

Annual Report 2017



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Foreword



Dear business partners, dear colleagues, ladies and gentlemen,

to begin with, I would like to thank to all our customers, business partners and colleagues for their trust and successful cooperation in achieving our common goals.

We are presenting to you the 2017 Annual Report of the TES s.r.o. company, which sums up the results of our business activities.

I am very pleased to inform you that 2017 was a very successful year. Our turnover rose in the final period and we also increased the number of our staff. A great care has been paid to further our technical development.

There's every reason to believe, that the company will continue to meet the highly demanding requirements of our customers, aiming to enhance reliability and safety of the the Dukovany and Temelín nuclear power plants operation.

The project of providing scientific and technical support to the Nuclear Regulatory Authority of the Slovak Republic with regards to the commissioning of units 3 and 4 of the Mochovce NPP is also well under way.

Our long standing employee Mr. Oto Marecek was appointed Executive Director in September, and he brought some fresh ideas regarding company improvement and development to the table.

We are looking to the future with great optimism. We strive to increase the numbers in our working team and provide our employees with up-grade trainings to improve their professional qualification. We are improving our technical equipment. The quality management and the protection of the environment are also being closely monitored.

Providing our employees with favourable work conditions, we ensure that they put in their best effort and help the company to maintain a strong position in the nuclear industry market, which is something we have been working on since 1992.

To conclude, let me thank to all of you and wish the nuclear industry the very best in their efforts.



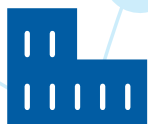
Ing. Martin Štajgl
General Director

Basic Company Data

Business name:	TES s.r.o.
Legal form:	limited-liability Company
Registered office:	Pražská 597, 674 01 Třebíč, Czech Republic
Date of establishment:	February 27, 1992
Registration:	The Company is registered in the Commercial Register kept by the Regional Court in Brno, Section C, File no. 4884
Company identification number:	45477973
Tax identification number:	CZ45477973
Bank connection:	Komerční banka Třebíč, a.s., Třebíč, account no.: 377548711/0100
Share capital:	10 500 000,- CZK
Phone:	+420 568 838 411
Fax:	+420 568 838 427
E-mail:	tes@tes.eu
Electronic identification:	4ze6zf3
Website:	www.tes.eu

Headquarters and Branch Offices

Headquarters



TES s.r.o.
Pražská 597, 674 01 Třebíč, Česká republika
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Dukovany site



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Tel.: +420 561 105 450 / Fax: +420 568 838 427
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Temelín site



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Tel.: +420 381 102 064 / Fax.: +420 381 101 404
E-mail: tes@tes.eu
www.tes.eu

Mochovce site



Mochovce 1, 935 39 Kalná nad Hronom, Slovenská republika
Tel.: +420 568 838 411 / Fax.: +420 568 838 427
E-mail: tes@tes.eu
www.tes.eu

Corporate Management

Statutory Body



Legal representatives of the company and their shares in the registered capital:

Martin Štajgl	25 %	Managing Director
Jiří Pulec	25 %	Managing Director
Pavel Novotný	25 %	Managing Director
Miloš Kaška	25 %	Managing Director

Management



General Director:	Martin Štajgl
Executive Director:	Oto Mareček
Technical Director:	Pavel Novotný
Sales Director:	Tomáš Palko
Head of Financial Department:	Vladimír Šula
Integrated Management System and HR:	Věra Prodělalová
Head of International Business Department for Western Europe and Overseas:	Jan Frélich
Head of International Business Department for Eastern Europe:	Oleksandr Bredykhin
Head of Research and Development Dept.:	Miloš Kaška
Head of Engineering Services Dept.:	Jiří Pulec
Head of Electrical Dept.:	Oto Mareček
Head of Computational Analyses and Nuclear Safety Department:	Martin Blaha

Organizational Structure



People in TES

TES strives to foster professional growth of its employees. Education takes on the form of external or corporate trainings and workshops.

Considering the fact that the company's activities are related to nuclear energetics, we see the priority in the upgrading the skills of our staff in very specific fields. Many of the trainings are held abroad, for example the training in use of computational programmes for analysis of transient and emergency conditions of nuclear units. Last but not least, the company management promotes language education especially in English and Russian languages.

Employee benefits

TES employees receive the following financial and non- salary related benefits:

Meal allowance

Extra week of leave for recovery (r 5 weeks together)

Pension insurance contribution

Flexible working hours

A 7,5 -hour working day

Culture and Social Needs Fund

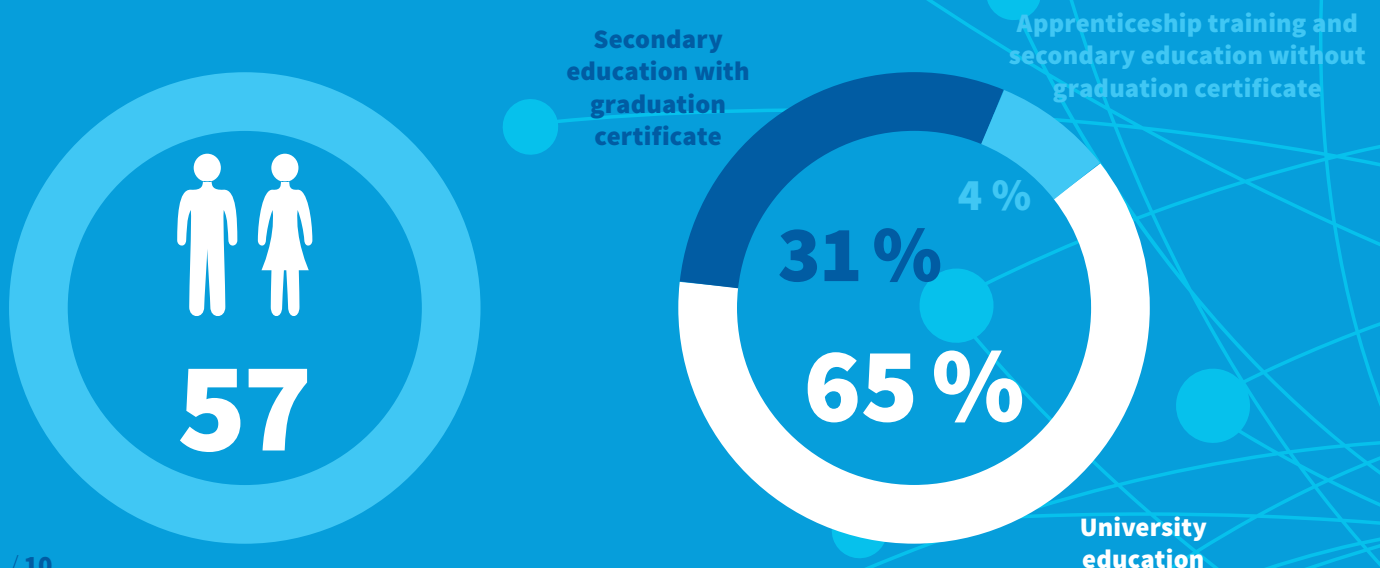
Company telephone and computer

Language trainings

Vaccinations

Educational structure of the staff

TES s.r.o. employs more than 60% of university-educated employees mainly in the field of nuclear engineering, electrical engineering and mechanical engineering. In 2017 TES employed 57 people on average.



