

INDEPENDENT AUDITOR'S REPORT to the owners of the company SAVA, d.d.

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of the company SAVA, d.d. and its subsidiaries (hereinafter: 'the Sava Group'), which comprise the statement of financial position as at 31 December 2015, and the income statement, statement of other comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as adopted by 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the Group's consolidated financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

a) Comparative Financial Statements – Financial Expenses from Impairment

As at 31 December 2014, the Sava Group posted financial expenses in the amount of EUR 26,677 thousand based on the recoverable amount estimate for the investment in Gorenjska banka d.d.; however, based on the audit, we were unable to determine the amount

of impairment that should have been recognised already in the year ended 31 December 2013, as well as the amount of the impairment that the Group should have recognised in its income statement for the year ended 31 December 2014. Accordingly, we issued a modified opinion on financial statements for the year ended 31 December 2014. Our opinion on financial statements for the audited period is also modified due to potential impact of the discussed matter on the comparability of the information for the audited period and the comparable information.

b) Comparative Financial Statements – Deferred tax

In 2014, the controlling company's management assessed the possibilities of utilising deferred tax assets. The entire impairment impact of EUR 9,386 thousand was recorded in the 2014 income statement. Since the assessment of possibilities to utilise deferred tax assets was prepared as at 31 December 2014 and since the potential amount of the required impairment in 2013 could not be estimated reliably enough, we were unable to satisfy ourselves as to the amount of impairment that should have been recorded in the year ended 31 December 2013 and the amount that should have been posted in the income statement for the year ended 31 December 2014. Accordingly, we issued a modified opinion on financial statements for the year ended 31 December 2014. Our opinion on financial statements for the audited period is also modified due to potential impact of the discussed matter on the comparability of the information for the audited period and the comparable information.

c) Limitation of Scope – Investment in Associate

Since the company Sava d.d. did not obtain the information on the associated company's equity by the date of the consolidated financial statements authorisation, the Group did not use the equity method in its consolidated financial statements in the year ended 31 December 2015 to measure the relevant investment. As at 31 December 2015, the investment was reclassified to non-current assets held for sale. As the audited financial statements of the associate were not available, we were unable to satisfy ourselves as to the potential effects arising from the use of equity method by the reclassification date.

Qualified Opinion

In our opinion, except for potential effects of the matters referred to in the *Basis for Qualified Opinion* paragraph, the consolidated financial statements present fairly, in all material respects, the financial position of the Sava Group as at 31 December 2015, and its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards as adopted by the EU.

Emphasis of Matter

a) Going Concern

The accompanying financial statements have been prepared assuming that the Group will continue as a going concern. As discussed in Note 1 *The course of the enforced settlement procedure* and Note 2 *Measures pursued in the enforced settlement procedure*, the creditors filed a motion for enforced settlement as at 2 June 2015 as a result of insolvency of the company Sava d.d.. Within the procedure, the applicants submitted the Financial Restructuring Plan and the enforced settlement application. The voting on the enforced settlement application has not yet taken place. These conditions, along with other matters as set forth in Note 2 *Measures pursued in the enforced settlement procedure*, indicate the existence of material uncertainty, which may raise significant doubt about the Group's ability

to continue as a going concern. The consolidated financial statements do not include potential adjustments that may have been the consequence of this uncertainty.

b) *Contingent Liabilities*

As discussed in note 1.3.43. *Explanation regarding the status of denationalisation claims in the company Sava Turizem, d.d.* to the consolidated financial statements, this Sava Group company has been a subject of various denationalisation claims. Since it is not possible to estimate reliably the future liabilities or to predict the probability of these liabilities settlement, the criteria for recognition of provisions have not been met. It is expected that the process of resolving these claims will be long-lasting and that the claims may have a material impact on future operations of the Group. The financial statements do not include potential adjustments that may have been the consequence of this uncertainty.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements:

The management is also responsible for the preparation of the business report in accordance with the requirements of the Companies Act (ZGD-1). Our responsibility is to provide an assessment of whether the business report is consistent with the audited financial statements. Our procedures have been conducted in accordance with the International Standard on Auditing 720 and are limited solely to assessing of whether the business report is consistent with the audited financial statements. In our opinion, the business report is consistent with the audited financial statements.

DELOITTE REVIZIJA d.o.o.

Tina Kolenc Praznik
Certified Auditor

Deloitte.

DELOITTE REVIZIJA D.O.O.
Ljubljana, Slovenija 3

*For signature please refer to the original
Slovenian version.*

Ljubljana, 14 March 2016