lesses Could 19- Related Rent Concessions (effective for annual reporting periods beginning on or after 1 January 2020);

Amendments to References to the Conceptual Framework in IFRS Standards (effective for annual reporting periods beginning on or alter 1 January 2020)

The impact of adoption of the men or amended standards on the consolidated financial statements of the Group is described below:

Amendments to IAS 1 and IAS 8: Definition of material

The anextments introduce a new definition of material. The information is material if omitting, missisting or obscuring it could reasonably be expected to influence decisions that the primary users of a specific reporting entity's financial statements would make on the basis of those financial statements. The materiality of information is assessed either individually or in combination with other information. The application of these amendments did not have any impact on the Group's consolidated financial statements.

Amendments to FRS 8. IAS 38 and FRS 7: Interest Rate Benchmark Platform.

The objective of the Amendments is to avoid the discontinuation of hedging relatorships as a result of uncertainties related to the IBOR transition, in particular due to the inability to meet specific forward-tooling hedge accounting requirements in the periods before the transition. The Amendments provide relief from the highly probable and prospective assessments required by IFRS 8 and IAS 38 insofar these tests relate to hedging relationships that are affected by the uncertainties of the IBOR reform. With the same objective, the Amendments also provide relief from the retrospective account under IAS 30. The compliant docerited in the Amendments apply only to these hedging relationships directly affected by uncertainties of the IBOR reform including some types of cross-currency interest rate swaps. The application of these amendments did not have any impact on the Group's consolidated financial statements.

Amendments to FRS 3 Business Combinations

The Amendments respond to concerns reported by statusholders during the Postimplementation Review of IFRS 3 about how to interpret and apply the definition of a business, with the objective to darify the definition and assist entities to determine whether a transaction should be accounted for as a business combination or as an asset acquisition.

Minimum mynimumsts to be a business

The Amendments clarify that to be considered a business, an acquired set of activities and assets must include, all a minimum, an input and a substantive process that logether significantly contribute to the ability to create subputs. They also clarify that a set of activities and assets can qualify as a business without including all of the inputs and processes needed to create subputs, or including the outputs themselves, by replacing the term 'ability to create outputs' with 'ability to contribute to the creation of subputs'.

NOTES TO THE CONSOLIDATED RINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

Market participant's ability to replace missing elements

It is no longer necessary to assess whether market participants are capable of replacing any missing inputs or processes (for example by integrating the acquired activities and assets) and continuing to produce outputs. The Amendments focus on whether acquired inputs and acquired substantive processes, together, significantly contribute to the ability to create outputs.

Assessing whether an acquired process is substantive

The Amendments provide guidance and illustrative examples to help entities assess whether an acquired process is a substantive process. The guidance requires more persuasive exidence when the acquired set of activities and assets has no outputs as the existence of outputs already provides evidence that the acquired set of activities and assets is a business.

When here are outputs at the acquisition date (i.e. revenue is generated) an acquired process is substantine in either of the following cases: (a) The process is critical to the ability to continue producing outputs, and the inputs acquired include an organised variatizate with necessary shills, knowledge or experience to perform that process; or (b) The process significantly contributes to the ability to continue producing outputs and is carcidened unique or scarse and cannot be replaced without significant cast, effort or delay in the ability to continue producing outputs.

If there are no cutpuls at the acquisition date, an acquired process is considered substantine if both the following criteria are met. (a) The process is critical to the ability to develop or convert an acquired input or inputs into cutpuls; and (b) The inputs acquired include both an organised workforce that has the necessary skills, invalledge or experience to perform that process and other inputs that the workforce could develop or convert into outputs.

The Ameriments role that an acquired contract (such as an outsourced asset management arrangement) is not a substantive process, in order to clarify that a contract that provides a continuing revenue stream (e.g. a lease contract) is not itself a process. I leavever, the Ameridments also inform that an acquired contract can give access to an organised workforce which, in turn, performs a substantive process that the entity has acquired.

Narrowed definition of celouis

The Amendments narrow the definition of outputs by focusing on goods and services provided to customers, investment relums and other income from ordinary activities, and by removing the reference to relums in the form of lower costs and other economic benefits directly to investors or other owners, members or participants. The definition of a business has also been amended to make it consistent with the narrowed definition of outputs.

Concentration leaf

An optional concentration test has been added that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The test is designed to reduce costs and complexity by auxiding the need for a detailed assessment in some cases. The concentration test is mellif substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. Entities may elect whether or not to apply the concentration test on a transaction-bytransaction basis. If the test is not mel, or if an entity elects not to apply it, an entity would be required to perform a detailed assessment.

The locus of the concentration test is on gross assets, rather than net assets, mainly because the existence of associated debt or other liabilities (i.e. how the acquisition use financed) should not affect the assessment of whether what is wequired in a business. For similar reasons, the concentration test also excludes each and cash equivalents acquired, as well as deferred tax assets and gootwill resulting from the effects of deferred tax fabilities.

Overall, the concentration test is expected to lead to fewer transactions being accounted for as business combinations.

The application of these amendments did not have any impact on the Group's consultated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

Amendment to FRS 18 Leases Could 19-Related Rent Concessions

The Amendment provides a practical expedient that permits lesses not to assess whether rent concessions that useur as a direct consequence of the Cowid-19 pandemic and meet specified conditions are lesse modifications and, instead, to account for those rent concessions as if they were not lesse modifications. The application of this amendment did not have any impact on the Group's consolidated financial statements.

Amendments to References to the Concentral Framework in IERS Standards

The VSB decided to revise the Conceptual Framework because some important issues were not covered and some guidance nass unclear or out of date. The revised framework includes a new chapter on measurement, guidance on reporting financial performance, improved definitions of asset and fieldility and guidance supporting these definitions. Consequently, it was necessary to amend the references to the Conceptual Framework in FRS standards. The application of these amendments did not have any impact on the Group's consolidated financial statements.

The Group has not early adopted any standards and interpretations where the adoption is not mandatory at the balance sheet date.

2.3 Servery of significant accounting policies

a) Business combinations

Busines combinations and subsidiaries

Revines: combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Additional acquisition costs incurred are expensed and included in administrative expenses. When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and perform conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

For details on consultation of subsidiaries please refer to the note 2.1 Basis of preparation.

b) Investment in an associate

The Group's investment in its associate is accounted for using the equity method. An accounted is an entity in which the Group has significant influence.

Under the equity method, the innertment in the associate is carried in the consolidated balance sheet at cost plus post acquisition changes in the Group's share of net assets of the associate. Goothall relating to the associate is included in the canying amount of the investment and is neither amorised nor individually lested for impairment.

The consolidated income statement reflects the share of the results of operations of the associate. Where here has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes and discloses this, when applicable, in the consolidated statement of changes in equity. Unrealised gains and bases resulting from transactions between the Group and the associate are eliminated to the edent of the interest in the associate.

The Group's share of profit of associates is shown on the face of the consultated income statement and represents the profit attributable to shareholders of the Company and therefore it represents profit after tax, and non-controlling interests in the subsidiaries of the associates.

The financial statements of the associate are prepared for the same reporting period as the Group's. When necessary, adjustments are made to bring the accounting pulicies in line with those of the Group.

The Group determines whether there is any objective evidence that the investment in the associate is impaired. If his is the case the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its camping value and recognises the amount in the consolidated income statement.

NOTES TO THE CONSOLIDATED RINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

Upon loss of significant influence over the associate, the Group measures and recognises any relaining investment at its fair value. Any difference between the canying amount of the associate upon loss of significant influence and the fair value of the relaining investment and proceeds from disposal is recognised in profit or loss.

c) Non-current maeta ladd for ante

Non-current assels and disposal groups classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. Non-current assels and disposal groups are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is regarded as net only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present cardition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Property, plant and equipment and intangible assets once classified as held for sale are not deprecialed or amoriesed.

d) Foreign correccy translation

The Group's consolidated financial statements are presented in euros, which is the Group's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

i) Transactions and balances

Foreign currency transactions are recorded in the functional currency by applying the exchange rate between the functional currency and the foreign currency at the date of the transaction to the foreign currency amount. Exchange rate differences arising on the selfement of monetary items at rates different from these at which they were initially recorded are recorgoised in the corecultated income statement in the period in which they arise. Nonetary assets and fabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Foreign exchange differences are recorded as financial income or expense.

Group companies

The assets and liabilities of fareign operations are translated into excess at the rate of exchange prevailing at the reporting date and their income statements are translated at the average exchange rates for the period. The exchange differences using on the translation are recognized in translation researe with the impact, on consolidated statement of comprehensive income. On disposal of a foreign operation, the comprehensive comprehensive income relating to that particular foreign operation is recognized in the consolidated income statement.

e) Reveaue recognition

Reserves are generated primarily from the sale of electricity and related services to wholesale markets, to relationstames, to market and network operators and from the sale of heat.

The Group receptises reserve when (or as) it satisfies a performance obligation by transferring a promised good or somice to a cuclomer. An accest is transformed when (or ac) the easterner obtains control of that accest. Reserve is recognised in the amount of the transaction price that is allocated to each performance obligation. The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (for example, value acted tax). The Group has desided nut to adjust the transaction price for the effect of financing component because it is not significant and because contract asset and contract liabilities are amortized within less than 12 months. Contracts with customers contain also variable consideration which is typically constrained and therefore not accound.

(i) Revenue from sale of electricity

a. Dowestic and foreign sale, incl. wholesale backs

Revenue from sale of electricity is recognised over time when the commotity is supplied to the customer and based on the quantities provided during the period, even if these have not yel been involved, and is determined using estimates as well as periodic meller readings. The performance obligation is deemed to be a series of distinct services that are substantially the same and transfer consecutively over the settlement period. Revenue is based on short-term contracts with fixed energy prices.

Deviation/initialance sevence

Deviation/inbalance revenue represents variable consideration related to domestic sale which is measured beset on the difference between the controctual amount of electricity and the real amount of electricity of the electricity market participant. Its value is determined based on actual spot market prices. It has a lectrical but also a financial value. The deviation/imbalance income is highly susceptible to factors outside the Group's influence and may not be reliably predicted. Therefore, it is not accrued, but is recognized as incomed.

(ii) Revenue have grid belowing services.

Revenue from anallary services

Anciliary services are one of the types of commodity in the electricity market. The Group supplies anciliary senices typically to the transmission system operator (SEPS, a. s.), which uses them to maintain the quality of electricity supply and to ensure the operational reliability of the Slovak electricity system. The Group sams less for providing the anciliary service regardless of whether the SEPS activates it (remuneration for availability, stand-ready services). Revenues from anciliary services are recognised over the time of the contract on straight-line basis. Revenue is based on long-term contracts (1-2 years). The services are invoiced on monithy basis.

Revenue from regulating clockinity.

Revenue from regulating electricity includes electricity supplied to taxonicsion system operator (SEPS, a. s.) in case of activation of anciliary services. The Group has evaluated that this activity is not distinct from anciliary services described above and therefore it accounts for it as for variable consideration related to anciliary grid balancing services. The Group evaluated that this variable consideration is constrained as it is highly onceptible in factors rubrite Group's influence (such as arealiser conditions and consumption peaks) Therefore, the Group does not accuse the related revenues and recognize them as incurred. The price is typically determined based on actual spot market prices

(iii) Revenues from tariff from system operation

Revenues from tailffrom system operation include revenues in part of electricity production from the power plant Nováky according to the General Economic Interest. Revenues from tariff from system operation are recognised over fime and measured based actual consumption on Stonak electricity market.

(iv) Revenues from heat

Heat is typically co-produced in Group's power plants and sold to customers in adjacent territories. Resource from heat generation is recognized over time and measured based on the volume of energy delivered. Possible fixed tess are accured over the period of 1 year based on estimated seasonal consumption pattern, which however are not material.

(v) Revenue from rendering of services

Revenue from rendering of services is recognised when the senices are rendered, or by reference to the stage of completion of services at the end of the reporting period. This category includes other services not related to sale of electricity and gas.

ij Government graats

Government grants are recognised if here is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the period necessary to match the grant on a systematic basis with the costs that it is intended to compensate. Where the grant relates to an asset, it is recognised as defened income and relates to the consolidated income statement in equal amounts over the expected useful life of the related asset.

NOTES TO THE CONSOLIDATED RIVANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

of Income tar

The income tax expense for the period comprises current and deterred tax. Income tax is recognised in the consolidated income statement, except to the extent that it relates to items recognised in consolidated other comprehensive income or directly in equity. In this case the tax is also recognised in consolidated other comprehensive income or directly in equity. Respectively.

The current income tax charge is calculated on the basis of the tax rates (and taws) that have been enacted or substantially enacted at the balance sheet date in the countries where the Company and its subsidiaries and associates operate and generate taxable income.

In line with Act Nu. 235/2012 Golf, on a Special Levy on Business in Regulated Industries and on the Amendment to and Supplement of Certain Acts, the Company is obliged to pay a monthly special levy effective from September 2012. The special levy represents 0.54% per annum (2010: 0.54%). This levy is based on profit before tax and is presented as part of the current income tax pursuant to the IFRS requirements.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction allects neither accounting, nor taxable profit or loss. Deferred income tax is determined using tax rates that are expected to apply when the related deferred income tax asset is realized on the deferred income tax initiality is settlest. Deferred tax asset is reacy isset for the carryformard of unused tax losses and unused tax credits only to the extent that it is probable that informe taxable profit will be available against which the unused tax losses and unused tax credits can be utilized.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same location authority on either the tocable entity or different taxable entities where there is an intention to settle the balances on a net basis.

H) Figure 21 instruments – initial recognition and subsequent measurement.

il Financial assets

Initial recognition and classification of financial assets

A financial asset is recognised in the consolidated statement of financial position when, and only when, the Group becomes party to the contractual provisions of the instrument. Financial assets within the scope of IFRS 8 Financial loctroments are described as financial assets subsequently measured at annuficed cost, financial assets measured at fair value through other comprehensive income or financial assets measured at fair value through polit or loss, depending on the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets. Financial assets can be designated as hedging instruments in an effective hedging relationship, as appropriate. Embedded derivatives, which represent a component of hybrid contract that also includes a non-derivative host, with the effect that some of the cash flows of the contract instrument vary in a way similar to a stand-alone derivative, are also within the scope of IFRS 9 Financial instruments.

The Group determines the classification of its financial assets at initial recognition.

The Group accounts for contracts to buy or self non-financial items that can be settled net in cash or another financial instrument, or by exchanging financial instruments, as if the contracts were financial instruments, in fine with IFRS 9 Financial Instruments. Contracts that were entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the Group's expected purchase, sale or usage requirements are outside the scope of this standard.

Except for trade resetuables, at initial recognition, the Group measures a financial asset at its fair value plus or minus, in the case of a financial asset not at fair value through profit or less, transaction costs that are directly attributable to the acquisition or issue of the financial asset. Transaction costs of financial asset carried at fair value through profit or less are expensed in consolidated profit or less at the initial recognition. At initial recognition, the Group measures trade receivables that do not contain a significant financing component at their transaction price.

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NOTES TO THE CONSOLIDATED RNANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the markelplace (regular way bracks) are recognised on the trade date, i.e. he date that he Group commits to purchase or sell the asset.

The Group's financial assets include cash and short-term deposits, trade and other receivables, quoted and unquated financial indocements, and derivative financial indocements.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification at initial recognition as in the second

Financial assets measured at amonford cost

A financial asset is classified as measured at amorfised cast if the objective of the Group is to hold the asset in order to collect contractual cash licks and the contractual terms of the financial asset give rise on specified. dates to each flows that are solely payments of principal and interest on the principal amount outstanding. After initial recognition, such financial assets are subsequently measured at amorfised cost using the effective interest rule method (horeinster up TDR'), less impairment. Amortiped azet is calculated by falling into account the fees paid or received between the contractual parties that are an integral part of the BR, transaction costs and all other premiums and discounts. The EIR amorification is included in finance income in the consolidated income statement. The impairment gains and losses are recognised in the consolidated income statement. This category includes cash and cash equivalents, trade and other receivables and other current and non-current assets.

Financial assets measured at fair value through other comprehensive income A financial asset is classified as measured at fair value through other comprehensive income if the Group's business model objective is achieved by both collecting contractual cash flows and selling financial assets. and the contractual terms of the financial asset give rise on specified dates to cash tions that are solely payments of principal and interest on the principal amount sublanding. Howements in the carrying amount are taken finaugh other comprehensive income, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and bases which are recognised in consolidated profit or bas. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to consolidated profit or loss.

Financial assess measured at fair value it much other comprehensive income – option for equily instruments Equity instruments are only classified as financial assets measured at fair value firrough other comprehensive income when the Group elects them to fair value through other comprehensive income. option as of the initial recognition and the equity instrument is neither held for trading nor confingent. consideration recognized by an acquirer in a business combination to which IFRS applies. Movements in he carrying amount are taken through other comprehensive income. When the frameial accet is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is not reclassified from equity to consolidated profit or loss.

Financial assets measured at fair value financh profit or loss

Financial assets that do not meet the criteria for classification as measured at amorfised cost or at fair value hrough other comprehensive income are measured at fair value through profit or less. Financial assets that are held within a business model which is neither 'held to collect' or 'held to collect and self' are measured at fair value through profit or loss.

This category includes:

- connodity derivatives that are not designated as hedging instruments in hedge relationships as defined by FRS 9
- hybrid inshuments including host contracts and embedded derivatives.

After the initial recognition, financial assets at fair value through profit or less are carried in the consolidated balance sheet at fair value with alway ges in fair value recorptised in the consolidated income statement.

NOTES TO THE CONSOLIDATED RINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

Endredvieri derivalives

An embedded derivative is a component of a hybrid contract that also includes a non-derivative host with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. Derivatives embedded in hybrid contracts with a financial asset host within the scope of FRS 9 are not separated. The entire hybrid contract is classified and subsequently measured as either amortised cost or fair value as appropriate.

Derivatives embedded in hybrid contracts with hosts that are not financial assets within the scope of FRS 9 (financial liabilities) are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not desay related to these of the host contracts and the host contracts are not measured at fair value through profit or loss.

If the hybrid contract is a quoted financial liability, instead of separating the embedded derivative, the Group generally designates the whole hybrid contract at fair value through profit or loss.

An embedded derivalive is presented as a non-current asset or non-current liability if the remaining makerity of the hybrid instrument to which the embedded derivative relates is more than 12 months and is not expected to be realised or settled within 12 months.

impairment of financial accels

The Group recognises a loss allocance for expected credit losses on a financial asset that is measured at amorfised cost or at fair value firrough other comprehensive income, a lease receivable, a contract asset, a ban commitment or a financial guarantee contract to which the impairment requirements apply in accordance with IFRS 9 Financial Instruments.

For trade and lease receivables, the Group applies the simplified approach permitted by IFRS 8, which requires expected lifetime losses to be recognised since the initial recognition of receivables. For further details, see Note 11 and Note 21.

For all financial assets other than trade receivables and lease receivables, the Group applies the general approach under IFRS 8, based on the assessment of a significant increase in credit risk since initial recognition. Under such approach, less allowance on financial assets is recognised at an amount equal to the lifetime opected credit bases, if the credit risk on those linancial assets has increased significantly since initial recognition, considering all reasonable and supportable information, including also fornard-boding inputs. If at the reporting date, the credit risk on linancial assets has not increased significantly since initial recognition, the Group measures the less albumance at an amount equal to 12-month expected credit losses. Lifetime opected credit losses represent the opected credit losses that result from all possible default events over the opected life of a financial instrument.

For purchased or originated credit impaired financial assets, the Group applies the credit adjusted effective i interest rate to the amorised cost of the financial asset from initial recognition.

For financial assets that are not purchased or originaled credit-impaired financial assets but subsequently have become credit-impaired financial assets, the Group applies the effective interest rate to the amorfised cost of the financial asset in subsequent reporting periods.

As at 31 December 2020 and 31 December 2019 the Group recognised expected credit losses allowance only in respect of trade and lease receivables. The expected credit losses for other financial assets recognised in the consolidated balance sheet are negligible.

The Group recognises in consolidated profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised as at the balance sheet date in line with IFRS 9 Financial instruments. The loss allowance for the financial assets measured at fair value through other comprehensive income is recognised in consolidated other comprehensive income and shall not reduce the canying amount of the financial asset in the consolidated statement of financial position.

Financial assets logether with the related allowance are written off when there is no reasonable expectation of recovering the financial asset in its entirety or a portion thereof. A write-off constitutes a developmilion event.

NOTES TO THE CONSOLIDATED RIVANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

Derecognifica

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- The contractual rights to the cash flows from the financial asset expire;
- The Group has barsiered the financial asset and the transfer qualifies for derecognition in line with requirements of FRS 9 Financial instruments.

ii) Financial liabilities

Initial recognition and measurement

A financial liability is recognised in the consolidated statement of financial position when, and only when, the Group becomes party to the contractual provisions of the instrument. Humicial liabilities within the scope of IFRS 9 are classified as financial liabilities subsequently measured at amortised cost, except for financial liabilities at fair value through profit or less, financial guarantee contracts, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition, commitments to provide a ban at a belowmarket interest rate and confingent consideration recognised by an acquirer in a business combination in scope of IFRS 3 Parsiness Combinations.

The Group determines the classification of its financial liabilities at initial recognition.

Financial liabilities may be designated as hedging instruments in a hedging relationship.

The Group accounts for contracts to buy or self non-linancial items that can be settled not in cash or another financial instrument, or by exchanging financial instruments, as if the contracts were financial instruments, in fine with IFRS 9 Financial instruments. Contracts that were entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the Group's expected purchase, sale or usage requirements are outside the scope of IFRS 9.

At initial recognition, the Group measures a financial fiability at its fair naive plus or minus, in case of a financial fiability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial fiability.

The Group's financial liabilities include trade and other payables, loans and borrowings, and derivative financial instruments.

Subsequent measurement

After initial recognition, the financial fabilities are measured according to their classification determined at initial recognition. Reclassifications of financial fabilities are not permitted in any circumstances. The Group relaxifient its financial fabilities as financial field lifes at fair value formigh profiler lines and financial fabilities subsequently measured at amorfised costs.

Financial Sobilies at tair value discurpt profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for tracing and financial liabilities designated upon initial recognition as at fair value finough profit or loss. Financial liabilities are classified as held for tracing if they are acquired or incurred principally for the purpose of selling or repurchasing if in the near term, on initial recognition are part of a portfolio of identified financial inshuments that are managed together and for which there is existence of a recent actual pattern of short-term profitaking; or are derivatives (except for a derivative that is a linancial guarantee contract or a designated and effective hedging instrument).

This category includes the following:

- embedded derivatives separated from the host contract,
- connocity derivatives, that are not designated as hedging instruments in hedge relationships as defined by IFRS 9.

NOTES TO THE CONSOLIDATED RINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

Financial Sublities measured at amorfixed cost

This calegory includes loans and borowings, hade and other payables. Amortised cost of a financial fiability is the amount at which the financial fiability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount. The calculation of EIR includes the fees paid or received between parties to the contract that are an integral part of the effective interest rate, traceaction costs, and at other premiums or discounts. The EIR amortisation is recognised in finance cost in the consolidated income statement.

Derecognificati

A financial liability is derecognized when it is extinguished, i.e. when the obligation under the liability is discharged or cancelled or expires.

A substantial modification of the terms of an existing financial liability or a part of it is accounted for as an estinguishment of the original financial liability and the recognition of a new financial liability. On derecognition of a financial liability, the difference between the camping amount of a financial liability exinguishest or transferred to another party and the carcidention paid, including any non-cach accele transferred or liabilities assumed, shall be recognised in putif or loss.

In case of motification of the terms of an existing financial liability, the Group considers both quantitative and qualitative criteria to evolvate whether the modification was significant. As for the quantitative criteria, based on the pronouncements of IFRS 9, the terms are substantially different if the discounted present value of the cash flows under the new terms, including any tess paid net of any tess received and discounted using the original effective interest cate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. Significant qualitative changes include for example change in the currency in which the liability is denominated, a substantial change in coverants, a change in the interest rate basis, significant edension of the maturity period which results in renegotiated interest rate and other contractual terms, a change in terms of security or a change in creation.

iii) Offsetting of financial instruments.

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet it, and only it, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to readise the assets and settle the liabilities simultaneously. In accordance with VAS 32, Amendments to VAS 32: Offsetting Financial Assets and Financial Liabilities, the right to offset must not be contingent on a future event and it has to be legally enforceable both in the normal course of business and in case of default, insolvency or bankrupley.

in Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations, without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis or other valuation models.

An analysis of fair values of financial instruments and further details as to how they are measured are provided in Note 30.

i) Hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency, interest rate and commotity price risk exposures. A hedged item is a recognised asset or liability, unrecognised firm commitment, highly probable forecast transaction or net investment in a foreign operation that exposes the Group to risk of okanges in fair value or future uses flows and is formally designated as a hedged item in the hedging relationship. A hedged item can also be a component of such an item or group of items. The hedged item must be reliably measured.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

A hedging instrument is a designated derivative or measured at fair value through profit or loss whose fair value or cash flows are expected to offset changes in the fair value or cash flows of a designated hedged item. The Group has designated the following derivatives as hedging instruments: interest rate swaps, crosscurrency interest rate surges, commutity forwards and FX forwards.

Hedging derivatives are recognised initially at fair value, the attributable transaction each are recognised in consolidated profit or less when incorrect. Subsequent to initial recognition, hedging derivatives are measured at fair value, and changes in fair value are accounted for as described below.

Cash law hedges

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognised directly in other comprehensive income and accumulated in equily in a separate cash flow hedge reserve to the extent that the hedge is effective, following the conditions set in IFRS 8.

The ansunt recognised within equity is the lower of cumulative gain or loss on the hedging instrument from the inception of the hedge and the cumulative change in fair naive of the hedged item from the inception of the hedge. Any remaining gain or loss on the hedging instrument is a hedge ineffectiveness that is recognised in consolidated profit or loss.

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial fiability, the associated gains or losses that have been recognised directly in equily shall be reclassified to profit or loss during the same period(s) during which the asset acquired or the fiability assumed affects profit or loss.

If a hedged forecast intrastiction subsequently results in the recognition of a non-financial asset or nonfinancial liability, or a hedged forecast transaction for a non-financial asset or a non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, the Group removes that amount from the cash flow hedge reserve and includes it directly in the initial cost or other carrying amount of the asset or the liability.

For value healpes

A fair value hedge is a hedge of the exposure to changes in fair value of a recognised asset or liability or an unrocegnised from commitment, or an identified period of each an accet, fability or from commitment, that is attributable to a particular risk and could affect profit or loss. The gain or loss on the hedging inshument is recognised in consolidated profit or loss. When a hedged item in a fair value hedge is an unrecognised from commitment (or a component thereof), the cumulative change in the fair value of the hedged item subsequent to its designation is recognised as an asset or a fiability with a corresponding gain or loss recognised in consolidated profit or loss. When a hedged item in a fair value hedge is a firm commitment to acquire an asset or assume a liability, the initial canying amount of the asset or the liability that results from the entity meeting the firm commitment is adjusted to include the cumulative change in the fair value of the hedged item that was recognised in the consolidated statement of financial position.

The gain or less from remeasuring the hedging instrument at fair value shall be recognised in profil or less. The gain or less on the hedged item athibutable to the hedged risk shall adjust the carrying amount of the hedged item and be recognised in profil or less.

As of 31 December 2020 and 31 December 2019, the Group classified all its hedging relationships as cash from hedges.

The electromess of the hedge is an extent to which changes in the fair value or cash flows of the hedged item that are attributable to the hedged risk are offset by changes in those of the hedging instrument. The hedge ineffectiveness is evaluated through a qualitative assessment or a quantitative computation, depending on the extent to which the critical terms of the hedged item and the hedging instrument match.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

The main causes of hedge ineffectiveness include the basis difference (i.e. the fair value or cash flows of the hedged item depend on a variable that is different from the variable that causes the fair value or cash flows of the hedging instrument to change), timing difference (i.e. the hedged item and the hedging instrument occur or are selfed at different dates), quantity or notional amount differences, credit or other risks that have an impact on the fair value of a hedged item or a hedging instrument.

Discurfinging of the besige accounting

The Group discontinues hedge accounting prospectively only when the hedging relationship assess to meet the qualitying oriteria (after taking into account any rebatancing of the hedging relationship, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The cumulative gains or losses previously recognised in equily are reclassified to profit and loss in the same period(s) when the hedged item affects the profit or loss. A hedging relationship that still meets the risk management objective and continues to meet all other qualifying orderia, after taking into account any relationing, cannot be discontinued.

Current versus non-current classification

Contrainte instruments are classified as current or non-current or separated into a current and non-current i portion as follows:

- When the Group holds a definative as an economic hedge (and does not apply hedge accounting) for a period beyond 12 months after the reporting date, the definative is classified as non-current (or separated into current and non-current periods) consistent with the classification of the underlying item.
- Embedded derivatives that are not closely related to the host contract are classified consistent with the cash froms of the host contract.
- Derivative instruments that are designated as, and are effective hedging instruments, are classified consistent with the classification of the underlying hedged item. The derivative instrument is separated into a current portion and non-current portion only if a reliable alcosation can be made.
- Definitive instruments which are first primarity to the purpose of trading are classified as current.

🗿 Property, plant and equipment

Hens of property, plant and equipment are measured at cost upon initial recognition. Cost includes expenditures that are directly attributable to the acquisition of the asset, any other costs directly attributable to bringing the asset to a nonting condition for its intended use and the costs of dismanting and removing the items and restoring the site on which they are located ("dismantling asset"). The cost of self-constructed assets includes also the cost of materials and direct labour consumed during its construction.

Subsequent to initial recognition, items of property, plant and equipment are carried at resolued amount, heing their fair value at the date of the must event revolucion tess any subsequent anomulated depreciation and subsequent accumulated impairment losses. Resolucions are performed with sufficient regularity such that the carrying amounts do not differ materially from these that would be determined using fair values at the balance sheet date.

Any resolution increase arising on the resolution of the property, plant and equipment is credited in equity to a resolution reserve, except to the extent that it reverses a resolution decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. A decrease in the carrying amount arising on the revolution of property, plant and equipment is charged to profit or loss to the extent that it exceeds the balance, if any, held in the revolution reserve relating to a previous resolution of that asset.

Property, plant and equipment in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried all cost, less any recognised impairment loss. Assets related to construction of nuclear power plant Mochowce 384 are carried at revalued amount, being their fair value at the date of the revolution less any subsequent accumulated impairment losses. Depreciation of property, plant and equipment commences when the assets are ready for their intended use.

Subsequent costs incurred in relation to an item of property, plant and equipment are recognised as an increase in the carrying amount of this item only if it is probable that these costs will result in the increase in related future economic benefits and the costs can be measured reliably. All other costs are recognised in corecolidated profit or loss as incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

The cost of replacing part or all of an item of property, plant and equipment is recognized as an increase in the carrying amount of this item and is depreciated over its remaining useful life; the net carrying amount of the replaced unit is derecognized through consolidated profit or loss, with the recognition of any capital gain or loss.

Poriodic maintenance and impaction costs are expitations as a separate component of the related item of property, plant and equipment. All other repair and day-to-day maintenance costs are recognised in the consolidated income statement as incurred.

Depreciation of property, plant and equipment is recognised in the consolidated income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The Oroug dates not perform any interests from the recolvation reserve for chinest comings on descagnition, sale or references of resoluted property.

The estimated useful lives for the current and comparative periods are as follows:

•	Buildings, halls and studiums	20-00 years
-	Manhines, plant, equipment and vehicles	4 60 years
•	Other assets	up to 4 years

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Depreciation methods, useful lives and residual values are reassessed regularly, with the effect of any changes in estimate accounted for on a prospective tasts.

Leased property, plant and equipment recognised in the consolidated balance sheel are depreciated over The shorter of the lease term and their useful lives. Land is not depreciated as it is deemed to have an infinite life.

Gains and leases on deposal of an item of property, plant and expopment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within "other operating costs/income" in the coresolidated income statement in the period in which the item was disposed of.

h) Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date. An arrangement is considered to contain a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

This applies when the customer has both of the following:

- i) The right to obtain substantially all of the economic transfils from use of the identified asset,
- i) the right to direct the use of the identified asset

If the customer has the right to control the use of an identified asset for only a portion of the term of the contract, the contract contains a lease for that portion of the term.

Group as a lessee

At the commencement date, the Group recognises a right-of-use asset and a lease liability. Right-of-use asset represents the Group's right to use an underlying asset for the lease term, is measured at cost and is presented as part of property, plant and equipment.

The cost of the right-of-use asset comprises the following.

- The amount of the initial measurement of the lease liability
- any lease payments made at or before the commencement date, less any lease incentives, received;
- any initial direct costs incurred by the Group; and
- an activate of costs to be incurred by the locase in disconting and removing the underlying accel, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless have costs are incurred to produce imeniories.

After the commencement date, the Group measures the right of use assets in a way consistent with the measurement of the assets owned by the Group. The depreciation policy for depreciable leased assets is also consistent with that for depreciable assets that are owned by the Group.

The roles form an integral part of the consolidated linearchal statements.

NOTES TO THE CONSOLIDATED RINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

Group as a lessor

The Group classifies each of its leases as either an operating lease or a finance lease.

Finance lease is a lease that transfers substantially all the risks and rewards incidental to convership of an underlying asset.

Operating lease is a lease that does not inarchier substantially all the risks and remarks incidental to correcting of an underlying asset.

Lease dessituation is made at the inception date and is reassessed only if there is a lease multication. Changes in estimates (e.g. economic ife or residual value of the underlying asset) or changes in circumstances (e.g. default) do not give rise to a new classification of a lease.

Borrowing costs

Following WS 23 (Revised), the borowing costs are included in the acquisition cost of a qualifying asset. Capitalisation of borowing costs commences when the activities to prepare the asset are in progress and expenditures and borowing costs are being incurred. Borowing costs are capitalised until the assets are ready for their intended use. Borowing costs include intensi charges, commitment fees and other costs incurred in connection with the borowing of funds, including excharge differences arising from foreign currency borowings used to finance these projects to the extent that they are regarded as an adjustment to intensit costs. The amount of borowing costs that is capitalised shall be limited by the value of borowing costs recagnised as a linance cost during the period.

n) latangikin anasta

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment lesson.

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally generated inlangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following conditions have been demonstratest.

- Inetermical feasibility of completing the intangible asset so that it will be available for use or sale;
- be intenion to complete the intengible asset and use or set it;
- he ability to use or sell the intanoble asset;
- how the intangible asset will generate probable future economic benefits;

 The availability of adequate technical, financial and other resources to complete the development, and to use or self the intengible asset, and

 The ability to measure reliably the expenditure attributable to the intargible asset during its development.

The amount initially recognized for internally generated inlangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognized, development expenditure is recognized in profit or loss in the period in which it is incurred. Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated anomisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

The useful free of intengible cosets are cosessed as finite. The estimated useful lives for the carrent and comparative period are as follows:

- Solaria	4–5years
• lizence	4-5years

Intergible casets with finite useful lives are amortised over the useful communis life and assessed for impairment whenever there is an indication that the intergible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year end. Charges in the expected useful life or the expected patient of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and are treated as charges in accounting estimates. The amortisation expense on intergible assets with finite lives is recognised in the consolidated income statement.

NOTES TO THE CONSOLIDATED RIVANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

Gains or lesses arising from detecognition of an intangible asset are measured as the difference between the proceeds from disposal and the carrying amount of the asset and are recognised net within "other operating casts/income" in the consolidated income statement in the period in which the item was disposed of.

n) Investories

Intentories are measured at the lower of cost and net realisable value. The cost of intentories comprise of the expenditures incurred in acquiring the intentories and bringing them to their existing location and condition. Net realisable value is the estimated selling price in the onlinary course of business, less the estimated costs of completion and selling expenses. The slock value is based on the weighted average principle except for nuclear fuel as described below.

Nuclear fuel which is consumed over a period of more than one year, whether being used in the reactors or stored is recognised in inventories. Each individual nuclear fuel supply is natued at acquisition costs of particular supply. Nuclear fuel consumption is determined for each load based on the volume of energy produced in reactor from that nuclear fuel load. The volumes of energy produced are determined based on the technical data extracted from batancing system of each plant. The quantities consumed are valued at the acquisition costs of the particular fuel supply burnt in the reactor. Gost of inventories consumed is periodically corrected in view of forecast burnt quantities based on neutron measurements.

a) Impainted of mo-figureial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impared. It any indication exists the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inforus that are largely independent of these from other assets or groups of assets. The Group is considered as one cash generating unit. Where the carrying amount of an accest or a each generating unit ensues its recoverable amount. In assessing value in use, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair nalve less costs to sell, an appropriate valuation model is used. Impairment bases of continuing operations are recognised in the consultated income statement in these expense categories consistent with the function of the impaired asset, except for property presentually meature where the revaluation was taken to the consultated other comprehensive income. In this case, the impairment is first recognised in the consultated other comprehensive income. In this case, the impairment is first recognised in the consultated other comprehensive income up to the amount of any previous resolutation.

For assets an assessment is made at each reporting date as to whether there is any indication that previously recegnised impairment bases may no longer wird or may have decreased. If such an indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment lass is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset is prior years. Such a reversal is recognised in the carresolutated income statement unless the asset is carred at a resoluted amount, in which case the reversal is recognised in the resolutation reserve.

p) Cash and cash equivalents

Cash and each equivalents in the consolidated balance sheet comprise cash at banks and on hand, valuables and shert term deposits with an original maturity of three months or less.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

of Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of the provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated income statement net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. In case of long-term provisions, which are discounted to their present value, the value of provision is periodically increased by the unwoundest interest uset. This increase is recognised as a linearce cast in the carculidated income statement.

Provision for severance payments and other termination benefits.

The employees of the Group are eligible, immediately upon termination due to organizational changes or in other cases as set by the valid legislation or valid Collective Agreement, for severance payment pursuant to the Stovak law and the terms of the Collective Agreement, signed between the trade unions operating at the companies of the Group and the companies. The fability is recognised within Other provisions in the consolidated balance sheet when the workforce reduction program is defined, announced and the conditions for its implementation are met.

(ii) Provision for refinement benefits.

Defined contribution penation plans

A defined contribution plan is a persion plan under which the Group pays fixed contributions to the fund and will have no legal or constructive obligations to pay further contributions if the scheme does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods.

The Group contributes to the government and private defined contribution persion plans. The Group makes contributions to the Government's health, retirement and social benefit and unemployment schemes at the statutory rates in force, based on gross salary payments. Throughout the period, the Group make contributions in such schemes amounting to max. 35 7% (2010: 35 7%) of gross salaries in accordance with the Slovak legislation, together with contributions by employees of a further 13.4% (2018: 13.4%). Throughout the period, the Group made contributions to such schemes amounting to max. 33.8% (2018: 33.8%) of gross salaries in accordance with the Czech legislation, logether with contributions by employees of a further 11.0% (2018: 11.0%). Throughout the period, the Group made contributions by employees of a further 11.0% (2018: 11.0%). Throughout the period, the Group made contributions to such schemes amounting to max. 19.52% (2018: 18.52%) of gross salaries in accordance with the Polish legislation, logether with contributions by employees of a turther 22.71% (2019: 22.71%). The cost of the contributions made by the Group is charged to the consolidated income statement in the same period as the related salary cost.

In addition, with respect to employees who have chosen to participate in a supplementary persion scheme, during 2020 and 2018 the Group made contributions in the supplementary scheme amounting up to 2022, from the total of monthly tariff wage plus compareadory mage, with monthly limit of EUR 50 per one employee.

United defined benefit pension plan

A defined benefit plan is a pension plan that defines an amount of pension benefit to be provided, valually as a function of one or more factors such as age or years of service.

According to the valid Company Collective Agreement, signed between the trade unions operating at the company of the Group and the company, the Group is obliged, based on the number of years in service, to pay its employees on refirement or disability a multiple of their average monithy earning according to the valid Company Collective Agreement. The minimum requirement of the Labour Code of one-month average earning payment on refirement is included in the above multiples.

NOTES TO THE CONSOLIDATED RINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

The liability in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date, together with adjustments for actuarial gains/usses and past service cost. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by the estimated future cash outflows using market yield on high quality European corporate bonds.

Amendments to persion plans are charged or credited as past service cost to the consolidated income statement in the period when the amendments occur.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the consolidated statement of comprehensive income in case these relate to the retirement benefits. In case of other employment benefits, the adjustments are charged to the consolidated income statement.

Bound plane

A liability for employee benefits in the form of bonus plans is recognised in Trade and other current payables and is path out after the evaluation of the performance in the given year. Liabilities for tonus plans are measured at the amounts expected to be paid when they are settled.

(iv) Other employee benefits

In line with the terms of the valid Collective Agreement, signed between the trade unions operating at the companies of the Group and the companies, the Group also pays vertain work anninessary benefits.

The liability in respect of work anniversary benefits plan is the present value of the work anniversary benefit obligation at the balance sheet date. The work anniversary benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the work anniversary benefit obligation is determined by the estimated future cash outflows using market yield curve on high quality European corporate bonds.

Actuarial gains and bases arising from experience adjustments and changes in actuarial assumptions and amendments to pension plans are charged or credited to the coreolidated income statement when incurred.

(v) Restructuring

A provision for restructuring is recognized when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or the Group has raised halid expectations that the restructuring hill be undertaken by starting to implement that plan or announcing its main features.

(vi) Environmental provisions (Sile restoration)

Emicornental liabilities represent any current or future environmental assignments whose implementation is subject to the need to comply with the legislative requirements or the constructive obligation of the Group. Emicormental provisions can only be recognised for hose types of costs that are incurred in relation with the abovementioned assignments and only if the provision recognition criteria is met. Environmental provisions should also be recognised when there is an obligation to eliminate damages caused by contamination or disposal of hazandous masters.

(vii) Provision for matters decommissioning and storage costs.

The provision for nuclear decommissioning and storage costs is recognised based on discounted future cash flows estimated in relation to the decommissioning of nuclear facilities, storage and disposal of radioactive naste, the storage and disposal of spent nuclear fuel and post-operational costs of nuclear power plants. The future estimated cash flows include also estimated costs of resultination of the studge betts since their operation is directly related to the operation of a nuclear power plant. The provision is reduced by the actual costs incurred (i.e. usage of provision) and increased for the effect of unwinding of interest. Any escass of actual decommissioning costs over the planned amounts in the current year are included in the consultated income statement of the current year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

The provision for nuclear decommissioning and slorage costs is estimated by applying a forecast long-term initialion index to the projected disbursements, which are then discounted to present value using discount rate determined based on long-term data series and takes into account the fact that some expenses convert by provisions will be disbursed over periods significantly longer than the duration of instruments generally traded on the financial markets.

(viii) Provision for dismantling of thermal power plants

A provision for the dismanling of thermal power plants is recorprised to cover future decommissioning costs which are expected to take place upon the shut-down of the thermal power plants. The provision includes also estimated costs for recutivation of studge beds that are located in the area of thermal power plants.

Remeasurement of provision for marker demonstrationing and storage mate and provision for demonsfring of thermal paper plants

Remeasurement of an existing provision for nuclear decommissioning and slorage costs and provision for dismanting of thermal power plants that result from changes in the estimated timing or amount of the outflowr of resources embodying economic benefits required to settle the obligation, or a change in the discount rate, are accounted for as follows:

(a) Charges in the liability after the resolution surplus or deficit previously recognised on that asset, so that: (i) a decrease in the liability is (subject to (b)) credited directly to resolution surplus in equity, except that it is recognised in profit or loss to the extent that it reverses a resolution deficit on the asset that was previously recognised in profit or loss;

(ii) an increase in the liability is recognised in profit or lices, except that it is debited directly to revaluation surplus in equily to the extent of any credit balance existing in the resolution surplus in respect of that asset;

(b) In the event that a decrease in the liability essends the carrying amount that would have been recognised had the asset been carried under the cost model, the essens is recognised immediately in consulidated profit or loss;

(c) A charge in the liability is an indication that the asset may have to be revalued in order to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the balance sheet date. Any such revaluation is taken into account in determining the amounts to be taken to consolidated profit or less and equity under (a). If a revaluation is necessary, all assets of that class are revalues;

(d) The change in the resolution surplus arising from a change in the liability is separately identified and disclosed in the consolidated statement of other comprehensive income of each item of income or expense that is recognised directly in equity.

The adjusted depreciable amount of the asset is depreciated over its useful life. Therefore, once the related asset has reached the end of its useful life, all subsequent changes in the liability are recognised in the consolidated income statement as they occur.

The periodic unwinding of interest is recognised in the consolidated income statement as a finance cost as it occurs.

r) Cividead distribution

Divident distribution to the Group's shareholders is recognised as a liability in the consolidated financial statements in the period in which the dividents are approved by the Group's shareholders.

s) Greediuuse gas emissione

According to the European Union Emissions Tracing Scheme and a valid National Allocation Plan the Group receives part of emission allowances for selected facilities for iree. The rest of emission allowances are purchased from the find parties. Emission allowances acquired by the Group for free are provided on an annual basis and the Group is required to return allowances corresponding to the emissions actually discharged by the end of April of the following calendar year. The Group accounts for the nel liability arising from greenhouse gas emissions. This means that the allowances acquired for free are not accounted for and the provision is recognised only in the case and at the moment when actual greenhouse gas emissions exceed the emission allowances acquired for free.

NOTES TO THE CONSOLIDATED RINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

Emission allowances purchased from third parties are measured at cost and are accounted for as intentory.

Emission allowances acquired by the purchase from the third parties for the purpose of further sale on the market are measured at fair value. The fair value is considered to be the actual market price. The change in the fair value of the emission allowances held for tracing is recognised in the consolidated income statement.

Significant accounting judgments, estimates and accountings.

Judgments, estimates and assumptions

The preparation of the Group's constituted financial statements requires management in make judgments, estimates and assumptions that affect the reported amounts of consolidated reserves, expenses, assets and liabilities, and the disclosure of contingent liabilities, all the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities in future periods. The key assumptions concerning the future and other key sources of uncertainty estimation at the reporting date that bear a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial years are discussed before.

() Nuclear decommissioning, storage and disposal of spent nuclear fuel and radioactive master

The Group recognises significant amounts as a provision for decommissioning and post operational costs of number power plants and provision for storage and disperal of spent nuclear foot and codecative occie. These amounts are based on the technical and financial estimates of each flows that will be incomed over periods ranging from 1 to 100 years, based on coment technology and shalegy for decommissioning and disposal as applied by the Group. Estimation of this provision is sensitive to assumptions concerning costs, initiation, discount rates and disbursement schedules.

The Group's management has used its best estimates, knowledge and a valid "National Policy and National Programme for handling of spent nuclear fuel and radioactive wastes in the Stock Republic", adopted by Stock government on 8 July 2015 in form of an update of stategic document "Strategy of the Back-end Oycle of the Peaceful Exploitation of the Nuclear Energy in the Stock Republic" as well as the "Updated conceptual plan of decommissioning of the nuclear power plant V2 and EMO182 and creation of input database of access subject to decommissioning" approved by the Nuclear Regulatory Authority of the Stock. Republic on 27 August 2018 when defining distursement schedules in respect to the nuclear decommissioning and storage and disposal of spent nuclear fuel and radioactive waste. There is an inherent risk in these estimates given the fimeframe, the valid and the planned legislation, the different alternatives open to the management of the Group and the possible future changes in technology for nuclear decommissioning and storage and disposal of spent nuclear fuel and radioactive waste.

(ii) Dismanifing of themal power plants

The Group recognises a significant amount as a provision for dismanting of thermal power plants. Estimation of this provision is sensitive to assumptions concerning costs, initiation, discount rates and disbursement schedules. Disbursement schedules can be significantly impacted by the Group's future decisions regarding the strategy of the operation and dismanting. Market developments could also impact follow plans of the management of the Group.

(iii) Revaluation of property plant and equipment

In 2006, the Group applied the revoluation model in accordance with the accounting standard IAS 16 and revoluest the items of property, plant and equipment and property related to construction of nuclear power plant. Mothowce: 384. The assumptions used in the resolution model were taken from the report of an independent professionally qualified expert. Based on the appraisal, the useful life of the property, plant and equipment has been modified.

Subsequent revoluation of the Group's property, plant and equipment and property related to construction of nuclear power plant Mochowce 384 was undertaken in 2010, in 2014 and, in 2019 by an independent professionally qualified expert in accordance with IAS 18 and IFRS 13 Fair value measurement. The following approaches have been used: the cost approach, the market approach and the income approach. The following assumptions were reliected in the revoluction model: technical condition of assets (useful lives, maintenance, technical enhancement), market conditions, economic factors and other specific conditions. For fully revision place refer to Note 5.

