



BRATISLAVSKÁ  
VODÁRENSKÁ  
SPOLOČNOSŤ

# Annual Report 2020





**JUDr. Peter Olajoš**  
Chairman of the Board of Directors and CEO

Only a few years in the modern history of BVS have been as turbulent as the year containing two twenties.

“ We have a year of tough consolidation, strategic decisions and functioning during the global coronavirus pandemic ahead of us. ”

BVS was able to function smoothly even during the toughest lockdowns; we made a strategic decision to stop cooperating with a private investor in the water industry, and we introduced changes that will allow us to start the necessary infrastructure modernization.



**Ing. Martin Kuruc**  
Chairman of the Supervisory Board

In 2020, the Supervisory Board regularly performed checks of public procurement, checks of conflicts of interest, a regular check of invoices, as well as all complaints that came to the Chairman or a member of the Supervisory Board of Bratislavská vodárenská spoločnosť, a.s., for investigation.

“ The efficiency and result of the Supervisory Board's activities can also be observed in the company's total numbers, ”

given that in 2019 the company showed a loss of -1.8 million euros, while today we can say that the result will be rather positive, with an improvement of the result by 1.6 million euros with an increasing trend. The coverage of the company's losses by means of reserves in the company's profit/loss for the year 2020 amounted to euros 25,476,753, and the distribution of the profit achieved by the company in 2020 amounted to euros 2,632,444.



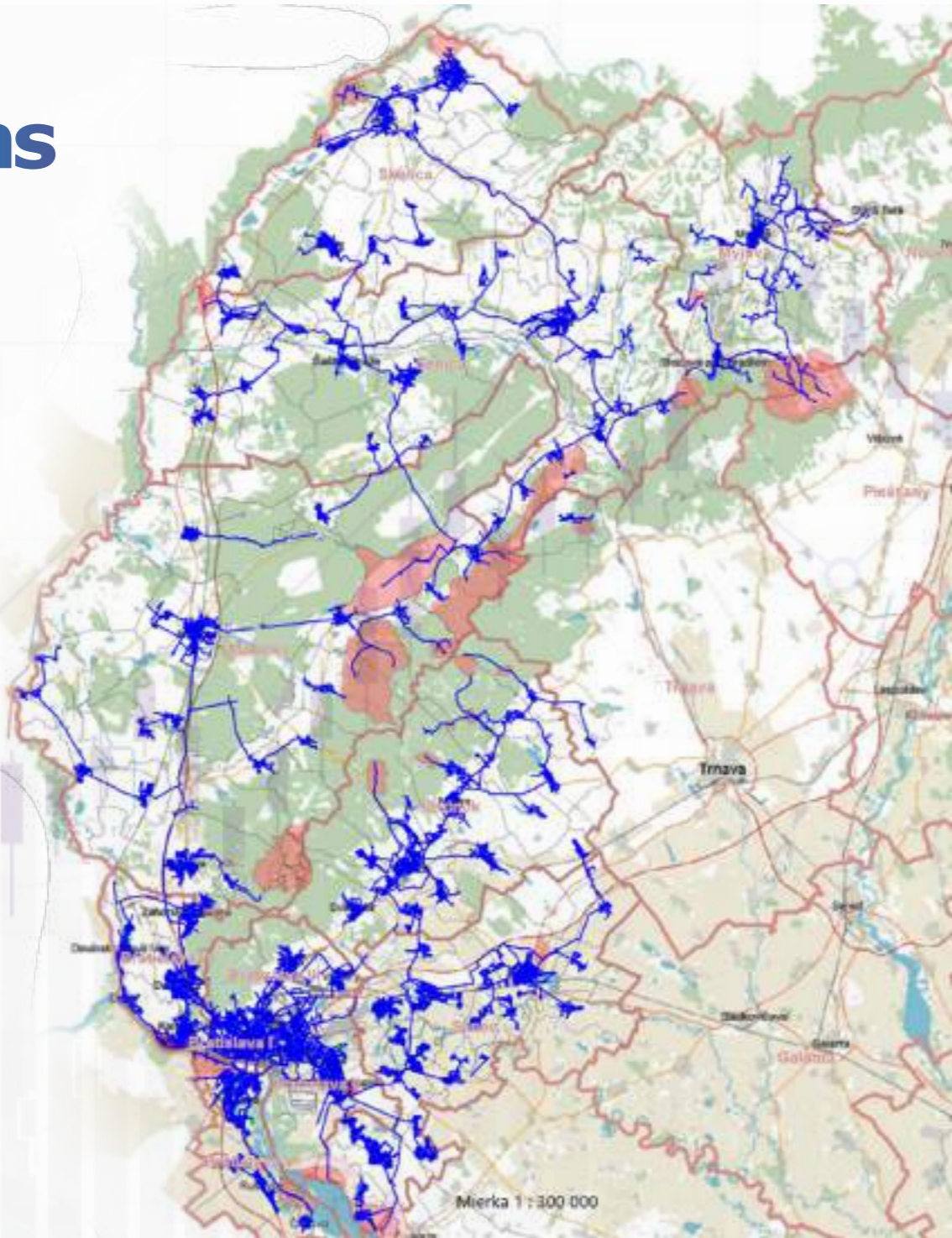
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Map of activities of **BVS**

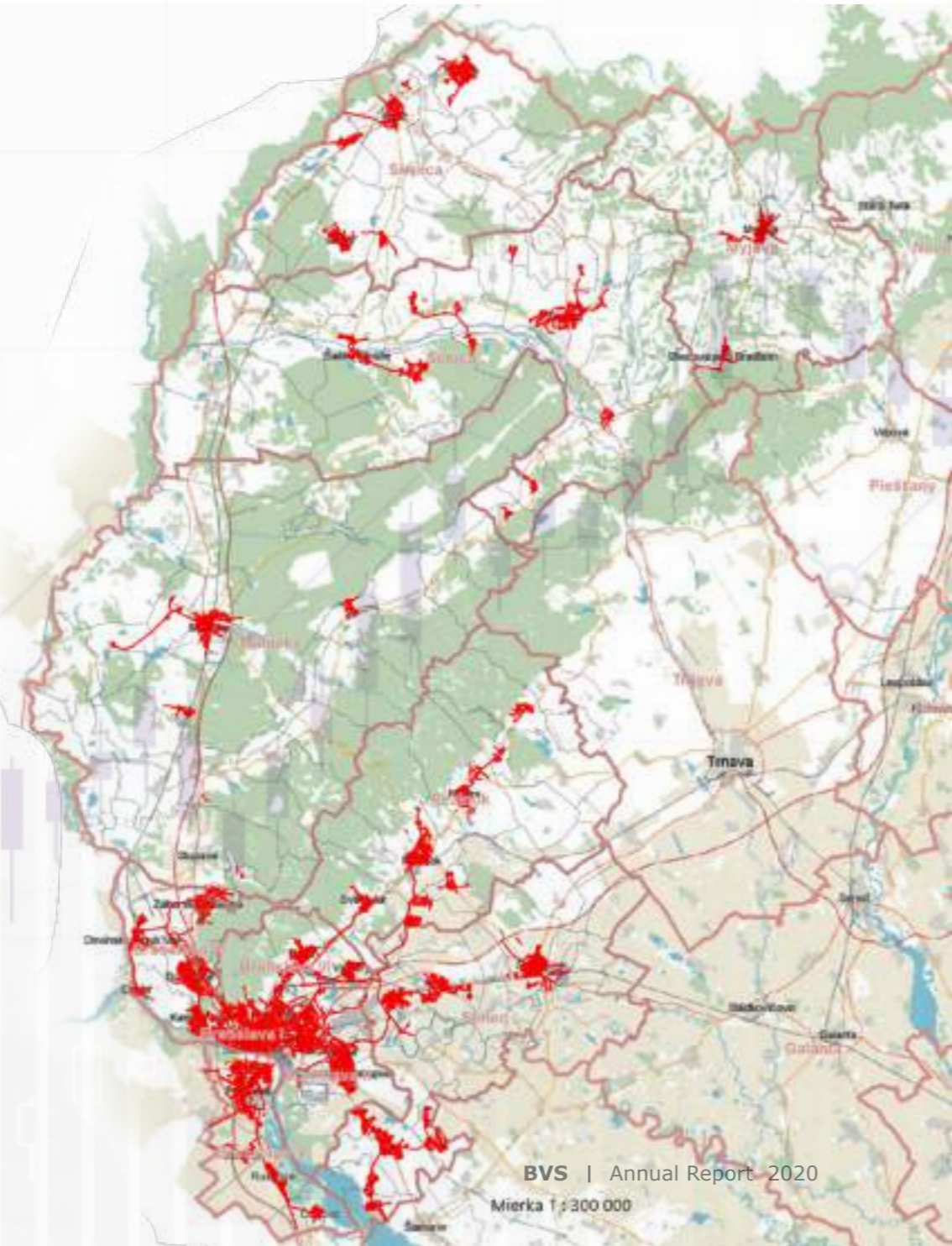
## Water mains network





## Map of activities of **BVS**

# Sewer system network





# Address of the Chief Executive Officer: A long year of tough changes

The year 2020 was crucial for Bratislavská vodárenská spoločnosť. It was necessary to make changes to bring BVS back into the black. We had to set up standard business processes all over again, including transparent procurement. We had to deal with our personnel and payroll policies. But above all, we had to address three strategic challenges.



The coronavirus pandemic was a topic for the whole society and, of course, Bratislavská vodárenská spoločnosť had to cope with it, too.



**JUDr. Peter Olajoš**

Chairman of the Board of Directors and CEO

Due to the irreplaceable role of BVS, we could not afford to make any mistakes, and we had to ensure the smooth operation of our key services in all circumstances. BVS therefore accepted very strict preventive measures, kept contact with the outside world to a minimum and changed the organization of work such that we could create internal reserves in the case of coronavirus spreading in society. Thanks to these and other measures, which we took in advance of government regulations, we were able to supply drinking water and operate the sewer system in full during the entire pandemic in 2020, and our customers could count on us. For this, we have to thank all of our employees, who confirmed that they know what to do in times of crisis. In addition, BVS also became involved, as a technology partner, in scientific research projects aimed at monitoring the occurrence of COVID-19 in wastewater. The results of these studies will be published in renowned scientific journals.

The second strategic step was the decision regarding the future of the subsidiary Infra Services. Virtually throughout the first half of 2020, we were looking for an optimal solution to the relationships between BVS and a private investor. At the end of June, BVS shareholders approved a plan to buy a minority stake from a private investor in the subsidiary Infra Services and to return the entire water sector in the BVS portfolio under public control of the towns and municipalities that use BVS services. This strategy should make it possible to achieve savings in the coming years that will fully recoup the initial investment and allow BVS to invest more flexibly in infrastructure.

Although the internal savings achieved by BVS through the acquisition of a minority stake in Infra Services, as well as the transparent tendering of contracts, are large, they do not have the potential to cover all the investment needs of BVS in the long run. Therefore, in 2020, BVS asked the Regulatory Office for Network Industries to adjust the water and sewer rates to their real values after almost seven years. The new water and

sewer rates came into force in the summer, and the proceeds from the new prices will be used by BVS in the following years for investments in the renewal of water industry infrastructure and in the construction of new projects.

Internal savings, more efficient management and the new water and sewer rates have contributed to a fundamental turnaround in the company's overall economic results. A year-on-year difference of six million euros in the profit for the year speaks clearly in favour of the changes that took place in 2020 and which contributed to BVS ending the 2020 financial year with a profit of three million euros.

A major topic in 2020 was the adjustment of the wage policy in BVS. A wage audit compared the basic salaries of BVS employees with competitors in the region and adjusted wages, especially for the working professions, so as to make them competitive. This was the first step in making jobs in the waterworks more attractive, which is essential for attracting young people to the company. Thanks to this change, BVS became a top employer in the public sector in 2020.

The challenge in 2020 was to improve communication with customers. During the pandemic, we preventively closed contact centres and strengthened the call centre. The long-term solution was to launch a customer portal that standardized BVS communication, as it should be in the 21st century.



These are far from all the changes we managed to make at BVS this year. But basic idea was to turn the company upside down.



# Address of the Chairman of the Supervisory Board



**Ing. Martin Kuruc**  
Chairman of the Supervisory Board

Dear shareholders, dear colleagues,

the year 2020 has not been easy for our company. Like everyone else, we had to deal with Covid-19 and the situations that this pandemic entailed. It was a year full of changes.



A major change was the open topic of merging BVS, a.s., with the subsidiary Infra Services, a. s.



One variant was that the company will remain independent, and the other option was that Infra Services, a. s., will cease operating. An investment in Infra Services, a. s., as a separate company would pay for itself within 4 to 5 years. The ambitious plan to merge BVS, a.s., with its subsidiary Infra Services, a. s., was implemented on 1st June 2021. The expenses incurred by Infra Services, a. s., will be the expenses of BVS, a.s., which for BVS, a.s., means economic advantages functionality of the overall operation of the company under its own management. The role of BVS, a.s., is to focus on its own core activities related to the supply of safe and healthy drinking water, with a functioning sewer system and functioning wastewater treatment plants, without any problems. BVS, a.s., is getting into shape.

After the takeover of Infra Services, a. s., we showed a loss of -1.8 million euros in 2019; today we can say that the result will be a positive number, with an improvement of 1.6 million euros. The merger process predicts a positive ef-

fect of 3 million euros. Under the guidance of the current Board of Directors (Management Board) in cooperation with the Supervisory Board, BVS, a. s., fulfilled its obligations according to the duly approved financial plan.

The company has launched a new procurement system for construction contracts and supplier evaluations. We managed to prepare a new procurement guideline, an internal directive according to which BVS, a.s., will be managed; we managed to renew our vehicle fleet, where around 1 million euros have been saved per year, and the reward system was also renewed. The company's profit for 2020 is 2,632,444 euros.



BVS, a.s., has an ambitious plan for the coming period, and I believe we will continue the established trend.



In conclusion, I would like to thank all members of the Supervisory Board for the trust they have shown in me. I would especially like to thank all members of the Supervisory Board who are making an effort and participate in individual procurement actions or competition evaluations.

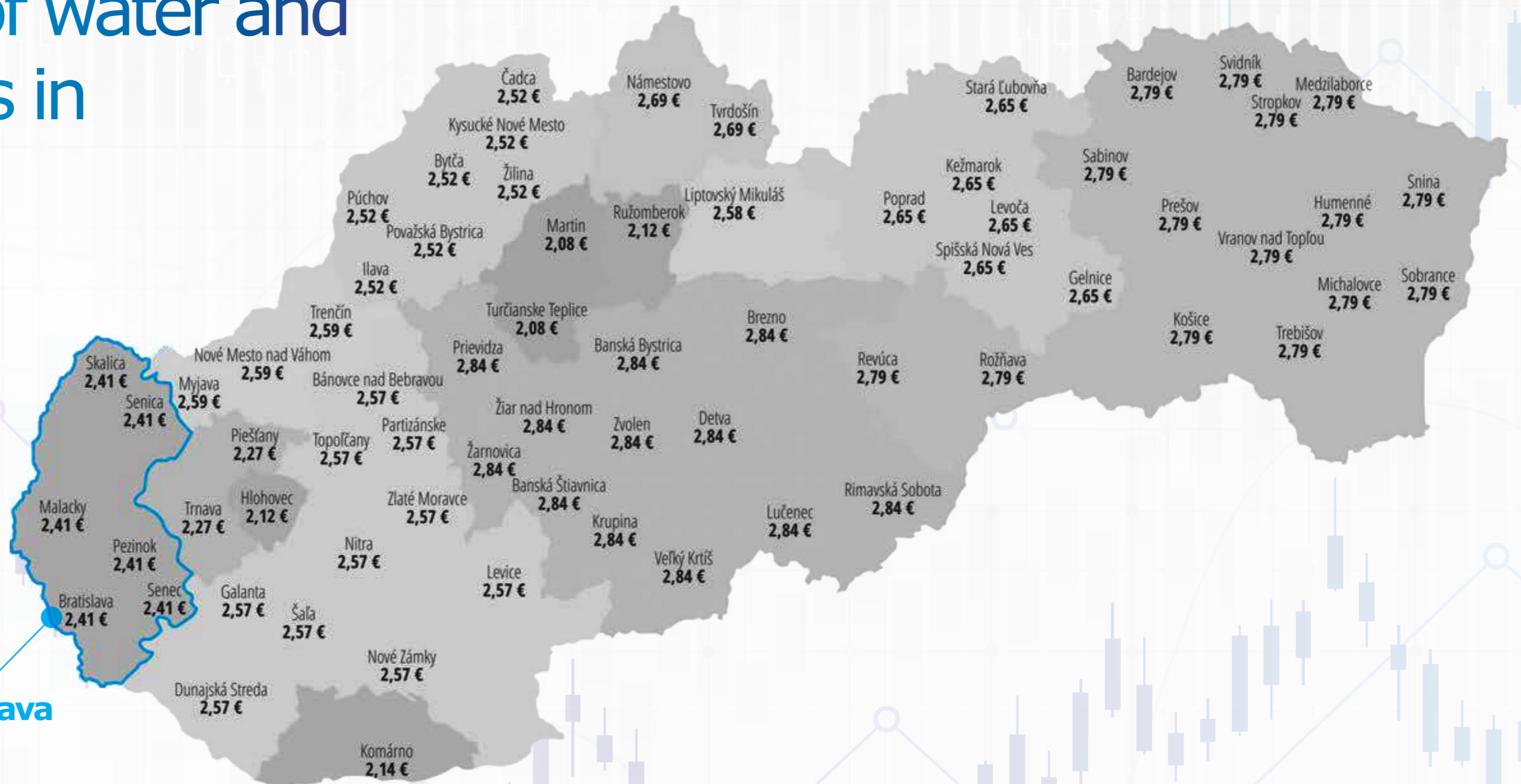
I would also like to thank our shareholders, the Board of Directors, partners and employees. I would like to emphasize the quality of cooperation between the company's Board of Directors and the Supervisory Board, and I believe that our cooperation will be a motivation for us for the upcoming operations.



# Overview of water and sewer rates in Slovakia

THE PRICES EXPRESS THE SUM OF WATER AND SEWER RATES INCL: VAT

**Bratislava**







The wastewater treatment division administered 23 wastewater treatment plants in 2020; 17 of them are our own and 6 are owned by towns and other municipalities.



In 2020, BVS administered and operated a total of **19 public water mains in 118 municipalities, 60 water sources, 132 water reservoirs, 109 water pumping stations and 6 groundwater filtration plants.**







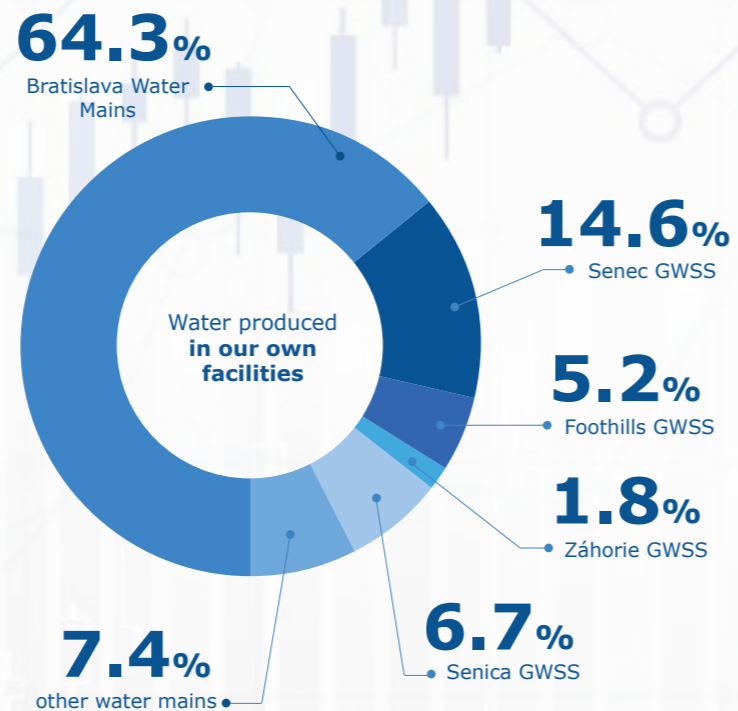
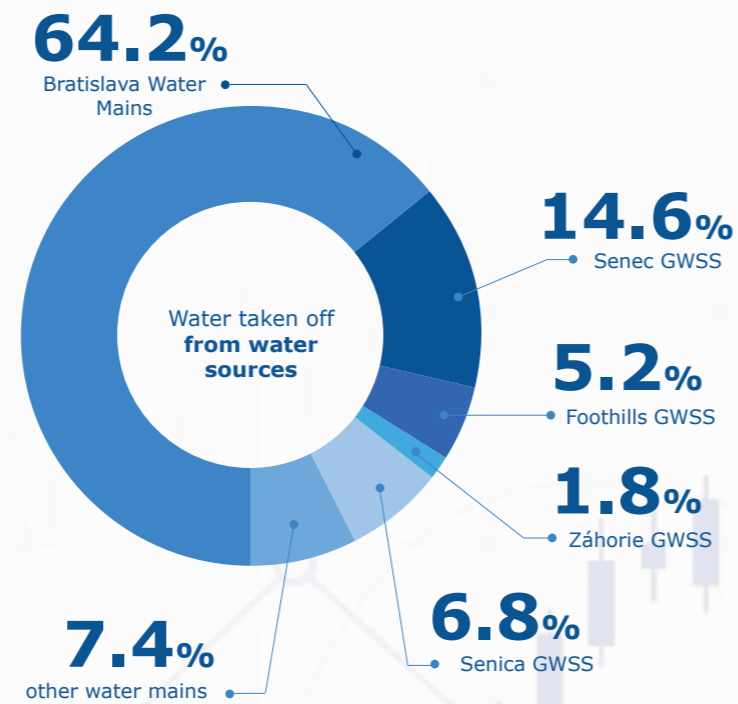
**As of 31st December 2020**  
a total of 96.5% of the inhabitants of towns and other municipalities were supplied from public water mains.







In 2020 , 61,212,000 m<sup>3</sup> of drinking water were generated and ready for use, which was 506 ths. m<sup>3</sup> less than in 2019.



In 2020, BVS achieved a profit of more than 2 million euros, and the year-on-year improvement was 6 million euros.







# MISSION, VISION, VALUES

## OUR MISSION

We are your reliable partner in supplying high-quality drinking water and its ecological renewal from the natural water cycle.

## OUR VISION

To deliver services to each consumer served by our company and to achieve the highest possible satisfaction of all our customers.

## OUR VALUES

Openness, decency (fairness), professionalism and responsibility.



# Strategic plan 2032

The year 2020 was also important for the long-term strategic anchoring of BVS goals. In 2020, BVS worked intensively on the preparation of Strategic Plan 2032, which is to anchor the company's strategic direction for the next 12 years.

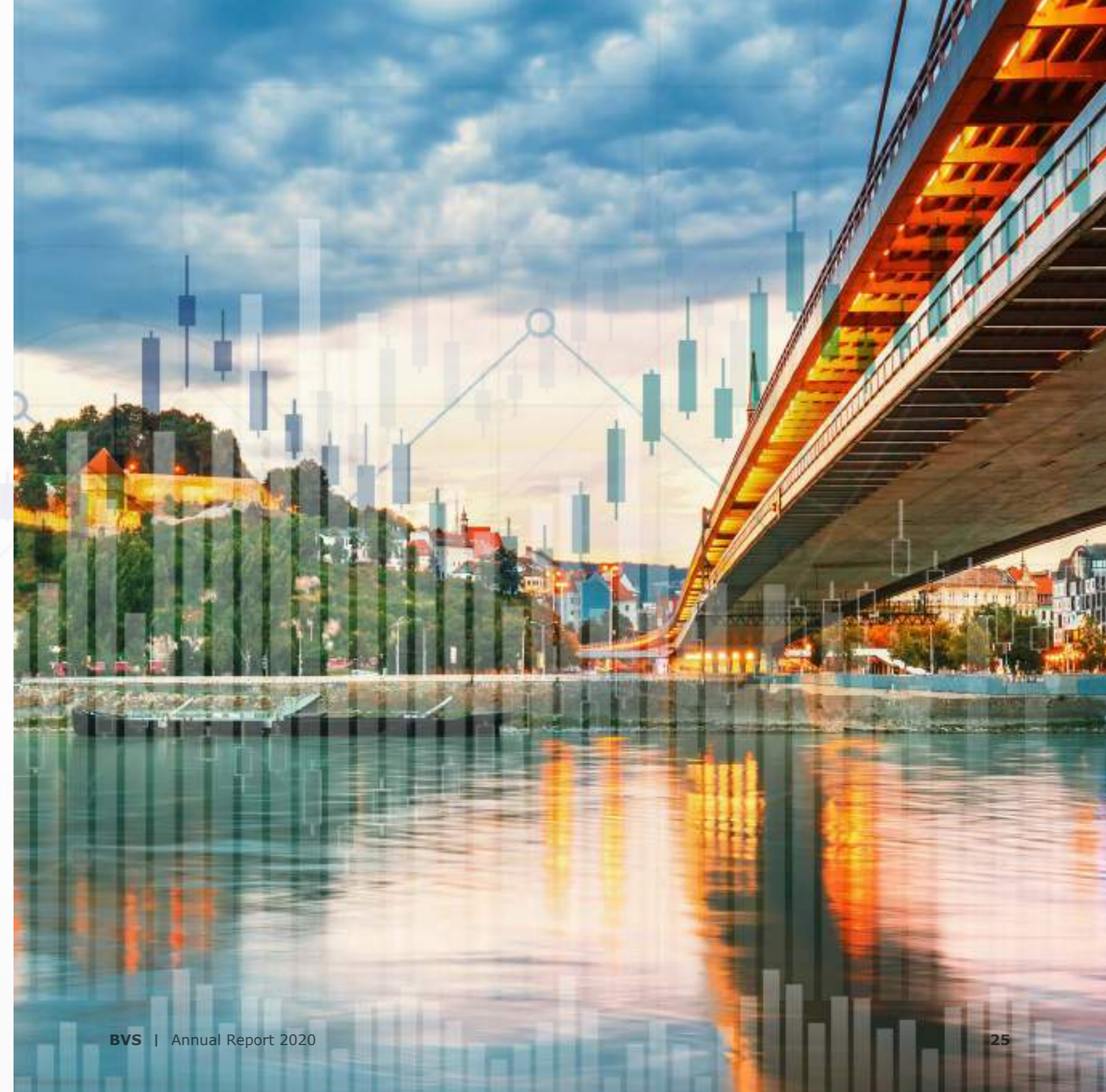


The plan focuses on identification of strengths and weaknesses of the current BVS position, defining the values and goals to which it should be directed, and also includes a set of measures that need to be taken in the coming years to achieve these goals.



The preparation of Strategic Plan 2032 was coordinated not only with the top management of BVS and its professional employees, but also with shareholders, and was supplemented by

experiences from surrounding countries.







# Covid-19

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In 2020, Bratislavská vodárenská spoločnosť adapted its social policy to the pandemic situation.



During the first wave of the pandemic, it reacted flexibly to the new situation and immediately prevented employees from meeting in the workplace, while maintaining the remuneration level.



It was one of the first companies to test employees for COVID-19.

Before the outbreak of the second wave of the pandemic, it introduced companywide work from home, so the company's operations remained fully operational. During the second wave of the pandemic, it was one of the few companies to introduce the „COVID salary+“ benefit programme. The programme was intended for employees who were forced to remain in quarantine. BVS also provided protective equipment for its employees and continued with its pre-set social programme.



# New water price

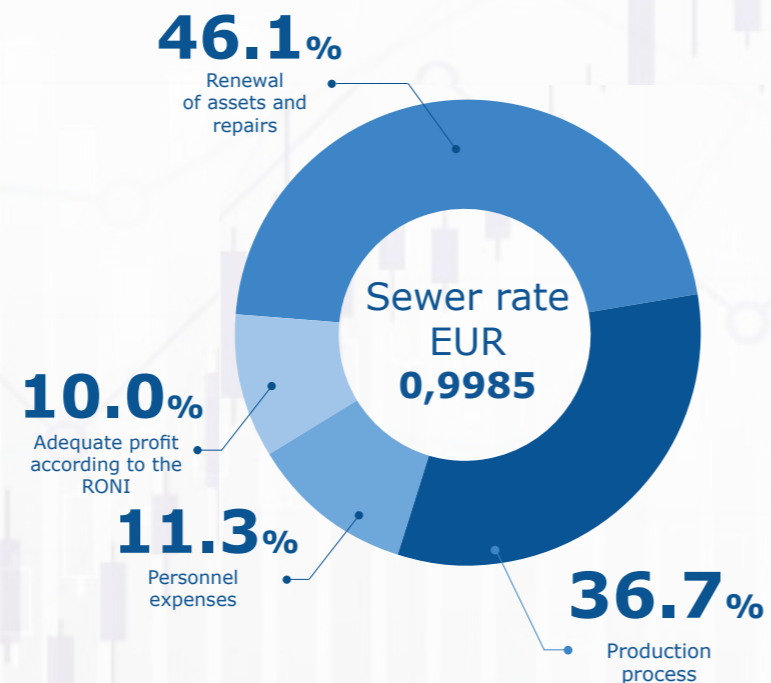
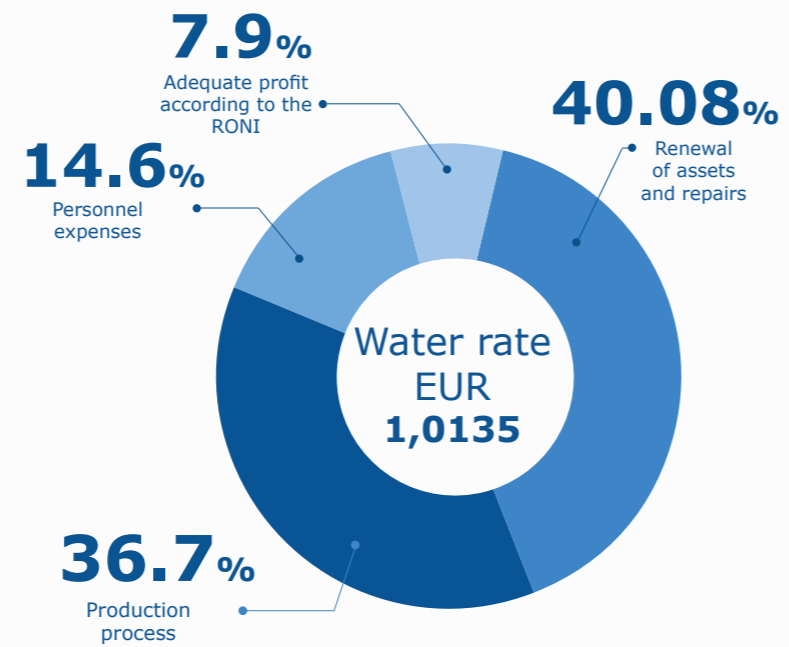
In 2020, Bratislavská vodárenská spoločnosť asked the Regulatory Office for Network Industries to adjust the water and sewer rates to their real values. Unlike in the rest of Slovakia, prices in this region have not changed for more than six years; they have not corresponded to real costs and did not allow for adequate renewal of water infrastructure.



BVS started to apply the new water and sewer rates from 14th August 2020, with the average increase in water prices for the model family of three approaching two euros per month.