Key Business Areas

Computational analyses and nuclear safety

- Thermohydraulic and neutron physics calculations
- Support of Accident Management
- Safety documentation
- CFD calculations
- 3D modelling and laser scanning

Commissioning of power units

- Reviewing of project documentation
- Processing of commissioning documentation
- Tests and auxiliary measurements implementation
- Computational support of commissioning
- Evaluation of performed tests

Technical support for nuclear surveillance

- Computational support
- Independent expert reviews
- Developing safety regulations
- Independent supervision of commissioning

Monitoring and diagnostic systems

- NPP electrical equipment monitoring system
- On-line diagnostics of transformers
- Turbogenerator brush gear monitoring system
- Partial discharge detection in oil transformers
- Electrical circuits and cables diagnostics
- Hydrogen control system
- Branch diagnostic system
- Diagnostics of rotation machinery

Engineering support of NPP operation

- Maintenance of electrical protection
- Drawing up of operating documentation
- Independent analyses of operational events and failures
- Program development and tests implementation
- Measurement of electrical and technological parameters
- Consolidation and validation of data on plant equipment, P&ID processing

Main Business Departments Profile

Since its foundation in 1992 TES has been active mainly in the field of engineering services and technical support for nuclear power plants. Based on the field of business

activity and its specialization the company is organized into Departments. Some complex projects involve cooperation of specialists from two or more sections.

Computational Analyses and Nuclear Safety Department

The main activity of the department is to prove and report on the safety and reliability of the nuclear power plant operations. For the purposes of computational analyses we use growing portfolio of advanced computational codes as for example RELAP5, TRACE,

PARCS, MELCOR, OpenFoam or ANSYS Fluent. The core activity of the department in 2017 consisted mainly of computational analyses for the nuclear units of the Dukovany and Temelín Nuclear Power Plants.

Engineering Services Department

This department focuses mainly on ensuring the launch of nuclear power units, for example putting nuclear power plant equipment in operation after refurbishment. Independently of the NPP operator, we also provide services for the nuclear regulatory authorities (e.g. SÚJB) in the area of technical support and independent supervision of the commissioning. We aim to ensure the maximum possible level of safety

and security when granting a licence for the operation of the nuclear power plant. The specialists in this department provide continuous technical support at the Dukovany and Temelín NPPs. One of the key project of the department in 2017 included providing independent scientific and technical support regarding the construction of the 3rd unit in Mochovce NPP, in Slovakia.

Electrical Engineering Department

The Electrical Engineering Department provides technical support of the nuclear power plants Dukovany and Temelin and implements investment projects in the field of electrical engineering. Technical support of the operations is done throughout condition monitoring of specific technological equipment systems and checking

whether they function correctly. This is carried out by means of measuring and evaluating the checks and tests using mobile and stationary monitoring systems. We are directly involved in the maintenance and service of several appliances.

Research and Development Department

This department ensures its own development and the production of hardware and software systems designed to measure, test and diagnose certain technological equipment of NPPs. This department of TES strives

to cooperate with various research centres and universities. Our partners are, among others, the Brno Technological University and Czech Technical University in Prague.

International Business Department

This department co-operates closely with other departments, organizing and coordinating projects for foreign customers. The company manages these projects either by itself or in cooperation with our foreign partners. In the past there were projects of the European Union called TACIS, focusing on the

enhancement of nuclear safety of Russian nuclear power plants. Recently, the experts of Armenian Nuclear Regulatory Authority (ANRA) have been provided with the training on ANSYS Fluent programme and its application to the VVER-440 nuclear power unit.

Key Projects Implemented in 2017

Computational analysis of essential service water system at Dukovany NPP

A number of thermal and hydraulic computational analyses of the Essential Service Water system for Dukovany NPP has been performed within RELAP5 computational programme. In case of a potential emergency event causing the loss of coolant in the primary circle, the ESW system ensures heat dissipation

from the reactor and cooling of other important safety systems of the plant. For the purposes of such calculations, TES have developed and validated a unique complex calculation model of the ESW system and other related systems in the Czech Republic.

Station blackout analyses in Dukovany and Temelín NPP

In order to support the development and validation of the Accident Management guides, extensive computational analyses of the Station Blackout events have been carried out by the RELAP and TRACE computational programmes. These analyses tested

the strategies of the Accident Management guidelines, aiming to verify the effectiveness of DAM (Diverse and Alternative Measures) after a complete failure of operational and emergency power supply in the Dukovany and Temelín NPPs.

Analysis of the emergency cooling system of the open reactor at the Dukovany NPP

Computational Fluid Dynamics ANSYS Fluent code was used to verify the chances of emergency heat dissipation from an open reactor via the Spent Fuel

Storage Pool (SFSP) cooling system while ensuring a natural convection through the hatch opening between the reactor well and the SFSP.

Methodologies and criteria for Periodic Safety Review

On the basis of the legislation of the Czech Republic, a comprehensive inspection of the safety levels of all nuclear units in the Czech Republic is carried out every 10 years for the purposes of the Periodic Safety Review. In 2017, the workers of the section, compiled an extended document called “Methodologies and Criteria for PSR” – evaluation area no.5 “Deterministic computational analyses” as a subcontracted job for AMEC Wheeler (the end-customer CEZ, a.s.). As a part

of this document, concrete criteria for evaluation of particular areas were designed in compliance with the requirements of the Czech national legislation (atomic law and regulations), SÚJB regulations (State Office for Nuclear Safety) and international regulations (WENRA, IAEA.). The methodology was formulated for each criterion to provide the evaluators with the basis for their assessment.

Validation of Accident Management Guidelines for Dukovany and Temelín NPPs

In 2017, the workers of the section planned and implemented a regular cycle of validation of Accident Management Guidelines, which has been performed on full-scale simulators at both nuclear power plants yearly since 2013. TES and CEZ work in cooperation in order to evaluate emergency regulations, choose the emergency scenarios for validation of particular

guidelines, coordinate application of emergency scenarios on full-scale simulators at both power plants, develop operational evaluation of performed tests and elaborate subsequent and final evaluation of the whole validation cycle.

Project OP PIK 2014–2020:

Transfer of knowledge in the area of neutron physics calculations for the safety analysis of nuclear power plants

Works on the project PZT1, co-financed by the European Union's Operational Program Enterprise and Innovations for Competitiveness programme called "Knowledge transfer partnership" continued in 2017. Stage II of the PZT1 project was successfully finished in 2017. That gave way to the development and validation of the computational models of the VVER1000 nuclear reactor while using

the computational codes TRACE and PARCS and the models of fuel assembly in SCALE/Triton. The finished computational models were validated in comparison with the data from international benchmarks. The validation has confirmed the high standard of computational models developed during the Stage II of the PZT1 project.

Delivery of generator brush gear monitoring system for the power plant Empalme in Mexico

In 2017, TES as a sub supplier of the Pilsen Doosan Skoda Power Company delivered additional brush-gear monitoring system which was installed in the generator of the steam turbine with an output of 300 MW at the power plant Empalme II in Mexico. The diagnostic system MOSAD®-IRIS consisted of current sensors

IRIS 1.1 and processing and display units. Continuous monitoring of the generator brush gear and correct diagnostics allow a timely maintenance intervention of the operators against a possible current overload of the brushes and prevents the damage or destruction of the brush gear.