The roles form an integral part of the consolitated linearchal statements.

NOTES TO THE CONSOLIDATED RINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

(iv) Testing for impairment of non-financial assets

Following the standard IAS 36 the Group tests the non-current non-financial assets for impairment in case there are any impairment indicators identified. The Group recognises impairment of non-financial assets if the carrying amount exceeds their recoverable amount. The recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use.

Value in use is determined as the estimated future post-tax cash flows discounted to their present value that reflects current market assessments of the time value of money and the risks specific to the non-financial asset. The cash flows are derived from the long-term plan of the Group and board approved management plans and forecasts, based on expected generation profile. The value in use is sensitive to the assumptions retated in long-term forward commonly prices, fivel costs, discount rates, inflation rate, growth rate, follow development of the electricity prices and successful commissioning of nuclear power plant Mochovce 384 in accordance with the project fimeline.

(v) Fair value of financial instruments

Where the fair value of the financial instruments recorded in the consolidated balance sheel cannot be derived from active markets, it is determined laking into account the observable market inputs and management judgement on the future development of the key variables affecting fair values, such as yield curves, exchange rates or risk-free interest rates. Fair value determination includes considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(vi) Lifesticus

The Group is involved in narious legal disputes in the ordinary course of its business. In view of the nature of such lifugations, it is not always objectively possible to predict the outcome of such disputes. Provisions have been recognised to cover all significant liabilities for cases in which the Group's management believe an adverse outcome is probable and a reasonable estimate of the financial effect can be made.

4. Standards issued but not yet effective

Standards issued but not yet effective up to the date of issuance of the Group's consolidated financial statements are listed below:

Amendments to IFRS 10 and IAS 28. Sale or Gantrikalian of Accels between an Investor and its Associate or Juint Venture (Nese assertiments have not been approved by the EU yet, the effectiveness date of the amendments was defended indefinitely);
Regulatory Deferral Accounts (effective for annual reporting periods beginning on or after 1 January 2016. The European Commission decided not to launch the endorsement process of the interior standard and wait for the first STRS standard);
insurance Contracts (effective for annual reporting periods beginning on or after 1-January 2023, the standard has not been approved by the EU yel);
Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Classification of Liabilities as Current or Non-current - Deferral of Effective Date (effective for source) reporting periods beginning on or effect 4 January 2022, the standard has not been approved by the EU yet);
Amendments to IFRS 3 Business Combinations: Reference to the Conceptual Framework (effective for annual reporting pointies beginning on or after 1 January 2022)
Amendments to IAS 18 Property, Plant and Equipment: Proceeds Before Intended Use (effective for minimal reporting periods beginning on or other 1 January 2022);
Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of Fulfilling a Contract (effective for annual reporting periods beginning on or after 1 January 2022);
Amendments to FRS 4 insurance Contracts – defend of FRS 9 (effective for average reporting periods beginning ov or after 1 January 2021),
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2 (effective for annual reporting periods begioning on or after 1 January 2021);

Annual improvements 2018-2020 (effective for annual reporting periods beginning on or after 1 January 2022).

The principal effects of these changes are as follows:

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assels between an investor and its Associate or Joint Venture

According to these amendments, the current requirements of VAS 28 Investment in Associates and Joint Ventures regarding the partial gain or loss recognition for transaction between an investor and its associate or joint venture only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a losiness as defined in IFRO 3 Business Combinations. The gain or less resulting from the sale or contribution of assets to an associate or joint venture of assets that constitute a business as defined by IFRO 3 Business Combinations is recognised in full.

IFRS 10 Consolidated Financial Statements was amended so that the gain or loss resulting from the sale or contribution of a subsidiary that does not consider a business as defined by FRS 3 Business Combinations to an associate or joint venture is recognised only to the extent of unrelated investors interests in the associate or joint venture. The Group is considering the impact of these amendments on the consolidated financial statements.

IFRS 14 Regulatory Deferral Accounts

The standard permits an entity which is a first-time adapter of International Financial Reporting Standards to continue to account for regulatory deferral account balances in accordance with its previous GAAP requirements, both on initial adoption of FRS and in subsequent linancial statements. Regulatory deferral account balances, and movements in them, are presented separately in the statements. Regulatory deferral account balances, and movements in them, are presented separately in the statements of financial position and statement of profit or loss and other comprehensive income, and specific disclosures are required. The Standard cannot be adopted by the entities that currently prepare their financial statements under FRS. The application of the standard will not have any impact on the consolidated financial statements of the Group.

The roles form an integral part of the consolitated linearchal statements.

NOTES TO THE CONSOLIDATED RNANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

IFRS 17 Insurance Contracts

Standard introduces a complex accounting model applicable for all insurance and reinsurance contracts. (both short-term and long-term) and also for investment contracts with discretionary participation features. It brings a new approach for measurement and recognition of file and properly insurance contracts and defines a new measurement aspect of the insurance contracts, contractual service margin, representing the unearned profit that the entity will recorptise as it provides services under the insurance contracts. The application of the standard will not have any impact on the consolidated financial statements of he Group.

Americanants to MS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-

current and Classification of Liabilities as Current or Non-current - Defend of Effective Date These amendments recordie apparent contratictions between paragraph 60(d) — which required an 'unconditional right' to defer self-ement — and paragraph 73 — which referred to an entity that 'expects, and i has he discretion, to' refinance or roll over an obligation. The effective date of the amendments is moved to 1 January 2023. The application of these amendments will not have any impact on the consolidated financial statements of the Group.

Amendments to FRS 3 Business Combinations: Reference to the Conserval Framework

The objecti res of the Amendments are to update IFRS 3 Business Combinators so it refers to the 2018 Conceptual Framework instead of the 1969 Framework in a manner that avoids unintended consequences and clarify aspects of IFRS 3. The Group is considering the impact of these amendments on the consultated financial statements.

Amendments to IAS 18 Property, Plant and Equipment: Proceeds Before Intended Use

The Amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment (PPE) any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The Group is considering The impact of these amendments on the correctidated frametal statements mainly in relation to Michaele 384 OUL-INCHUSE.

Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts - Cost. of Fulfiling a Contract

The objective of the Amendments is to clarify the requirements of IAS 37 on onesous contracts regarding he assessment of whether, in a contract, the unavoidable costs of meeting the obligations under the contract. exceed the economic benefits expected to be received under it. The Group is considering the impact of these amendments on the consolidated financial statements.

<u>Amendments to FRS 4 insurance Contracts – defenal of FRS 8</u> The objective of the Amendments is to allow qualifying entities to continue to defer the application of IFRS 8. Currently FRS 4 requires insurance entities to apply FRS 8 from 1 January 2021, the change will mean hat FRS 8 becomes effective for annual periods beginning on or after 1 January 2023, with earlier application permitted. The application of these amendments will not have any impact on the corectidated financial statements of the Group.

Amendments to IFRS 8, IAS 38, IFRS 7, IFRS 4 and IFRS 18 interest Rate Benchmark Reform – Phase 2 The Amendments are needed to avoid the discontinuation of heape accounting relationships solely due to he images of the Interest Rate Benchmark Reform, to properly account for multifications of financial insiruments and lease contracts accounted for under IFRS and to deal with the implications on hedge accounting arising from the reform. The Group is considering the impact of these amendments on the correctioned from d statements.

Annual Internenta 2018-2020

The amendments relate to:

- IRRS 1 First-time Adoption of International Financial Reporting Standards. Subsidiary as a firsttime **adapter**:
- IFRS 9 Financial Instruments. Fees included in the '10 per cent' test for derecognition of financial i de la companya de l
- IFRS 18 Leases. Instrative example 13; and
- IAS 41 Agriculture. Taxafion in fair value measurement.

The application of these amendments will not have any impact on the correctionical financial statements of he Group.

The roles form an integral part of the consolidated linearchal statements.

NOTES TO THE CODE OLIDATED PINANCIAL STATEMENTS for the year ended 31 December 2020 (in the served of EUR)

5. Property, plant and equipment

	Paddays, hals and shuchmes	Plant, machinery and other	je je	Assets in the course of construction	
jh finusanti a' CUR	Level 3	Level 2	LENG 2	C EVEL	
Vitation as at 1. January 2020	1,284,138	2,145,452	35,076 35,076	E1028/862	9/683/548
Assumbled depression as at 1 January 2020	(5 2 /2)	(142-12)	C		(26,125)
Accurated input toxes as at 1 km ary 2020	(5,523)	25,290	0	450.846	1177,000
canying accord as at 1 January 200	1,275,186	2,115(G15	20 ¹ 22	2012055	9,177,522
You and \$1 December 21.2					
Opsiting carying anomit as at 1 January 2020	1,375,106	2,1,11,006	85,066	5,578,03	9,176,552
Addars	2,614	25,378	•	442,500	
hipatment toss (-) and reversal (+) through revolution receive	R	'n	'	'	8
hiptical bas (:) ad recessi (+) trough house diferent (Nde 26)	~	(Z11)	4	10,673	
Temeters	31216		6	(18, 195)	'
Tansia tan Manjite axels	•	•	•	8	R
Tanstes in Austria te de	÷		7	'	Ę
Disponsite	'	Ξ	•		ε
Depectation starte (Note 25)	(35/60)	(155,785)	(EI)		211,310
Vitation as al 31 December 2020	1,390,004	2,219,736	892(32)	6,453,744	10,147,982
Accumulated depreciation as at 31 December 2020		(172,100)	Ę	'	(1911 (1922)
Accurated inpetnent taxes as at 21 Decenter 2020	(5,523)	(54,553)	8	(440,138)	(122/031)
Carying acced as \$31 Decenter 2020	1,225,532		82 (B)	2013,002	3,46,711

The redex form an integral part of the consultation financial statements.

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MOTES TO THE CONSOLIDATED RIMMONL. STATEMENTS for the year ended 31 December 2020 (in the served of EMI)

	Participates, Andre	Place, machinery and		Assets in the course	
	and shuthers	Der .) Ind	af constaction	ą
ib itmesets of EJR	Leni 3	Level 3	Level 2	teni 3	
Vititation as at 1 January 2019	1,716,903	21553,586	41,503	5,515,548	9,826,560
Accurated depreciator as at 1 January 2019	(1967,796)	(273,279)	'	'	(පෙත් සහ /
واللاريميط الغمم مصط أوميتهما لطشيبي كالو	0173,6191	(782,833)	(019)	406,409	(046,414)
واللا يصمط عدخ الغماط القاط والبرامين	1,346,575	0.4720		5(11)2	112,112,11
Your sector 31 Decording 212					
Opering second as at 1 second second provide	1,306,578	1744,790	40,784	5,009,003	1121121
Addes	77,815	26,457	1/66		120,272
Revenden frængt revekalen recere	192,351	520,278	41,007	'	626,849
Rectitation through traces statement	1,667	(STAIS)	1991	(BAA)	(126,02)
البهذيبية: (ad rosal (+) أيسها معتملها بمحيد	'	(1.148)	'		(0.48)
inpármai tas (-) ard raesal (+) frangi incore státenet (1002 26)	E	(1 .2 60)	6	(14,101)	(15,362)
Trades		11,345	'	(16,586)	'
	'n	12	-	R	8
	'	Ē	'	•	(al)
Depretation change (Note 25)	(51,873)	(147,334)	(19)		(199,318)
Vinction as at 31 December 2019		2,185,452	85,076	E(028)862	9,683,548
Accurated aquestan as at 31 Decence 2019		(142712)	Ð	'	(978)92)
<u>Accessed inpirations a si31 Decede 209</u>	(525) (525)	082.021	8	(1908) (1908)	(117,121)
Canying meant as et 31 December 2013	1,375,985	2,138,005	50 BS	5,577,032	1,176,362
		1			

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NOTES TO THE CONSOLIDATED RINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

Under the calegory Assets under construction, the most significant value relates to nuclear power plant Mochovee 384. The Group has prepayments for non-current assets in the amount of EUR 13,965 thousand which relate to property, plant and equipment, thereof EUR 13,006 thousand relate to the construction of nuclear power plant Muchovoe 384 (2010: EUR 27,434 thousand, thereof EUR 10,380 thousand related to the construction of nuclear power plant Mochovoe 384).

Accels classified as held for sale

Assets classified as held for sale are mainly land and buildings which are not used by the Group for their initial purpose.

in Research of ELFs	7922	2079
Balldings, halis & stucknes	25	27
Land	15	21
Talai	27	20

Revaluation of property, plant and equipment to har value

The first revaluation of the Group's property, plant and equipment and property related to construction of nuclear power plant Mochowce 384 took place on 28 April 2006. This revaluation was carried out by an independent professionally qualified expert.

The second and third subsequent revolution may performed as at 31 December 2010 and as at 31 December 2014. During 2019 a new revolucion of property, plant and equipment was performed. This fair valuation was recorded as at 30 November 2019. All subsequent fair valuations were undertaken by an independent professionally qualified expert. The fair value was determined by using the following approaches: the cost, the market and the income approach.

The cost approach was the primary method. The cost approach reflects the amount that would be required currently to replace the service capacity of an asset and is based on the cost to a market participant to acquire or construct a subsidute asset or comparable utility, adjusted for the obsciescence (Level 3). Obsciescence encompasses physical deterioration, functional (technological) obsciescence and economic (edemal) obsciescence.

The market approach uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets (Level 2). The market approach was primarily used to value land. Appropriate consideration was given to location and current and future use of individual land plots.

The income approach converts future amounts (e.g. cash flows or income and expenses) to a single current (i.e. discounted) amount. When the income approach is used, the fair value measurement reflects current market expectations about hose amounts. The income approach was considered on an overall portiolio basis since these plants work together in generating electricity for the grid.

Fair valuation of the thermal power plant in Nováky as well as fair valuation of selected assets in the nuclear power plant in Acolovské Cohurrice was based on the presumptions that electricity production in the thermal power plant Nováky would not be economically viable without the state support and that heat production is regulated. Therefore, the fair value of electricity production assets of the thermal power plant Nováky is primarily driven by their carrying amounts and the fair value of the heat production assets in the thermal power plant Nováky and the heat production assets in the nuclear power plant Jaslovské Bohunice is primarily driven by tax carrying amounts (Level 3).

Following the revaluation of property, plant and equipment in 2019 the Group recognized overall increase of the value of non-current assets in amount of EUR 608,528 thousand, out of which EUR 636,849 thousand as an increase through the revaluation reserve and, at the same time impairment loss in the value of EUR 30,321 EUR in the income statement.

impairment of property, plant and equipment

As at 31 December 2020 and as at 31 December 2019 the Group tested property, plant and equipment for impairment. No impairment loss was recognized in this respect in 2019 and 2020.

A naive in use calculation was used to determine the recoverable amount of property, plant and equipment of the Group. Sensitivity analysis was performed taking into consideration a decrease of long-term electricity prices as well as an increase of WACC proving sufficient headroom between the recoverable amount and the carrying value of property, plant and equipment as at 31 December 2020.

During the period ended 31 December 2020 the Group recognised an overall change in impairment loss in the total amount of EUR 10,550 thousand, out of which 2,275 thousand EUR represents an impairment loss of individually assessed items recognized in the line Depreciation, amortization and impairment, EUR 12,000 thousand represents an impairment loss release recognized in the line Repairs and maintenance and EUR 25 thousand increase in Resolution reserve. During the period ended 31 December 2019 the Group recognized an impairment loss in respect of individually assessed items of property, plant and equipment in the amount of EUR 16,330 thousand, out of which EUR 15,382 thousand was recognized in the line Depresiation, amortization and impairment and EUR 1,148 thousand in the line Resolution reserve.

	SI December			
In Transmis of EUR	2020	Land f	Lovel 2	teni3
Balkings, hals and southres	1,325,591	-	-	1,325,598
Plant, machinery & other	2,023,071	-	-	2,023,071
Land	15,021	-	85,026	-
Assis in he cause a construction	6,013,006	-	-	6,013,006
Talial	2,446,701	-	Z CK	3,361,675
	S1 December			
in Researchs of EUR	St December 2019	tare' f	Level 2	terel 3
in Reasonate of ECIR Belidings, Italia and structures		tane' f	Level 2	tenel 3 1,375,186
	2019		Level 2 -	
Belicings, halls and structures	2019 1,375,186		22vel 2 - 85,065	1,375,186
Beldings, hals and sbuckness Plant, machinery & elter	2019 1,375,136 2,128,965	-	-	1,375,186

The fair value of assets as at 31 Desember 2020 and 2019 is as follows:

Since there have been no transfers of non-current assets between levels 1 – 3 during years 2020 and 2019, The reconciliation from the opening to closing canying amounts for each individual level is valid as shown in The table on pages 30 and 31.

If property, plant and equipment were measured using the cost model, the carrying amounts as at 31 December 2020 and 2019 would be as follows:

in linusands of EUR	Buildings, haits à stractures	Plant, nachàtray & chier	Assets ander Brance Jezse	Land	Assets in the course of construction	Talaí
Canying anouni as at 41 December 2020 under the cost mode	417,525	996,5 4 0	12,073	13,900	டிராகுராக	(,63,035
Canying amount as at 31 December 2019 water the cost model	441,361	1,042,258	16,537	13,584	5,578,035	7,621,125

Capitalised borrowing costs

The Group capitalised borowing costs in the total amount of EUR 107,032 thousand for the year ended 31 December 2020, thereof EUR 308 thousand related to prepayments (2018: EUR 140,859 housand, thereof EUR 208 housand related to prepayments). The cole used to determine the amount of borowing costs eligible for capitalisation was 4.74% p.a. which is the average effective interest rate of all the general borowings of the Group.

NOTES TO THE CONSOLIDATED RIVANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

Insurance of property, plant and equipment

As at 31 December 2020 the fixed assets of the Group were insured as follows:

- The insured value of the facet assets of conventional power plants and non-generating assets of the Group represented EUR 2,970 million.
- Assets of nuclear power plants were insured up to the limit of EUR 700 million for the operating nuclear power plants.
- The insured value of the assets in the course of construction was EUR 3,833 million.

The Group insures its property as follows:

- Fixed assets of conventional power plants and conventional part of the nuclear property are insured by communial carrient.
- Fixed assets of the nuclear power plants are insured by ENANI (a mutual insurance association with the registered seat in Belgium).

Lezza

At 31 December 2020, the carrying value of assets under lease included in Property, plant and equipment was EUR 12,073 thousand (31 December 2019; EUR 16,537 thousand). Total cash outliow for leases in 2020 was EUR 4,008 thousand (in 2019 EUR 3,415 thousand).

As at 31 December 2020 and 31 December 2018, the total minimum lease payments and the present value of minimum lease payments are as follows:

	Tolai minimum Jeane paymenta		Present value of minimum Josse payments	
in Proceeds of EUR	2220	2020 2019		2010
Annunita payable under leases:				
Within one year	4,058	4,006	3725	3,534
in the assault to 10th year inchesive	0,907	10,700	0,309	10,094
After the years	1/83	1,752	1,151	1,371
Total	12,518	16,524	11,465	14,999
Less Mure franze charges	(1,053)	(1,525)	-	-
Present value of lance paymode	11,455	1,98	11,455	14,550
Listifies iten ione ecogeted is the Lace and benouings in the constituted balance short (toto 13)			11,455	14,350
Less: Ansunt due for selfement within 12 months presented within current labilities (Noile 19)			(3,725)	(3,534)
Arreant des les settierent aller 12 mentre (liche 15)			7,74	11,465

Novements of assets recognised under lease are as follows:

	Buildings, halfs and sinusians and			
in EUR innernets	Land	oliver availa	Total	
Conving meant or at 1 January 2020	1,394	15,140	16,577	
Correctation strange	(61)	(4,4 5 3)	(4,464)	
Canying meant in st31 December 2020	1,333	12,173		
	ı	Salidings, čalis and		

	STUDIES and				
to EUR timesness	lane -	or the second	78.54		
Conving meant or at 1 January 2015	1,655	15,537	16,222		
Additors	-	3,212	3,212		
Depreciation change	(61)	ളങ്ങു	(3.664)		
Conving meant or st 31 December 2015	1,354	15,143	16,537		

Expenses relating to short-term leases and to leases of low-value assets of EUR 3,170 thousand (31 December 2018: EUR 3,630 thousand) that are not shown as short-term leases are included in the line. Other naw materials and consumables in the consolidated income statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 Desember 2020 (in thousands of EUR)

6. Intergible accels

in Vinus and a FUR	Solare	Ober Mangibie assels	istanjitie 20065 In progress	7864
Castan of 1 January 2020	76,757	1,501	244	71,622
Accumulated amortication as at 1 January 2020	(71,313)	(1,300)	-	(721 M)
Accumulated impairment losses as at 1 January 2020	(20)	-	-	(20)
Carrying ascent as at 1 January 2020	5,424	777	344	5,956
Yes and 31 December 2020				
Opening carrying amount as at 1 January 2020	5,424	227	344	5965
Additors	568	-	569	1,157
impairment loss through lacome datement (Note 25)	(96)	-	-	(96)
Transfers tion Property, plant and explorent	-	-	(93)	(93)
Tandos	210		end	
Amerikation (Note 25)	(1,439)	ற	-	(1/57)
Cost as al 31 December 2020	76,621	1,531	610	78,762
Accumulated amortication as at 31 Desember 2020	(71,817)	(1,321)	-	(73,130)
Accumulated impairment inspectives at all December 2020	(117)	-	-	<u>(11)</u>
Canying accord as at \$1 December 2020	4,97	21	តា	5,587
Cast as all 1 January 2019	77,611	1,531	392	79,504
Accumulated amortication as at 1 January 2019	(71,046)	(1,281)	-	(72,227)
Accumulated impairment losses as at 1 January 2019	(20)	-	-	(20)
Conying accord as at 1 January 2018	6,555	29	137	7,197
Year ended \$1 Occupier 2015				
Opening carrying amount as at 1 January 2019	6,575	250	392	7,157
Additors	591	-	392	662
Transferr	57.1	-	<u>[57.11</u>	-
Amerikation (Note 25)	(1,801)	(23)	-	(1,020)
Cost as al 31 December 2019	76,757	1,531	344	7662
Accumulated amortication as at 31 December 2019	(71,313)	(1,301)	-	(72117)
Accumulated impairment losses as at 31 December 2019	(21)	-	-	(20)
Carrying accord as at 31 December 2015	5424	221	344	5995

In 2020 and 2019 the Group did not incur nor capitalize any expenses for development.

NOTES TO THE CONSOLIDATED RNANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

7. Derivatives

Accels from derivatives measured at fair value through profit or less.

in Vinusanda of EUR	200	2019
Kan-pasant		
Embedded derhaitves	-	22.
Tohai	-	
Carrent		
Embedded delvellves	271	29
Denkalives mit designaliet as hedges	118,091	152,063
Total	111,221	12,01
l isbillies form devications measured at fair value florwach confit or loss.		

in linuxeeds of EUR 2020 2019 Centeni Commanily derivatives not designated as hedges 100,716 115.

Conversions recovered at fair value through profit or least

Endeddied derivalives

Total

On 7 October 2013 a long-term electricity contract with Stovalco, a.s. was signed that is valid from 1 January 2014 to 31 December 2021. According to the contract provisions the price of electricity is expressed in USD. The value of the embedded option on the price of aluminium is subject to indecation to the price of aluminium on the London Metals Exchange (LME). The initial value of the embedded options as at the date of the conclusion of the long-term electricity contract with Stovalco, a. s. was recognised against deferred revenue on the face of the consolidated balance sheet as it related to revenues from electricity defineries since 1 January 2014. This value is amortised to consolidated income statement over the term of the longterm contract on a straight line basis (see Note 20 and 30).

Company derivatives

The Group recognises commotity derivatives not designated as hedges in respect of trading contracts for purchase and sale of electricity, emission allowances and gas according to the valid accounting policy of the Group. Except for the mentioned contracts the Group has traded derivative transactions also for uranium and emission allowances with the aim of economic hedge against the price solality of these commodiles.

The Group sells its production via transactions concluded under market conditions, usually using brokerage platforms or energy exchange, e.g. European Energy Exchange AG (EEX), or Poish Power Exchange (PoIPX), considered to be the most transparent and most reliable means of electricity trading in the region. In case of EEX trading the open positions are being revalued on daily basis and these are immediately collided in each (as at 31 December 2020 the cumulative reschation of the commodity derivatives at EEX represents EUR 23,888 thousand – electricity, gas and emission allowances).

Assets from derivatives designated as effective hedging instruments in cash flow hedge

in Visuends of EUR	2020	2019
Nex-constri		
Hedging deskalives - exchange rafe		9
Heiging detroites - compaties	235	6,234
Telal	214	6,243
Content		
Heiging derhalives - excisinge rafe	8,659	66
	-	-
Heising derhalives - correctilies	19,255	29,561
Tolat	27,224	75,277

<u>115,540</u> 115,540

106,716

NOTES TO THE CONSOLIDATED RINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

Liabilities from devicatives designated as hedging instruments in cash flow hedge relationship

in Vinuesiais of EUR	223	2019
Ken-cenant		
Hedging derivatives - exchange rate	154.911	B 163
Hedging dedvallves interest rate	14,256	6,708
Hestaling desivatives - commodilies	32,742	4,244
Total	155,977	5,115
Carrent		
Hedging de Hallows - exchange cale	612	4,814
Heiging derivatives - Interest rate	1,304	1,996
Hedging derhalives - correctiles	42,334	E0,583
Tolai	44,330	

Derivatives designated as hadges

Al denaine contacts designated as helpes are classified as cash from helpes.

Extense ste

The Group hedges the impact of the exchange rate fluctuations connected with the purchase and sale of electricity and also the purchase of commodifies necessary for the production of electricity through forwards on foreign currency exchange rates. The cash flows from the hedging derivatives are contracted to occur in the moment when the purchase or sale of the hedged transaction is expected to occur.

In case of purchase and sale of electricity the cash tions from the hedging foreign currency derivatives are recognised in consolidated profit or loss at the moment of the realization of the trade.

blenst sie and extrange raie

The Group hedges its exposure to interest rate risk and exposure to exchange rate fluctuations in connection with the loans drawn through interest rate snaps or cross-currency interest rate snaps. The malurity of the snaps interest payments corresponds with the maturity of interests from loans. For details of the interest rate risk management strategy rater to Note 31.

Electricity price

The Group hedges cash flows from sales of future electricity production against the risk of electricity price momentent by selling the production via formerd contracts with respect to the strategy of production selling. Strategy for managing risks associated with fluctuation of the electricity prices is described in more details in the Note 31.

عندر سنبحت

In connection with the contracted purchases of nuclear fuel, the Group hedges its exposure to volatility of the price of vranium, as a risk component of the nuclear fuel price, through swaps for sale and purchase of the uranium product.

Change in the hedging reserve in the consolidated statement of other comprehensive income, before tax, during the period was as follows:

in housents of EUR	2022	2010
Balance as al 1 January	F1,072	12,00
Change in valuation of cash flow heights	120,171	(107,905)
Reclassification to profil or loss:		
Circulated Areign exchange inst	(\$1,312)	20,677
Hedges fiel becare belletike	(B,7Z3)	4,901
Net gain(face) of the matured contents	(3, 64 9)	(4,777)
Transfer of hedge reserve to initial cost of the asset	1,001	-
Balanca as al 31 December	10,55	51,572

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

II. The Group's subsidiaries

The structure of the Group's interest in subsidiaries is as follows:

Company Aires	Country of Decayors Rev	Overenskip 2020
Octorera a tezpernoù SE, ern.	Machaver, Stovak Republic	10.025
Sizvenské elektróme – energelické sizőy, s.r.o.	Braiktwa, Slovak Republic	1.02
Centrum pre vedu a výstum, a r.o.	Minchever, Stowak Republic	1075
Sizvenské elektróme Česká republika, s.r.o.	Prague, Casch Republic	107
SE Služby inžinienských slavielu, s.r.o.	Minchever, Stovak Republic	107
Company care	Country of Incorporation	Ownership 2019
Ocinana a tezpečnuš SE, a.c."	Mochaves, Slovak Republic	100%
Simensia elektrime - energeñcia sinday, er o.	Balistova, Sizvak Republic	100%
	Mochanice, Stoval, Republic	10.04
Cerninan pre vedu a výslaun, ar.o. Slovenské elektrárne Česká republika, ar.o.	Nochovce, Slovak Republic Prague, Czech Republic	100% 100%

"Charge of legal hand han just shad company to Balled Bally company of Calman a separate 25% and replaced to be Canasacht replace on 11 September 2011

Investments in associates and other investments

The structure of the Group's interest in the associates is as follows:

in Recentral CUR

			Canping around		
	Country of	Cesestip	of interfaces.	694Y	P
Company since	han see that	2223	2020	2070	2022
REAKTORITEST, E.C.I.	Stovak Republic	49%	157	320	155
OLIV Ref. a.s.	Cascil Republic	17.17%	21.854	78.697	11.458
Emergedet, a.s.	Stave Republic	20%	267	5,321	850
Talai investigante in associates			77,77	4,33	12,46

in Processie of ELR

			Canying around		
Company name	Country of Incorporation	Casestip 2279	of Investment 2019	Eguly 2019	2010
REACTORITEST, E.C.D.	Stavall Republic	49%	216	440	275
OLV Ret, a.c.	Czech Republic	17.77%	19,273	19,402	3,097
Energiet , 25.	State Republic	20%	606	6,919	1,497
Talai investigante in associates			2,65	76,761	4,775

Simeraté debiténe, as.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of BLR)

Accets, fabilities, revenues and expenses of the accordance were as fabilities

to those of 13.12	Mon - current Characte accede - accede	Corrects assets	Total	Equily.	Nin – curret Linges	Canter Debuilt	Total Contraction	Recent	Boundar	μų.
REMOTORIEST, MAIL	z	2,054	202	A	I	B67,1	1.1	21,000	21,440	ä
ON Reg. a.s.	84,510	47,423		78,637	72,057	31,186		51,003	572,00	11,12
Energetet, a.e.	4231	6,016	N, ZIT		244	4672	4,516	11,206	10,325	
į	22 22	5773	14/24	H X	ШСZ	32,555	N G	۲ ۲	942	12,40
	Man - arrent - Coreada				1013 - KN					
in Annuands of RJR.		Accession in the second						Personal	Borner	

	Jim - armit)ince		Non – Current	(Junear)				
to Atroacedia of 12.11		anals.		Ì				REVENUES	Equado	Į
2015										
REMORTEST, KAD.	'	2,574	1257	Ŧ	Ŕ	1,796	7,134		20,00	
ûn Rez, als.	ड्युकाण			69,402	706,05	15,929		51,415	48,310	
Energelet, a.c.	4,609	1,251	1 1,50	6163	¢	4,842	SUMI	12,037	10,650	
Į.	6 /16	842	126,752	TETEI	21,414	215,52	1951	21) I.S.	542	627

The shudure of the other investments is as follows:

28	5,055	9
	ŝ	'n
Carrying arrows of Carrying arrows of Investment 2020 - Investment 2019		
Û E		
žB	5914	5314
Ĩ		-
Û A		
~		
L G G G	녩	
	ł	
an said	Ĭ	
6	Ð	

Oher inechasts include the Group's equity intereds in the European Liability Insurance for the Nuclear Industry (ELIN), European Mukual Accession for Nuclear Insurance (EMNN), Blue Re-Mukial Accession and Nuclear Industry Reinsurance Accession (NRA).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

10. Investories

	Alast	Al lower of cast or net waitable value	Al cast	At lower of cast or set realisable value
in Accounts of ELIA	2000	2020	2219	2010
Nuclear Kel	Z31,555	231,378	2,2,151	249,381
Russi fuel	14,017	8,632	20,153	17,338
Space parts	25,305	20,545	23,651	19,333
kiaterial and copples	6,886	4,742	6,415	4,378
Finistian simulation	45,714	48,910	5,96	45,596
Oher	1,714	3,714	2,559	2,559
Talai Investaries	327,185	317,721	246,841	33,55

Intentories in Iolal value of EUR 165,167 thousand (2019: EUR 186,298 thousand) are expected to be recovered within a period of more than hardwe mentils following the balance sheet date

Total balance of emission allowances recognized as at 31 December 2020 were held for hading and were valued at the fair value. Emission allowances in 2019 were purchased to selfe the liability from actually discharged emissions in accordance with the European Union Emissions Trading Scheme and in line with the valid legislation in the Storak Republic.

Nuclear fuel movements

in Proceeds of EUR	2922	2019
Balance on st 1 January	243,655	24,07
Purchases	51.881	61.135
Conservation	(53,786)	(70,061)
Sale in the State Reserves	(6,208)	6,276)
Balance un st 31 December	21,55	20,03

Novement in the write down to investories

in timusands of EUR	2020	2019
Release as at 1 January	1,66	7,152
Wiledow	1,370	3256
Usage	(160)	(273)
Referenze	ញ	(679)
Balance as si 31 Occumber	12,655	265

The Group writes down obsolete and slow-moving inventories.

Sievensie elektrime, a.s.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

11. Trade and other receivables

in innuments of EUR	2020	2019
Carmal maximize		
Receivables given by contracts with customers	231,665	226.035
Cher resclicibles	16,723	17,414
Receivables from related parties	1 ,744	70,665
Expredict costil losses allowance	(143,038)	(146,534)
Tabi inaziri narinikin	167,555	177,521
Value activitiza and other laces and less	782	1,890
Tabi inis asi dine materia	167,671	175,071
to itousands of EUR	2020	2279
Ken-cervent receivables		
Reschable from the rate of Galaticus hydro power plant	2,110	79,964
Non-current prepayments	-3/28	26,380
Diner van-surrent rezekables	76	925
Telai non-cumat montables	131(613	167,265

Receivable from the sale of GabGlewo hydro power plant (hereinabler as the "VEG") was recognised based on the Agreement on settlement of legal relations with respect to the VEG assets, signed on 24 March 2000, in the value determined by an expect. The balance of non-current receivable from the sale of the VEG assets recognised as at 31 December 2020 amounting to EUR 82,410 thousand (31 December 2018; EUR 79,084 thousand) represents its discounted present value. The nominal naive of the receivable as at 31 December 2020 amounts to EUR 102,012 thousand (31 December 2018; EUR 102,012 thousand). For the information regarding valued orgoing legal disputes, refer to Note 20.

For terms and conditions relating to related parties, refer to Note 25.

Trade receivables are non-interest bearing and are generally due within 14 - 90 days.

The Group applies the THRS 8 simplified approach for trade receivables that measures expected credit lesses by calculating a lifetime expected loss allowance. Trade receivables have been grouped based on the days past due. The Group has established a provision matrix, the expected loss rates for trade receivables were calculated based on payment profiles of sales over a period of 5 years before 31 December 2020 and 31 December 2019 and the corresponding historical credit losses experienced within this period. For more details regarding credit risk, phase refer also in Note 31

Nonements in the expected credit lesses allowance were as follows:

in Reasons of EUR	2020
Balance as at 1 January	146,534
cange to the year (tale 20)	144
Villed	(44)
Deuted amounts revenued (Note 25)	(8,555)
Bitro a d 11 Crorter	143,055
in Proceeds of EUR	2019
Balance as at 1 January	145,385
Charge for the year (Note 25)	1,375
Lined	(13)
Vallass amounts revenues (Wale 25)	1145
Relation and 31 December	

NOTES TO THE CONSOLIDATED RINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

As at 31 December 2020 and 2019 trade reseivables included receivables against VOOOHOSPODARSKA VYSTAV8A, STATNY POONIK in Iolal value of EUR 22,137 thousand, which are subject to an orgoing dispute with the counterparty. Due to uncertainties related to the collectability of these receivables, the Group recognised an allowance for individually impaired receivables in full amount. These receivables were not included in the IFRS 9 simplified model for calculation of the expected credit losses allowance, but were exercised on an individual losis.

As at 31 Desember 2020 and 2018 inade receivables included an amount of EUR 113.85 million related to past contributions to Združenie Duraj (The Danube Association') which was established to facilitate the cooperation between the Group and the company VCOOHCSPCDARSKA VYSTAVBA, STATNY POONIK for the construction of the GabGloup dam and electricity facilities. Due to uncertainlies related to the collectability of this receivable, the Group recognised an allowance for individually impaired receivables in full amount. These receivables were not included in the IFRS 8 simplified model for calculation of the expected credit losses allowance, but were assessed on an individual basis.

As at 31 December 2020, trade receivables include an amount of EUR 1,486 thousand (31 December 2018; EUR 1,470 thousand) related to purchased credit-impaired trade receivables that are fully impaired since initial recognition.

12. Cash and cash equivalents

in Annamis a' EUR	3530	2010
Cash al banis and on hand	H,273	12,460
Talai sadi ani sari syrivsimis	14,273	12,45

Cash and cash equivalents as at 31 December 2020 include EUR 100 Incusand that is restricted by legislation (31 December 2018: EUR 100 the scared).

13. Other assets

in Reasonats of ELIR.	2020	2019
Cline current annola		
Pepali espanas - Insunnae	2,12	1953
Prepaid expanses - leave of buildings	545	-
Prepaid expenses - date supervision over nuclear power plants	-	5,3 12
Perpeti expresses - two related to loans and boroadings	375	361
Pepali equipe - cher	245	2,456
Accued revenue - uninvolved electricity deliveries	31,273	16,751
Tabl dier carent ande	3,171	<u> 8</u> 8 4
	2020	2718
Oliver non-current exects		
Property companyees	1,700	1,865
Right for reinforcement of the special purpose tinancial reserve	1,675	1,353
Teles allor non-current ensets	3,175	3,248

On 1 January 2019 a new Act No. 3122018 Coll. amending the Act No. 79/2015 Coll. on noise came into effect. This new act has amended, inter alia, also the pronouncements regarding the special purpose financial reserve for waste dumps which the Group as an operator of the neede dumps must create. According to the § 24, article 4 of this act the lunds must be deposited on the special account in the State Chamber. Following the § 135e, article 1 of the Act Nu. 312/2018 Golf. The Group had an obligation to barrelis the funds on the special account of the State Chamber by 31 March 2019. Since this moment the Group recognizes this special purpose financial reserve as a long-term asset - a right for windowsement of the special purpose financial reserve in line with integretation. FRIC: 5 Rights to Interests arising from Decommissioning. Restoration and Emisormental Rehabilitation Funds. Simensié elektráme a s.

NOTES TO THE CONSOLIDATED FINANCIAL STATENERITS for the year ended 31 December 2020 (in thousands of EUR)

14. Share capital and reserves

i) Share canital

As al 31 December 2020, the share capital comprised 39,041 ordinary shares (2019: 39,041), thereof 38,238 shares at a particular of EUR 33,183.92 and 803 shares at a particular of EUR 33,18, All eccent shares are fully paid.

The holders of ordinary shares are entitled to receive dividends in accordance with legislation valid in he Sovak Republic and as desided by the general meeting and are entitled to vote, while each EUR 33.19 regresents prie mite.

The Company does not hold any of its own shares.

ii) Reserves

Revelue German

Following the IAS 18 and the valid accounting policy the Group applies revaluation model for subsequent measurement of property, plant and equipment after initial recognition. The assets' revolution reserve is recognised in relation to the increase in the carrying value of property, plant and equipment and decrease. in his value to the extent that such decrease reference an increase in the fair value, previously recognised in equily. The reserve cannot be used to pay dividends.

Coller reserves

Other reserves mainly consist of the legal reserve fund and the hedging reserve. As at 31 December 2020, he legal reserve fund arrounds to EUR 250,500 thousand (2010; EUR 250,560 housand). This fund is not available for distribution to shareholders, but to cover losses or increase the share capital.

The bedging reserve comprises the effective partian of the cumulative net change in the fair value of cash four hedging instruments related to hedged transactions that have not yet occurred or have not yet allected nottaries.

Distribution of profit from the previous accounting period Distribution of the consolidated profit from the previous accounting period of EUR 22,001 thousand was as iologs:

in thousands of EUR	Accussing pair for 2019
Langer to referre comings	22,MU
Total	22,001

NOTES TO THE CONSOLIDATED RINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

15. Provision for nuclear decommissioning and storage costs.

Provision for decommissioning of nuclear power plants

Based on the provisions of the Act No. 541/2004 Coll. on Peaceful use of Nuclear Energy as amended (hereinafter as the 'Alomic Act'), the licence holder for operation of nuclear power plants is responsible for preparation of the conceptual plan of decommissioning of each nuclear power plant and provide for its decommissioning after the end of its operation. According to the pronouncements of the Alomic Act, the entity responsible for execution of the decommissioning is the licence holder for decommissioning.

Provision for decommissioning of nuclear power plants includes the costs of demanding of V2 nuclear power plant in Jackwale' Buhanice (neuroinalise as "V2") and the first and the second will of the nuclear power plant in Nochowce (neuroinalise as "END 182") (units WER 440 type 213 with reactors performance 505 MW (V2) and 470 MW (END 182)). The underlying assumption for recognizing the provision is the obligation aller the end of operation of nuclear power plants to demantie the facility, process and dispose all radioactive waste from decommissioning and return the site to the condition defined in the conceptual plan of decommissioning developed for the individual power plant. The local present value of the obligations concerning decommissioning of nuclear power plants is covered by a provision. The initial estimate of cost in respect of the provision that has been recognised by the Group forms a part of the comping amount of property, plant and equipment.

The Council Directive No. 2011/70/EURATOM, which establishes a basic iranework for the responsible and safe management of spent nuclear fuel and radioactive wasle in the European Alornic Energy Community (hereinalter as the 'Directive'), mixed the requirement for the member states of the European Union to prepare a national policy and national programme for the responsible and safe management of spent nuclear fuel and radioactive maste. The Directive was reflected in the Stowak legislation through the Act No. 143/2013 Coll. from 21 May 2013, by which the Atomic Act and at that time valid Act No. 238/2008 Coll. on National Nuclear Fund were amended. Following the abovementioned, on B July 2015 the Stowak Government adopted the document named 'National Policy and National Programme for handling of spent nuclear fuel and radioactive mastes in SR', as an update of the strategic document. 'Strategy of the back-end cycle of the peaceful exploitation of the nuclear energy in the Stowak Republic' (hereinafter as the 'National Policy' and the 'National Programme').

The above mentioned documents define the strategy of immediate decommissioning for the nuclear power plants both in Jaslovskie Bohunize and Nochowce, which is consistent with the one applied by the Group and reflected in the conceptual plans of docummissioning subject to approach of the Nuclear Regulatory Automity of the Standa Republic (Inseination as the "ULD SR"). Estimation of the costs and distursements for decommissioning of the nuclear plants as at 31 December 2020 is based on the strategy of the Group to apply more conservative prompt (immediate) decommissioning approach. The decommissioning strategy is subject to region and assessment of the ULD SR and the National Nuclear Fund for decommissioning of nuclear power plants and disposal of sport nuclear fael and redispotive waste (merivative as the "National Nuclear Fund", or the "NNF").

The updated estimation of the costs of decorrectioning, as included in the document "Updated conceptual plan of decorrectioning of the nuclear power plant V2 and EMD182 and creation of input database of assets subject to decorrectioning", developed in April 2017 by the company EGP INVEST, spot. s.r.o., an independent specialist in determining cost estimates of back-end cycle processes of nuclear industry, was used as a basis for valuation of the provision for decorrectioning of modes planes plants and 31 Decorrect 2020 and 31 Decorrect 2019. These documents were approach by the UJD SR on 27 August 2018.

Provision for post-operational costs of nuclear power plants

This provision includes disturgements to be incurred by the operator of a nuclear power plant once the nuclear power plants energy production is stopped until the license for decommissioning is obtained. The method of lemination of operation is determined by the gradual reactors shut downs (two years apart) and after-cooling of spent nuclear fuel in the storage pool, which creates typical termination of operation phases. The length of the incluidual phases is determined mainly by the type of spent fuel storage.

The provision for post-operational costs of V2 and BMO 182 nuclear power plants is recognised considering the responsibility of the Group as the holder of the operating license to bring the plant into the decommissioning stage as defined by the Alemic Act.

The provision for post-operational costs reliects the present value of the expected distursements to be incurred during the four year period. Distursements of the costs are dependent on an expected date of the shut-down of the nuclear power plants.

The roles form an integral part of the conscitutes i financial statements.

Sievensie elektrime, a.s.

NOTES TO THE CONSOLIDATED RINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

The expected distursements releated in the valuation of the provision as at 31 December 2020 and 31 December 2019 are based on the estimation included in the document "Updated correspond plan of decommissioning of the nuclear power plant V2 and EMO182 and creation of input database of assets subject to decommissioning", developed by the company EGP INVEST, spot. 57.0.

Provision for storage and disposal of spent nucleor fuel

This provision includes the costs of transportation of spent nuclear fuel (neurinality as "SNF"), sloage of such neste in the interim storage facility and its final disposal in the deep geological repository.

The provision for SNF of V2 and EMO 142 nuclear power plants is recognised considering the responsibility of the originator of such needs as defined by the Alorvio Ant.

On 31 March 2000 the Company entered into a service agreement with the company Jackow synchronic spokerizations, a.s. (hereinalier as "JAVYS, a.s."). The subject of this agreement is a provision of senices related to transportation to an interim storage facility and storage of SNF in the interim storage facility. The Group concluded a senice agreement and subsequent amendments to it with the prices and quantities until 2022. The amendment to the senice agreement for the years 2020 through 2022 was approved for signature by the Board of Directors of the Company on 24 March 2020. The prices and quantities aller these dates are subject to negotiations.

The distursement schedule of casis related to transportation of SNF and its storage in the interim repository ill the end of 2009 was defined in the service agreement. The distursements schedule of the casis for the subsequent years will 2022 was defined in the ameniments to the service agreement. The provision as at 31 December 2020 was calculated using unit prices as per the amendment to the service agreement for the years 2021 through 2022. Casis beyond this date were determined based on technical assumptions alter this date. The provision takes into account quantity of SNF existing as at 31 December 2020.

In line with the National Policy, the Group expects final disposal of spent nuclear fuel in a deep geological repository. The provision for disposal in the deep geological repository was calculated considering expected costs to build such repository, since this repository does not exist as at 31 December 2020.

As of 8 December 2016, a learn of independent experts for analyses of back-end cycle processes of nuclear power plants (ULP Pointe a.s., ULV Rez, a.s.) developed "Updated feasibility study of deep geological repository in the Stock Republic". This study was used as a leasts for valuation of the provision for final dispessi of sport nuclear fuel as al 31 December 2020 and 31 December 2019.

The valuation of the provision as al 31 December 2020 and 31 December 2019 reflects the expected firming of commissioning of the deep geological repusitory compliant with the National Policy and the National Programme adopted by the Government of the Slovak Republic on 8 July 2015. The valid National Policy and the National Programme specify the year 2085 as the planned year for commissioning of the deep geological repository.

Provision for storage and disposal of radioactive waste

This provision includes the costs of transportation, insament, modification and disposal in the surface repository facility of low-level radioactive waste and it is recognised for radioactive waste generated by V2 and EMO 182.

The provision for long-life low-level radioactive needs of V2 and EMO 182 nuclear power plants is recognised considering the responsibility of the originator of such waste as defined by the Alomic Act.

On 31 March 2006 the Company entered into a senice agreement with JAVYS, a.s. The subject of this service agreement is a provision of the nuclear contexts the cest of which is the basis for valuation of this provision. The Group concluded a service contract and subsequent amendments to it with the prices and quantities being defined unit 2022. The amendment to the service agreement for the years 2020 through 2022 are approved for signaluee by the Board of Cirectors of the Company on 24 March 2020. The prices and quantities alter this date are subject to negotiations.

The distursement schedule of these casis bit the end of 2009 was defined in the service agreement. The distursement schedule of these casis for subsequent years until 2022 was defined in the amendments to the agreement. The provision as at 31 December 2020 was calculated using unit prices as per the amendment to the service agreement for the years 2021 through 2022. Casis beyond this date were determined based on technical assumptions after this date. The provision takes into account quantity of long-life low-local redirection words origing as at 31 December 2020.