BVS plans to use the resources so obtained to renew the water infrastructure in the region in which it operates.







# Wages

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In 2020, BVS, a.s., performed a detailed reassessment of employee remuneration. Individual jobs were compared against market wage data; wage surveys involving manufacturing companies in the Bratislava region were used.



Based on these data, wages were subsequently adjusted upwards according to market data, and BVS became one of the companies with fair and competitive remuneration.



Further adjustments to remuneration were agreed in negotiations on a new collective agreement.



# Customer service

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One of the goals of BVS in 2020 was to improve and streamline communication with customers. By automating processes through an online customer portal, BVS drew closer to its customers while simultaneously saving costs and the environment. The BVS customer portal was launched in the summer of 2020 before the start of deductions for the change in the price of water.



The reporting of deductions by BVS customers via the customer portal significantly relieved the call centre during this extremely difficult period.



During 2020, other functionalities were gradually integrated into the customer portal. BVS's long-term goal is to provide its customers with the opportunity to transfer virtually the complete portfolio of communication between the customer and BVS to the online world.





# Address of the Chief Production Office: 2020 – a year of getting ac- quainted and of decisions

The year 2020 was the first full year of the new BVS management. In hindsight, it may be called a year of getting acquainted and of decisions.

Technological functionality was based on the conscientious approach of professionally well-prepared employees. The purpose of the process of getting acquainted was to understand the existing management system, identify the healthy, effective parts, and name the problem areas in the management of the company. The existing separation of all services into a subsidiary turned out to be critical. The application of two hierarchical management structures, where each part took a

different commercial azimuth over a long period of time, was an obstacle to the application of measures to increase quality and efficiency. The decision to merge with the subsidiary was not easy, but in 2019 we made it based on internal analyses.

Not just for economic and legal reasons. The issue of managing the daily work of a large number of blue-collar professions was also critical. During the 10 years of independent existence of both companies, a generation of managers experienced in the management of blue-collar workers left with a generational change of managers in BVS. In the subsidiary Infra Services, a. s., too, the representation of middle management was very weak. As early as during 2020, division heads and heads of departments from BVS, a. s., were nominated for operational management in INS, a. s.

“Unfortunately, in 2020 we also got acquainted with the COVID-19 pandemic.”

Fortunately, we were able to eliminate the risk of the presence of viruses in drinking water relatively quickly. More serious was the topic of the presence of the virus and its derivatives in sewage water. How high the risk of infection was for sewage and WWTP workers who are in contact with wastewaters or their aerosols was not known. Therefore, in the first wave of the pandemic, we limited the maintenance of the sewer system network to indispensable interventions. We were looking for a solution that would minimize the risk of spreading the pandemic in the workplace and thus maintain the health of employees, while at the same time would create a system of several teams – substitutes, who are able to professionally keep the operation running in the long run during several waves of the pandemic. It is possible to say that we developed emergency plans with vari-

ous alternatives up to the situation of the „last man“. A strict confinement system was applied for the CTD with a team change after 4 days. The general application of work from home was a big change for all employees and its benefits can be perceived positively.

The social situation with COVID-19 also affected the behaviour of our customers. The amount of drinking water supplied to industry and businesses decreased, but water consumption increased slightly in households. This was reflected significantly on a territorial scale according to the group water supply system, where the amount of water ready for use increased in the Bratislava group water supply system (by 3.1%) and decreased in the Senica GWSS (by 8%), and increased in the Senec GWSS (by 6.4%) and in the Foothills GWSS (by 4.7%). This can be explained by migration of the population during the pandemic from the city to rural settlements. During 2020, the amount of water ready for use decreased to 61,212,000 m<sup>3</sup>, a drop of 372,000 m<sup>3</sup> compared with 2019 (0.6%). The decrease in the amount of water ready for use is a trend of the last five years. Thanks to the professional operation of waterworks technologies and the distribution network in 2020, we managed to reduce the volume of water for technological purposes by 2.4% and water losses in the distribution network by 1.4%. Thanks to a systematic balance assessment, diagnosis and, of course, correction of identified hidden faults, water losses in the distribution network in 2020 were 47.7% lower than in 2012. At the same time, the volume of water that was invoiced to the final customer increased by 1.02% year-on-year. From the operational point of view, this is positive.

From an operational point of view, in 2020 we operated 19 public water supply systems which were located in 118 municipalities. The length of the water supply network increased by 24 km to a total of 3,278 km. We supplied drinking water to 755,481 inhabitants. We operated 24 sewer systems in 45 municipalities with a total length of 1,792 km and 314 pumping stations for waste-

water drainage. We provided wastewater treatment at 23 WWTPs, 17 of which were our own and 6 were owned by towns and other municipalities. During 2020, the quality of discharged wastewater complied with the valid permits at all WWTPs. In individual pollution indicators, in 2020 we achieved the average cleaning effects: COD-Cr 95.5%, BOD5 98.15%, NL 95.15%, N-NH<sub>4</sub> + 98.47%, N<sub>total</sub> 82.89% and P<sub>total</sub> 87.73%. These high efficiencies of the cleaning process were achieved with a very efficient use of electricity.

“I believe that by mutual cooperation of all BVS employees, we will continue the trend of achieving positive values.”



**Ing. Miroslav Kollár, PhD.**  
Member of the Board of Directors and Chief  
Production Officer



# Address of the Chief Financial Officer: A turnaround year



**Ing. Emerich Šinka**  
člen predstavenstva a finančný riaditeľ

In terms of figures, the year 2020 was crucial in Bratislavská vodárenská spoločnosť. The most fundamental change that can be seen at first glance is the total financial result.

The year-on-year change of 6 million euros in aggregate figures and the year-end profit exceeding 3 million euros are the result of several factors. The two main ones are an increase in efficiency in expense items, which fully reflected the positive changes adopted by the new BVS management in 2019 and, of course, the ongoing changes during 2020. These are, above all, the more efficient purchases of goods and services, but also the streamlining of some internal processes.

The second big topic was the change in the price of water and sewage, which, together with the growing volume

“Water and sewer rates in BVS have not been updated to correspond to the company’s real expenses for a long time, which manifested itself in the underfunding of some of the company’s key activities.”

Although the process of changing water and sewer rates took longer than BVS originally estimated in its plans, the adjusting of the prices to their real values contributed significantly to improving the profit in 2020.

On the other hand, we had to deal with expenses that were not fully within the budget at the beginning of the year, be it the increased demands associated with the COVID-19 pandemic or the results of wage comparisons of individual jobs with competing infrastructure companies.

“This analysis revealed the need to operationally increase wages, especially in blue-collar positions, which was implemented during 2020.”

Although it was an expense item in terms of finance in 2020, in the long run it will be reflected in the company’s stability and labour productivity growth, which will also have a positive effect on finances as a result.



# Address of the Head of the Sales Department

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**Ing. Ladislav Kizak**

Member of the Board of Directors and Head  
of the Sales Department

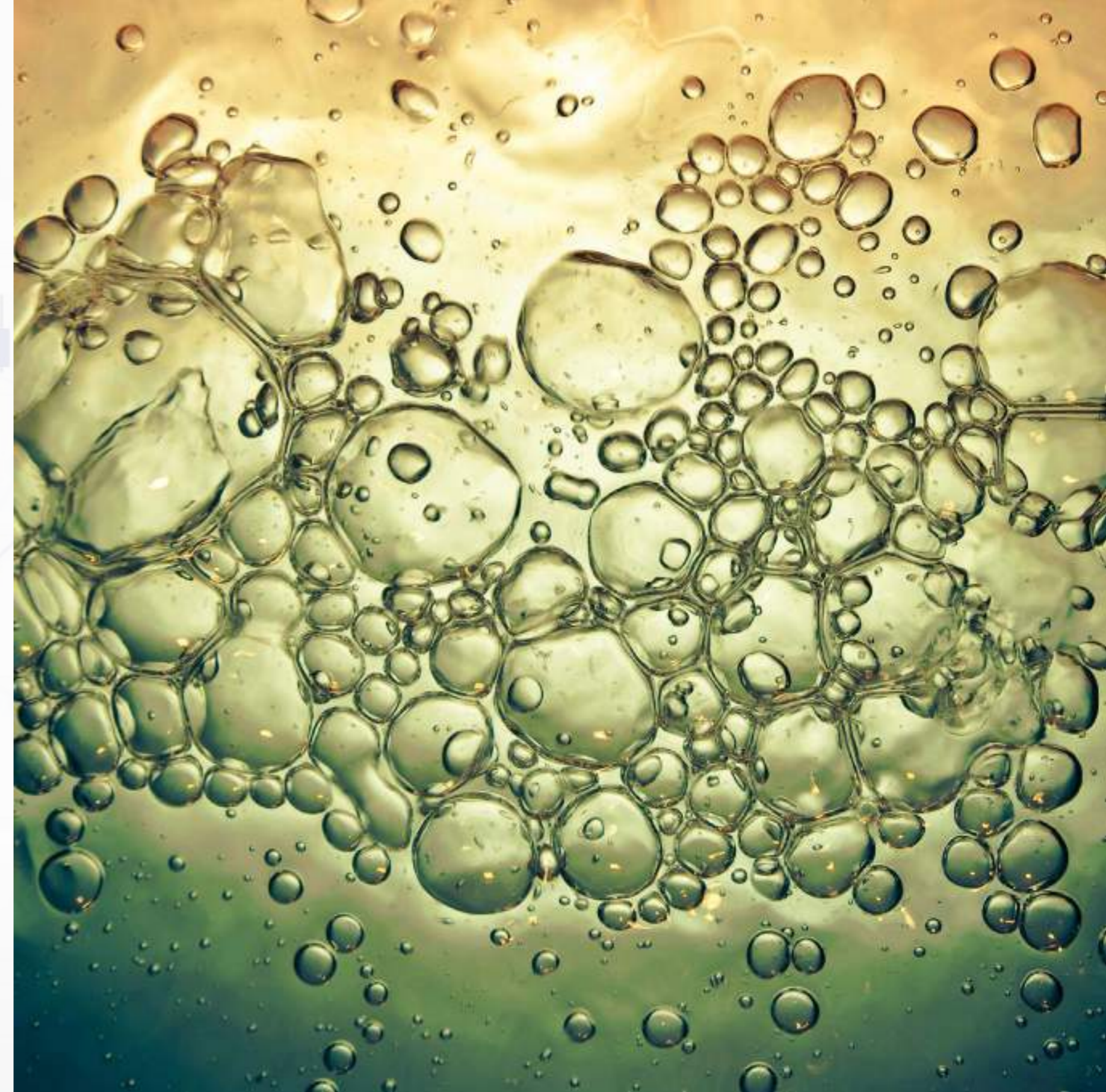
The year 2020 was the beginning of changes for the Sales Department, which were also caused by the extraordinary situation in the world – the COVID-19 pandemic – and which we would like to continue to develop. The price change after a few years was again a test for BVS, which we successfully passed. A big change was the launch of the Customer Portal, where after about 6 months we registered more than 30,000 registrations of off-take points.



We are at the beginning of the journey of providing services to customers online from the comfort of home.



We started testing electronic invoicing. We began with the implementation of automation of email sorting and system upgrades in the Call Centre. By gradually cleaning the customer database, we managed to reduce postage costs. The trade inspection launched several activities to detect illegal water connections, which resulted in additional revenue for company.





# Address of the Chief Investment Officer: Investment at a turning point

Bratislavská vodárenská spoločnosť suffers from a historical investment debt worth hundreds of millions of euros. This affects not only deferred development projects, but also the amount of investment needed to renew the infrastructure, which is already beyond its technical lifetime, and is above 270 million euros.

Such a substantial investment debt cannot be made up for in one or two years. The year 2020 was important in terms of investments in BVS in that the first steps were taken to start a systematic renewal of the water infrastructure. In addition to obtaining external resources as well

as new water prices, it was extremely important to intensify the cooperation between the finance and investment departments, so that construction and modernization plans were feasible and financially covered.

“ These changes will not be fully reflected until the following years, when BVS’s investment activity will intensify. ”

This applies not only to the area of regular infrastructure renewal, but postponed development projects will also start to be implemented. In 2020, we worked intensively on project documentation and tender documents. The subject-matter were mainly new water mains in municipalities that have been waiting for drinking water for many years and the modernization of the infrastructure itself.

A special chapter was the impact of the COVID-19 pandemic on capital construction. During the first and second waves of the pandemic, BVS adopted very strict restrictions on movement in its facilities. This resulted in the suspension or slowdown of several investment operations, which also had a significant impact on the real drawdown of investments. Likewise, the restrictions on movement at the borders caused a time lag in several construction operations.

“ Although it was a complication in terms of investment, due to preventive measures, BVS, as a critical infrastructure entity, had to proceed with the utmost caution and we had to accept these delays. ”

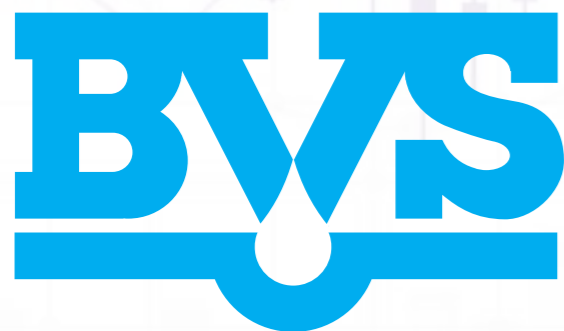
Nevertheless, in 2020 we managed to complete the refurbishment of sludge management at the wastewater treatment plant in Rohožník, the extension of the public water mains on Za humnami street in Bratislava’s Vajnory borough and the connection of water mains in Šenkvice.



**Ing. Marián Havel**  
Member of the Board of Directors and Chief  
Investment Officer



# Company profile



## Identification data:

**Business name:**  
**Bratislavská vodárenská spoločnosť, a.s.**  
**Registered office: Prešovská 48, 826 46 Bratislava**  
**IČO [organization ID No.]: 35 850 370**  
**IČ DPH [VAT Reg No]: SK2020263432**  
**DIČ [TIN]: 2020263432**  
**Date of registration: 7th January 2003**  
**Legal form: akciová spoločnosť ((public) company limited by shares)**

## Nature of the business:

- operation of category I to III public water mains,
- operation of category I to III public sewer systems,

- performance of physico-chemical, biological and microbiological analyses of surface, drinking and wastewater within the scope of an unqualified trade,
- doing business in non-hazardous waste management,
- engineering activities in the construction sector – procurement activities in the construction sector,
- generation and supply of electricity from renewable energy sources,
- construction of simple and minor structures and modifications thereof,
- brokerage in the field of services,
- lease (rental) of movables,
- distribution and sale of drinking water,
- performance of construction supervision activities – structural and civil engineering,
- implementation of buildings and modifications thereof,
- lease (rental) of real estate associated with the provision of other than basic services related to leases (rentals);
- operation of cultural, social and entertainment facilities,
- advertising and marketing services,
- performance of physico-chemical, biological and microbiological analyses of sludge and biogas and sampling of drinking and wastewater, sludge and biogas within the scope of an unqualified trade,
- research and development in the area of natural and technical sciences.

## Statutory bodies:

- Board of Directors (Management Board) (see current extract from the Business Register on its website)
- Supervisory Board (see the current extract from the Business Register on its website)

## Shareholders:

- Number of shareholders: 89
- Majority shareholder: Bratislava, the Capital

- of the Slovak Republic: 59.29%
- BVS – treasury shares: 8.43%
- Other municipalities and towns: 32.28%

## The face value, number, class, type and form of shares:

Share capital: **€ 281,365,934.89**  
Face value of one share: **€ 33.19**  
Number of shares: **8,477,431**  
Class of shares: **ordinary shares**  
Type of shares: **registered shares**  
Form of shares: **book-entry shares**

## Limited transferability of registered shares:

Pursuant to the Articles of Association, the transferability of shares is limited. The transfer of a company share is subject to approval by the company's Supervisory Board.

Subsidiary: BIONERGY, a. s. (100% ownership interest) – incorporation on 31st December 2009.

## Other legal facts:

Bratislavská vodárenská spoločnosť, a.s. [Bratislava Waterworks Company, Plc.] (hereinafter referred to as „BVS“), Prešovská 48, Bratislava, was founded in accordance with Privatization Decision No. 853 issued by the Ministry for the Administration and Privatization of National Property of the Slovak Republic dated 2nd October 2002, file No. KM - 1306/2002, by investing as capital contribution the entire assets of the dissolved state-owned enterprise Vodárne a kanalizácie Bratislava [Waterworks and Sewer Systems, Bratislava], with its registered office at Prešovská 48, Bratislava, and parts of the assets of the dissolved state-owned enterprise Zapadoslovenské vodárne a kanalizácie, štátny podnik [West Slovak Waterworks and Sewer Systems, state-owned enterprise], with its registered office at Trnavská 32, Bratislava: the Bratislava - vidiek [Bratislava - surrounding countryside] branch, the Senica branch, the Šamorín

long-distance water mains production and operation centre, a part of the company management building, in accordance with privatization project number 2276. BVS took over the assets and liabilities, rights and obligations (even unknown ones) of the dissolved state-owned enterprises, including the rights and obligations resulting from labour-law relations (except for rights under section 16 of Act No. 92/1991 Coll. [Collection of Laws]). On 15th July 2020, Bratislavská vodárenská spoločnosť bought 49% of the share of Infra Services, a. s., and became its sole shareholder.



# Company bodies

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## Board of Directors (Management Board)



**JUDr. Peter Olajoš**  
Chairman of the Board of Directors



**Ing. Emerich Šinka**  
Board of Directors member



**Ing. Miroslav Kollár, PhD.**  
Board of Directors member



**Ing. Ladislav Kizak**  
Board of Directors member



**Ing. Marián Havel**  
Board of Directors member



## Supervisory Board:



**JUDr. Ing. Martin Kuruc**  
Chairman



**Ing. Vladimír Antonín**  
member



**Ing. Roman Lamoš**  
member



**Ing. Jozef Krúpa**  
member



**Jozef Kolla**  
member



**Ing. Alena Trančíková**  
member



**Ing. Jakub Mrva**  
member



**Mgr. Ing. Michal Radosa**  
member



**Mgr. Peter Littera**  
member



**Mgr. Martin Vlačiky, PhD.**  
member



**Mgr. Veronika Buc, PhD. (Hanzalíková)**  
member



**Mgr. Ing. Peter Cmorej**  
member



# Company management

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**JUDr. Peter Olajoš**  
Chairman of the Board of Directors  
and Chief Executive Officer



**Ing. Emerich Šinka**  
Board of Directors member  
and Chief Financial Officer



**Ing. Miroslav Kollár, PhD.**  
Board of Directors member  
and Chief Production Officer



**Ing. Ladislav Kizak**  
Board of Directors member  
and Head of the Sales Department



**Ing. Marián Havel**  
Board of Directors member  
and Chief Investment Officer



# Core business

The core business of BVS is the production and distribution of drinking water and the drainage and treatment of wastewater. It provides these activities through four divisions. The fifth division is the Chemical Technology and Laboratory Activities Division, which monitors the quality of both drinking water and wastewater at all stages of the production processes.

BVS Divisions:

- **Water Production Division**
- **Water Distribution Division**
- **Wastewater Drainage Division**
- **Wastewater Treatment Division**
- **Chemical Technology and Laboratory Activities Division**

To support our core business, we also provide related ancillary services.

Services related to drinking water:

- **supply of good quality drinking water,**
- **approval of public water mains, technical surveillance thereof,**
- **demarcation of water mains networks, finding water network outages and leaks,**
- **assembly/dismantling of water meters and water network connections,**
- **the leasing of hydrant standpipes,**
- **works on water mains networks (repairs of water mains connections, replacement of water network nodes, replacements, repairs and maintenance of water mains pipes etc.).**

Wastewater-related services:

- **drainage of wastewater through sewer systems and treatment of wastewater,**
- **demarcation of sewer networks, technical surveillance thereof,**
- **works on sewer networks (maintenance, repairs in case of breakdowns, etc.)**

Other services:

- **hydrological opinions,**
- **opinions on design documentation,**
- **administrative activities (copying and correcting invoices, amending customer contracts, etc.).**

Laboratory services:

- **sensory testing,**
- **physical and chemical analyses,**
- **inorganic trace analysis,**
- **organic trace analysis,**
- **microbiological analyses,**
- **hydrobiological analyses.**





# Production and distribution of drinking water

In 2020 BVS administered and operated a total of 19 public water mains in 118 municipalities, 60 water sources with a total capacity of 6,068 l/s, 132 water reservoirs with a total volume of 398,000 m<sup>3</sup>, 109 water pumping stations with a total capacity of 11,990 l/s and 6 groundwater filtration plants with a total capacity of 268 l/s. More than 755 ths. people were supplied with drinking water through public water mains in a water distribution network 3,278 km in length.

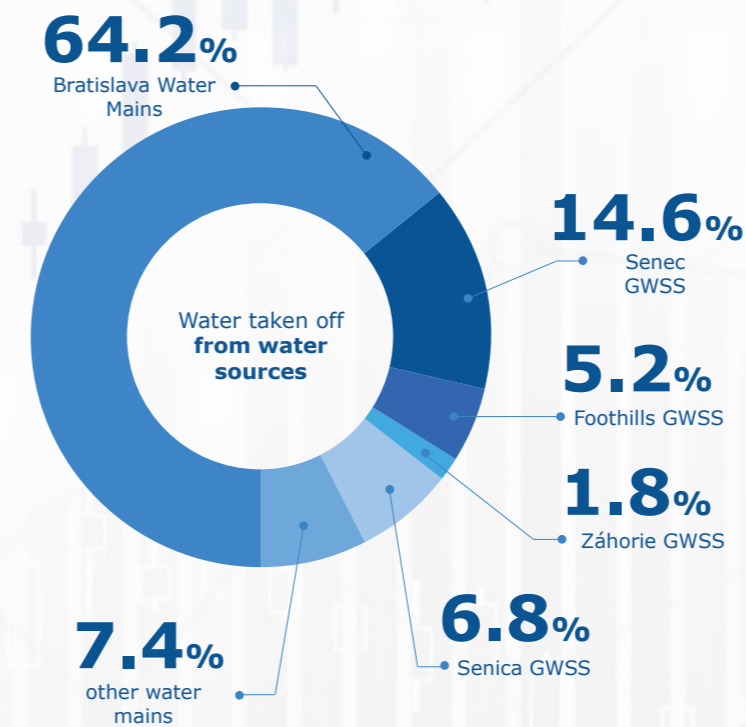
On 31st December 2020, a total of 96.5% of the population in towns and other municipalities in which BVS operates public water mains received water from public water mains.

In 2020, 61,212,000 m<sup>3</sup> of drinking water were generated and ready for use, which was 506 ths. m<sup>3</sup> less than in 2019.

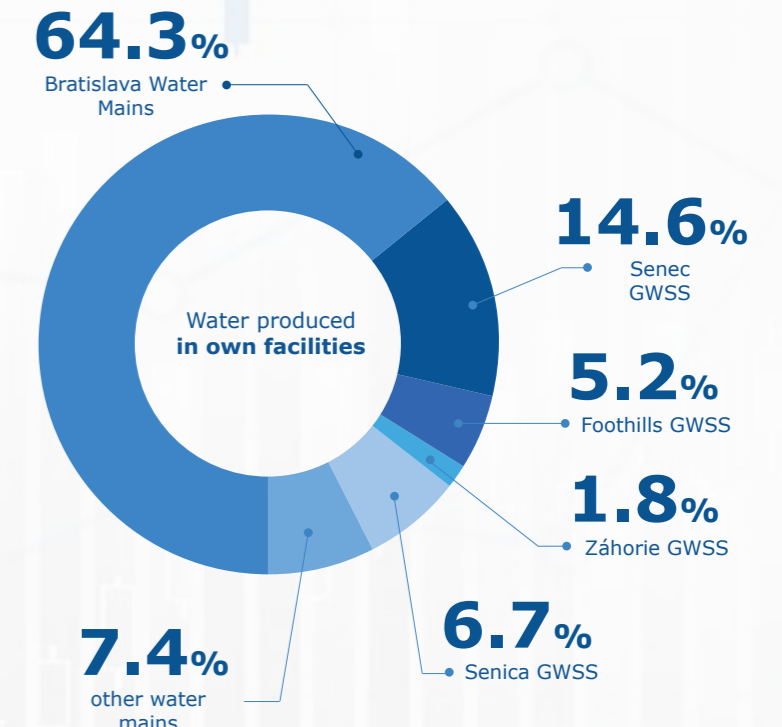
The balance indicators for individual territories are as follows:

		BVS	Bratislava Water Mains	Senec Group Water Supply System (GWSS)	Foothills GWSS	Záhorie GWSS	Senica GWSS	other water mains
<b>Water sources in use</b>	number	60	6	2	7	8	11	26
<b>Water taken off from water sources</b>	ths. m <sup>3</sup>	62,281	39,994	9,080	3,213	1,137	4,249	4,608
<b>Water produced in own facilities</b>	ths. m <sup>3</sup>	62,208	39,994	9,080	3,213	1,137	4,190	4,595
<b>Number of residents connected to the WM</b>	number	755,481	445,528	69,672	62,963	36,980	65,968	74,370

Water taken off from water sources:



Water produced in own facilities:

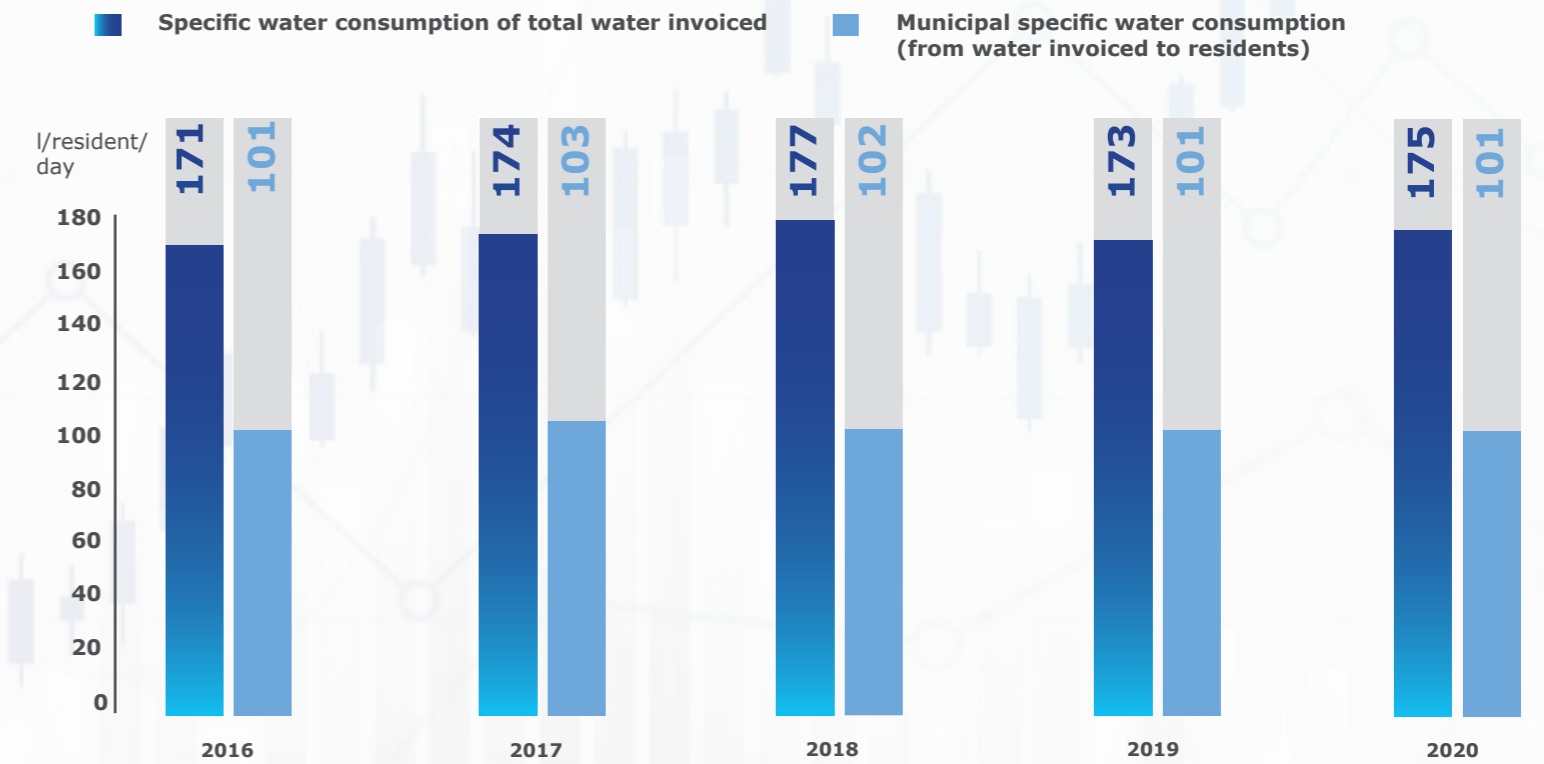
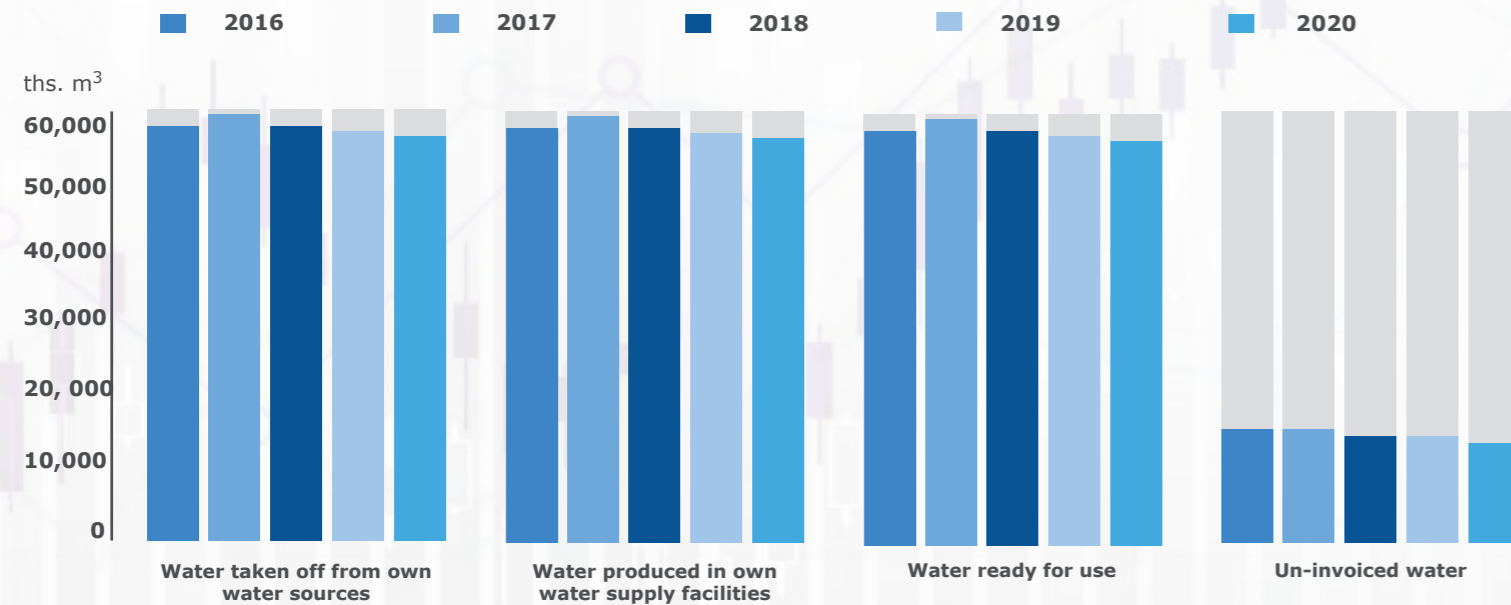