Application of the MCSA method for the diagnostics of main circulation pumps motors at the Temelín NPP

TES has successfully applied the Motor Current Signature Analysis (MCSA) method, which allows a timely identification of a possible failure arising on the stator and rotor of induction motors. The main advantage of this method is that the measurement is performed without interrupting the operation process. Owing to the cooperation with the Brno University of Technology and the financial support of EU funds by way of an innovation voucher from the Ministry of Industry and Trade of the Czech Republic, TES has developed advanced software

and measurement equipment, which improves the accuracy and reliability of the evaluated data. In 2017, the method was applied at the Temelín NPP to diagnose 24 important motors driving the Main Circulation Pump, Cooling Water Pump and Feedwater Pump systems, as well as 24 high voltage important motors of the Main Circulation Pumps in the Dukovany Nuclear Power Plant. The plan is to apply the same method in the Temelín NPP in the future, in particular to the motors serving the nuclear safety systems.

Modernisation of the control and service part of the NEMES monitoring system in the Temelín NPP

TES has successfully implemented a database replacement part and a WEB interface of the NEMES monitoring system, designed to monitor important electrical equipment in the area of house load and offsite power transmission of both of the Temelín NPP units. The new database environment provides a sufficient capacity for loading, sorting and archiving the measured analogue and digital data, including sufficient speed and access to data. New web interface

allows users to access the evaluated data in a very intuitive and comfortable way, by means of active screens displaying the actual conditions of the electric equipment of both units at the Temelín NPP. There are basic in-built tools included in the web interface allowing monitoring of reliability and service time consumption of the monitored equipment in the Temelín nuclear power plant.

The delivery of systems measuring vibration of neutral clutch of 1125 MW generators at the Temelín NPP

TES delivered measuring systems providing on-line recording of neutral clutch vibrations on both 1125 MW generators at the Temelín NPP. The measuring systems are connected to the NEMES monitoring system by means of data communication. NEMES monitoring system is designed for collecting of measured data, while its user-friendly access allows performing

advanced analyses and evaluation of the vibrations. At the same time, in addition to the clutch vibration records of the 1125 MW generator, it is possible to simultaneously match and evaluate all the other important electrical parameters which are monitored by NEMES system.

Integrated Management System and Other Certification

Our priority is to remain a reliable partner to our customers and to provide high quality products and services on a long-term basis. To achieve this goal, we effectively use the integrated system for managing all processes within the company which combines the requirements according to the following standards:

- ČSN EN ISO 9001** **Quality Management System**
- ČSN EN ISO 14001** **Environmental Management System**
- ČSN EN ISO 18001** **Occupational Health and Safety Management System**

SUJB certification

As early as 2007, the State Office for Nuclear Safety in compliance with Atomic law granted TES a permit for the implementation of services important in terms of radiation protection pursuant to Section 59 p. 1 (d) of the Decree No. 307/2002 Coll., on radiation protection as amended by Decree No. 499/2005 Coll. as follows: to provide services which do not require operating with sources of radiation, but which must be performed in controlled radiation area of the

IV category workplaces by a person other than the control area operator, e.g. testing and inspecting the machine equipment, I&C systems, supervision during commissioning of such equipment, non-destructive diagnostics of the technological equipment in the controlled radiation area of ČEZ, a.s. and ÚRAO Dukovany (Radioactive Waste Repository Authority of Dukovany NPP) and other activities as specified in the Quality Assurance Programme in more detail.

Verified supplier for the nuclear energy sector

In addition to the above standards, we regularly demonstrate compliance with the requirements of the Decree no. 132/2008 Coll. on ensuring quality in activities related to peaceful use of

nuclear energy and activities resulting in radiation and on establishing the quality of selected equipment into safety classes. Our adherence to this standard is regularly audited by ČEZ, a.s.

Verified partner of CEZ a.s.

The joined audit carried out by ŠKODA JS a.s., ČEZ, a.s. and OT Energy Services (presently I&C ENERGO) proved that we are a well – qualified and competent supplier of the services and products for the ČEZ a.s. as the end-user in the following

areas: design, production, assembly, maintenance and testing of electrical measuring systems, modelling of technological processes, performance of analyses of failure events and analyses of operating schemes including safety calculations.

Authorisation to perform safety computational analyses for nuclear power plant

For the purposes of the computational analyses in the area of nuclear safety TES uses advanced computational codes acquired from the U.S. Nuclear Regulatory Commission as a result of the participation of TES in the CAMP (Code application and Maintenance Program) and CSARP (Cooperative Sever Accident Research Program). To carry out safety analyses for nuclear power equipment, an entity in the Czech Republic must perform an evaluation of the computational programme in compliance with Regulation VDS030 of the State Office for Nuclear Safety

(SUJB). The demanding procedure of the evaluation according to Regulation VDS030 is performed repeatedly every three years. Currently, TES has three computational codes listed among the programmes being evaluated according to Regulation VDS030: RELAP5/MOD3.3, TRACEV5.0 and MELCOR 2.1. This means that we are one of the very few Czech companies allowed to perform computational safety analyses for nuclear power plants in the Czech Republic.

Research and Development

Project No. TE01020068: Centre for Research and Experimental Development of Reliable Energy Facilities

In 2017, research and development activities continued on the project no. TE01020068: Centre for Research and Experimental Development of Reliable Energy Facilities. The project is implemented as a part of the Competence centre Programme of the Technology Agency of the Czech Republic to support the development of long-term cooperation in research, development and innovation between the public and private sector. Its key objective is to ensure safe, reliable and affordable sources of electricity, both conventional and nuclear. The idea is to extend the lifetime of old

turbine generator units and building new ones. TES s.r.o. participates in the project as a member of a consortium, together with 7 other partners, including ČEZ, a.s. The total project timeline is from March 2012 to December 2019. As a part of the project, TES is especially involved in the research and development of a complex system for the processing of diagnostic information and evaluation of the condition of components in energy facilities. The Centre's activities are supported by dedicated resources from the state budget reserved for research and development.

Development and validation of programmes and models within the framework of the CAMP and CSARP Programmes

TES s.r.o. has long been active in CAMP (Code Application and Maintenance Program) and CSARP (Cooperative Severe Accident Research) international programmes. Both programmes are coordinated by the U.S. Nuclear Regulatory Commission. Within the framework of the programmes, TES experts from the Computational Analyses and Nuclear Safety Department participate in the development and validation of computational codes to perform safety analyses in nuclear facilities.

A calculation comparison of the CL-4.1-03 (4,1% cold leg break test) was carried out in order to

independently validate the computational code TRACE V5.0, on the experimental stand PSB-VVER in Elektrogorsk (the Russian Federation) in 2017. The results of these advanced calculations were presented during a regular meeting of all CAMP members in "Spring CAMP Meeting 2017" in Warsaw, Poland. The article written by TES entitled "Preliminary Post-Test Analysis of Cold Leg Small Break 4.1 % at PSB VVER Facility using TRACE V5.0" was approved by an expert commission of the CAMP programme in return for the participation of the Czech Republic in CAMP. We expect the study results to be published within the U.S. NRC NUREG/IA series in 2018.