Nonements in the provision are summarised as follows:

in incents of EUR	Providence for descentrationing of matter parties plants	Provedsioner for parsit- openational cases of machese powers planets	Anadistan Aor sitesage and oligaesal of opent maxicar Ref	Penister for storage and disposal of castorches weste	762
Balance as at 1 January 2020	21,26	15,16	1,32,13	56,36	215347
increase of provision inclugin					
income statement	-	-	13,781	2.70	15,581
Venindre of Interest (Note 26)	25.201	6655	57,010	2,195	91.060
Effect of change in estimates Invasit income statement	3,126	10,829	59,962	4,133	118,045
Effect of change in estimates	4,120			4,00	110,040
hrangi equity	51,726	-	-	-	51725
Usage of provision	-	-	(3,6 34)	(7,780)	(16,461)
Reference on of \$1 Namerican 2020	E71,342	10,05	1.54,76	57,116	1/2 74
Balance as at 1 January 2013	542,570	141,772	1,220,234	56,842	2,024,781
increase of provision inclugin					
income statement	-	-	14,244	2,64	16,677
Veninding of Interest (Note 26)	23,601	6,297	54,68	2,245	85,531
Effect of change in estimates	. —				
knough incenie statement. Effect of change in estimates	1,216	-stone	21,197	1,079	25,140
hraugh equity	23,917	-	-	-	23,917
Using of providen	-	-	(1.533)	(5,812)	ពទ.ແລ
Balance on at \$1 December 2015	21,26	15,15	1,32,13	56,361	2,155,547

In 2020, the Group reconcerned the interest rates used for discounting of the provision for nuclear decommissioning and strange costs to its present value. As a result, the Group recognized a change in estimate of EUR 114,520 Incusand debit through profil and loss and EUR 51,726 thousand debit through equily (2018: EUR 52,080 Incusand debit through profit and loss and EUR 23,017 thousand debit through equily). These amounts are included within times Effect of change in estimates through income statement and Effect of change in estimates through equily in the table above.

In 2019 the Group recognized charge in estimate of the provision for storage and disposal of sport nuclear fuel based on the updated estimation of future costs, following the signed amendment to the service agreement on provision of the nuclear services with JAVYS, a.s. The effect of charge in estimates through income statement for the year ended 31 December 2019 represents credit of ELR 22,940 thousand.

The provision is presented in the consolidated balance sheet as at 31 December 2020 as follows:

in August of ELR	Provideban for decommunications large of machiner power plants	Avadstan far pasti- operational caute of neuleur power plants	Proxision for schwage and alignesia of spect costear fuel	Provision for storage and disposed of radiaatile wate	7553
Current Babilities	-	-	14,729	7,6 0	22,369
Non-current liabilities	671,348	173,623	1,509/76	49,476	2,403,929
Total prevision	67136	171.55	1590,265	S2,116	20678

The provision was presented in the consolidated balance sheet as at 31 Desember 2019 as follows:

		Andria for			
	Provision for	pas-	Provision for	Providen for	
	decompletioning	operational control	singe and depend of	starage and stopsant of	
	of nuclear power	nanisar poster	spectra de la ser	a de la companya de la	
h hasans of E.R	ptents -	a starter	N .5	Table	755
Current Excelles	-	-	11,126	4,632	15,758
Non-current liabilities	591,295	156,145	1,351,012	51,736	2,150,169
Tabli prevision	51, 2 5	156,145	1,32,13	2,22	2115,517

The roles ions an integral part of the conscillated investal statements.

NOTES TO THE CONSOLIDATED RINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

The present value assumptions of the provisions

The present value of the provisions mentioned above nos calculated applying 2% initiation rate (31 December 2018; 2%) and a discount rate ranging from 3.68% to 4.05% (31 December 2019; 3.88% to 4.25%) over forecasted distursement schedules. The discount rate was determined based on long-term series of interest rate data and it takes into account the fact that some expresses accessed by provisions will be distursed over periods significantly longer than the duration of instruments generally toded on the financial markets.

The estimated schedule of future distursements falces into account all tooun statutory and environmental regulations applicable, together with an uncertainty factor inherent to the fact that payments will only be made in the long-term (see Note 3 ()).

The sensitivity of the main components of provisions to changes in the discount rate is shown in the table below:

		Several Report of the several s					
	Present value of the provision		2020		2019		
in Knussets of EUR	2220	2019	+ 225%	-02%	+025	- 0.25%	
Since and depose of spectructer fuel and catography made	1,581,321	1,418,505	(124,258)	139,705	(110,693)	124,296	
Deconstitutoring and post-operational costs of puctors power plants	644,977	747,441	(81,232)	50,562	(73,081)	81,613	
Tolai	2,05,29	2,115,517	(205,520)	Z 2,20	(هر ها)	25,20	

Funding for decommissioning of modear power plants and for casts of storage and disposal of spent nuclear fuel and radioactive waste

In August 1994, the National Council of the Slowik Republic passed the Act No. 254, which provided for the creation of the State Fund for Decommissioning of Nuclear Facilities and Disposal of Spent Nuclear Fuel and Radioactine Waste (Fund'). On 16 March 2005 the National Council of the Slovek Republic passed the Act. No. 238/2006 Coll. (thereinalier as the 'Act on the National Nuclear Fund'), which cancelled the Fund and established its successor, the National Nuclear Fund. Based on the Act No. 550/2011 Coll., which amends the Act on the National Nuclear Fund, rules for the amount of the contributions were established. Pursuant to natid pronouncements of this act, commencing 1 February 2012, the operators of nuclear facilities were required to contribute a fixed amount of EUR 13,428/20 per each MW of installed electric capacity relating to nuclear facilities and 5,85% of the cutes price of electricity generated by these nuclear facilities per year. The rule paid per each MW of installed capacity was valorised by the rate of inflation every year.

As of 17 October 2018, new Act No. 308/2018 on the National Nuclear Functions passed. With the effective date of 1 January 2018, new rules for determination of the annual of the contributions to the National Nuclear Funchave been established. The annual of contribution is separately calculated for each nuclear facility, mostly based on the total estimated cost of the back-end cycle processes of each nuclear power plant, the number of years during which the contributions are accumulated on the sub-account assigned to the nuclear facility, the appreciation of accumulated contributions over time and the impact of macruescreantic factors on each nuclear power plant over individual phases of its life cycle. Based on the new calculation and following the regulation No. 22/2019 Coll. dated 9 January 2018 a new contribution was determined stating the value of yearly contribution for the years 2010 through 2022 in consent of EUR. 41,038,094 per year for V2 and EUR. 24,891,727 per year for EU/O182.

NOTES TO THE CONSOLIDATED RINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

The following table recordies the right for reintausement from the National Nuclear Fund which represents financial amounts on the subaccounts of the National Nuclear Fund designated for decommissioning of nuclear facilities owned by the Group including management of radioactive weste from such decommissioning:

in Vinusanda of EUR	Balance of JMF sub-accounts assigned to JMPs of the Group
Balance as at 1 January 2020	1,325,112
Payments to the funct during 2020	6,978
internat reserved (Nate 26)	31,539
Fund administration Re-	(ESI)
Balance as st 31 Cocamber 2020	1,635,524
Reference and 1 January 2015	1,25,63
Payments to the fund during 2019	79,346
internat reserved (Nate 26)	30,621
Fund administration fee	(794)
Balance as st 21 Cocamber 2013	1,32,112

According to the Action the National Nuclear Fund the Group is one of the contributors to the National Nuclear Fund. The National Nuclear Fund, reporting to the Winistry of Economy of the Stovak Republic, is not controlled by the Group. The above mentioned right for reindoursement from the National Nuclear Fund is recognised as a separate asset and represents the reindoursement right for the purposes of decommissioning of nuclear facilities ownest by the Group including management of nationative weeks from such decommissioning in the amount of actual contributions paid including net revenue interest from this part of contributions in line with the interpretation IFRIC 5 Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds.

Based on provisions of the Action the National Nuclear Fund covering activities of the National Nuclear Fund, the Group expects that the assets of the National Nuclear Fund (primarily deposits at the Stouk, Stale Treasury and commercial banks) will be used exclusively for enacted purposes in future. If there is a decrease in the funds accumulated on the sub-accounts assigned to the nuclear power generating facilities owned by the Group as a result of the decision on funds allocation issued by the authorized buckes of the National Nuclear Fund, the Group decreases the carrying value of the right to receive the reinhursement reported as the right for reinhursement from the National Nuclear Fund on the consolidated balance sheet and charges the change in the value of the reinhursement right to puffl or less.

Under the Atomic Act the Group is responsible to secure decommissioning of nuclear facilities and to manage ratioactive waste and spent nuclear fuel until their takeover by an entity established, incorporated or authorized by Minishy of Economy of the Stotak Republic. Assuming all legal requirements are mel, the Group therefore expects that, the right for reinbursement from the National Nuclear Fund arises for that part of the contributions, which shall be used to reinburse actual costs incurred mainly during decommissioning, figuidation and management of spent nuclear fuel and ratioactive naste from decommissioning of the nuclear power plants of the Group. The Group also expects that the remaining part of its contributions (logether with other sources of the National Nuclear Fund) determined for the purposes of design, construction, operation and closure of repositories, will be used by the state in future under conditions and for the purposes set by the law.

The ability of the National Nuclear Fund to meet the costs of decommissioning of the nuclear power facilities operated by the Group and storage of spent fuel is dependent on various factors. These factors include, among other things, the reserves earned by the Group on such generation, earnings on cosh deposited in the National Nuclear Fund and the level of contributions to the National Nuclear Fund from other sources. The actual decommissioning and disposal costs may vary from the initial estimates because of regulatory requirements, changes in technology and increased costs of labour, materials and equipment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

The current financing scheme of the back-end cycle of nuclear energy includes the sources of financing that are designed to cover the costs related to so-called this brical deficit" that arease due to not contributing the financial resources from operated nuclear power plants into the Nuclear Fund writt the end of 1994 (when the State Fund for Decommissioning of Nuclear Facilities and Disposal of Spent Nuclear Fuel and Radioactine Waste mass established). Most of this deficit relates to the state owned nuclear facilities in testowské Bohunice (A1 and VI) that are not in uperation as all the balance sheet date. In order to came this deficit the Coveniment of the Storek Resublic approared the Regulation No. 426 dated & October 2010, introducing a special tariff to be ultimately paid by final consumers amounting to 3 EUR/MWh of electricity delivered in 2011, that is being adjusted by the rate of the care inflation every year. This tariff is included in the price of the electricity delivered to the end customer. Operators of the transmission system and regional distribution systems deliver these funds to the account of the NMF. This tariff is delemined to finance the activities related to decommissioning of the nuclear power plant A1 and part of the nuclear power plant V1 in tusiowské Bohunice.

On 9 January 2018, the Gouernment of the Sixak Republic approved the regulation No. 21/2019, with the effective date of 1 February 2018, establishing the amount of special tariff to be used to cover the historical definit from electricity definence to and explorators. The tariff was set at 3.27 EU/QMWh in the year 2029.

From the practical reasons it is assumed that the tarif, collected by the openious of the transmission system and regional distribution systems to cover the historical deficit, shall be spread over the longer time horizon and shall cover the actual meets that are to be updated every 0 years.

The report on the fulfiment of the National Programme for handling spent nuclear fuel and natioactive waste in the Stovak Republic as at 31 December 2019 states, among other things, that the analysis of the historical deficit and the proposal of the mechanism ensuring the financial resources to cover this deficit is expected to be elaborated during the update of the National Programme, which was launched in the half of 2019 and its completion is expected by the end of 2021.

16. Provision for dismantling of discural power plants

Considering the current market and regulatory environment the Group estimates that it will not be able to operate Novaity ("ENO") and Vejany ("ENO") thermal power plants beyond their estimated remaining useful lines. Que to the existing legal environment, the Group, in line with its past poactice, takes full responsibility for decommissioning of these thermal power plants once the plants cause their operations. Consequently, the Group recognised a provision to cover future decommissioning costs which are expected to be incurred upon shut-down of the plants.

in Proceeds of EUR	2222	2010
Balance as at 1 January	125,057	125,751
Vaninding of Interest (Nate 26)	5,195	5,220
Effect of change in estimates income statement	1,783	(4,665)
Effect of change in extinuins invergin equily	2,653	610
Actual expenditure in painti	(136)	62)
Balance us at 31 December	136,952	12,67

" Accel 8:19 77 Accent and pression as a coll with the bed specialize, markales and spatements for constitution we submert, see Nate 25

The provision is presented in the consolidated balance sheet as at 31 December 2020 as follows:

	Produktor for disconting
to Konzanda af ECUIT.	of Permai power plants
Current liabilities	220
Non-current liabilities	136,342
Telai provision	136,512

The provision is presented in the consolidated balance sheet as at 31 December 2019 as follows:

in innusands of EUR	Provision for discussion of iteraal power plants
Current liabilities	150
Nan-current Bab lites	126,707
Telui presiden	126,857

The roles form an integral part of the consolitated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

The thermal power plant Nováky is operated based on the decision of the Slovak Government in general economic interest in order to ensure security of supplies in Byshrčany rodal area. On 5 august 2019 he Ministry of Economy issued a decision No. 17237/20184130-38105 valid since 1 September 2019 by which it defines responsibility for the Group in respect of the production of electricity from domestic coal in the Ihermal power plant Nováky within the general economic interest until 2023.

The Regulatory Office for Network Industries issued a decision No. 0162/2018/E dated 18 December 2017 further amended by a decision No. 0273/2018/E dated 27 August 2018 and a decision No. 0098/2020/E dated 5 December 2019 stating a fixed price for the domestic coal electricity production and a decision No. 0174/2018/E dated 18 December 2017 further amended by a decision No. 0274/2018/E dated 28 August 2018 and a decision No. 0185/2020/E dated 13 December 2019 stating a tariff for system operation that the Company has to more to the short-term electricity mantet operator CKTE, a.s. for the period of 2018 - 2021. These decisions were halfd as at 31 December 2020.

The Group operates the thermal power plant in Nováky and the thermal power plant in Vojany in line with the valid environmental legislation.

The Group allocates revenues and expenses in accordance with the accounting principles mentioned in these financial statements and in accordance with the internal accounting records and the valid legislation.

The process of shut down and dismanling of the thermal power plants shall be administered in line with the decommissioning strategy of individual plants in EVO and ENO. This strategy is currently considering different possibilities how to proceed with areas of the thermal power plants such as partial dismanling of the plant, utilization of the area for further business development, or, sale of the area not used.

For the purpose of dismanling of thermal power plants in Visjany and Nováky a comprehensive studies "Assessment of the costs for decommissioning of the thermal power plants of SE, a.s." were developed by the company EGP invest, spol. 5 r.o. The studies contain the assessment of the status of individual main production familities as well as acciliary equipment relating their useful life and planned utilization. The studies assessed also a secondary usage of materials and sources. The dismanling of already studiosm and non-operated production facilities in EWO and EVO is planned to be executed in stages. The studies contain also the plan for dismanling of the sources and equipment that is currently in operation and dismanting of which will begin only after the end of their useful lines.

Evring the year 2020 the Group reassessed the expected costs for resultiation of studge bed at EVO as well as the discount rate used for discounting the provisions for dismanting of themal power plants and decommissioning of studge beds. As a result of this reassessment the Group recognised a change in the estimate of the provision in amount of EUR 4,045 which is the total effect of increase of provision due to reassessment of the expected costs in amount of EUR 338 thousand and increase of EUR 4,307 due to change in the discount rate.

In 2019 the management of the Group reassessed disbursement schedules related to the process of dismanting of hermal power plants with no change in relation to the volume of the estimated cost and, at the same time, reassessed the discount rates used for discounting of the provisions. As a result of this reassessment the Group recognised a change in the estimate of the provision in amount of EUR 4,075 housand which represent a net effect of the increase of provision due to change in the discount rate in amount of EUR 2,133 thousand and a decrease due to shift of the time schedule of the cash distursements in amount of EUR 6,208 thousand.

The present value assumptions of the provisions

There is an inherent uncertainty intolvest in the calculation of the provision due to the estimation of various assumptions, including future initiation expectations, discount rates and the actual disbursement schedules. The present value of the provisions mentioned above is calculated applying 2% initiation rate and a discount rate based on long-term series of interest rate data ranging from 3.88% to 4.05% (as at 31 December 2019 ranging from 3.88% to 4.25%) over forecasted disbursement schedules.

The sensitivity of the provision to the change in the discount rate is shown in the table below.

		-	Sensible to decreat rate charge				
	Present value of	ite provision	20	20	201	9	
is houseds of FLR	2020	2019	+2254	- 2.2	+02.5	-025	
Provision for dismaniling of Thermal power plants	136,562	126,057	്രാത	5,001	(5,262)	5,511	

The roles form an integral part of the conscillated financial statements.

17. Employee benefits

Employee benefits recognised in the coreolidated balance sheet are as follows:

	202		2019		
	Control	Non-Carlos	Carnen i	Non-career	
in Kousensk of EVR		College		Links .	
Long-iem incentives	-	152	-	182	
Post-employment benefits and other					
endique benefic	1,506	42,458	1,82	41,300	
Tolai	1,98	42,640	1,92	41,61	

In terms of the Collectine Agreement (hereinatier as "CCA"), signed between the trade unions operating at the companies of the Group and the companies, the long-term employee benefit programs within the Group represent defined benefit plans, specifically classified as post-employment benefits (retrement) and other employee benefits (nork anniversary benefits).

In December 2020 the CCA of the Company valid for years 2021 – 2023 was approved and signed. In December 2018 the CCA of the company Ochrana a bezpečnosť SE, a.s. (hereinather as "OBSE") valid for years 2019 – 2021 was approved and signed. All the parties concerned were informed about their conditions.

As at 31 December 2020 the Group had 4,003 employees (2018: 3,986 employees) eligible for employee benefits psychile in future periods. The weighted average dumber of the peak employment benefits and other benefits is 9 years in SE and 6 years in OBSE (2018: 9 years in SE, 6 years in OBSE).

Change in the present value of the defined benefit obligation

is itsusants of EUR	Past- requiserent descella	CONV DENOTIS	2020	2019
Preset vice of the strigsheet as of 1 January	41,665	1,330	0,75	35,677
Current service cost	1,963	74	2,043	1,877
Lineinding of Interest (Note 26)	403	13	422	52
Cainchease due in change in demographic accomptions	1,221	24	1,265	-
Calmaianas due la charge in linendal annumplicas	(1,607)	9	(1,598)	1,535
Experience galaxies asking during the year	1,489	38	1,527	(20)
Benefit payments during the year	(2.525)	(148)	(2 ,673)	(794)
Present value of the striggthere as at 31 December	-2,516	1,350	(1,96	42,930

	Post- Employeest	Other		
in houseds of ELR	1000		2020	2219
list lability as at 1 January	41,66	1,350	2,31	3,67
Expenses recognizes in post and loss	2,5/0	168	Z,540	Z,501
Reneasuements recepted in other comprehensive income	1,103	-	1,103	1,724
Bendi paynesis	2.55	(148)	(2,673)	(791)
Not Nability as at 31 December	42,616	1,350	6,35	Q,21
Thereat: Current parties	1,33	172	1,508	1,682
Naxamet pailer	41,280	1,178	42,458	41,308

Expenses recognised in the consulidated income statement

	Post- explorment	00er		
In Romands of EUR	denegas	Long Car	2020	2219
Current service cost	1,969	74	2,013	167
Unwinding of Interest (Note 26)	409	13	472	542
irmeliáciy recordesi actualai bases	-	81	81	154
Expresses for the year	2,575	16	256	255

The roles form an integral part of the consolitated financial statements.

Actuarial assumptions

Assumptions regarding future mortality are based on published mortality lables valid in the Storak Republic in the year 2019 issued by the Statistical Office of the Storak Republic during the year 2020 (used for valuations at 31 December 2020) and based on published mortality tables valid in the Storak Republic in the year 2018 issued by the Statistical Office of the Stovak Republic during the year 2019 (used for valuations at 31 December 2020).

Oher actuarial assumptions are disclosed before:

	202			2219		
Discount rate as at 31 December	0.89	1%		1%		
Future earnings increases				SE: 2.5% OBSE: 2 S	-	2.5%
Average fluctuation rate	SE: OBS	2% 3E: 7%		SE: 2.5% OBSE: 8		
Retirement age	SE:	according to v	alid legislation;	on; SE: according to valid legislatio		
		SE: according alid legislation	1	OBSE: a to valid le		
in tinucasis of FUR	7020	2014	2018	2077	2015	2015
Present value of the defined benefit obligation as at 31 December	43,965	42,990	39,497	40,732	35,229	66,519

Sensitivity analysis

the sensitivity of the provision to the change in significant assumptions is shown in the table before.

				Faire and y
		Discus	at raie	in the second se
in Decembral ELR	SI December 2020	+0.50%	-2.52%	+0.50%
Net liability from delined basefit abligation	43,966	(1,936)	2,180	1,415
				Rée star
		10.000	nt rafe	and the second second
in Proceeds of ELR	31 December 2019	+0.50%	-255	+25%
Net liability from defined basefit abligation	42,990	(1,916)	2,103	1,946

NOTES TO THE CONSOLIDATED RNANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

11. Other provisions

	Enders werdet	Legel	Provident Nor	Citizer 1	
in Brasants of EUR	an the second	produkter	Contraction of	ana da bra	Tata
Balance on at 1 January 2020	9,175	11,651	6,64	2	0,36
Provisions made during the period	-	104	41,385	2	41,492
Provisions used during the period	(568)	-	(43,089)	(2)	(13/179)
Unninding of Interest (Niste 26)	364	-	-	-	364
Ellect of change in estimates through Income statement	436	-	63	-	373
Effect of charge in estimates incogate equity	18	-	-	-	18
Rectans from other paysities	-	541	-	-	541
Enlance on at 31 December 2020	1.CH	11,00	41,555	2	Q,715
Non-convent portion	9,147	11,686	-	-	20,803
Current parties	454		41,285	2	41,872
Chinese on at 1 January 2015	9,527	11,922	35,143	5	51,627
Provisions made during the period	-	89	6,5	2	43,245
Provisions used during the period	(1,845)	-	(34,254)	(16)	(36,144)
Unninding of interest (Histe 26)	407	-	-	-	407
Ellect of change in estimates incugit income statement	255	-	1,121	-	1,326
Ellect of charge in estimates incogit equity	485	-	-	-	485
Release of provision	-	-	-	-	-
Enlance on at 31 December 2015	9,17 3	11,651	0,154	2	6/3K

Environmental provision

The environmental provision is recentised for the recutivation of waste dumps and the removal of continued environmental burdens in accordance with the environmental legislation walld in the Stovak Republic and in line with the Group's published environmental policy.

The Group cares and operates several waste dumps and has a legal obligation to resultivate them once their capacity is filed up. The Group recognises this provision based on the expected future disbursements arising at the expected date of closure of these dumps.

The provision for the removal of environmental burdens, where the Group is continued originator, is recognised at the value of the estimated future costs for their clearance.

The present value of the environmental provision as at 31 December 2020 is calculated based on applying 2% inflation rate (31 December 2018; 2%) and a discount rate ranging from 3.08% to 4.05% (31 December 2010; 3.89% to 4.25%) over foreacsted distancement subclukes.

Legal provision

Based on estimate of the Group's management, a provision for legal cases against the companies of the Group has been recognized to relact protochilly of an unsurcessful resolution of these legal disputes, including the court fees and other related legal fees.

Provision for emission allowances

Provision for emission allowances was recognised for the greenhouse gas emissions discharged during the period. The provision is measured at the estimated quantity of the emissions discharged for the period of a calendar year, valued by the unit market price or unit contracted price of the emission allowances designated for the purposes of compliance under the European Union Emissions Tracting Scheme and the valid legislation in the Slovak Republic.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

15. Loans and borrowings

	Norshai kilensi			
in Passants of ELR	(in 16)	Makety	2020	2239
Constituent and barroings				
Loans payable to banks	0721-600	2021	1,251,519	204,206
Subardinated isan (accrued interest)	592	2021	49	38
Chiquitous from finance issue (Note 5)	5.75	2021	3,725	3,534
Tabl current lease and berrowings			1,251,723	21,77
Ros-cannal loans and benouings				
Loans payable in banks	0721-600	202-206	1,833,444	25725
Subardinated Isan	592	7027	452,542	250,903
Colquiums from finance issue (Note 5)	5.75	2022 - 2043	7,740	11,465
Tabl con-carrent loans and borrowings			2,723,775	3,729,574

The substantial part of the loan portiolio is collaboratized via pledge over a selected portiolio of assets of the Group. The carrying amount of the pledged assets is disclosed in the Note 29.

As at 31 December 2020 out of the total amount of loan facilities drawn, the Group recognized EUR 105,000 thousand of reaching loans which are classified as long-term (as at 31 December 2018: EUR 105,000 thousand), since the Group has the discretion and intention to roll over the obligation for more than twelve monits after the reporting period under the existing loan facilities.

The Group has signed a contract with Sional: Power Holding B.V. to provide a subordinated debt up to the amount of FUR 700 million, out of which FUR 438 million was drawn as at 31 December 2020 (FUR 345 million as at 31 December 2019).

As at 31 December 2020 (and as at 31 December 2019) the Group was not in breach of any financial or nonfinancial covenants defined in the loan facility agreements.

In the interest of fulfiment of undertakings resulting from ban agreements the Group agreed with relevant creditors on prolongation of deadines for fulfiment of certain non-financial covenants. With regards to the orgoing negotiation between the Group and all its creditors with aim to unify certain provisions of loan agreements, the creditors agreed with temporary prolongation of deadlines for fulfiment of certain nonfinancial covenants as of the reporting day. The final prolongation of deadlines for fulfiment of certain nonfinancial covenants as of the reporting day. The final prolongation of deadlines shall be part of complex. agreement between the Group and its creditors. As the agreed prolongation of deadlines as at 31 December 2020 did not exceed period of 12 months the Group assessed that conditions of FRS for long term presentation of financial liabilities have not been met and recognized the loans in the value of EUR 1,009,250 thousand as short term.

As at 31 December 2020 and 31 December 2018, the scheduled repayments of loans and bonowings, excluding the effect of the reclassification of the non-current portion of loans and bonowings as described above, are as follows:

in Annual at EUR	2020	2019
Cu demand or within one year	245,443	207,778
in the accord to third year inclusive	129,427	60,351
Beyond the Initial year	110.579	1201223
Tedat	3,514,440	3,477,352

Overview of undrawn credit lines balances:

io liboranesia al 17417	20 B	2019
Unconsider cent ins	51,321	65.251
Specific puppere lean loans	460,651	453,441
Subordinaled Isan	252.00	355,000
Total	774,172	F73,632

		_	Non-cash na		
a lassats d EIR	Balance as at 1 January anan	Cash 2005	<u>a</u> -	Parajan escharge	Balance as al Si December
	2020		Oter	- 1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1	2020
Leans payable to ballis	1111/12	(1,22)	(1,204)	പ്രപ	100,00
Subordinated Isan	350,541	93,000	ब, स्टा	-	452,591
Colopicus from framesicase (Noie 5)	14,599	(4,000)	472	-	11,65
Tablicamentani na-susentiane Just barretna	1477,252	24 571	7,55	ត្រា,អឌ្	3,518,443

Oveniew of the loans' movements during the year 2020 and 2019 is as follows:

			Non-cash m		_
	Balance as al 1 James y			Foreign Exchange	Balance as at St December
in Pressons of ELR	2019	Cash Sana	Oter		2019
Leans paysble to banks	2,661,250	751953	(13,896)	27,077	3,111,412
Subadireted item	244,651	101,000	52.1	-	350,941
Obiquitous from finance issue (Noie 5)	1,500	(3,415)	16,834	-	14,999
Tabi cumut ani na-casari iana nel benaringe	117,521	তথ্যস	L,216	27,077	1477,352

Total interest calculated using effective interest method amounted to EUR 169,283 (housand in 2020 (2019): EUR 142,549 thousand), out of which EUR 167,532 thousand was capitalized (2019): EUR 140,859 (housand) as disclosed in Note 5.

20. Other Exhibities

Other liabilities consist of accrved expenses, mustly related to fees paid to the stort-term electricity market operator, defend income from derivative transactions, defend income from grants, long-term advance payments received and other non-current liabilities.

Defensed income from derivative intersections relates to the initial value of the embedded options as at the date of the conclusion of the long-term electrony contract with Storatico, a. s. For further detail see Nate 7.

Other liabilities comprise the following:

in Proceeds of EUR	2020	2019
Detensi incone from detvalve kanaazikus	m	1,554
Ciner defensit income	45	27
Acruet expenses – tes related to electricity rates	5,199	4,942
karvei espenes – at pikulan danges	124	152
Ganis	2.1	233
Chernen-curent labilities	223	2.2.2
Tabal	Lez	9,230
Non-current particu	2,513	2,556
Current partian	E, 145	6,674

21. Trade and other current payables

to itourands of EUR	2020	2019
Francial Galilies		
Trado prystáru	27,04	247,135
Giver wateri ilikiliko		
Social accually payables	5,87	5754
Payables to employees	29.55	30,652
Diver direct fames	12,561	7,748
Stari-tem provisions	15,721	15,831
Officer perpetation	4,62	11,085
Tolai dhar canani kabi Bas	8,01	71,050
Total finds and after current payables	25,172	318,225

Terms and conditions of the above stated financial liabilities:

- Trade payables are non-interest bearing and are normally selled on D0-day terms.
- Other payables are non-interest bearing and with an average term of payment of one to three months.
- For terms and conditions relating to related parties, refer to Note 28.

For explanations on the Group's credit risk management processes, refer to Note 31.

The social fund payable is included in other non-financial liabilities. The creation and use of the social fund during the period are shown in the table below:

h hands of EIR	2020	2019
At the taginates of the particl	1,236	534
Legal median trough expenses	1,406	1,216
Usep	(1,521)	(1,013)
At the sol of the parist	1,120	1, 25

Trade and other payables divided into due and overdue are shown in the table below.

in Research of CUR	2220	2019
Trade and other payables due	291,448	317,835
Trade and other payables overdue	624	393
Tatai	25,07	314,225

22. Electricity and least revenues and cost of electricity purchased for resule.

Electricity and heat reserves comprise the following:

in Pageonis d'EUR	2020	2019
Connectic sales, including fracters	27,54	69,297
Analisy services	71,094	73,01Z
Regulating electricity	1,222	3,229
Devlaterintalanze	9,351	8,634
Revenues from tariff from system operation	112,622	116,638
Hist regula	24,418	23,744
<u>Oher</u>	6,799	6,696
Dormalis severans	1,225,170	1,121,125
Foreign saids	1,566,712	1,21,318
Tabal electricity and head revenue	2,00,522	2,444,555

Cent of electricity purchased for resule comprise the following:

Purchase of electricity 1,771,161 Electricity less 84,850	1,661,529 80,199
Excitally less 84,850	SE 100
	a , = =
Diter 18.115	16.247
	1,571,045

The roles form an integral part of the consolitated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

21. Other operating income and other operating costs

Oher operating income comprises the following:

in Proceeds of EUR	2020	2019
Renzel Inserve	725	733
Cain on sale of emission allowances	16,979	52,255
Ananimian of defened income	10	117
Gain on sale of property, plant and explorment	550	17
Centradual lines	775	1,454
Gain on sale of maletal	-	423
Compension of Amage	1,753	10
income from selfement agreements	675	413
Revenue from rendering of other services	4,430	5,197
<u>Other</u>	477	139
Tabi ahar apading incore	8,777	61,765

Oher operating costs, other han depreciation, an artistation and impairment, comprise the following:

in Proceeds of EUR	2020	2019
Local tases and environmential charges	16,191	15,290
hune of	4,572	5/81
Changes in other provisions	540	25
Commonly derivatives, met	24,66	30,314
Contractual lines	401	295
Membership Res	152	911
Changes in previolen for reinforcement of damages caused by extenditions	186	(665)
Clarges in produion for emission allocances	41,221	44,276
Wile of of reservables	499	-
uiner	3 74	119
Tabi etar spening com	56,07	5,06

The expenses for senices provided by audior to the Group were as follows:

in Proceeds of EUR	2020	2019
Audit of the Insurtal statements	169	170
Related audit services	4	в
Citer non-andi servicas	156	20
Tabal	575	725

24. Personnel expenses

in Processity of EUR	2020	2210
Ways and status	88 <u>,</u> 968	87,230
some recently costs	38,052	37,003
Citer satisf expenses	6,115	5,795
Employee benefik (Nole 17)	2,124	2,021
Clauge in provision for long-term incentives	-	(102)
Severanceproprieta	1,012	1,239
Persenai agaman	1 27,271	135,041

The roles item as integral part of the conscituted intercial statements.

NOTES TO THE CONSOLIDATED RIVANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

25 Depreciation, amortization and impairment

in Proceeds of EVR	2020	2219
Deprestation charge - property, plant and equipment (Note 5)	211,302	199,318
Anoritation clarge - Intargible assets (Vide R)	1,455	1,834
impairment loss through income statement - property, plant and equipment (Note 5)	2,275	15,352
inpaimeni izza îrraști incone sialement – infangitie asseis (Kole II)	96	-
Change in estimate of provision for diamanting of inernal parer plants (Noie 16)	-	(31)
Change of allocance for expected credit bases, net (Note 11)	(1,422)	1,146
uiner	17	5
Capacitica, manifestion and implement	211,724	217,644

26. Finance income and costs

in Reasonin of CUR	22-22	2019
interest insume	2,472	2,644
Nalional Nuclear Rund – Internal received (Note 15)	31,539	30,691
Embedded derivalives - reisage of defened revenues (Note 20)	717	\overline{m}
Revolution gain from indiscive insiging derivatives	6.03	629
Finance income	35,591	34,781

in Processite of EUR	2022	2019
Foreign excitances allocates, nel	460	742
Devleting of Inland – providen for nuclear decomplicationing and storage code (Melo 15)	D1,050	85,830
Deviating of interest – provision for diamanting of inernal power plants (Note 16)	5,195	52.0
Underling of Interest – employee benefits (Note 17)	422	512
Venincing of Interest – other provisions (Note 16)	364	497
Embedded derkallwes – change in vakalium (Nizie 30)	451	355
	5,516	5,100
Finance and a second	101,61	51,216

27. Income fax expense

Current and deferred for expense

in Proceeds of EUR	2020	2019
Carnal faz apares	-6,t2	13,518
Cui of Ital: Tax to overlipe tad	42,967	13,000
The for previous years receptived in the income statement	155	10
Dalament finz angemen		
Criptalian and execut of lengancy differences	(16,259)	(5,162)
income faz mengenisati in the income addisament	26,163	2,44

In accordance with the natic legislation as at 31 December 2020 the Group applied the tax rate of 21% for income tax calculation (21% in the year 2019) and 21% for defenred tax calculation (21% in the year 2019).

Current income tax reservable amounting to EUR 48 howsand recognised as at 31 December 2020 is related to the income tax position as at the balance sheet date (31 December 2019; EUR 198 howsand).

Current income fax liability amounling to EUR 50,810 thousand recognised as at 31 December 2020 is related to the income tax position and to the position in respect of the special levy on business in regulated industries as at the balance sheet date (31 December 2019; EUR 21,003 housand).

Special lawy

On 23 November 2016, the National Council of the Slovak Republic adopted an ameriment to the Act No. 235/2012 Coll on Special Levy on Business in Regulated Industries with effect from 31 December 2016. The amendment states the force of the legislation is delayed ad infinitum, i.e. the special levy is paid also beyond the year 2018. The amendment also increased the monthly rate from 0.00363 to 0.00720 for the period of the year 2017 and 2018 and to 0.00545 in years 2019 and 2020. Starting from the year 2021 the monthly rate is determined at 0.00363. Pursuant the amendment the basis for the special levy has been changed as well and since 2017 the levy is paid only from the regulated activities.

Reconciliation of effective law rate

in Proceeds of EUR		2020		2019
Profition the period		977B		22,001
Total income izz expense		25,653		6,448
Protitizatare incerne lisz		8,02		31,149
income factuating the Croup's denote the rate	21%	18,193	21%	6,620
Special levy on business in regulated industries.		1767		778
Non-deductible expenses/neveranes, nel	8%	6,738	4%	1,140
incana ina mengainat katan prior yan atjunimenia	315	2,01	27 L	5,01
Conent has to previous years receptived in the income statement		155		10
income tax recognizad in the income statement	315		175	6,441

Deferred tax recognized directly in equily

in Proceeds of EUR	2020	2019
Net merchant as each line healges	11 694	(16,442)
Resolution of property, plant and equipment	-	(133,736)
Clauges in valuation of property, plant and equipment	(3)	241
Remeasurement losses on defined benefit plans	7.02	362
Change in estimate of the provision for matter decomplicationing and always costs	10 662	5,024
Clarge in estimate of the provision for demanling of themast purse plants	601	125
Clauge in estimate of the environmental provision	4	102
Tabli édund ba saceptad diradiy in septy	23 575	[144,329]

Defened tax assets and liabilities

	As	25	168		-	at
in Processie of EUR	2020	2019	2220	2019	2020	2279
Property, plant and equipment	-	-	(179.351)	(67,296)	(679,351)	(667,396)
Delvalves and each lion hedges	23,400	4,225	-	-	25/10	4,225
Contractides) distributives-	-	-	(42)	(137)	(42)	(1977)
ineriales	2,659	1,985	-	-	2,659	1,985
Employee benefits	9,266	9,065	-	-	9,285	9,065
Provides for nuclear						
demonstrativity and story: code	513,578	454,549	-	-	50.57	454,649
Prevision for allocarding of Treasul power plants	25,678	25,540	-	-	28,570	26,640
Rectable for the size of the VEG						
2235	4,262	4,752	-	-	4,242	4,752
Right for reinfusion entition						
ine National Nuclear Rund	-	-	(EDI 5 B)	(281,214)	(301,543)	(281,219)
<u>aher</u>	11,224	21,719	19,04 6	(2,109)	15,170	19,510
Balance as at \$1 December	26,62	575,775	(1 11)	69.ES)	57.575	(27,617)

The roles form an integral part of the consolitated financial statements.

MOTES TO THE CODE OLDATED FINANCIAL STATEMENTS for the year ended 31 December 2020 (in the versits of EUR)

Novement in temporary differences during the year

	in the second second			in the state of the			in the state of the
يا ومصلحة م 214) December 2019	Recepted h pref or kee	Recognised in Really	ST December 2019	Recognized in profit of Area	Recorded in Cardy	21 December 2020
Property, plant and equipment	(178,352)	(F228)	(133,457)	(997,296)	(11,950)	Ę	(192°EA)
Octobios and cash the indiges	15,645	5013	(16,442)		1/480	10,004	23,400
Entertied detections		z		(137)	8	'	5
treactions.		Ş	'	1,985	2	'	2,629
Erçişte başilik	BAME	ñ	ğ	3,006	(E).)	22	31,206
Pueble for notes decorrectoring and storage main	12°31	3(21)	5005	451,849	43,012	2000	20,223
Postica to decentry of tierral poer plants	9 7 97	ğ	ŝ	26,600	1/67	5	29,678
Receively: how the rate of the VEG analysis	5,282			4772	(210) (210)	'	420
Right in statement from the National Nuclear Pure	(121,122)	(20°02)		(712,182)		ı	(201,543)
citer	17 ,0 01	2,107		19,610	(4,69)	•	15,178
Cotornal tax (Intel ity		512	THE YEL	(112,754)	16,263		

As at 31 Decenter 2010 the Group recognised a defemed to position in the net amount of EUR 50,201 theusand (31 Decenter 2010). EUR 20,000 theusand) on the Loce of the consoliction betwee sheet (defemed to zoost) from the temporary diferences on the following items: dismonfing zood, right for reindursement from the Natural Nudea Fund, proxism for decorreioning of nutear power plants, part of provision for storage and disposed of spect nudear fuel related to its final disposed in the deep geological repusitory. As of 17 October 2018, a reso Act No. 308/2018 on the National Nuclear Fund was passed that introduces new legal requirements regarding past operation and decomissioning of nuclear power plants, with the effective date as of 1. January 2018. With reprets to the bro-term horizon of the final stage of peaceful utilization of moders energy it is not provide to anticipate impact of changes on tax detuc**hat**ly in Notice with reference to the valid procuments of the Action the National Nuclear Fund. Under the prodemy principles the Group currently resolved not to after the suid har position.

The noise form an integral part of the separate financial deferratio

21. Related party transactions

Related parties have been identified as associates, shareholders, directors and management of the Group and entities controlled by the government that the Group transacts with.

The Group had the following transactions and outstanding balances with related parties as at and for the year ended 31 December 2020:

in Visuanda of EVR	Research 1	Casts	Receivables	As, and
Shareholdess				
Stoval: Power Holding B.V.	-	25,572	-	452,591
Companies of BHEL Group	60,291	B2,055	5,065	21,215
Companies of BPH Group	151,608	59,705	20,707	20,165
Government related entities"	256,591	118,687	118,423	21,995
Annektist				
Energeiel, a.s.	66	1,047	14	391
REAKTORITEST, S.LO.	-	9,021	-	47
ÚLV Ret, as.	2	2,451	-	1,795
European Mulual Association (EUWNI)	-	2,037	-	-
European Liability insurance for the Nuclear Industry (ELINI)	-	1,022	-	21
Comparative related in they reasongeneent personnel	150	587		102
Total	50,516	32,34	144,315	521,31Z

" The Quarp elastices only lines: investibles and induces with the generative biol callies, which are significant

The Group had the following transactions and outstanding balances with related parties as at and for the year ended 31 December 2019:

in thousands of EUR	Revenues.	Casts	Rechaits	As, the
Shareholdes				
Sinval: Power Holding B.V.	-	15,595		350,911
Dempeties of BHEL Group	56,619	113,373	9,030	45,320
Companies of EPH Group	106,744	64,684	15,696	5.233
Evening i Richt an Eller	250.500	B1,214	103,765	19,624
Associates				
Energeiel, a.s.	æ	999	20	239
REAKTORTEST, S.R.C.	-	10,768	-	-
Úl V Ret, as.	2	3,620	-	1,996
European Multal Association (EMAN)	-	1,944		-
European Liability insurance for the Hustern Industry (ELIN)	-	683	-	252
Companies related to key record personnel	-	25	-	66
Tolai	65,26	29,77	121,511	424,751
The Association of the state of	and a link of the local division of the loca	بل معر باخترار ه		

" The Quay states any first incording and interes with the parameteristic calles, with we significat

For information regarding the transactions with VOCXHOSPODÁRSKA VÝSTAVBA, ŠTÁTNY PODNIK, see the Note 11 and 29.

Transactions with National Nuclear Fund are disclosed in the Note 15.

All transactions and outstanding balances with these related parties are priced on an arm's length basis and are to be selfed in cash within six months from the reporting date, except for the non-current receivable from VV (see Note 11) and right for reimbursement from National Nuclear Fund (see Note 15). None of the balances is secured. Siovensia debbrarne, a.s.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

Statutory bodies of the Company

According to an extract from the Commercial Register of District Court in Bratistana Las at 31 December 2020, the Company's statutory bodies have the following composition:

The Arsent of Directors	Ing. Branislav Skýřsk, Chaiman of Ihe Brant Michele Bologna, Vice-chaiman of Ihe Brant JUDr. Radoslav Zigo, Vice-chaiman of The Brand (from 31 October 2020) Ing. Lukšš Maršálek Pedro José Cañamero González Ing. Lukomir Tomik (from 29 August 2020) Ing. Milan Horválh (from 29 August 2020)
The Supervisory Board:	Ing. Ivan Šramko, Chairman of the Board (from 1 October 2020) Jiři Feist, Vice-chairman of the Board (from 30 May 2020) Staniclau Kysel Ing. Bohumil Kralochvil Pavel Janík Jan Střiteský Mgr. Zdenek Turian Ján Topolovský Ing. Josef Techler (from 1 October 2020) Maria Antonielta Giannelli Giuseppe Ferrana Stefano Checchi (from 8 January 2020) Elisabetla Barberi
7	

The membership in the Company's statutory bodies which ended during 2020:

ing. Peter Hlandy, Vice-chairman of the Board (by 28 February 21203 Pavol Shuller, MBA (by 24 January 2020) ing. Marin Suchinek (by 28 August 2020) JUD: Peler Hajducek, Vice-chairman of the Board (by 30 September 2020) Ludovil Hazaj (by 12 May 2020) Jozef Chelrejinek (by 12 May 2020) doc. JUCr. Beris Balog (by 30 September 2020) Andrea Fingentri (by 7 January 2020)

Enoluments of the members of the Board of Directors:

in Proceeds of EVR	2220	2279
Salaries and dher stori-term employee benefis	1,360	1,532
Desactifie in Minut	29	21
Tadat	1,653	1,533

Enoluments of the members of the Supervisory Board:

In Research of ELR	2020	2279
Salarias and diversital Hern employee benefits	96	257
Taba	36	257

Enoluments of the members of the key management:

in lineanets of EUR	2020	2019
Salates and other short-term employee benetiks	4,079	4,153
Benefits in Mad	114	
Total	4,755	420

No loans and advance payments have been granted to the key management and the members of the Board of Directors and the Supervisory Board. No guarantees have been granted to the key management and the members of the Board of Directors and the Supervisory Board.

The roles form an integral part of the consolitated financial dialements.

21. Commitments and confingencies

Short-term and low value lease commitments - Group as the lessee

Short-term and low nalue lease charges comprise:

in Vinuesias of EUR	222.0	2019
Leave of cars	1,633	1,705
Leave of land and buildings	52	873
Lease of IT and intercommunication desires	561	1,052
Talai	3,176	3,630

The Group has entered into contracts on lease of cars and IT and telecommunication devices with definite terms. The Group has entered into contracts on lease of land and buildings with definite and indefinite terms.

The fulure minimum lease payments under non-cancellable lease contracts are as follows:

in Vinusands of EUR	2220	2019
Less item are year	2,412	2,50
Bebreen one and file years (inclusive)	1,55	131
Nore than live years	619	250
1 cim	Ģ	6,134

Short-term and low value lease commitments – Group as the lessor

Short-term and low naive lease reserves comprise:

in tinusada al EUR	2029	2019
Lease of land and buildings	: 6	711
Leave of IT and Mexammunication devices	i i	6
Leave of cars	13	16
Total	- 22	733

The Group has enlered into contracts on these leases with both, definite and indefinite terms.

The future minimum lease payments under non-cancellable leasess are as follows:

in these sais of EUR	2027	2019
Leas iron are year	763	726
Beineen one and five years (inclusive)	1,359	919
Mare fram live years	366	368
Total	3,1M	2,000

Capital commission

The Group is engaged in continuous capital expenditure programs, including environmental improvements and the modernisation, replacement and expansion of existing power generation facilities and continuing of construction of Mochawce 38.4. As at 31 Desember 2020 the Group has concluded contracts to purplexe property, plant and equipment in overall amount of EUR 5,608,838 thousand (31 December 2010; EUR 5,516,782 thousand), thereof EUR 284,314 thousand was not yet utilized as at 31 December 2020 (31 December 2018; EUR 305,388 thousand).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

Legal chain contingency

The Group is involved in various fligations in the ordinary course of its business. Except for the legal proceedings specified before and the fligations for which the provision has been recognised (see Note 18), the Group is not comently involved in any legal proceeding that is expected, either individually or in accretate, to have a significant effect on the accompanying consolidated financial statements.

VEG court proceedings

The Company, the company VOCCHOSPODÁRSKA VÝSTAVBA, ŠTÁTNY POONK (hereinafter as he 'VV') and certain other entities are involved in several court disputes pertaining VEG Operating Agreement (hereinafter as the 'Operating Agreement') signed on 10 March 2006 as amended by the Amendment No. 1 dated 17 July 2006, the Agreement on Settlement of Legal Relations with respect to the VEG Assets (hereinafter as the 'Settlement Agreement') signed on 24 March 2006 as well as the Agreement of Indemnity signed on 22 March 2006 between the National Property Fund of the Slovak Republic (hereinafter as the 'NPF') and the Company (hereinafter as the 'Indemnity Agreement').

Finished court proceedings

Actions on invalidity of the VEG Operating Agreement

The Company was party to dispute in two proceedings concerning invalidity of the Operating Agreement. The court definitely decided that the Operating Agreement is invalid in the proceedings initialed by the Public Procurement Office.

Another legal action was raised by VV, but the court slopped these proceedings due to the final decision about invalidity of the Operating Agreement in proceedings initialed by the Public Procurement Office.

2. Action on involutity of the Agreement of Indemnity

The Company was party to dispute in the proceedings concerning invalidity of the Agreement of Indemnity initialed by the National Property Fund of the Slovak Republic (legal predecessor of MH Manaziment, a.s.) on destaration of the Agreement of Indemnity null and void. The court definitely dismissed the action.

Court proceedings arguing

1. Action initiated by VV shallenging the Indexwity Agreement

On 20 June 2008, VV filed an action (against the Company as well as against the NPF) claiming that the indemnity Agreement is multand void arguing, in essence, that it (i) does not comply with the international Treaty, (ii) is contrary to several laws and good morals and fair commercial relations.

On 27 September 2017, the court dismissed the action Bed by VV. VV filed an appeal on 27 November 2017. The appellate proceeding continued the dismissal of the action by the first instance court.

On 9 March 2020, VV filed an extraordinary appeal (downlanie). The extraordinary appellate proceeding is peruling.