## Basic data on the water mains

Indicator	2016	2017	2018	2019	2020
1 Total number of public water mains	19	19	19	19	19
2 Number of municipalities with public water mains	117	117	117	118	118
3 Length of the water mains network (km)	3,163	3,213	3,233	3,254	3,278
4 Number of residents supplied with drinking water	721,610	730,170	738,746	747,467	755,481
5 Total number of water sources	60	60	60	60	60
6 Number of water improvement stations	8	8	8	8	8
7 Number of water reservoirs	130	130	130	131	132
8 Volume of the reservoirs (m <sup>3</sup> )	397,688	397,398	397,398	397,448	398,398
9 Number of pumping stations	112	107	107	107	109
10 Capacity of the pumping stations (l/s)	12,023	11,795	11,795	11,714	11,990

Drinking water production and distribution (ths. m <sup>3</sup> )	2016	2017	2018	2019	2020
1 Water taken off from own water sources	62,603	64,214	62,893	62,655	62,281
2 Water produced in own water supply facilities	62,525	64,140	62,812	62,586	62,208
3 Water ready for use	61,859	63,388	61,986	61,719	61,212
4 Un-invoiced water	17,434	17,683	15,187	15,525	14,047





## Water losses

**Water losses totalled 21.1% in 2020.**

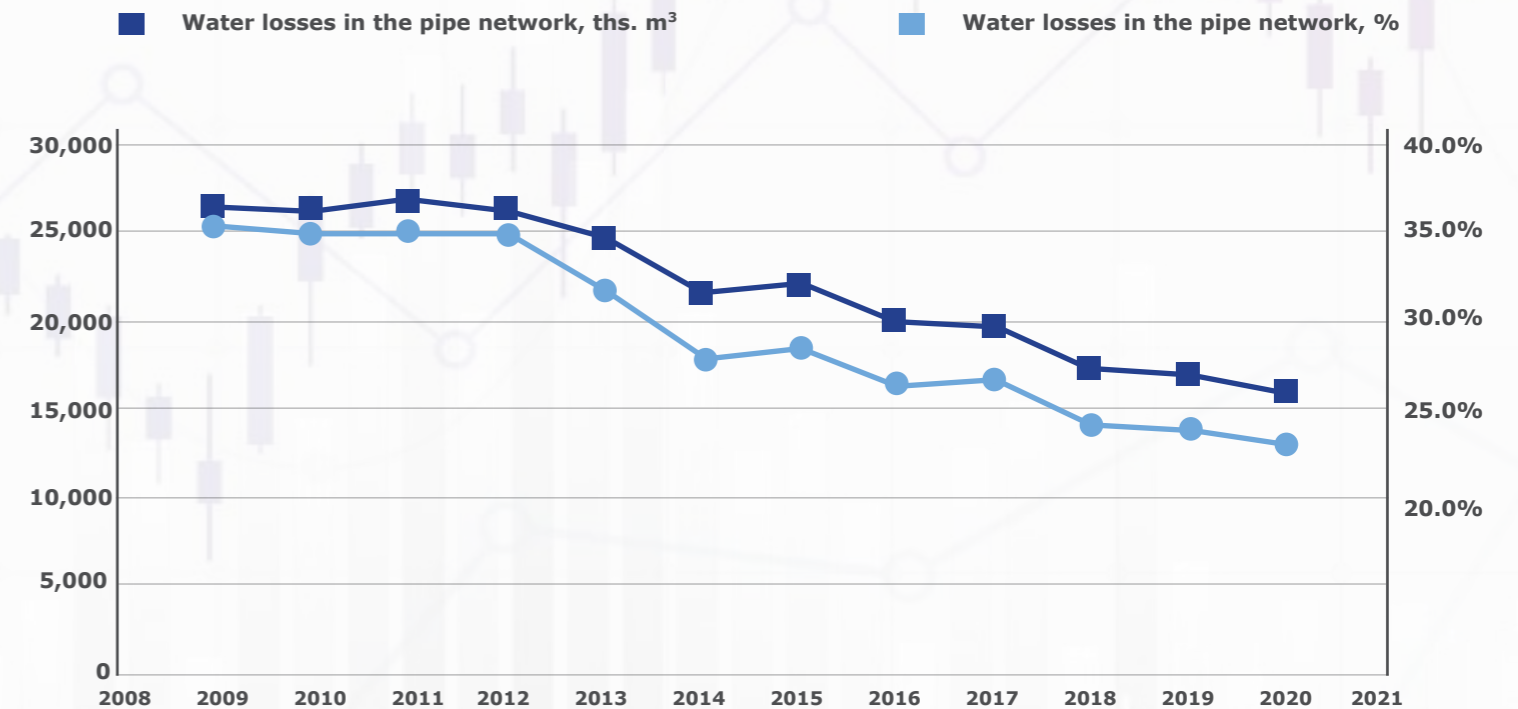
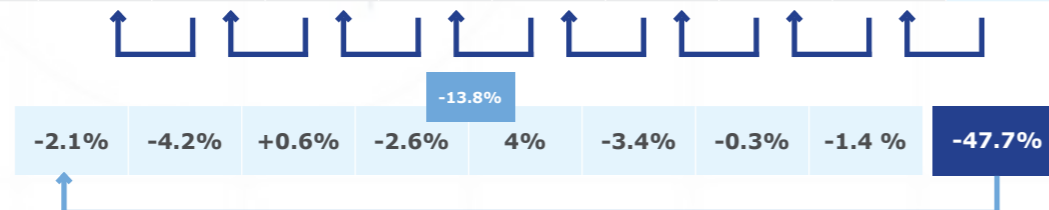
Indicator	Unit of measurement	2020	
Water losses	ths. m <sup>3</sup>	12,926	21.1%
Un-invoiced water	ths. m <sup>3</sup>	14,047	22.9%
Water invoiced to direct customers	ths. m <sup>3</sup>	47,165	
Water produced and ready for use	ths. m <sup>3</sup>	61,212	

The year-on-year changes of water losses have a declining trend. The water losses decreased considerably in 2020 compared with previous periods (2012 to 2017). Compared with 2012, the reduction in water losses volume is 11.8 million m<sup>3</sup>, which is reduction in water loss volume of 47.7%.

The reduction of water losses is mainly due to a systematic balance assessment of hydraulic areas (division of the network into measuring districts, installation of measurements), the actual diagnostics of critical areas (management of diagnostic groups and localization of faults) and, of course, due to correction of identified hidden faults.

**The year-on-year changes are as follows:**

Indicator	Unit of measurement	2012	2013	2014	2015	2016	2017	2018	2019	2020
Water produced and ready for use	ths. m <sup>3</sup>	70,864	65,909	62,631	63,278	61,859	63,388	61,986	61,719	61,212
Invoiced water	ths. m <sup>3</sup>	44,653	42,963	43,429	43,602	44,425	45,705	46,799	46,194	47,165
Un-invoiced water	ths. m <sup>3</sup>	26,211	22,945	19,202	19,676	17,434	17,683	15,187	15,525	14,047
	%	37.0%	34.8%	30.7%	31.1%	28.2%	27.9%	24.5%	25.2%	22.9%
Water losses in the pipe network	ths. m <sup>3</sup>	24,730	21,614	17,929	18,501	16,453	16,627	14,140	13,863	12,926
	%	34.9%	32.8%	28.6%	29.2%	26.6%	26.2%	22.8%	22.5%	21.1%





# Wastewater drainage and treatment

In 2020, the Wastewater Drainage Division (WWDD) operated a total of 23 WWTP, 17 of which were our own and 6 of which were owned by towns and other municipalities.

The main activity of the WWTD in wastewater treatment focused on maintaining and, where applicable, improving the quality of discharged wastewater at individual WWTPs compared with the previous year, adhering to the quality of the discharged wastewater according to water-law permits, and reducing the fees for discharged pollution.

	Bratislava	Bratislava - vidiek	Senica	Total
Number of public sewer systems	3	5	16	24
Number of municipalities with a public sewer system	3	17	25	45
Length of the sewerage network (km)	971	415	406	1,792
Pumping stations	75	180	59	314
Wastewater quality contracts	250	28	29	307

Our main activity was also focused on the thorough processing of waste (sludge) arising during the wastewater treatment process, with utilization of their energy potential while maintaining the lowest possible operating costs, and its subsequent recovery, as well as on ensuring the disposal of other waste arising from wastewater treatment (raked waste, sand).

The results of monitoring the quality of discharged wastewater for 2020 showed compliance with the quality of discharged wastewater at individual WWTPs according to valid permits for wastewater discharge.

We will pay advance fees for discharged pollution for 2020 for the Vraakuňa WWTP, the Senec WWTP, the Plavecký Štvrtok WWTP, and the Skalica WWTP. No inspection was carried out by the state water administration authorities. The Slovak Environmental Inspection

performed an inspection of the Vraakuňa WWTP. The result of the inspection was unknown as of 31st December 2020.

Wastewater discharge permits were reassessed for the Malacky WWTP.

The Rohožník WWTP was put into permanent operation in 2020. Coarse pre-treatment was refurbished at the Skalica WWTP.

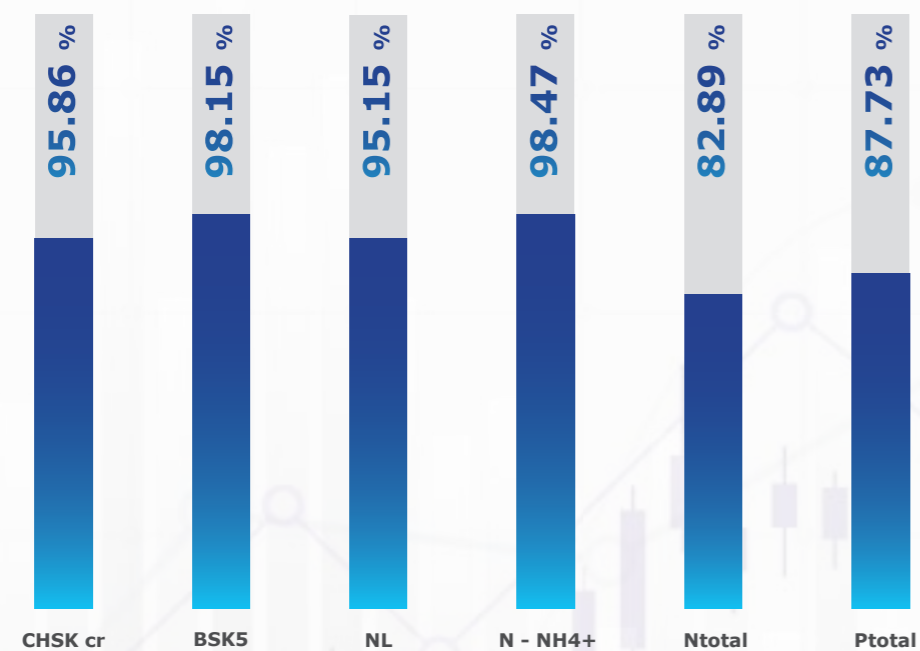
The following was delivered and implemented in 2020 as part of machines and equipment not included in the budget: coarse rakes for the Senec WWTP, dry reserves for pumps, a centrifuge at the Rohožník WWTP, a coagulant tank and a gravel grab at the Devínska Nová Ves WWTP. In addition, necessary repairs of technical and technological equipment were carried out at individual WWTPs.

## Quantity of treated wastewater at the WWTP in 2020 (m<sup>3</sup>.year<sup>-1</sup>)

Quantity of treated wastewater					64,193,412
Vraakuňa	37,581,441	Rohožník	155,497	Šaštín	216,989
Petržalka	8,712,627	Pl. Štvrtok	754,004	Gbely	380,155
Devínska	2,629,911	Myjava	1,476,794	Prievaly	32,809
Modra	1,649,504	Brezová	656,078	Jablonica	106,040
Častá	187,445	Senica	2,198,396	Š. Humence	109,509
Senec	1,511,199	Smrdáky	109,351	Kopčany	95,859
Hamuliakovo	1,264,169	Holíč	1,221,550	Pl. Peter	13,701
Malacky	2,017,471	Skalica	1,112,913		



Average cleaning effects broken down by individual pollution indicators for 2020 (%)



The quality of wastewater discharged from WWTPs – average values of pollution indicators in 2020 (mg.l<sup>-1</sup>)

WWTP	indicator	CHSKCr	BSK5	NL	N-NH4+	Ntotal	Ptotal
	<b>Vrakuňa</b>	permit	50	10	20	5	10
	achieved	11	3.01	10	0.64	6.52	0.5
<b>Petržalka</b>	indicator	CHSKCr	BSK5	NL	N-NH4+	Ntotal	Ptotal
	permit	50	10	20	5	10	1
	achieved	15.1	3.16	10.8	0.9	7.86	0.61
<b>Devínska</b>	indicator	CHSKCr	BSK5	NL	N-NH4+	Ntotal	Ptotal
	permit	50	10	15	3	14	1.5
	achieved	16.3	3.79	10	0.28	9.46	0.67
<b>Modra</b>	indicator	CHSKCr	BSK5	NL	N-NH4+	Ntotal	Ptotal
	permit	45	10	20	4	14	1
	achieved	12.6	3	10.1	0.2	7	0.26
<b>Častá</b>	indicator	CHSKCr	BSK5	NL	N-NH4+	Ntotal	Ptotal
	permit	50	10	20	2	-	-
	achieved	12.25	3	10	0.57	-	-
<b>Senec</b>	indicator	CHSKCr	BSK5	NL	N-NH4+	Ntotal	Ptotal
	permit	70	20	20	15	15	2
	achieved	20.1	3.15	10	0.5	10.8	0.81
<b>Hamuliakovo</b>	indicator	CHSKCr	BSK5	NL	N-NH4+	Ntotal	Ptotal
	permit	70	15	20	10	15	2
	achieved	17.3	3	10.3	0.6	9.8	1.04
<b>Malacky</b>	indicator	CHSKCr	BSK5	NL	N-NH4+	Ntotal	Ptotal
	permit	35	7	20	0.5	15	1
	achieved	13.3	3	10.3	0.26	11.6	0.38
<b>Rohožník</b>	indicator	CHSKCr	BSK5	NL	N-NH4+	Ntotal	Ptotal
	permit	40	10	15	2	-	-
	achieved	20.1	3.04	10.4	0.3	-	-
<b>Plavecký Štvrtok</b>	indicator	CHSKCr	BSK5	NL	N-NH4+	Ntotal	Ptotal
	permit	47	10	25	-	-	-
	achieved	18.67	4.99	10.92	-	-	-



Myjava	indicator	CHSKCr	BSK5	NL	N-NH4+	Ntotal	Ptotal
	permit	60	15	15	3	15	1
	achieved	13.5	3.08	10.4	0.59	11.07	0.36
Brezová	indicator	CHSKCr	BSK5	NL	N-NH4+	Ntotal	Ptotal
	permit	40	8	20	1.5	-	-
	achieved	11.1	3.03	10	0.4	-	-
Senica	indicator	CHSKCr	BSK5	NL	N-NH4+	Ntotal	Ptotal
	permit	50	10	10	3	15	1
	achieved	15.2	3.07	10	0.9	8.1	0.42
Smrdáky	indicator	CHSKCr	BSK5	NL	N-NH4+	Ntotal	Ptotal
	permit	40	15	25	-	-	-
	achieved	17.2	3.03	10.67	-	-	-
Holíč	indicator	CHSKCr	BSK5	NL	N-NH4+	Ntotal	Ptotal
	permit	50	10	10	5	15	1
	achieved	15.4	3.02	10	0.1	9.6	0.74
Skalica	indicator	CHSKCr	BSK5	NL	N-NH4+	Ntotal	Ptotal
	permit	50	10	10	5	15	1
	achieved	15.4	3.02	10	0.1	9.6	0.74
Gbely	indicator	CHSKCr	BSK5	NL	N-NH4+	Ntotal	Ptotal
	permit	40	10	20	2	-	-
	achieved	22.4	3.08	12.3	0.2	-	-
Šaštín-Stráže	indicator	CHSKCr	BSK5	NL	N-NH4+	Ntotal	Ptotal
	permit	60	10	10	5	15	2
	achieved	18.8	3	10	0.9	13.7	5.15
Prievaly	indicator	CHSKCr	BSK5	NL	N-NH4+	Ntotal	Ptotal
	permit	120	25	25	-	-	-
	achieved	50.17	8.51	14.2	-	-	-
Jablonica	indicator	CHSKCr	BSK5	NL	N-NH4+	Ntotal	Ptotal
	permit	70	30	30	-	-	-
	achieved	28.7	3.68	12	-	-	-
Šajd. Humence	indicator	CHSKCr	BSK5	NL	N-NH4+	Ntotal	Ptotal
	permit	135	30	30	-	-	-
	achieved	36	4.96	13.3	-	-	-

Kopčany	indicator	CHSKCr	BSK5	NL	N-NH4+	Ntotal	Ptotal
	permit	90	15	25	-	-	-
	achieved	52.8	6.6	17	-	-	-
Pl. Peter	indicator	CHSKCr	BSK5	NL	N-NH4+	Ntotal	Ptotal
	permit	100	30	30	-	-	-
	achieved	39.5	3.63	11.2	-	-	-

#### Reused sludge from WWTPs in 2020 (raw thickened sludge, stabilized dewatered sludge in tonnes of 100% dry matter.y<sup>-1</sup>)

	raw thickened sludge	dewatered stabilized sludge
Vrakuňa	12,215.25	-
Petržalka	2,206.65	-
Devínska	843.63	-
Modra + 1 malá ČOV	-	261.72
Senec	-	319.11
Hamuliakovo	-	279.59
Malacky + 2 malé ČOV	-	495.19
Myjava	-	147.60
Brezová	-	68.50
Senica + 6 malých ČOV	754.07	-
Holíč + 2 malé ČOV	-	339.38
Skalica	-	243.22
Šaštín-Stráže	-	35.20

#### Biogas production in WWTPs in 2020 (m<sup>3</sup>.y<sup>-1</sup>), biogas treatment (%)

	biogas production	biogas consumption		
		boiler combustion	cogeneration	residual gas burner
Hamuliakovo	60,406	100	-	-
Myjava	89,834	52.7	47.3	-
Holíč	68,255	0	100	-



# Laboratory activities

The Chemical Technology and Laboratory Activities Division, an accredited testing laboratory, carried out an operating check:

- 1. of the quality of drinking water in all public water mains facilities operated by our company from the water source to the final consumer,**
- 2. of the quality of wastewater, sewage sludge and biogas from public sewer system facilities, from process steps of wastewater treatment plants and from important wastewater producers.**

In addition to monitoring drinking water, wastewater, sewage sludge and biogas for our company's needs, the testing laboratory used its free capacity to perform water analyses ordered by external customers.

The testing laboratory performs laboratory tests of drinking water, wastewater, sewage sludge and biogas in the number of samples and within the scope of indicators required by valid legislation (Regulation of the Ministry of Health of the Slovak Republic No. 247/2018 Coll. [i.e. Collection of Laws of the Slovak Republic], Regulation of the Ministry of the Environment of the Slovak Republic No. 636/2004 Coll. for drinking water and Regulation of the Ministry of the Environment of the Slovak Republic No. 315/2004 Coll., Regulation of the Ministry of the Environment of the Slovak Republic No. 55/2004 Coll. for wastewater), the need to check the process steps at water improvement

stations or wastewater treatment plants, to the extent agreed on in contracts.

From 9th March to 13th March 2020, the laboratory successfully completed re-accreditation and extension of its accreditation. The re-accreditation was focused on meeting the requirements of the standard STN EN ISO/IEC 17025: 2018 and assessing the performance of accredited tests (witness assessment). The extension of accreditation was focused on checking the documentation and assessing the performance of newly accredited tests.

We have expanded our accreditation for drinking water to include the determination of:

- **zinc, using the ICP-MS method,**
- **dichlorobenzenes (1,2-dichlorobenzene, 1,4-dichlorobenzene) and chlorophenols (2,4-dichlorophenol, 2,4,6-chlorophenol), using the GC-MS method,**
- **haloacetic acids (chloroacetic acid, dichloroacetic acid, trichloroacetic acid, bromoacetic acid, dibromoacetic acid), using the LC-MS method,**
- **chlorates, using the IC method,**
- **cations (calcium, magnesium, sodium, potassium and ammonium ions), using the IC method.**

For wastewater, we have extended the accreditation to include the determination of:

- **forms of nitrogen (N-NH<sub>4</sub>, N-NO<sub>2</sub>, N-NO<sub>3</sub>) and phosphate phosphorus, using the CFA method.**

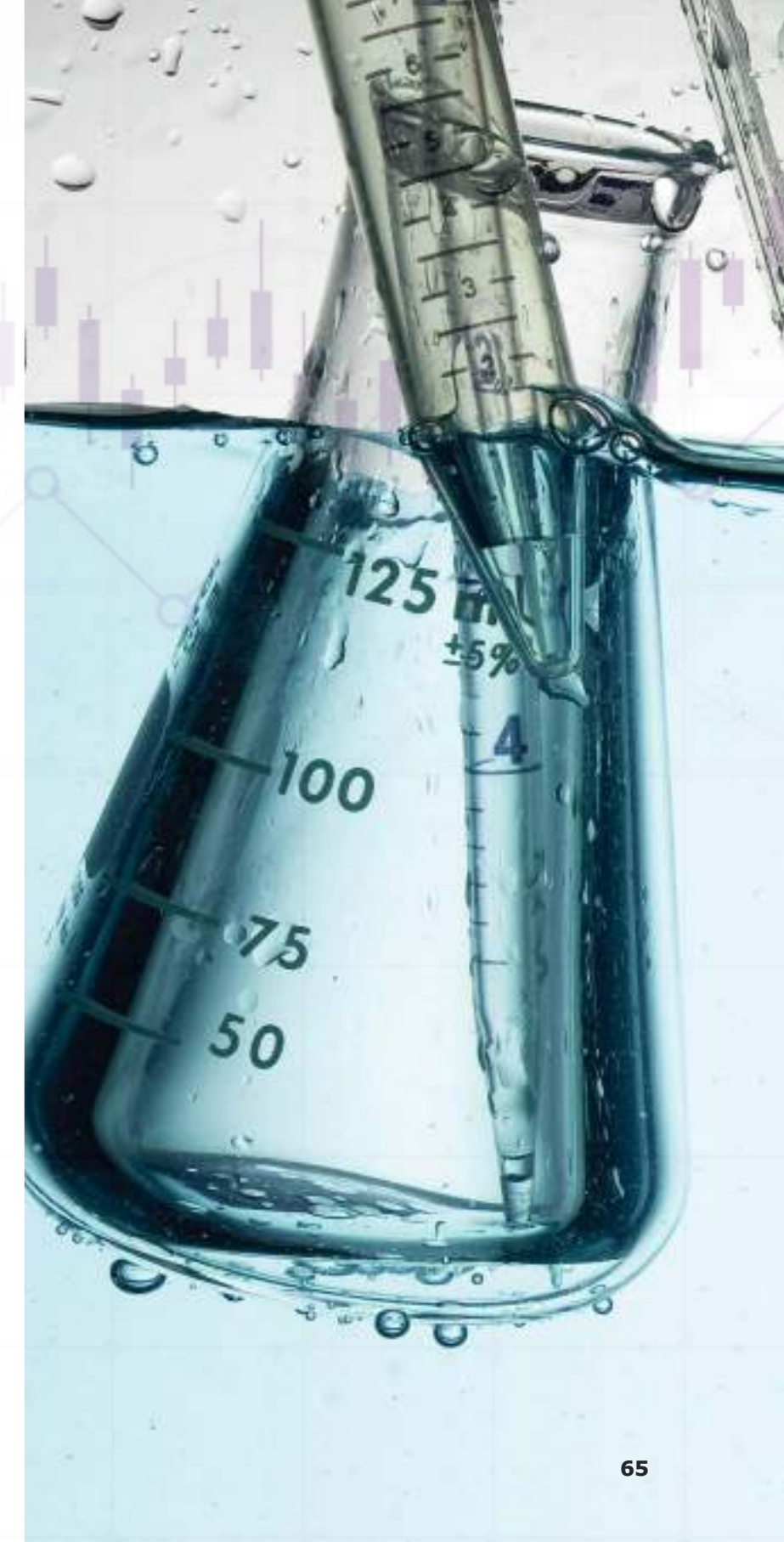
In water sludge, we have extended the accreditation to include the determination of the metals:

- **arsenic, ET-AAS method,**
- **chromium, cadmium, copper, nickel, lead, zinc, mercury, using the F-AAS method.**

The laboratory has a total of 143 accredited indi-

cators of the quality of drinking water or wastewater and sewage sludge.

Despite objective difficulties caused by the coronavirus, the laboratory staff managed to meet the planned scope of sampling and analyses of drinking and wastewater samples in 2020.



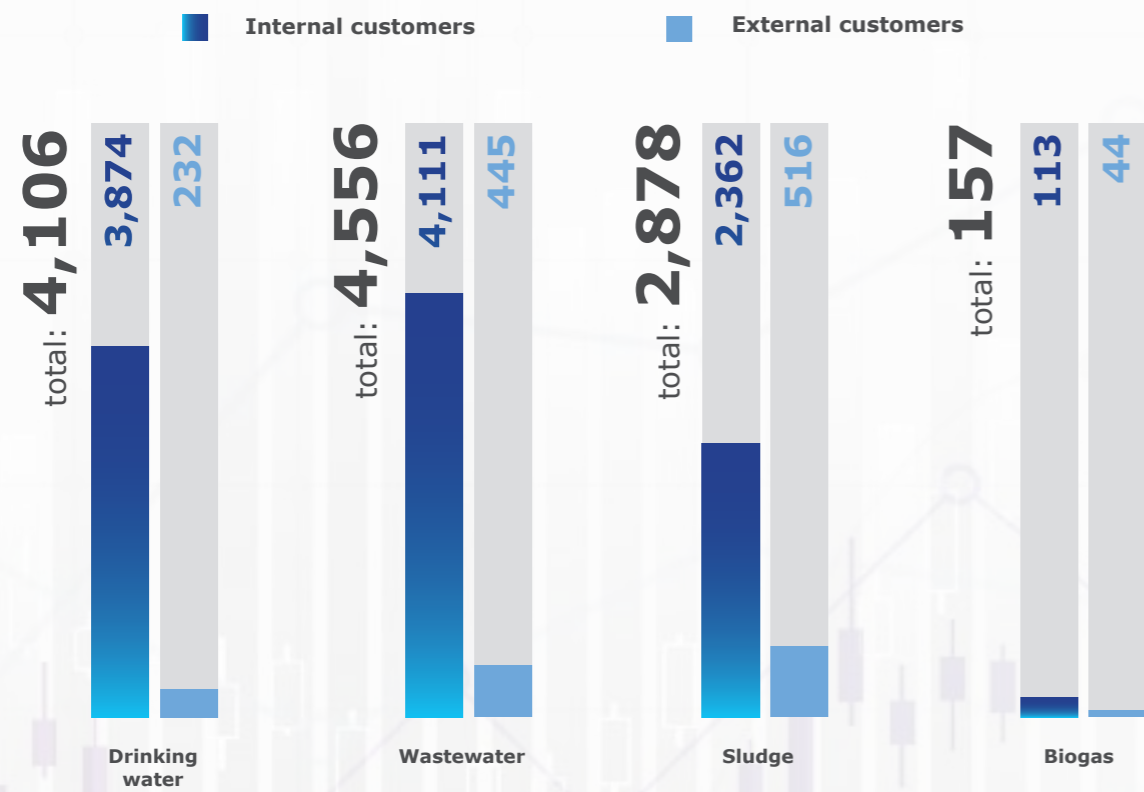


## Overview of the testing laboratory activities in 2020

**Number of samples** - the total number of analysed samples of drinking water, wastewater, sewage sludge and biogas.

Number of samples in 2020	Drinking water	Wastewater	Sludge	Biogas
Internal customers	3,874	4,111	2,362	113
External customers	232	445	516	44
<b>Total</b>	<b>4,106</b>	<b>4,556</b>	<b>2,878</b>	<b>157</b>

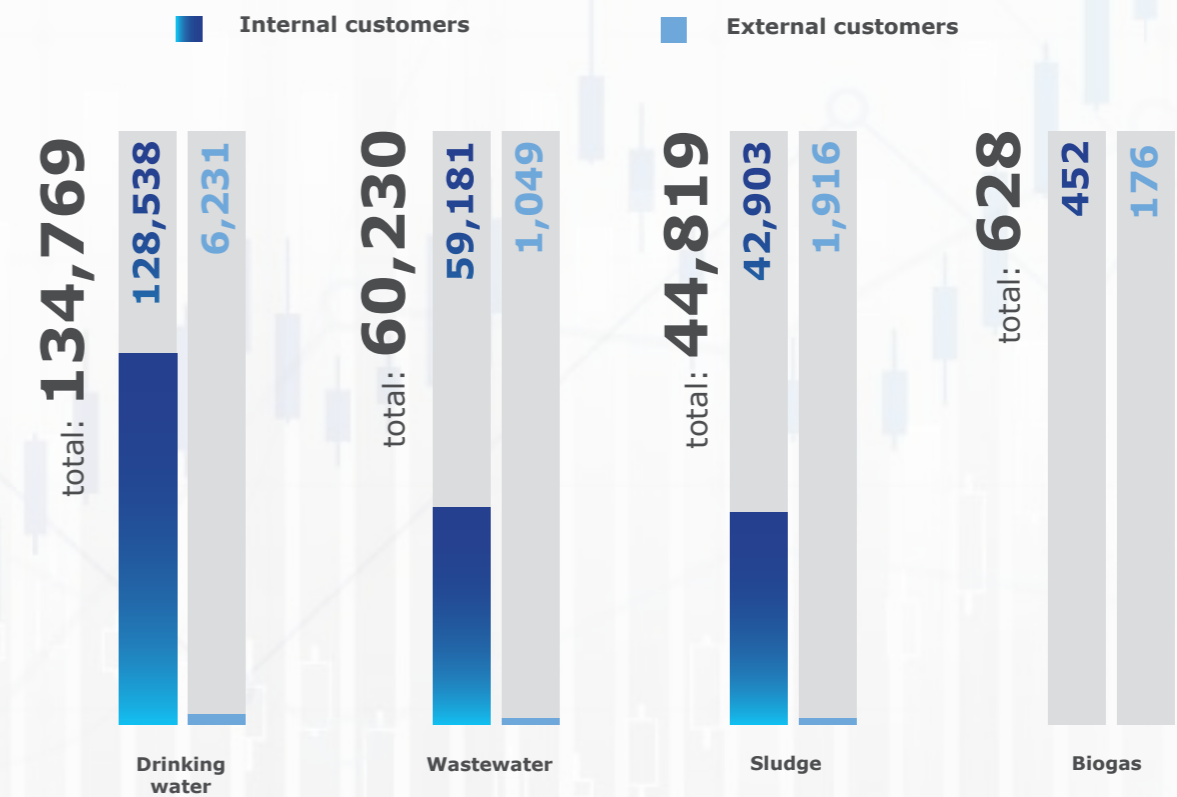
### Overview of the testing laboratory activities – number of samples – 2020



**Number of analyses** - the total number of performed analyses of individual indicators of the quality of drinking water, wastewater, sewage sludge and biogas, i.e. the total number of laboratory tests performed.