Financial Statements

Balance Sheet to 31. 12. 2017 in thousands CZK

Code	ASSETS	Line no.	Current accounting period			Past period	
			Gross	Adjustment	Net	Net (Year 2016)	
	TOTAL ASSETS	A.+B.+C.+D.	001	+115 791	-42 876	+72 915	+76 704
A.	Receivables for subscribed capital	accounts 353	002				
B.	Fixed assets	B.I.+...+B.III.	003	+64 324	-42 681	+21 643	+16 027
B.I.	Intangible fixed assets	B.I.I.+...+B.I.x.	004	+6 318	-3 574	+2 744	+11
B.I.1.	Research and development	accounts 012, (-)072, (-)091AÚ	005				
B.I.2.	Royalties	B.I.2. 1. +B.I.2. 2.	006	+6 074	-3 574	+2 500	+11
B.I.2. 1.	Software	accounts 013, (-)073, (-)091 AÚ	007	+6 074	-3 574	+2 500	+11
B.I.2. 2.	Other valuable rights	accounts 014, (-)074, (-)091 AÚ	008				
B.I.3.	Goodwill	accounts 015, (-)075, (-)091 AÚ	009				
B.I.4.	Other intangible fixed assets	accounts 019, (-)079, (-)091 AÚ	010				
B.I.5.	Advanced payments provided for intangible fixed assets and intangible fixed assets under construction	B.I. 5. 1.+B.I. 5. 2.	011	+244		+244	0
B.I.5. 1.	Advanced payments for intangible fixed assets	accounts 051, (-)095 AÚ	012				
B.I.5. 2.	Intangible fixed assets under construction	accounts 041, (-)093	013	+244		+244	0
B.II.	Tangible fixed assets	B.II.1.+...+B.II.x.	014	+53 006	-39 107	+13 899	+16 016
B.II.1.	Land and buildings	B.II.1. 1. +B.II.1. 2.	015	+18 569	-12 219	+6 350	+6 952
B.II.1. 1.	Land	accounts 031, (-)092 AÚ	016	+574		+574	+574
B.II.1. 2.	Buildings	accounts 021, (-)081, (-)092 AÚ	017	+17 995	-12 219	+5 776	+6 378
B.II.2.	Tangible movable things and their groups	accounts 022, (-)082, (-)092 AÚ	018	+33 045	-25 671	+7 374	+8 938
B.II.3.	Evaluation difference on acquired assets	accounts 097, (-)098	019				
B.II.4.	Other tangible fixed assets	B.II.4. 1. +...+B.II.1.3	020	+1 392	-1 217	+175	+31
B.II.4. 1.	Perennial crops	accounts 025, (-)085, (-)092 AÚ	021				
B.II.4. 2.	Adult animals and their groups	accounts 026, (-)086, (-)092 AÚ	022				
B.II.4. 3.	Remaining fixed tangible assets	accounts 029, 032, (-)089, (-)092 AÚ	023	+1 392	-1 217	+175	+31
B.II.5.	Advanced payments on tangible fixed assets and fixed assets in progress	B.II.5. 1. +B.II.5. 2.	024	0		0	+95
B.II.5. 1.	Advanced payments on tangible fixed assets	accounts 052, (-)095 AÚ	025				
B.II.5. 2.	Tangible fixed assets in progress	accounts 042, (-)094	026	0		0	+95
B.III.	Financial fixed assets	B.III.1.+...+B.III.x.	027	+5 000		+5 000	0
B.III.1.	Equity interest – controlled or controlling entities	accounts 043, 061, (-)096 AÚ	028				
B.III.2.	Lending and loans – controlled or controlling entities	accounts 066, (-)096 AÚ	029				
B.III.3.	Equity interest – significant influence	accounts 043, 062, (-)096 AÚ	030				
B.III.4.	Lending and loans – significant influence	accounts 067, (-)096 AÚ	031				
B.III.5.	Other non-current securities and equity interests	accounts 043, 063, 065, (-)096 AÚ	032				
B.III.6.	Lending and loans – other	accounts 068, (-)096 AÚ	033				
B.III.7.	Other financial fixed assets	B.III.7. 1. +B.III.7. 2.	034	+5 000		+5 000	0
B.III.7. 1.	Miscellaneous non-current financial assets	accounts 043, 069, (-)096 AÚ	035	+5 000		+5 000	0
B.III.7. 2.	Advanced payments provided for financial fixed assets	accounts 053, (-)095 AÚ	036				

Code	ASSETS	Line no.	Current accounting period			Past period	
			Gross	Adjustment	Net	Net (Year 2016)	
C.	Current assets	C.I.+C.II.+C.III.+C.IV	037	+50986	-195	+50791	+60368
C.I.	Inventory	C.I.1+...+C.I.x	038	+3931		+3931	+6480
C.I.1.	Materials	accounts 111, 112, 119, (-)191	039	+815		+815	+438
C.I.2.	Work in progress and semi-finished products	accounts 121, 122, (-)192, (-)193	040	+3116		+3116	+6042
C.I.3.	Products and goods	C.I.3.1+C.I.3.2.	041				
C.I.3.1.	Products	accounts 123, (-)194	042				
C.I.3.2.	Goods	accounts 131, 132, 139, (-)196	043				
C.I.4.	Young and other animals and their groups	accounts 124, (-)195	044				
C.I.5.	Advanced payments on inventory	accounts 151, 152, 153, (-)197, (-)198, (-)199	045				
C.II.	Receivables	C.II.1+C.II.2.	046	+25968	-195	+25773	+28520
C.II.1.	Long term receivables	C.II.1.1.+...+C.II.1.x.	047				
C.II.1.1.	Trade receivables	accounts 311 AÚ, 313 AÚ, 315 AÚ, (-)391 AÚ	048				
C.II.1.2.	Receivables – controlled or controlling entity	accounts 351 AÚ, (-)391, AÚ	049				
C.II.1.3.	Receivables – significant influence	accounts 352 AÚ, (-)391 AÚ	050				
C.II.1.4.	Deferred tax asset	accounts 481	051				
C.II.1.5.	Other receivables	C.II.1.5.1.+...+C.II.1.5.4.	052				
C.II.1.5.1.	Receivables from shareholders	accounts 354 AÚ, 355 AÚ, 358 AÚ, (-)391 AÚ	053				
C.II.1.5.2.	Long-term advance payments provided	accounts 314 AÚ, (-)391 AÚ	054				
C.II.1.5.3.	Estimated receivables	accounts 388	055				
C.II.1.5.4.	Other receivables	accounts 335, 371, 373, 374, 375, 376, 378, (-)391 AÚ	056				
C.II.2.	Short-term receivables	C.II.2.1.+...+C.II.2.x.	057	+25968	-195	+25773	+28520
C.II.2.1.	Trade receivables	accounts 311 AÚ, 313 AÚ, 315 AÚ, (-)391 AÚ	058	+24991	-195	+24796	+26080
C.II.2.2.	Receivables – controlled or controlling entity	351AÚ, (-)391 AÚ	059				
C.II.2.3.	Receivables – significant influence	accounts 352 AÚ, (-)391 AÚ	060				
C.II.2.4.	Other receivables	C.II.2.4.1.+...+C.II.2.4.6.	061	+977		+977	+2440
C.II.2.4.1.	Receivables from shareholders	accounts 354 AÚ, 355 AÚ, 358 AÚ, (-)391 AÚ	062				
C.II.2.4.2.	Social security and health insurance	accounts 336, (-)391AÚ	063				
C.II.2.4.3.	State – tax receivables	Accounts 341. 342. 343. 345. (-)391AÚ	064	+579		+579	0
C.II.2.4.4.	Short-term advance payments provided	accounts 314ALI. (-)391AÚ	065	+265		+265	+2221
C.II.2.4.5.	Estimated receivables	accounts 388	066				
C.II.2.4.6.	Other receivables	accounts 335, 371, 373, 374, 375, 376, 378, (-)391 AÚ	067	+133		+133	+219
C.III.	Short-term financial assets	C.III.1.+...+C.III.x.	068				
C.III.1.	Ownership interests – controlled or controlling entity	accounts 254, 259, (-)291 AÚ	069				
C.III.2.	Other short-term financial assets	accounts 251, 253, 256, 257, 259, (-)291AÚ	070				
C.IV.	Financial resources	C.IV.1.+...+C.IV.x.	071	+21087		+21087	+25368
C.IV.1.	Financial resources in treasury	accounts 211, 213, 261	072	+66		+66	+73
C.IV.2.	Financial resources on account	accounts 221, 261	073	+21021		+21021	+25295
D.	Accruals	D.1.+...+D.x.	074	+481		+481	+309
D.1.	Deferred expenses	accounts 381	075	+481		+481	+309
D.2.	Complex deferred expenses	accounts 382	076				
D.3.	Accrued revenues	accounts 385	077				