2. Action initiated by W shallenging the Selfiement Agreement

On 20 June 2008, VV filed an action claiming that Arlicle 6 of the Settement Agreement is null and void arguing, in essence, that: (i) it does not comply with the International Treaty, (ii) is contrary to several laws and good morals and fair commercial relations. The National Property Fund of the Stockt Republic, the Ninistry of Economy of the Stovatt Republic and Stovensky energeticky podnik, štátny podnik v lievidácii, act as other defendants.

The company MH Manazment, a.s. entered into the proceedings as a legal successor of the NPF. The judge's preliminary legal assessment of the matter complies with the Company's legal argumentation. At the hearing of 5 March 2019, the court dismissed VV's legal action and anaroled the right for the reindursement of the costs of the proceeding in full extend to the nitwo parties in the dispute

In May 2018, both VV and the Ministry of Economy of the Stovak Republic filed an appeal. The appellate proceeding is pending.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

 Several court disputes in which VV claims unjustified envictment allegedly gained by the Company due to the operation of the VEG

In ten disputes, W claims from the Company the amount of 30% share on revenues gained by the Company during operation of the VEG on the basis of the allegedly invalid Operating Agreement for years 2008 – 2015 in total amount of EUR 364,485 thousand (the principal).

Each of the disputes covers one year, or its respective part from the period of 2006 brough 2015.

The Company field a statement for setting up a counterclaim (i.e. for preventive reasons the Company raised its claim to receive payment of services rendered in connection with operation of the VEG in case that the Operating Agroement is null and void).

During 2018 - 2019, the Company raised counterclaims against VV arising from invalidity of the VEG Operating Agreement and also financial compensation for non-financial performance.

In the proceeding concerning recovery of unjustified enrichment for the year 2012 the court dismissed VV'slegal actors and also the Company's counterclarm on 25 April 2018; on 7 June 2019 VV files an appeal and on 21 June 2019 the Company filed an appeal. The appealate proceeding is pending.

In the proceedings concerning recovery of unjustified emichment for the years 2008 – 2008 the court dismissed WVs legal action and also the Company's counterclaim on 28 June 2018; on 17 July 2019 W filed appeals and on 30 July 2010 the Company filed appeals. The appealate proceedings are parting.

In the proceedings concerning recovery of unjustified emichment for the year 2010 and for the year 2013, The parties to dispute submitted the closing statements (adversive rec) and the court will decide about the ment of the dispute on the very next scheduled hearing. The proceedings are pending.

All other proceedings on Unjust Emotionent Proceedings (concerning years 2009, 2011, 2014 and 2015) . are pending.

Action initiates by W to recover the annuals paid to the Company under the Settlement Agreement.

On 8 July 2015, VV field a claim requesting that the Company is ordered to pay to VV the amount of EUR 43,278 Inscend (plus default interests) corresponding to line amount already fulfilled by VV to the Company for VEG assets carved out from the Company's assets in 2006 under the Settlement Agreement. VV argues that the Company should have never received such compensation for VEG assets given the invalidity of the Operating Agreement and the fact that a transfer of VEG assets to the Company in 1904 was illegal. In reaction to the Company's objections, VV decreased requested amount to EUR 20,385 thousand (plus default interests).

During the hearing on 18 December 2020, the W/s action was dismissed.

On 4 January 2021, W filed an appeal. The appellate proceeding is pending.

5. The Googlamy's claim for annual settlement

On 31 December 2014, the Company fied the claim for a balance resulting from the annual settlement for year 2010 which has not been paid until the date of these financial statements by VV in the amount of EVR. 5,824 thousand (including VAT) with default interest.

On 22 January 2019 the court rendered a ruling about continuation in the proceeding. On 10 Outsider 2010 The court dismissed the Company's legal action. Subsequently, on 15 November 2018 the Company filed an appeal.

On 23 January 2021, the appellate court confirmed the dismissal of the Company's action. The Company is considering filing an extraordinary remedy.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

The Company's claim for a relum of payments made under Article 10 of the Operating Agreement.

On 12 November 2014, the Company filed a claim for EUR 23,887 thousand with default interest, i.e. the return of a regular payment made under Article 10 of the Operating Agreement in the amount not yel statule-karred. The Company argues, in essence, that the contractual conditions under Article 10 of the Operating Agreement by W for receiving a regular payment were not fulfilled and that the Company was never obliged to pay approximately EUR 5 million per year.

On 22 January 2019 the court rendered a ruling about continuation in the proceeding. The proceeding is pending. On 10 October 2019 the court dismissed the Company's legal action.

Subsequently, on 15 Nevember 2019 the Company fied an appeal.

On 24 September 2020, the appellate court cancelled the decision on dismissal of the action and returned the matter for further proceeding and deciding of the first instance court.

The proceedings is pending.

Other court proceedings

Court prozectings with SLOVENSKÝ VODOHOSPODÁRSKY PODNAK, štátny podnik.

The Company is and was involved in several court disputes with SLOVENSKÝ VODOHOSPODÁRSKY. PODNIK, štálny podnik (hereinafter as the "SVP").

The Company open the negotiations with SVP about possible settlement of the mutual receivables and outout-court obsing of all disputes.

a) achie and passive dispute pertaining an offalse of surface water from Laborec river in 2002.

(i) passive dispute initialed by SVP

In the court proceeding initiated by SVP in 2004 for payment of the EUR 5,847 thousand (principal) and default interests, SVP prevailed on both instances and the Company paid to SVP, in 2010, the amount of EUR 10,004 thousand.

Subsequently, in 2012, the Company was successful with its constitutional complaint and the judgment ordering the Company to pay the above-mentioned amount was cancelled and the matter was referred back to the courts to rehear the case.

In the expert opinion, from expert appointed by the court, a market price for the surface mater off-take was stated in amount of EUR 1,550 thousand (without VAT).

This proceeding is still pending in the first instance.

(ii) active dispute initialed by the Company.

Given the fact that SVP released to return EUR 10,004 thousand paid originally by the Company under the judgment in the passive dispute in 2010 which was set aside by the Constitutional Court, the Company sued SVP for payment of this sum and obtained the judgment (effective and enforceable) ordering SVP to pay the Company EUR 10,004 thousand and default interests.

Unfil new, SVP has not paid this amount.

b) passive dispute related to the commission for recovery of SVP's receivables against the Company performed by the company BRNO TRUST, a.s. for SVP

The Company is involved in a court dispute with SVP for payment of an amount of EUR 7,801 thousand and default interests.

The Company prevailed in both instances, but the general proseculor filed an educationary review which reversed the matter in the end to the first instance proceedings.

On 20 October 2020, the first instance court granted SVP's action and obliged the Company and BRNO TRUST to pay claimed amount, default interests and the reimbursement of the costs of proceedings jointly and severally.

On 2 Desender 2020, the Company and BRNO TRUST Bial appeal. The appellate processing is pending.

The roles form an integral part of the consolitated financial statements.

Court proceedings related to G – component

The Company is involved in 3 court disputes with all distribution system operator after the cancellation of the part of the Regulatory Office for Network Industries' decree allowing distribution system operator to ask to pay a fee (so called G-component) from an electricity producer even without conclusion of the respective contract on access and electricity distribution given in the Energy Act, by the anard of the Constitutional Court of the Storak Republic.

The Company asked for back-payment of the payments of G-component for years 2014 – 2017, in appregate app. amount of EUR 54,017 thousand.

3 Disputes concerning CKDEAZCOM

The company ČKO PRAHA DIZ, a.s. (hereinatier the "ČKO") performed the work for the Company until the lemination of the contract. The Company has the receivables and the liabilities from this contract.

(i) the insolvency proceedings of CKD

In 2018, the insolvency proceedings of ČKD has started in the Czech Republic and in 2017 the barloupicy of CKD uses declared. The Company registered into the insolvency proceedings the receivables amounting to EUR 5.8 million, which were rejected by the insolvency inside almost in full.

The insolvency proceeding is pending.

(ii) the insidence proceedings of ČKD (on determination of the title and amount of the receivables) Due to the fact that the insolvency inside rejected almost all registered receivables in 2017, the Company filed a legal action for their determination in the amount of EUR 0.0 million against the insolvency inside.

The proceeding is pending.

(II) the arbitration BAZCOM vs SE

Within the insolvency proceedings, in 2020 the insolvency trustee assigned CKD receivables towards the Company in app. amount of EUR 15.4 million to the company Bazzom, a.s. (hereinabler the _BAZCOMF).

On 13 May 2020, BA2CON filed a Request for Arbitration with the ICC International Court of Arbitration and subsequently its supplement by which requires payment of an amount of EUR 19.67 million with appartenances.

The arbitration is stayed and parties to arbitration has already started the mediation.

The proceeding is pending.

Vienna Convention on Civil Liability for Nuclear Damage

Under the Vienna Convention on Gwil Liability for Nuclear Damage (Way 1963), the operator of a nuclear installation is absolutely liable for damages caused by nuclear incident. In the Storak Republic the Vienna Convention entered into force on 7 June 1985. The Vienna Convention requires the operator of nuclear installation to maintain insurance or other financial security envering its liability for nuclear damage in such an amount, of such a type and in such terms as the installation state shall specify. The installation state may not reduce the limit of the operator's liability before USD 5 million (value of USD in terms of gold on 29 April 1983, that is to say USD 35 per one boy ounce of fine gold) per single nuclear incident.

On 19 March 2015 the National Council of the Slovak Republic approach the Act No. 54/2015 Coll. on Civil Liability for Nuclear Damage and on its Financial Coverage and on amendment and supplement of certain acts, which entered into force on 1 January 2016 and based on which the operator's liability for nuclear damage caused by each nuclear incident is limited to EUR 300 million for a nuclear installation for energy generation purposes and EUR 185 million for other nuclear installation and transport of radioactive material.

As at the balance check date the Group had in place liability insurance policies compliant with the inderwrity limit of EUR 300 million for each operating nuclear installation (Jaslovské Bohunice and Mochovce) separately, a liability insurance policy compliant with the indermity limit of EUR 185 million for units 3 and 4 of Mochowce nuclear power plant (in respect of a livesh nuclear fuel storage) and a policy for insurance of the liability for a damage caused by operation and handling of ionizing radiation sources with an indermity limit up to EUR 1.4 million.

The roles form an integral part of the consolitated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

Financial generates

The Group has granted promise of indermitication in favour of its supplier, value of which amounted to EUR. 4,468 housand as at 31 December 2020 (as at 31 December 2018; EUR 4,840 housand). The Group does not expect any reinfoursements tawards the supplier in this respect and therefore no liabilities were recognised on face of the balance sheet.

Except for the abovementioned, the Group did not have any financial guarantee contracts in favour of third parties as at 31 December 2020 and 31 December 2018.

Other inspections

The Group is subject to various controls performed by the state authorities. Although the Group cannol exclude that any of these processings discover inegularities in its activities based on which the Group could be penalized, the management cannot determine any amount for which a provision should be recognised because of such processings. Due to that reason, no provision has been recognised for that purpose as at 31 December 2020 and as at 31 December 2018.

The Group has significant transactions with shareholders and other related parties and recognizes significant accounting transactions that are based on technical, financial and other expert assumptions which bear a certain extent of uncertainty. The tax environment in which the Group operates in is dependent on the prevailing tax legislation and practice. As the tax authonities are reluctant to provide official interpretations in respect of tax legislation, there is an interest risk that the tax authonities may require, for example, transfer pricing or other adjustments of the corporate income tax base. The tax authonities in have broad powers of interpretation of tax laws which could result in unexpected results from tax inspections. The amount of any potential tax liabilities related to these risks cannot be estimated.

Redged assets

As of the date of these financial statements the Group's long term tangible assets in the value of EUR 9,321,191 Incusand (2018: in the value of EUR 9,059,365 thousand) and inventories in the value of EUR 24,680 thousand (2018: in the value of EUR 22,100 thousand) were pledged in favour of banks and loan creditors.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

30. Fair values

The fair values of financial assets and fabilities, compared to the carrying ancunts shown in the consolidated balance sheet, are as follows:

		31 Deces	AV 2020	37 D	
	-	Camping 1		Canada	
in Provends of EVR	Alter 1	2 y - 2 y 23	Fair raises		Fair values
Han-casent Name tal anada					
Dine exclusion	11	131,613	131,513	107,253	107,269
Embedded delvatives	7	-	-	672	622
Hedging demailwes	7	234	284	6.263	6213
Diner investments	9	5,9M	5,914	5,495	5,495
Total non-current lineacial associa		157,011	197,011	111,680	115,649
Hen-casent Resocial Initiation					
Loans and benealings	19	22372	2676,738	3,261,574	4,068,003
Hestaling derivatives	7	199,947	199,947	99,115	99,115
Total non-current timescial Babilities		2,463,673	2,476,145	776168	4,117,111
Carperd Descript security					
Tade and other reschables	11	117,670	167,67B	179,471	179,471
Embedded deihellives	7	20	200	29	29
Denkalives not designated as hedges	7	118,031	118,031	152,859	152,859
Hedging deshalives	7	27,674	27,674	23,927	29,977
Cash and each equivalents	12	14,273	14, Z /3	12,440	12,460
Tolai canani Ananciai asaria		13,22	21,22	374,756	57475
Canani Anancisi Kétéke					
Loans and benonings	19	1,251,723	1,558,660	20,778	207,778
Derkalives mi designalisi as heiges	7	100,716	100,716	115.9	115,940
Hedging derivatives	7	44,330	44,330	66.63	66,683
Trade and other current prepatates	21	25,072	25,072	315,228	318,228
Tolai canani financhi Kabiliya		1,654,041	2,001,776	70,029	

The fair values of the financial assets and financial fiabilities are included at the amount at which the instrument could be exchanged in a current transaction between informed, utiling parties, other than in a forced or injuicidion sale. The following methods and assumptions were used to estimate the fair values:

- Fair values of cash and short-term deposits, trade receivables, trade payables, and other current labilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Long-term fored-rate and variable-rate receivables are evaluated by the Group based on parameters such as interest rates, specific country risk factors, the individual credit/orthiness of the customer, and the risk characteristics of the financed project. Based on this evaluation, allowances are taken to account for the expected losses of these receivables. As at 31 December 2020 and 31 December 2019, the canying amounts of such resenables, rector allowances, are not materially offerent from their calculated far natives.
- Fair value of quoted instruments is based on price quotations at the reporting date. The fair value of unsysted instruments, bars from banks and other financial liabilities, obligations under finance leases as well as other non-current financial liabilities is estimated by decounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.
- The Group enters into derivative linancial instruments with various counterparties, principally linancial
 institutions with investment grade creat ratings. Derivatives valued using a valuation techniques with market
 observable inputs are mainly foreign exchange forward contracts and commodily inmark contracts. The most
 inspendy applied valuation techniques include forward pricing model. The models incorporate various inputs
 including the creatil quality of counterparties, loreign exchange spot and forward rates, interest rate curves
 and forward rate curves of the underlying commodily.

The roles form an integral part of the consolitated financial determints.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments and non-financial assets (see Note 5) by naturation technique:

Level 1. qualest (unedjustics) prices in active markets for identical accets or liabilities. Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value and are not based on observable market data.

As at 31 December 2020 the Group held the following financial instruments measured at fair value:

Financial assets measured at fair value.

		1) December			
in Visuands of EUR	Alute -	2000	Level 1	Let d 2	Level 3
Embedded deiwaliwes	7	200	-	201	-
Certualizes ant designated as hedges	7	110,031	-	118,091	-
Hedging derhalitys	7	25,158	-	28,158	-

Financial liabilities measured at fair value

		U Devender			
in thousands of EUR	Alute -	2020	Level 1	Let 12	Level 3
Derivatives and designated as hedges	7	10,716	-	100,716	-
Hestaling desiredities	7	2HI ,277	-	244,277	-

As at 31 December 2019 the Group held the following financial instruments measured at fair value:

Financial assets measured at fair value.

		i) December			
in linusada of EUR	Abbe	2019	Level 1	Level 2	Level 3
Embedded delvatives	7	ଶୋ	-	651	-
Certailwes mit designaled as hedges	7	152,859	-	152,859	-
Hestaling desivatives	7	36,170	-	36,170	-

Financial liabilities measured at fair value

		1 December			
in those and a fear	Abde -	2019	Level 1	Letti 2	Level 3
Derkalives uit designaled as hedges	7	115,940	-	115.9	-
Hestaphing stativestimes	7	165,798	-	165,798	-

there have been no transfers between the Levels 1 – 3 during 2020 and 2010.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

The movement in fair value of embedded derivatives is summarized as follows:

in thousands of EUR	
Balance as st 1 January 2020	ଣ
Change is fair value ihrough prolitor isos (Note 26)	(651)
Citating Industry as at 31 December 2020	54
in Vinusada of EUR	
	956

The fair value of commonly derivatives not designated as hedges (net) is sensitive to movements in electricity prices, effect of which is summarized as follows:

Derivatives on electricity

Classing Instance as al. 31 December 2010

_	Fair value of commonly	
in thousands of EUR	debrañies, ret	Change
10% decrease	17,938	624
Belence as st31 December 2020	17,314	
10% increase	16,690	(1624)
in Vinusands of EUR	Rainvalue of convendig dedicatives, cel	Change
in Housends of EUR 10% desease		<u>Change</u> (16,400)
	debraikes, cet	

Derivatives on other commodifies

	Fair value of commonly	
in thousands of EVR	dedraikes, cet	Cleane
10% decrease	13,948	2,859
Balance as at 31 December 2019	11,📼	
10% increase	1,221	(2,659)

The impact of shift in electricity and commodily prices by +/- 10 % has been calculated by changing the spotprice at the valuation date or as at the reporting date.

The fair value of embedded derivative (net) that relates to the long-term electricity contract with Storakon, a. s. is sensitive to movements in aluminium prices, as follows:

in Vouencia of EVR	Rair value of excluding alcoholika, oci	Change
10% decesse	1,069	889
Balance as at 31 December 2020	21	
10% increase	22	(178)
in Kousenis of EVR	nar vane or exnemen debrahves, ref	Change
in Housends of EUR 10% desease		Change 1,520
	debrahes, ref	

The impact of shift in aluminium prices by +/- 10 % has been calculated by changing the spol price at the valuation date or as at the reporting date.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

31. Financial risk management objectives and policies.

Following financial risks are related to the activities of the Group:

- i) Crestitrist;
- i) Liquidiy isa.
- ii) Market risk, which includes:
 - Interest rate risk;
 - Foreign currency risk;
 - Commodity risk.

Risk management

As part of its operations, the Group is exposed to different market risks, notably the risk of volality of commodity prices, interest rates and exchange rates as well as to the liquidity risk and to the credit risk. To minimize the risk implied from rotatility of exchange rates and interest rates, the Group enters into transactions with required perometers or into derivative contracts with the intent to hedge individual risk using instruments available on the market.

Transactions that qualify for hedge accounting in line with the requirements of IFRS B are classified as hedging transactions, while those carried out with the intent of hedging that do not qualify for hedge accounting in line with IFRS B are classified as tracing transactions.

Depending on heir purpose and the decision of the management the financial derivative instruments are classified as:

- cash to rheaders, related to heading the risk of changes in the cash toos;
- for value heapes, realed to heaping the risk of changes in the for value;
- trading derivatives, relates to hedging interest and exchange rate risk and excmodity risk which do not quality for recognition under IFRS 9 as hedges of specific assets, fabilities, commitments or future transactions.

The fair value is determined using the prices on the relevant markets. Accordingly, the impact on profit or loss and shareholders' equity depends on normal market developments. The credit risk with respect to the derivatives perfictin is consistened as negligible since transactions are conducted solely with leading Smokr and international banks, and the exposure is therefore diversitied among different institutions.

The Group hedges cash flows from sales of future electricity production against the risk of electricity price movement by selling the production via forward contracts up to 4 years prior to the delivery, with respect to the strategy of production selling.

Slovals, Czech, German and Hungarian forward electricity prices are highly correlated as a result of storng interconnections between countries and the correlation is amplified even more tranks to the day ahead market coupling mechanism providing effective implicit allocation of cross-border capacities between Caech Republic and Storahia.

Liquidity of Slovek market with physical delinery is from the view of long-term hedging opportunities lower in comparison with German, Czech or Hungarian market with higher liquidity as a result of higher overall electricity consumption and production, and also in comparison with liquidity of Slovek market with financial delinery.

When there is not enough liquidity in Slowak market with physical delivery at required times, electricity production is therefore being hedged in either German, Gzech or Hungarian market as follows: When the electricity price in Slowakia is suitable the electricity is first sold in Germany, Czech Republic or Hungary via baseload yearly contracts and later when liquidity in Slowak market emerges, the deal in foreign country is closed by purchasing baseload yearly formand contract of same volume and subsequently, the electricity production is being sold in Slowak market with physical delivery. This way the risk of electricity price movement reception scalar movements in SK-07, SK-0F resp. HU-SK grownk is hedged. This mechanism is also applied to financial delivery on the Slowak market, in case, when at the required time there is higher liquidity on the Slowak market with financial delivery than on the Slowak market with physical delivery. In this case the Group avoids the risk of price movements.

Creditrist

The Group makes must of the steps in order to mitigate the credit risk, e.g. to prevent the situations when the contractual party does not fulfit any of its liabilities on time and in full amount. The Group has developed sophisticated loots and procedures for the purpose of identification and analysis of the credit risk. Further manifering, management and mitigation of the credit risk is presented via specific processes and methods.

Additional aspects eliminating the credit risk

The specific sinclure of the Group's customers requires individual approach to the evaluation of the credit risk. Distribution companies represent these with the lowest credit risk. Mestof the customers and business partners have long-time history of their activities in the energy sector, thus this fact contributes to the decrease of the risk resulting from the customer insolvency. The credit risk analysis of the business partner is performed every time before the contract is closed and is reviewed on regular basis, at least once per year. With respect to the results of the analysis and other aspects influencing the risk factor the customer is assigned a limit for tracing. If the analysis or other information gathered reveals potential credit risk factor of the customer the Group will evaluate and eliminate risk factor. In case of smaller customers deposit payments are required. Long-time experience of the Group shows that the analytical methods, assessment and management of the credit risk are effective and mitigate the credit risk accordingly.

The expected loss rates and the expected losses allowance, calculated in line with the IFRS 9 simplified approach for trade receivables as at 31 December 2020 and 31 December 2019 were as follows:

in Pousses of EVR	Expedies credit loss sale	Expected wed? Jours as at St December 2020	Especies credit lass pairs	Expedient credit lass as at 31 December 2010
Reschading, and yet size	0.0296	26	0.02%	27
Receivables less than 15 days overdue	11.12	-	110236	-
Receivables less than 30 days overdue	0.05%	•	1.55.0	68
Receivables less fran 90 days overdue	0.561	6	11.64%	1
Receivables less than 180 days overdue	0.941	17	15.92%	2
Receivables less fran 270 days overdue	1.24	25	20.97%	Э
Receivables less than 360 days overdue	1.74	5	29.75%	36
Rechables nore itsn 361 days overlae Rechables assessed on an individual back	100%	5,407	100%	8,928
(Nale 11)	1000	135,959	100%	135,939
Purchased credit-impetient receivables (Note 11)	1005	1,466	100%	1,470
Total aspectad lenses allowance (Kola 11)		143,653		16,54

Analysis of cash at bank and short-term bank deposits based on rating:

to itourands of EUR	2020	2010
Cash al tank and skoffern bank deposis		
M	9,352	3,435
٨	2,508	4,980
No raing	2,442	3,975
Tohai	14,212	12,334

Offsetting financial assets and financial liabilities

The following financial assets are subject to offsetting, enforceable master neiting arrangements and similar agreements that enable multical offsetting:

As at 31 December 2020.

	Graa Jonani or Jon Jon Carsalitated Gianae Steet testare affæiting	Gross arcount set of ao he tace of he consummers balance sheet	Hei amonts on the first of file consummer talance scient	ficialed an Second of a Second Second Salance	27502	78-11
				Financia' Instancents	Collabori	
in increases of EUR	8	res	的"台"的	e de la companya de l	向	約-約-約
NON-CURRENT ASSETS						
Diter receivables	131,613	-	131,613	-	651	130,962
CURRENT ASSETS						
Trade and other receivables	252,24	84,356	167,878	9,216	15,336	143,325
Derkalige angels	108,000	32,121	145,905	18,579	-	57.326
Tolai analo uniginti la diadarere lor allading requirements	SUB	116,497	445,396	17,75	15,577	3 31,614

As at 31 December 2018:

	Graa arount or be face of bits consolitated balance sheet before affecting	Gross arcount set off an Jue tace of Jue consolitated tatance sheet	Hel amonto on he face of One consultation tatance street	ficialisti an set all'on fi fic cons balance	ese e	785
				France Instances	College	
in linusasis of FUR	6	ē.	60=60-6N	رم	(P)	約-約-約
CURRENT ASSETS						
Tade and other receivables	244,715	65,245	179,071	67,803	20,451	71,211
Derivative assets	228,410	45,614	182,796	54,124	-	68,672
Tolai anala unbjechia mecanen prometing regulamente	4/4,125	118,853	39,257	101,939	23,601	194,885

The column (d) contains these financial assets that are not offset due to either absence of the enforceable right or intention of the Group.

The column (e) represents financial guarantees received and cash collateral collected by the Group.

The following financial liabilities are subject to offsetting, enforceable master netting arrangements and similar agreements that enable mutual offsetting:

As at 31 December 2020:

	Grass arcount on the size of the conventioned balance street balance officient officient	Gross arcount set of an Inc taxe of Inc consolitated balance sheet	nes arcons on he fixe of file consolitated talance scient	Reisted an set of on G Re cons baisme	etare of	765
				Filencia' Instancenia	California	
in Severals of EUR	创	es.	(1)=(1)-(1)	μ C	69	向-向-向
NON-CURRENT LIABILITIES						
Leans and Learnings	1,011,104	-	1,011,104	-	ഷ്യങ്ങ	1,751,104
CURRENT LIVELITIES						
Centrality Links	177,167	32,121	145,046	18,579	-	56,467
Trade and other convert. paryothes	379,636	84,356	26,072	9,216	5,961	279,875
Talu sector acyet in distanto fa sibelling reprimento	2,37,78	116,497	2,251,382	17,75	6,51	207,55

As at 31 December 2018:

	Cares armant On the face of The convolutions balance street balance distribut officiality	Cress arcount set of on the taxe of the consolitated balance sheet	Hei amonis on he face of file consultated tatance situat	Related an set of on G Re cons balance	eter f	78
				Rendel Instances	Californi	
is houseds of ELR	倒	res L	(1)=(2)-(3)	M	69	向-向-向
NON-CURRENT LIABILITIES						
Loans and benealings	2,918,671	-	2,918,671	-	ലുത്ത	2,858,671
CURRENT LIVELITIES						
Certaike Labilies	228,237	45,614	182,623	54,124	-	68,499
Trade and other content. <u>projection</u>	353,452	6,36	318,228	57,802	678	220,811
Telai intilike untipet in disetama ku sikelike paparanta	1,520,571	116,659	3,419,522	101,933	8,85	3,176,901

The column (d) contains those financial fabilities that are not offset due to either absence of the enforceable right or intention of the Group.

The column (e) represents financial guarantees issued and cash collateral paid by the Group.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligators as they fail due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its fabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Protect liquidity risk management implies maintaining sufficient cash ant/or available sources of funding hough credit lines. Considering the dynamic nature of the underlying business, the Group treasury management aims at maintaining flexibility by begoing sufficient amount of credit lines available.

As at 31 December 2020, besides specific purpose term loans in the total amount of EUR 1,471 million (2018: EUR 1,420 million) the Group had committed general purpose bans amounting to EUR 2,030 million (2018: EUR 2,030 million), all of which were actually drawn as at 31 December 2020 EUR and 31 December 2018. At the same date the Group had uncommitted credit lines undrawn in the amount of EUR 51 million (2018: EUR 15 million). Undrawn part of the specific purpose term loans will be available after the fulfiment of conditions precedent to the drawdowns.

		2020			2019	
	Annet available for	Accura	Ave	Acount available for	Accura	Available
ie Bousands of EUR Commiliesticans for	drafty	date		dividing:	diates	30010
ويتعطيها والمعدوق	2,034(001	2111111	-	213101	21111	-
Specific purpose tools	1,071,430	1,010,579	460,851	1,02,338	902 - T	451,441
Subordinalist loan	70,000	438,000	2.2	700,000	3 5 1	25,000

Financial liabilities as at 31 December 2020

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

	Loss Frances	Colored 1 and 2		
In Accounts of CZU?	y ear		Cver 2 years	Total
Loans and borrowings - principal	1,273,105	114,552	2,168,137	3,555,794
Loans and bonowings - Interest	361,045	15,761	Z31,548	758,757
Oblgaliens frem finance lease (Nale 5)	4,056	6,449	2,011	12,518
Trade payables (Nole 21)	27115	-	-	227,106
Dehaike Inanziai insin medis	145,045	56,745	101,199	344,993

Financial liabilities as at 31 December 2019

The table before summarises the maturity profile of the Group's financial fiabilities based on contractual undescanted payments.

	Less had been	Gebeer 1 and 2		
in houseds of ELR	year	1	OverSystem	Total
Loans and temperings - principal	191,909	20,000	3,257,522	3,512,353
Loans and boroutings - Interest	134,412	258,372	453,011	65,795
Obligations from invance issue (Note 5)	4,006	7,562	4,956	16,524
Trade payables (Noie 21)	20,15	-	-	247,138
Derhalke linansial insin media	162,623	13,077	கதை	281,738

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

Narbet risk

i) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest, rates relates primarily to the Group's long-term loans with floating interest rates. The Group uses interest rate derivatives to hedge its interest rate risk.

These contracts are normally agreed with a nominal value and expiry date lower than or equal to that of the underlying financial liability, so that any change in the fair value and/or the expected future cash flows of these contracts is offset by a corresponding change in the fair value and/or the expected future cash flows of the underlying position.

The Group adopts a policy of ensuring that adequate part of its exposure to changes in interest rates on borrowings is de facto on a fixed rate basis. Interest rate swaps were entered into to achieve an appropriate mis of fixed and flowing rate exposure or creas-currency interestrate swaps in acce the laren are denominated in foreign currency to achieve also appropriate currency exposure. The interest rate swaps are denominated in foreign currency to achieve also appropriate currency exposure. The interest rate swaps are denominated in the age with maturity bit 2025. In respect of these swaps the Group pays the fixed rate from 0.028% to 1.306%, p.a. and reserves EURIBOR. As at 31 December 2020 the Group had interest-rate swaps with nominal value in the amount of EUR 2,528,000 thousand (2019: EUR 2,830,000 thousand). The nominal value of creascurrency interest rate swaps was in the amount of EUR 300,000 thousand as at 31 December 2020 (2018: EUR 300,000 thousand).

Securitivity analysis

The Group has performed an analysis of a possible impact in case of a reasonable change in interest rates by +/- 100 bp with all the other variables held constant.

The following table demonstrales the sensitivity to a reasonably possible change in interest rates, with all other nariables held constant, on the Group's profit before tax through the impact on floating rate borrowings:

in Research of EUR		2ksi an Star izr 2020
Varietie: ede tadinunenia	+1050p	ക്രംബം
	increase in deats 🛛 🖻	2,21 a 0
In Branch of ELR	paints prait is	stre iz 2019
Variable cale incluments	+100p	(22,600)

The decrease in basis points would have had the equal but opposite effect on the amounts shown above, on the basis that all the other variables remain constant.

ii) Foreign conversy risk

Foreign currency risk is the risk that the fair naive or future cash tions will fuck ate because of changes in foreign exchange rates.

The Group is exposed to a currency risk of receivables and liabilities denominated in currency other than the functional currency of the Group, primarily USD, RUB, GZK and PLN.

Various types of derivatives are used to reduce the exchange rate risk on foreign currency assets, liabilities and expected future cash flows. These include mainly forward exchange contracts and cross-currency interest rate surges.

These contracts are normally agreed with a nominal amount and expiry date equal to that of the underlying financial liability or the expected future cash flows, so that any change in the fair value and/or future cash flows of these contracts stemming from a potential appreciation or depreciation of the functional conversy against other comencies is fully offset by a corresponding change in the fair value and/or the expected future cash flows of the underlying position.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

Securitivity analysis

The following table demonstrates the sensitivity to a reasonably possible change in the USD, GZX and PLN exchange rate, with all other nariables held constant, on the Group's profit before tax and the Group's equily. The Group's exposure to foreign currency changes for all other currencies is not material. The risk of fluctuations in RUB exchange rate is fully eliminated by hedging in form of the cross-currency interest rate swape.

	Change in exchange	a state post
in linusads of EUR	rate	before tax
31 December 2020		
CZK C	+10%	(1.66)
USD	+10%	(898)
PLN	+10%	(BD)
31 December 2019		
CZK	+10%	(1,428)
USD	+10%	(1.773)
PLN	+10%	(164)

iii) Commodily price risk

The exposure of the Group to the risk of volality of commotity prices is mainly associated with the purchase and sale of electricity as well as with the purchase of tuel used for the power production. The exposition resulting from the difference between purchase and sale of commodities or as a consequence of contracts tied to price indices is quantified by risk factors.

Regarding the electricity sold, the Group enters into fixed-price contracts in the form of bilateral contracts with physical delivery, whences in case of leading learns affirms the Group enters into contracts with both types of settlement, physical delivery and financial settlement (e.g. contracts for differences in which the differences are paid to the counterparty should the market electricity price exceed the shike price or to the Group in the opposite case).

Various types of derivative instruments (mainly ferward contracts, surges, options, futures and contracts for differences) are used to reduce the exposure to the fluctuations in commodity prices.

The connocity price risk management process in the Group is designed to continuously monitor and evaluate the development in risk over time and determine whether the levels of risk, as observed for specific fields (e.g. geographical, organisational etc.), comply with the thresholds consistent with the risk appelle of top management. These operations are conducted within the transmost of formal generators rules that establish strict risk limits. Compliance with the limits is verified by units that are independent of those undertaking the transactions, while trading positions are monitored on daily basis using the Value at Risk indicator.

Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholders' value.

The Group monitors capital using a gearing ratio, which is net debt divided by total equity. The Group includes the following within net debt: current and non-current lears and borrowings less accrued interests including limance lease liabilities, remoursement right from the National Nuclear Fund and Istal amount of cash and cash equivalents. As at 31 December 2020 the net debt to equity ratio was 0.44 (as at 31 December 2018; 0.45).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

32. Events after reporting date

On 22 January 2021 the Nuclear Oversight Authority disclosed the basis for the decision and **the draft** decision in the matter of administrative proceedings for Unit 3 Mochovce 3,4 Nuclear Power Plant that were published on its website. The comments on the basis for the decision should have been sent in writing no later than 22 February 2021.

On 31 January 2021, the Group as borrower signed the facility agreement in the amount of EUR 270 million with its shareholder Slovak Power Holding B.V.

In April 2021, the Group has not signed, for the time being, the further renewal of an expired interim waiver from one of its creditors in respect of a technical covenant for Mochovce unit 3 and 4 timeline completion, pending to the finalization of the orgoing negatiations between the Group and all its creditors with the aim to unity certain provisions of Ican agreements.

On 13 May 2021, the Nuclear Regulatory Authority of the Stock Republic published information that after verifying compliance with all technical and legislative requirements, it issued a permit for the commissioning of Unit 3 of the Mochovce Nuclear Power Plant, as well as related authorization for the management of radicactive waste and spent nuclear fuel and permit for early use of the building. After the delivery of the issued decision by a public decree, the participants will have an opportunity to file an appeal against the issued decision of the Nuclear Regulatory Authority within the legal period. Fuel load, by which the commissioning begins, will be possible only after the entry into force (and fulfilment of the conditions) of the issued decision.

With regards to the current developments regarding the pandemics of COVID-19 induced by the coronavirus SARS-CoV-2 the management shall continue to monitor the potential impact and take all necessary steps to facilitate the impact of any future negative consequences on the Group and its employees.

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SLOVENSKÉ ELEKTRÁRNE, a.s.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders, Supervisory Board and Board of Directors of Slovenské elektrárne, a.s.:

REPORT ON THE AUDIT OF THE SEPARATE FINANCIAL STATEMENTS

Opinian

We have audited the separate financial statements of Slovenské elektrárne, a.s. (the "Company"), which comprise the separate balance sheet as at 31 December 2020, and the separate income statement, the separate statement of comprehensive income, the separate statement of charges in equity and the separate statement of cash flows for the year then ended, and notes to the separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying separate financial statements give a true and fair view of the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IRIS) as adopted in the European Union (EU).

Bob for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Separate Financial Statements section of our report. We are independent of the Company in accordance with the provisions of Act No. 423/2015 Coll. on Statements section of our report. Amendment to and Supplementation of Act No. 431/2022 Coll. on Accounting, as amended (hereinafter the "Act on Statutory Audit") related to ethical requirements, including the Code of Ethics for Auditors that are relevant to our audit of the separate financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Methors

We draw attention to Notes 3 and 15 to the separate financial statements. The Company has enduated its obligations in respect of the operations of nuclear electricity plants and recorded related provisions as at 31 December 2020 on the basis of management's estimate of the expanditure required to settle those obligations when they full due. The estimates and assumptions considered by management in determining these provisions are inherently sensitive to expectations about future casts and forecasted cash outflows, timing of cash outflows, inflation rates, discount rates, technical plans and changes in government legislation. Any changes in these parameters could materially affect the carrying amounts of the provisions recorded in the separate financial statements in future periods.

We draw attention to Notes 2.1, 5, 19 and 32 to the separate financial statements in relation to significant amounts recorded as assets under construction for nuclear power plant Mochovoe Units 3 and 4 and borrowings that have a significant impact on the financial situation of the Company. The recoverability of these assets assumes the successful commissioning of the Unit 3 as a minimum. Additionally, a significant portion of the non-current borrowings has been classified as current panding further negotiations with the Company's financing creditors on the prolongation of an existing technical covenant for Machouce unit 3 and 4 timeline completion. The Company has also not signed, for the time being, the further renewal of an expired interim waiter for this technical covenant from one of its creditors. The separate financial statements do not include any adjustments to the company's of assets or liabilities that might be necessary if the Company's creditors demand acceleration of debt repayment, which is currently scheduled for periods beyond 2025, to certier.

We draw attention to Note 29 to the separate financial statements which describes uncertainty related to the outcome of several court disputes pertaining to Vodné elektrárne Gabčíkovo ("VEG") Operating Agreement, the Agreement on Settlement of Legal Relations with respect to the VEG Assets and the Agreement of Indemnity.

Our opinion is not modified in respect of these matters.

Other Matter

The separate financial statements of Sloverské elektrárne, u.s. for the year ended 31 December 2019 were audited by another auditor who expressed an unqualified opinion on the separate financial statements on 22 April 2020.

This is a transition of the criginal autility's report laword in the Struck language to the accompanying theorem into interaction into the Erglish language.

Delette refus is can or more of Datable Toucha Televatur United ("DTL"), is global reference of manhor farm, and their valuated entities (collective); the "Delette commission"). DTL blee referred to as "Delette Globa" and each of its manhor farm and releted entities we have seen and independent entities, which counce obligate or Globarch other in respect of their partice. DTL and each OTL member from and minist entity is back only for its earn ack and orthogon, and not these of each other. DTL does not provide envices to classis. Press see www.datable.com/doing.to have more.

Rependidities of Management and These Charged with Germanics for the Separate French Sectors to

Management is responsible for the preparation and fair presentation of the separate financial statements in accordance with IRS as adopted in the EU, and for such internal control as management determines is necessary to enable the preparation of separate financial sevenence that are free from material missionement, whether due to frow or error.

In preparing the separate financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Company or to cesse operations, or has no realistic alternative but to do so.

Those charged with governmeetare responsible for overseeing the Company's financial reporting process.

Author's Responsibilities for the Author'the Separate Financial Subsectors

Our objectives are to obtain reasonable assumance about whether the separate financial statements as a whole are free from material misstatement, whether due to finad or error, and to issue an auditor's report that includes our opinion. Reasonable assumance is a high level of assurance, but is not a guarance that an audit conducted in accordance with incommittanal Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from froud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to finand or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from finand is higher than for one resulting from error, as fraud may involve collasion, forgety, intentional amissions, misrgaresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the resourcebleness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to down asteriation in one malitor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the Company to case to continue to the date of our auditor's report. However, future events or conditions may cause the Company to case to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial surrements represent the underlying versactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance about, inter alia, the planned scope and time schedule of the audit and significant audit findings, including all material deficiencies of internal control identified during our audit.

REPORT ON OTHER LEGAL AND REPULATORY REQUIREMENTS

Report on Information Pipeleoni in the Annual Report

The statutory body is responsible for information disclosed in the annual report prepared under the requirements of the Act on Accounting No. 431/2002 Coll. as amended (the "Act on Accounting"). Our opinion on the separate financial statements stated above does not apply to other information in the annual report

In connection with the audit of separate francial statements, our responsibility is to gain an understanding of the information disclosed in the annual report and consider whether such information is materially inconsistent with the separate financial statements or our browledge obtained in the audit of the separate financial statements, or otherwise appears to be materially misstated. We essessed whether the Company's annual report includes information whose disclosure is required by the Act on Accounting.

Based on procedures performed during the audit of the separate financial statements, in our opinion:

- Information disclosed in the annual report prepared for ARAP is consistent with the separate financial statements for the relevant year; and
- The annual report includes information pursuant to the Act on Accounting.

Furthermore, based on our understanding of the Company and its position, obtained in the audit of the separate financial statements, we are required to disclose whether material misstatements were identified in the annual report, which we received prior to the date of issuance of this auditor's report. There are no findings that should be reported in this regard.

Bratislana, 17 May 2021

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ing, Walde K. Grant, FCCA Responsible Auditor Licence SKAu No. 921

On behalf of Dekaitte Audit s.r.o. Linewre SKAu No. (114

-00-00-00-

Separate Financial Statements Prepared in Accordance with International Financial Reporting Standards as Adopted by the European Union

31 December 2020

Branislav Stryček

Chief Executive Officer Chairman of the Board of Directors

Lukaš Maršálek Member of the Board of Directors

Bratislava, 17 May 2021

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BALANCE SHEET as at 31 December 2020 (in thousands of BJR)

	Now	11 December 282	31 December 2013
ABSETT			
NCH-CURRENT ASIETS			
Property, plant and equipment Interactive assets	56	9,436,613 5,489	9,171,000 5933
Asses from embestive derivatives	7	440	672
Definite and a	7	24	E2B
investments in autoidaries, accordies and other securities. Right for reinforcement from the National Nuclear Fund	6,9 15	25,074 1,435,920	27,655 1,339,112
Offer restrictions	11	130,396	101,969
Oher nen-sanert anela Piepayneris izr nan-surent anelis	13	1,474 13,565	1,060
Taki wa-awat wate	_	11,51,75	18121/27
CURRENT ASSETS			
	10	315,465	135,378
Trade and effect receivables Access item embedded deihailwes	11	173,627	171,746
Certraille aseis	÷	141,810	182,796
Cash and cash equivalents	12	10,815	4631
Otre anet and	13	11,718	17.03
Assets classified as held for sole	5	270	278
Talai carreit avais		E61,51D	711,511
TOTAL ASSETS		11,713,655	11,411,218
EBUITY AND LIABLITES EBUITY			
Sine sala	н	1,269,296	1261296
Revaluation resource	- 	3.321.273	3.361.393
Office assored	м	143,340	199,092
Reaned emings, of that	н	(25,35)	(335,265)
Relained earnings of polor periods And because the line space		(355,285)	(352,239)
Hei Istane Ar ibe year Taini asuliy		4441720	4/92/316
MON-CURRENT LIABILITIES			
Sabastinaist ioan Castellas ioan de castella terrateria de castella de castella de castella de castella de castella de castella d	19 15	52,512	350,903
Provision for nuclear decommissioning and slowage costs. Provision for demoniling of the mail power plants	15	2,111,929	2,150,189 125,707
Englige berells	17	42.517	41,377
Other provisions	18	2183	19,719
Leases and bencements	19	1.009.457	2 915 923
Derivative liabilities Observative constant tradition	7 20	199,917	99,115
Citer um-canent labilities Defensei iau, lability	27	44 387,437	52 423,134
Taki uze-curet labilie	2	5,451,062	E 133,115
CURRENT LIABILITES			
State of the state	19		-
Provision for nuclear decomplicationing and sincage cases	15	22,329	15,758
Provision for demaniling of the mail power plants" Employee benetiks	16 17	220 1,453	150 1,648
City positions	10	41,871	43,667
Loans and borunings	19	1,255,347	20,433
Derivative Nabilities.	7	161,277	182,622
Trade and other current payables	21	286,741	313,104
Current income fac liability Other carrent liabilities	27	50,526	21,614
vine curet lainte Tahi armat laintine		919 1.115.277	1,706
Taini interime		7,277,575	E 321, 312
TITLAL FRUITY AND LARE ITER		11,710,635	11,411,712

INCOME STATEMENT for the year ended 31 December 2020 (in thousands of ELR)

	No.	Year extent 31 December 2020	Year ander 21 December 2013
REVENUES Besitisfy and heal reserves	72	2,773,081	2,349,470
Ofter opsaling income	28	25,181	58,172
Talai neversare		2,731,252	2,67,612
OPERATURE EXPERIES			
Nuclear fuel		E ,786	(70.051)
Rocal and silver fiel Contact and silver and the second	72	(73,233)	(100,055)
Cosi of electricity purchased for resule Repairs and maintenance	~	(1,782,026) (31,155)	(1,469,429) (35,316)
Offer say materials and consumpties		(121.245)	(111.400)
Personal expension	24	(129,637)	(125,990)
Changes in provision for nuclear decomplicationing and alonge costs.			
enne. Changes in provisions for dismaniling of thermal power plants	15 16	(134,029) (1,763)	(45,817) 4,854
Oher operating costs, oher fran depression, amerikation and	14	(i,ray	-
ingaimeni	23	(107,098)	(97,012)
Taki operating asponse		2,45,37	2,670,437
PROFIT BEFORE FINANCIAL RESULT, TAX, DEPRECIATION, Andrtisation and mparament		30,75	337,205
Revaluation of property, pixel and equipment Depreciation, amortivation and impairment	5	211.550	(30,321) (217,156)
		(214,350)	217,600
PROFIT BEFORE FRANCIAL REPLICT AND TAX		131,55	D ,725
Pirance income	26	36,375	35,419
Finance custs	26	(102,741)	(98,999)
FROFIT BEFORE TAIL		64,328	26,145
INCOME TAX	27	p3(450)	<u>(177)</u>
MET PROFIT FOR THE YEAR		31,274	17,551

STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 December 2020 (in thousands of ELIQ)

	Altre-	Yar watat 21 Outvober 2020	Year andled 31 Okcember 2019
Not profil its the year		5,M	17,353
Olior comprehensive income			
Olice comprehensive income to be residualled in profil or loss in Subsequent periods:			
Net novement on such tick hedges, net of tas	7,23	(44,899)	15,172
Olher, nel of tax		419	557
Not often comprehensive income in the recision fluct in prolif or lows in extensional particle		(**,*83)	15,75
Oliter comprehensive income ont in be reclassified to profit or loss In subsequent periods:			
Resident of populy, plant and equipment, not of tax	5,27	-	503,111
Changes in valuation of property, plant and equipment, rel of tax	5,27	2	(907)
Change in estimates of the providen for nuclear decommissioning and alonge casis through revolution reserve, net of fac	15,27	{40,864]	(18,894)
Change in extractes of the producen for disconting of inerval power plants inangle resolution reserve, net of iau	16,27	(2,222)	(482)
Change in estimates of the environmental provision through recalluation reserve, rel of tax	11.27	(14)	(383)
Remeasurement losses on defined benefit plans, nel of faz	17, 2 7	(266)	(1,332)
nateirar comprenense recom act la companya do grafil ar ieus la esta equari parteix		(43,50G)	481,113
Other comprehensive income its the year, not of fits		PL 6 9	56,142
Tabli comprehensive income for the year, and of tax		pu, 295	34, 111

The roles item as integral part of the separate financial distances.