Number of analyses in 2019	Drinking water	Wastewater	Sludge	Biogas
Internal customers	128,538	59,181	42,903	452
External customers	6,231	1,049	1,916	176
<b>Total</b>	<b>134,769</b>	<b>60,230</b>	<b>44,819</b>	<b>628</b>

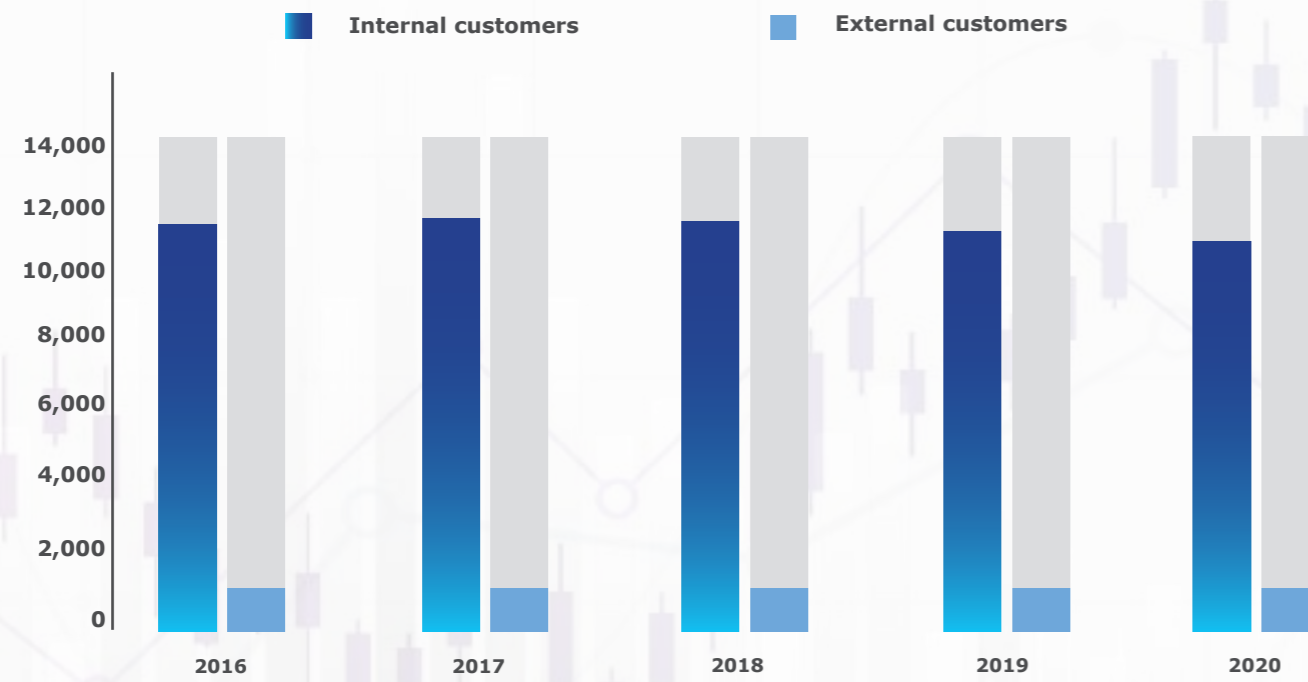
### Overview of the testing laboratory activities – number of analyses – 2020



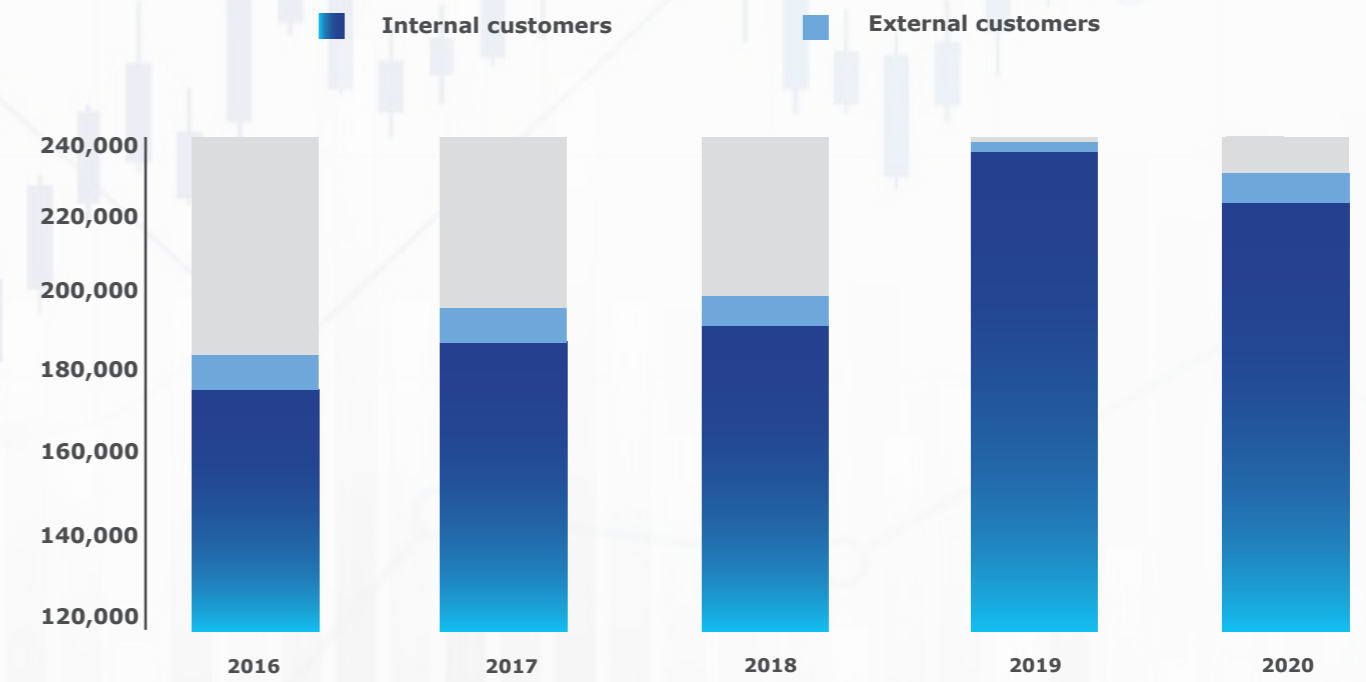


## Overview of the testing laboratory activities in the years 2016-2020

### Overview of the testing laboratory activities – number of samples



### Overview of the testing laboratory activities – number of analyses





# Subsidiary

## BIONERGY, a. s.

### SALES

**Net turnover** EUR 7,609,635

### Profit/loss

**Before tax** EUR 7,609,635

**After tax** EUR 1,919,476

### Nature of the business

**Same as in 2019, no change**

### Board of Directors (Management Board):

	from	to
<b>Branislav Tedla</b> - Chairman	<b>30th September 2019</b>	
<b>PhDr. Patricius Palla</b> - Vice-Chairman	<b>30th September 2019</b>	
<b>Ing. Dušan Myslivec</b> - member	<b>30th September 2019</b>	
<b>JUDr. Ing. Marek Zajíček</b> - member	<b>30th September 2019</b>	
<b>Ing. Milan Kresáč</b> - member	<b>30th September 2019</b>	
<b>Mgr. Matej Kotal</b> - member		<b>22nd August 2020</b>

### Supervisory Board:

	from
<b>Ing. Matej Vagač</b> - Chairman	<b>30th September 2019</b>
<b>Mgr. Rastislav Kunst</b> - member	<b>30th September 2019</b>
<b>Ing. Peter Strapák</b> - member	<b>30th September 2019</b>

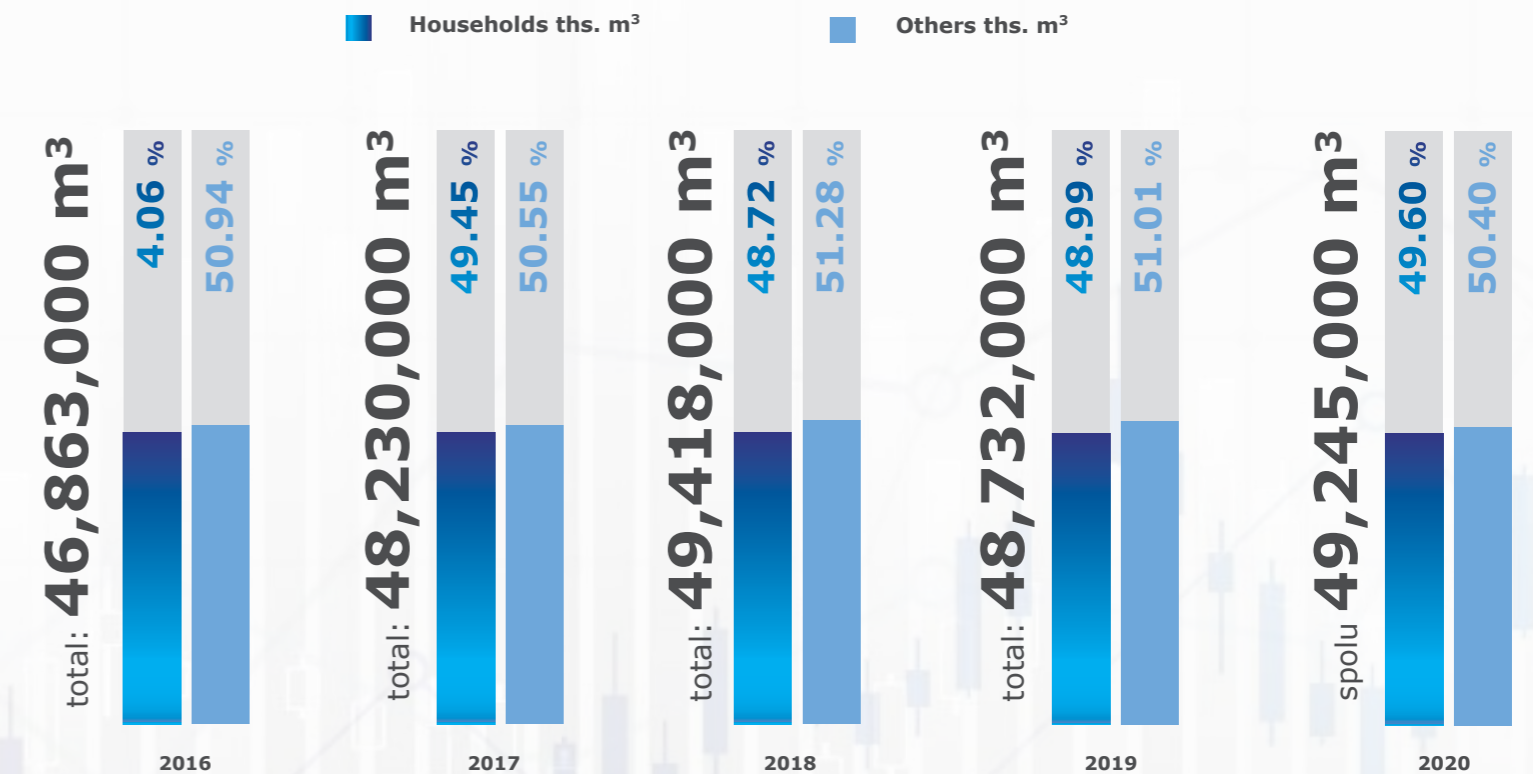


# Our customers



Within its regulated activities, Bratislavská vodárenská spoločnosť carries out the drainage of wastewater in two segments – households and other wastewater producers – in the following proportions:

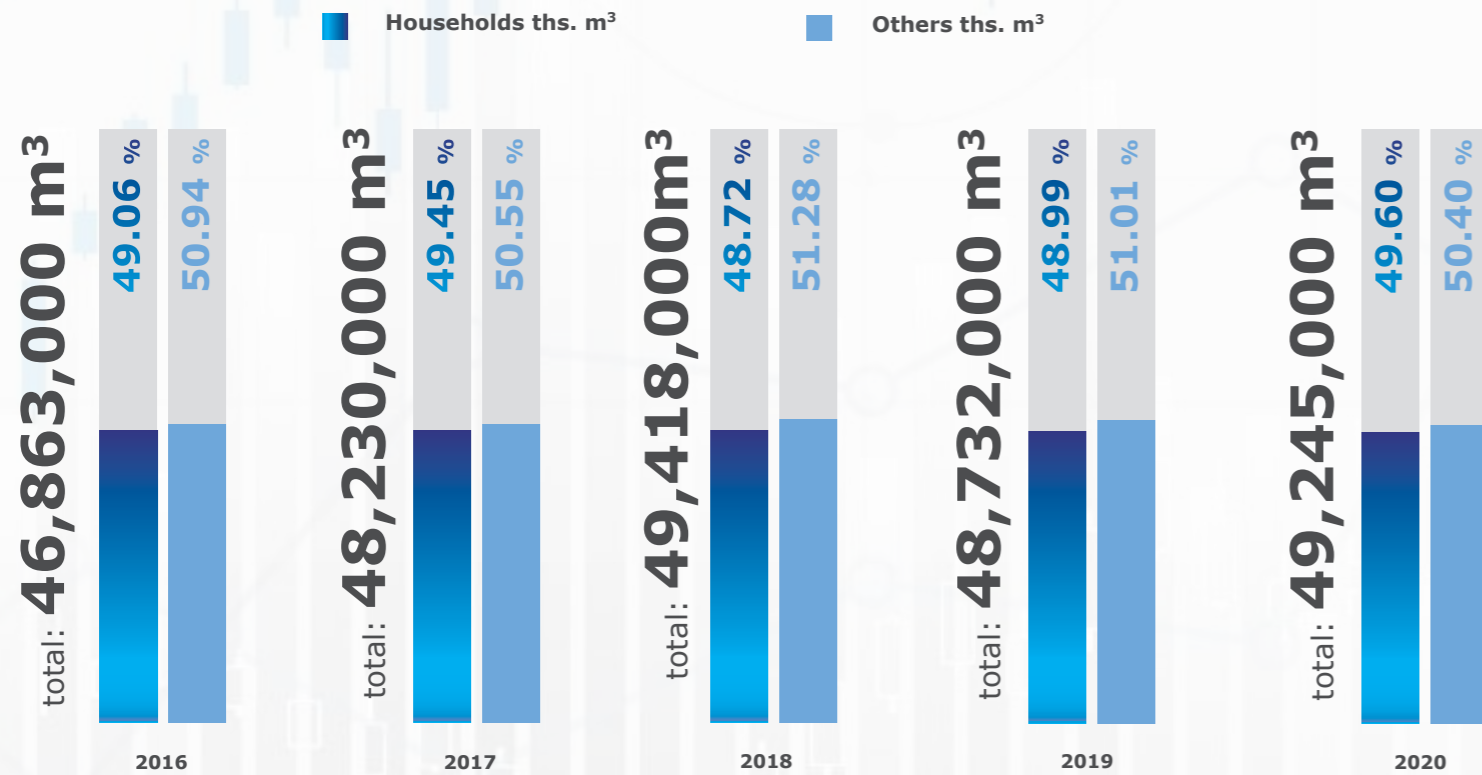
		2016	2017	2018	2019	2020
<b>Water drained ths. m<sup>3</sup></b>		46,863 ths. m <sup>3</sup>	48,230 ths. m <sup>3</sup>	49,418 ths. m <sup>3</sup>	48,732 ths. m <sup>3</sup>	49,245 ths. m <sup>3</sup>
<b>Households</b>	ths. m <sup>3</sup>	22,990	23,852	24,078	23,872	24,426
<b>Other</b>	ths. m <sup>3</sup>	23,873	24,378	25,340	24,861	24,820





Within its regulated activities, Bratislavská vodárenská spoločnosť carries out drainage of wastewater in two segments – households and other wastewater producers – in the following proportions:

		2016	2017	2018	2019	2020
<b>Water drained ths. m<sup>3</sup></b>		46,863 ths. m <sup>3</sup>	48,230 ths. m <sup>3</sup>	49,418 ths. m <sup>3</sup>	48,732 ths. m <sup>3</sup>	49,245 ths. m <sup>3</sup>
<b>Households</b>	ths. m <sup>3</sup>	22,990	23,852	24,078	23,872	24,426
<b>Other</b>	ths. m <sup>3</sup>	23,873	24,378	25,340	24,861	24,820



#### TOP CUSTOMERS

- Veolia Energia Slovensko, a. s.
- Bratislavská teplárenská, a. s.
- Bytové družstvo Petržalka [Petržalka Housing Cooperative]
- Bratislava, the Capital of the Slovak Republic Hlavné mesto SR Bratislava
- RAJO, a. s.
- SLOVNAFT, a. s.
- Stavebné bytové družstvo občanov so sídlom v Pezinku [Residential Building Cooperative of Citizens based in Pezinok]
- H-PROBYT, spol. s. r. o.
- Okresné stavebné bytové družstvo Senica [District Residential Building Cooperative in Senica]
- SPOKOJNÉ BÝVANIE, s. r. o.



# Price for the production, distribution and supply of drinking water and drainage and treatment of wastewater

Prices in the water industry and the conditions for their application are regulated by the Regulatory Office for Network Industries (hereinafter referred to as the "RONI") by Act No. 250/2012 Coll. [Collection of Laws of the Slovak Republic] on Regulation in Network Industries, as amended, and Regulation of the RONI No. 204/2018 Coll. of 27th June 2018 amending Regulation of the RONI No.

21/2017 Coll. of 13th February 2017 Laying Down the Price Regulation of the Production, Distribution and Supply of Drinking Water through Public Water Mains, the Drainage and Treatment of Wastewater through the Public Sewer System.

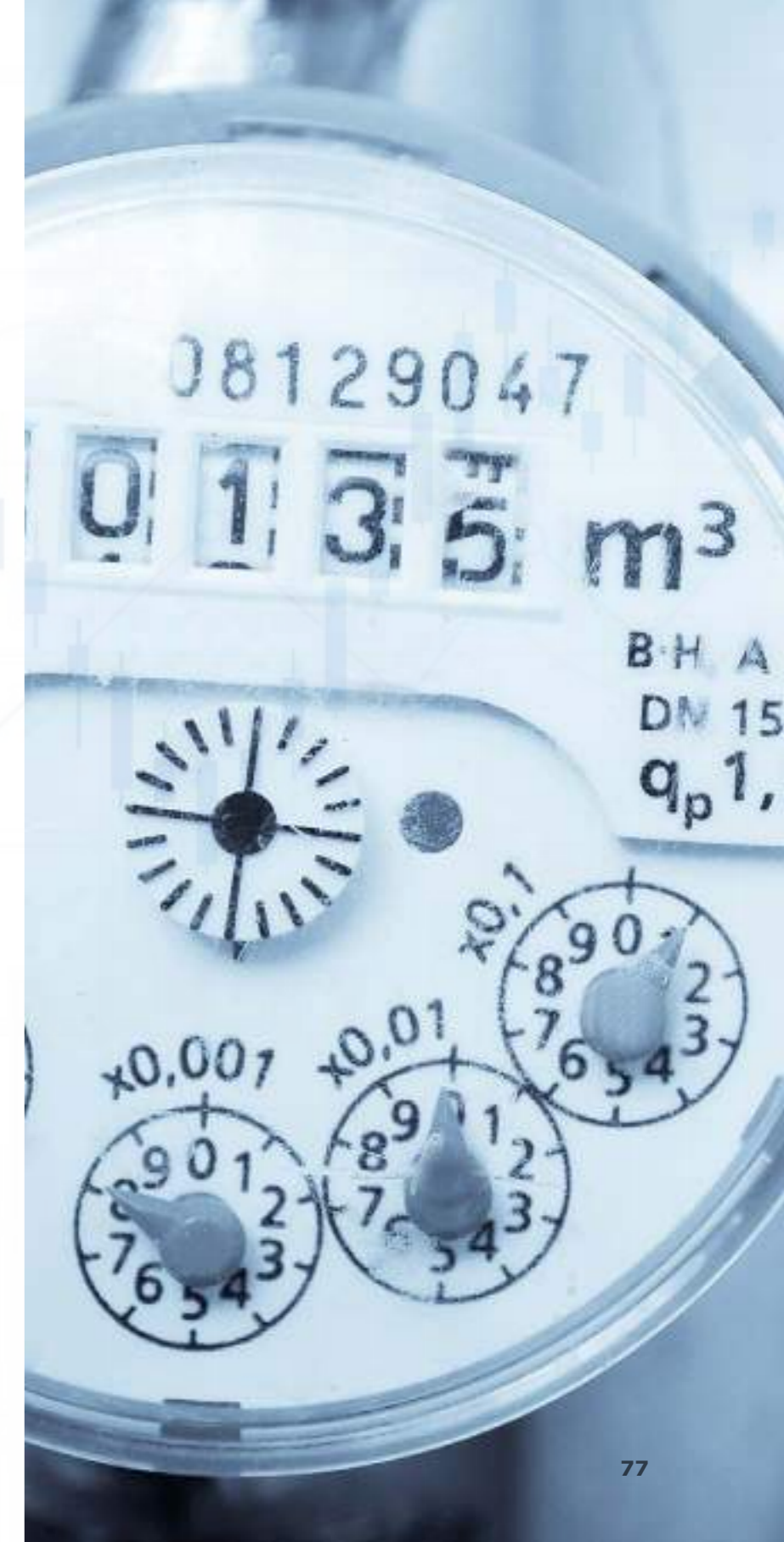
The method of implementing the price regulation takes into account the scope, structure and amount of economically justifiable expenses that have been demonstrably spent to carry out the regulated activity, the method of determining the amount of a reasonable profit, including the extent of investments that can be included in the price, the method of calculating the maximum price of the production, distribution and supply of drinking water and the drainage and treatment of wastewater, as well as the source data for the price proposal, the procedure and the condition for the application of the price.

The aim of the Regulation of the RONI No. 204/2018 Coll. is to ensure that, in cases of changes in the price decisions on maximum prices of the production, distribution and supply of drinking water through public water mains and the drainage and treatment of wastewater through the public sewer system during the regulatory period 2017-2021, the amount of an adequate profit be taken into account and depreciation and amortization of assets used for the regulated activities be applied in an amount which is an economically justifiable expense. A significant change is an adjustment of the method of calculating the adequate profit and an adjustment of the method of calculating the investment development factor.

The Company underwent significant changes in economic parameters between 2010 and 2019, and the approved water and sewage rates did not take into account the actual costs associated with the production, distribution and supply of drinking water and with the drainage and treatment of wastewater through the public sewer system. The increase in total economically justifiable costs in the production, supply and distribution of drinking water consisted mainly of an increase in the

expenses for services, supply repairs related to the increasingly obsolete water supply network, material and other operating expenses. When draining and treating wastewater, the increase in economically justifiable costs consisted mainly of rising costs for electricity consumption, materials, supply repairs and other services. The Company therefore decided to ask the RONI for new prices for the production and supply of drinking water through public water mains, for the production and distribution of drinking water through the public water mains, for drainage and treatment of wastewater through the public sewer system and the treatment of wastewater supplied to the wastewater treatment plant through the public sewer system.

On 2nd April 2020, in the matter of the decision on the proposal of prices for the treatment of wastewater supplied to the wastewater treatment plant through the public sewer system, the RONI issued the final price decision No. 0013/2020/V, by which he determined for the Company the price valid till 31st December 2021.





**Final price decision No. 0013/2020/V, by which the Regulatory Office for Network Industries sets prices till 31st December 2021**

Final price decision	€/m <sup>3</sup> excl. VAT	€/m <sup>3</sup> incl. VAT
Maximum price of the treatment of wastewater supplied to the wastewater treatment plant through the public sewer system	0.5526	0.6631

On 10th August 2020, in the matter of the decision on the proposal of prices for the production and supply of drinking water through public water mains, the production and distribution of drinking water through public water mains and for the dra-

inage and treatment of wastewater through the public sewer system, the RONI issued the final price decision No. 0016/2020/V, by which it determined for the Company the prices valid till 31st December 2021.

**Final price decision No. 0016/2020/V, by which the Regulatory Office of Network Industries sets prices till 31st December 2021**

Final price decision	€/m <sup>3</sup> excl. VAT	€/m <sup>3</sup> incl. VAT
Maximum price of the production and supply of drinking water through public water mains	1.0135	1.2162
Maximum price of the production and distribution of drinking water through public water mains	0.7090	0.8508
Maximum price of the drainage and treatment of wastewater through the public sewer system	0.9985	1.1982

**Development of prices approved by the RONI during the years 2016 – 2020 per m<sup>3</sup> (excl. VAT)**

BVS	2016	2017	2018	2019	2020
Price of the production and supply of drinking water through public water mains	0.9359	0.9359	0.9359	0.9359	1.0135
Price of the distribution of drinking water through public water mains	0.6547	0.6547	0.6547	0.6547	0.7090
Price of the drainage and treatment of wastewater through the public sewer system	0.9216	0.9216	0.9216	0.9216	0.9985
Price of the treatment of wastewater supplied to the wastewater treatment plant through the public sewer system	-	-	-	-	0.5526

**Development of prices approved by the RONI during the years 2016 – 2020 per m<sup>3</sup> (incl. VAT)**

BVS	2016	2017	2018	2019	2020
Price of the production and supply of drinking water through public water mains	1.1231	1.1231	1.1231	1.1231	1.2162
Price of the distribution of drinking water through public water mains	0.7856	0.7856	0.7856	0.7856	0.8508
Price of the drainage and treatment of wastewater through the public sewer system	1.1059	1.1059	1.1059	1.1059	1.1982
Price of the treatment of wastewater supplied to the wastewater treatment plant through the public sewer system through the public sewer system	-	-	-	-	0.6631



# Human resources

In 2020, BVS, a.s., employed 766 employees on average.

The structure of company employees by work categories was as follows:

- **56.40% technical and business professionals,**
- **43.60% blue-collar workers.**

## Age structure of employees in 2020

Age structure of employees	Women	Men	total
1 – 20 years		0.13%	0.13%
21 – 30 years	2.62%	5.50%	8.12%
31 – 40 years	6.94%	12.56%	19.50%
41 – 50 years	9.55%	15.45%	25.00%
51 – 60 years	10.21%	23.04%	33.25%
above 60 years	2.22%	11.78%	14.00%
	31.54%	68.46%	100%

**The average age of company employees was 48.34 years in 2020.**

**Employee turnover was 9.27%.**

Educational structure of company employees in 2020:

- **1.0% with elementary education**
- **28.9% with secondary education (vocational)**
- **38.9% with standard secondary education**
- **0.7% with higher professional education**
- **2.2% with university education - bachelor**
- **28.3% with university education**

## Social policy

In 2020, BVS significantly adapted its social policy to the pandemic situation. As part of the protection of employees' health, it reacted to the new situation as early as in the first wave of the pandemic and almost immediately prevented employees from meeting in the workplaces, while retaining the level of remuneration.

BVS was one of the first companies to test employees for COVID-19.

Before the outbreak of the second wave of the pandemic, it introduced companywide work from home, so the company's operations remained fully operational. During the second wave of the pandemic, it was one of the few companies to introduce the „COVID salary+“ benefit programme, during which it compensated the remuneration of employees who were forced to remain in quarantine. BVS also provided personal protective equipment for its employees. It continued with its pre-set social programme, and in the area of employee care and as part of implementation of its social policy, it contributed from the Social Fund for employees mainly to a supplementary pension saving scheme (SPS), for employee dining services and for social financial support for long-term sick leaves.

It also provided allowances for individually organized child recreation for the children of employees, for a childbirth, for a first marriage and for becoming independent from parents and the associated purchase of a first apartment or construction of a first single-family house, as well as an optional social allowance to cover various social activities.

As part of the employer's and employee's participation in the SPS, a total of 506 employees took part in the saving scheme; in addition to payments out of company expenses (totalling 152,175.59 euros in 2020), the company also made contributions totalling 63,644.40 euros from the Social

Fund.

In 2020, the company's social and wage policy continued to include the provision of bonuses to employees on the occasion of important work-related anniversaries and bonuses to non-contributory blood donors.

## Education, training and development of employees

The year 2020 brought new obstacles and challenges in the field of staff training and development, which were related to the consequences of the COVID-19 pandemic.

In order to meet the goals and needs of employee training, the Human Care Department introduced new forms of education, especially in the field of online education, with the possibility of using various tools for deepening qualifications, not only in administrative but also in manual professions.

Despite the situation, in the past year employees completed educational activities aimed mainly at maintaining the quality of various professional competencies, whether for dedicated technical equipment or others related to the operation of public water mains and public sewer systems.

In 2020, we limited cooperation in the practical training of secondary vocational school students with the apprenticeship disciplines plumber and electrician due to the epidemiological situation in connection with the need to protect the health of the company's employees.

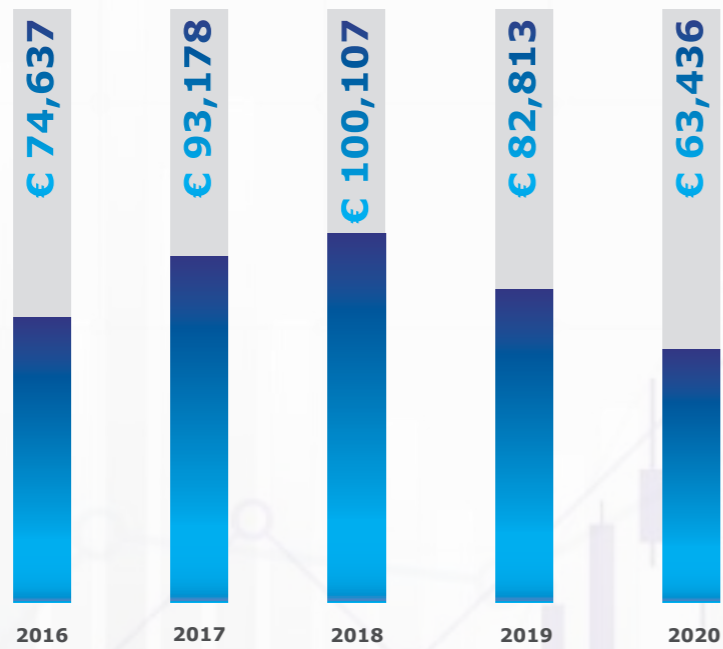
The company provided its employees with e-learning and online training and education activities focused on soft skills training which were directly related to the performance of work during the pandemic situation. An independent group in the system of education and development of employees consisted of the support for raising the language level of employees in English in an online form.