Code	LIABILITIES AND EQUITY		Line no.	Current accounting period	Past period
				Net	Net (Year 2016)
	Liabilities and equity	A.+B.+C.+D	001	+72 915	+76 704
A.	Equity	A.I.+A.II.+A.III.+A.IV.+A.V.+A.VI.	002	+62 082	+65 587
A.I.	Share capital	A.I.1.+...+A.I.x.	003	+10 500	+10 500
A.I.1.	Share capital	accounts 411 or 491	004	+10 500	+10 500
A.I.2.	Own shares and own ownership interests (-)	accounts (-)252	005		
A.I.3.	Changes in share capital	accounts (+/-)419	006		
A.II.	Share premium and capital funds	A.II.1.+...+A.II.x.	007		
A.II.1.	Share premium	accounts 412	008		
A.II.2.	Capital funds	A.II.2.1.+...+A.II.2.5.	009		
A.II.2.1.	Other capital funds	accounts 413	010		
A.II.2.2.	Revaluation of assets and liabilities (+/-)	accounts (+/-)414	011		
A.II.2.3.	Valuation differences from revaluation in corporate transformations (+/-)	accounts (+/-)418	012		
A.II.2.4.	Differences from company transformations (+/-)	accounts 417	013		
A.II.2.5.	Valuation differences in corporate transformations (+/-)	accounts 416	014		
A.III.	Funds from profit	A.III.1.+...+A.III.x.	015	+842	+839
A.III.1.	Other reserve funds	accounts 421, 422	016		
A.III.2.	Statutory and other funds	accounts 423, 427	017	+842	+839
A.IV.	Profit and loss of previous years (+/-)	A.IV.1.+...+A.IV.x.	018	+45 718	+50 886
A.IV.1.	Retained earnings from previous years	accounts 428	019	+45 718	+50 886
A.IV.2.	Accumulated losses (-)	accounts (-)429	020		
A.IV.3.	Other profit or loss of previous years (+/-)	accounts 426	021		
A.V.	Profit and loss of the current period (+/-)	assets -A.1.-A.II.-A.III.-A.IV.-B.-C.-D.-A.VI.	022	+5 022	+3 362
A.VI.	Decided on advanced payment of profit and loss share (-)	accounts 432	023		
B.+C.	Liabilities	B.+C.	024	+10 341	+11 117
B.	Reserves	B.1.+...+B.x.	025		
B.1.	Provision for pensions and other similar payables	accounts 452	026		
B.2.	Income tax provision	accounts 453	027		
B.3.	Reserves under special legislation	accounts 451	028		
B.4.	Other reserves	accounts 459	029		
C.	Liabilities	C.I.+C.II.	030	+10 341	+11 117
C.I.	Long-term liabilities	C.I.1.+...+C.I.x.	031	+332	+600
C.I.1.	Debentures and bonds issued	C.I.1.1.+C.I.1.2.	032		
C.I.1.1.	Debentures	accounts 473	033		
C.I.1.2.	Other bonds	accounts 473	034		
C.I.2.	Liabilities to lending institutions	accounts 461	035	+332	+600
C.I.3.	Long-term advanced payments received	accounts 475	036		
C.I.4.	Trade payables	accounts 479	037		
C.I.5.	Long-term bills of exchange payable	accounts 478	038		
C.I.6.	Payables – controlled or controlling entity	accounts 471	039		
C.I.7.	Payables – significant influence	accounts 472	040		
C.I.8.	Deferred tax liability	accounts 481	041		
C.I.9.	Other liabilities	C.I.9.1.+...+C.I.9.3.	042		
C.I.9.1.	Liabilities to shareholders	accounts 364, 365, 366, 367, 368	043		
C.I.9.2.	Estimated payables	accounts 389	044		

Code	LIABILITIES AND EQUITY	Line no.	Current accounting period	Past period	
			Net	Net (Year 2016)	
C.I.9.3.	Other payables	accounts 372, 373, 377, 379, 474, 479	045		
C.II.	Short-term payables	C.II.1.+...+C.II.x	046	+10009	+10517
C.II.1.	Debentures and bonds issued	C.II.1.1+C.II.1.2.	047		
C.II.1.1.	Debentures	accounts 241	048		
C.II.1.2.	Other bonds	accounts 421	049		
C.II.2.	Liabilities to lending institutions	accounts 221, 231, 232	050		
C.II.3.	Short-term advanced payments received	accounts 324	051		
C.II.4.	Trade payables	accounts 321, 325	052	+3122	+670
C.II.5.	Short-term notes payable	accounts 322	053		
C.II.6.	Payables – controlled or controlling person	accounts 361	054		
C.II.7.	Payables – significant influence	accounts 362	055		
C.II.8.	Other payables	C.II.8.1+...+C.II.8.7.	056	+6887	+9847
C.II.8.1.	Payables to shareholders	accounts 364, 365, 366, 367, 368	057		
C.II.8.2.	Current financial assistance	accounts 249	058		
C.II.8.3.	Payables to employees	accounts 331, 333	059	+1900	+1422
C.II.8.4.	Social security and health insurance payables	accounts 336	060	+1151	+892
C.II.8.5.	State – tax payables and subsidies	accounts 341, 342, 343, 345, 346, 347	061	+3731	+3232
C.II.8.6.	Estimated liability accounts	accounts 389	062	+87	+4281
C.II.8.7.	Other payables	accounts 372, 373, 377, 379	063	+18	+20
D.	Accruals and deferrals	D.1.+...+D.x	064	+492	0
D.1.	Accrued expenses	accounts 383	065	+492	0
D.2.	Deferred revenues	accounts 384	066		

Profit and Loss Statement to 31 st December 2017 in thousands CZK (CZK 000)