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STATEMENT OF CHUNCES IN EQUITY for the year ended 31 December 2020 (in thoseweb of EUR)

1,255,256 1,255,256 1,255,256 250,656 250,556		ê.) historia Distant	Received There		Annutited Invest	Total and a
eyer 3_{11} 3_{12} 3_{12} 3_{11} 3_{11} are horses are option, joint and explored, red cita 3_{12} 3_{12} 3_{12} 3_{12} are for providing the matter decommissing and the red cita 3_{12} 3_{12} 3_{12} 3_{12} 3_{12} are for providing the matter decommissing and the red cita 3_{12} $3_$	Charter of 1 in the second		1,220,256	(1967)	2,01,26	20/02	barsd	ASJACK
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STATEMENT OF CASH FLOWS for the year ended 31 December 2020 (in thousands of ELIR)

		Yareniai Ji Davetar 2021	Yest control 31 December 2018
CASH FLOWS FROM OPERATING ACTIVITIES Profit Inform Income faces		60,320	26,146
Adjusteness as maximale prait before instant same as we cash			
xoo quarany acomu: Depending, analising, peakalish and impainted of ren-carent			
ands	5, 5	201,223	216,165
Effect of the revolution Amoutbailon of defened income	5	(750)	30,321
Loss on sale of property, plant and equipment and intengible assets	23	6,204	(894) 424
intend insure Income ican nai-current investments	3	(553)	(2,877) (405)
iniered charge on other provisions (employee benetik, emironmental		100	(442)
provision)	2	825	948
intered d'arge en protision les auteur deconnissioning aut d'ange . code aut diamarting et inernal poure plants	25	96,255	92,050
intered from loans and borrowings	_	1.633	1.629
Change in extinute of provision for nuclear decommissioning and storage costs and disconfing of inernal power planis through income			
statement	15,16	119,831	24,455
Other changes in provision for matters decommissioning and storage			
cude and diamenting of inerval party plants. Change in valuation of embedded detailwes	15,16 30	(619) 451	1,230 305
فتعلقوا فتعلقه وبتجرب فتحد الأصحاط والتقا		(2003)	(6447)
Change in other provisions Internal Income from the National Nuclear Fund	15,26	(1,123) (31,539)	10,101 (30,691)
National Nuclear Fund administration Res	15	639	794
Change in revolución of destatives through income sistement. Effect of other incontat cost		20,594 2,726	35,812 2,381
Clauses in divergencies and labeling insuch early		9102	PL 1041
Charges in northly capital- imeniuties	10	19,773	4,006
Trate and other reactivables		13,908	(35,793)
Trade and other payables		(16,443)	(50,979)
Citer anels and liabilities		(41,734)	(12,651)
Cash ganadad tran ayondana Intensi rezelezi		451.461 53	- 386.586 146
intered paid		(144,618)	(123,390)
income taxes paid		(11,859)	5,004
list cash inus aparalog sciviliza		30,077	101,246
CASH FLOWS FROM INVESTING ACTIVITIES		00.00	40,000
Acquisition of property, plant and equipment Acquisition of infangistic assets		(317,133) (1,065)	(447,633) (681)
Proceeds from non-current investments	25	593	405
Conistantans in the National Nuclear Fund Not cash more in investing activities	15	(SEL33)	(71,346)
CASH H.CONS HACH HEAVENING ACTIVITIES Deader of Instructory		1447.997	2,639,571
Dearing of Economings Repayment of Economings		(1,361,257)	(2,101,513)
List cash true francing activities		2,60	335,062
NET DECREASE IN CASH AND CASH EQUIVALENTS		6,154	(3,961)
CASH AND CASH ESLIVALENTS, BEGINNING OF PERIOD	12	4,631	8,592
CASH AND CASH EQUIVALENTS, END OF PERCED	12	14,215	4,631

NOTES TO THE SEPARATE FINANCIAL STATEMENTS for the year ended 31 Desember 2020 (in thousands of EUR)

1. General information

Slovershé elektráme, a.s. (hereinafler as the "Company" or "SE") is an electricity and heat generation, supply and lracing company, which owns and operates 51.3% (2018: 52.8%) of the installed capacity of power plants in the Slovak Republic.

The Company's registered address and registration numbers are: Slovenské elektrárne, a.s. Registration number: 35 829 852 Tax registration number: 2020261353 Nijveské niny 47 621 09 Bratislava Slovak Regulatio

The Company was set up on 13 December 2001 and was incorporated into the Commercial Register on 21 January 2002.

The Company has two branches, one is established in the Czech Republic and the second one is in Poland.

The Company is not a partner with unlimited liability in any company.

During the year 2020 the Company had 3,604 employees on average (2018: 3,697 employees), the number of employees as at 31 December 2020 was 3,708 (as at 31 December 2018: 3,025, of which 24 wase management (31 December 2018: 25 managers).

The separate financial statements are presented in thousands of euros.

The separate financial statements have been prepared as ordinary separate financial statements according to Section 17 (8) of the Stotiak Accounting Act No. 431/2012 Coll. as amended.

The separate financial statements are available at the Company's registered address and at the Commercial Register of District Court in Bratistava I, Zâhradnicka 10, B12 44 Bratistava. According to Section 23 of the Slovak Accounting Act No. 431/2001 Coll, as amended, the separate financial statements are also filed in the registry of the financial statements, in the electronic form.

Comership structure

As at the date of these separate financial statements the Company's states were comed by Stotak Power Holding B.V., the Netherlands (amounting to 80% of the share capital) and by the Stotak Republic, on behalf of which acts the Ministry of Economy of the Stovak Republic (amounting to 34% of the share capital).

As at the date of these separate financial statements, the shares of Slovak Power Holding B.V. (hereinafter as "SPH") were owned by Enel Produzione S.p.A., Italy (hereinafter as "Enel Produzione") in the amount equal to SD% of the share capital and by EP Slovakia B.V., the Netherlands (hereinafter as "EP Slovakia") also in an amount equal to SD% of the share capital. The only shareholder of EP Slovakia was Energeticky a pulsary-looking a.s., Geech Republic (hereinafter as "EPTP"). The ultimate parent entity of the Company is SPH.

The shareholders agreement and contract for the sale of the stake held through SPH by Enel Produzione in Slovenské elektráme, a.s., executed on 18 December 2015, as amended in August 30, 2018 and recently updated on December 22, 2020, provides among other things, for a call option in factor of EP Storakia for the acquisition of the remaining SPH shares held by Enel Produzione that is exercisable 8 months after the signature of the updated contract until the earlier of (i) 4 years from the completion of the Trial Run of Unit 4 or (ii) December 2028.

Furthermore, always with respect to the remaining 50% of the SPH's share capital held by Enel Produzione, the above mentioned agreements provide to a policylical in Gazar of Enel Produzione and a call cylicals in Easter of EP Stovalia that can be both exercised when the ident of these events has occurred (() 0 months after the Trial Run of Unit 4, (ii) the date of completion of the first outage of Mochance unit 4 and (ii) the malurity of the shareholder bars set in year 2032.

Upon exercise of the above options, Enel Produzione shall transfer the remaining 50% of the SPH's share, capital to EP Stovaltia and EPH shall take over the shareholder loans according to an agreed schedule.

The roles form an integral part of the separate linearctal diatements.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of BLIR)

2.1 Basis of preparation

The financial statements were prepared using the going concern assumption that the Company will continue its operations for the foreseeable future.

As described in Nules 5,18 and 32, the Company rescribed significant an ownis as assets under carelruction for nuclear power plant Mochovce Units 3 and 4 and drawn borrowings that have a significant impact on the financial siluation of the Company. Additionally, as of the date of these separate financial statements, the Company is still under negotiations with the banks on the prolongation of an existing technical coverant related to the Mochovce unit 3 and 4 timeline.

The Company is also negotiating with some of its creditors the granting of an interim valver in relation to his technical covenant until a final agreement is reached in the short term. Under this situation, a significant portion of the drawn non-current borrowings were classified as current, pending turther negotiations with the Company's financing creditors. The separate financial statements do not include any adjustments to the carrying value of assets or liabilities that might be necessary if the Company's creditors demand acceleration of debt reportment, which is currently scheduled for periods beyond 2025, to earlier.

The financial year is the same as the calendar year.

The separate financial statements of the Company for the previous period were approved by the ordinary Annual General Meeting of the Company held on 29 May 2020.

The assets and liabilities reported in the balance sheet are classified on a current/non-current basis, with separate presentation of assets classified as held for sale and assets and liabilities directly associated with discontinued operations. Current assets, which include cash and cash equivalents, are assets that are intended to be realised, sold or consumed during the normal operating cycle of the Company or within the techne monitor following the balance sheet dute. Current liabilities are liabilities that are expected to be settled during the normal operating cycle of the Company or within the twelve monitor following the balance sheet dute.

The costs in the income statement are classified according to their value. Net profit from discontinued operations is presented separately.

The indirect method is used for the statement of cash flows that presents the net cash flows attributable to the operating, investing and financing activities.

The separate financial statements have been prepared on the historical cast basis except for the following:

- property, plant and equipment are carried at their resoluted amounts,
- derivative financial instruments are measured at fair value,
- Instal instruments at fair value through profit or less are measured at fair value.

The methods used to measure fair values are discussed further in Note 5 and 30.

i) information on the consulidated group

The separate financial statements of the Company are included in the consolidated financial statements of the Stovenshe elektrame Group which are part of the consolidated financial statements of Stovak Power Holding B.V. and are analiable directly at the registered address of the company, at Herengracht 471, 1017 It's Ansterdam, the Netherlands. The consolidated financial statements are filed in the tusiness register of the Chamber of Commerce of Ansterdam, De Ruijlerlade 5, 1013 AA, Ansterdam, the Netherlands.

ii) Statement of compliance

The separate financial statements have been prepared in accordance with International Financial Reporting Standards (TFRS') as adapted by the European Union. FRS comprise standards and interpretations approved by the International Accounting Standards Board ("IASE") and the International Financial Reporting Interpretations Committee ("FRIC"). Sievensie elektrime, a.s.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

2.2 Changes in accounting policies and disclosures

The accounting policies adopted are consistent with those applied in the separate financial statements prepared as at 31 December 2019 except as follows:

The Company has adapted the following near and amended IFRS as at 1 January 2020, all adapted by the European Union (hereinalter as the "EU"):

- IAS 1 Amendments to IAS 1 and IAS 8: Definition of Naterial (effective for annual reporting periods IAS 8 beginning on or after 1 January 2020); IERS 8
- ITRO 3 Amendments to IFRS 8, IAS 39 and IFRS17: Interest Rate Benchmark Reform (effective for IFRS 7 annual reporting periods beginning on or after 1 January 2020);
- IFRS3 Amendments to IFRS 3 Business Combinations (effective for annual reporting periods beginning on or after 1 January 2020);
- IFRS 16 Amendment to IFRS 10 Leases Could 19 Related Rent Concessions (ellective for accusi reporting periods beginning on or after 1 January 2020);

Amendments to References to the Conceptual Framework in IFRS Standards (effective for annual reporting periods beginning on or after 1 January 2020)

The impact of adoption of the new or amended standards on the separate financial statements of the Company is described below:

Amendments to IAS 1 and IAS 8: Definition of material

The amendments introduce a new definition of material. The information is material if omitting, missiating or observing it could reasonably be expected to influence decisions that the primary users of a specific reporting entity's financial statements would make on the basis of those financial statements. The materiality of information is assessed either individually or in combination with other information. The application of these amendments did not have any impact on the Company's separate financial statements.

Amendments to IFRS 8, IAS 38 and IFRS 7: Interest Rate Benchmark Platform

The objective of the Amendments is to arout the discontinuation of hedging relationships as a result of uncertainties related to the IBOR transition, in particular due to the inability to meet specific forward-tooling hedge accounting requirements in the periods before the transition. The Amendments provide relief from the highly probable and prospective accessments required by FRS 9 and IAS 39 insafar these tests relate to hedging relationships that are affected by the uncertainties of the IBOR reform. With the same objective, the Amendments aken provide relief from the retiregentive accessment under IAS 30. The exceptions described in the Amendments apply only to those hedging relationships directly affected by uncertainties of the IBOR reform including some types of cross-currency interest rate swaps. The application of these amendments did not have any impact on the Company's separate financial statements.

Amendments to FRS 3 Business Combinations

The Americanents respond to concerns reported by stateholders during the Postimplementation Reason of IFRS 3 about how to interpret and apply the definition of a business, with the objective to clarify the definition and assist entities to determine whether a transaction should be accounted for as a business combination or as an asset acquisition.

Ministra requirements to be a besiness

The Amendments clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that logether significantly contribute to the ability to create outputs. They also clarify that a set of activities and assets can qualify as a business without including all of the inputs and processes needed to create outputs, or including the outputs themselves, by replacing the term 'ability to create outputs' with 'ability to contribute to the creation of outputs'.

Market participant's ability to replace missing elements

It is no longer necessary to assess whether market participants are capable of replacing any missing inputs or processes (for example by integrating the acquired activities and assets) and continuing to produce outputs. The Amerdments focus on whether acquired inputs and acquired substantive processes, together, significantly contribute to the ability in create nutputs.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of BLIR)

Assessing whether an acquired process is substantive

The Amendments provide guidance and illustrative examples to help entities assess whether an acquired process is a substantive process. The guidance requires more persuasive exidence when the acquired set of activities and assets has no outputs as the existence of outputs already provides evidence that the acquired set of activities and assets is a business.

When here are outputs at the acquisition date (i.e. revenue is generated) an acquired process is substantive in either of the following cases: (a) The process is critical to the ability to continue producing outputs, and the inputs acquired include an organised variatizate with necessary shills, knowledge or experience to perform that process; or (b) The process significantly contributes to the ability to continue producing outputs and is considered unique or scarce and cannot be replaced without significant cost, effort or delay in the ability to continue producing outputs.

If there are no cutputs at the acquisition date, an acquired process is considered substantive if both the following criteria are met: (a) The process is critical to the ability to develop or convert an acquired input or inputs into cutputs; and (b) The inputs acquired include both an organised vortificrce that has the necessary skills, invalidage or experience to perform that process and other inputs that the workforce cauld develop or convert into outputs.

The Amerciments role that an acquired contract (such as an outsourced asset management arrangement) is not a substantive process, in order to clarify that a contract that provides a continuing reserve stream (e.g. a lesse contract) is not itself a process. However, the Amerciments also inform that an acquired contract can give access to an organised workforce which, in turn, performs a substantive process that the entity has acquired.

Narrowed definition of outputs

The Amendments narrow the definition of outputs by focusing on goods and services provided to customers, investment relates and other insome from ordinary activities, and by remaking the reference to relates in the form of lower costs and other economic benefits directly to investors or other owners, members or participants. The definition of a business has also been amended to make it consistent with the narrowed definition of outputs.

Concentration less

An optional concentration text has been added that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The text is designed to reduce costs and complexity by acuiding the need for a detailed assessment in some cases. The concentration text is mell if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. Entities may elect whether or not to apply the concentration text on a transaction-bytransmission texts. If the text is not met, or if an entity elects not to apply it, an entity would be required to perform a detailed assessment.

The locus of the concentration test is on gross assets, rather than net assets, mainly because the existence of associated debt or other liabilities (i.e. how the acquisition use financed) should not affect the assessment of whether what is acquired is a business. For similar reasons, the concentration test also excludes cash and cash equivalents acquired, as well as deferred tax assets and goodwill resulting from the effects of deferred tax liabilities.

Overall, the concentration test is expected to lead to fearer transactions being accounted for as business combinations.

The application of these amendments did not have any impact on the Company's separate financial statements.

Amendment to IFRS 18 Leases Could 19- Related Rent Concessions

The Amendment provides a practical expedient that permits inspects not to assess whether rent concessions that occur as a direct consequence of the Covid-19 pandemic and meet specified conditions are lease modifications and, instead, to account for those rent concessions as if they were not lease modifications. The application of this amendment did not have any impact on the Company's separate inancial statements.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

Amendments to References to the Concentral Framework in IERS Standards.

The USB decided to revise the Conceptual Framework because some important issues were not covered and some guidance nass undear or out of date. The revised framework includes a new chapter on measurement, guidance on reporting financial performance, improved definitions of asset and fiability and guidance supporting these definitions. Consequently, it was necessary to amend the references to the Conceptual Framework in IFRS standards. The application of these amendments did out have any impact on the Company's separate financial statements.

The Company has not early adopted any standards and interpretations where the adoption is not mandatory at the balance sheet date.

2.3 Surmary of significant accounting policies

a) Subsidiaries and associated companies

Securities and shares in subsidiaries and associated companies which are not classified as held for-sale are recognised in carning value representing acquisition cost less accumulated impairment losses.

Securities and shares in subsidiaries and associated companies classified as held-for-sale are recognised at the lower of carnying value or fair value less disposal casts.

Acquisition cost of securities and shares in subsidiaries and associated companies is the purchase price of acquired securities or shares. Additional acquisition cost, such as option premium from applied borght call option, charges and commissions paid to brokers, advisors or to stock exchange, etc. form part of acquisition cost.

b) Non-conversionness insis for sole

Non-current assels and disposal groups classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. Non-current assels and disposal groups are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is regarded as mellonly when the sale is highly probable, and the assel or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of ebsolication.

Property, plant and equipment and intangible assets once classified as held for sale are not deprecialed or amorfised.

c) Foreign converse translation

The Company's separate financial statements are presented in euros, which is the functional currency of the Company.

Foreign currency interactions are recorded in the functional currency by applying the exchange rate between the functional currency and the foreign currency at the date of the transaction to the foreign currency amount. Eachange rate differences origing on the cellement of monotory items at rates different from these of which they were initially recorded are recognised in the income statement in the period in which they arise. Monetary assets and fabilities denominated in foreign currencies are reformabled at the functional currency rate of exchange ruling at the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Nonmonetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value nest determined. Foreign exchange differences are recorded as financial income or expense.

d) Revenue recognition

Reserves are generated primarily from the sale of electricity and related services to wholesale markets, to relationstances, to market and relevant operators and from the sale of heat.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

The Company recognises revenue when (or as) it satisfies a performance obligation by transferring a provised good or senice to a customer. An asset is transferred when (or as) the customer obtains control of that asset. Revenue is recognised in the amount of the transaction price that is allocated to each performance obligation. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring provided goods or services to a customer, excluding amounts collected on behalf of third parties (for example, where added law). The Company has devicted on the customer is the researction price for the effect of financing component because it is not significant and because contract asset and contract liabilities are amortized within less than 12 months. Contracts with customers contain also variable consideration which is typically constrained and therefore not accured.

(i) Revenue from sale of electricity

Domestic and foreign sale, ind. wholesale backst

Revenue from sale of electricity is recognised over time when the commotity is supplied to the customer and based on the quantities provided during the period, even if these have not yet been invoiced, and is determined using estimates as well as periodic meller readings. The performance obligation is deemed to be a series of distinct services that are substantially the same and transfer consecutively over the selfement period. Revenue is based on short-term contracts with faced energy prices.

Deviation/initialance sevence

Deviation/inbalance revenue represents variable consideration related to domestic sale which is measured based on the difference between the contractual amount of electricity and the real amount of electricity of the electricity market participant. Its value is determined based on actual spot market prices. It has a technical but also a financial value. The deviation/imbalance income is highly susceptible to factors outside the Company's influence and may not be reliably predicted. Therefore, it is not accured, but is recognized as incomed.

(ii) Revenue from grid balancing services

Revenue from and lary services

Ancilary services are one of the types of community in the electricity market. The Company supplies ancillary services typically to the transmission system operator (SEPS, a. s.), which uses them to maintain the quality of electricity supply and to ensure the operational reliability of the Skowk electricity system. The Company earns fees for providing the ancillary service regardless of whether the SEPS activates it (renuneration for maintakility, stand-ready services). Revenues from ancillary services are recognised over the time of the contract on straight-line basis. Revenue is based on king-term contracts (1-2 years). The services are invoiced on monthly basis.

Revenue from regulating electricity

Revenue from regulating electricity inductor electricity supplied to transmission system operator (SEPS, a. s.) in case of activation of ancillary services. The company has evaluated that this activity is not distinct from ancillary services described above and therefore if accounts for it as for variable consideration related to ancillary grid balancing services. The Company evaluated that this variable consideration is constrained as it is highly susceptible to factors outside Company's influence (such as weather conditions and consumption peaks). Therefore, the Company does not accure the related revenues and recognize them as incurred. The process typically determined based on actual spot market proces.

(iii) Revenues from tariff from system operation

Revenues from tariffirom system operation include revenues in part of electricity production from the power plant Novaky according to the General Economic Interest. Revenues from tariff from system operation are recognised over fime and measured based on actual consumption on Slovak electricity market.

(iv) Revenues from heat

Heat is typically co-produce in Company's power plants and sold to customers in adjacent territories. Revenue from heat generation is recognized over time and measured based on the volume of energy delivered. Possible fixed fees are account over the period of 1 year based on estimated seasonal consumption pattern, which however are not material.

(v) Revenue from rendering of services

Revenue from rendering of services is recognised when the services are rendered, or by reference to the stage of completion of services at the end of the reporting period. This category includes other services not related to sale of electricity and gas.

The roles form an integral part of the separate linearcial statements.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS for the year ended 31 Desember 2020 (in thousands of EUR)

e) Comment grants

Government grants are recognised if there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the period necessary to match the grant on a systematic basis with the costs that it is intended to compensate. Where the grant relates to an asset, it is recognised as deferred income and released to income statement in equal amounts over the expected useful life of the related asset.

ij Income tar

The income tax expense for the period comprises current and deferred tax. Income tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equily. In this case the tax is also recognised in other comprehensive income or directly in equily, respectively.

income tax is calculated from the accounting profit as determined according to natid legislation in the Storak republic and adjusted for certain items to taxable income using a valid tax rate for the income tax of 21%.

In line with Act No. 235/2012 Coll. on a Special Levy on Business in Regulated Industries and on the Amendment to and Supplement of Certain Acts, the Company is obliged to pay a monihily special levy effective from September 2012. The special levy represents 0.54% per annum (2010: 0.54%). This levy is based on profit before tax and is presented as part of the current income tax pursuant to the IFRS requirements.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their canying amounts in the separate financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting, nor taxable profit or leas. Deferred income tax is determined using tax rates that are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is selfed. Deferred tax asset is recognised for the carryformard of unused tax leases and unused tax credits only to the edent that it is probable that induce taxable profit will be available against which the unused tax losses and unused tax credits can be utilized.

Deterret income tax assets and liabilities are offset when there is a legally enforces the right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same location authority on either the tocable entity or different taxable entities where there is an intertion to settle the balances on a net basis.

g) Financial instruments – initial recognition and subsequent oreasonment.

i) Francial assets

Initial recognition and classification of financial assets

A financial asset is recognised in the statement of financial position when, and only when, the Company becomes party to the contractual provisions of the instrument. Financial assets within the scope of FRS 9 Financial instruments are classified to financial assets subsequently measured at amortised asst, financial assets measured at fair value through other comprehensive income or financial assets measured at fair value through profit or less, depending on the Company's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets. Financial assets can be designated as hedging instruments in an effective hedging relationship, as appropriate. Embedded dematives, which represent a component of hybrid contract that also includes a non-demative host, with the effect that some of the cash flows of the combined instrument vary in a nay similar to a stand-alone demative, are also within the scope of IFRS 9 Financial instruments.

The Company determines the classification of its financial assets at initial recognition.

The Company accounts for contracts to buy or sell non-financial items that can be settled net in each or another financial instrument, or by exchanging financial instruments, as if the contracts were financial instruments, in line with FRS 9 Financial Instruments. Contracts that were entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the Company's expected purchase, sale or usage requirements are cutside the scope of this standard.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

Except for hade reseivables, at initial recognition, the Company measures a financial asset at its fair value plus or minus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly altributable to the acquisition or issue of the financial asset. Transaction costs of financial asset carried at fair value through profit or loss are expensed in profit or loss at the initial recognition. At initial recognition, the Company measures trade receivables that do not contain a significant financing component at their transaction prize.

Purchases or sales of financial assets that require delivery of assets within a fime frame established by regulation or convention in the markelplace (regular way tracks) are recognised on the trade date, i.e. the date that the Company commits to purchase or set the asset.

The Company's financial assets include cash and short-term deposits, trade and other receivables, quoted and unquoted financial instruments, and derivative financial instruments.

Subsequent meson ement

The subsequent measurement of financial assets depends on their classification at initial recognition as follows:

Financial assets measured at anotherd cost

A financial asset is classified as measured at anotised cost if the objective of the Company is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. After initial recognition, such financial assets are subsequently measured at amorfised cost using the effective interest rate method (thereinafter as "ER"), less impairment. Amorfised cost is calculated by taking into account the less paid or received between the contractual parties that are an integral part of the ER, transaction costs and all other premiums and discounts. The EIR amorfisation is included in finance income in the income statement. The impairment gains and besets are recognised in the income statement. This entegry includes cash and cash equivalents, trade and after rescitables and other current and non-surrent assets.

Financial assets measured at fair value through other comprehensive income

A financial asset is classified as measured at fair value through other comprehensive income if he Company's business model objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Novements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is resleccified from cavity to profit or loss.

Financial assets measured at fair value through other comprehensive income – option for equily instruments. Equity instruments are only classified as financial assets measured at fair value through other comprehensive income when the Company elects them to fair value through other comprehensive income option as of the initial recognition and the equity instrument is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS applies. Movements in the camping amount are taken through other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is not reclassified from equity to profit or loss.

Financial useds measured at fair value forcugh profit or loss

Financial assets that do not meet the orderia. For dassification as measured at anonises cost or at fair value Incough other comprehensive income are measured at fair value incough profit or loss. Financial assets that are held within a business model which is neither "held to collect" or "held to collect and self" are measured at fair value through profit or loss.

This category induces:

- commotity derivatives that are not designated as hedging instruments in hedge relationships as defined by IFRS 9
- hybrid instruments including host contracts and embedded derivatives.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of ELIR)

After the initial recognition, financial assets at fair value through profit or loss are carried in the balance sheet at fair value with changes in fair value recognised in the income statement.

Endreckácsí derivalives

An embedded derivative is a component of a hybrid contract that also includes a non-derivative host with the effect that some of the each flows of the combined instrument very in a way similar to a stand-alone derivative. Derivatives embedded in hybrid contracts with a financial asset host within the scope of FRS 9 are not separated. The entire hybrid contract is classified and subsequently measured as either amortised cost or fair value as appropriate.

Derivatives embedded in hybrid contracts with hosts that are not financial assets within the scope of FRS 9 (financial liabilities) are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value through profit or loss.

If the hybrid contract is a quoted financial liability, instead of separating the embedded definative, the Company generally designates the whole hybrid contract at fair value through profit or less.

An embedded derivative is presented as a non-current asset or non-current liability if the remaining maturity of the hybrid instrument to which the embedded derivative relates is more than 12 months and is not expected to be realised or settled within 12 months.

impairment of financial assets

The Company recognises a loss allowance for expected credit losses on a financial asset that is measured at amorfised cost or at fair value through other comprehensive income, a lease receivable, a contract asset, a loan commitment or a financial guarantee contract to which the impairment requirements apply in accordance with IFRS 8 Financial Instruments.

For trade and lease reservables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised since the initial recognition of receivables. For further details, see Note 11 and Note 31.

For all financial assets other than trade receivables and lease receivables, the Company applies the general approach under IFRS 8, based on the assessment of a significant increase in credit risk since initial recognition. Under such approach, leas allowance on financial assets is recognised at an amount equal to the lifetime expected credit bases, if the credit risk on those financial assets has increased significantly since initial recognition, considering all reasonable and supportable information, including also forward-boding inputs. If at the reporting date, the credit risk on financial assets has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit leases. Lifetime expected credit leases represent the expected credit bases that result from all possible default events over the expected life of a financial instrument.

For purchased or originated credit-impaired financial assets, the Company applies the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition.

For financial assets that are not purchased or originaled credit-impaired financial assets but subsequently have become credit-impaired financial assets, the Company applies the effective interest rate to the amorfised cost of the financial asset in subsequent reporting periods.

As at 31 December 2020 and 31 December 2010, the Company recognized expected credit losses allowance only in respect of trade and lease receivables. The expected credit losses for other financial assets recognised in the balance sheet are negligible.

The Company recognises in profit or less, as an impairment gain or less, the amount of expected credit lesses (or reversal) that is required to adjust the less allowance at the reporting date to the amount that is required to be recognised as at the balance sheet date in line with IF-KS 9 Financial instruments. The loss allowance for the financial assets measured at fair value through other comprehensive income is recognised in other comprehensive income and shall not reduce the carrying amount of the financial asset in the statement of financial position.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

Financial assets logether with the related allowance are written off when there is no reasonable expectation of recovering the financial asset in its entirety or a portion thereof. A write-off consideres a derecognition event.

Derecognifica

A formula accel (or, where applicable a part of a financial accel or part of a group of similar financial accels) is derecognised where

- The contractual rights to the cash flows from the financial asset expire;
- The Company has transferred the financial asset and the transfer qualities for derecognition in line with requirements of IFRS 9 Financial instruments.

ii) Financial Sobilities

Initial recognition and measurement

A financial liability is recognised in the statement of financial position when, and only when, the Company becomes party to the contractual provisions of the instrument. Financial liabilities within the scope of FRS 9 are classifient as financial liabilities subsequently measured at americal enst, except for financial liabilities at fair value through profil or loss, financial guarantee contracts, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition, commitments to provide a loan at a below-market interest rate and confingent consideration recognised by an acquirer in a business combination in scope of IFRS 3 Business Combinations.

The Company determines the classification of its financial liabilities at initial recognition.

Financial fabilities may be designated as hedging instruments in a hedging relationship.

The Company accounts for contracts to buy or sell non-financial items that can be selfed net in cash or another financial instrument, or by exchanging financial instruments, as if the contracts were financial instruments, in line with FRS 9 Financial instruments. Contracts that were entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the Company's expected purchase, sale or usage requirements are outside the scope of FRS 9.

At initial recognition, the Company measures a financial liability at its fair value plus or minus, in case of a financial liability not at fair value incough profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial liability.

The Company's financial liabilities include trade and other payables, bars and berowings, and derivative financial instruments.

Subsequent measurement

After initial recognition, the financial fabilities are measured according to their classification determined at initial recognition. Reclassifications of financial liabilities are not permitted in any circumstances. The Company classified its financial liabilities as financial liabilities at fair value fincugh profit or loss and financial fabilities subsequently measured at amorised costs.

Financial Sabilities at this value discurpt profit or less

Financial liabilities at fair value through profit or loss include financial liabilities held for tracing and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for tracing if they are acquired or incurred principally for the purpose of selling or repurchasing it in the near low, on initial recognition are part of a portfolin efficiential financial incluments that are managed together and for which there is exidence of a recent actual pattern of short-term profitating; or are derivatives (except for a derivative that is a linancial guarantee contract or a designated and effective hedging instrument).

This category includes the following:

- embedded derivatives separated from the host contract,
- connocity derivatives, that are not designated as hedging instruments in hedge relationships as defined by IFRS 9.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

Financial Sublities measured at amonfored cost

This calegory includes loans and borowings, hade and other payables. Amortised cost of a financial liability is the amount at which the financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount. The calculation of EIR includes the fees paid or received between parties to the contrast that are an integral part of the effective interest rate, traceaction costs, and at other premiums or discounts. The EIR amortisation is recognised in finance cost in the income statement.

Derecognificati

A financial liability is deterogrised when it is exinguished, i.e. when the obligation under the liability is discharged or cancelled or expires.

A substantial modification of the terms of an existing financial liability or a part of it is accounted for as an estimatishment of the original financial liability and the recognition of a new financial liability. On derecognition of a financial liability, the difference between the camping amount of a financial liability exinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities accounted, shall be recognized in profil or texts.

In case of modification of the terms of an existing financial liability, the Company considers both quantitative and qualitative criteria to evaluate whether the modification was significant. As for the quantitative criteria, based on the pronouncements of IFRS 9, the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. Significant qualitative changes include for example change in the currency in which the liability is denominated, a substantial change in coverants, a change in the interest rate basis, significant edension of the maturity period which results in renegotiated interest rate and other contractual terms, a change in terms of security or a change in creditor.

iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if, and only if, there is a currently enforceshile legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously. In accordance with VAS 32, Amendments to VAS 32: Offsetting Financial Assets and Financial Liabilities, the right to offset must not be contingent on a future event and it has to be legally enforceable both in the normal course of business and in case of default, insolvency or bankrupicy.

iv) Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market proces or dealer price quotations, without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis or other valuation module.

An analysis of fair values of financial instruments and further details as to how they are measured are provided in Note 30.

N) Hedge accounting

The Company holds definative financial instruments to hedge its foreign currency, interest rate and commodity price risk exposures. A hedged item is a recognised asset or liability, unrecognised firm commitment, highly probable forecast transaction or net investment in a foreign operation that exposes he Company to risk of charges in fair value or future cash flows and is formally designated as a hedged item in the hedging relationship. A hedged item can also be a component of such an item or group of items. The hedged item must be reliably measured.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

A hedging instrument is a designated derivative or measured at fair value through profit or loss whose fair value or cash flows are expected to offset changes in the fair value or cash flows of a designated hedged item. The Company has designated the following derivatives as hedging instruments: interest rate swaps, cross-currency interestinate swaps, commodity formants and FX formants.

Hedging derivatives are reasonised initially at fair value, the attributable transaction casts are reasonised in profit or less when incurred. Subsequent to initial recognition, hedging derivatives are measured at fair value, and changes in fair value are accounted for as described below.

Cost low hedges

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognised directly in other comprehensive income and accumulated in equily in a separate cash flow hedge reserve to the extent that the hedge is effective, following the conditions set in IFRS 9.

The ansunt recognised within equily is the lower of cumulative gain or loss on the hedging instrument from the inception of the hedge and the cumulative change in fair naive of the hedged item from the inception of the hedge. Any remaining gain or loss on the hedging instrument is a hedge ineffectiveness that is recognised in profil or loss.

If a hedge of a forecast inarcaction subsequently results in the recognition of a financial asset or a financial fability, the associated gains or losses that have been recognised directly in equity shall be reclassified to profit or loss during the same period(s) during which the asset acquired or the liability assumed affects profit or loss.

If a hedged forecast intraaction subsequently results in the recognition of a non-financial asset or nonfinancial fability, or a hedged forecast transaction for a non-financial asset or a non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, the Company removes that amount from the cash flow hedge reserve and includes it directly in the initial cost or other carrying amount of the asset or the fability.

Fair value hedges

A fair value hedge is a hedge of the exposure to changes in fair value of a recognised asset or liability or an unrecognised from commitment, or an identified portion of such an asset. Tability or from commitment, that is attributable to a particular risk and could affect profit or loss. The gain or loss on the hedging instrument is recognised in profit or loss. When a hedged item in a fair value hedge is an unrecognised from commitment (or a component thereof), the cumulative change in the fair value of the hedged item subsequent to its designation is recognised as an asset or a liability with a corresponding gain or loss recognised in profit or loss. When a hedged item in a fair value hedge is a firm commitment to acquire an asset or assume a liability, the initial conving amount of the asset or the liability that results from the entity meeting the from commitment is adjusted to include the cumulative change in the fair value of the hedged item that was recognised in the statement of financial position.

The gain or less from remeasuring the hedging instrument at fair value shall be recognised in profit or less. The gain or less on the hedged item athributable to the hedged risk shall adjust the carrying amount of the hedged item and be recognised in profit or less.

As of 31 December 2020, and 31 December 2019, the Company classified all its hedging relationships as cash flow hedges.

The effectiveness of the hedge is an estant to which changes in the fair value or each flows of the hedget item that are attributable to the hedged risk are offset by changes in these of the hedging instrument. The hedge ineffectiveness is evaluated through a qualitative assessment or a quanitative computation, depending on the extent to which the critical terms of the hedged item and the hedging instrument match.

The main causes of hedge ineffectiveness include the basis difference (i.e. the fair value or cash flows of the hedged item depend on a variable that is different from the nariable that causes the fair value or cash flows of the hedging instrument to change), timing difference (i.e. the hedged item and the hedging instrument occur or are selfed at different dates), quantity or notional amount differences, credit or other risks that have an impact on the fair value of a hedged item or a hedging instrument.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

Discurfinging of the besige accounting

The Company discuttives hedge accounting prospectively only when the hedging relationship causes to meet the qualifying criteria (alter taking into account any rebalancing of the hedging relationship, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The cumulative gains or losses previously recognised in equity are restantified to profit and loss in the same period(s) when the hedged item allects the profit or loss. A hedging relationship that still meets the risk management objective and continues to meet all other qualifying criteria, alter taking into account any rebalancing, cannot be discontinued.

Current versus non-current classification

Derivative instruments are classified as current or non-current or separated into a current and non-current portion as follows:

- When the Company holds a derivative as an economic hedge (and does not apply hedge accounting) for a period beyond 12 months alter the reporting date, the derivative is classified as non-current (or separated into current and non-current perform) consistent with the classification of the underlying item.
- Embedded derivatives that are not closely related to the host contract are classified consistent with the cash frame of the host contract.
- Definitive instruments that are designated as, and are effective hedging instruments, are classified consistent with the classification of the underlying hedged item. The derivative instrument is separated into a current portion and non-current portion only if a reliable alcosation can be made.
- Derivative instruments which are held primarity for the purpose of trading are classified as current.

Property, plant and equipment

itens of property, plant and equipment are measured at cost upon initial recognition. Cost includes expenditures that are directly attributable to the acquisition of the asset, any other costs directly attributable to bringing the asset to a working condition for its intended use and the costs of dismanting and removing the items and rectoring the site on which they are located ("dismanting asset"). The cost of self-constructed assets includes also the cost of materials and direct labour consumed during its construction.

Subsequent to initial recognition, items of property, plant and equipment are carried at revolved amount, being their fair value at the date of the most recent revolvation less any subsequent accumulated depreciation and subsequent accumulated impairment bases. Revolvations are performed with sufficient regularity such that the carrying amounts do not differ materially from these that would be determined using fair values at the balance sheet date.

Any rescluation increase arising on the resolution of the property, plant and equipment is credited in equity to a resolution reserve, except to the extent that it reverses a resolution decrease for the same asset proviously receptised in profit or loss, in which each the increase is credited to profit or loss to the extent of the decrease previously charged. A decrease in the carrying amount arising on the revolution of property, plant and equipment is charged to profit or loss to the extent that it exceeds the balance, if any, held in the revolution reserve relating to a previous resolution of that asset.

Property, plant and equipment in the course of construction for production, rental or administrative purposes, or tor purposes not yet determined, are carried at cost, less any recognised impairment loss. Assets related to construction of nuclear power plant Nochovce 384 are carried at revolued amount, being their fair value at the date of the revolucion less any subsequent accumulated impairment losses. Depreciation of property, plant and equipment commences when the assets are ready for their intended use.

Subsequent costs incurred in relation to an item of property, plant and equipment are recognised as an increase in the carrying amount of this item only if it is probable that these costs will result in the increase in related future economic benefits and the costs can be measured reliably. All other costs are recognised in profit or loss as incurred.

The cost of replacing part or all of an item of property, plant and equipment is recognised as an increase in the carrying amount of this item and is deprectated over its remaining useful life; the net carrying amount of the replaced unit is derecognised through profit or loss, with the recognition of any capital gain or loss.

Periodic maintenance and inspection costs are capitalized as a separate component of the related item of property, plant and equipment. All other repair and day-to-day maintenance costs are recognised in the income statement as incomed

NOTES TO THE SEPARATE FINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

Depreciation of property, plant and equipment is recognised in the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The Company does not perform any transfer from the resolution reserve to relained earnings on derecognition, sale or retirement of revalued property.

The estimated useful lives for the current and comparative periods are as follows:

•	Buildings, halls and structures	20-00 years
•	Machines, plant, equipment and vehicles	4–60 years
•	Other assets	up to 4 years

When parts of an item of property, plont and equipment have different useful lives, they are assounted for as separate items (major components) of property, plant and equipment. Depreciation methods, useful lives, and residual values are reassessed regularly, with the effect of any changes in estimate assounted for on a prospective basis.

Leased property, plant and equipment recognised in the balance sheet are depreciated over the shorter of the lease term and their useful fives. Land is not depreciated as it is deemed to have an infinite life.

Gains and leases on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other operating casts/income in the income statement in the period in which the item was disposed of.

🕽 Lesses

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date. An arrangement is considered to contain a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

This applies when the customer has both of the following:

- The right to obtain substantially all of the economic benefits from use of the identified asset.
- i) the right to direct the use of the identified asset

If the castamer has the right to control the see of an identified asset for only a partian of the term of the contract, the contract contains a lease for that portion of the term.

Company as a fease

At the commencement date, the Company recognises a right-of-use asset and a lease liability. Right-of-use asset represents the Company's right to use an underlying asset for the lease term, is measured at cost and is presented as part of property, plant and equipment.

The cost of the right-of-use asset comprises the following:

- the amount of the initial measurement of the lease liability
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Company; and
- an estimate of costs to be incurred by the lessee in dismanting and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lesse, unless hose costs are incurred to produce imentaries.

After the commencement date, the Company measures the right-of-use assets in a way consistent with the measurement of the assets owned by the Company. The depreciation policy for depreciable leased assets is also consistent with that for depreciable assets that are owned by the Company.

Company as a fessor

The Conjuary classics each of its leases as either an operating lease or a finance lease. Hinarce lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.

Lease classification is made at the inception date and is massaced only if there is a lease medification. Changes in estimates (e.g. economic ife or residual value of the underlying asset) or changes in circumstances (e.g. default) do not give rise to a new classification of a lease.

The roles form an integral part of the separate linearchal diatements.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

It Conversing costs

Following WS 23 (Revised), the borowing costs are included in the acquisition cost of a qualifying asset. Capitalisation of borowing costs commences when the activities to prepare the asset are in progress and expenditures and borowing costs are being incurred. Borowing costs are capitalised until the assets are ready for their intended use. Borowing costs include interest charges, comminent fees and other costs incurred in connection with the borowing of funds, including exchange differences arising from foreign currency borowings used to finance these projects to the extent that they are regarded as an adjustment to interest costs. The amount of borowing costs that is capitalised shall be limited by the value of borowing costs recognised as a finance cost during the period.

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Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment. Icoses.

Expenditure on research activities is mergerised as an expense in the period in which it is incurred.

An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following conditions have been demonstrated:

- The technical feasibility of completing the intargible asset so that it will be available for use or safe;
- The interview is complete the interview and use or set it;
- te ability to use or set the intargable asset;
- hav he stangble asset will generate protoble fotore economic benefits;
- The availability of adequate technical, financial and other resources to complete the development and to use or set the intergible asset, and
- The ability to measure reliably the expenditure altributable to the intengible asset during its development.

The amount initially recognized for internally generated intergible assets is the sum of the expenditure incurred from the date when the intergible asset first meets the recognition criteria listed above. Where no internally generated intergible asset can be recognized, development expenditure is recognized in profit or loss in the period in which it is incurred. Subsequent to initial recognition, internally generated intergible assets are reported at east loss commutated amortication and accumulated impairment losses, on the same basis as intergible assets that are acquired separately.

The useful lives of intangible assets are assessed as finite. The estimated useful lives for the current and comparative period are as follows:

- Solvano 4–5years
- Lizences 4–5years

Intargible assets with finite useful lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intargible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of luture economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intargible assets with finite lives is recognised in the income statement.

Gains or leases arising from denorogation of an intengible assot are measured as the difference between the proceeds from disposal and the carrying amount of the asset and are recognised net within "other operating casts/income" in the income statement in the period in which the item was disposed of.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS for the year ended 31 Desember 2020 (in thousands of EUR)

m) impairment of mon-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or each-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate each infinus that are largely independent of these from other assets or groups of assets. The Company is considered as one cash generating unit. Where the camping amount of an asset or a cash generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining tair value less casts to set, an appropriate value of money and the risks specific to the asset. In determining tair value less casts to set, an appropriate value of money and the risks specific to the asset. In determining tair value less casts to set, an appropriate value of money and the risks specific to the asset. In determining tair value less casts to set, an appropriate value of money and the risks specific to the asset. In determining tair value less casts to set, an appropriate value of money and the risks specific to the asset. In determining to perations are recognised in the income statement in these expense categories consistent with the function of the impaired asset, except for property previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is first recognised in other comprehensive income up to the amount of any previous revaluation

For assets an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the Company estimates the asset's or cash-generaling unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the canying amount of the asset does not exceed its recoverable amount, no exceed the canying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such a reversal is recognised in the income statement unless the asset is carried at a related amount, in which case the reversal is recognised in the revolution reserve.

n) Inventories

Intentories are measured at the lower of cost and net realisable value. The cost of inventories comprise of the expenditures incurred in acquiring the inventories and bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The slock value is based on the weighted average principle except for nuclear fuel as described below.

Nuclear fuel which is consumed over a period of more than one year, whether being used in the reactors or stored is recognised in inventories. Each individual nuclear fuel supply is natured at acquisition costs of particular supply. Nuclear fuel consumption is determined for each load based on the volume of energy produced in reactor from that nuclear fuel load. The volumes of energy produced are determined based on the technical data estracted from hatancing system of each plant. The quantities consumed are valued at the acquisition costs of the particular fuel supply burnt in the reactor. Gost of inventories consumed is periodically corrected in view of forecast burnt quantities based on neutron measurements.

o) Cash and cash expiratents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand, valuables and shortterm deposits with an original maturity of three months or tess.

For the purpose of the statement of cash tions, cash and cash equivalents consist of cash and short-term deposits as defined above.

p) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all the provision to be reinbursed, for example under an insurance contract, the reinbursement is recognised as a separate asset but only when the reinbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reinbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. In case of long-term provisions, which are discounted to their present value, the value of provision is periodically increased by the unwounded interest cost. This increase is recognised as a finance cost in the income statement.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of BLIR)

Provision for severance payments and other termination benefits.

The employees of the Company are eligible, immediately upon termination due to organizational changes or in other cases as set by the valid legislation or valid Company Collective Agreement, for severance payment pursuant to the Slovak law and the terms of the Company Collective Agreement, signed between the trade unions operating at the Company and the Company. The fability is recognised within Other provisions in the balance sheet when the workforce reduction program is defined, announced and the conditions for its implementation are met.

(ii) Provision for retirement benefits

Defined monitorion proving plane

A defined contribution plan is a pension plan under which the Company pays fixed contributions to the fund and will have no legal or constructive obligations to pay further contributions if the scheme does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods.

The Company contributes to the government and private defined contribution persion plans. The Company makes contributions to the Government's health, retirement, and social benefit and unemployment schemes at the statulory rates in force, based on gross salary payments. Throughout the period, the Company made contributions to such schemes amounting to max. 35.2% (2010: 35.2%) of gross salaries in accordance with the Slovatt legislation, logether with contributions to such schemes amounting to max. 35.2% (2010: 35.2%) of gross salaries in accordance with the Slovatt legislation, logether with contributions by employees of a further 13.4% (2018: 13.4%). Throughout the period, the Company made contributions to such schemes amounting to max. 19.52% (2018: 10.52%) of gross salaries in accordance with the Polich legislation, logether with contributions to such schemes amounting to max. 19.52% (2018: 10.52%) of gross salaries in accordance with the Polich legislation, logether with contributions to such schemes amounting to max. 19.52% (2018: 10.52%) of gross salaries in accordance with the Polich legislation, logether with contributions by employees of a further 22.71% (2019: 22.71%). The cast of the contributions made by the Company is charged to the income statement in the same period as the related salary cost.

In addition, with respect to employees who have chosen to participate in a supplementary persion scheme, during 2020 and 2019 the Company made contributions to the supplementary scheme amounting up to 2.0%. From the total of monthly fanit wage plus compensatory mage, with monthly limit of EUR 50 per one employee.

Unlimited defined benefit pensing plan

A defined benefit plan is a pension plan that defines an amount of pension benefit to be provided, usually as a function of one or more factors such as age or years of service.

According to the valid Company Collective Agreement, signed between the trade unions operating at the Company and the Company, the Company is obliged, based on the number of years in service, to pay its employees on relimenent or disability a multiple of their average monthly earning according to the valid Company Collective Agreement. The minimum requirement of the Labour Code of one-month average earning payment on relimenent is included in the above multiples.

The liability in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date, together with adjustments for actuarial gains/bases and past senice cost. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit matterd. The procent value of the defined banafit obligation is determined by the extincted future each outflows using market yield on high quality European corporate bonds.

Amendments to pension plans are charged or credited as past service cost to the income statement in The period when the amendments occur.

Actuanal gams and leases arising from expenence adjustments and changes in actuanal assumptions are charged or credited to the statement of comprehensive income in case these relate to the retirement, benefits, in case of other employment benefits, the adjustments are charged to the income statement.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

(iii) Bonus plans

A liability for employee benefits in the form of bonus plans is recognised in Trade and other current payables and is paid out after the exclusion of the performance in the given year. Liabilities for bonus plans are measured at the amounts expected to be paid when they are settled.

(iv) Officer employee benefits

In line with the terms of the valid Company Collective Agreement, signed between the trade unions operating at the Company and the Company, the Company also pays certain work anniversary benefits.

The liability in respect of nork anniversary benefits plan is the present value of the nork anniversary benefit obligation at the balance sheet date. The work anniversary benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the work anniversary benefit obligation is determined by the estimated future cash outflows using market yield curve on high quality European corporate bonds.