In the process of training, education and development of employees, the company invested 63,436 euros in 2020 for mandatory professional refresher retraining resulting from OHS and PPE legislation and other legislation, professional onli-

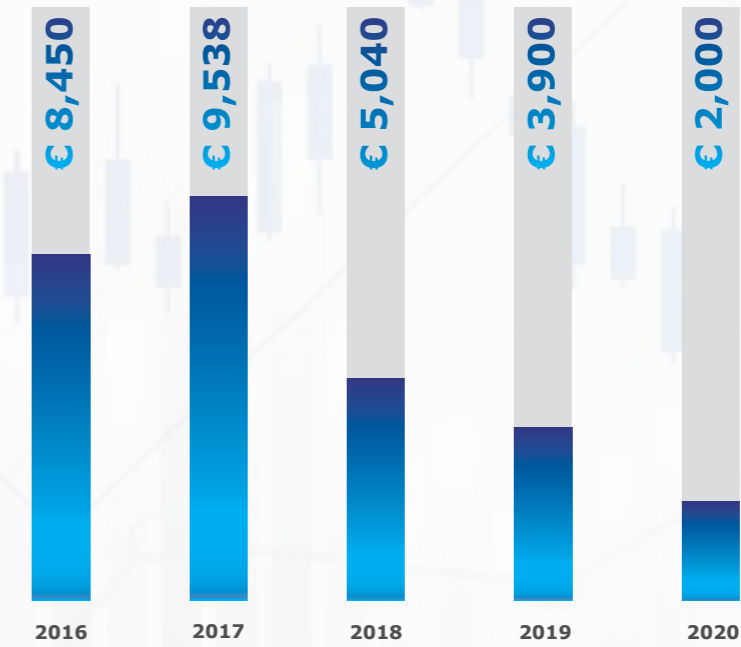
ne workshops, domestic and foreign professional conferences, courses, seminars aimed at increasing the professional and professional knowledge of employees, language education and the raising of qualifications.

**Final price decision No. 0013/2020/V, by which the Regulatory Office for Network Industries sets prices till 31st December 2021**



In 2020, the company again created conditions for the possibility of improving employee qualification and enabled 2 employees to improve their qualification.

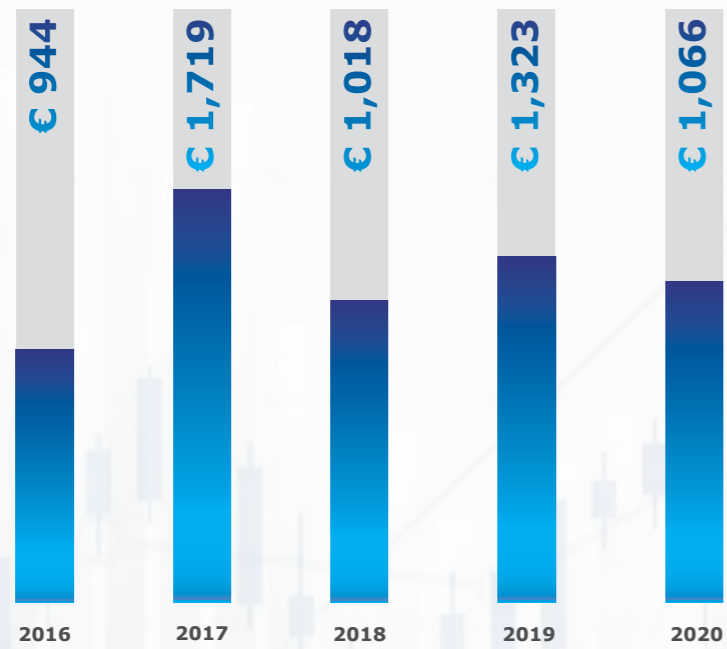
**Overview of the development of employee qualification improvement costs (in €) for the years 2016 –2020**



In 2020, a total of 1,066 employees participated in various training and education activities in the BVS employee training, education and development system.

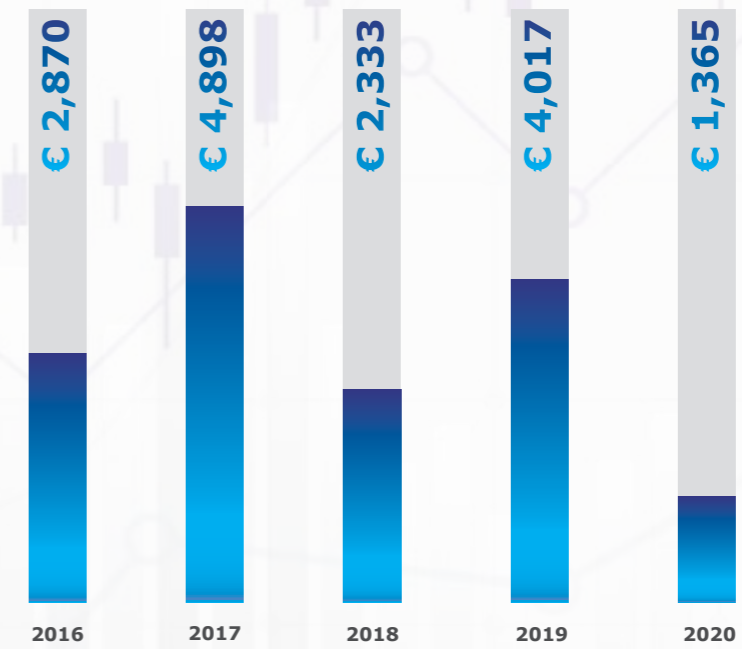


Overview of the number of employees participating in the process of employee training, education and development for the years 2016 – 2020



In 2020, the company again created conditions for the possibility of improving employee qualification and enabled 2 employees to improve their qualification.

Overview of the cost of secondary vocational schools as part of the provision of professional training for the year 2016 – 2020



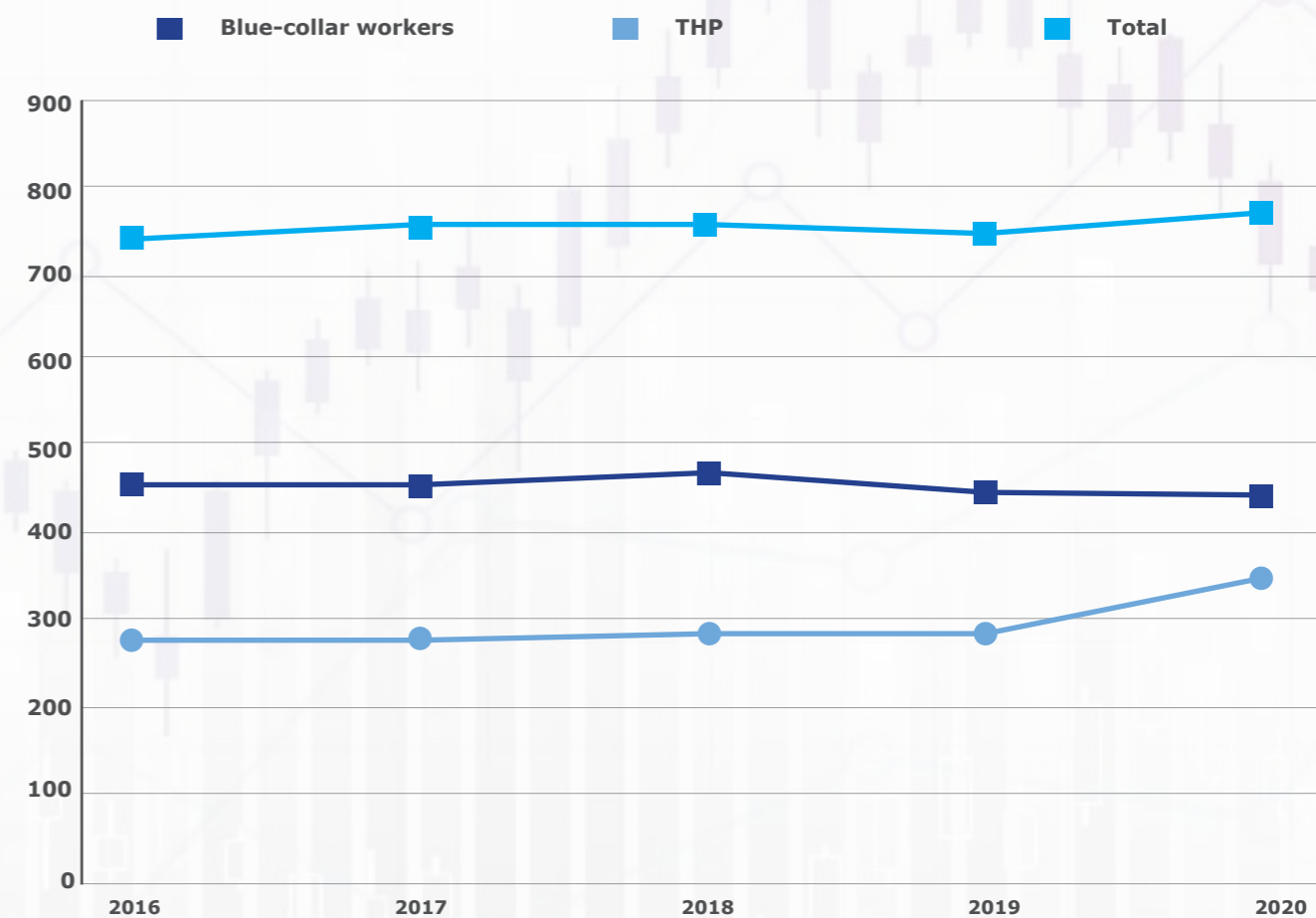


An overview of planned – systemized jobs and the actual physical number of employees as of 31st December 2020, broken down by departments and divisions, is shown in the following table:

BVS	Plan for 2020	Number of natural persons
	Status as of 31st Dec. 2020	Status as of 31st Dec. 2020
HQ – CEO Department	78	70
HQ – Production and Distribution Department	46	46
HQ – Sales Department	64	63
HQ – Investment Department	45	40
HQ – Financial Department	64	60
HQ – Technology Department	18	16
Water Production Division	153	149
Wastewater Drainage Division	26	26
Wastewater Treatment Division	156	152
Water Distribution Division	96	93
Chemical Technology and Laboratory Activities Division	51	51
<b>BVS – total</b>	<b>797</b>	<b>766</b>

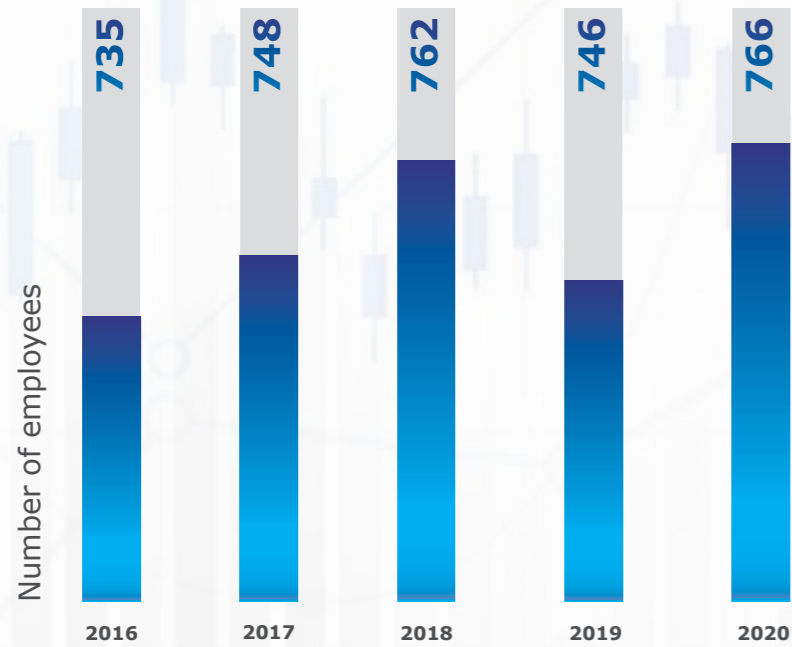
Development of BVS, a.s., employees in the period 2016 – 2020 (physical state as of 31st December)

	2016	2017	2018	2019	2020
Blue-collar workers	293	296	294	294	334
TBP	452	454	463	446	432
<b>Total</b>	<b>745</b>	<b>750</b>	<b>757</b>	<b>740</b>	<b>766</b>



**Development of the recalculated number of BVS employees in 2016 – 2020**

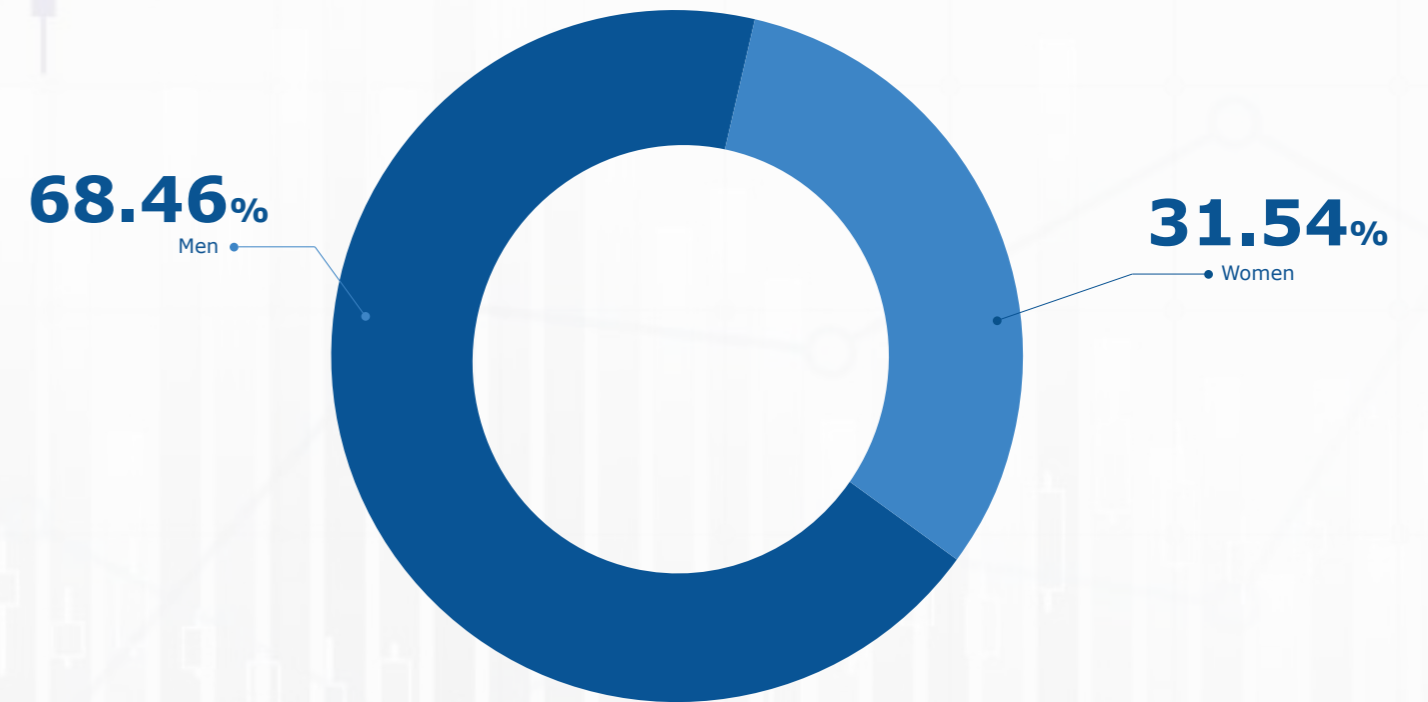
	2016	2017	2018	2019	2020
Number of employees	735	748	762	746	766



**Age structure of BVS employees in 2020**

Age structure of employees	Women	Men	Total
	31.54%	68.46%	100.00%

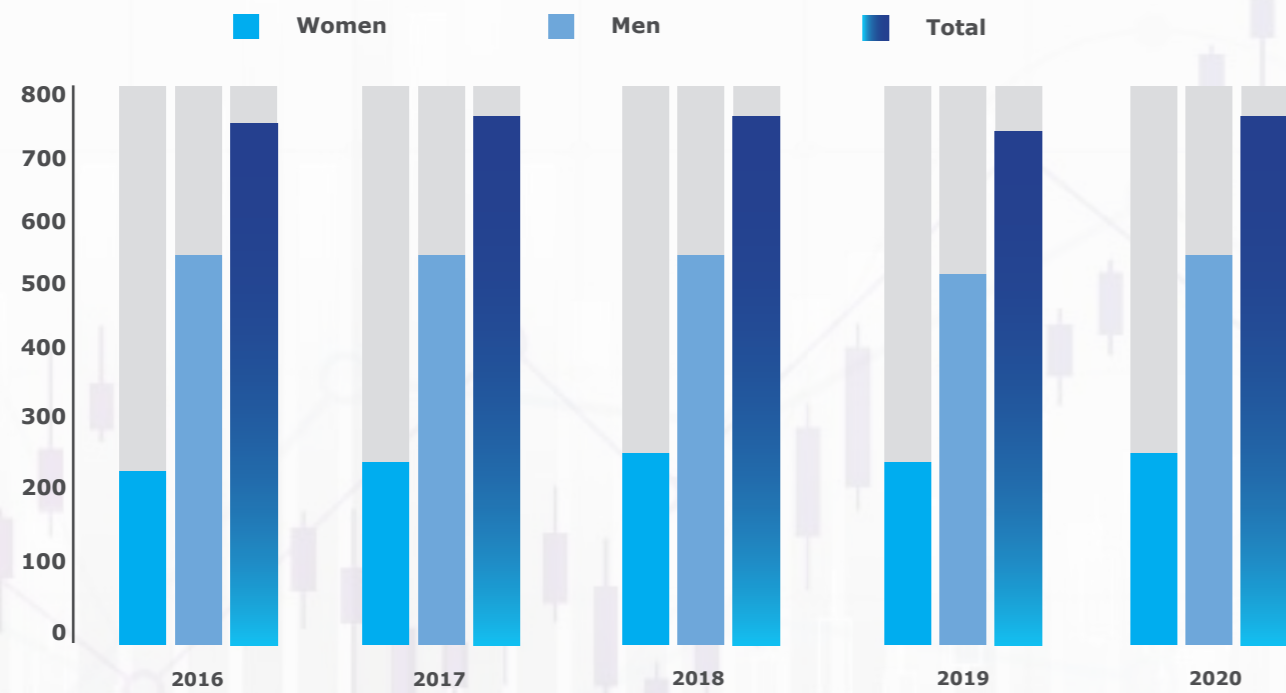
**Structure of employees broken down by sex as of 31st December 2020**





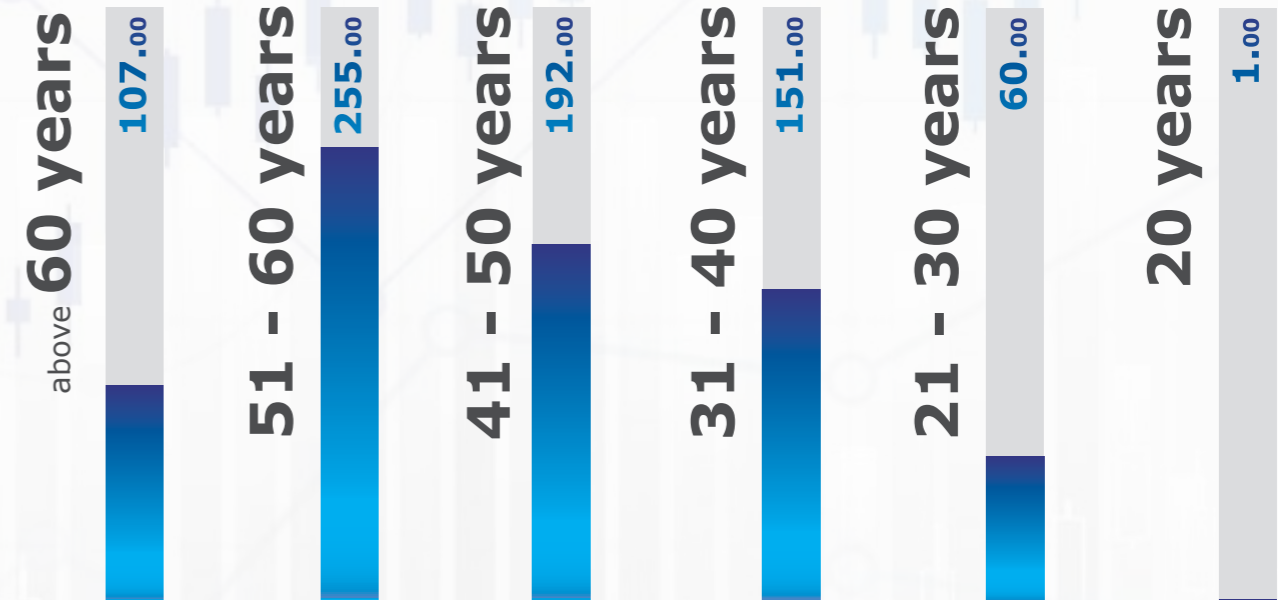
Development of the number of BVS employees broken down by sex in 2015 – 2019

	2016	2017	2018	2019	2020
Women	217	224	232	230	242
Men	528	526	525	510	524
Total	745	750	757	740	766



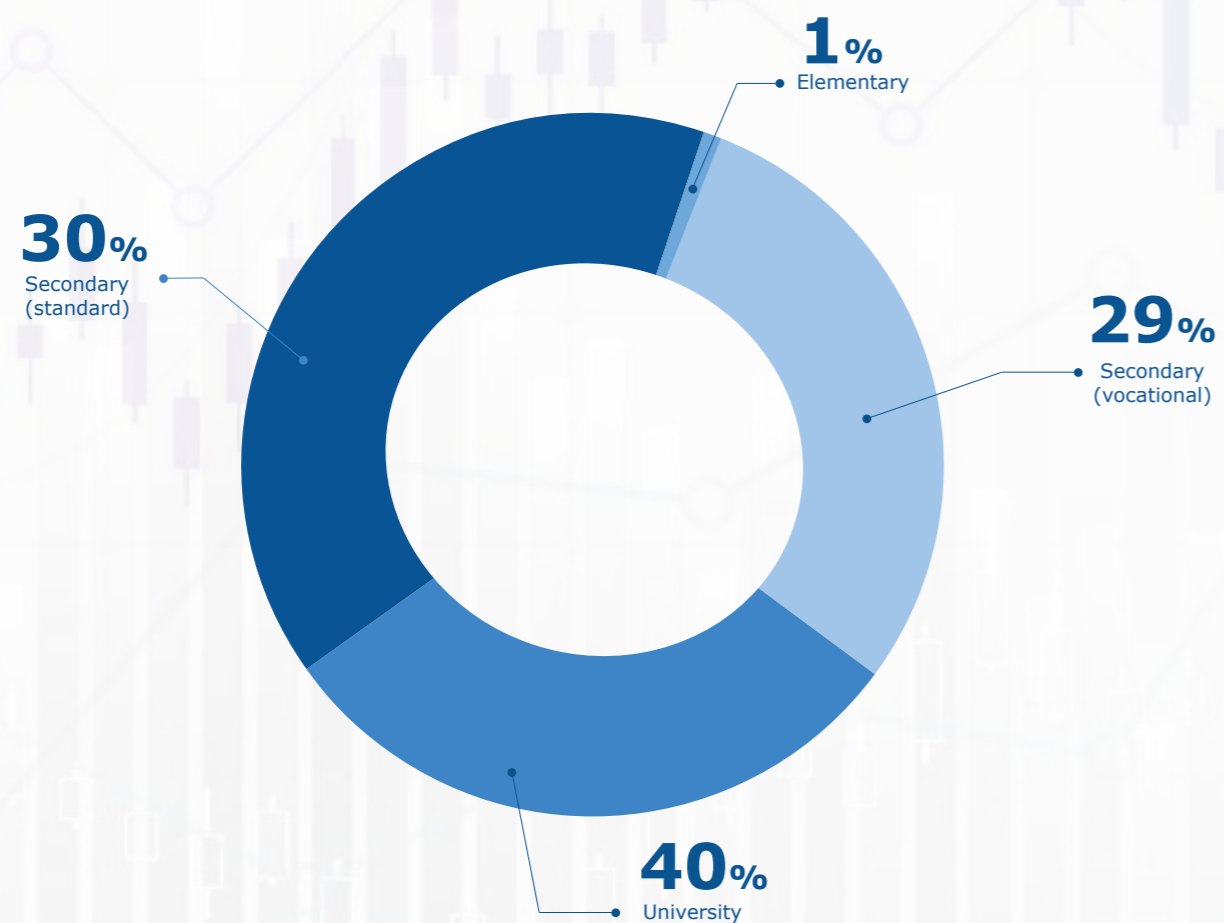
Age structure of BVS, a.s., employees as of 31st December 2020

Age structure of employees	Total
1 – 20 years	1.00
21 – 30 years	60.00
31 – 40 years	151.00
41 – 50 years	192.00
51 – 60 years	255.00
above 60 years	107.00
<b>Total</b>	<b>766.00</b>



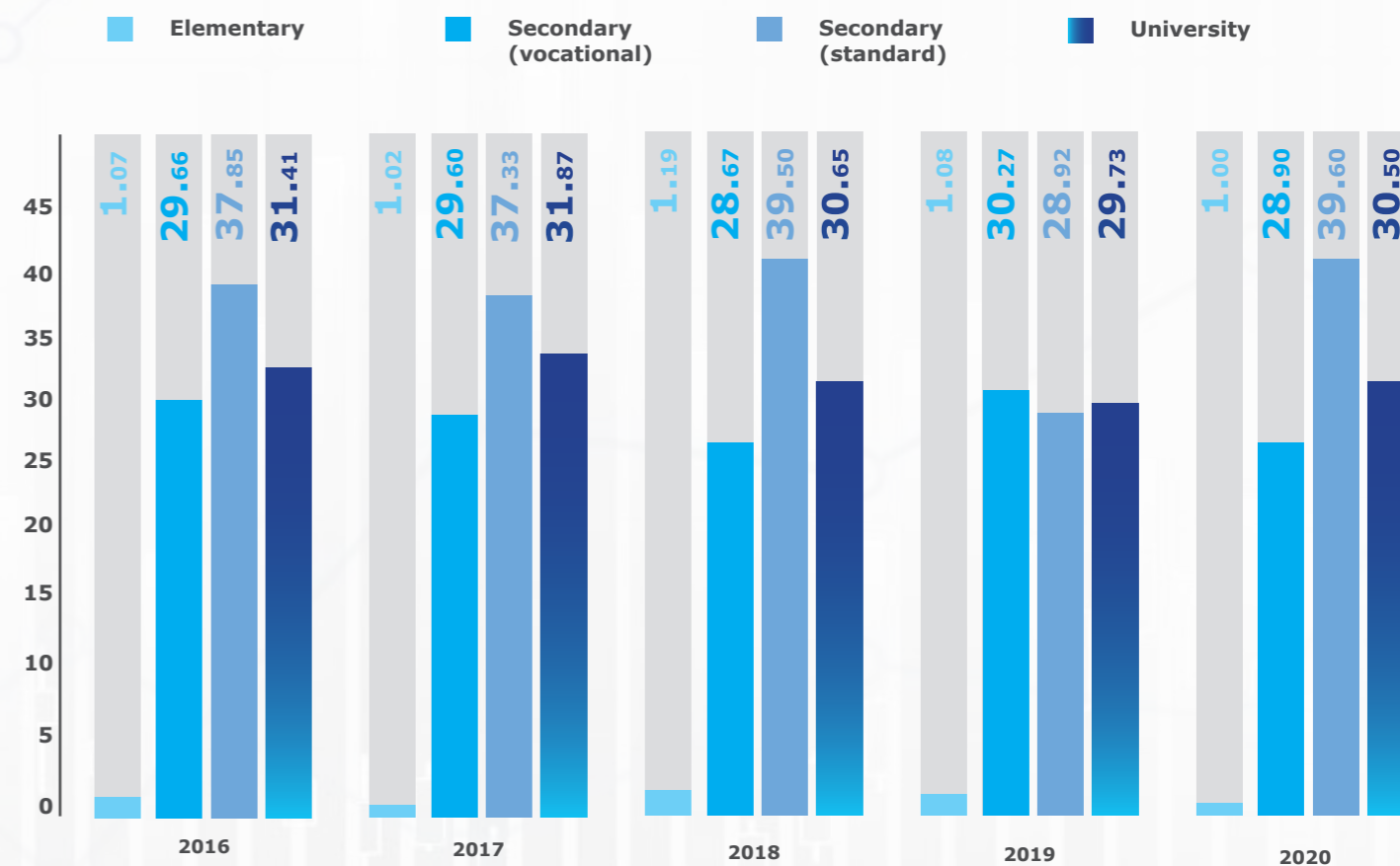
### Education level of BVS, a.s., employees as of 31st December 2020

Education	2020
Elementary	1
Secondary (vocational)	28.9
Secondary (standard)	39.6
University	30.5



### Qualification structure of BVS during the 2016 – 2020 period

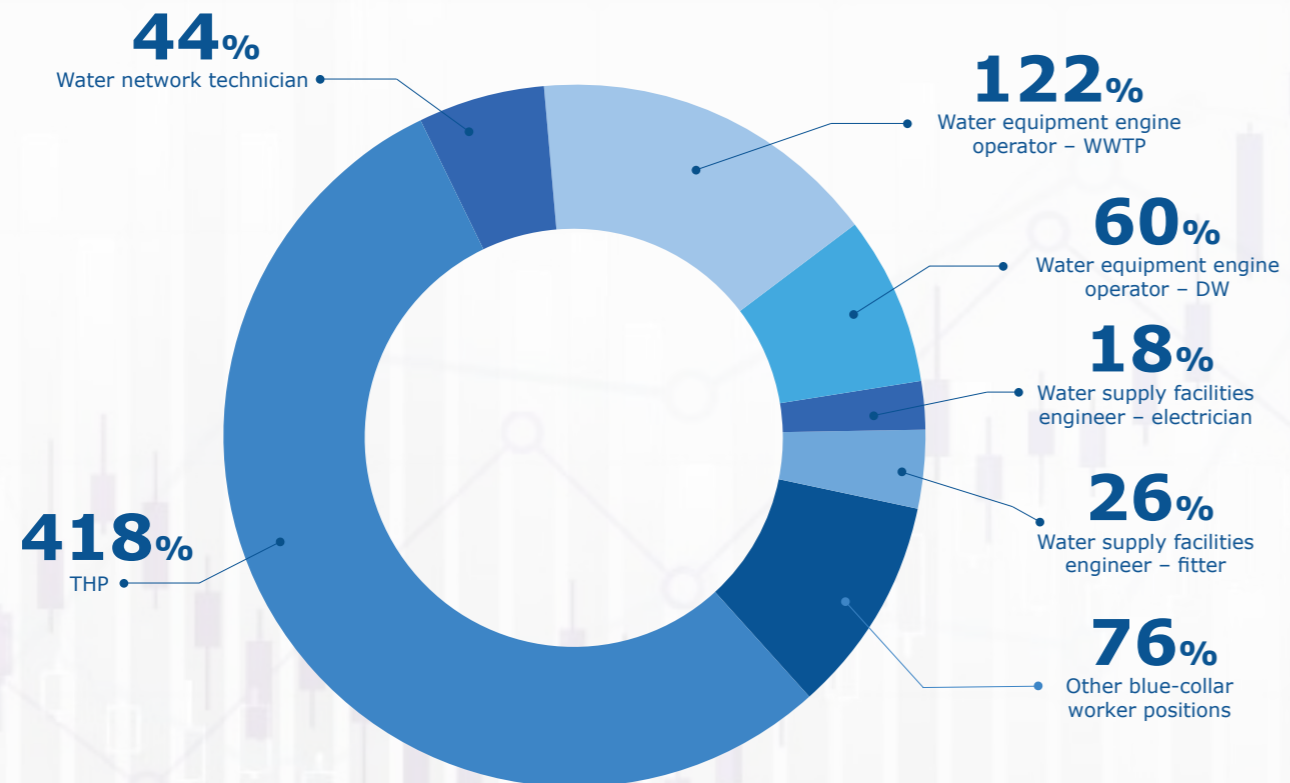
Education	2016	2017	2018	2019	2020
Elementary	1.07	1.2	1.19	1.08	1
Secondary (vocational)	29.66	29.6	28.67	30.27	28.9
Secondary (standard)	37.85	37.33	39.5	28.92	39.6
University	31.41	31.87	30.65	29.73	30.5