Code	PROFIT AND LOSS STATEMENT	Line no.	Value in accounting period		
			Current	(Year 2016)	
I.	Revenue from sale of products and services	accounts 601, 602	001	+65 648	+59 708
II.	Revenue from sale of goods	accounts 604	002		
A.	Cost of sale	A.1.+...+A.x.	003	+20 501	+21 860
A.1.	Cost of goods sold	accounts 504	004		
A.2.	Materials and consumables	accounts 501, 502, 503	005	+3 807	+3 576
A.3.	Services	accounts 511, 512, 513, 518	006	+16 694	+18 284
B.	Change in inventory of own production (+/-)	accounts 581, 582, 583, 584	007	-2 797	-4 784
C.	Own work capitalized (-)	accounts 585, 586, 587, 588	008	-149	-95
D.	Personnel expenses	D.1.+...+D.x.	009	+38 727	+35 324
D.1.	Wages and salaries	accounts 521, 522, 523	010	+28 164	+25 656
D.2.	Costs of social security and health insurance and other costs	D.2. 1. +D.2. 2.	011	+10 563	+9 668
D.2. 1.	Costs of social security and health insurance	accounts 524, 525, 526	012	+9 536	+8 663
D.2. 2.	Other costs	accounts 527, 528	013	+1 027	+1 005
E.	Changes in values of operating activities	E.1.+...+E.x.	014	+4 902	+3 983
E.1.	Depreciation of intangible and tangible assets	E.1.1.+E.1.2..	015	+4 707	+3 983
E.1.1	Depreciation of intangible and tangible assets – permanent	accounts 551, 557	016	+4 707	+3 983
E.1.2	Depreciation of intangible and tangible assets – temporary	accounts 559	017		
E.2.	Depreciation of inventory	accounts 559	018		
E.3.	Depreciation of receivables	accounts 558, 559	019	+195	+0
III.	Other operating revenue	III.1. +...+III.x.	020	+3 182	+1 747
III.1.	Revenue from fixed tangible assets and materials	accounts 641	021	+0	+272
III.2.	Revenues from sales of materials	accounts 642	022		
III.3.	Other operating income	accounts 644, 646, 647, 648, 697	023	+3 182	+1 475
F.	Other operating expenses	F.1.+...+F.x.	024	+174	+158
F.1.	Net book value of fixed assets sold	accounts 541	025		
F.2.	Net book value of materials sold	accounts 542	026		
F.3.	Taxes and fees in operating area	accounts 531, 532, 538	027	+98	+89
F.4.	Reserves to operating activities and complex deferred charges	accounts 552, 554, 555	028		
F.5.	Other operating expenses	accounts 543, 544, 545, 546, 547, 548, 549, 597	029	+76	+69
*	* Profit or loss from operations (+/-)	I.+I.x.+II.+II.x. + III.-A.-B.-C.-D.-E.-F.	030	+7 472	+5 009
IV.	Revenues from fixed financial assets – ownership interests	IV.1.+...+IV.x.	031		
IV.1.	Revenues from ownership interests in controlled and controlling entity	accounts 661, 665	032		
IV.2.	Revenues from other ownership interests	accounts 661, 665	033		
G.	Costs of interests sold	accounts 561	034		
V.	Revenues from other fixed financial assets	V.1.+...+V.x.	035		
V.1.	Revenues from other fixed financial assets - controlled or controlling person	accounts 661, 665	036		
V.2.	Other revenues from other fixed assets	accounts 661, 665	037		

Code	PROFIT AND LOSS STATEMENT	Line no.	Value in accounting period		
			Current	(Year 2016)	
H.	Costs related to fixed financial assets	accounts 561, 566	038		
VI.	Revenues from interests and similar revenues	V.I.1.+...+V.I.x.	039	+163	+6
VI. 1.	Revenues from interests and similar revenues-controlled or controlling person	accounts 662, 665	040		
VI.2.	Other revenues from interests and similar revenues	accounts 662, 665	041	+163	+6
I.	Value adjustment and reserves in financial assets	accounts 574, 579	042		
J.	Interest expenses and similar costs	J.1.+...+J.x.	043	+27	+41
J.1.	Interest expenses and similar costs – controlled or controlling person	accounts 562	044		
J.2.	Other interest expenses and similar costs	accounts 562	045	+27	+41
VII.	Other financial revenues	accounts 661, 663, 664, 666, 667, 668, 669, 698	046		
K.	Other financial costs	accounts 561, 563, 564, 565, 566, 567, 568, 569, 598	047	+1 324	+730
*	Profit or loss (+/-)	IV.+V.+VI.+VII.-G.-H.-I.-J.-K.	048	-1 188	-765
**	Pre-tax profit or loss (+/-)	*	049	+6 284	+4 244
L.	Income tax	L.1.+...+L.x.	050	+1 262	+882
L.1.	Income tax – current	accounts 591, 593, 595, 599	051	+1 262	+882
L.2.	Income tax – deferred (+/-)	accounts 592	052		
**	Profit or loss after tax (+/-)	**-.L.	053	+5 022	+3 362
M.	Transfer of share in profit or loss to members (+/-)	accounts 596	054		
***	Profit or loss for the accounting period (+/-)	**-.M.	055	+5 022	+3 362
*	Net turnover = I.+II.+III.+IV.+V.+VI.+VII.	I.+II.+III.+IV.+V.+VI.+VII.	056	+68 993	+61 461

Notes to Financial Statements to 31 December 2017

1. Description of the company

TES s.r.o. (hereinafter the “Company“) is a Czech legal entity, limited liability company, established on 27 February 1992 and seated at Pražská 597, Třebíč, Czech Republic. As listed in the Commercial Register, its key business activities include:

- Activities associated with the commissioning of nuclear facilities and technical support for their operation, except for the activities listed in Section 3 and in Annexes 1 to 3 to the Trade Licensing Act,
- Engineering services in machinery and energy, except for activities listed in Annex 1 to 2 to the Trade Licensing Act,
- Installations, repairs, inspections and tests of listed electric equipment,
- Manufacture, installations, repairs, inspections and tests of electronic equipment,
- Research and development in natural sciences and engineering and in social sciences,
- Provision of software,
- Business activities

Persons holding at least 10% of the share capital:

Ing. Jiří Pulec 25 %

Ing. Martin Štajgl 25 %

Ing. Pavel Novotný 25 %

Ing. Miloš Kaška 25 %

Members of statutory and supervisory bodies to December 31, 2017:

Ing. Jiří Pulec managing director

Ing. Martin Štajgl managing director

Ing. Pavel Novotný managing director

Ing. Miloš Kaška managing director

2. Fundamentals for the elaboration of the financial statements

The attached financial statements have been prepared in accordance with the Accounting Act and accounting guidelines for business entities applicable in 2017.

3. Methods of valuation and depreciation

The methods of valuation used by the Company to compile the 2017 and 2016 financial statements are as follows:

a) Intangible fixed assets

Intangible fixed assets are valued at acquisition costs, which include the acquisition price and costs related to acquisition.

Small intangible fixed assets (worth up to CZK 40,000) are depreciated as a lump sum in costs.

Intangible fixed assets are depreciated in costs based on the expected lifetime of the assets, but no longer than four years.

b) Tangible fixed assets

Tangible fixed assets are valued in acquisition costs, which include the acquisition price, costs of transport, custom duties and costs related to acquisition.

The costs of technical appreciation of capital assets increase its acquisition cost. Ordinary repairs and maintenance are recorded in costs.

Small tangible fixed assets (worth up to CZK 40,000 in 2017, respectively 2016) are depreciated as a lump sum in costs.

Depreciation

Depreciation is calculated on the basis of acquisition cost and expected lifetime of the respective assets. Expected lifetime is determined as follows:

	Number of years (from-to)
Means of transport	5
Machinery, instruments and equipment	3-5
Inventory	3-5
Other tangible fixed assets	3-5
Buildings	30

c) Financial investments

Not applicable

d) Inventory

The purchased inventory is valued at actual acquisition cost, using the method of "first – in, first - out" (FIFO –the first price for the valuation of inventory increments will be used as the first price for the valuation of inventory loss). The acquisition cost of inventory includes the costs of acquisition, including costs relating to acquisition (costs of transport, customs duties, commissions, etc.).