Actuarial gains and beaus arising from experience adjustments and changes in actuarial assumptions and amendments to persion plans are charged or credited to the income statement when incomed.

(v) Restructuring

A provision for restructuring is recognised when the Company has approved a detailed and formal restructuring plan, and the restructuring either has commenced or the Company has raised radid expectations that the restructuring will be undetaken by starting to implement that plan or announcing its main features.

(vi) Environmental provisions (Sile restoration)

Environmental liabilities represent any current or luture emirormental assignments whose implementation is subject to the meet to compty with the tegistative requirements or the constructive obligation of the Company. Environmental provisions can only be recognised for hose types of costs that are incurred in relation with the abovementioned assignments and only if the provision recognition criteria is met. Environmental provisions should also be recognised when there is an obligation to eliminate damages caused by contamination or disposal of hazardous wastes.

(vil) Provision for maximum decommissioning and storage costs

The provision for nuclear decommissioning and storage casts is recognised based on discounted future cash flows estimated in relation to the decommissioning of nuclear facilities, storage and disposal of radioactive naste, the storage and disposal of spent nuclear fuel and post-operational casts of nuclear power plants. The future estimated cash flows include also estimated casts of recultivation of the studge beds since their operation is directly related to the operation of a nuclear power plant. The provision is reduced by the actual costs incurred (i.e. usage of provision) and increased for the effect of unwinding of interest. Any escapes of actual decommissioning costs over the planned amounts in the current year are included in the income statement of the current year.

The provision for nuclear decommissioning and storage costs is estimated by applying a forecast long-term inflation index to the projected disbursements, which are then discounted to present value using discount rate determined based on long-term data series and takes into account the fact that some expenses concred by provisions will be disbursed over periods significantly longer than the duration of instruments generally traded on the financial markets.

(viii) Provision for discusting of flareral power plants.

A provision for the dismanting of thermal power plants is recorprised to cover future decommissioning costs which are expected to take place upon the shut-down of the thermal power plants. The provision includes also estimated costs for recultivation of studge beds that are located in the area of thermal power plants.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

Remansement of provision for nuclear decommissinging and storage costs and provision. In discunding of themal power plants

Remeasurement of an existing provision for nuclear decommissioning and slorage costs and provision for dismanting of thermal power plants that result from changes in the estimated timing or amount of the outflowr of resources embodying economic benefits required to settle the obligation, or a change in the discount rate, are accounted for as follows:

(a) Changes in the liability allor the resolution surplus or definit previously recognised on that asset, so that

(i) a decrease in the liability is (subject to (b)) credited directly to revaluation surplus in equity, except that it is recognised in profit or loss to the extent that it reverses a revaluation deficit on the asset that was previously recognised in profit or loss;

(ii) an increase in the liability is recognised in profitor loss, except that it is debied directly to revaluation surplus in equity to the extent of any credit balance existing in the revaluation surplus in respect of that asset;

(b) In the event that a decrease in the liability essents the camping amount that would have been recognised i had the accet been carried under the excitmedial, the ensure is merginized immediately in profil or loss;

(c) A charge in the liability is an indication that the asset may have to be resolued in order to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the balance sheet date. Any such resolution is taken into account in determining the amounts to be taken to profit or loss and equily under (a). If a revolution is necessary, at assets of that class are resoluted;

(d) The change in the resolution surplus arising from a change in the liability is separately identified and disclosed in the statement of other comprehensive income of each item of income or expense that is recognised directly in equity.

The adjusted depreciable amount of the asset is depreciated over its useful life. Therefore, once the related asset has resolved the end of its useful life, all subsequent alranges in the liability are recognised in income statement as they occur.

The periodic unwinding of interest is recognised in the income statement as a finance cast as it occurs.

oj Dividend distribution

Divident distribution to the Company's stareholders is recognised as a liability in the separate financial statements in the period in which the dividents are approved by the Company's stareholders.

r) Greenhouse gas emissions

According to the European Union Emissions Trading Scheme and a valid National Alboation Plan the Company receives part of emission allowances for selected facilities for free. The rest of emission allowances are purchased from the third parties. Emission allowances acquired by the Company for free are provided on an annual basis and the Company is required to return allowances corresponding to the emissions actually discharged by the end of April of the following calendar year. The Company accounts for the net fiability arising from greenhouse gas emissions. This means that the allowances acquired for free are not accounted for and the provision is recognized only in the case and at the moment when actual greenhouse gas emissions exceed the emission allowances acquired for free.

Emission allowances purchased from third parties are measured at cost and are accounted for as intentory.

Emission allowances acquired by the purchase from the third parties for the purpose of further sale on the market are measured at fair value. The fair value is considered to be the actual market price. The change in the fair value of the emission allowances held for tracing is recognised in the income statement.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

Significant accounting judgments, estimates and accounting judgments.

Judgments, estimates and assumptions

The preparation of the Company's separate financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disatesare of nontingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities in future periods. The key assumptions concerning the future and other key sources of uncertainty estimation at the reporting date that bear a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial years are discussed below.

() Nuclear decommissioning, storage and disposal of spent nuclear fuel and radioactive waste

The Company recognises significant amounts as a provision for decommissioning and post operational costs of nuclear power plants and provision for storage and disposal of spent nuclear loet and autoactive waste. These amounts are based on the lectroical and financial estimates of cash flows that will be incurred over periods ranging from 1 to 100 years, based on current technology and studegy for decommissioning and disposal, as applied by the Company. Estimation of this provision is sensitive to assumptions concerning costs, inflation, discount rates and disbursement schedules.

The Company's management has used its best estimates, broatesige and analid 'National Policy and National Programme for handling of spent nuclear fuel and radioactive wastes in the Storat Republic', adopted by Storat government on 8 July 2015 in form of an update of stategic document 'Strategy of the Back-end Cycle of the Peaceful Exploitation of the Nuclear Energy in the Storat Republic' as well as the 'Updated conceptual plan of decommissioning of the nuclear power plant V2 and EMX182 and creation of input database of assets subject to decommissioning' approved by the Nuclear Regulatory Authority of the Stovat Republic on 27 August 2018 when defining distursement schedules in respect to the nuclear decommissioning and skrage and disposed of spent nuclear fuel and nationative work. There is an inherent risk in these estimates given the fimeframe, the valid and the planned legislation, the different alternatives open to the management of the Company and the possible future changes in technology for nuclear decommissioning and storage and disposal of spent nuclear fuel and radioactive work.

(ii) Dismanifing of themal power plants

The Company recognises a significant amount as a provision for dismanting of thermal power plants. Estimation of this provision is sensitive to assumptions concerning casts, initiation, discount rates and disbursement schedules. Disbursement schedules can be significantly impacted by the Company's future decisions regarding the strategy of the operation and dismantling. Market developments could also impact future plans of the Company management.

(iii) Revaluation of property, plant and equipment

In 2006, the Company applied the revaluation model in accordance with the accounting standard IAS 16 and revalued the items of property, plant and equipment and property related to construction of nuclear power plant Muchovce 384. The accomptions used in the revaluation model were taken from the report of an independent professionally qualified expert. Rased on the appraisal, the useful life of the property, plant and equipment has been modified.

Subsequent revoluation of the Company's property, plant and equipment and property related to construction of nuclear power plant Nochorce 384 was undertaken in 2010, in 2014 and in 2019 by an independent professionally qualified expert in accordance with IAS 16 and IFRS 13 Fair value measurement. The following approaches have been used: the cast approach, the market approach and the income approach. The following assumptions were releated in the resolution model: technical condition of assets (useful lives, maintenance, technical enhancement), market conditions, economic factors and other specific conditions. For further information please relevant to Note 5.

(iv) Testing for impairment of non-financial assets

Following the standard IAS 36 the Company tests the non-current non-linancial assets for impairment in case these are any impairment indicators identified. The Company recognises impairment of non-financial assets if the camping amount exceeds their recoverable amount. The recoverable amount is the higher of an asset's or each-generating unit's fair value less costs to sell and its value in use.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

Value in use is determined as the estimated future post-tex cash flows discounted to their present value that reflects current market assessments of the time value of money and the risks specific to the non-financial asset. The cash flows are derived from the long-term plan of the Company and board approved management plans and forecasts, based on expected generation profile. The value in use is sensitive to the assumptions related to long-term forward commodity prices, fuel costs, discount rate, inflation rate, growth rate, future development of the electricity prices and successful commissioning of nucleu power plant. Mochorce 384 in accordance with the project limeline.

(v) Fair value of financial instruments

Where the fair value of the financial instruments recorded in the balance sheet cannot be derived from active markets, it is determined taking into account the observable market inputs and management judgement on the future development of the key variables affecting fair values, such as yield curves, exchange rates or risk-free interest rates. Fair value determination includes considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

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The Company is included invarious legal disputes in the ordinary course of its business. In view of the nature of such lifigations, it is not always objectively possible to predict the outcome of such disputes. Provisions have been recognised to cover all significant liabilities for cases in which the Company's management believe an adverse outcome is probable and a reasonable estimate of the financial effect can be made.

4. Standards issued but not yet effective

Standards issued but not yet effective up to the date of issuance of the Company's separate financial statements are listed below:

IFRS 10 IAS 28	Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an investor and its Associate or Joint Venture (Nese assertiments have not been approved by Ne EU yet, the effectiveness date of the amendments was defended indefinitely);
IFRS 14	Regulatory Deferral Accounts (effective for annual reporting periods beginning on or after 1 January 2016. The European Commission decided not to launch the endorsement process of the interim standard and wait for the final BRS standard);
IFRIS 17	Insurance Contracts (effective for annual reporting periods beginning on or after 1 January 2023, the standard has not been approved by the EU yet);
IAS 1	Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Classification of Liabilities as Current or Non-current - Defend of Effective Date (effective for annual reporting periods beginning on or after 1 January 2023, five standard has not been approved by the EU yet);
IFRIS 3	Amendments to IFRS 3 Business Combinations: Reference to the Conceptual Framework (effective for annual reporting pointies beginning on or after 1 January 2022);
IAS 16	Amendments to IAS 18 Property, Plant and Equipment: Proceeds Before Intended Use (effective for annual reporting periods beginning on or after 1 January 2022);
IAS 37	Amendments to IAS 37 Provisions, Confirgent Liabilities and Contingent Assets: Onerous Contracts – Cost of Fulfiling a Contract <i>(effective for annual reporting periods beginning on</i> or after 1 January 2022);
IFRS 4	Amendments to IFRS 4 Insurance Contracts – defend of IFRS 9 (effective for annual reporting periods beginning on or after 1 January 2021);
IFRS 9 IAS 39 IFRS 7 IFRS 4 IFRS 16	Amendments to FFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform — Phase 2 (effective for annual reporting periods beginning on or after 1 January 2021);
	wements 2018-2020 (effective for annual reporting periods beginning on or after 1 January

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The principal effects of these changes are as follows:

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an investor and its Associate or Joint Venture

According to these amendments, the current requirements of VAS 28 investment in Associates and Joint Ventures regarding the partial gain or loss recognition for transaction between an investor and its associate or joint venture only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a business as defined in FRS 3 Business Combinations. The gain or loss resulting from the sale or contribution of assets to an associate or joint wature of assets that constitute a business as defined by IFRS 3 Business Combinations is recognised in full.

IFRS 10 Consolidated Financial Statements was amended so that the gain or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined by IFRS 3 Business Combinations to an associate or joint venture is recognised only to the extent of unrelated investors interests in the associate or joint venture. The Company is considering the impact of these amendments on the separate financial statements.

IFRS 14 Regulatory Deferral Accounts

The standard permits an entity which is a first-time adopter of international Financial Reporting Standards to certifica to account for regulatory deferral account balances in accordance with its province GAAP requirements, both on initial adoption of FRS and in subsequent linancial statements. Regulatory deferral account balances, and movements in them, are presented separately in the statements. Regulatory deferral account balances, and movements in them, are presented separately in the statements of financial position and statement of profit or loss and other comprehensive income, and specific disclosures are required. The Standard cannot be adopted by the entities that currently prepare their financial statements under FRS. The application of the standard will not have any impact on the separate financial statements of the Company.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

IFRS 17 Insurance Contracts

Standard introduces a complex accounting model applicable for all insurance and reinsurance contracts. (both short-term and long-term) and also for investment contracts with discretionary participation features. It brings a new approach for measurement and recognition of life and property insurance contracts and definesa new measurement aspect of the insurance contracts, contractual service margin, representing the unsamel pufit hat he entry all resurces as it provides services under the insurance contracts. The application of the standard will not have any impact on the separate financial statements of he Company.

Americanants to MS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-

current and Classification of Liabilities as Current or Non-current - Defenal of Effective Date These amendments recordie apparent contradictions between paragraph 69(d) — which required an 'unconditional right' to defer self-ement — and paragraph 73 — which referred to an entity that 'expects, and i has the discretion, to' refinance or roll over an obligation. The effective date of the amendments is moved to 1 January 2023. The application of these amendments will not have any impact on the separate financial. statements of the Company.

Amendments to FRS 3 Business Combinations: Reference to the Conceptual Framework

The objectives of the Amendments are to update IFRS 3 Business Combinations so it refers to the 2018 Conceptual Framework instead of the 1969 Framework in a manner that avoids unintended consequences. and clarity aspects of IFRS 3. The Company is considering the impact of these amendments on the separate financial statements.

Amendments to IAS 18 Property, Plant and Equipment: Proceeds Before Intended Use

The Amendments prohibit an entity from deducing from the cost of an item of property, plant and equipment (PPE) any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be catable of operating in the manner intended by management. The Company is considering the impact of these amendments on the separate financial sublements mainly related to nuclear power plant Mochovce 384 put-into-use.

Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets. Onerous Contracts - Cost of Fulfiling a Contract

The objective of the Amendments is to clarify the requirements of IAS 37 on onessus contracts regarding the assessment of whether, in a contract, the unavaidable costs of meeting the obligations under the contract. exceed the examinis benefits expected to be received under it. The Company is considering the impact of here amendments on the separate financial statements.

<u>Amendments to FRS 4 Insurance Contracts – defend of FRS 8</u> The objective of the Amendments is to allow qualifying entities to continue to defer the application of FRS . 9. Currently FRS 4 requires insurance entities to apply FRS 9 from 1 January 2021, the change will mean hat FRS 8 becames effective for annual periods beginning on or after 1. January 2023, with earlier application permitted. The application of these amendments will not have any impact on the separate financial statements of the Company.

Amendments to IFRS 8, IAS 38, IFRS 7, IFRS 4 and IFRS 10 Interest Rate Benchmark Reform – Phase 2 The Amendments are needed to avoid the discontinuation of heape accounting relationships solely due to he images of the Interest Rate Benchmark Reform, to properly account for multifications of financial instruments and lease contracts accounted for under FRS and to deal with the implications on hedge accounting arising from the reform. The Company is considering the impact of these amendments on the segunde financial statements.

Annual Intercontents 2018-2020

The amendments relate to:

- IRRS 1 First-time Adoption of International Financial Reporting Standards. Subsidiary as a firsttime **adapter**;
- IRRS 9 Financial Instruments. Fees included in the '10 per cent' test for derecognition of financial i de la companya de l
- IFRS 18 Leases. Justrative example 13; and
- IAS 41 Agriculture. Taxafion in fair value measurement.

The application of these amendments will not have any impact on the separate financial statements of the Company.

The roles form an integral part of the separate lineacted statements.

MOTES TO THE SEPARATE RIMMOUNL STATEMENTS for the year ended 31 December 2020 (in the sends of EUR)

5. Property, plant and equipment

	Rubbigs, Jack and	Plant, machinery	1	Assets to the course	ļ
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Ther sector 31 December 202					
Opering carrying amount as at 1 January 2020	HEALTER I	2137,722	220CS	5,563,019	9,178,000
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	(10,466)		Ē	'	(10/201)
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Viktoka za zi 31 December 200	1.374.902	2,215,000	950'S1	E, 459, 194	10,134,265
Accurated dependence at 31 Decenter 2020	(93 4 BB)	(171,250)	Đ	'	(224,822)
Accurated inpatront toos as at 31 December 2121	(3,160)	(934) 201, 526)	ц Д	(440,132)	(3E)
Carying meant as si 1 December 200	1,112,254		15,155	CORDER (1,06,613

The noise form an integral part of the separate thrandal deformation

MOTES TO THE SEPARATE RIMMONL STATEMENTS for the year ended 31 December 2020 (in the served of EUR)

	Publics Ask and	Plant martineer		Assets in the crume-	
	Aburdanes.	and after	tani	a' antérician	
to literateds of FLIR	Level 3	Level 2	Level 2	Level 3	
Vitetin a still and 30 19	1,710,100	2.522 DOM	41,503	2219.425	9,123,519
Accurated dependence at 1 January 2019	(612,001)	(572,745)	ı	•	(922,107)
واللا يتمصل الغديد ومددا أوديتهما أطباعهم كالو	(173,251)	236,507	(219)	436,489	(645,051)
للسرابع سمعط مدخار ليسمعن كاللا	12.041	1,70,72	10,01	500,003	BURKER
You setted 31 December 212					
وابتلابهم تعقيدا للعطرا المصادر وفراعد والبطول	1,342,331	1,746,772	MEL THE	5,003,002	01210/310
Adding .	19,020	26,464	1		576,812
Hayahadan ingaya nayahadan paraya	35,764	518,278	41,807		10.810
Receivables financial income statement	1657	511/25	1,081	(eve)	(122,103)
لا يوفيهما فعد (-) عمل المدهما (+) ألامها المعاطمة المحديد	•	(ant.)	'		(1.163)
ingetwork toos (+) and noosed (+) itrough income statement (Nobe 26)	£		Ø	(101,101)	(15,3122)
Transfers		ENC.11	'	(1972)	'
	rī,	₽	-	찌	4
	'	(je)	'	•	Ę
Depreciation change (Note 25)	[51,733]	(167,234)	(U)		(20,078)
Vitation as at 31 December 2019	1,379,550	2,103,806	820159	90010000	9,982,577
Accurated depreciation as at 31 December 2019	(960°¥)	20,728	Ę	•	
Accurated inprimeri texes as at 31 December 2019	(3,100)	255,396	β a	450,846)	(473,408)
Canying ment a d'31 Deseter 2013	1,572,504	2,137,722	15,165	5,500,000	2,171,000

The noise term an integral part of the separate thrandal determine.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of BLIR)

Under the calegory Assets under construction, the most significant value relates to nuclear power plant Mochovee 384. The Company has prepayments for non-current assets in the amount of EUR 13,555 Invocand which relate to property, plant and equipment, thereof EUR 13,006 thousand relate to the construction of nuclear power plant Mochovee 384 (2019: EUR 27,280 thousand, thereof EUR 10,380 Invocand related to the construction of nuclear power plant Mochovee 384).

Assets classified as held for sale

Assets classified as held for sale are mainly land and buildings, which are not used by the Company for their initial purpose.

in Housenis of EUR	2020	2010
Buildings, hails & citudares	25	257
	15	21
Total	271	24

Revaluation of property, plant and equipment to fair value

The first revaluation of the Company's property, plant and equipment and property related to construction of nuclear power plant Nochorce 384 took place on 28 April 2006. This revolucion was carried out by an independent professionally qualified expert.

The second and third subsequent revaluation was performed as at 31 December 2010 and as at 31 December 2014. During 2019 a new revaluation of property, plant and equipment was performed. This fair valuation was recorded as at 30 November 2019. All subsequent fair valuations were undertaken by an independent professionally qualified expert. The fair value was determined by using the following approaches: the cost, the market and the income approach.

The cost approach was the primary method. The cost approach relicels he amount that would be required currently to replace the service capacity of an asset and is based on the cost to a market participant to acquire or construct a subsidiate asset or comparable utility, adjusted for the obsolescence (Level 3). Obsolescence encompasses physical deterioration, functional (technological) obsolescence and economic (external) obsolescence.

The market approach uses proces and other relevant microvalun generated by market transactions multing identical or comparable (i.e. similar) assets (Level 2). The market approach was primarily used to value land. Appropriate consideration was given to location and current and future use of individual land plots.

The income approach converts future amounts (e.g. cash flows or income and expenses) to a single current (i.e. discounted) amount. When the income approach is used, the fair value measurement reflects current market expectations about these amounts. The income approach was considered on an overall porticlic basis since these plants work together in generating electricity for the grid.

Fair valuation of the thermal power plant in Nováky as well as fair valuation of selected assets in the nuclear power plant in Jaslovské Bohunice was based on the presumptions that electricity production in the thermal power plant Noväky would not be economically vable without the state support and that heat production is regulated. Therefore, the fair value of electricity production assets of the thermal power plant Noväky is primarily driven by their carrying amounts and the fair value of the heat production assets in the thermal power plant Noväky and the heat production assets in the nuclear power plant Jaslovské Bohunice is primarily driven by fax carrying amounts (Level 3).

Following the resolution of property, plant and equipment in 2019 the Company recognized overall increase of the value of non-current assets in amount of EUR 605,528 housand, out of which EUR 636,849 thousand as an increase through the resolution reserve and, at the same time impairment less in the value of EUR 30,321 EUR in the income statement.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

impairment of property, plant and equipment

As at 31 December 2020 and as at 31 December 2019 the Company tested property, plant and equipment for impairment. No impairment loss was recognized in this respect in 2019 and 2020.

A value in use calculation may used to determine the recoverable amount of property, plant and equipment, of the Company. Sensitivity analysis was performed taking into consideration a decrease of long-term electricity prices as well as an increase of WACC proving sufficient headroom between the recoverable amount and the camping value of property, plant and equipment as at 31 December 2020.

During the period ended 31 December 2020 the Company recognised an overall charge in impairment loss of individually assessed items in the total amount of EUR 10,356 thousand; out of which 2,275 thousand EUR represents an impairment loss of individually impaired items recognized in the line Depreciation, amortization and impairment, EUR 12,600 thousand represents an impairment loss release recognized in the line Repairs and maintenance and EUR 25 thousand increase in Revaluation reserve. During the period ended 31 December 2019 the Company recognized an impairment loss in respect of individually assessed items of property, plant and equipment in the amount of EUR 16,330 thousand, out of which EUR 15,382 thousand was recognized in the line Depreciation, amortization and impairment and EUR 1,148 thousand in the line Revolution reserve.

in Proceeds of ELR	57 Discourse 2000	Leeit	Leni Z	Level 3
Buildings, helis and sinctones	1,313,250	-	-	1,313,250
Plant, machinery & other	2,019,201	-	-	2,019,261
Land	85,026	-	65,026	-
Assais in its course of construction	6,010,056	-	-	6,010,056
Tabl	2,06,613		15,026	3,251,577
in Paganta d'EUR	37 December 2019	Level 1	Leni 2	Level S
<u>in Processots of EUR</u> Buildings, helis and circultures	37 December 2019 1,372,234	Leve' 1 -	Lenti 2	1,372,294
Buildings, halls and sinchnes	1,372,294			1,372,224
Buildings, helis and situatures Plant, mostimery & either	1,372,234 2,137,752		-	1,372,224

The fair value of assets as at 31 Desember 2020 and 2019 is as follows:

Since here have been no transfers of non-current assets between levels 1 – 3 during years 2020 and 2018, The reconciliation from the opening to closing canying amounts for each individual level is valid as shown in The table on pages 28 and 30.

If property, plant and equipment were measured using the cost model, the canying amounts as at 31 December . 2020 and 2019 yould be as follows:

in linusada of EUR	Entrikge, Jack & stucknes	Paol, nachinery & olber	Acets under Osoce Jesse	Land	Assets in Sie course of construction	Jacob
Canying anouni as at 31 Desember 2020 under the cost	417,528	993, 4 19	12,073	13,901	6,019,055	7,65,577
Canying anouni as at 31 Desember 2019 under the cost	441,381	1,042,045	16,537	13,684	5,583,019	7,86,85

Capitalised borrowing costs

The Company capitalised borrowing costs in the total amount of EUR 107,532 housand for the year ended 31 December 2020, thereof EUR 306 thousand related to prepayments (2019: EUR 140,839 housand, Ihereof EUR 288 thousand related to prepayments). The rate used to determine the amount of borrowing costs eligible for capitalisation nos 4.74% p.a. which is the average effective interest rate of all the general borrowings of the Company.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

Insurance of property, plant and equipment:

As at 31 December 2020 the fixed assets of the Company were insured as follows:

- The insured value of the fixed assets of conventional power plants and non-generating assets of the Company represented EUR 2,970 million.
- Assets of nuclear power plants were insured up to the limit of EUR 700 million for the operating nuclear power plants.
- The insured value of the assets in the cause of construction was EUR 3,833 million.

The Company insures its property as follows:

- Fixed assets of conventional power plants and conventional part of the nuclear property are insured by communial carriers.
- Fixed assets of the nuclear power plants are insured by EMANI (a mutual insurance association with the registered sect in Belgium).

Lezza

At 31 December 2020, the carrying value of assets under lease included in Property, plant and equipment uces EUR 12,073 thousand (31 December 2018: EUR 16,537 thousand). Total cash outflow for leases in 2020 was EUR 4,008 thousand (in 2019 EUR 3,415 thousand).

As at 31 December 2020 and 31 December 2018, the total minimum lease payments and the present value of minimum lease payments are as follows:

	7alai minimana Jesae paymenia		Ancorot veilar Jacore par	
in Pagents of EUR	2220	2019	2022	2010
Amounts payable under lesses:				
Within one year	4,258	4,006	3,725	3,534
in the second in 16% year inclusive	6,557	10,766	6,583	10,024
After the years	1,63	1,752	1,151	1,371
Total	12,518	16.524	11,465	14,999
Less Mure finance charges	(1,053)	(1,525)	-	-
Present value of lance paymode	11,455	14,98	11,455	14,580
i lebilite from lease scengrined in the Lease and benouings in the lease a start (lists 12)			11,62	щэр
Less: Anount due lor sellement within 12 months presented within current liabilities (Noie 19)			(3,725)	(3,534)
Arrount des lar settierunf aller 12 manites (Kalo 15)			7,74	11,465

Nonements of assets recognised under lease are as follows:

	Exitings, hais and stackness and			
in FAR innerants	tant	ක්ෂා කාන්ත	Rel	
Canying meant as at 1 January 2020	1,54	15,16	16,537	
Dependationshings	(ED)	(4,600)	(4,404)	
Canying meant in st31 December 2020	1,53	11,740	12,073	

	Buildings, halls and structures and			
to EVR literaseds	Land	1990 - 2000 - 2000 - 2000 - 2000 - 2000 - 2000 - 2000 - 2000 - 2000 - 2000 - 2000 - 2000 - 2000 - 2000 - 2000 -	Tate/	
Conving amount on at 1 January 2013	1,455	15,577	16.992	
Additors	-	3,219	3,719	
Cenedalian change	[61]	(5,603)	(3,664)	
Conving amount on st31 Cocamber 2015	1,254	15,143	16,577	

Expenses relating to short-term leases and to leases of low-value assets as at 31 December 2020 of EUK. 2,282 thousand (2018: EUR 2,347 thousand) that are not shown as short-term leases are included in the line Other nammaterials and consumables in the income statement.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

6. Intergible accels

in Rousants of EUR	Software	Citer Hangitie 2005	interginte assets in progress	7850
Cast as at 1 January 2020	75,068	1,531	335	77,934
Accurated another as at 1 January 2020	(75,677)	(1,304)	-	(71,981)
Accumulated importment to see as at 1 January 2020	(20)	-	-	(20)
Conying assest as at 1 January 2021	5,371	227	335	558
Year exted \$1 December 2829				
Opening canying arouni as at 1 January 2020	5,371	223	335	5,933
Additors	519	-	559	1,158
impainnent loss finsugh income chalement (Note 25)	(96)	-	-	(96)
Transfera	210	-	(210)	-
Transito a la Propoly, pier i anti equipment	-	-	(93)	(65)
Anaritsalian (Nale 25)	(1,386)	ស្រុ	-	(1,4B)
Cost as al 31 December 2020	75,933	1,531	601	78,065
Accurutáted amorfication as at 31 December 2020	(71,138)	(1,321)	-	(72,459)
Accurutéet impairment losses as at 31 December 2020	(11)	-	-	<u>(117)</u>
Conying association at 31 December 2020	4675	218	G 1	5,480
Cost as al 1 January 2019	76,936	1,531	320	78,767
Accuration and Lanuary 2019	(71,529)	(1,201)	-	(71,8 10)
Accurutated impairment losses as at 1 January 2019	(70)	-	-	(20)
Conying accent as at 1 January 2019	5,387	25	374	¢,957
Year anded 31 December 2015				
Opening canying arouni as at 1 January 2019	6,387	250	320	6,957
Additors	346	-	335	681
Transfera	37.1	-	(320)	-
Amerikanian (Note 25)	(1,682)	23)	-	(1,705)
Cast as al 31 December 2019	76,058	1,531	335	77,934
Accurutácia analization as at 31 December 2019	(79,677)	(1,304)	-	(71,981)
Accumulated involvent losses as at 31 December 2019	(20)	-	-	(20)
Comying account on at 31 December 2013	5371	207	335	555

In 2020 and 2019 the Company did not incur nor capitalize any expenses for development.

The roles from an integral part of the separate linearity statements

NOTES TO THE SEPARATE RINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

7. Derivatives

Assets from derivatives measured at fair value through profit or less

h Rousets d'EIR	2020	2010
Roe-carmal		
Embedded derhalives	-	672
Tabat	-	622
Canad		
Embedded dertailwes	20	29
venaines nai desgraies as nesges	1211-1	152,819
Tabal	121,15	152,555
Liabilities from derivatives measured at this value through prolition less		
is houses of EIR	2020	2019
Carnet		
Commodily destables not designated as hedges	115,017	115,940
Talai	115.47	115.54

Derivatives measured at fair value through profit or less

Endreckácsí derivalives

On 7 October 2013 a long-term electricity contract with Stonaton, a.s. was signed that is natid from 1. January 2014 to 31 December 2021. According to the contract provisions the price of electricity is expressed in USD. The value of the embedded option on the price of aluminium is subject to indecation to the price of aluminium on the London Netals Exchange (LME). The initial value of the embedded options as at the date of the conclusion of the longterm electricity contract with Stonaton, a. s. was recognised against deferred revenue on the face of the balance sheet as it related to revenues from electricity defineries since 1. January 2014. This value is amorfised to income statement over the term of the long-term contract on a straight line basis (see Note 20 and 30).

Connectly demotives

The Company receptives commodily derivatives not designated as hedges in respect of trading contracts for purchase and sale of electricity, emission allowances and gas according to the valid accounting policy of the Company. Except for the mentioned contracts the Company has traded derivative transactions also for uranium and emission allowances with the aim of economic hedge against the price volability of these commodities.

The Company sells its production via transactions concluded under market conditions, usually using brokerage platforms or energy exchange, e.g. European Energy Exchange AG (EEO), or Polish Power Exchange (PoIPX), considered to be the most transparent and most reliable means of electricity trading in the region. In case of EEX trading the open positions are being reactued on daity basis and these are immediately sellied in cash (as at 31 December 2020 the cumulative revaluation of the commotivy derivatives at EEX represents EUR 23,888 thousand – electricity, gas and emission allowances).

Assets from derivatives designated as effective hedging instruments in cash flow hedge

in Incounts of ELIR	2220	2219
Nen aurost		
Hedging deskalives – exchange rale	49	9
Hedging derivalives – commacilies. Talut	255	<u>6,234</u> 6,243
Talii	284	6,243
red		
Cornet Heiging derkalhes – exstange rale	8,669	66
Hedring designing - comparison	19,205	29,661
Heiging derivalves – commacilies Talai	27,574	2,27

NOTES TO THE SEPARATE FINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

Liabilities from derivatives designated as helping instruments in cash flow hedge relationship

	-	-
in Passants of EUR	2020	2019
Rescurrent		
Heiging derivatives – exchange rate	152,527	69,163
Hariging startsalives. — Internet calo	14,385	5,708
Hedding distikatives – commodiles	32,742	4,244
Tabal	12,50	59,115
Carnal		
Hedging deskalives - exchange rafe	612	4,604
Heiging derivatives — Interest cale	1,384	1,096
Hestaing desivatives - commodiles	42,551	60,963
Tatal	44,33	14,65

Derivatives designated as hedges

Al development and the second s

Endange nde

The Company hedges the impact of the exchange rate fluctuations connected with the purchase and sale of electricity and also the purchase of commodiles necessary for the production of electricity through forwards on foreign currency exchange rates. The cash flows from the hedging derivatives are contracted to occur in the moment when the purchase or sale of the hedged transaction is expected to occur.

In case of purchase and sale of electricity the cash tions from the hedging foreign canency derivatives are recognised in profit or loss at the moment of the realization of the trade.

blenst sie auf extange sie

The Company bedges its exposure to interest rate risk and exposure to exchange rate fluctuations in connection with the learns drawn through interest rate swaps or cross-currency interest rate swaps. The maturity of the swaps interest payments corresponds with the maturity of interests from loans. For details of the interest rate risk management studiegy refer to Note 31.

Electricity price

The Company hedges cash flows from sales of future electricity production against the risk of electricity price momentent by selling the production via formert contracts with respect to the strategy of production selling. Strategy for managing risks associated with fluctuation of the electricity prices is described in more details in the Note 31.

عندر سندي

In connection with the contracted purchases of nuclear fuel, the Company hedges its exposure to volatily of the price of vranium, as a risk component of the nuclear fuel price, through swaps for sale and purchase of the uranium product.

Change in the hedging reserve in the statement of other comprehensive income, before tax, during the period was as follows:

in Processing of EUR	2020	Z 119
Balance on at 1 January	F1,972	120,000
Change in valuation of such flow hedges	120,171	(107,905)
Reclavalication in profit or low.		
Ukrealizet ituelan extange taa	(51,312)	20,677
fiedges hat became ineffective	(9,723)	4,997
Hel gain (Insa) of the mainted contracts	(1,644)	6770
Transfer of herbe receive to initial cost of the asset	1,001	-
Balance as at 31 Cocontar	10,55	51,572

NOTES TO THE SEPARATE FINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

L Investments in subsidiaries

The studue of the Company's interest in subsidiaries is as follows:

In Norsents of FLIR

Company Assoc	Country of Acceptuality	Oursentilip 2020	Complete annual of Investment 2020
Octavana a bezpežnosť SE, s.r.n.	Kinchavor, Sizwait Republic	100%	37
Sizvenské elektrisme – energelické skéby, s.r.o.	Braiktara, Siovali, Republic	100%	4,505
Centrum pre vedu a výslum, 6.1.0.	Machiner, Sizek Republic	100%	i i
Silonesmikė elektrinin ir Genikis republikas, n.r.m.	Program, Constit Republic	100,00	11,009
SE Sinday individualiyah sitakish, 6.00.	Machinero, Sizwait Republic	100%	20
Telai imenimedo in estatélarias			16,417

In Recents of EUR

Congrege (Associ	Country of Acceptuality	Ourweite 2019	Carping around of lovestness 2019
Octavana a bezpežnosť SE, s.r.n.*	Ninchavar, Sizvait Republic	100%	37
Sizvenské cickéráne – energelické skéby, s.r.o.	Braiktara, Slovak Republic	100%	4,505
Centrum pre vedu a výskum, a r.o.	Kincimere, Sizeait Republic	100%	i
Silowenniké elektrón ne Čeniká republika, k.r.u.	Proyue, Cessis Republic	100,00	11,003
<u>SE SinZey inZinienskych stanieto, 6.00.</u>	Nacionae, Sievait Republic	100%	20
Telai investmente in estatsfarira			16,417

"Change of legal have have juict starts company to hadred hiddly company of Ockners a bespectment of a mere spheres in the Company in Advance of A

9. Investments in associates and other investments

The studure of the Company's interest in the associates is as follows:

b to sense d E.R.

			Canjing around		
	Carriyof	Centestip	of the science of	Epoly	Act
Concernation of the second	here and the second second	222	2020	2920	7220
REAKTORIEST, S.I.C.	Stoval: Republic	49%	33	320	155
ÚN REL as	Czech Republic	2.77	4,684	78,697	11,458
Everychet, a.c.	Stevak Republic	20%	24.7	6,221	8.1
Tabi investments in seascialar			5,242	H,336	12,40

k increase of EIR

			Carrying account		
	Carriyof	CHORNE	of the state of the	East	Act
Corpany came	hore and a second second	2219	2019	2219	2219
REAKTORIEST, & LO.	Stonaic Republic	49%	33	440	275
Ú.V.Ret, a.s.	Czech Republic	2.77	4,684	19,402	3,097
Emergeniei, aus.	Stovak Republic	20%	575	6,919	1,497
Tabli investigante la separtatas			5,262	76,761	476

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MOTES TO THE SEPARATE FINANCIAL STATEMENTS for the year ended 31 Occurring 2020 (in thousands of ELB)

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	codo, entres, revenies ara open	
	Access, interfeet, revenues and open	

		Į				Į	200			
In Accords of FLA				2 and 2				Persense	Equators	206
REMORTEST, ELL	R	2,134	2	5	'		27	21,600	21.440	8
ON Reg. a.c.	BM,510	20.14		78,897	251122	31,165		51,533	512/10-	11,60
Energelet, a.e.	4,221	GD1E	10,232	5,221	244	4,672	4.2ME	11,205	10,325	8
₽	82	2012	14,24	Ą		92C/LF	a a	аўн Н	DN 22	12,443
	Man-carea	Currents			Mon-caread		Tere T			
th Proceeds of CLK	ausels			1		200 C 100		PENNESS	Equators	Pice fr
C142										
REMORTEST, ELL	'	2,574	1222	Ŧ			202	23,530	23,305	6
ON Reg. a.e.	53,610	52,538	106,201		UPUK	15,948		51,415	48,310	
Creapid, 2.6.	4,673	1221	11,200	6,919	19	4,842	5011	12,057	10,630	1,62
Į,		245	120,722	REAGI	21,614	11572		201/1	222	4,773

The shutter of the other intestments is as follows:

Campbe arrest of Investored 2019	2000	5.26
Carying accurt of the	6.415	G,415
d EAR	ants	
to thousands	Citra: Invester	ļ

Oher meshents include the Company's equity interests in the European Liabity Insurance for the Nuclear Induction (E. M.). European Mukiul Association for Nuclear Insurance (EMAM), Blue Re Mukiul Association and Muckear Inductry Reinsurance Association (NRA) and confidution of the Company to other capital funds of the subsidiary Centum pre vertu a vjetum, sv.n. in total value of EUR 500 thousand (2018: EUR 500 thousand).

The rules turn as integral part of the expension francisk defension

NOTES TO THE SEPARATE FINANCIAL STATEMENTS for the year ended 31 Desember 2020 (in thousands of EUR)

10. Investories

	Alcast	At lover of cast or act realizable value	Atast	At Janes of cast or net realizable value
in thousands of EUR	7079	2002	2019	2210
Nuclear fiel	231,555	231,378	249,668	249,361
Facilitad	14,017	8,52	2,153	17,338
Spare parts	25,335	20,545	23,660	19,332
Naterial and supplies	6,882	4,741	6,402	4,377
Endezian aliana ana	45,708	46.910	45,596	45.56
Diner	1,459	1,459	304	304
Total inventions	24,22	315,455	345,783	335-57

Intentories in total value of EUR 165,167 thousand (2019: EUR 198,298 thousand) are expected to be consumed within a period of more than twelve months following the balance sheel date.

Total balance of emission allowances recognized as at 31 December 2020 were held for hading and were valued at the fair value. Emission allowances in 2019 were purchased to settle the liability from actually discharged emissions in accordance with the European Union Emissions Trading Scheme and in line with the valid legislation in the Storak Republic.

Nuclear fuel movements

in Proceeds of EUR	2020	2019
Balance as at 1 January	20,00	264,870
Purchases	51,861	61 135
Contamption	(13,781)	(78,061)
Sale in the Sinnit State Reserves	(6,200)	(6276)
Balance as at 31 December	21,55	245,005

Novement in the write-down to inventories

in Proceeds of EUR	2020	2019
Balance on at 1 January	3,455	7,150
While-down	3,369	1257
Dage	(100)	(273)
Release	(1)	(572)
Balance as at 31 December	12,65	1,65

The Company writes down obsolete and slow-moving inventories.

Sievensie dektrime, a.s.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS for the year ended 31 Desember 2020 (in thousands of EUR)

11. Trade and other receivables

in Powents of EVR	2223	2010
Carrent mostables		
Receivables given by contracts with customers	211,949	204,239
Ciner receivables	15,449	16,625
Receivables from substituties	23,25	29,294
Receivables from other related parties.	61,000	70,147
Announis reselvable under linence lesses	2,951	2,50
Experied coeff instancel instance	(142,71B)	(145,954)
Tabi Inazid nasimble	171,05	17,50
Value attest las anticines lans antites	रू	1,815
Tabi inis et ellar matalia.	177,522	17,75
in Onescenia of EAR	2020	2019
lice-carred restration		
Receivable from the sale of Gabilions lydio power plant	B2,410	79,984
Non-current prepayments	44,765	22,635
Anomia restuable under immer issues	3,041	2,617
Citer net canell Basedone	150	30
Talai am-canant seculvation	191,355	14,363

Receivable from the sale of GabGlavo hydro power plant (hereinatier as the "VEG") was recognised based on the Agreement on settlement of legal relations with respect to the VEG assets, signed on 24 March 2006, in the valve determined by an expect. The batance of non-connect recognised is at 31 December 2018; EUR 79,084 Inousand) represents its discounted present value. The nominal nalue of the receivable as at 31 December 2020 amounts to EUR 102,012 thousand (31 December 2018; EUR 79,084 Inousand) represents its discounted present value. The nominal nalue of the receivable as at 31 December 2020 amounts to EUR 102,012 thousand (31 December 2018; EUR 102,012 thousand). For the information regarding related orgoing legal disputes, refer to Note 28.

The Company recognised long-term and short-term lease resemble from the linance lease of heat distribution system to the company Stovenské elebtaine — energetické služby, s.r.o.

As at 31 December 2020 and 31 December 2018 minimum lease payments and present value of minimum lease payments is as follows:

	Tatai orinin payna		Present value Jesse paj	
Y Is CUR	2020	2210	220	2019
Antonais reselvable under issues				
Nihis are year	3,090	2,680	2,551	2,569
in the second in this year inclusive	3,040	2,680	3,041	2,647
All the parts	-	-	-	-
Tetal	6,180	5,360	5,992	5,216
Les târe însee hone	(168)	(161)	-	-
Present value of lower payments	5,52	5,216	5,552	5,216
Receivables from James recognised in the lose Other receivables and Trade and other receivables.			5,992	5,216
Leas: Amouni due for settlement within 12 months presented mithin Trade and other receivables			(2.951)	(2,559)
Annount size for arithment size 12 meetins			3,041	2,547

For terms and conditions relating to related parties, refer to Note 28.

Trade receivables are non-interest bearing and are generally due within 14 - 80 days.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

For irade and lease receivables, the Company applies the IFRS 9 simplified approach that measures expected credit leases by calculating a lifetime expected less allowance. Trade receivables have been grouped based on the days past due. The Company has established a provision matrix, the expected less rates for trade receivables were calculated based on payment profiles of sales over a period of 5 years before 31 December 2020 and 31 December 2019 and the corresponding historical credit lesses experienced within this period. For more details regarding credit risk, please refer also to Note 31.

Nonements in the expected credit lesses allowance were as follows:

in Reusenia d'EUR	2020
Balanco es el 1. January	145,554
Charge for the year (Nidle 25)	64
Ullined	-
Vausei annulis revenesi (Nole 25)	(3,300)
Balance as at \$1 Occupier	142,712
in Records of FUR	2019
in Research of FLIR Balance as at 1. January	2010 144,503
Balance on st 1 January	14 4,96 1,148
Balanco en el 1 January Clarge for înc year (Noie 25)	144,96

As at 31 December 2020 and 2019 trade reselvables included receivables against VOOOHOSPODARSKA. VYSTAVBA, STATNY POONIK in lotal value of EUR 22,137 housand, which are subject to an orgoing dispute with the counterparty. Due to uncertainties related to the collectability of these receivables, the Company recognised an allowance for incluidually impaired receivables in full amount. These receivables were not included in the IFRS 8 simplified model for calculation of the expected credit losses allowance, but were assessed on an incluidual basis.

As at 31 December 2020 and 2019 irade receivables included an amount of EUR 113.85 million related to past contributions to Zohuženie Duraj (The Danute Association') which has established to facilitate the corepration between the Company and the company VODOHOSPODARSKA VYSTAVRA, STATNY PODNK for the construction of the Gabčicovo dam and electricity facilities. Due to uncertainties related to the collectability of this receivable, the Company recognised an an allowance for individually impaired receivables in full amount. These receivables were not included in the FRS 8 simplified model for calculation of the expected credit bases allowance, but were assessed on an individual basis.

As at 31 December 2020, insite receivables include an amount of EUR 1,400 Incusant, related inpurchased credit-impaired insite receivables (31 December 2019: EUR 1,470 Incusant) receivables that are fully impaired since initial recognition.

12. Cash and cash equivalents

in innernets of ELR	2020	2219
Cash altania and on land	10,815	4631
Telai ani: ani ani: api aini:	16,815	461

Cash and seeh equivalents as al 31 December 2020 include CUR 100 theseand that is realisied by legislation (31 December 2019: EUR 100 thousand).

NOTES TO THE SEPARATE FINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

11. Other assets

in linusands of ELR	2020	2210
Citer cannol anela		
Prepaid expenses - Incurance	2,128	1,953
Prepaid expenses - Inner of Culturys	040	652
Prepaid expenses - date supervision over nuclear power plants	-	5,312
Prepaid expenses - ters related to loans and borrowings	375	351
Prepaid expenses - pitter	167	1,712
Accred revenue - unimotizat electricity deliveries	10,382	7,133
Telat diter surred anda	11,78	17,000
In Research of ELR	2020	2010
Oliver non-current annela		
Right for reinforcement of the special purpose thandal reserve	1,674	1,363
Talai pilan non-carrani annala	1.04	1365

On 1 January 2019 a new Act No. 3122018 Coll. amending the Act No. 79/2015 Coll. on neste came into effect. This new act has amended, inter alia, also the pronouncements regarding the special purpose financial reserve for neste dumps which the Company as an operator of the nastle dumps must create. According to the § 24, article 4 of this act the lunds must be deposited on the special account in the Sale Chamber. Following the § 135e, article 4 of this act the lunds must be deposited on the special account in the Sale Chamber. Following the § 135e, article 1 of the Act No. 31/2/2018 Coll, the Company had an obligation to transfer the funds on the special account of the Sale Chamber by 31 March 2019. Since this moment, the Company recognizes this special puppose financial reserve as a long-term asset - a right for reimbursement of the special puppose financial reserve in line with the integretation IFR8C 5 Rights to Interests arising from Decommissioning. Restocation and Environmental Rehabilitation Funds.

14. Share capital and reserves

i) Share sapital

As al 31 December 2020, the share capital comprised 39,041 ordinary shares (2018: 39,041), thereof 36,238 shares at a par value of EUR 33,183,92 and 803 shares at a par value of EUR 33,19. All issued shares are fully paid.

The holders of ordinary shares are entitled to receive dividends in accordance with legislation valid in the Stovak Republic and as decided by the general meeting and are entitled to note, while each EUR 33.19 represents one vote. The Company does not hold any of its own shares.

ii) Reserves

Revaluation reserve

Following the IAS 18 and the valid accounting policy the Company applies revolution model for subsequent measurement of property, plant and equipment after initial recognition. The assets' revolution reserve is recognised in relation to the increase in the conging value of property, plant and equipment and decrease in this value to the extent that such decrease reverses an increase in the fair value, previously recognised in equity. The reserve connot be used to pay dividents.

Other reserves

Other reserves mainly consist of the legal reserve fund and the hedging reserve. As at 31 December 2020 the legal reserve fund amounts to BJR 200,000 thousand (2010: EUR 200,000 thousand). This fund is not available for distribution to shareholders, but to cover losses or increase the share capital.

The hedging reserve comprises the effective parton of the cumulative net change in the fair value of each licer hedging instruments related to hedged transactions that have not yet occurred or have not yet allected profit or loss.

Distributing of profit from the previous accounting period

Distribution of profit from the previous accounting period of EUR 17,869 thousand was as follows:

to itourseds of EUR	According profit for 2019
Transfer to relatived examings	17,969
Total	17,920

The net partil for 2020 is proposed to be transferred to the retained earnings and to be used in accordance with The approved Strategic Plan of the Company.