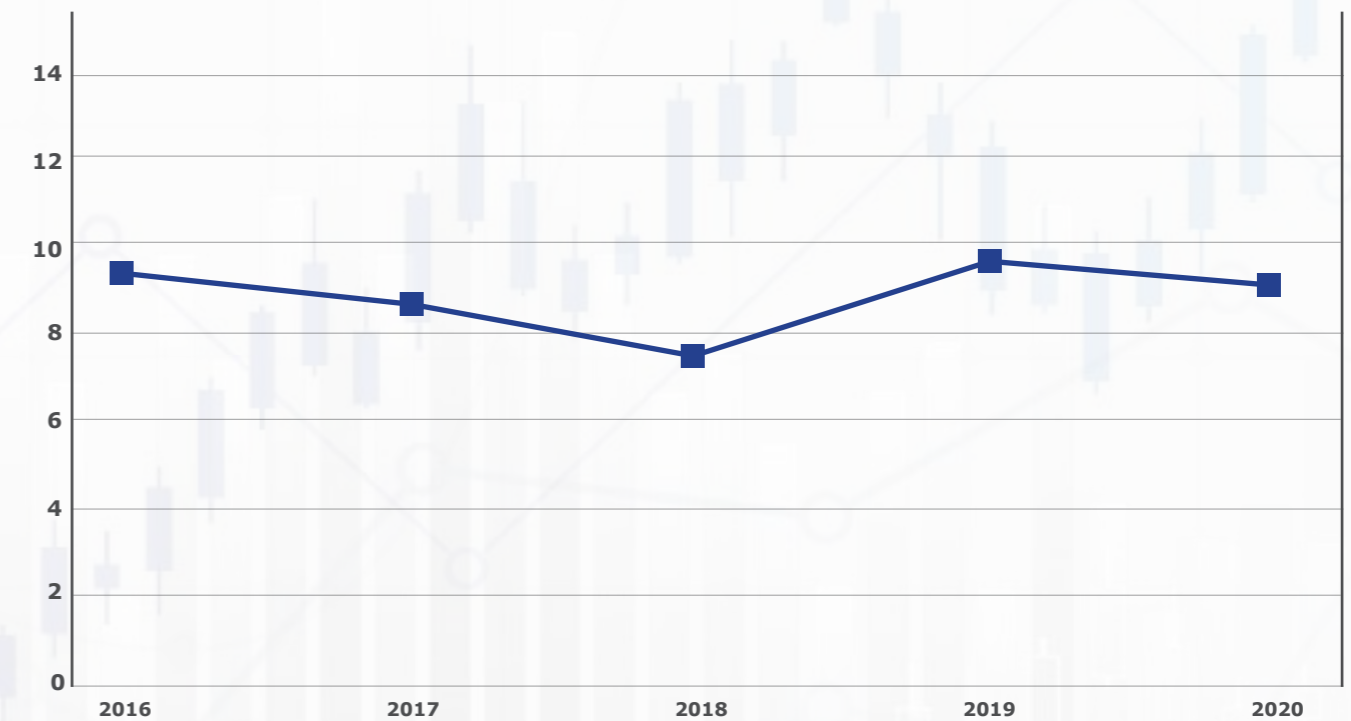
**Occupational structure of employees of BVS, a.s., as of 31st December 2020**

Occupational structure	
<b>TBP</b>	418
<b>Water network technician</b>	44
<b>Water equipment engine operator – WWTP</b>	122
<b>Water equipment engine operator – DW</b>	60
<b>Water supply facilities engineer – electrician</b>	18
<b>Water supply facilities engineer – fitter</b>	26
<b>Other blue-collar worker positions</b>	76



**Development of the turnover rate for the years 2015 – 2019**

Year	2016	2017	2018	2019	2020
Turnover rate	8.96	8.28	7.69	9.78	9.27



# Social responsibility and philanthropy

In 2020, Bratislavská vodárenská spoločnosť implemented and supported projects and activities focusing on education, environmental education and philanthropy which were carried out in the field of BVS's operation. Through the Modrá škola – voda pre budúcnosť (Blue School – Water for the Future) programme we worked with pupils and teachers and financially supported social and sports events. The BVS Foundation also involved its employees in activities of public interest.

Traditional forms of support included the provision drinking regimens at various public events using tanks filled with drinking water. Interest in this kind of support is continually growing. In 2020, many events were cancelled due to the pandemic, but those that took place were supported by BVS: Bratislava Inline, STUPAVA TROPHY 2019, Bratislava Coronation Days 2020, Od Tatier k Dunaju 2020 (From the Tatras to the Danube) and the Slovakia Canoeing Championship. We also made tanks with drinking water available on hot summer days to residents and visitors of the capital city, who appreciated this service.

## BVS Foundation

The BVS Foundation supports educational, teaching and cultural activities and projects deepening the interest of the public in water, sources of drinking water and their protection; they thus create a new culture of perceiving water and the relation to it. The foundation cooperates with elementary schools, secondary schools and universities, with non-governmental organizations, institutions and individuals. The foundation also conducts activities for employees of BVS, a.s., and for its subsidiary. We are pleased and we appreciate that employees are able to accept their share of social responsibility and to help where it is needed.

The BVS Foundation created the Drinking Water Centre in cooperation with the educational programme for children Modrá škola – voda pre budúcnosť (Blue School – Water for the future). Through our interactive model of a waterworks system, we uncovered for children some secrets of the path any drop of drinking water has to travel before we can enjoy it in a cup.

The total expenses of the BVS Foundation amounted to 16,282.84 euros. The amount of 15,373.00 euros was paid to the organizations/persons receiving donations. The donations were redistributed in accordance with the constitution of the foundation and with the consent of the Board of Trustees of the BVS Foundation. Other expenses associated with the operation of the foundation amounted to 909.84 euros.

For information about the Foundation's activities, visit the website [www.nadaciabvs.sk](http://www.nadaciabvs.sk) or see the Annual Report of the BVS Foundation for Year 2020.

## Educational projects

The importance of drinking regimen, hygienic habits, the protection of water resources and other related topics to children in an interesting and

playful way. In 2020, the company continued to implement its own educational programme for children and youngsters Modrá škola – voda pre budúcnosť (Blue School – Water for the Future), which is very popular among pupils, students and teachers every year.

In 2020, the programme was devoted to pedagogic and marketing activities for specific target groups and the public. At schools, it formed an integral part of the school educational system, and for the public it was an interesting enrichment of free-time.

One of the most popular activities of the Blue School programme included teaching programmes in the BVS Waterworks Museum in Bratislava. These programmes are linked to the curriculum of state educational programmes and reflect the needs of individual levels of pre-school, primary and secondary education. They focus on learning by experience with the use of interactive models, experiments and games, through which children and youngsters will enjoy the topic of water even more and understand it better. In 2020, dozens of schools and more than 1,000 students in the BVS area were interested in the educational programme. However, due to the constraints associated with the COVID-19 pandemic, only a fraction of them could be implemented. Also, for this reason, field trips to BVS facilities, such as water sources and wastewater treatment plants, were not carried out in 2020.

The unfavourable situation persisted throughout the year, which made it impossible to implement most educational activities (e.g. the Water Festival, Mountain and City Festival, ŠIŠKA Festival, open house at the Slovak Hydrometeorological Institute, open house at the Water Museum), which are usually tied to direct interactivity between the lecturer and the students, or the lecturer and the public. BVS's proactive approach to water education and awareness raising of water has resulted in at least a partial relocation of some activities to the online space (a water quiz, water educa-

tion videos for schools, a play and education zone within the online version of Night of Museums and Galleries).

Our intention will be to continue with the successfully running programme in the next year, too, and to further educate children, youngsters and general public about water.

Aj v nasledujúcom roku bude našim zámerom pokračovať v úspešne fungujúcom programe a naďalej šíriť osvetu o vode medzi deťmi, mládežou a širokou verejnosťou.

**MODRÁ  
ŠKOLA**

**VODA PRE BUDÚCNOSŤ**

*nadácia*  
**BVS**





# Waterworks museum

The Waterworks Museum of BVS, a.s., is located in the historic premises of the 1st gas station in Karlova Ves. Its mission is historical water research, education and informing the public about water activities by means of modern technologies and professional lectures. The Waterworks Museum is a specialized technical museum with the main focus on water management with a nationwide scope. Its founder is BVS.

The Waterworks Museum had three exhibitions in 2020 – the main exposition in the premises of the original gas station in Karlova Ves, an outdoor exposition in the Waterworks Garden, and an outlying exposition in the premises of the first electric gas station on the island of Sihoť.

The Waterworks Garden, with an area of one hectare, was accessible to the public throughout the year in the premises of the Waterworks Museum. The garden is designed as a recreation area with a predominant element of water and is a continuation of the exposition of the Waterworks Museum. The approximate number of annual visitors to the garden is 15,000 visitors.

There was an almost 70% decrease in the number of visitors of educational and cultural events in 2020 compared to the expected number. This was due to the COVID-19 pandemic and the subsequent closure of the museum to the public from 9th March 2020 to 11th May 2020 and from 15th October 2020 to 31st December 2020.

The museum organized 41 educational and professional field trips to the exposition of the Waterworks Museum with a total of 694 visitors. The educational programme Blue School implemented 5 educational tours for 54 visitors in the museum. The specialized event – Night of Museums and Galleries took place in the virtual space and had 780 visitors.

An important activity of the museum is the provision for internal events of BVS and the rental of premises for commercial events. During 2020, 14 events for BVS took place in the museum premises – training courses, general meetings, press conferences, events for employees. The museum premises were rented for 18 commercial events.

**The total revenue of the museum from rentals of the premises was 21,710 euros excl. VAT in 2020.**

**Waterworks Museum – number of visitors of the museum expositions in 2020 (Events for the public, WM field trips, Blue School)**

	Number of visitors	Number of events
<b>WM field trips</b>	694	41
<b>Blue School educational tours</b>	54	5
<b>Events for the public</b>	780	1
<b>Others (visits without booking)</b>	275	N/A
<b>Total</b>	<b>1,803</b>	<b>47</b>

**Waterworks Museum – number of visitors of the conference rooms of the museum in 2020 (Events for BVS, commercial rentals)**

Type of visit	Number of visitors	Number of events
<b>Events for BVS</b>	680	14
<b>Commercial rentals</b>	1,806	18
<b>Total</b>	<b>2,486</b>	<b>32</b>



# Capital construction

The primary duty of BVS is to ensure the operation of public water distribution networks and public sewer systems, including water sources and wastewater treatment facilities in the Bratislava Region and partially also in the Trnava and Trenčín Regions.

A prerequisite for providing quality waterworks services is the good technical condition of the operated infrastructure and its sufficient capacity. BVS ensures smooth operation of public water distribution systems, public sewer systems, water sources and wastewater treatment facilities by their renewal, refurbishments and upgrades.

New constructions are built in compliance with the development plans of towns, municipalities and the boroughs of Bratislava, for which BVS performs technical activities.

The company's investment activities are based on the existing operational condition of water distributions systems, sewer systems and wastewater treatment facilities, the necessity to harmonize their parameters with valid Legislation and the Limits of wastewater released according to EU guidelines and the documents „Strategy and Upgrades of BVS, a.s. Water Infrastructure System Upgrade“ and „Programme for Reducing Losses in the Water Distribution System“. These strategic objectives are reflected in the constructions and projects included in the investments plan and capital construction of BVS.

**The planned material volume of the investments and capital construction for BVS in 2020 was approved in the total amount of 32,611,526 euros.**

**In 2020, the company achieved a material fulfilment of the approved plan for investments and capital construction amounting to 7,276,330 euros, i.e. 22.31% of the total planned material annual volume of 32,611,526 euros. Of this, the total fulfilment in constructions amounted to 3,906,206 euros, i.e. 20.77% of the total planned material annual volume of 18,810,806 euros.**

## Fulfilment of the plan for investments and capital construction of BVS for 2020 in €:

Refurbishments and new investments – implemented in 2019	3,906,261
<b>Total constructions</b>	<b>3,906,261</b>
Other items within capital construction	3,370,069
<b>TOTAL</b>	<b>7,276,330</b>





The fulfilment of the investment and capital construction plan for 2020 was negatively affected by the crisis situation and restrictions in connection with the COVID-19 pandemic, which did not allow the work to be carried out by the scheduled dates.

In 2020, BVS completed the following constructions:

- **Bratislava, Ľadová ulica – renovation of the water mains and sewer system,**
- **Záhorie, Malacky – sewer system construction. Extension of the sewer system routes, stage 2 (on the street Ulica J. Kubinu),**
- **Šenkvice, Nádražná ulica – creation of a connection between water mains,**
- **Vajnory, Tomanová II, ulica Za humnami – extension of the public water mains,**
- **Bratislava, Zlatohorská ulica – renovation of DN 100 water mains,**
- **Skalica – refurbishment of OK1A connecting pipes and coarse pre-treatment facilities at the WWTP,**
- **Rohožník WWTP – refurbishing of the sewer system and management and finding a solution for sludge dewatering.**

We list separately the following:

Projects co-financed from subsidies from the Cohesion Fund and the state budget under the Operational Programme Environment – **INVESTMENT TO YOUR FUTURE:**

**„Holíč, refurbishment and intensification of a wastewater treatment plant“** (10,570,671 euros)

Project implementation started in May 2011. The work was completed, handed over and in September 2014 the competent Building Authority issued its consent to putting the WWTP into permanent operation.

The subject was the complete modernization and refurbishment of the WWTP with the construction of a new discharge pipeline for treated water leading to the Morava River (the original recipient was the Kyštor stream).

The modernization was necessary in order to comply with legislative requirements regarding the quality of discharged treated wastewater in nitrogen and phosphorus indicators.

In accordance with the terms and conditions of the Contract on a Non-repayable Financial Contribution entered into with the Ministry of the Environment of the Slovak Republic, BVS sent the final monitoring report on the fulfilment of indicators (financial flows, measurable indicators, i.e. the population equivalent, the final project analysis) in November 2020, after the completion of the 5-year monitoring period. In December 2020, the Ministry of the Environment of the Slovak Republic evaluated compliance with the terms and conditions of the Contract on a Non-repayable Financial Contribution as fulfilled, including financial analysis, without performing corrections, i.e. returning a part of the obtained subsidy under the terms and conditions of the contract.

**„Sewer system construction in the Danube part of the Bratislava Region“**

- **intensification and upgrade of the Vrakuňa Central Wastewater Treatment Plant, construction 2** (20, 198,964 euros)
- **intensification and upgrade of the Petržalka Wastewater Treatment Plant, construction 2** (EUR 8,572,860 euros)

This project dealt with ensuring an increase in the efficiency of wastewater treatment in order to meet legislative requirements for the removal of nutrients and phosphorus in treated wastewater in accordance with European legislation.

The provision of wastewater treatment related to the part of Bratislava, the capital of Slovakia, belonging to the basin of the Danube border river, but partly also to sewerage wastewater pumped to Bratislava from the part of the Little Carpathians region up to Pezinok.

The project consisted in an upgrade of the biological stage of:

- **the central wastewater treatment plant in Vrakuňa and**
- **the wastewater treatment plant in Petržalka.**

The implementation of the project started on 8th November 2013. The work was completed in November 2015.

After a year of trial operation, both treatment plants are in permanent operation.

**„Completion of the sewer system and the wastewater treatment plant in the Modra agglomeration“** (8,817,305 euros).

The project included the refurbishment of the wastewater treatment plant in Modra, the completion of the sewer system in the town of Modra and construction of a sewer system in the village of Dubová.

The actual implementation started on 30th June 2014. The work was completed in December 2015; then the construction received the final approval for use from the inspector, and it was put into trial operation and then into permanent operation.

A project co-financed from the Cohesion Fund and the state budget within the Operational Programme **Quality of the Environment:**

**„Rohožník wastewater treatment plant – refurbishment and upgrade“** (2,777,444 euros).

The project's objective was to improve the drain-

nage and treatment of municipal wastewater in agglomerations with a population equivalent of over 2,000 in line with the commitments of the Slovak Republic towards the EU.

The actual implementation of the project started on 19th July 2017. The work was completed in January 2019. The WWTP received the final approval for use from the inspector, and after finishing trial operation the plant was put into permanent operation.

In accordance with the terms and conditions of the Contract on a Non-repayable Financial Contribution, completed investment projects are subject to a mandatory 5-year monitoring by the Ministry of the Environment of the Slovak Republic, and for a period of 5 years from the commissioning for permanent operation. BVS is obliged to send, once a year, reports on the fulfilment of indicators (financial flows, measurable indicators, i.e. the population equivalent connected to newly constructed sewer systems, and/or refurbished wastewater treatment plants and the number of agglomerations whose issues have been resolved). The Ministry of the Environment of the Slovak Republic will evaluate compliance with the terms and conditions of the Contract on a Non-repayable Financial Contribution only after the end of the monitoring period, and if the requirements of the financial analysis or of measurable indicators are not adhered to, it may make corrections, i.e. a part of the subsidy may be returned in accordance with the terms and conditions of the contract.

In the preparation and implementation of individual constructions, BVS focuses on using the latest information technologies, which ensures their proper functioning in the water mains and sewer system through a central control centre. At the same time, new technologies make it possible to increase the protection of built structures in terms of safety and security.



# Prospects of modernizing the water management infrastructure of BVS

In modernizing its water management infrastructure, BVS has focused on the existing condition of the assets it uses for its core business activities (public water mains and public sewer systems). One of the key priorities is to keep the existing assets in good condition, which is achieved by ongoing restoration. Our commitment to keep the existing water management infrastructure in good condition is integrally related to the task of modernizing the system for this infrastructure. This aim is directed toward attaining increasingly reliable and safe, economical, environmentally friendly high-quality production and distribution, as well as in wastewater drainage and treatment, while achieving sufficient capacities to satisfy demands for land development.

The priorities in the modernizing of the water supply system are as follows:

- achieving the water capacities needed for reliable meeting of current demands for drinking water supply while taking into consideration long-range needs,
- subsidizing deficit areas or areas with problematic local sources,
- optimizing the use of springs with the energy-saving gravitational distribution of water to consumers,
- optimizing the drinking water supplying process by making the use of water sources and water distribution more effective through gradual implementation of the integrated management system and central technological dispatching,
- ensuring alternative solutions of water supply in emergency situations.

The modernization of the water supply system is focused on the implementation of the following concepts:

The current concept of using the water sources in the Danube valley for the city of Bratislava will be kept in the long-term, as these sources are very suitably located on city land or in its immediate vicinity. In terms of distribution of water from sources to the place of consumption (the city), it is necessary to build a separate water supply from the water source Rusovce – Ostrovné lúčky – Mokrad' to the reservoir and pumping station Podunajské Biskupice, using the Danube bridge being built as part of the D4 motorway construction (putting horizontal pipes on the new bridge).

Regarding other places of water consumption, it has to be noted that the local water sources in the Záhorie and Little Carpathians regions are not sufficient due to their capacity and quality; therefore, these places of water consumption are currently supplanted to a significant degree by higher quality and more plentiful groundwater (water sources from the Danube region). The eccentric location of these water sources in relation to the location of consumers outside the city of Bratislava means that additional water piping capacity





needs to be built.

Thus far the distribution lines have been constructed from Bratislava to the Záhorie (up to Malacky) and to the Foothills region (up to Pezinok, or up to Modra and Senec). Keeping this in mind, we plan to build further distribution facilities to optimize the supply to the Little Carpathians region from the eastern part of Bratislava (a new water line Rača – Pezinok (Grinava), or a variant connection between the Rača and Vajnory system with the Bernolákovo – Grinava water supply line system through Čierna voda to solve water supply problems of the Western Development Zone of Bratislava and to optimize the supply to the Záhorie region from Bratislava (creation of a Lamač water reservoir – Western Development Zone transport line or of a continuation line to the Senec group water supply system, as well as to the Holíč – Skalica group water supply system).

Specific measures:

- a separate water supply line from the water source Rusovce – Ostrovne lúčky – Mokrad' to the water reservoir and pumping station Podunajské Biskupice (putting water mains pipes on the new Danube bridge as part of the construction of the D4 motorway),
- water supply for the north-western development zone of the city of Bratislava with associated facilities, the Malacky water mains bypass and the Rohožník – Plavecké Podhradie water supply line,
- completion of the Zohor – Suchohrad – Malacky supply line,
- a set of facilities and measures for optimizing the use of springs,
- a set of waterworks facilities for a reliable drinking water supply in Bratislava-Kramáre and Koliba,
- drinking water supply to other potential development areas of the city of Bratislava – Záhorská Bystrica, Marianka, Devínska Nová Ves, Lamačská brána, Vajnory,

**Vinohrady, Južné mesto,**

- **modernizing the water system in the eastern part of Bratislava and around Pezinok and Senec with a new water supply Bratislava-Rača – Pezinok (Grinava), and/or, as variants, connections and loops across Čierna Voda; relocation of the Bernolákovo pumping station towards Pezinok,**
- **optimization of the integrated management system and central technology dispatching.**

The current and anticipated total balance (water reserves) of the territory for which BVS is responsible is positive. In order to preserve this favourable condition, it is necessary to consistently protect the water sources and to deal with cases of deteriorated quality of water at the sources (e.g. water treatment is necessary at the Kalinkovo source); in addition, expansion of the Rušovce – Ostrovne lúčky – Mokrad' source and the Šamorín source is necessary to increase the degree of diversification of sources (backup of sources).

Priorities in sewer system modernization include:

- achieving sewage capacities needed to reliably meet the current demand for wastewater collection while considering future needs,
- providing wastewater treatment in compliance with current legislation and in line with current land development,
- lowering the amount of ballast water in public sewer systems (inflows of groundwater and surface water runoff – rainwater and surface water),
- optimizing the sewage process by permanent enhancement of the quality of the integrated management system and central technology dispatching.

The modernization of sewer systems focuses on the concept of centralizing the wastewater treatment process – the connection of additional municipalities to the left bank sewer system of the

city of Bratislava with the joint Bratislava-Vrakuňa WWTP and connection of the planned sewer system of municipalities in the Senica-Holíč territory to the joint Holíč WWTP, as well as execution of the group sewer system Plavecký Mikuláš, Nová Dedinka, Tureň, Hrubá Borša, Kráľová pri Senci, Hrubý Súr - Plavecký Peter, possibly also Prievaly. In other cases, independent sewer systems with a separate WWTP will be used, with possible connections to a low number of satellite settlements (municipalities) around smaller towns.

Specific measures:

- **modernization of sewer networks (in Bratislava mainly refurbishment of critical sections of the main collectors, rainwater tanks in the catchment areas of collectors B, C; the relief chamber at collector AIX, elimination of effluent surface waters from suburban areas, the sewer system of developing areas in the eastern part of Bratislava – completion of rainwater tanks in Rača; Jarovce, Rusovce, Čunovo,**
- **modernization of the Hamuliakovo WWTP to ensure sufficient capacity covering the needs of land development,**
- **modernization of other WWTP to increase the capacity to cover the needs of land development and to ensure appropriate technology: Rohožník (currently in trial operation), Gbely, Plavecký Peter, Malacky,**
- **optimization of the integrated management system and the central technology dispatching.**

In general, BVS's strategy in the area of modernization of the water management infrastructure is conceived with regard to basic EU documents (in general terms this is Directive 2000/60/EC of the European Parliament and of the Council in the area of wastewater drainage and treatment, Council Directive No. 91/271/EEC and in the area of the quality of drinking water Council Directive No. 98/83/EC), as transposed into national le-

gislation (in particular, Act No. 364/2004 Coll. on Water, and Act No. 442/2002 Coll. on Public Water Mains and Public Sewer Systems) as well as into other strategic documents of the Slovak Republic.



# Safe company

Occupational health and safety and continuous improvement of working conditions have been among the main objectives of Bratislavská vodárenská spoločnosť for many years.

By fulfilling the conditions and obtaining the „Safe Company“ certificate, BVS has demonstrated that priority tasks in modern management systems also inseparably include care for the health protection and safety at work of its employees.

With regard to compliance with the „Safe Company“ programme in 2020, our company used its best efforts to increase occupational health and safety and hygiene at work and to improve the working conditions of its employees.

Achieving the set objectives in terms of an overall improvement of the working conditions involves long-term tasks that require considerable funds. Nevertheless, it can be stated that BVS considers occupational health and safety to be a serious issue and – to the extent possible – uses funds, just like in previous years, to achieve OHS objectives, as well as the tasks and objectives included in the „Safe Company“ programme. In 2020, we were the second company in Slovakia to obtain the „Safe Company“ certificate for the third time in a row.



SAFE  
COMPANY



# Information technologies

The activities and roles of the employees of the IT Department (hereinafter referred to as the „ITD“) in 2020, as in the whole company, were strongly influenced by the pandemic situation caused by COVID-19. The resulting situation therefore required a flexible solution to the requirements for the provision of IT services.

One of the first tasks in this situation was to enable as many employees as possible to perform their work remotely in the form of „work from home“, for which it was necessary to adapt the IT infrastructure in BVS very quickly. An increase in transmission capacities at the headquarters was carried out, and network equipment was re-configured to extend employees' remote access to corporate systems using a secure, encrypted connection via a VPN connection.

A massive replacement of the desktop workstations used so far with laptops with remote access installed, which also enables work from home, was carried out. About 200 new notebooks were allocated in the past year.

In order to streamline internal communication in a situation where it was necessary to keep physical contact of employees to a minimum, we deployed and launched the application „Skype for Business“ for the needs of voice, video and chat communication in the company environment. Via the application, management employees are able to organize meetings directly through MS Outlook and carry out the necessary meeting, whether with the company's employees or suppliers. A total of

73 voice and 29 data SIM cards were newly assigned for communication. At the same time, the migration of obsolete Windows 7 client operating systems to the Windows 10 OS continued in 2020.


In the field of the security of the company's IT infrastructure, we completed an upgrade of the company's operating systems and an updating of SCADA applications on one of the company's most important information systems, the Central Technology Dispatching, at the beginning of the year. The complexity of this project was increased by the need to be implemented during continuous operation, with minimal limitations for the system, so as not to disrupt the supply and distribution of drinking water, as well as its sewerage and treatment. Through the implementation, we created optimal conditions for the deployment of other tools in the system, which will increase its security and stability.

In the area of SAP ERP and SAP ISU, development continued according to user requirements so that it could effectively meet the demands placed on BVS. Process changes at the Production Department (hereinafter „PD“) in the Control Centre Department also contributed significantly to this, as in June 2020 they launched the sending of SMS messages to foremen and water meter replacement staff directly from SAP with information about the outdoor mission point, which to a large extent speeded up and streamlined the work at the control centre and eliminated unnecessary errors from manual rewriting. The extension of surveillance when entering the off-take point enabled the control centre to have real-time information about non-payers and to eliminate unnecessary outdoor missions.

In the second half of the year, a register of all wastewater producers with a concluded contract on monitoring the quality of drained wastewater (WW) was launched in SAP. This provided the employees of the Quality Standards Department with full access to information on all changes at the WW producers at the off-take point and also made







the work at the contact centres more efficient. Introducing the register of WW producers' contracts into SAP, limited the further missing of payments for exceeding WW values in the case of a change of the producer at the off-take point. A form for calculating the approximate price of a repair was created at the PD, which generates outputs for the foremen with the calculation of the price of repairs. In SAP, the functionality of sending notifications when closing orders was added, which enabled better control of issued invoices.

The integration of the IVR (Interactive Voice Response) functionality into SAP has made the work of employees in the call centre more efficient. IVR functionality, i.e. the automatic voice menu system, when the caller calls, greets the caller, presents the options available and redirects the call to where the caller chooses.

Chemical warehouses were introduced in SAP at the Division of Chemical and Technological-Laboratory Activities as of 1st October 2020; this eliminated manual record-keeping of chemicals consumption and ensured full compliance with applicable legislation. The introduction of warehouses has streamlined the process of ordering chemicals by setting an automatic notification when stocks drop to a defined minimum quantity level. The work with stocks was also streamlined by the registration of the batch and the expiration dates, the classification of materials and their search according to attributes. All necessary documentations for individual chemicals, such as the Safety Data Sheet or Certificates for reference materials, are available directly on the particular card of the chemical.

To reduce paper administration and expand the digitization of BVS, electronic forms for Applications for Computer Technology and Approaches were introduced at the beginning of the year. This functionality speeds up the allocation process and eliminates paper documents.

The launch of the BVS Customer Portal in the summer enabled fast and efficient reporting of the water meter status and made it easier for customers to check their data and invoices. At the end of 2020, approximately 27,600 registered customers were registered. The portal is being further developed so that the extended functionalities serve not only for customers, but also simplify the work of BVS employees.

In the course of 2020, the operating system for the support and management of the IS Previs technological and laboratory process management agenda was modified in order to optimize the workload, which made it possible to eliminate manual tasks that fully automated some processes and thus ensure their efficiency and optimality.

In the area of geographic information system (GIS), we focused on updating the main areas, especially the address register, street graphics as well as on the cleaning of data such as off-take points, levels and forms. An upgrade of the PWM (public water mains) networks relocation related to the D4/R7 motorway and PWM relocation as part of the construction process of e.g. shopping centres, multifunctional buildings etc. continued.

The implementation of the international project „SYSTEM“ also continues. The main goal of the project is to develop and design a new sensor system for the detection of selected types of substances that are found in municipal waste, wastewater and air in order to increase the safety of the population in accordance with environmental protection. The project consortium consists of a total of 22 entities from different EU countries (BE, DE, IT, PL, SK, SE, UK) and consists mainly of scientific and research organizations, technology developers and water sector companies.

The year 2020 was marked by a bad pandemic situation, but despite this challenging situation, the ITD provided IT support to employees and looked for ways to make their daily work easier and more efficient.