Work in progress is valued in actual own costs. Own costs include direct material and wage costs and production overheads. Production overheads include depreciations of production equipment, overhead production wages and other overhead costs concerning production facilities.

e) Receivables

Receivables are recorded at nominal value. Bad debts are reduced using provisions, recorded against costs, to their realization value.

f) **Equity**

The company's share capital is recorded at the amount entered in the Commercial Register of the Regional Court or increased or decreased on the basis of a General Meeting, which was not registered on the date of the financial statements. As stipulated in the Commercial Code, the Company creates a reserve fund from the profit or from additional payments from its members in addition to their contributions.

g) **Received loans**

Short-term and long-term loans are recorded at the nominal value. Short-term loan also refers to parts of long-term loans payable within one year of the date of financial statements.

h) **Financial lease**

The Company records leased property so that it includes leasing payments in costs and activates applicable value of the leased property when the lease contract expires and the possibility of purchase is exercised. Lease payments paid in advance are accrued.

i) **Foreign exchange operations**

Financial assets, receivables and payables in foreign currencies are translated into Czech crowns at a fixed exchange rate applicable on the date of their origin and were translated at the end of the year using the Exchange rate valid to 31 December, declared by the Czech National Bank.

The achieved Exchange rate profits and losses and reserves for unrealized exchange losses are recorded in the revenues or costs of current year.

j) **Recording of costs and revenues**

Revenues and costs are recorded as accrued, i.e. in the period to which they apply in terms of substance and time.

In compliance with the principle of prudence, the Company records reserves and provisions to cover all risks, losses and devaluation known on the date of the financial statements against costs.

Profit arising from long-term contracts is recorded in the manner specified in the executed contract, e.g. phase invoicing.

k) **Income tax**

The payable income tax is calculated using the applicable tax rate from the accounting profit increased or decreased by permanently or temporarily non-eligible costs and non-tax revenues (e.g. formation and recording of other reserves and provisions, costs of representation, difference between accounting and tax depreciation, etc.).

4. Fixed assets

a) Intangible fixed assets (in thousands CZK)

	Balance to 31 December 2016	Additions	Disposals	Balance to 31 December 2017
Software	3 574	2 500	0	6 074
Accumulated depreciation	- 3 529	11	-	- 3 574
Other intangible fixed assets	-	-	-	-
Accumulated depreciation	-	-	-	-
Intangible investments in progress	95	4 828	4 918	244
Total	140			2 744

Depreciation of intangible fixed assets recorded in costs achieved CZK 11,000 and 34,000 in 2017, resp. 2016.

b) Tangible fixed assets (in thousands CZK)

	Balance to 31 December 2016	Additions	Disposals	Balance to 31 December 2017
Machinery, instruments and equipment	31 617	2 324	895	33 045
Accumulated depreciation	- 22 679	- 895	- 3 887	- 25 671
Buildings	17 995			17 995
Accumulated depreciation	- 11 617	- 602		- 12 219
Land	574			574
Accumulated depreciation				
Other and small tangible fixed assets	1 041	351		1 392
Accumulated depreciation	- 1 010	- 207		- 1 217
Tangible investments in progress				
Total	15 921			13 899

Depreciation of tangible assets was recorded in costs in the amount of CZK 4,708 in 2017, resp. 3,983 in 2016.

c) Financial investment (in thousands CZK)

Overview of financial investments

	Balance to 31 December 2016	Additions	Disposals	Balance to 31 December 2017
Mutual securities and ownership interests in companies under significant influence	-	-	-	-
Total	-	-	-	-

5. Receivables

In 2017 there were formed provisions to bad debts in amount of CZK 195,000.

6. Inventory

To 31 December 2017 and 2016 the Company had no damaged or unused inventory for which provisions would have to be created.

7. Provisions

Provisions expressing temporary reduction in the value of receivables were created.

8. Other assets

Deferred expenses include in particular accruals for leasing payments and are recorded in the costs of the period to which they apply in substance.

9. Equity

The company's share capital to 31 December 2017 amounts to CZK 10,500,000. The Company's equity reached CZK 62,082,000 to December 2017.

Other funds created from profit amounting to CZK 839,000, are intended to cover the staff's social needs (incentive funds).

Based on a decision of the Company's General Meeting held on 29 May, 2017, the following division of the trading balance in 2016 was approved. The amount of CZK 530,000 was allocated in the incentive fund and the profit balance of the year 2016 amounting in CZK 3,362,000 translated in to the retained profit from the past period. The payment of shares in profit to members was approved in amount CZK 4,000,000.

10. Reserves

No operations were carried out at reserve accounts.

11. Short-term payables

At 31 December 2017, the Company had no short-term payables past maturity.

12. Bank loans

Loans for the car fleet amounting to CZK 332,000.

13. Other liabilities

Accrued expenses and estimated items include especially non-invoiced costs and are recorded in the costs of 2017.

14. Income tax

	2017 (in thousands CZK)
Pre-tax profit	6 284
Tax-free revenues	0
Differences between accounting and tax depreciation	0
Non-deductible costs	
Provisions	-
Reserves	-
Other (e.g. costs of representation, deficits and losses)	374
Gifts up to 2 %	16
Taxable income	6 642
Income tax rate	19
Tax	1 262
Tax discounts	-
Payable tax	1 262

15. Leasing

The Company had no leased fixed assets not recorded at balance accounts (see the paragraph 3h).

16. Assets and liabilities not stated in the Balance Sheet

Not applicable.

17. Revenues of the current year

Breakdown of the Company's revenues from operations (in thousands CZK) is as follows.

	2017		2016	
	Domestic	Foreign	Domestic	Foreign
Sales of services	65 648		57 812	2 168
Other	3 345		1 481	
Revenues total	68 993		59 293	2 168

18. Personal costs

In 2017, the Company's average workforce and the related personnel costs in CZK 000 amounted to:

	2017		2016	
	Total number of employees	Directors, deputies and heads of organizational units	Total number of employees	Directors, deputies and heads of organizational units
Average number of employees	57	4	55	4
Wages and salaries	28 164		25 656	
Social security	9 636		8 663	
Social security expenses	1 027		1 005	
Personnel costs total	38 727		35 324	

19. Information after the date of financial statements

Not applicable

20. Overview of changes in equity – attached.

Overview of changes in equity to 31st of December 2017 in thousands CZK

Code	OVERVIEW OF CHANGES IN EQUITY	Line no.	Value in accounting period		
			Current	(Year 2016)	
A. Share capital entered in the Commercial Register (accounts 411, 491)					
A.1.	Baseline	accounts 411, 491	001	+10500	+10500
A.2.	Increase		002		
A.3.	Decrease		003		
A.4.	Final balance		004	+10500	+10500
B. Unregistered share capital (account 419)					
B.1.	Baseline	account 419	005		
B.2.	Increase		006		
B.3.	Decrease		007		
B.4.	Final balance		008		
C. Share capital A.+/-B. with account (-)252					
C.1.	Baseline A.+/-B.	A.1.+B.1	009	+10500	+10500
C.2.	Baseline balance of own shares and ownership interests (-252)		010		
C.3.	Account increase (-252)		011		
C.4.	Account decrease (-252)		012		
C.5.	Final balance (-252)		013		
C.6.	Final balance A. +/- B. with account (-)252	C.1.+C.5.	014	+10500	+10500
D. Share premium (account 412)					
D.1.	Baseline	account 412	015		
D.2.	Increase		016		
D.3.	Decrease		017		
D.4.	Final balance		018		
E. Capital funds (account 413)					
E.1.	Baseline balance	account 413	019		
E.2.	Increase		020		
E.3.	Decrease		021		
E.4.	Final balance		022		
F. Differences from revaluation not included in profit or loss (accounts 414,416,417 a 418)					
F.1.	Baseline	accounts 414, 416, 417 a 418	023		
F.2.	Increase		024		
F.3.	Decrease		025		
F.4.	Final balance		026		
G. Reserve funds (account 421, 422)					
G.1.	Baseline	accounts 421, 422	027		
G.2.	Increase		028		
G.3.	Decrease		029		
G.4.	Final balance		030		
H. Other funds from profit (account 423, 427)					
H.1.	Baseline	accounts 423, 427	031	+839	+875
H.2.	Increase		032	+1079	+1187
H.3.	Decrease		033	+1076	+1223
H.4.	Final balance		034	+842	+839