The roles form an integral part of the separate linearity datements

NOTES TO THE SEPARATE FINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

15. Provision for nuclear decommissioning and storage costs.

Provision for decommissioning of nuclear power plants

Based on the provisions of the Act No. 541/2004 Coll. on Peacetial use of Nuclear Energy as amended (hereinalter as the "Atomic Act"). The licence holder for operation of nuclear power plants is responsible for preparation of the conceptual plan of decommissioning of each nuclear power plant and provide for its decommissioning after the end of its operation. According to the pronouncements of the Atomic Act, the entity responsible for execution of the decommissioning is the locate holder for decommissioning.

Provision for decommissioning of nuclear power plants includes the costs of demanding of V2 nuclear power plant in Jackwale' Buhanice (receivable as 'V2') and the first and the second will of the nuclear power plant in Nochowce (hereinable as 'END 182') (units WER 440 type 213 with reactors performance 505 NW (V2) and 470 MW (ENO 182)). The underlying assumption for recognizing the provision is the obligation aller the end of operation of nuclear power plants to dismantle the facility, process and dispose all radioactive waste from decommissioning and return the site to the condition defined in the conceptual plan of decommissioning developed for the individual power plant. The local present value of the obligations concerning decommissioning of nuclear power plants is covered by a provision. The initial estimate of cost in respect of the provision that has been recognised by the Company forms a part of the carrying amount of property, plant and equipment.

The Council Directive No. 2011/70/EURATOM, which establishes a basic framework for the responsible and safe management of spent nuclear fuel and radioactive wasle in the European Alornic Energy Community (hereinalter as the 'Directive'), raised the requirement for the member states of the European Union to prepare a national policy and radional programme for the responsible and safe management of spent nuclear fuel and radioactive maste. The Directive was reflected in the Stowak legislation through the Act No. 143/2013 Coll. from 21 May 2013, by which the Atomic Act and at that time valid Act No. 238/2008 Coll. on National Nuclear Fund were amended. Following the abovementioned, on B July 2015 the Stowak Government adopted the document named 'National Policy and National Programme for handling of spent nuclear fuel and radioactive mastes in SR'. as an update of the strategic document 'Strategy of the back-end cycle of the peaceful exploitation of the nuclear energy in the Stowak Republic' (hereinafter as the 'National Policy' and the 'National Programme').

The above mentioned documents define the strategy of immediate decommissioning for the nuclear power plants both in Laskowské Bohunice and Mochovez, which is consistent with the one applied by the Company and reflected in the conceptual plans of decommissioning, subject to approved of the Nuclear Regulatory Authority of the Stundu Republic (Ineximalier as the "ULD SR"). Estimation of the costs and disturgements for decommissioning of the nuclear plants as at 31 December 2020 is based on the strategy of the Company to apply more conservative prompt (Immediate) decommissioning approach. The decommissioning strategy is subject to review and assessment of the ULD SR and the National Nuclear Fund for decommissioning of nuclear power plants and disposal of spent nuclear fuel and calibractive waste (hereinatier as the "National Nuclear Fund" or the "NNF").

The updated estimation of the costs of decorrectioning, as included in the document "Updated conceptual plan of decorrectioning of the nuclear power plant V2 and EMO182 and creation of input database of assets subject to decorrectioning", developed in April 2017 by the company EGP INVEST, spot. s.r.o., an independent specialist in determining cost estimates of back-end cycle processes of nuclear industry, was used as a basis for valuation of the provision for decorrectioning of modes planes plants and 31 December 2020 and 31 December 2019. These documents were approved by the UJD SR on 27 August 2018.

Provision for post-operational costs of nuclear power plants

This provision includes distursements to be incurred by the operator of a nuclear power plant once the nuclear power plant's energy production is stopped until the iterase for descrimitistening is obtained. The method of lemination of operation is determined by the gradual reactors shut downs (two years apart) and after-cooling of spent nuclear fuel in the storage pool, which creates typical termination of operation phases. The length of the individual phases is determined mainly by the type of spent fuel interim storage.

The provision for post-operational costs of V2 and EMO 182 nuclear power plants is recognised considering he responsibility of the Company as the holder of the operating license to bring the plant into the decommissioning stage as defined by the Alamic Act.

The provision for post-operational costs reliects the present value of the expected distursements to be incurred during the four year period. Disbursements of the costs are dependent on an expected date of the shut-down of the nuclear power plants.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

The expected distursements reliested in the valuation of the provision as at 31 December 2020 and 31 December 2019 are based on the estimation included in the document "Updated correspond plan of decommissioning of the nuclear power plant V2 and EMO182 and creation of input database of assets subject to decommissioning", developed by the company EGP INVEST, spot. 5 r.o.

Provision for storage and disposal of spent nucleor fuel

This provision includes the costs of inansportation of spent nuclear fiel (nervinality as "SNF"), slowge of such needs in the interim storage facility and its final disposal in the deep geological repusitory.

The provision for SNF of V2 and B4O 142 nuclear power plants is recognised considering the responsibility of the raiginatur of such mesters defined by the Atomic Act.

On 31 March 2006 the Company enleved into a service agreement with the company Jadroná vyradowcia spoločnosť, a.s. (hereinalier as "JAVYS, a.s."). The subject of his agreement is a provision of semices related to transportation to an interim storage facility and storage of SNF in the interim storage facility. The Company concluded a service agreement and subsequent amendments to it with the prices and quantities until 2022. The amendment to the semice agreement for the years 2020 through 2022 nos approved for signalue by the Board of Directors of the Company on 24 March 2020. The prices and quantities after these dates are subject to negotiations.

The distursement schedule of cash related to tareportation of SNF and its storage in the interim repository fil the end of 2009 mas defined in the service agreement. The distursements schedule of the cash for the subsequent years until 2022 was defined in the amendments to the senice agreement. The provision as at 31 December 2020 was calculated using unit prices as per the amendment to the service agreement for the years 2020 through 2022. Cashs beyond this date were determined based on technical assumptions alter this date. The provision takes into account quantity of SNF existing as at 31 December 2020.

In line with the National Policy, the Company expects final disposal of spent nuclear fuel in a deep geological repository. The provision for disposal in the deep geological repository was calculated considering expected costs to build such repository, since this repository does not exist as at 31 December 2020.

As of 6 December 2016, a team of independent experts for analyses of back-end cycle processes of nuclear power plants (LLP Praha a.s., LLV Poz, a.s.) developed "Updated fessibility study of deep geological repository in the Slovak Republic". This study was used as a basis for valuation of the provision for final disposal of spent nuclear fuel as at 31 December 2020 and 31 December 2019.

The valuation of the provision as at 31 December 2020 and 31 December 2010 reflects the expected timing of commissioning of the deep geological repository compliant with the National Policy and the National Programme adopted by the Government of the Stocak Republic on 8 July 2010. The wald National Policy and the National Programme specify the year 2006 as the planned year for commissioning of the deep geological repusitory.

Provision for storage and disposal of radioactive waste

This provision includes the casis of inaresponsition, insament, modification and disposal in the surface repository facility of low-level radioactive nasile and it is recognised for radioactive waste generated by V2 and 1340-142.

The provision for long-life low-level radioactive naste of V2 and EMO 182 matters power plants is recognised considering the responsibility of the original or of such waste as defined by the Alomic Act.

On 31 March 2006 the Company entered into a service agreement with JAVTS, a.S. The subject of this senice agreement is a provision of the nuclear senices the cost of which is the basis for valuation of this provision. The Company concluded a service contract and subsequent amendments to it with the prices and quantities being defined until 2022. The amendment to the service agreement for the years 2020 through 2022 was approved for signature by the Board of Directors of the Company on 24 March 2020. The prices and quantities after this date are subject to negatizings.

The distursement schedule of these casis till the end of 2009 was defined in the service agreement. The distursement schedule of these casis for subsequent years until 2022 was defined in the amendments to the agreement. The provision as at 31 December 2020 was calculated using unit prices as per the amendment to the service agreement for the years 2020 through 2022. Cosis beyond this date were determined based on testmical eccumplicate ofter this date. The provision takes into account quantity of long-life low-level radioactive waste existing as at 31 December 2020.

The roles form an integral part of the separate linearctal diatements

NOTES TO THE SEPARATE FINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

Nonements in the provision are summarised as follows:

is ibuseds of ELR	Anadistan itor desconsubstanling of nuclear power pitunis	Provésion for post-operational costs of matteor power plants	Providion for sincarge and disposal of speed success Suci	Praetskoo har Sharage and Sharasal di Andrasalke Radioachie Radioachie Radioachie	Tabal
Balance as al 1 January 2029	21,25	152,145	1,302,138	2, 3 2	2,165,547
hanse a' porision încușt: hanne statement	-	-	13,781	2.201	15,581
Unwinding of Interest (Note 26) Cirect of Change in estimates	25,200	5,655	57,010	2,195	91,060
frrough lacence statement	3,12	10,529	99,960	4,1 B	116,048
Effect of change in estimates Trough equity	51,725	-	-	-	51,726
Usage of provision	-	-	(8,234)	(7,780)	(16,461)
Balace as al 31 December 2020	671.341	175122	15135	S2.116	265.21
Balance as al 1 January 2015 Increase of provision Through	50,57	140,772	1,20,00	5,82	2,024,701
here diane	-	-	14,244	2,433	16,677
Unwinding of Interest (Note 26) Cited of Change In columptos	23,001	6,297	54,686	2,246	85,500
trough income statement Effect of change in estimates	1,200	5,076	21,197	1,639	29,140
imough equily	23,917	-	-	-	23,917
Usage of provision	-	-	(6,593)	(6,812)	(15,05)
Balance as al 31 December 2019	21,2%	15,145	1,302,131	2,22	216517

In 2020, the Company reassessed the interest rates used for discounting of the provision for nuclear decommissioning and slorage costs to its present value. As a result, the Company receptised a change in estimate of EUR 114,520 thousand debit through profit and loss and EUR 51,726 thousand debit through equily (2018: EUR 52,080 thousand debit through profit and loss and EUR 23,817 thousand debit through equily). These amounts are included within lives Effect of change in estimates through income statement and Effect of change in estimates through equily in the table above.

In 2019 the Company recognized change in estimate of the provision for storage and disposal of spent nuclear fuel based on the updated estimation of future costs, following the signed amendment to the service agreement on provision of the nuclear services with JAVYS, a.s. The effect of change in estimates through income statement for the year ended 31 December 2019 represents credit of EUR 22,040 thousand.

The provision is presented in the balance sheet as at 31 December 2020 as follows:

in increases of EUR	Provision for decommissioning of masker power plants		Provision for storage and disposed of agent packer bei	Anadstan for size-age and size-age of carboxche maste	Ratal
Current Materia	-	-	14,729	7,640	22,389
Nan-current Habilites	F71,3 B	173,629	1502/76	49,476	2/01/02
Telei position	671,245	173,625	1,594,265	S7,1%	2,06,75

The provision is presented in the balance sheet as at 31 December 2019 as follows:

in interacts of FLR	Proxision for deconventationing of nuclear power glapia		Provision for sisrage and disposal of speci posteur bei	Anadstan for sitnege and disposal of rationality maste	Ratal
Current Batteries	-	-	11,126	462	15,758
Non-current Babilites	591,296	156,145	1,351,012	51,736	2,150,109
Telel provision	21,26	15,16	1,32,131	5,31	2115.17

NOTES TO THE SEPARATE FINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

The present value assumptions of the provisions.

The present value of the provisions mentioned above was calculated applying 2% initiation rate (31 December 2019; 2%) and a discount rate ranging from 3.05% to 4.05% (31 December 2019; 3.98% to 4.25%) over forecasted distansement schedules. The discount rate was determined based on long-term series of interest rate data and it takes into account the fact that some expenses covered by provisions will be disbursed over periods significantly longer than the duration of instruments generally traded on the financial markets.

The estimated schedule of future distursements takes into account all known statutory and environmental regulations applicable, logerher with an uncertainty factor inherent to the fact that payments will only be made in the long-term (see Note 3 (i)).

The sensitivity of the main components of provisions to changes in the discount rate is shown in the table below:

	Sensibility to discrete rate change					
	Pesent value of the provibile		20.	80	29	79
in Research of ELIR	2020	2019	+0256	-025	+0.25%	- 0.2.1
Storage and disposal of spent matter fuel and radioactive maste	1,581,321	1,418,506	(124,258)	133,706	(110,650)	124,205
Decomplicationing and post- operational costs of nuclear power plants	644,977	747,441	(61,232	50,562	(73,081)	B1,613
Talai	2,05,75	2,165,517	pa 6.52	21 2 1	(05,00)	25,23

Funding for decommissioning of nuclear power plants and for costs of storage and disposal of spent nuclear fuel and radioactive waste

In August 1994, the National Council of the Slovak Republic passed the Act No. 254, which provided for the creation of the State Fund for Decommissioning of Nuclear Facilities and Disposal of Spent Nuclear Fuel and Radioactine Waste ("Fund"). On 18 March 2006 the National Council of the Slovak Republic passed the Act No. 238/2008 Coll. (hereinafter as the "Act on the National Nuclear Fund"), which cancelled the Fund and established its successor, the National Nuclear Fund", March 2002/011 Coll., which hereinafter Act on the National Nuclear Fund, rules for the amount of the contributions were established. Pursuant to valid pronouncements of the act, commencing 1 February 2012 the operators of nuclear facilities were required to contribute a fixed amount of EUR 13,428/26 per each MW of installed electric capacity relating to nuclear facilities and 5,85% of the sales price of electricity generated by these nuclear facilities per year. The rate paid per cach UW of installed capacity was valorized by the rate of installed every year.

As of 17 October 2018, new Act No. 308/2018 on the National Nuclear Functional passed. With the effective date of 1 January 2018, new rules for determination of the amount of the contributions to the National Nuclear Funct have been established. The amount of contribution is separately calculated for each nuclear facility, mostly based on the total estimated cost of the back-end cycle processes of each nuclear power plant, the number of years during which the contributors are accumulated on the sub-account assigned to the nuclear tabley. The appreciation of accumulated contributions over line and the impact of macroeconomic factors on each nuclear power plant over individual phases of its life cycle. Based on the new calculation and following the regulation No. 2222019 Coll. dated on 9 January 2019 a new contribution was determined stating the value of yearly contribution for the years 2019 through 2022 in amount of EUR 41,038,094 per year for V2 and EUR 24,891,727 per year for EMO182.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

The following table reconciles the right for reinducement from the National Nuclear Fund which represents financial amounts on the subaccounts of the National Nuclear Fund designated for decommissioning of nuclear facilities owned by the Company including management of radioactive waste from such decommissioning.

in Research of EUR	Balance of HMF sub-accounts assigned in HPPs of the Company
Enterine on all 1 January 2020	1,350,112
Payments to the first during 2020	15 percent
iniziani rezelvet (Noiz 26)	31,539
Fund administration like	ලංකු
Balance on at 21 December 2029	1,435,528
Enterine on all 1 January 2013	1,223,063
Payments to the first during 2019	79,345
interest received (Note 26)	30,691
Fund administration lies	(794)
Balance on at 31 December 2015	1,350,112

According to the Act on the National Nuclear Fund the Company is one of the contributors to the National Nuclear Fund. The National Nuclear Fund, reporting to the Ministry of Economy of the Stouk Republic, is not controlled by the Company. The above mentioned right for reinbursement from the National Nuclear Fund is recognized to a separate accel and represents the reinbursement right for the paysees of decommendation of nuclear facilities owned by the Company including management of radioactive waste from such decommissioning in the amount of actual contributions paid including net revenue interest from this part of contributions in line with the interpretation IFRIC 5 Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds.

Based on provisions of the Act on the National Nuclear Fund covering activities of the National Nuclear Fund, the Company expects that the assets of the National Nuclear Fund (primarily deposits at the Stock State Treasury and commercial banks) will be used exclusively for enacted purposes in future. If there is a decrease in the funds accumulated on the sub-accounts assigned to the nuclear power generating facilities owned by the Company as a result of the decision on funds allocation issued by the authorized bodies of the National Nuclear Fund, the Company decreases the carrying nature of the right to receive the reinforcement reported as the right for reinforcement from the National Nuclear Fund on the balance sheet and charges the change in the nature of the reinforcement right to profit or loss.

Under the Alomic Act the Company is responsible to secure decommissioning of nuclear facilities and to manage radioactine waste and spent nuclear fuel until their takeover by an entity established, incorporated or authorized by Ministry of Economy of the Stovak Republic. Assuming all legal requirements are met, the Company therefore expects that, the right for reimbursement from the National Nuclear Fund arises for that part of the contributions, which shall be used to reimburse actual costs incurred mainly during decommissioning, liquidation and management of spent nuclear fuel and radioactive waste from decommissioning of the nuclear power plants of the Company. The Company also expects that the remaining part of its contributions (together with other sources of the National Nuclear Fund) determined for the purposes of design, construction, operation and closure of repositories, will be used by the state in future under conditions and for the purposes set by the law.

The ability of the National Nuclear Fund to meet the costs of decommissioning of the nuclear power facilities operated by the Company and storage of spent fuel is dependent on various factors. These factors include among other things: the resenues earned by the Company on such generation, earnings on cash deposited in the National Nuclear Fund and the level of contributions to the National Nuclear Fund from other sources. The actual decommissioning and disposal costs may many from the initial estimates because of regulatory requirements, changes in technology and increased costs of labour, materials and equipment.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

The current financing scheme of the back-end cycle of nuclear energy includes the sources of financing that are designed to cover the casts related to so-called this bricklich defoil that arease due to not contributing the financial resources from operated nuclear power plants into the Nuclear Fund until the end of 1994 (when the State Fund for Decommissioning of Nuclear Facilities and Disposal of Spent Nuclear Fuel and Radioactive Waste mass established). Most of this deficit relates to the state owned nuclear facilities in Jastovské Bohunice (A1 and V1) that are not in uperation as all the balance sheet date. In order to cause this deficit the Covernment of the Standa Resublic approares the Regulation No. 426 dated & October 2010, introducing a special tariff to be ulimately paid by final consumers amounting to 3 EUR/WMM of electricity delivered in 2011, that is being adjusted by the rate of the care inflation every year. This tariff is included in the prize of the electricity delivered to the end customer. Operators of the transmission system and regional distribution systems deliver these lunds to the account of the NMF. This tariff is delemined to finance the activities related to decommissioning of the nuclear power plant A1 and part of the nuclear power plant V1 in Jasiovské Bohunice.

On 9-January 2019, the Government of the Stocak Republic approved the regulation No. 21/2019, with the effective date of 1 February 2019, establishing the amount of special tariif to be used to cover the historical definit from electricity definence to and explorators. The tariif was set at 3.27 EUR/MMM in the year 2029.

From the practical reasons it is assumed that the tarif, collected by the openious of the transmission system and regional distribution systems to cover the historical deficit, shall be spread over the longer time horizon and shall cover the actual meets that are to be updated every 0 years.

The eport on the fulfiment of the National Programme for handling spent nuclear fuel and natioactive waste in the Stovak Republic as at 31 December 2019 states, among other things, that the analysis of the historical deficit and the proposal of the mechanism ensuring the financial resources to cover this deficit is expected to be elaborated during the update of the National Programme, which was launched in the half of 2019 and its completion is expected by the end of 2021.

Provision for dismanifing of thermal power plants.

Considering the current market and regulatory environment the Company estimates that it will not be able to operate Nováty (TENOT) and Vojany (TEVOT) thermal power plants beyond their estimated remaining useful tives. Due to the existing legal environment, the Company, in line with its past practice, takes full responsibility for descarmice staning of these thermal power plants unce the plants searce their operations. Consequently, the Company recognised a provision to cover future descarmice stating casts which are expected to be incurred upon shul-down of the plants.

in Proceeds of EUR	2020	2019
Balance as at 1 January	126,057	125,754
Vanincing of Interesi (Hole 26)	5,195	5,220
Effect of change in estimates income statement	1,783	(4,685)
Effect of change in colonales incorph equily	2,653	610
Actual expenditure in petiod	(156)	(42)
Raismes on of Sti December	13,90	17,157

'incerfit. A state of an analysis in the last of the last of the second state of the state of the second state of the Stat

The provision is presented in the balance sheet as at 31 December 2020 as follows:

	Produken for disconting of
in insearch of EUR	Figure parts
Current listellites	270
Non-current Babilites	136,342
Telai provision	136,922

The provision is presented in the balance sheet as at 31 December 2019 as follows:

	Anakim in depending of
in innernets of FLIR	fiercal power plants
Current Intellige	150
Non-current liabilities	126,707
Total provision	125,257

NOTES TO THE SEPARATE FINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

The themal power plant Nováky is operated based on the decision of the Slovak Government in general economic interest in order to ensure security of supplies in Byshičany rodal area. On 5 august 2019 he Ministry of Economy issued a decision No. 17237/2019/4130-38105 valid since 1 September 2019 by which it defines responsibility for the Company in respect of the production of electricity from domestic coal in the Ihermal power plant Nováky within the general economic interest until 2023.

The Regulatory Office for Network Industries issued a decision No. D162/2018/E dated 18 December 2017 further amended by a decision No. 0273/2018/E dated 27 August 2018 and a decision No. 0086/2020/E dated 5 December 2019 staling a fixed price for the domestic coal electricity production and a decision No. 0174/2018/E dated 19 December 2017 further amended by a decision No. 0274/2018/E dated 28 August 2018 and a decision No. 0185/2020/E dated 13 December 2019 staling a tariff for system operation that the Company has to more to the short-term electricity mantet operator OKTE, a.s. for the period of 2018 - 2021. These decisions were halid as at 31 December 2020.

The Company operates the thermal power plant in Novaky and the thermal power plant in Vojany in line with the valid environmental legislation.

The Company allocates revenues and expenses in accordance with the accounting principles mentioned in these financial statements and in accordance with the internal accounting records and the valid legislation.

The process of shut down and dismanling of the thermal power plants shall be administered in line with the decommissioning strategy of individual plants in EVO and ENO. This strategy is currently considering different possibilities how to proceed with areas of the thermal power plants such as partial dismanting of the plant, utilization of the area for further business development, or, sale of the area not used.

For the purpose of dismanting of thermal power plants in Vojany and Nonaky comprehensive studies. 'Assessment of the costs for decommissioning of the thermal power plants of SE, a.s.' were developed by the company EGP invest, spol. s r.o. The studies contain the assessment of the status of individual main production familities as well as acadiary equipment relating their variable life and planned utilization. The studies also assessed a secondary usage of materials and sources. The dismanting of already studious and non-operated production facilities in ENO and EVO is planned to be executed in stages. The studies also contain the plan for dismanting of the sources and equipment that is currently in operation and dismanting of which will begin only after the end of their useful lines.

Exring the year 2020 the Company reassessed the expected costs for resultnation of sludge bed at EVO as well as the discount rate used for discounting the provisions for dismanling of thermal power plants and decommissioning of sludge beds. As a result of this reassessment the Company recognised a change in the estimate of the provision in amount of EUR 4,045 thousand which is the total effect of increase of provision due to reassessment of the expected costs in amount of EUR 338 thousand and increase of EUR 4,307 howard due to change in the discount rate

In 2019 the management of the Company reassessed disbursement schedules related to the process of demanting of themail power plants with no change in relation to the volume of the estimated cost and, at the same time, reassessed the discount rates used for discounting of the provisions. As a result of this reassessment the Company recognised a change in the estimate of the provision in amount of EUR 4,075 theorem which represent a net effect of the increase of provision due to shange in the discount rate in amount of EUR 2,133 thousand and a decrease due to shift of the time schedule of the cash distursements in amount of EUR 6,208 thousand.

The present value assumptions of the provisions

There is an interest uncertainty inclued in the calculation of the provision due to the estimation of various assumptions, including inture initiation expectations, discount rates and the actual disbursement schedules. The present value of the provisions mentioned above is calculated applying 2% initiation rate and a discount rate based on long-term series of interest rate data ranging from 3.88% to 4.05% (as at 31 December 2019 ranging from 3.88% to 4.25%) over forecasted disbursement schedules.

The cancilivity of the provision to fin change in the discount rate is shown in the table below:

			Sensibility to discuss their charge			
	Present value of the provision		2	20	z	216
in thousands of EVR	2022	2019	+025%	- 425%	+0.25%	-927
Provision for diamanting of Internal power stants	136,822	126,857	6,262)	6,601	(6,262)	6,611

NOTES TO THE SEPARATE FINANCIAL STATEMENTS for the year ended 31 Desember 2020 (in thousands of EUR)

17. Employee benefits

Employee benefits recognised in the balance sheet are as follows:

_	2	20	2019		
in Passants of EVR	Conten	Non-content	Carrent References	Non-carried	
Long-term incentives	-	12	-	152	
Pail-engingent benefits and other engingee					
benefic	1,468	42,335	1,548	41,195	
Tabai	1,455	4,517	1,64	41,377	

In terms of the Company Collective Agreement (hereinabler as "CCA"), signed between the trade unions operating at the Company and the Company, the long-term employee benefit programs in the Company represent defined benefit plans, specifically classified as post-employment benefits (retirement) and other employee benefits (nork anniversary benefits).

In December 2020 the CCA valid for years 2021 – 2023 was approved and signed. All the parties concerned were informed about its conditions.

As at 31 December 2020 the Company had 3,671 employees (2010: 3,654 employees) eligible for employee benefits payable in inture periods. The weighted average duration of the post-employment benefits and other benefits is 9 years (2019: 9 years).

Change in the present value of the defined benefit obligation

in Bournes of FUR	Post- exployment boxedia		2020	2010
Freeni value of the obligations as of 1 January	41,513	1,201	216	3,34
Current service cost	1,953	74	2,027	1,858
Unwinding of interest (Nafe 26)	406	13	421	541
Gains/bases due to charge in demographic assumptions	1,215	34	1,250	346
Gains lances due la charge in Trancial assumptions	(1,596)	9	(1.517)	1,527
Experience gains is seas a nising during the year	1,475	38	1,514	(33)
Benefit payments during the year	(2,517)	(145)	2.53	(78 <u>6)</u>
Freezie value of the obligations as at 31 December	4,43	123	6,16	42,843

in incurses of EUR	Pasi- esployoest beselfs	Offer America	2020	2019
Het Extelligue at 1 January	41,513	1,336	2,10	33,73
Expense receptive in part and loss	2,361	168	2,523	2,553
Remaskrements recignized in other comprehensive income	1,096	-	1,095	1,685
Benefit payments	(2 <i>5</i> 17)	(148)	265)	(786)
Het Extellig as at 31 December	2,63	1,358	-0,1C	<i>12,</i> 10
Thereal: Content police	1,296	172	1,463	1,645
Non-concel particu	41,167	1,179	-0,75	41,126

Expenses recognised in the income statement

	Post- Employment	Other		
in linearces of EUR	however, and	bonolity.	2020	2010
Current service cost	1,953	74	2,027	1,858
Unwinding of Interest (Note 26)	408	13	421	541
innesisiejy recognized actuarial izaars	-	n	81	154
Expense for the year	2,351	12	2.52	2,533

The roles form an integral part of the separate linearctal diatements

NOTES TO THE SEPARATE FINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

Actuarial accomptions

Assumptions regarding future mortality are based on published mortality tables valid in the Stock Republic in the year 2019 issued by the Statistical Office of the Stock Republic during the year 2020 (used for valuations at 31 December 2020) and based on published mortality tables valid in the Stock Republic in the year 2016 issued by the Statistical Office of the Stovak Republic during the year 2019 (used for valuations at 31 December 2020).

Oher actuarial assumptions are disclosed below:

	7070	2219
Discount rate as at 31 December	0.09%	1%
Future earnings increases	2021: 1.9%	2.5%
-	2022: 1.1%	
	2023: 1.9%	
	since 2024: 1.7%	
Average fluctuation rate	2%	2.5%
Retirement age	according to valid legislation	according to valid legislation

Historical information

in Processing of EUR	2022	2010	2018	2017	2225	2015
Present value of the defined benefit obligation as all 31 December	43,000	42,643	39,390	38,951	34,556	65,954

Sectionly analysis

The sensitivity of the provision to the change in significant assumptions is shown in the table below.

		Discount	iraie	Falue salary Jacesse
in Processia of CUR	31 Desentes 2020	+0.30%	- 0.30%	12.30%
Net liability from defined benefit obligation	43,803	(1,993)	2,155	1,410
	_	Discount	reiz	Folue salary Incesse
in Processie of CLR	37 Desember 2019	+25%	-0.50%	+0.50
Net latiliy iron delined benefit atilgation	42,643	(1,942)	2,097	1,940

NOTES TO THE SEPARATE FINANCIAL STATEMENTS for the year ended 31 Desember 2020 (in thousands of EUR)

11. Other provisions

in linusands of EVR	Endoursenial provision	tegal provision	Provision for emissions	Ober anväbra	Talaí
Reference as at 1 January 2020	5,179	11,161	43,154	1	0,36
Provisions made during the period	-	104	41 386	2	41,492
Provisions used during the period	(289)	-	(43,089)	(2)	(43,480)
Unitating of Interest (Noile 26) Effect of change in estimates forwish income	384	-	-	-	384
datement	458	-	(65)	-	373
Effect of change in estimates incugin equily	18	-	-	-	18
Rectass from other paysibles	-	541	-	-	541
Beleve as st 31 December 2020	5,00	11,555	41,386	1	2,714
Non-current partien	9,147	11,696	-	-	ZI, 843
Curset parties	- 35	-	41,386	2	41,871
Beleve as at 1 January 2015	5,577	10,352	33,143	3	54,855
Provisions made during the period	-	æ	43,154	2	43,245
Provisions used during the period	(1,645)	-	(31,254)	ത്ര	(36,112)
Unitating of Interest (Note 26) Critect of strange in collinates limited income	407	-	-	-	407
diterent ,	25	-	1,121	-	1,325
Effect of change in extinates through equily	485	-	-	-	485
Belence as stat December 2019	5,179	11,151	45,154	1	0,36

Environmental provision

The environmental provision is recognised for the recutivation of waste durings and the removal of continued environmental burdens in accordance with the environmental legislation valid in the Sknak Republic and in line with the Company's published environmental policy.

The Company owns and operates several weeks durings and has a legal obligation to resultivate them unce their capacity is filled up. The Company recognises this provision based on the expedied future disbursements arising at the expected date of obsure of these durings.

The provision for the removal of environmental burdens, where the Company is confirmed originator, is recognised at the value of the estimated future costs for their clearance.

The present value of the environmental provision as at 31 December 2020 is calculated based on applying 2% initiation rate (31 December 2018: 2%) and a discount rate ranging from 3.68% to 4.05% (31 December 2018: 3.88% to 4.25%) over forecasted distoursement schedules.

Legal provision

Based on estimate of the Company's management, a provision for legal cases against the Company has been recognised to reliect probability of an unsuccessful resolution of these legal disputes, including the courtiees and other related legal fees.

Provident for embodies allocated as

Provision for emission allowances was recognised for the greenhouse gas emissions discharged during the period. The provision is measured at the estimated quantity of the emissions discharged for the period of a calendar year, valued by the unit market price or unit contracted price of the emission allowances designated for the purposes of compliance under the European Union Emissions Tracing Scheme and the valid legislation in the Slowat Republic.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS for the year ended 31 Desember 2020 (in thousands of EUR)

15. Loans and borrowings

	Alexand Sciences			
in Knueskis of EVR	- 192 - 192	Makety .	2020	2219
Current lasers and beneverings				
Loans payable in kanis	0.721 - 6.90	2021	1,269,962	203,198
Subordinalesi barı (accuesi interesi)	5.92	2021	4 9	38
Loans tion companies within Group	0.50	2021	2,640	1,663
Distantions from Annote Issue (Note 5)	5.75 2021		3,725	3,534
Total canvard loans and bear origin			1,25,75	25,03
Kan-casaré kana and kanavalaga				
Loans payable in banks	0.721 - 6.90	202-206	1,801,747	2504,450
Subordinaled barn	5.92	2020	452,542	350,515
Distantions from Unance lesses (Note 5)	5.TS	2022 - 2043	7,740	11,465
i dei nan-cumetriane and companys			2,02,00	125,02

The substantial part of the lean portiolic is collateralized via pledge over a selected portiolic of assets of the Company. The carrying amount of the pledged assets is disclosed in the Note 29.

As al 31 Desember 2020 out of the total amount of Ican facilities down, the Company recognized CUR 185,000 Invested of revoluting loars which are classified as long-term (as at 31 December 2010; EUR, 185,000 Invested), since the Company has the discretion and intention to roll over the obligation for more than involve months after the reporting period under the existing loan facilities.

The Company has signed a contract with Stovak Power Holding B.V. to provide a subordinated debt up to the amount of EUR 700 million, out of which EUR 438 million was drawn as at 31 December 2020 (EUR 346 million as at 31 December 2019).

As at 31 December 2020 (and 31 December 2018) the Company was not in breach of any financial or nonfinancial covenants defined in the loan facility agreements.

In the interest of infiment of undertakings resulting from ban agreements the Company agreed with relevant creditors on prolongation of deadlines for fulfiment of certain non-financial covenants. With regards to the orgoing negotiation between the Company and all its creditors with aim to unity certain provisions of loan agreements, the creditors agreed with temporary prolongation of deadlines for fulfiment of certain nonfinancial covenants as of the reporting day. The final prolongation of deadlines shall be part of complex agreement between the Company and its creditors. As the agreed prolongation of deadlines as at 31 December 2020 did not exceed period of 12 ments the Company assessed that conditions of FRIS for long tem presentation of financial liabilities have not been met and recognized the loans in the value of EUR 1,009,220 housand as short term.

As at 21 Desember 2020 and 31 Desember 2010, he subcluded repayments of lears and bernwings, excluding the effect of the restaustication of the non-current portion of lears and boronings as described above, are as follows:

in Revents of EVR	2020	2019
Cin demand or within one year	247,116	206,433
in the second in third year inclusive	127,730	56,214
Beyond the finitely sar	3,143,579	3,206,612
Tabal	3,518,425	3,05,223

Overview of undrawn credit lines balances:

in Passaris d'EUR	2020	2019
Uncommilies (great) lines	51,321	65.251
Specific purpose term isans	460,851	453,441
Subordinated Isan	252,000	355,000
Tatal	774,172	R3,62

The roles form an integral part of the separate linearcial diatements

NOTES TO THE SEPARATE FINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of ELIR)

Overview of the loans' movements during the year 2020 and 2019 is as follows:

	Non-cash provenents				
in Kousenia of EUR	Galarce as at 1 Jameny 2020	Cash Shire	Officer	Fansiya Batilange Billionarian	Balance as al Si December 2020
Literatio payable in carries	3,707,636	(ادھرد)	(1, 2 11)	្រាភាឌ	1,1/29
Subordinalist ban	351,941	98,000	8,650	-	452,591
Loans payable to companies within the Group	1,663	977	-	-	2,641
Dbligaliens inne inance lease (Noiz 5)	14,999	(4,206)	472	-	11,455
Tolai canani ani nen-carrat itera ant bencatinga	1,05,78	21,62D	7,55	ត្រា អាក	1,512,075

		Non-cash provenenis			
in linusada of EUR	Galarce as at 1 Janeary 2019	Cash Shes	Other	Fansian Eschenge Sticter von	Balance as al Si December 2019
Literis paysible to carries	2,030,717	28,70	ലക്ഷാ	27,077	3,107,650
Subordinalist barn	244,661	101,000	5,200	-	350,941
Loans payable to companies within the Group	-	1,663	-	-	1,663
Disignitaria iran iranze isane (Noie 5)	1,580	(3/15)	16,834	-	14,999
Tolai canani ani sen-carrat itens ant bonasings	3.104.951	35.00	1216	27.577	1475.25

Total interest calculated using effective interest method amounted to EUR 169,215 housand in 2020 (2019: EUR 142,488 thousand), out of which EUR 167,532 thousand was capitalized (2019: EUR 140,859 thousand) as disclosed in Note 5.

21. Other liabilities

Other liabilities consist of defened income from derivative transactions, accrued expenses and defened income from grants.

Defined income from derivative transactions relates to the initial value of the embedded options as at the date of the conclusion of the long-term electricity contract with Stowako, a.s. For further detail see Note 7.

Oher liabilities comprise the following:

in Proceeds of EUR	2020	2275
Deterred insume from derivative instructions	m	1,664
Cliner defensed income	1B	-
karvei apenas – ai publici diages	124	152
Gank	44	52
Taba	56	1,755
Non-current parties	44	52
_ Caneri puttan	919	1,706

21. Trade and other current payables

in insurants of EUR	2020	2019
Francial fabilities		
Trado peyables	25,10	26,25
Other current liabilities		
Snetal aready payables.	5,021	5,047
Payables to employees	27,233	28,537
Dimen cirrect fames	9,892	7,332
Shari-term provisions	15,495	14,583
Other paysiales	4,201	10.953
i pier dien comminisce des	ព,ឈ	67,220
Total finds and other current payables	25,741	313,124

The roles turn an integral part of the separate linearchil diatements

NOTES TO THE SEPARATE FINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

Terms and conditions of the above stated financial liabilities:

- Trade payables are non-interest bearing and are normally selled on 10-day terms.
- Other payables are non-interest bearing and have an average term of payment of one to three monits.
- For terms and conditions relating to related parties, refer to Note 28.

For explanations on the Company's credit risk management processes, refer to Note 31.

The social fund payable is included in other non-financial fiabilities. The creation and use of the social fund during the period are shown in the table behav:

to itourseds of EUR	2020	2019
At the beginning of the particl	1,128	
Legal casalina finangin expension	1,315	1,218
Usage	(1/31)	(B16)
At the and of the part of	1,612	1,125

Trade and other payables divided into due and overdue are shown in the table below.

to itoursmas of EUR	2020	2019
Tade and other payables due	266,289	312,532
Tade and other payables coverbue	12	322
Total	25,741	313,124

22. Electricity and least revenues and cost of electricity purchased for resale.

Bedricity and heat reserves comprise the following:

h Russes d'EUR	2020	2019
Constitutions, including factors	944,025	131,373
Andlary services	71,04	73,012
Negating excitatly	1,222	1,729
Devlation indexiance	8,515	7,919
Revenues iron tarif iron system operation	112,002	116,638
Hist revenues	18,196	19,364
Describe revenues	1,155,015	1,151,535
Foreign sales	1,617,235	1,20,935
Total electricity and land, revenues	1773	2345,470

Cost of electricity purchased for resale comprise the following:

to Konzenska af 17217.	2070	2219
Purchase of electricity	1771748	1,480,723
Besitaly less	1,715	2,706
Diter	6,513	6,000
Cast of electricity purchased for service	1,72,026	1,62,429

NOTES TO THE SEPARATE FINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

21. Other operating income and other operating costs

Oher operating income comprises the following:

in Incounts of EUR	2020	2019
Rental Income	1.258	1273
Gain an sale a' emission allocanses	16,979	52,255
Anaritalian of delensi income	7	117
Contraction (Times	ଟ୍ଟ	242
Gain on sale of material	-	412
Compensation of damage	1,753	10
incure item settemeni agreenenis	423	102
Revenue tran rendering of other nervices	372	3,63
Other	364	782
Talai aliar apanding income	25,111	5172

Oher operating costs, oher han depreciation, amortisation and impairment, comprise the following:

in hasanis d'EUR	2020	2019
Local faces and environmental charges	16,153	15,263
	4,817	5,85
Changes, in other providents	5.0	745
Commodily desiratives, and	36,242	30,314
Loss on sale of property, plant and equipment	6,204	424
Contractual flows	39.8	20
Membership tes	832	911
Changes, in providing for existence were of damages, caused by existence	185	(665)
Changes in provision for emission allowances	41,321	44,275
Other	270	36
Talai alian aparating carle	117,055	57,812

The expenses for services provided by audior were as follows:

in Incounts of EUR	2020	2010
Audit of the linancial statements	136	126
Recalled and the when	4	26
Oher um-auti senices	156	11
Talai	75	167

24. Personnel expenses

in Accounts of ELR	2222	2019
Wages and estables	13,545	B1,831
Sectal security code	37,259	35,824
Oher antial expenses	5,690	5,344
Employee benefits (Note 17)	2,10	2,012
Change in provision for larg-ferm incentives	-	(197)
Several reported to the several s	627	1,086
Nroad open	123,537	125,75

NOTES TO THE SEPARATE FINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

25 Depreciation, amortization and impairment

in Knusseds of EVR	2020	2019
Depreciation charge - property, plant and equipment (Note 5)	210,025	199,978
Anoritation charge - Intergible assets (Vicie ii)	1.413	176
impairment loss through lacone clatement - property, plant and equipment (Noile 5)	2,275	15,382
inpaimeni kas insugn insune sistemeni – infangiste assets (Kole 6)	96	-
Change is estimate of provision for diamanting of thermal power plants (Note 16)	-	(B1)
Creation of allowance for expected creatil issues, net (Note 11)	(3,236)	1,015
Dites	17	9
Depreciation, amerikation and impairment	20,75	Z17,1

26. Finance income and costs

in Vinusarias of EUR	2020	2019
nierest income	2,664	2,577
Nalional Nuclear Fund—Inferest reserved (Nale 15)	31,539	30,891
Embedded delvatives - release of defened revenues (Nale 20)	m	777
income from investments in point/daries and according	500	405
Revolución gain tran institución insiging de Ivalivas	803	653
Finance (means	36,375	5,413
in thousands of EUR	2020	2219
hangi kasing dikaras, et	B.M	
Unstaling of Interest – provision for motion decomplicationing and storage costs (Hole 15)	91,060	85,530
University of Interest – provision for dismaniling of Thermal power plants (Note 16)	5,195	5,220
Unertaing of Interest – employee benefits (Hote 17)	421	541
Unificiting of Interest – other provisions (Hole 18)	384	407
Embedded derivatives – change in valuation (Note 30)	451	315
Ditter	5,395	5,088
Financia codia	10,741	5,55

77 Income fax expense

Current and deferred for expense

in lineands of EUR	2220	2279
Constitute page	42,7 1	13,424
Out of Ind. Tax to cannot period	42,013	іздін
Tax for previous years recognized in the income statement	158	10
Colored faz express		
Olginitian and revenue of temporary differences	(18,321)	(5,247)
income las recepcions in line income adalement	24,45	2 ,177

In accordance with the natio legislation as at 31 December 2020 the Company applied the tax rate of 21% for income tax calculation (21% in the year 2019) and 21% for defenred tax calculation (21% in the year 2019).

Current income tex liability encounting to CUR 50,526 theorem recognized up at 31 December 2020 is related to the income tex position as at the balance sheet date and to the position in respect of the special levy on business in regulated industries as at the balance sheet date (31 December 2018: EUR 21,614 thousand).

NOTES TO THE SEPARATE FINANCIAL STATEMENTS for the year ended 31 Desember 2020 (in thousands of EUR)

Special lawy

On 23 November 2016, the National Gouncil of the Stocak Republic adopted an amendment to the Act No. 235/2012 Coll on Special Leny on Business in Regulated Industries with effect from 31 December 2016. The amendment states the force of the legislation is delayed ad infinitum, i.e. the special levy is paid also beyond the year 2018. The amendment also increased the monthly rate from 0.00363 to 0.00720 for the period of the year 2017 and 2018 and to 0.00545 in years 2019 and 2020. Starting from the year 2021 the monthly rate is determined at 0.00363. Pursuant the amendment the basis for the special levy has been changed as well and since 2017 the leny is paid only from the regulated activities.

Reconciliation of effective law rate

In Bransmis of EUR		2022		2019
Profil for the period		30,000		17,969
Total income tax expense		24,63		8,177
Profit index income faz		14, 373		26,145
insume for using the Company's democile for cale	215	12,500	276.	6,401
Special lawy on business in regulated industries		1767		778
Non-deducible expenses/levenues, net	165	9,010	75.	1,596
locare ha reception intro piur your of primeria	5	24,222	362	£167
Current fas for previous years recognized in the income statement		158		10
isano iz nagristi i ilo izane sistemi	36	жe	367	L 177

Defensed tax recognized directly in equily

in Bransmis of EUR	2020	2019
Net mercrash en aak ties heiges	11,634	(16,442)
Resolution of properly, plant and equipment	-	(133,736)
Changes in valuation of property, plant and equipment	ത	241
Remeasurement losses on defined benefit plans	22.1	354
Charge in estimate of the provision for nuclear decomplicationing and storage tools	10,852	5,023
Charge in estimate of the provision for diamaniling of internal power plants	601	120
Change in estimate of the environmental provision	4	102
Effect of initial application of IFRS 9	-	-
Také ékényei bar nangalané ékecity in aquity	21,376	[144,332]

Defened tax assets and liabilities

	Az	-	1.55		Ц	
In Research of ELR	2020	2019	2220	22/19	2020	2019
Property, plant and equipment	-	-	(119,351)	(607,326)	(679,351)	(67.36)
Derivativas and each time heriges.	33,400	4,228	-	-	23,400	4,775
Entertiel de l'alles	-	-	(12)	(137)	(42)	(पद्म)
ingenitzies	2,659	1,965	-	-	2,659	1,985
Employee benefits	9,237	9,035	-	-	9,237	9,035
Provision for nuclear decorrelationing						
ani danye mda	5.0,801	464,849			609,633	464,843
Provision for demanling of the mail						
power plants	28,571	26,640	-	-	28, 78	26,540
Receivable from the sale of the VEG ascelu	4,242	4,752	-	-	4,242	4,752
Right for reinforcement from						
ine National Nuclear Fund	-	-	(EU SB)	(281,214)	(301,543)	(281,214)
Other	17,32	19,569	(1,553)	(1,445)	15,760	18,121
Balance on at 31 December	25,07	-221, 1 58	(22,244	(PSI, 192)	(AT, A)	[625,134]

NOTES TO THE SEPARATE HIMACIAL STATEMENTS for the year ended 31 December 2020 (in the serves of EUR)

Novement in temporary differences during the year

Mathematic Case of the Action of		Balance as at	Recognized in	Recontred in	Galance as at 37 December 2000	Recorded in	Recorded to	Galance as at 31 December 2000
y_1 plat and explored $(205, 371)$ $(5, 200)$ $(124, 497)$ $(607, 300)$ y_2 and y_2 and y_3 (201) y_4 $(124, 497)$ $(402, 300)$ $(124, 497)$ $(423, 300)$ y_2 and y_3 (201) y_4 (201) y_4 $(124, 497)$ $(423, 300)$ y_2 and y_3 $(124, 497)$ (201) (201) $(201, 300)$ $(124, 497)$ (127) y_2 and y_3 $(124, 497)$ (201) $(201, 300)$ $(124, 497)$ $(124, 497)$ y_3 and y_4 $(201, 100)$ $(201, 100)$ $(201, 100)$ $(124, 497)$ $(124, 497)$ y_3 and y_4 and y_4 $(201, 100)$ $(201, 100)$ $(104, 100)$ $(124, 100)$ $(124, 100)$ y_4 and y_4 and y_4 $(201, 100)$ $(201, 100)$ $(104, 100)$ $(124, 100)$ $(124, 100)$ y_4 and y_4 and y_4 $(104, 100)$ $(104, 100)$ $(104, 100)$ $(104, 100)$ $(104, 100)$ $(104, 100)$ $(104, 100)$ $(104, 100)$ $(104, 100)$ $(104, 100)$ $(104, 100)$ $(104, 100)$ $(104, 100)$ $(104, 100)$ $(104, 100)$ <								
Manual contraction (1996) (1995) (1996) (199	Property, ptert and equipment	(116'925)	(P254)	(13,497)	(982'299)	(096111)	ē	(USE ELLI)
Let derivative (201) L4 (211) Red for the state of	Detectives and each the indiges	15,645	5023	(16,442)	4.228	2,488	11,684	
Bit 1,201 434 - 1,966 Relation 0,401 20 354 9,066 In transfer decompany cost 0,401 20 34,01 354 9,056 In transfer decompany cost 0,500 34,021 5,023 454,369 In transfer decompany cost 25,406 104 128 454,369 In transfer decompany cost 5,282 (500) - 4,762 In transfer decompany continuent from heritation 15,863 2,003 - 4,762 In transfer decompany continuent from heritation 15,863 2,003 - 4,762 In the set of heritation 15,863 2,003 - 19,83 14,763 In the set of heritation 15,863 2,703 102 14,763 In the set of heritation 15,863 2,703 102 14,763 In the set of heritation 15,863 2,703 102 14,763 In the set of heritation 10,863 2,703 102 14,763 In the set of heritation 10,963 - 14,763 14,764 In the set of heritation 10,963 - 14,764 14,764 In theritation 10,963 - 14	Enterties derivatives.		3	•		9	ı	¥.
Relative Q401 201 354 Q405 In the relation of a constraining and costs CC,205 24,621 4,103 454,269 In the relation of the relation 25,406 104 108 26,600 In the relation of the relation 25,406 104 108 26,600 In the relation of the relation 5,702 (500) - 4,772 In the relation from the relation (26,171) (20,063) - (261,24) In the relation (261,171) (20,063) - (261,24) (201,24) In the relation (261,171) (20,063) - (201,24) (201,24) In the relation (261,171) (20,063) - (201,24) (201,24) In the relation (261,171) (201,063) - (201,24) (201,24)		1,504	484	'	1961 1	12	'	2,663
an formation determination constant and the set of th	Enpiryse transfis	0,401 0,401	Ņ	128	3006	Ĩ.	22	0276
on to deverting of the main power 25,400 104 108 25,600 data than the development 5,282 (500) - 4,752 or definition the haloment (261,171) (20,043) - (261,214) (15,652 2,170 102 16,124 (15,652 2,170 102 16,124 (15,652 2,170 102 16,124 (16,124 103 102 16,124 (Ponten ta redea decorretating and Strage code	62,216	N. B.	5,023	454,849	1912	10,862	225(125)
5,282 (530) - 4,752 (261,171) (20,043) - (281,214) (15,662 2,170 102 14,124 15,662 2,170 102 14,124	Position to disconting of the nai power picate	26,408	ġ	8	26,640	101	5	
(281,171) (28,043) - (281,214) { 15,652 2,170 102 16,124 15,652 5,97 (14,235 627,134)	Activity for the stead for VES activ	5,282		'	4,752	(aus)	'	4,242
- 15,852 2,170 102 18,124 materiate 258,055 5,347 (161,255 622,134)	Right for reinturcement from the National Nucleon Front	(111,122)			(201,214)	(2012)	ı	(315° MB)
	Other	15,852	2,171	Ē	18,124	(me'z)	٦	15,762
	Determed the links of y		2003	(IALIZE	the read	녀자바	22,02	

As at 31 December 2020 the Company recognised a deferred fax position in the ret anount of BUR 50,200 thousand (31 December 2019: 26,040 thousand) on the Nuces fund, ponsion to decomissioning of mutes power plants, part of provision for storage and deposed of spect nuclear teel related to its final disposed in the bee of the betwee sheet (defened to: accet) from the lampinery differences on the following items: dismanting accet, right for neinbursement from the National بلعي ويدفونها بدومظهر

As of 17 October 2018, a rear Act No. 308/2018 on the National Nuclear Fund was passed that inholoces near legal requirements regarding post operation and deconvisioning of nuclear power plants, with the effective date as of 1. January 2018. With reprets to the lang-team horizon of the final stage of peaceful utilization of modes concept if is not provide to anticipate impact of changes on tax deductivity in ktur vit nieroe to te seld ponousenets of te Act on te Naisad Nuclea Fund. Under tre protong pinapies the Company constly restord not to aller he suid far postion.