**Independent auditor's report**

Consolidated financial statements

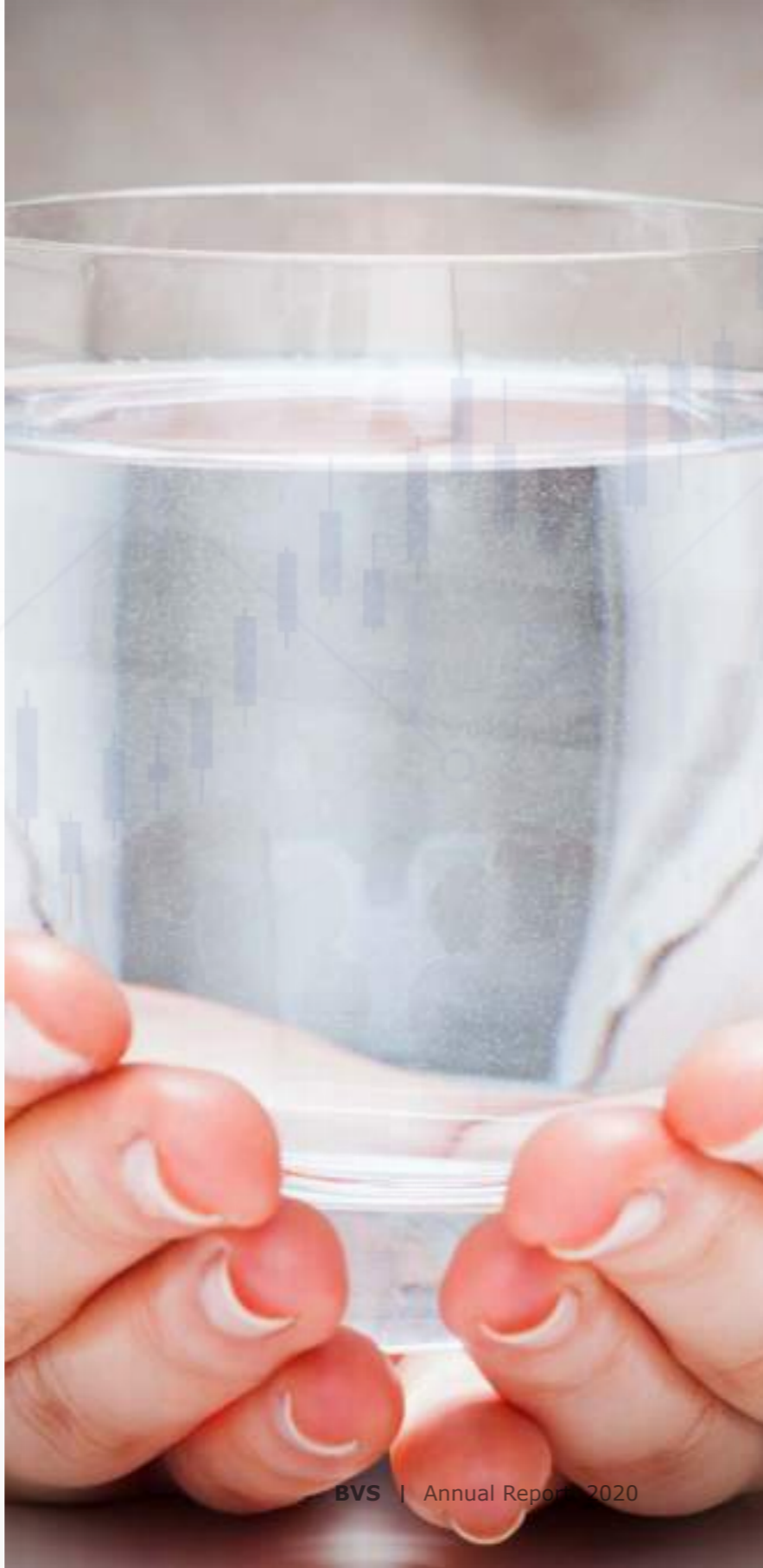
**Notes to the consolidated financial statements**

Statements of BVS for the last 5 years

**Overview of changes in shares**



# Independent auditor's report



## Správa nezávislého audítora

Akcionárom, dozomej rade a predstavenstvu spoločnosti Bratislavská vodárenská spoločnosť, a.s.:

### Náš názor

Podľa nášho názoru vyjadruje konsolidovaná účtovná zvierka objektívne vo všetkých významných súvislostiach konsolidovanú finančnú situáciu spoločnosti Bratislavská vodárenská spoločnosť, a.s. (ďalej len „Spoločnosť“) a jej dcérskych spoločností (ďalej spoločne uvádzaných ako „Skupina“) k 31. decembru 2020, konsolidovaný výsledok hospodárenia Skupiny a konsolidované peňažné toky za rok, ktorý sa k uvedenému dátumu skončil, v súlade s Medzinárodnými štandardmi pre finančné výkazníctvo platnými v Európskej únii.

### Čo sme auditovali

Konsolidovaná účtovná zvierka Skupiny obsahuje:

- konsolidovaný výkaz o finančnej situácii k 31. decembru 2020,
- konsolidovaný výkaz komplexného výsledku za rok, ktorý sa k uvedenému dátumu skončil,
- konsolidovaný výkaz zmien vlastného imania za rok, ktorý sa k uvedenému dátumu skončil,
- konsolidovaný výkaz peňažných tokov za rok, ktorý sa k uvedenému dátumu skončil,
- poznámky ku konsolidovanej účtovnej zvierke, ktoré obsahujú významné účtovné postupy a ďalšie vysvetľujúce informácie.

### Východisko pre náš názor

Náš audit sme uskutočnili v súlade s Medzinárodnými auditorskými štandardmi. Naša zodpovednosť vyplývajúca z týchto štandardov je ďalej opísaná v časti našej správy Zodpovednosť audítora za audit konsolidovanej účtovnej zvierky.

Sme presvedčení, že auditorské dôkazy, ktoré sme získali, sú dostatočným a vhodným východiskom pre náš názor.

### Nezávislosť

Od Skupiny sme nezávislí v zmysle Medzinárodného etického kódexu pre účtovných odborníkov (vrátane Medzinárodných štandardov nezávislosti), ktorý vydala Rada pre medzinárodné etické štandardy účtovníkov (ďalej „Etický kódex“), ako aj v zmysle ustanovení zákona č. 423/2015 o štatútnom audite a o zmene a doplnení zákona č. 431/2002 Z. z. o účtovníctve v znení neskorších predpisov (ďalej „Zákon o štatútnom audite“) týkajúcich sa etiky, ktoré sa vzťahujú na náš audit konsolidovanej účtovnej zvierky v Slovenskej republike. Splnili sme aj ostatné povinnosti týkajúce sa etiky, ktoré na nás kladie Zákon o štatútnom audite a Etický kódex.

### Správa k ostatným informáciám vrátane Výročnej správy ku konsolidovanej a individuálnej účtovnej zvierke:

Štatutárny orgán je zodpovedný za ostatné informácie. Ostatné informácie pozostávajú z Výročnej správy ku konsolidovanej a individuálnej účtovnej zvierke (ďalej „Výročná správa“) (ake neobsahujú konsolidovanú ani individuálnu účtovnú zvierku a naše správy audítora k nim).

Náš názor na konsolidovanú účtovnú zvierku sa nevzťahuje na ostatné informácie.

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The firm is registered in the Commercial Register of Bratislava I District Court, Reg. No.: 150118, Section: 000, IČO/Slovakian ID: 35 730 347. Spoločnosť je zapísaná v Obchodnom registri Okresného súdu Bratislava I, odd. Vložba č.: 150118, Dôber. Sic.



V súvislosti s našim auditom konsolidovanej účtovnej zvierky je našou zodpovednosťou prečítať si ostatné informácie, ktoré sú definované vyššie a pritom zvážiť, či sú tieto ostatné informácie významne nekonzistentné s konsolidovanou účtovnou zvierkou alebo s našimi poznatkami získanými počas auditu, alebo či máme iný dôvod sa domnievať, že sú významne nesprávne.

Pokiaľ ide o Výročnú správu, posúdili sme, či obsahuje zverejnenia, ktoré vyžaduje zákon č. 431/2002 Z.z. o účtovníctve v znení neskorších predpisov (ďalej len „Zákon o účtovníctve“).

Na základe prác vykonaných počas nášho auditu sme dospeli k názoru, že:

- informácie uvedené vo Výročnej správe za rok, za ktorý je konsolidovaná účtovná zvierka pripravená, sú v súlade s konsolidovanou účtovnou zvierkou, a že
- Výročná správa bola vypracovaná v súlade so Zákonom o účtovníctve.

Navyše na základe našich poznatkov o Skupine a situácii v nej, ktoré sme počas auditu získali, sme povinní uviesť, či sme získali významné nesprávnosti vo Výročnej správe. V tejto súvislosti neexistujú zistenia, ktoré by sme mali uviesť.

#### Zodpovednosť štatutárneho orgánu za konsolidovanú účtovnú zvierku

Štatutárny orgán je zodpovedný za zostavenie a objektívnu prezentáciu tejto konsolidovanej účtovnej zvierky v súlade s Medzinárodnými štandardmi pre finančné výkazníctvo platnými v Európskej únii, a za internú kontrolu, ktorú štatutárny orgán považuje za potrebnú pre zostavenie konsolidovanej účtovnej zvierky, ktorá neobsahuje významné nesprávnosti, či už v dôsledku podvodu alebo chyby.

Pri zostavovaní konsolidovanej účtovnej zvierky je štatutárny orgán zodpovedný za posúdenie toho, či je Skupina schopná nepretržite pokračovať vo svojej činnosti, za zverejnenie prípadných okolností súvisiacich s pokračovaním Skupiny v činnosti, ako aj za zostavenie konsolidovanej účtovnej zvierky za použitia predpokladu pokračovania v činnosti v dohľadnej dobe, okrem situácie, keď štatutárny orgán má v úmysle Skupinu zlikvidovať alebo ukončiť jej činnosť, alebo tak bude musieť urobiť, pretože realisticky inú možnosť nemá.

#### Zodpovednosť audítora za audit konsolidovanej účtovnej zvierky

Naším cieľom je získať primerané uistenie o tom, či konsolidovaná účtovná zvierka ako celok neobsahuje významné nesprávnosti, či už v dôsledku podvodu alebo chyby, a vydať správu audítora, ktorá bude obsahovať náš názor. Primerané uistenie je uistenie vysokého stupňa, ale nie je zárukou toho, že audit vykonaný podľa Medzinárodných auditorských štandardov vždy odhalí významné nesprávnosti, ak také existujú. Nesprávnosti môžu vzniknúť v dôsledku podvodu alebo chyby a za významné sa považujú vtedy, ak by sa dalo odôvodnene očakávať, že jednotlivá alebo v úhrne by mohli ovplyvniť ekonomické rozhodnutia používateľov, uskutočnené na základe konsolidovanej účtovnej zvierky.

Počas celého priebehu auditu uplatňujeme odborný úsudok a zachováваме profesionálny skepticizmus ako súčasť auditu podľa Medzinárodných auditorských štandardov. Okrem toho:

- Identifikujeme a posudzujeme riziká výskytu významných nesprávností v konsolidovanej účtovnej zvierke, či už v dôsledku podvodu alebo chyby, navrhujeme a uskutočňujeme auditorské postupy, ktoré reagujú na tieto riziká, a získavame auditorské dôkazy, ktoré sú dostatočné a vhodné na to, aby tvorili východisko pre náš názor. Riziko neodhalenia významnej nesprávnosti, ktorá je výsledkom podvodu, je vyššie než v prípade nesprávnosti spôsobenej chybou, pretože podvod môže znamenať tajnú dohodu, falšovanie, úmyselné opomenutie, nepravdivé vyhlásenie alebo obídenie internej kontroly.
- Oboznamujeme sa s internými kontrolami relevantnými pre audit, aby sme mohli navrhnúť auditorské postupy, ktoré sú za daných okolností vhodné, ale nie za účelom vyjadrenia názoru na efektívnosť interných kontrol Skupiny.

- Hodnotíme vhodnosť použitých účtovných zásad a účtovných metód a primeranosť účtovných odhadov a s nimi súvisiacich zverejnených informácií zo strany štatutárneho orgánu.
- Vyhodnocujeme, či štatutárny orgán v účtovníctve vhodne používa predpoklad nepretržitého pokračovania v činnosti a na základe získaných auditorských dôkazov aj to, či existuje významná neistota v súvislosti s udalosťami alebo okolnosťami, ktoré by mohli významne spochybniť schopnosť Skupiny nepretržite pokračovať v činnosti. Ak dospejeme k záveru, že takáto významná neistota existuje, sme povinní upozorniť v správe audítora na súvisiace informácie uvedené v účtovnej zvierke alebo, ak sú tieto informácie nedostatočné, sme povinní modifikovať náš názor. Naše závery vychádzajú z auditorských dôkazov získaných do dátumu vydania správy audítora. Budúce udalosti alebo okolnosti však môžu spôsobiť, že Skupina prestane pokračovať v nepretržitej činnosti.
- Hodnotíme celkovú prezentáciu, štruktúru a obsah konsolidovanej účtovnej zvierky, vrátane informácií v nej uvedených, ako aj to, či konsolidovaná účtovná zvierka zachytáva uskutočnené transakcie a udalosti spôsobom, ktorý vedie k ich vernému zobrazeniu.
- Získavame dostatočné a vhodné auditorské dôkazy ohľadne finančných informácií účtovných jednotiek a obchodných aktivít v rámci Skupiny, aby sme vyjadrili názor na konsolidovanú účtovnú zvierku. Sme zodpovední za usmernenie, riadenie a výkon auditu Skupiny. Správa audítora je výhradne našou zodpovednosťou.

So štatutárnym orgánom komunikujeme okrem iných záležitostí plánovaný rozsah a časový harmonogram auditu a významné zistenia z auditu, vrátane významných nedostatkov v interných kontrolách, ktoré identifikujeme počas nášho auditu.



PricewaterhouseCoopers Slovensko, s.r.o.  
Licencia SKAU č. 161

Mgr. Juraj Tučný, FCCA  
Licencia ÚOVA č. 1059

12. novembra 2021  
Bratislava, Slovenská republika



# Consolidated financial statements

## Consolidated statement of financial position as of 31st December 2020 (in whole euros)

	Note	31st December 2020	31st December 2019 (adjusted)	1st January 2019 (adjusted)
<b>ASSETS</b>				
<b>Non-current assets</b>				
Non-current tangible assets	9	405,190,575	408,693,629	420,884,865
Intangible assets and other assets	10	3,416,510	2,684,190	3,147,427
Joint venture investment	27	0	8,093,235	8,988,388
Right-of-use assets	6	11,407,079	12,461,726	0
Deferred tax assets	11	1,480,081	4,476,334	4,349,124
Other non-current assets		1,124,996	6,639	6,639
		<b>422,619,241</b>	<b>436,415,753</b>	<b>437,376,443</b>
<b>Current assets</b>				
Inventories	8	1,232,252	261,167	733,845
Trade receivables and other receivables	7	19,733,053	16,135,485	19,096,567
Income tax asset		31,738	152,087	0
Cash and cash equivalents	5	24,259,545	4,250,184	5,647,815
		<b>45,256,588</b>	<b>20,798,923</b>	<b>25,478,227</b>
<b>Total assets</b>		<b>467,875,829</b>	<b>457,214,676</b>	<b>462,854,669</b>

	Note	31st December 2020	31st December 2019 (adjusted)	1st January 2019 (adjusted)
<b>LIABILITIES AND EQUITY</b>				
<b>Equity</b>				
Share capital	17	281,365,935	281,365,935	281,365,935
Treasury shares	17	-1,927,338	-1,927,338	-1,927,338
Legal reserve fund and other funds		30,419,480	30,412,870	29,907,870
Retained earnings		10,722,698	857,197	5,161,625
		<b>320,580,775</b>	<b>310,708,664</b>	<b>314,508,092</b>
<b>Non-current liabilities</b>				
Lease liabilities	6	4,654,992	8,696,685	0
Loans and borrowings	14	69,012,948	0	62,657,448
Provisions	16	1,096,676	1,395,740	1,375,157
Deferred income	12	38,731,245	41,324,670	40,204,970
Pension liabilities	15	2,100,495	1,260,677	1,090,278
Other non-current liabilities	13	2,437,718	2,404,757	3,328,809
		<b>118,034,074</b>	<b>55,082,530</b>	<b>108,656,662</b>
<b>Short-term payables</b>				
Lease liabilities	6	6,535,254	3,524,161	0
Trade payables and other payables	13	19,113,755	19,495,716	32,090,962
Deferred income	12	3,097,065	3,276,264	3,002,710
Loans and borrowings	14	514,907	63,791,887	4,502,440
Income tax liabilities		0	1,335,453	93,803
		<b>29,260,980</b>	<b>91,423,481</b>	<b>39,689,915</b>
<b>Total equity and liabilities</b>		<b>467,875,829</b>	<b>457,214,676</b>	<b>462,854,669</b>



**Consolidated statement of comprehensive income for the year ending on 31st December 2020  
(in whole euros)**

	Note	2020	2019 (adjusted)
<b>Sales revenues</b>	18	<b>94,819,825</b>	<b>90,810,256</b>
Consumption of water, other materials and utilities	19	-14,325,179	-13,575,521
Wages and salaries	20	-25,738,705	-21,971,942
Depreciation, amortization and changes in provisions for assets	6, 9, 10	-21,663,763	-30,056,191
Services	21	-21,819,243	-30,716,134
Other operating expenses	22	-1,896,275	-2,306,376
Other operating revenues	22	6,239,455	5,966,141
<b>Net operating expenses</b>		<b>-79,203,709</b>	<b>-92,660,023</b>
<b>Operating profit/loss</b>		<b>15,616,115</b>	<b>-1,849,767</b>
Financial income	23	39	155
Financial expenses	23	-639,073	-588,694
<b>Net financial expenses</b>		<b>-639,034</b>	<b>-588,539</b>
<b>Joint venture profit/(loss) share</b>	27	<b>-1,216,266</b>	<b>-153,724</b>
<b>Remeasurement of the joint venture to fair value during acquisition of control</b>	28	<b>216,002</b>	<b>0</b>
<b>Profit/(loss) before tax</b>		<b>13,976,818</b>	<b>-2,592,031</b>
Income tax	24	-3,634,192	-1,266,730
<b>Profit/loss for the current period</b>		<b>10,342,626</b>	<b>-3,858,760</b>
<b>Items that will not be reclassified subsequently into profit or loss</b>			
Actuarial remeasurement of employee benefit obligations	15	-547,267	64,192
Deferred tax on the actuarial remeasurement of employee benefit obligations	24	114,926	-13,480
<b>Other comprehensive income</b>		<b>-432,341</b>	<b>50,712</b>
<b>Comprehensive income for the current period</b>		<b>9,910,285</b>	<b>-3,808,049</b>

**Consolidated statement of changes in equity for the year ending on 31st December 2020  
(in whole euros)**

(in whole EUR)	Share capital	Treasury shares	Legal reserve fund	Development fund	Other capital reserves	Retained earnings	Total equity
<b>Balance as of 1st January 2019 (original)</b>	<b>281,365,935</b>	<b>-1,927,338</b>	<b>33,544,777</b>	<b>35,180,445</b>	<b>2,344,094</b>	<b>8,554,883</b>	<b>359,062,796</b>
Correction of errors from previous periods (Note 2.28)			-5,583,746	-35,577,700		-3,393,258	-44,554,704
<b>Balance as of 1st January 2019 (adjusted)</b>	<b>281,365,935</b>	<b>-1,927,338</b>	<b>27,961,031</b>	<b>-397,255</b>	<b>2,344,094</b>	<b>5,161,625</b>	<b>314,508,092</b>
Profit/(loss) for the year	0	0	0	0	0	-3,858,760	-3,858,760
Other comprehensive profit/(loss) for the year	0	0	0	0	0	50,712	50,712
Total comprehensive profit/(loss) for the year	0	0	0	0	0	-3,808,049	-3,808,049
Contribution to the reserve fund and development fund	0	0	107,745	397,255	0	-505,000	0
Other	0	0	0	0	0	8,620	8,620
<b>Balance as of 31st December 2019</b>	<b>281,365,935</b>	<b>-1,927,338</b>	<b>28,068,776</b>	<b>0</b>	<b>2,344,094</b>	<b>857,197</b>	<b>310,708,664</b>
Profit/(loss) for the year	0	0	0	0	0	10,342,626	10,342,626
Other comprehensive profit/(loss) for the year	0	0	0	0	0	-432,341	-432,341
Total comprehensive profit/(loss) for the year	0	0	0	0	0	9,910,285	9,910,285
Contribution to the reserve fund and development fund	0	0	6,610	0	0	0	6,610
Other	0	0	0	0	0	-44,784	-44,784
<b>Balance as of 31st December 2020</b>	<b>281,365,935</b>	<b>-1,927,338</b>	<b>28,075,386</b>	<b>0</b>	<b>2,344,094</b>	<b>10,722,698</b>	<b>320,580,775</b>



**Consolidated statement of cash flows for the year ending on 31st December 2020  
(in whole euros)**

	Note	2020	2019
<b>Cash flows from operating activities</b>			
Cash flows from operating activities before tax, interest, dividends and leases	25	32,239,792	19,902,499
Expenditures for repayments of short-term leases, leases of low-value assets, and variable lease payments not included in the valuation of the lease liability	21	-94,016	-376,797
Tax refunds (+)/Tax paid (-)	23	-1,277,254	-219,013
Interest paid	23	-453,725	-418,948
of which: Expenditure for the interest part of the lease liability	23	-158,369	-177,663
Interest received	23	31	155
Dividends paid out		0	-270,477
Dividends received from the joint venture	27	0	741,429
<b>Net cash flows from operating activities</b>		<b>30,414,828</b>	<b>19,358,847</b>
<b>Cash flows from investing activities</b>			
Purchase of non-current tangible assets	9	-10,381,861	-13,187,061
Purchase of non-current intangible assets	10	-711,049	-593,672
Capitalized interest	9	-134,777	-170,669
Proceeds from the sale of non-current assets		515,158	0
Procurement of the subsidiary, after deduction of the cash and cash equivalents owned by the subsidiary	28	-1,452,937	0
<b>Net cash flows from investing activities</b>		<b>-12,165,465</b>	<b>-13,951,402</b>
<b>Cash flow from financing activities</b>			
Proceeds from received loans and borrowings	14	69,800,375	3,589,709
Repayment of loans and borrowings	14	-64,064,407	-6,957,710
Expenditure for the repayment of lease liabilities		-3,975,970	-3,437,075
<b>Net cash flows from financing activities</b>	<b>15</b>	<b>1,759,998</b>	<b>-6,805,076</b>
<b>Net cash flows</b>	<b>15</b>	<b>20,009,361</b>	<b>-1,397,631</b>
Cash and cash equivalents at the beginning of the period	5	4,250,184	5,647,815
<b>Cash and cash equivalents at the end of the period</b>	<b>5</b>	<b>24,259,545</b>	<b>4,250,184</b>





# Notes to the consolidated financial statements

## 1. General information

### Description of the company

Bratislavská vodárenská spoločnosť, a.s., (IČO [organization ID No.]: 35 850 370), was founded in accordance with Privatization Decision No. 853 issued by the Ministry of Administration and Privatization of the National Property of the Slovak Republic on 2nd October 2002, by transformation of the state-owned enterprise Vodárne a kanalizácie [Waterworks and Sewer Systems] and a part of the state-owned enterprise Západoslovenské vodárne a kanalizácie [West Slovak Waterworks and Sewer Systems]. The company was incorporated by registration in the Business Register on 7th January 2003 (Business Register of the District Court Bratislava I in Bratislava, section: Sa [company limited by shares], file No. 3080/B).

Bratislavská vodárenská spoločnosť, a.s. (hereinafter referred to as "BVS" or the "Company"), is an "akciová spoločnosť" [(public) company limited

by shares] in the Slovak Republic. The Company's registered office is in Bratislava, Prešovská ulica 48. The core activities of the Company include the operation of public water mains and sewer systems in the areas of Bratislava, Senica and Záhorie.

The majority shareholder of the company is the public administration entity Bratislava, the Capital of the Slovak Republic.

### Liability of the Company

The Company has no unlimited liability in any other company.

### The reason for and method of preparing the financial statements

These consolidated financial statements are the annual consolidated financial statements of Bratislavská vodárenská spoločnosť, a.s., in accordance with Act No. 431/2002 Coll. on Accounting, as amended. The annual consolidated financial statements were prepared for the period from 1st January 2020 to 31st December 2020 in accordance with the International Financial Reporting Standards (hereinafter referred to as the "IFRS") valid in the European Union (hereinafter referred to as the "EU").

The consolidated data of the Group are included in the consolidated financial statements of the public sector entity Bratislava, the Capital of the Slovak Republic, which are included in the aggregate financial statements of the public sector. The consolidated financial statements of Bratislava, the Capital of the Slovak Republic, are available for inspection at the registered office of Bratislava, the Capital of the Slovak Republic, and are stored in the Register of Financial Statements at [www.registeruz.sk](http://www.registeruz.sk) under the IČO [organization ID number] of Bratislava, the Capital of the Slovak Republic.

The aggregate financial statements of the public sector comprise the balance sheet, the prof-

it and loss statement and the notes prepared on the basis of the consolidation principle used in the International Public Sector Accounting Standards (IPSAS). The accounting entities included in the aggregate financial statements form a so-called aggregate group. The reason for this name is the preparation of aggregate financial statements as an accounting document based on accounting standards. As the principle of control of one accounting entity over other entities is not fulfilled (the Ministry of Finance of the Slovak Republic does not own local government entities and the like), the financial statements cannot be called consolidated financial statements, but have to be called aggregate financial statements.

### Information on the Group

The Company has a controlling influence and is the parent company with a stake in the following subsidiaries:

Company name	Registered office	Description of activities	Ownership interest/ voting rights	Ownership relationship
BIONERGY, a. s.	Prešovská 48, Bratislava	heat and electricity generation from biomass	100%	subsidiary
Infra Services, a. s.	Hraničná 10, Bratislava	servicing activities for water mains and sewer systems	100%	subsidiary

The main activity of the subsidiary BIONERGY, a. s., is doing business in the field of disposal of non-hazardous waste generated during the operation of WWTP. The primary mission is the continuous processing of sewage sludge and other biodegradable waste within the Company's regional activities and the subsequent combustion of sludge gas in cogeneration units for the purpose of producing electricity and heat.

The main objects of Infra Services, a. s., are the provision of servicing activities on the Company's water mains and sewer networks, as well as support services related to the Company's objects. The Company also focuses on the development of information technologies and automation ele-

The aggregate financial statements are prepared on the basis of the consolidated financial statements of the central public administration, the consolidated financial statements of municipalities, the consolidated financial statements of higher territorial units, the separate financial statements of municipalities that have not prepared consolidated financial statements and the separate financial statements of other public sector entities and legal entities with state ownership founded under special pieces of legislation.

The aggregate financial statements are deposited in the Register of Financial Statements at [www.registeruz.sk](http://www.registeruz.sk), under the IČO of the Ministry of Finance of the Slovak Republic.

ments for the administration of repairs and maintenance of technological elements of water supply and sewer system infrastructure.

For the purposes of the Company's separate financial statements, Infra Services, a. s., is considered a subsidiary under Accounting Act No. 431/2002 Coll. as of 31st December 2020 and 31st December 2019, based on the ownership of an absolute majority of voting rights, but according to International Financial Reporting Standards, Infra Services, a. s., as of 31st December 2019, was a joint venture and not a subsidiary of Bratislavská vodárenská spoločnosť, a.s. During 2020, Bratislavská vodárenská spoločnosť, a.s., increased its stake in Infra Services, a. s., to 100%, thereby



making Infra Services, a. s., too, a subsidiary of BVS according to International Financial Reporting Standards.

Bratislavská vodárenská spoločnosť, a.s., together with its subsidiaries is referred to in these consolidated financial statements as the „Group“. The company BVS prepares the consolidated financial statements for all companies in the consolidated group. In 2020, BVS consolidates both subsidiaries using the full consolidation method. In 2019, Infra Services was included in the consolidated financial statements as a joint venture and the investment in it was accounted for using the equity method.

In 2020, the Group had an average of 1,119 employees, 144 of which were executives (2019 excluding Infra Services: an average of 793 employees, 156 of which were executives).

Neither Bratislavská vodárenská spoločnosť, a.s., nor its subsidiaries, are companies with unlimited liability in other accounting entities.





## 2. Summary of the main accounting principles and methods

The basic accounting principles and methods applied in preparing these consolidated financial statements are described below. The methods are applied consistently during all reported periods, unless specified otherwise.

### 2.1. Basis for preparation of the consolidated financial statements

The Company's consolidated financial statements for the previous reporting period were approved by the Extraordinary General Meeting of the Company held on 18th December 2020.

These consolidated financial statements are kept at the Company's registered office and in the Register of Financial Statements at [www.registeruz.sk](http://www.registeruz.sk), under the Company's IČO [organisation ID No.].

The Slovak Act on Accounting (the Act of the National Council of the Slovak Republic No. 431/2002 Coll., as amended) requires that the Group prepare the consolidated financial statements as of 31st December 2020 in line with the International Financial Reporting Standards ("IFRS") valid in the European Union.

These consolidated financial statements were prepared in accordance with the IFRS valid in the European Union using the going concern assumption with respect to the Group. The consolidated financial statements were prepared using the his-

torical cost principle. The Group applies all IFRS and interpretations issued by the International Accounting Standards Board (hereinafter referred to as the "IASB") which are valid in the EU and were valid and effective for consolidated financial statements prepared for the year ending on 31st December 2020.

The preparation of the consolidated financial statements in accordance with the IFRS valid in the EU requires the use of the accounting estimates and judgement of the management in applying the accounting procedures. In the process of applying the accounting methods, the management also makes certain critical decisions. The areas that require higher level decision-making or that are more complex, or areas where assumptions and estimates are significant to the consolidated financial statements, are specified in item 4 of the Notes.

In preparing the consolidated financial statements in accordance with the IFRS valid in the EU, it is necessary to use estimates and assumptions that affect the amounts reported in the financial statements and notes to the financial statements. Although these estimates are based on the management's best knowledge of current events and activities, reality may differ from such estimates. The reporting period is the calendar year.

The consolidated financial statements have been prepared in euros – "EUR". The values are stated as whole numbers without decimal places.

#### 2.1.1. Changes in the accounting principles and reporting

The accounting principles are consistent with the accounting principles used in the consolidated financial statements prepared as of 31 December 2019.

#### Issued standards, interpretations and amendments to standards that the Group applied for the first time in 2020

The following amended standards and interpretations became effective for the Group from 1st January 2020, but had no significant impact on the Group:

- Amendment to the Conceptual Framework for Financial Reporting (amendment issued on 29th March 2018 and effective for annual periods beginning on or after 1st January 2020).
- Definition of a Business – amendments to IFRS 3 (issued on 22nd October 2018 and effective for acquisitions from the beginning of the annual period beginning on or after 1st January 2020).
- Definition of Material – amendments to IAS 1 and IAS 8 (issued October 2018 and effective for annual periods beginning on or after 1st January 2020).
- Reform of reference interest rates – amendments to IFRS 9, IAS 39 and IFRS 7 (issued on 26th September 2019 and effective for annual periods beginning on or after 1st January 2020).

#### Issued standards, interpretations and amendments to standards that are effective after 31st December 2020 and that the Group has not applied prematurely

Certain new already issued standards, interpretations and amendments are mandatory for annual periods beginning on or after 1st January 2021, with the Group not having applied them prematurely:

- IFRS 14 – Regulatory Deferral Accounts (a standard issued on 30th January 2014 and effective for periods beginning on or after 1st January 2016, which however has not been approved for use in the EU)
- COVID-19-Related Rent Concessions beyond 30th June 2021 – Amendment to IFRS 16 (is-

sued on 28th May 2020 and effective for annual periods beginning on or after 1st June 2020).