Code	OVERVIEW OF CHANGES IN EQUITY	Line no.	Value in accounting period		
			Current	(Year 2016)	
I. Profit for the accounting period (account 428 + balance on the credit side of account 431)					
I.1.	Baseline balance	accounts 428, 431	035	+50 886	+54 410
I.2.	Increase		036	+2 832	
I.3.	Decrease		037	+8 000	+3 524
I.4.	Final balance		038	+45 718	+50 886
J. Loss for the accounting period (account 429 + balance on the debit side of account 431)					
J.1.	Baseline balance	accounts 429, 431	039		
J.2.	Increase		040		
J.3.	Decrease		041		
J.4.	Final balance		042		
K. Another result of past periods (account 426)					
K.1.	Baseline balance	account 426	043		
K.2.	Increase		044		
K.3.	Decrease		045		
K.4.	Final balance		046		
L. Profit or loss for the accounting period after tax					
L.1.	Baseline balance		047	+5 022	+3 362
L.2.	Increase		048		
L.3.	Decrease		049		
L.4.	Final balance		050	+5 022	+3 362
M. Advances in profit shares (account 432)					
M.1.	Baseline balance	account 433	051		
M.2.	Increase		052		
M.3.	Decrease		053		
M.4.	Final balance		054		
Equity total					
X.1.	Baseline balance	C.1.+C.2.+D.1.+E.1.+F.1.+G.1.+H.1.+I.1.+J.1.+K.1.+L.1.+M.1.	055	+67 247	+69 147
X.2.	Increase	A.2.+B.2.+C.3.+D.2.+E.2.+F.2.+G.2.+H.2.+I.2.+J.2.+K.2.+L.2.+M.2.	056	+3 911	+1 187
X.3.	Decrease	A.3. + B.3.+ C.4.+D.3.+E.3. + F.3.+G.3. + H.3.+I. 3. +J.3.+ K.3.+L3.+M.3.	057	+9 076	+4 747
X.4.	Final balance	X.1. + X.2.-X.3.	058	+62 082	+65 587

Auditor's Report for the Members of TES s.r.o. Verifying the 2017 Annual Financial Statements

1. Audited organization

TES s.r.o.

TES s.r.o. with registered office at Pražská 597, 674 01 Třebíč, Company registration number: 45477973, represented by Martin Štajgl, Managing Director.

2. Auditor

Karel Veselý

with registered office at U Prefy 18/794, 182 00 Prague 8, Company registration number:45426210, Chambre of Auditors of the Czech Republic License No. 1797.

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3. Business activities of the audited company

- Manufacture, trade and services not listed in Annexes 1 to 3 to the Trade Licensing Act.
- Installation, repairs, inspections and tests of electric equipment.
- Manufacture, installation, repairs of electrical machines and appliances, electronic and telecommunication equipment.
- Services that are essential for radiation safety in accordance with §59, article 1d of the Decree no. 307/2002 Coll. on Radiation Protection.

4. Subject and purpose of audit

The subject of audit covers the Company's annual financial statements compiled at 31 December 2017 pursuant to applicable provisions of the Accounting Act and the Act on Auditors and the Chamber of Auditors of the Czech Republic.

Its purpose is to assess

- Faithful and true representation of the state of the company's assets and liabilities, difference in assets and liabilities, equity, financial standing and results of operations.
- Whether the accounts are kept completely, comprehensively, transparently and in a way guaranteeing the permanence of accounting records.

Auditor's Report to the Members of TES s.r.o.

We have verified the attached financial statement, i.e. Balance Sheet at 31 December 2017, Profit and Loss Statements from 1 January to 31 December 2017 and Notes to the financial statements, including a description of major accounting methods applied by TES s.r.o., with its registered office at Pražská 597, 674 01 Třebíč.

The Company's statutory body shall be responsible for the compilation and faithful representation of the financial statements in accordance with the Czech Republic's accounting guidelines. This responsibility also includes the drafting, implementation and assurance of internal controls over the compilation and true representation of the financial statements to ensure that it does not contain any material misstatements due to fraud or errors, as well as the selection and application of suitable accounting methods and implementation of accounting assessments adequate to the situation.

Our responsibility is to express an opinion based on the audit of the financial statements. We have conducted the audit in accordance with the Act on Auditors and the international Auditing Standards and related application clauses of the Chamber of Auditors of the Czech Republic. In accordance with these guidelines, we are obliged to comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatements. The audit includes auditing procedures aimed at obtaining evidence on the amounts and facts stipulated in the financial statement. The selection of auditing procedures depends on the auditor's judgement, including an assessment of the risks, that the financial statements contain significant inaccuracies caused by fraud or error. When assessing these risks, the auditor takes account of internal controls relevant to the compilation and true representation of the financial statements. The goal of the assessment of internal controls is to propose suitable auditing procedures, not to comment on the effectiveness of such internal controls. The audit also includes an evaluation of the appropriateness of accounting methods and the adequacy of accounting estimates made by the management, as well as an evaluation of the overall presentation of the financial statements.

We believe that the obtained audit evidence is a sufficient and appropriate basis for our opinion.

In the verification of the financial statements we have identified no facts indicating that the accounting records on the basis of which the financial statements have been compiled are not complete, conclusive and correct in all relevant respects.

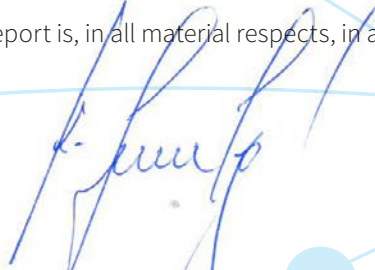
In our opinion, the financial statements give a faithful and true picture of the assets, liabilities and financial standing of TES s.r.o. at 31 December 2017 and the costs, revenues and results of its operations in 2017 in accordance with the Czech Republic's accounting guidelines.

We have also audited the Annual Report for consistency with the financial statements referred to above. The Company's management is responsible for the accuracy of the Annual Report. Our responsibility is to issue an opinion on consistency of the Annual Report with the financial statements based on the audit.

We have conducted the audit in accordance with the international Auditing Standards and related application clauses of the Chamber of Auditors of the Czech Republic. These standards require the auditor to plan and perform the audit to obtain reasonable assurance that the information contained in the Annual Report, describing matters that are also presented in the financial statements, is, in all material respects, in accordance with the relevant financial statements. We believe that the audit provides a reasonable basis for our audit opinion.

In our opinion, the information referred to in the Annual Report is, in all material respects, in accordance with the above-mentioned financial statements.

In Prague on May 23, 2018


Ing. Karel Veselý
auditor
č. osvědčení 1797







TES s.r.o.

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