21. Related party transactions

Related parties have been identified as subsidiaries, associates, shareholders, directors and management of the Company and entities controlled by the government that the Company transacts with.

The Company had the following transactions and culturning balances with related parties as at and for the year ended 31 December 2020:

in Revents of EVR	America	Costs	Receivables	Asystem
Sectores				
Slovek Pearer Holding B.V.	-	25,572	-	452,591
Comparise of ENEL Group	60,21	82,655	5,006	24,245
Companies of EAH Grup	151,501	51,533	21,348	19,390
Covernment related entities"	222,961	54,070	110,011	21,85
Substitution				
Centrum pre veziu a vijstum, s.r.o.	4	1,427	1	745
Original a begrefored SE, S.r.o.	390	7,455	50	1,227
BE Bladiny individualization device, c.r.o.	277	10,064	45	6,001
Sizvenské debřáne - energelické skušty, s.co.	110,580	3,428	21,655	1,65
Soversité débrane Cesta republic, 5.14.	84,234	15,422	6,877	13,609
(Association)				
Energedet, a.s.	67	1,047	14	331
REAKTORIEST, S.I.O.	-	9,021	-	67
ÚWRZ, as	2	2,451	-	1,795
European Waited Association (EUAWI)	-	2,037	-	-
European Liability insurance for the Nuclear Industry (ELIN)	-	1,022	-	21
Companyies related to key management personnel	150	587	89	102
Tabai	711,157	316,222	175,777	54,153

The Gengery distance my four two who werthing as all the processor which will be with the significant.

The Company had the following transactions and outstanding balances with related parties as at and for the year ended 31 December 2018:

in Anusants of EVR	America	Costs	Receivables	Asystem
Standaldes				
Stovak Parer Holding	-	15,595	-	350,941
Compariss of ENEL Group	96,019	113,373	9,090	45,223
Companies of EPH Grup	105740	56,791	15,337	4,630
Comment related entities"	249,247	63,569	103,634	19,057
Subsidiaries	-	-	-	-
Centrum pre vienu a vynaumi, 6.1.0.	4	- CH (2	201
Original a begrefored SE, S.C.	397	6792	80	514
SE SLOW Indiates, starteb	317	21,252	78	4,653
Slovenské elektrárne - erergelické skužby, s.co.	135,613	2,042	24,228	507
Siovenské elektrarne Česká republika, 5.1.0.	56/112	1,771	4,997	77
Associates				
Energyald	69	999	20	263
Residences, s. co.	-	10,768	-	-
ÚN Ret, as	2	3,820	-	1,996
European Multal Association (EUAWI)	-	1,944	-	-
European Liability insurance for the Nuclear Industry (ELIN)	-	685	-	252
Companies related to key management personnel	-	255	-	66
Tabai	155,111	20,02	157,256	43,127

The Company distances only from busications and buildings with the processory elabor collect, which we significant.

For information regarding the transactions with VEDCHOSPODÅRSKA VÝSTAVBA, ŠTÁTNY PEDNIK, see the Note 11 and 29.

Transactions with National Nuclear Fund are disclosed in the Note 15.

All transactions and outstanding balances with these related parties are prized on an arm's length basis and are to be settled in each within six months from the reporting date, except for the non-current receivable from VV (see Note 11) and right for reimbursement from National Nuclear Fund (see Note 15). None of the balances is secured,

NOTES TO THE SEPARATE FINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

Statutory bodies of the Company

According to an extract from the Commercial Register of District Court in Bralistana I as at 31 December 2020, the Company's statutory budies have the following composition:

The Board of Directors:	ing, Branislav Shýček, Chairman of the Board Michele Bologna, Vice-chairman of the Board JUDr. Radoslav Zigo, Vice-chairman of the Board (from 31 October 2020) Ing. Luizăs Maršălek Pedro José Cañamero González Ing. Lubonár Tomát (from 29 August 2020) Ing. Milan Herváth (from 29 August 2020)
The Supervisory Board:	ing, Ivan Šramic, Chairman of the Board (from 1 October 2020) Jiří Feist, Vice-chairman of the Board (from 30 May 2020) Stanislav Kysel Ing. Bohumi Kratochvil Pavel Janík Jan Stitteský Mgr. Zienek Turian Ján Topolovský Ing. Jezef Tochler (from 1 October 2020) Maria Antonietta Gianneli Giuseppe Ferrara Stelano Checchi (from 8 January 2020) Elisabetla Barberi
the membership in the G	iompany's stabulary bodies which ended during 2020;
	Ing. Pater Hibochý, Vice-chairman of the Board (by 28 February 2020) Pavol Shiller, MBA (by 24 January 2020) Ing. Martin Suchánski (by 28 August 2020) JUD: Polar Hajdučski, Vice-chairman of the Board (by 30 September 2020) Luciovit Hasaj (by 12 May 2020) Jozef Ondrejiček (by 12 May 2020) Jozef Ondrejiček (by 12 May 2020) doc. JUD: Boris Balog (by 30 September 2020) Andrea, Piagentini (by 7 January 2020)

Enoluments of the members of the Board of Directors:

in Blassantis of EUR	2020	2210
Salaries and other short-lean employee benefits	1,380	1,528
Benefits in Lind	23	21
Tala	1,403	1,342

Encluments of the members of the Supervisory Board:

in Research of ECR	2020	2219
Salaries and other short-term employee benefits	96	2.0
	7	Z22

Enoluments of the members of the key management:

in Reserves of ELR	2020	2019
Salaries and other stock term employee benefits	1,735	3,854
Benefits in Lind	94	58
Tadal	3,823	3,51Z

No loans and advance payments have been granted to the key management and the members of the Board of Directors and the Supervisory Board. No guarantees have been granted to the key management and the members of the Board of Directors and the Supervisory Board. Sievensie elektrime, a.s.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

21. Commitments and confingencies

Short-term and low value lease commitments - Company as the lessee

Short-term and low nalue lease charges comprise:

in thousands of EUR	2022	2010
Leave of same	1,353	1,353
Lease of land and buildings	66	F 1
Lease of IT and blecommunication devices	913	954
Talai	2722	2307

The Company has entered into contracts on lease of cars and IT and telecommunication devices with definite terms. The Company has entered into contracts on lease of land and buildings with definite and indefinite terms.

The future minimum lease payments under non-cancellable lease contracts are as follows:

in Vinusania d'EUR	2020	2019
Less han are year	1,720	1,652
Beleven one and five years (inclusive)	1,113	3,073
Here from the years	207	130
Total	3,548	436

Short-term and low value lease commitments - Company as the leason

Shot-lem and low value leave manners comprise:

in Vinusada of EUR	2029	2210
Lease of land and buildings.	1,304	1,218
Lease of IT and telecommunication devices	214	337
Total	1,518	1,955

The Company has entered into contracts on these leases with both, definite and indefinite terms.

The future minimum lease payments under non-cancellable lease contracts are as follows:

in Vinusania d'EUR	2022	2210
Leas han one year	1,270	1,536
Behreen one and five years (inclusive)	1,825	1,622
Nore than live years	715	572
Total	3,84D	1720

Capital commission

The Company is engaged in continuous capital expenditure programs, including emirormenial improvements and the modernisation, replacement and expansion of existing power generation facilities and continuing of construction of Mochowe 384. As at 31 Desember 2020 the Companyhas concluded contracts to purchase property, plant and equipment in overall amount of EUR 5,698,838 (housand (31 December 2018: EUR 5,518,752 (housand), thereof EUR 294,314 (housand nots not yet vilized as at 31 December 2020 (31 December 2019: EUR 305,338 (housand).

NOTES TO THE SEPARATE FINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

Legal claim contingency

The Company is involved in various litigations in the ordinary course of its business. Except for the legal proceedings specified before and the litigations for which the provision has been recognised (see Note 18), the Company is not currently involved in any legal proceeding that is expected, either individually or in accretions, to have a significant effect on the accompanying separate financial statements.

VEG court proceedings

The Company, the company VOCCHOSPODÁRSKA YÝSTAVBA, ŠTÁTNY POONK (hereinafter as he 'VV') and certain other entities are involved in several court disputes pertaining VEG Operating Agreement (hereinafter as the 'Operating Agreement') signed on 10 March 2006 as amended by the Amendment No. 1 dated 17 July 2006, the Agreement on Settlement of Legal Relations with respect to the VEG Assets (hereinafter as the 'Settlement Agreement') signed on 24 March 2006 as well as the Agreement of Indemnity signed on 22 March 2006 between the National Property Fund of the Stocak Republic (hereinafter as the 'NPF') and the Company (hereinafter as the 'Indemnity Agreement').

Finished court proceedings

1. Actions on invalidity of the VEG Operating Agreement

The Company was party to dispute in two proceedings concerning invalidity of the Operating Agreement. The court definitely decided that the Operating Agreement is invalid in the proceedings initialed by the Public Procurement Office.

Another legal action was raised by VV, but the court stopped these proceedings due to the final decision about invalidity of the Operating Agreement in proceedings initiated by the Public Procovement Office.

2. Action on involutity of the Agreement of Indemnity

The Company was party to dispute in the proceedings concerning invalidity of the Agreement of Indemnity initialed by the National Property Fund of the Slovak Republic (legal predecessor of MH Manaziment, a.s.) on destaration of the Agreement of Indemnity null and void. The court definitely dismissed the action.

Court proceedings arguing

1. Action initializity VV shallenging the Indexwity Agreement

On 20 June 2008, VV filed an action (against the Company as well as against the NPF) claiming that the indemnity Agreement is multand void arguing, in essence, that it (i) does not comply with the international Treaty, (ii) is contrary to several laws and good morals and fair commercial relations.

On 27 September 2017, the court dismissed the action Bied by VV. W filed an appeal on 27 Nevember 2017. The appellate proceeding continued the dismissal of the action by the first instance court.

On 9 March 2020, VV filed an extraordinary appeal (downlanie). The extraordinary appellate proceeding is peruling.

2. Action initiated by W challenging the Selfiement Agreement

On 20 June 2008, VV filed an action claiming that Arlicle B of the Selfement Agreement is null and void arguing, in essence, that: (i) it does not comply with the International Treaty, (ii) is contrary to several laws and good morals and fair commercial relations. The National Property Fund of the Stocat Republic, the Ninistry of Economy of the Stovat Republic and Stovensky energeticky potinik, štátny podnik v likvidácii, act as other defendants.

The company MH Manazment, a.s. entered into the proceedings as a legal successor of the NPF. The judge's preliminary legal assessment of the matter complies with the Company's legal argumentation. At the hearing of 5 March 2019, the court dismissed VV's legal action and anaroled the right for the reindursement of the costs of the proceeding in full extent in the other parties in the dispute

In May 2018, both VV and the Ministry of Economy of the Stouak Republic filed an appeal. The appellate proceeding is pending.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of BLIR)

 Several court dispets in which VV claims unjustified existement allegedly gained by the Company due to the operation of the VEG

In ten disputes, W claims from the Company the amount of 30% share on revenues gained by the Company during operation of the VEG on the basis of the allegedly invalid Operating Agreement for years 2008 – 2015 in total amount of EUR 364,485 thousand (the principal).

Each of the disputes covers one year, or its respective part from the period of 2006 brough 2015.

The Company filed a stalement for setting up a counterclaim (i.e. for preventive reasons the Company raised its claim to receive payment of services rendered in connection with operation of the VEG in case that the Operating Agroement is null and void).

During 2018 - 2019, the Company raised counterclaims against VV arising from invalidity of the VEG Operating Agreement and also financial compensation for non-financial performance.

In the proceeding concerning recovery of unjustified enrichment for the year 2012 the court dismissed W/slegal action and also the Company's counterclaim on 25 April 2019; on 7 June 2019 VV filest on appeal and on 21 June 2019 the Company filed an appeal. The appealate proceeding is pending.

In the proceedings concerning recovery of unjustified emichment for the years 2000 – 2008 the court dismissed VV's legal action and also the Company's counterclaim on 20 June 2019; on 17 July 2019 VV filed appeals and on 30 July 2019 the Company filed appeals. The appellate proceedings are pending.

In the proceedings concerning recovery of unjustified emichment for the year 2010 and for the year 2013, The parties to dispute submitted the closing statements (adversion rec) and the court will decide about the ment of the dispute on the very next scheduled hearing. The proceedings are pending.

All other proceedings on Unjust Enrichment Proceedings (concerning years 2009, 2011, 2014 and 2015) are pending.

Action initiated by W to resover the amounts paid to the Company under the Selfcenent Agreement.

On 8 July 2015, VV filed a claim requesting that the Company is ordered to pay to VV the amount of EUR 43,278 theusand (plus default interests) corresponding to the amount already fulfilled by VV to the Company for VEO essets correct out from the Company's resets in 2000 under the Settlement Agreement. VV argues that the Company should have never received such compensation for VEG assets given the invalidity of the Operating Agreement and the fact that a transfer of VEG assets to the Company in 1904 was illegal. In reaction to the Company's objections, VV decreased requested amount to EUR 20,385 thousand (plus default interests).

During the hearing on 18 December 2020, the VV's action was discussed.

On 4 January 2021, W filed an appeal. The appellate proceeding is pending.

The Cooperty's claim for annual settlement

On 31 December 2014, the Company fied the claim for a balance resuling from the annual settlement for year 2010 which has not been paid until the date of these financial statements by VV in the amount of EUR. 5,824 thousand (including VAT) with default interest.

On 22 January 2019 the court rendered a ruing about continuation in the proceeding. On 10 October 2019 The court dismissed the Company's legal action. Subsequently, on 15 November 2019 the Company filed an appeal.

On 23 January 2021, the appellate court confirmed the dismissal of the Company's action.

The Company is considering filing an extraordinary remedy.

6. The Company's chim for a relation of payments marke under Article 10 of the Operating Agreement.

On 12 November 2014, the Company filed a claim for EUR 23,887 thousand with default interest, i.e. the return of a regular payment made under Article 10 of the Operating Agreement in the amount not yet statule-barred. The Company argues, in essence, that the contractual conditions under Article 10 of the Operating Agreement by W for receiving a regular payment were not fulfilled and that the Company was nover obliged to pay approximately EUR 5 million par year.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

On 22 January 2019 the court rendered a ruling about continuation in the proceeding. The proceeding is pending. On 10 October 2019 the court dismissed the Company's legal action. Subsequently, on 15 November 2019 the Company filed an appeal.

On 24 September 2020, the appellate court cancelled the decision on dismissal of the action and returned the matter for further proceeding and deciding of the first inclinate court.

The proceedings is pending.

Other court proceedings

Court proceedings with St OVENSKÝ VODCHOSPODÁRSKY PODNIK, škiho preháti

The Company is and was involved in several court disputes with SLOVENSKÝ VODOHOSPODÁRSKY. PODNIK, štálny podnik (hereinafter as the "SVP").

The Company open the negotiations with SVP about possible settlement of the mutual receivables and outout-court obsing of all disputes.

a) achie and passive dispute pertaining an offaliz of surface water from Laborec river in 2002.

(i) passive dispute initiated by SVP

In the court proceeding initiated by SVP in 2004 for payment of the EUR 5,847 thousand (principal) and default interests. SVP prevailed on hole instances and the Company paid in SVP, in 2010, the amount of EUR 10,004 thousand.

Subsequently, in 2012, the Company was successful with its considuritual complaint and the judgment ordering the Company to pay the above-mentioned amount was cancelled and the matter was referred back to the courts to rehear the case.

In the expert opinion, from expect appointed by the court, a market price for the surface water off-take was stated in amount of EUR 1,600 thousand (without VAT).

This proceeding is still pending in the first instance.

(ii) active dispute initialed by the Company.

Given the fact that SVP released to return EUR 10,004 thousand paid originally by the Company under the judgment in the passive dispute in 2010 which was set aside by the Constitutional Court, the Company sued SVP for payment of this sum and obtained the judgment (effective and enforceable) ordering SVP to pay the Company EUR 10,004 thousand and default interests.

Until new, SVP has not paid this amount.

b) passive dispute related to the complexion for recovery of SVP's receivables against the Company performed by the company BRNO TRUST, a.s. for SVP

The Company is involved in a court dispute with SVP for payment of an amount of EUR 7,801 thousand and default microsis.

The Company prevailed in both instances, but the general proseculor filed an extraordinary review which reversed the matter in the end to the first-instance proceedings.

On 20 October 2020, the first instance court granted SVP's action and obliged the Company and BRNO TRUST to pay claimed amount, default interests and the reindursement of the costs of proceedings jointly and severally.

On 2 Desember 2020, the Company and BRNO TRUST filed appeal. The appellate proceeding is pending.

Court proceedings related to G – component

The Company is involved in 3 court disputes with all distribution system operator after the cancellation of the part of the Regulatory Office for Network Industries' decree allowing distribution system operator to ask to pay a fee (so called G-component) from an electricity producer even without conclusion of the respective contract on access and electricity distribution given in the Energy Act, by the award of the Constitutional Court of the Storak Republic.

The Company asked for back-payment of the payments of G-component for years 2014 – 2017, in appreciate app. amount of EUR 54,017 thousand.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of BLIR)

3 Disputes concerning CROBIZCOM

The company ČKD PRAHA DIZ, a.s. (hereinalier as the "ČKD") performed the work for the Company unit the termination of the contract. The Company has the receivables and the liabilities from this contract.

(i) the insolvency proceedings of $\dot{\mathbf{G}}\mathbf{O}$

in 2018, the insolvency proceedings of CKD has started in the Czech Republic and in 2017 the bankruptcy of CKD was declared.

The Company registered into the insolvency proceedings the reseivables amounting to EUR 8.6 million, which were rejected by the insolvency involve almost in full.

The instancy proceedings is pending.

(ii) the insidence proceedings of ČKD (on determination of the fifte and amount of the receivables) Due to the fact that the insolvency inside rejected almost all registered receivables in 2017, the Companyfiled a legal action for their determination in the amount of EUR 0.0 million against the insolvency inside.

The proceeding is pending.

(iii) the arbitration BAZCOM vs SE

Within the insolvency proceedings, in 2020 the insolvency trustee assigned CKD receivables towards the Company in app annual of FUR 15.4 million to the company Bazzom, a < (hereivafter as the _BAZCOMF) On 13 May 2020, BAZCOM filed a Request for Arbitration with the ICC International Court of Arbitration and subsequently its supplement by which requires payment of an amount of EUR 19.67 million with appurtenances.

The arbitration is stayed and parties to arbitration has already started the mediation.

The proceeding is pending.

Vienna Convention on Civil Liability for Nuclear Damage

Under the Vienna Convention on Gvil Liability for Nuclear Damage (Way 1963), the operator of a nuclear installation is absolutely liable for damages caused by motear invident. In the Stock Republic the Vienna Convention entered into force on 7 June 1995. The Vienna Convention requires the operator of nuclear installation to maintain insurance or other financial security covering its liability for nuclear damage in such an amount, of such a type and in such terms as the installation state shall specify. The installation state may not reduce the limit of the operator's liability before USD 5 million (value of USD in terms of gold on 29 April 1983, that is to say USD 35 per one boy ounce of fine gold) per single nuclear incident.

On 19 March 2015 the National Council of the Sbuak Republic approved the Act No. 54/2015 Coll. on Civil Liability for Nuclear Damage and on its Financial Coverage and on amendment and supplement of certain acts, which entered into force on 1 January 2016 and based on which the operator's liability for nuclear damage caused by each nuclear incident is limited to EUR 300 million for a nuclear installation for energy generation purposes and EUR 185 million for other nuclear installation and transport of radioactive material.

As at the balance sheet date the Company had in place liability insurance policies compliant with the indennity limit of EUR 300 million for each operating nuclear installation (Jaslovské Bohunice and Mochovce) separately, a liability insurance policy compliant with the indennity limit of EUR 185 million for units 3 and 4 of Mochouce nuclear power plant (in respect of a fresh nuclear fuel skrage) and a policy for insurance of the liability for a skrage caused by operation and kanaling of ionizing rediction sources with an indennity limit up to EUR 1.4 million.

Financial generates

The Company has granted promise of indemnification in favour of its supplier, natue of which amounted to EUR 4.468 (housand as at 31 December 2020 (as at 31 December 2018; EUR 4.840 (housand) The Company does not expect any reintausements towards the supplier in this respect and therefore no fabilities were recognised on face of the balance sheet.

Except for the abovementioned, the Company did not have any financial guarantee contracts in Excur of hird parties as at 31 December 2020 and 31 December 2018.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

Other inspections

The Company is subject to various controls performed by the state authorities. Although the Company cannot exclude that any of these proceedings discover inegularities in its activities based on which the Company could be penalized, the management cannot determine any amount for which a provision should be recognised because of such proceedings. Due to that reason, no provision has been recognised for that puppes as at 31 December 2020 and as at 31 December 2018.

The Company has significant transactions with shareholders and other related parties and recognizes significant accounting transactions that are based on technical, financial and other expert assumptions which bear a certain extent of uncertainty. The tax emirorment in which the Company operates in the Stock Republic is dependent on the pressing tractegistation and practice. As the tax authorities are related to provide official interpretations in respect of tax legislation, there is an interent risk that the tax authorities may require, for example, transfer pricing or other adjustments of the corporate income tax base. The tax authorities in the Stock Republic have broad powers of interpretation of tax base which could result in unexpected results from tax inspections. The amount of any potential tax liabilities related to these risks cannot be estimated.

Redged assets

As of the date of these financial statements the Company's long term tangible assets in the value of EUR 9,321,191 thousand (2010: in the value of EUR 9,059,365 thousand) and inventories in the value of EUR 24,680 thousand (2010: in the value of EUR 22,100 thousand) were pledged in favour of banks and loan profiles.

NOTES TO THE SEPARATE RINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

30. Fair values

The fair values of linancial assets and liabilities, compared to the comying ancunts shown in the balance sheet, are as follows:

		SI December 2020		37 Decem	2010
	-	Carryong		cange of	13
in linuseds of EUR	Marke I	1000		10000	1000
Han-casent Name ini anada					
Direct parallelities	11	134,366	120,365	104,969	104,953
Embedded derhadves	7	-	-	672	22.
I kalging statesilwas	7	204	204	6,243	6,243
Diner investments	9	6,415	6,415	5,995	5,996
Total non-current lineacial accele		107,655	117,05	117	117,00
Han-casent Name in Babi Kine					
Loans and benouings	19	2,262,029	2675,041	1266.825	4,05,255
Hedging deshalives	7	191.907	199,907	59,115	59,115
Total non-current lineacies Katalities		2,4 61,576	124,22	1,325,511	4,114,371
Contenti Americani associa					
Trade and other reschatting	11	172,632	172,552	178,795	176,795
Embodial delvatives	7	250	20	29	22
Centralives not designated as hedges	7	124257	11-0-51	152,869	152,053
Hedging deshalives	7	27,874	27,574	29,927	29,927
Cash and each equivalents	12	10,815	10,515	4,631	4,631
Talai canani Anancisi asaris		20	12,63	戦力	74,72
Current American Salestines					
Loans and benealings	19	1,256,356	1,570,333	201,033	203/33
Derhalives aut designaled as hedges	7	115,047	115,947	115,940	115,940
Hestglag deskalives	7	44,330	44,333	66,683	5, 58
Trade and other current payables	21	285,741	255,741	313,184	313,184
Tabl canani francisi Libili an		1 102 514	2,015,651	742	762.0

The fair values of the financial assets and financial liabilities are included at the amount at which the instrument could be exchanged in a current transaction between informed, willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

- Fair values of cash and short-term deposits, inde receivables, inde payables, and other current liabilities, approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Long-term fixed-rate and variable rate rescitables are excitated by the Company based on parameters each as interest rates, specific country risk factors, the infinitial coefficient times of the customer and the risk characteristics of the financed project. Based on this excitation, allowances are taken to account for the expected losses of these receivables. As at 31 December 2020 and 31 December 2019, the conying amounts of such reseivables, net of allowances, are not materially different from their calculated fair values.
- Fairvable of qualed instruments is based on price qualators at the reporting date. The Exinctlue of unqualed instruments, barrs from banks and other financial liabilities, obligations under finance leases as well as other non-current financial liabilities is estimated by descurring future cash liavs using rates currently available for debt on similar terms, credit risk and remaining maturities.
- The Company enters into derivative linancial instruments with various counterparties, principally linancial
 institutions with investment grade credit ratings. Derivatives valued using a naturation technique with market
 observable inputs are mainly foreign exchange forward contracts and community forward contracts. The most
 inspendy applied valuation techniques include forward pricing model. The models incorporate nations inputs
 including the credit quality of counterparties, foreign exchange spot and forward rates, interest rate curves
 and forward rate curves of the underlying commodity.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments and non-financial assets (see Note 5) by valuation technique:

Level 1. qualest (unedjustics) prices in active markets for identical accels or liabilities. Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value and are not based on observable market data.

As at 31 December 2020 the Company held the following financial instruments measured at fair value:

Financial assets measured at fair value

		31 December			
in Bouands of ELR	Jine	2222	LEND?	Lete Z	Level S
Embeddet derivalives	7	20)	-	200	-
Centralities not designated as liedges	7	120,935	-	120,936	-
Hedging derivatives	7	28,155	-	26,158	-

Financial liabilities measured at fair value

		JI DECORDER			
in Research of ELR	Note	2020	LEVEL ?	LENE Z	Level S
Derivatives not designated as lexiges	7	115,047	-	115,007	-
Hedging derivatives	7	244,277	-	244,277	-

As at 31 December 2019 the Company held the following financial incluments measured at fair value:

Financial assets measured at fair value

		Si Ceseder			
is houseds of ELR	Note	2219	Level ?	Level 2	Level 3
Finitedated devicatives	7	6 1	-	631	-
Derivalives not designated as leedges	7	152,889	-	152,069	-
Hedging derivatives	7	36,170	-	36,170	-

Financial liabilities measured at fair value

in increases of ELR	Noie	2210	Level 1	terei 2	Level 3
Derivalives not designaled as liedges	7	115,910	-	115,540	-
Hedging derivatives	7	165,758	-	165,798	-

There have been no transfers between the Levels 1 - 3 during 2020 and 2019.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

The novement in fair value of embedded derivatives is summarized as follows:

in Processing of EUR	
Balance as at 1 January 2020	651
Cleange in thir value through profit or loss (Note 26)	(451)
Clusing Industry as of 31 December 2021	200

in Proceeds of EUR	
Balance as at 1 January 2019	555
Change in this value through profit or loss (Note 25)	(305)
Closing belows us al 31 December 2019	251

The fair value of community derivatives not designated as hedges (net) is sensitive to movements in electricity prices, effect of which is summarized as follows:

Derivatives on electricity

in Accession of ELR	Fair value of connecting deckenves, cet	Change
10% decrease	(2,512)	(8,700)
Balanca sa at 31 Decambar 2020	5,000	
1974 Inserve	14.588	870
in American of ELIP	Fair value of conversity dechaines, cet	Change
in Researchs of EUR 1076 decrease		Change (16,400)
	deblaikes, eet	

Derivatives on other commodifies

	Fair value of connecting	
in houses of ELR	debialities, per	Change
10% deservate	13,548	2,853
Balanca as at 31 December 2015	11,000	
10% increase	6,230	(2,639)

The impact of shift in electricity and commotily prices by +/- 10 % has been calculated by changing the spotprice at the valuation state or as at the reporting date.

The fair value of embedded derivative (net) that relates to the long-term electricity contract with Stocalco, a.s. is sensitive to movements in aluminium prices, as follows:

in houses of EUR	fair value of explorities dechailves, ret	Change
10% decrease	1,239	
Reference an at 31 December 2020	24	
(10% Increase	22	(174)
	Fair whe of a decision	
in Research of ELR	Fair value of excluding declarities, cel	Change
in Accounts of ECAT 1076 decrease		504000- 1,520
	skolusifika, od	

The impact of shift in aluminium prices by +/- 10 % has been calculated by changing the spot price at the valuation date or as at the reporting date.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

31. Financial risk management objectives and policies.

Following financial risks are related to the activities of the Company:

- i) Crestitrist;
- i) Liquidiy ish,
- ii) Market risk, which includes:
 - Interest rate risk;
 - Foreign currency risk;
 - Commodily risk.

Risk management

As part of its operations, the Company is exposed to different market risks, notably the risk of notability of commodity prices, interest rates and exchange rates as nell as to the liquidity risk and to the credit risk. To minimize the risk implied from volability of exchange rates and interest rates, the Company enters into travencians with required parameters or into derivative controls with the intent to hedge individual risk using instruments available on the market.

Transactions that qualify for hedge accounting in line with the requirements of IFRS B are classified as hedging transactions, while those carried out with the intent of hedging that do not qualify for hedge accounting in line with IFRS B are classified as tracing transactions.

Depending on heir purpose and the decision of the management the financial derivative instruments are classified as:

- cash lior hedges, related to hedging the risk of changes in the cash lions;
- fair value hedges, related to hedging the risk of changes in the fair value;
- tading detectives, related to hedging interest and exchange rate risk and commodily risk which do not qualify for recognition under IFRS9 as hedges of specific assets, liabilities, commitments or fulure transactions.

The fair value is determined using the prices on the relevant markets. Accordingly, the impact on profit or loss and stransholders' equily depends on normal market developments. The condit risk with respect to the derivatives portfolio is considered as negligible since transactions are conducted solely with leading Slovak and international banks, and the exposure is therefore diversitied among different insitutions.

The Company hedges cash flows from sales of future electricity production against the risk of electricity price movement by selling the production via forward contracts up to 4 years prior to the delivery, with respect to the strategy of production selling.

Sionale, Czech, German and Hungarian forward electricity prices are highly correlated as a result of storing interconnections between countries and the correlation is amplified even more thanks to the day ahead market, coupling mechanism providing effective implicit allocation of cross-border capacities between Gaech Republic and Sincatria.

Liquidity of Slovek market with physical delivery is from the view of long-term hedging opportunities lower in comparison with German, Czech or Hungarian market with higher liquidity as a result of higher overall electricity consumption and production, and also in comparison with liquidity of Slovek market with financial delivery.

When there is not enough liquidity in Sizuali, market with physical delivery at required times, electricity production is therefore being hedged in either German, Czech or Hungarian market as follows: When the electricity price in Stocaltia is suitable the electricity is first sold in Germany, Czech Republic or Hungary via baseload yearly contracts and later when liquidity in Slovak market emerges, the deal in foreign country is closed by purchasing baseload yearly formand contract of same volume and subsequently, the electricity production is being sold in Stocalt market with physical delivery. This way the risk of electricity price movement exception small movements in SK-CZ, SK-DE resp. HU-SK spreads is hedged. This mechanism is also applied to financial delivery on the Stocalt market, in case, when at the required time there is higher liquidity on the Stocalt market with financial delivery than on the Stocalt market with physical delivery. In this case the Company avoids the risk of price movements.

Creditrist

The Company makes most of the sleps in order to mitigate the credit risk, e.g. to prevent the situations when the contractual party does not fulfill any of its liabilities on time and in full amount. The Company has developed sophisticated looks and procedures for the purpose of identification and analysis of the credit risk. Further monitoring, management and mitigation of the credit risk is ensured via specific processes and methods.

Additional aspects eliminating the credit risk

The specific shucture of the Company's customers requires individual approach to the evolution of the creditrisk. Distribution companies represent these with the lowest credit risk. Next of the customers and husiness partners have long-time history of their activities in the energy sector, thus this fact contributes to the decrease of the risk resulting from the customer insulatency. The credit risk analysis of the business partner is partnered every time before the contract is closed and is reviewed on regular basis, at least once per year. With respect to the results of the analysis and other aspects influencing the risk factor the customer is assigned a limit for tracking. If the analysis or other information gathered reveals potential credit risk factor of the customer, the Company will evaluate and eliminate risk factor. In case of smaller customers deposit payments are required. Long-time experience of the Company shows that the analytical methods, assessment and management of the credit risk are effective and mitigate the credit risk accordingly.

The expected loss rates and the expected losses allowance, calculated in line with the FRS 9 simplified approach for trade and losse receivables as at 31 December 2020 and 31 December 2019 were as follows:

in Accounts of EUR	Especies credit lass sale	Expenses clean bas as at 31 December 2020	Especies credit izza salte	Lipecaes creat Jaco as al Si December 2019
Receivables noi yet due	0.02%	35	0.02%	37
Receivables less tion 15 days constan-	0.02%	-	0.02%	-
Receivables less tion 30 days overdae	0.05%	-	133%	-
Receivables less time 90 days overdue	0.56%	-	11.54%	-
Receivables less than 100 days overdue	0.94%	-	15.52.6	-
Receivables less than 270 days overthe	1.24%	-	20.975	-
Receivables less than 360 days overthe	1.74%	z	29.75%	1
Receivables nore inan 360 days overdue Receivables assessed on an individual baak	100%	5,225	1005	B,457
(Nale 11)	100%	135,989	1005	155,919
Perchaned credit-largelined receivables (Note 11)	100%	1,455	1005	1,470
Talai aspected weak target alterative (Rels 11)		142,718		16,651

Analysis of cash at bank and short-term bank deposits based on rating:

in Proceeds of FLR	2020	2275
Cash al bank and short-term bank deposits		
M	Ura,e	5,250
٨	1,569	1.25
No railing	179	4
Tadad	11.75	4,967

NOTES TO THE SEPARATE FINANCIAL STATEMENTS for the year ended 31 Desember 2020 (in thousands of EUR)

Offsetting financial assets and financial liabilities

The following financial assets are subject to offsetting, enforceable master neiting arrangements and similar agreements that enable multical offsetting:

As at 31 December 2020:

	Gras znout an be fizz d' fre belance sheet belan oftetikog	Gnes annun sei af an fre tace a' fre haisme chert	Hel amounts on the face of the balance sheet	Related are set off on 0 like balan	etacio	Total
				Abarctal Insidementa	Containeral	
in Annancis of ELIR	留	ଜ	(t)=(t)-(t)	eg	(e)	000
NON-CURRENT ASSETS						
Other reschables	160,366	-	162,356	-	651	129,715
CURRENT ASSETS						
Trade and other resolutions	25,98	84,365	172,632	9,215	15,040	148,376
Derhalike anada	180,931	32,121	145,810	8,579	-	60,231
Tolai annia majart'is discissos las sübaling saçuiraranis	58,2 5	196,487	451,880	17,755	15,631	39,322

As at 31 December 2018:

	Gross second on the first of the failures sheet before oftenbog	Gous anouri set of on the Base of the balance sheet	fiel annunis no die taor of lite balance skeel	Related an set offen O libe balan	etacof	Total
	-			Alexandraf Analexandrafia	(Constant)	
in American of ELIR	8	R	(4)=(4)-(6)	en en	<u>Ael</u>	<u>69-69-69</u>
CURRENT ASSETS						
Trade and other receivables	244,041	65,245	178,796	17,809	21,074	70,913
Derhalike analis	226,410	45,614	182,796	94,124	-	88,672
Telai maria migat in disting paparanta	നുട	110,055	X1,52	101,935	21,674	152,525

The column (d) contains hose financial assets that are not offset due to either absence of the enforceable right or intention of the Company.

The column (e) represents financial guarantees received and each collateral collected by the Company.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS for the year ended 31 Desember 2020 (in thousands of EUR)

The following financial liabilities are subject to offsetting, enforceable master netting arrangements and similar agreements that enable mutual offsetting:

As at 31 December 2020:

	Grass smant on the face of the balance sheet before officility	Cress smaret Set off on the face of the factories sheet	Het annasts on he fice of fie balance sheet	Related and set of an d like balan	e Son of	Talaí
				(Senda) Jest menta	Colorad	
R SOLUTION OF LEAST	1	54	N=N-10	ø	CH I	<u>19-19-19</u>
NON-CURRENT Liabilities						
Leans and beneatings	1,809,487	-	1,009,457	-	61,000	1,749,487
CURRENT LIVELUTES						
Centrality Lability.	191,498	32,121	159,377	3 575	-	70,798
Trade and other correct						
pagables	271,107	B4,385	285,741	9,216	5,685	Z71,840
Total Estilities unbject to discission for site along responses	2,372,092	116,487	2,255,685	17,755	6,96	2,892,125

As at 31 December 2018:

	Grass anaent an Die Tsaz af Ure bekanze sheet bekanz affizieling	Grass amount set of an Inc face of The Indianae short	Hel amounts on he face of the balance street	Related an set of on G like balan	etaren	Talaí
				(Senda) Jest menta	Calairaí	
in Journals of EUR	F	(P)	(1)=(1)-(5)	67	ee ا	向-向-台
NON-CURRENT LIABLITES						
Loans and tenenings	2,915,923	-	2,915,923	-	6,00	285,923
CURRENT LIVELITIES						
Dehaike Libilies	228,237	45,614	182,623	94,121	-	86,499
Trade and other concert. pagables	378,429	55,245	313,154	67,80 5	608	224,757
Taisi intifike entjeti in distinue for silveling separatur	<u> বিহাল</u>	114,259	3,411,730	101,333	a,a a	3,163,116

The column (d) contains those financial fabilities that are not offset due to either absence of the enforceable right or intention of the Company.

The column (e) represents financial guarantees issued and cash collateral paid by the Company.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its fiabilities when due, under both normal and stressed conditions, without incarring unacceptable losses or risking damage to the Company's reputation.

Protent liquidity risk management implies maintaining sufficient cash and/or available sources of funding hrough credit lines. Considering the dynamic nature of the underlying business, the Company treasury management aims at maintaining flexibility by begoing sufficient amount of credit lines available.

As at 31 December 2020, besides specific purpose term loans in the total amount of EUR 1,470 million (2019: EUR 1,424 million), the Company had committed general purpose loans amounting to EUR 2,030 million (2019: EUR 2,030 million), all of which were actually drawn as at 31 December 2020 and 31 December 2019. At the same date the Company had uncommitted credit lines undrawn in the amount of EUR 51 million (2019: EUR 65 million). Undrawn part of the specific purpose term loans will be available ofter the fulfilment of conditions precedent to the disordowns.

		2020			2020	
	Annual available	Annat	And the	Annant analaite	Assert	Andre
b baseds of E.R.	for deading	di sen	Provide State	for the state	diam'r	1000
Comilied term for						
general purposes	21000	21024010	-	2,000,000	20000	-
Specific pupper losse	1,449,733	1,000,882	460,651	1,423,590	970,149	453,441
Subordinalization	700,000	63,000	252,000	700,000	345,000	355,000

Financial liabilities as at 31 December 2020

The table befor summarises the maturity profile of the Company's financial inhibities based on contractual undiscounted payments:

	Less Age of a	Beineen 1 mai 2		
in inserves of EUR	y sar		Over 3 years	7alar
Leaves and increasings principal	1,272,138	112,855	2,163,177	2,653,135
Loans and bonowings - Interest	331,232	145,718	231,9-3	758,655
Disignitaria francisca insura (Naiz 5)	4,055	6,449	2,011	12,51B
Trade payables (Noie 21)	225,109	-	-	225,109
Deivalive francial indivariatio	159,377	96,748	101,199	359.324

Financial liabilities as at 31 December 2019

The table befor summarises the maturity profile of the Company's financial fabilities based on contractual undiscounted payments:

	Less Ann one	Defecto 1 and 2		
in integrats of EUR	year -	1	Over 3 years	7 de l
Loans and bonowings - principal	192,562	தை	3,257,000	3510.258
Luans and benearings - Interest	134,331	256,304	452,977	855,612
Disignificant from linearce lease (Note 5)	4,005	7,560	4,958	16,524
i race payaoles (indie 21)	25,225	-	-	243,925
Deivalve francial instruments	1.2.62	13,077	35,038	261,738

NOTES TO THE SEPARATE FINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

Narbet risk

i) **Inte**rest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuale because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates veldes primarily to the Company's long-term loans with floating interest rates.

The Company uses interest rate derivatives to hedge its interest rate risk.

These contracts are normally agreed with a noninal value and expiry date lower than or equal to that of the underlying financial fidality, so that any change in the fair value and/or the expected fature cash flows of these contracts is offset by a corresponding change in the fair value and/or the expected fature cash flows of the underlying position.

The Company adopts a policy of ensuring that adequate part of its exposure to changes in interest rates on borrowings is de facto on a fixed rate basis. Interest rate snaps were entered into to achieve an appropriate mix of fixed and fixeling rate exposure or cross-currency interest rate snaps in case the barrs are denominated in foreign currency to achieve also appropriate currency exposure. The interest rate snaps are denominated in foreign currency to achieve also appropriate currency exposure. The interest rate snaps are denominated in foreign currency to achieve also appropriate currency exposure. The interest rate snaps are denominated in the snaps with making the snaps are denominated in euros with making the IEEE. In respect of these snaps the Company pays the fixed rate from 0.028% to 1.300%, p.a. and receives EURIBOR. As at 31 December 2020 the Company had interest-rate snaps with nominal value in the amount of EUR 2.529,000 incursant (2018: EUR 2.830,000 incursant). The nominal naive of cross-currency interest rate snaps uses in the uncount of EUR 300,000 incursant as at 31 December 2020 (2019: EUR 300,000 incursant).

Securitivity analysis

The Company has performed an analysis of a possible impact in case of a reasonable change in interest rates by ++ 100 bp with all the other variables held constant.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, on the Company's profit before tax through the impact on finaling rate borrowings:

in Koussesh of CLA	increase in tasks striker	Effect an profit testare las 2020
Variable rate instruments	+100kp	(33,409)
	THE R LEWIS	Elector
in focusts of ELR	increase in Jasis paints	Effect on prolitication: Just 2019

The decrease in basis points would have had the equal but opposite effect on the amounts shown above, on the basis that all the other variables remain constant.

ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows will fuctuate because of changes in foreign exchange rates.

The Company is exposed to a currency risk of receivables and liabilities denominated in currency other than the functional currency of the Company, primarily USD, RUB, CZK and PLN.

Various types of derivatives are used to reduce the exchange rate risk on foreign currency assets, liabilities and expected future cash flows. These include mainly forward exchange contracts and cross-currency interest rate swaps.

These contracts are normally agreed with a nominal amount and expiry date equal to that of the underlying financial liability or the expected future cash flows, so that any change in the fair value and/or future cash flows of these contracts stemming from a potential appreciation or depreciation of the functional currency against other currencies is fully offset by a corresponding change in the fair value and/or the expected future cash flows of the underlying position.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

Securitivity analysis

The following table demonstrates the sensitivity to a reasonably possible change in the USD, GZX and PLN exchange rate, with all other variables held constant, on the Company's profit before tax and the Company's equity. The Company's exposure to foreign currency changes for all other currencies is not material. The risk of fluctuations in RUB exchange rate is fully eliminated by hedging in form of the cross-currency interest rate sample.

In Research of EUR	Change in exchange raie	Eleter and betre lar
31 Depender 2029		
CZK	+10%	(966)
US0	+ 10%	(1990)
PUN	+10%	E D_
31 December 2015		
CZK	+10%	(619)
USO	+10%	(1,773)
PUN	+7675	(104)

iii) Commodity price risk

The exposure of the Company to the risk of volability of commodity prices is mainly associated with the purchase and sale of electricity as well as with the purchase of fuel used for the power production. The exposition resulting from the difference between purchase and sale of commodities or as a care-squence of contracts field to price indices is quantified by risk factors.

Regarding the electricity sold, the Company enters into fixed-price contracts in the form of bilateral contracts with physical delivery, whereas in case of tracting transactions the Company enters into contracts with both types of settlement, physical delivery and financial settlement (e.g. contracts for differences in which the differences are paid to the counterparty should the market electricity price esceed the shike price or to the Company in the opposite case).

Various types of derivative instruments (mainly ferward contracts, surges, options, futures and contracts for differences) are used to reduce the exposure to the fluctuations in commodity prices.

The connodity price risk management process in the Company is designed to continuously monitor and evaluate the development in risk over time and determine whether the lavels of risk, as observed for specific fields (e.g. geographical, organisational etc.), comply with the thresholds consistent with the risk appelle of top management. These operations are conducted within the transmost of formal governance rules that establish strict risk limits. Compliance with the limits is verified by units that are independent of these undertaking the transactions, while tracing positions are monitored on daily basis using the Value at Risk indicator.

Capital management

The primary objective of the Company's capital management is to ensure that it maintains a shorp credit rating and healthy capital ratios in order to support its business and maximise shareholders' value.

The Company monitors capital using a gearing ratio, which is net debt divided by total equity. The Company includes the following within net debt, current and non-current loans and borrowings less accrued interests including finance lease fabilities, reimbursement right from the National Nuclear Fund, finance lease receivables and total amount of each and each equivalents. As at 31 December 2020 the net debt to equity ratio was 0.45 (as at 31 December 2019; 0.46).

NOTES TO THE SEPARATE FINANCIAL STATEMENTS for the year ended 31 December 2020 (in thousands of EUR)

32. Events after reporting date

On 22 January 2021 the Nuclear Oversight Authority disclosed the basis for the decision and **the draft** decision in the matter of administrative proceedings for Unit 3 Mochovce 3,4 Nuclear Power Plant that were published on its website. The comments on the basis for the decision should have been sent in writing no later than 22 February 2021.

On 31 January 2021, the Company as borrower signed the facility agreement in the amount of EUR 270 million with its shareholder Slovak Power Holding B.V.

In April 2021, the Company has not signed, for the time being, the further renewal of an expired interim waiver from one of its creditors in respect of a technical covenant for Mochowce unil 3 and 4 timeline completion, pending to the finalization of the orgoing negotiations between the Company and all its creditors with the aim to unity certain provisions of loan agreements.

On 13 May 2021, the Nuclear Regulatory Authority of the Stock Republic published information that after verifying compliance with all technical and legislative requirements, it issued a permit for the commissioning of Unit 3 of the Mochovce Nuclear Power Plant, as well as related authorization for the management of radicactive naste and spent nuclear fuel and permit for early use of the building. After the delivery of the issued decision by a public decree, the participants will have an opportunity to file an appeal against the issued decision of the Nuclear Regulatory Authority within the legal period. Fuel load, by which the commissioning begins, will be possible only after the entry into force (and fulfiment of the conditions) of the issued decision.

With regards to the current developments regarding the pandemics of COVID-19 induced by the coronavirus SARS-CoV-2 the management shall continue to monitor the potential impact and take all necessary steps to facilitate the impact of any future negative consequences on the Company and its employees.