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – amendments to IFRS 10 and IAS 28 (issued on 11th September 2014 and effective for annual periods beginning on a date to be determined by the IASB).
- IFRS 17 – Insurance Contracts (a standard issued on 18th May 2014 and effective for annual periods beginning on or after 1st January 2023).
- Classification of Liabilities as Current or Non-current – amendments to IAS 1 (issued on 23rd January 2020 and effective for annual periods beginning on or after 1st January 2022).
- Proceeds before Intended Use, Onerous Contracts – Cost of Fulfilling a Contract, Reference to the Conceptual Framework – amendments to IAS 16, IAS 37 and IFRS 3 in a narrow scope and Annual Improvements to IFRS Standards 2018–2020 – amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41 (issued on 14th May 2020 and effective for annual periods beginning on or after 1st January 2022).
- Amendments to IFRS 17 and IFRS 4 – Insurance Contracts (amendments issued on 25th June 2020 and effective for annual periods beginning on or after 1st January 2023).
- Classification of Liabilities as Current or Non-current, deferral of the effective date – amendment to IAS 1 (issued on 15th July 2020 and effective for annual periods beginning on or after 1st January 2023).
- Reform of reference interest rates - phase 2 – amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (issued on 27th August 2020 and effective for annual periods beginning on or after 1st January 2021).
- The above standards, interpretations and amendments to standards (including those not having yet been approved by the European Union) are not expected to have any significant impact on the Group's consolidated financial statements.



## 2.2. Consolidation

Subsidiaries are those accounting entities, including structured entities, that the Group controls because (i) it has the power to govern those of their relevant activities that significantly affect their income, (ii) it has the right, or rights, to participate in variable returns from its interest in those accounting entities, and (iii) it has the ability to exercise its legal authority over those entities to affect the amount of the investor's returns.

In assessing whether the Group controls another accounting entity, the existence and effect of material voting rights, including material potential voting rights, are taken into account. For a right to be material, its holder must have the practical ability to exercise it when the need arises to make decisions about the controlled accounting entity's relevant activities. The Group may control an accounting entity even if it does not hold a majority of the voting rights. In such a case, the Group assesses the amount of its voting rights by comparison with the size and distribution of the shares of other holders of voting rights to determine whether it has de facto control over the accounting entity. Protection rights of other investors, e.g. those relating to significant changes in the accounting entity's activities, or those applying only in exceptional circumstances, do not prevent the Group from exercising a controlling influence in that accounting entity. Subsidiary accounting entities are consolidated from the date on which the Group acquires control (acquisition date) and are excluded from consolidation from the date on which the Group ceases to control the accounting entity.

Intragroup transactions, balances and unrealized gains on transactions between Group companies are eliminated during the consolidation. Unrealized gains are also eliminated unless the recoverability of the cost is not guaranteed. The Company and all its subsidiaries use the same accounting policies that are consistent with the Group's accounting policies.

In 2020, BVS consolidates both subsidiaries using the full consolidation method. Infra Services has been consolidated since 15th July 2020, when BVS gained control of it. In 2019 and till 15th July 2020, Infra Services was included in the consolidated financial statements as a joint venture and the investment in this joint venture was accounted for using the equity method.

The acquisition of control over Infra Services was accounted for using the acquisition method. And the goodwill was calculated as the difference between (a) the net fair value of Infra Services' assets, liabilities and contingent liabilities and (b) the purchase price, which represents the acquisition payment in 2020, and the fair value of the investment previously held; which was accounted for as a joint venture. The difference between the fair value of the previous investment and its carrying amount was recognized with an impact on the consolidated profit/loss. For the purpose of calculating the goodwill, payments for the settlement of previous relationships between BVS and Infra Services, including trade payables of BVS to Infra Services, lease liabilities of BVS to Infra Services, as well as the contractual relationship in the form of the contract for the provision of services of Infra Services to BVS existing at the time of acquisition, were excluded from the payment for the acquisition of the ownership interest in Infra Services.

## 2.3. Foreign currency translation

### Functional currency and presentation currency

The data in the Group's consolidated financial statements are measured using the currency of the primary economic environment in which the Group operates ("the functional currency").

The financial statements are presented in euros – "EUR" – with amounts rounded to millions of euros with one decimal place. The euro is the functional and presentation currency of the Group.

## Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the expenses and revenues.

Items measured at fair value in a foreign currency are translated at rates prevailing on the date when their fair value is set. Exchange rate differences from trade receivables and payables as well as from borrowings are recorded as financial income or expense because the Group reports income and expenses by their type, rather than by their function.

## 2.4. Financial assets

### Financial instruments - key definitions for measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. The best evidence of fair value is an active market price. An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial instrument. Incremental costs are those that would not have been incurred if the transaction had not taken place. Transaction costs include fees and commission paid to agents (including employees acting as sales agents), advisers, brokers and dealers, levies by regulatory agencies and security exchanges, and transfer taxes and duties. Transaction costs do not include

debt premiums or discounts, financing costs or internal administrative or holding costs.

Amortized cost („AC“) is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus cumulative interest, and for financial assets, less any allowance for expected credit losses („ECL“). Accrued interest includes amortization of transaction costs deferred at initial recognition and of any premium or discount of the debt instrument to the maturity amount using the effective interest method. Accrued interest income and accrued interest expense, including both accrued coupon and amortized debt discount or premium (including possible accrued fees), are not recognized separately and are included in the carrying amounts of related items in the statement of financial position.

The effective interest method is a method of allocating interest income or interest expense over the relevant period, so as to achieve a constant periodic rate of interest (effective interest rate) on the carrying amount. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts (excluding future credit losses) through the expected life of the financial instrument or a shorter period, if appropriate, to the gross carrying amount of the financial instrument. The effective interest rate discounts cash flows of variable interest instruments to the next interest repricing date, except for a debt premium or discount which reflects the credit spread over the floating rate specified by the instrument, or other variables that are not reset to market rates. Such debt premiums or discounts are amortized over the whole expected life of the instrument. The present value calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate.

### Financial instruments – initial recognition

All financial instruments are initially recognized



at fair value adjusted for transaction costs. The fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is recognized only when there is a difference between the fair value and the transaction price that can be evidenced by other market transactions of the same instrument or a measurement technique whose inputs include only data from observable markets. After initial recognition, a provision is recognized for financial assets measured at amortized cost, which results in an immediate accounting loss.

#### **Financial assets – classification and subsequent measurement – measurement category**

The Group classifies financial assets only in the amortized cost category. The classification and subsequent measurement of financial assets depends on: (i) the Group's business model for managing a portfolio of related assets and (ii) the cash flow characteristics of the assets.

#### **Financial assets – classification and subsequent valuation – business model**

The business model reflects how the Group manages the assets in order to generate cash flows, i.e. whether the Group's objective is: (i) solely to collect the contractual cash flows from the assets (hold to collect contractual cash flows) or (ii) to collect both the contractual cash flows and the cash flows arising from the sale of assets (hold to collect contractual cash flows and sell) or, if neither (i) or (ii) is applicable, the financial assets are classified as part of "another" business model and measured by means of the fair value through profit or loss („FVTPL“).

The business model is determined for a group of assets (at a portfolio level) based on all relevant evidence about the activities that the Group undertakes to achieve the objective set for the portfolio available on the date of the assessment. Factors considered by the Group in determining

the business model include the purpose and composition of a portfolio and past experience on how the cash flows for the respective assets were collected. The purpose of the business model used by the Group is to hold financial assets to maturity and to collect the contractual cash flows.

#### **Financial assets – classification and subsequent measurement – cash flow characteristics**

Where the business model is to hold assets to collect contractual cash flows or to hold financial assets to collect cash flows and sell, the Group assesses whether the cash flows represent solely payments of principal and interest („SPPI“). Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are consistent with the SPPI feature. In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement, i.e. interest includes only consideration for credit risk, the time value of money, other basic lending risks and profit margin.

Where the contractual terms introduce exposure to risk or volatility that is inconsistent with a basic lending arrangement, the financial asset is classified and measured at FVTPL. The SPPI assessment is performed at initial recognition of an asset and it is not subsequently reassessed. The Group performs a SPPI test for its financial assets.

The Group holds only trade receivables, contractual assets and cash and cash equivalents. The nature of financial assets is short-term, and the contractual cash flows represent principal and interest payment that takes into account the time value of money, and therefore the Group recognizes them in amortized cost.

#### **Financial assets – reclassification**

Financial instruments are reclassified only when the business model for managing the portfolio as a whole changes. The reclassification has a pro-

spective effect and takes place from the beginning of the first reporting period subsequent to the change in the business model. The Group did not change its business model during the current and immediately preceding reporting period and did not make any reclassifications.

#### **Impairment of financial assets – expected credit losses („ECL“) provision**

The Group determines, on the basis of expected future developments, the ECL for receivables measured at amortized cost and for contract assets. The Company measures the ECL and recognizes net impairment losses on financial and contract assets at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) the time value of money and (iii) all available and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

Receivables measured at amortized cost are presented in the statement of financial position net of the ECL provision.

The Group applies to trade receivables the simplified approach under IFRS 9, i.e. it estimates ECL using lifetime expected losses. For the calculation of the lifetime expected losses for trade receivables, the Group uses a matrix that takes into account the time overdue of the receivables, the recoverability of the receivables and the amount of the receivables written-off.

The amount of the provision was the difference between the asset's carrying amount and the present value of expected future cash flows, discounted at the original effective interest rate. The carrying amount of the receivable was reduced using provisions, and the corresponding amount of the loss is expensed within "Other operating expenses".

#### **Financial assets – write-off**

The Group writes off all or part of its financial assets when the Group has exhausted all practical possibilities for a full or partial recovery of those assets and there is no reasonable expectation of recovery of those assets.

#### **Financial assets – derecognition**

The Group ceases to recognize financial assets when (i) the assets have been repaid or the right to cash flows from those assets has expired, or (ii) the Group has transferred rights to cash flows from financial assets to another person and at the same time basically all benefits and risks associated with the asset.

### **2.5. Financial liabilities**

The classification depends on the contractual obligations related to the financial instrument and on the intentions with which management has entered into the contract.

The management determines the classification of its financial liabilities at initial recognition. All financial liabilities of the Group have been measured at the carrying amount using the effective interest method. When a financial liability is recognized for the first time, the Group measures it at its fair net value reduced by the transaction costs that are directly attributable to the origin of the financial liability, and accruals are subsequently created for them using the effective interest method.

A financial liability (or part thereof) is removed from the consolidated statement of financial position when, and only when, it is discharged – i.e. when the obligation specified in the contract is paid, cancelled or expires. The gain or loss resulting from the derecognition of financial liabilities is recognized when the financial liability is derecognized.



## 2.6. Cash and cash equivalents for the purpose of recognizing cash flows

Cash includes cash and bank accounts. Cash equivalents are short-term, highly liquid investments readily convertible to cash with a maturity of less than three months from the date of acquisition, for which there is an insignificant risk of any change in value.

## 2.7. Trade receivables and other receivables

After initial recognition, receivables are measured at the carrying amount using the effective interest method, reduced by a provision for expected loan losses.

Trade receivables are classified as current assets if they are expected to be earned in the ordinary course of the business cycle, which is a period equal to or shorter than one year. Otherwise, they are recognized as non-current assets.

If a trade receivable is uncollectible, it is written off with a contra entry in the provision for receivables. Subsequent payments of receivables written off in the past are entered on the credit side of expenses to reduce the value of receivables within „Other operating expenses“.

## 2.8. Inventories

Inventories are reported at cost. The cost includes the costs of material, other direct costs and related overhead costs. If the cost or the own cost of inventories is higher than their net realizable value as of the balance sheet date, a provision is made for inventories in the amount of the difference between their measurement in the accounting and their net realizable value. Net realizable value is the estimated selling price of inventories less the estimated costs of their completion and costs necessary to make their sale.

Measurement of the inventory loss of the company BVS is determined using the FIFO method. Measurement of the inventory loss of the company BIONERGY is determined using the weighted arithmetic average, with such reporting having no significant impact on the consolidated financial statements.

The cost of own produced inventory includes direct materials, direct labour and an appropriate proportion of production overhead expenses, including the licensing fee, but without the cost of borrowings and loans.

## 2.9. Non-current tangible assets

Non-current tangible assets are recognized at historical cost less accumulated depreciation and provisions for impairment of receivables. On sale or disposal of assets, the cost and accumulated depreciation and provisions are cleared, and the net gain or loss resulting from its sale or disposal is recognized in the profit/loss for the period.

The initial cost of an item of a long-term tangible asset comprises its purchase price, including import duties and non-refundable purchase taxes, and all costs directly attributable to bringing the asset to an operable condition and to the location where it will be used, such as costs of loans and borrowings. The estimated costs of decommissioning and reclamation are capitalized at initial recognition or when the decommissioning decision is made. Changes in estimates adjust the carrying amounts of non-current tangible assets. Expenditure incurred after the non-current tangible assets have been commissioned, for example, with respect to minor repairs, maintenance as well as overhead costs (excluding costs of overhauls), are recognized as expenses in the period in which they arise. Costs of overhauls are capitalized as a separate component of the related assets and the component being replaced during the overhaul is derecognized.

Depreciation commences in the month the asset was put into use. Land and works of art are not depreciated. Non-current tangible assets are depreciated according to the depreciation plan drawn up based on the expected period of their use corresponding to the consumption of future economic utility from assets and the actual technical lifespan. Assets under construction represent non-current

The depreciation periods set by the expected useful life of the assets, depreciation methods and depreciation rates for non-current tangible assets are as follows:

	Expected period of use (years)	Depreciation method	Annual depreciation rate (%)
<b>Constructions</b>			
- buildings	20 - 50	straight-line	2.0 – 5.0
- water mains networks and sewer networks	12 - 100	straight-line	1.0 – 8.33
Machinery, devices and equipment	4 - 17	straight-line	5.88 – 25.0
Vehicles	4 - 6	straight-line	16.67 – 25.0
Low-value non-current tangible assets	varies	straight-line	varies

Land is not depreciated. The most significant part of assets is represented by land, buildings and constructions relating to the infrastructure of drinking water production, delivery and distribution and wastewater drainage and treatment.

Gains and losses on the disposal of buildings, constructions, machinery and equipment are fully reflected in the profit/loss.

Costs incurred after putting into use are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Costs of minor repairs and daily maintenance are expensed as incurred. The costs of replacing significant parts or components of non-current tangible assets are capitalized and the replaced part is derecognized. The carrying amount of the asset is written down immediately to its recoverable amount if the as-

tangible assets and are recognized at cost. The cost includes the cost of the non-current tangible assets and other direct costs. Assets under construction are not depreciated until the respective assets are ready to use.

Land is recognized at cost adjusted for provisions for impairment.

set's carrying amount is greater than its estimated recoverable amount.

Each component of any item of non-current tangible assets with a cost that is significant in relation to the total cost of the item is depreciated separately. The Group allocates the proportionate amount initially recognized as an item of non-current assets to its significant components and each such component is depreciated separately.

Assets that are worn or otherwise disposed of are eliminated from the consolidated statement of financial position along with the corresponding accumulated depreciation.

## 2.10. Non-current intangible assets

An intangible asset acquired separately is recognized at cost and is acquired in a business acquisition at its fair value on the acquisition date. An intangible asset is recognized if future economic



benefits embodied in the asset and, in addition, the cost of such asset are likely to be reliably estimated.

Upon initial recognition, intangible assets are recognized at cost. The estimated useful lives of such intangible assets are either finite or indefinite. Assets with a finite useful life are amortized on a straight-line basis over the estimated useful life. The time and method of depreciation are reviewed annually at the end of the reporting period. Intangible assets, excluding development costs, generated internally are not capitalized, and the expenditure is recognized as expenses affecting the profit/loss in the year in which the expenditure is incurred. Intangible assets are tested annually for

The Group does not have intangible assets with indefinite (unlimited) useful lives. Non-current intangible assets are depreciated as follows:

	Expected period of use (years)	Depreciation method	Annual depreciation rate (%)
Software	4 – 5	straight-line	20 – 25
Royalties (licenses)	3 – 20	straight-line	5.0 – 33.33
Royalties, other non-current int. assets	3 – 20	straight-line	5.0 – 33.33

Expenses associated with maintaining computer software programs are recognized as expenses affecting profit/loss in the reporting period in which they incurred. Development costs that are directly attributable to the design and testing of identifiable software products controlled by the Group are capitalized as an intangible asset when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use,
- management intends to complete the software product and use or sell it,
- the accounting entity has the ability to use or sell the software product,
- it can be demonstrated how the software product will generate future economic benefits,
- adequate technical, financial and other re-

impairment, either individually or at the level of a cash-generating unit. Useful lives are also examined on an annual basis, and adjustments, if necessary, are performed prospectively.

Research costs are expensed as incurred. Costs incurred for the development of an individual project are capitalized if their future returns are probable. After initial recognition, assets are carried at cost less any accumulated impairment losses. In the development stage the assets are not depreciated. While the assets are available for use, the audit of reduction in the carrying amount of development costs is made annually or more frequently, if during the period there is an indication that the carrying amount may not be recoverable.

- sources to complete its development, use or sale are available,
- the expenses attributable to the procurement of the software product during its development can be reliably measured,
- capitalized expenses associated with software development include employee costs and the appropriate portion of overheads. Other development costs that do not meet these criteria are recognized as expenses of the period in which they incurred. Development costs previously recognized as an expense are not recognized as an asset in subsequent periods.

Computer software development costs capitalized as intangible assets are amortized over their estimated useful lives.

## 2.11. Impairment of non-financial assets

At the end of each reporting period, management examines whether there is any indication that a non-current tangible or intangible asset may be impaired. If any such indication exists, management estimates the recoverable amount, which is the higher of fair value less costs to sell and value in use. The carrying amount is reduced to its recoverable amount and the impairment loss is recognized so as to affect the profit/loss for the current period. Provisions for assets created in prior periods are released, if appropriate, when there has been a change in the estimates used to determine the asset's value in use or its fair value less costs to sell.

## 2.12. Leases

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, 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. The Group has opted for a policy of not separating lease and non-lease components for all categories of assets resulting from a lease and instead recognizes each lease as a single lease component.

The Group does not apply IFRS 16 to leases of intangible assets.

The company decided to present lease liabilities and the right of use of assets as a separate line item in the consolidated statement of financial situation.

In the year ended 31st December 2020, the Group did not enter into any sale and leaseback transactions.

The Group does not have leases that would result for the Group in restrictions on the payment of

dividends or on compliance with set financial indicators.

## Right-of-use assets

Right-of-use assets refer to non-current assets that are leased under a contract containing a lease under IFRS 16.

The Group mainly leases vehicles, specialized machinery (e.g. tank trucks, monitoring vehicles), premises (e.g. for the purposes of client centres) and land (e.g. under wastewater treatment plants). The lease term varies and ranges from 2 to 40 years.

The Group recognizes right-of-use assets and the corresponding lease liability as of the commencement date of the lease (the date the asset is provided for use). The right-of-use asset is measured at cost on the commencement date of the lease, which comprises: the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date of the lease, less any lease incentives received, any initial direct costs incurred by the Group, and an estimate of costs to be incurred by the Group in restoring the underlying asset to the condition required by the terms and conditions of the lease for the return of the subject of the lease.

After the commencement date of the lease, the right-of-use asset is measured by applying a cost model. The cost of the right does not contain any accumulated depreciation and any provisions for assets and is adjusted for any remeasurement of the lease liability resulting from a lease modification or a reassessment of the lease liability.

The recognized right-of-use assets are not subject to a further sublease by the Group and do not correspond to the definition of investment property.



### Depreciation of right-of-use assets

The right to use an asset is depreciated using the straight-line method over its estimated life. If the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the Group depreciates the right-of-use asset from the commencement date of the lease to the end of the useful life of the underlying asset. Otherwise, the Group shall depreciate the right-of-use asset from the commencement date of the lease to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

### Lease liability

As of the commencement date of the lease, the Group measures the lease liability at the present value of future lease payments realized during the lease duration. The lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term: (i) fixed payments (including in-substance fixed payments), less any lease incentives payable; (ii) variable lease payments that depend on an index or a rate, initially measured using the index or rate as of the commencement date of the lease, (iii) amounts expected to be payable by the Group under residual value guarantees; (iv) the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and (v) payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.

The Group's current lease contracts do not include any residual value guarantees.

Future increases in variable lease payments that depend on an index or rate are included in the measurement of the lease liability only if there is a change in cash flows (i.e. when the adjustment to the lease payments takes effect).

After the commencement date of the lease, the Group measures the lease liability by: (i) increasing the carrying amount to reflect interest on the lease liability, (ii) reducing the carrying amount to reflect the lease payments made, (iii) remeasuring the carrying amount to reflect any lease modifications or reassessment of the lease liability or to reflect revised in-substance fixed lease payments.

### Lease modification

A lease modification is a change in the scope of a lease, or the consideration for a lease, which was not part of the original terms and conditions of the lease. A modification is recognized on its effective date.

The Group recognizes a lease modification as a separate lease if both the modification increases the scope of the lease and the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope of the lease.

In other cases, the Group recognizes the lease modification as a remeasurement of the lease liability (i) by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, with the resulting gains or losses being recognized in profit or loss, or (ii) in other cases by making a corresponding adjustment to the right-of-use asset.

### Reassessment of the lease liability

The reassessment of the lease liability are changes in the lease payments that do not result from a lease modification. In such a case, the reassessment of the lease liability is recognized as an adjustment to the right-of-use asset. If the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognizes any remaining amount of the remeasurement in the profit or loss.

The Group remeasures the lease liability, if there is (i) a change in the lease term assessment, (ii) a change in the assessment of an option to purchase the underlying asset, (iii) a change in the amounts expected to be payable under a residual value guarantee, or (iv) a change in future lease payments resulting from a change in an index or a rate used to determine those payments.

A change in the lease term or the assessment of an option to purchase the underlying asset will occur only if a significant event or significant change in circumstances occurs that affects that assessment and is under the control of the Group.

### Lease term

The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option, and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise (or not to exercise) the option, the Group considers all relevant facts and circumstances that create an economic incentive for the Group to exercise (or not to exercise) the option.

The lease term is reassessed if the option is actually exercised (or not exercised) or if the Group is required to exercise it (or not to exercise it). The assessment of whether the exercise of the option is sufficiently certain is reassessed only if a significant event or significant change in circumstances occurs that affects that assessment and is under the control of the Group.

### Discount rate

Lease payments are discounted using the interest rate implicit in the lease if the rate can be readily determined. If that rate cannot be readily determined, which is usually the case with the Group,

the Group uses the incremental borrowing rate of companies in the Group.

The revised discount rate is determined as the interest rate implicit in the lease for the remainder of the lease term, if that rate can be readily determined, or the lessee's incremental borrowing rate on the effective date of the change in the lease contract, if the interest rate implicit in the lease cannot be readily determined. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

For the purpose of determining the incremental borrowing rate, the Group:

- if possible, uses as a starting point the recent third-party financing received by the Group, adjusted to reflect changes in financial conditions since the receipt of the third-party financing;
- uses an approach based on the risk-free interest rate adjusted for a credit risk margin, and
- makes adjustments specific to the lease, e.g. due to another maturity date, currency and security of the borrowing.

### Interest on lease liability

Lease payments are allocated between the principal and interest on the lease liability. Interest on the lease liability in each period during the lease term shall be the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability. The periodic rate of interest is the discount rate, or if applicable, the revised discount rate described in the paragraph above.

Lease liability interest expenses, if not included in the carrying amount of a qualifying asset, are presented as part of finance expenses in profit or loss.



### Variable lease payments

Variable lease payments are recognized after the commencement date of the lease in profit or loss, in the period in which the event or condition that triggers those payments occurs.

The recognition of variable lease payments results mainly from the Group's selected accounting policy of not separating the lease and non-lease components of the lease contract.

Variable lease payments relate mainly to operating expenses related to the underlying asset and are relatively small compared to fixed payments.

### Short-term leases and leases of low-value underlying assets

The Group recognizes lease payments associated with short-term leases and leases for which the underlying asset is of low value as an expense on either a straight-line basis over the lease term or another systematic basis, if that basis is more representative of the pattern of the Group's economic benefits. This policy is applied by the Group to all classes of underlying assets to which the right of use relates.

A short-term lease is a lease that lasts 12 months or less. An underlying asset with a value of up to 5,000 euros at the time when it was new is considered to be a low-value asset. In the current reporting period, the Group did not enter into significant leases of this type.

### Rental income

To determine the classification of leases in which the Group is in the position of the lessor as a finance or operating lease, the Group assesses whether the lease transfers substantially all the risks and rewards incidental to ownership of the underlying asset to the lessee. Factors that are taken into account in this assessment are, e.g., the transfer of ownership of the underlying asset

to the lessee at the end of the lease term, the price of a possible lessee's option to purchase the underlying asset, the present value of the lease payments compared to the fair value of the underlying asset, the specificity of the use of the underlying asset only for the lessee, etc. At present, the Group does not have lease contracts that are classified as financial lease according to the above criteria.

For lease contracts that are operating leases, rental income is recognized on a straight-line basis over the lease term or on another systematic basis, if this is more representative of the pattern of the Group's economic benefits.

The Group presents the underlying assets subject to operating leases in its consolidated statement of financial position according to the nature of the underlying asset.

None of the assets that are the subject of operating leases meet the definition of investment property, due to the fact that they form an insignificant part of the units that serve the Group's primary business activity.

No significant income that would result from variable lease payments not depending on an index or rate arises for the group in connection with operating leases.

The Group leases mainly parts of land, parts of water reservoirs and parts of wastewater treatment plant premises. The contractual terms and conditions do not provide the lessee with purchase options or require residual value guarantees.

The Group's activities as a lessor are not significant. For this reason, there is no formal policy for managing the residual value of leased assets.

### Cash flows from leases

Cash payments for the main portion of a lease liability are classified as part of financing activities.

Cash payments for the interest portion of a lease liability are also classified as part of financing activities unless they are capitalized as part of the cost of a qualifying asset.

Rent payments from short-term leases, rents for low-value assets and variable lease payments that are not included in the measurement of the lease liability are recognized in the statement of cash flows under operating activities.

### 2.13. Subsidies related to assets

Government subsidies are reported at fair value if it is virtually certain that the subsidies will be received and all conditions associated with granting subsidies are fulfilled. If the subsidy is used for compensation of costs, the subsidy is recognized as other operating revenues during the period in which the expenses are recognized for the settlement of which the subsidies were designed. If the subsidies are used to acquire non-current assets, the fair value of the subsidy is recorded as deferred income and released to the profit/loss on a straight-line basis.

### 2.14. Non-current financial assets

The Company reports interests in joint ventures as non-current financial assets.

Upon acquisition (initial measurement), the interest in a joint venture is measured at the acquisition price, including acquisition-related costs (fees, brokerage commissions, etc.). The acquisition price of securities does not include interest on loans for the acquisition of shares, exchange rate differences and costs associated with holding the share.

On the balance sheet date, interests in joint ventures are accounted for using the equity method.

### 2.15. Share capital

The share capital of the Company is made up of ordinary certificated shares. The Company did not issue any new ordinary shares in the current and immediately preceding reporting period. In recent years, the Company has purchased its own ordinary shares, which the Company recognizes at cost.

### 2.16. Retained earnings

Retained earnings reported in the consolidated financial statements are not funds intended for the payment of dividends. Funds intended for paying out dividends are determined on the basis of the Company's separate financial statements.

### 2.17. Legal reserve fund

The legal reserve fund is created by the Company in accordance with the Commercial Code and the Company's Articles of Association. Contributions to the legal reserve fund were created from the net profit up to the amount of 20% of the share capital. The legal reserve fund may be used only in accordance with the Commercial Code and the Company's Articles of Association to cover losses and may not be paid out as a dividend.

### 2.18. Payment of dividends

Dividends are reported in the notes to the consolidated financial statements, if they have been approved after the reporting date, but before the separate financial statements are authorized by the Company's Board of Directors. Distribution of dividends to Company shareholders is recognized as a liability and deducted from equity at the end of the reporting period only if it is approved before or at the end of the reporting period.



## 2.19. Development reserve and other capital reserves

The Group creates a Development Reserve from its profits for future investment costs under the Commercial Code and the Company's Articles of Association. Creation of this reserve must be approved by the General Meeting of shareholders. Such reserves can be distributed only with the consent of shareholders. Other capital reserves are made up of donation from shareholders (mainly water mains and sewerage infrastructure).

## 2.20. Taxes

Income tax was recognized in the consolidated financial statements in accordance with the laws that had been enacted or substantially enacted by the end of the reporting period. The income tax expense represents the current tax and deferred tax and is recognized in profit or loss, except for cases where it is recognized in other comprehensive income or directly in equity, because the tax relates to transactions that are also recognized in other comprehensive incomes or directly in equity in a given period or another period.

The current income tax is the amount of expected payments or refunds from the tax authorities in respect of taxable profit or loss for the current or prior period. Taxable gains or losses are estimated if the consolidated financial statements are approved before the relevant tax returns are filed. Taxes other than income tax are charged to administrative and other operating expenses.

The balance sheet liability method is used to compute the deferred tax. Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the values used for taxation purposes. Deferred tax assets and liabilities are measured using the tax rates that should apply to taxable income in the years in which it is expected that these temporary differences will be realized. The measurement of

deferred tax liabilities and deferred tax assets reflects the tax consequences that would follow from the manner of realization or settlement of the carrying amounts of assets and liabilities that are expected by the Group by the end of the reporting period.

Deferred tax assets are recognized for all deductible temporary differences and unused redeemable tax credits and tax losses when it is probable that sufficient future taxable profits against which the deferred tax assets will be possible to carry forward, except:

- if deferred tax assets relating to temporary differences that arise from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction affect neither accounting nor taxable profit or loss, and
- in respect of deferred income taxes arising from temporary differences related to interests in subsidiaries or joint ventures, the Group recognizes deferred tax assets only to the extent in which it is probable that the temporary differences will be settled in the near future, if the Group controls the settlement of those temporary differences.
- Deferred tax liabilities are recognized for all taxable temporary differences, except:
- deferred tax liabilities arising from the initial recognition of goodwill or assets or liability in a transaction that is not a business combination and at the time of the transaction it affects neither accounting nor taxable profit or loss, and
- deferred income taxes arising from temporary differences related to interests in subsidiaries or joint ventures, if the Group controls the settlement of these temporary differences and it is probable that the temporary differences will not be settled in the near future.

At the end of each reporting period, the Group reassesses unrecognized deferred tax assets. The Group recognizes a previously unrecognized de-

ferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. Conversely, the Group reduces the carrying amount of the deferred tax asset if it is no longer probable that sufficient taxable profit will be generated that will allow a part or the entire deferred tax asset to be realized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities related to taxes payable to the same tax authority and the Group intends to settle current tax asset and liability on a net basis.

### Other taxes

Other taxes (e.g. real estate tax, road tax) are included in other operating expenses.

### Excise duty

Revenues, expenses, assets and liabilities are recognized and the net of the value of the excise duty except when:

- the excise duty incorporated into the price of purchased goods and services is not claimable by the tax authorities; in such case the excise duty is recognized as part of the acquisition cost value of the assets or as part of the cost items, and
- receivables and payables include the value of the excise duty.

The net value of the excise duty which is claimable by or payable to the tax authorities is reported as part of receivables and payables in the statement of financial position.

## 2.21. Loans and borrowings

All loans and borrowings are initially recognized at the fair value of the liability net of transaction costs associated with the borrowing. After initial

recognition, they are recognized at amortized cost using the effective interest method. The amortized cost is calculated by taking into account all costs and discounts or premiums on settlement. Interest expenses are calculated using the effective interest rate method and are recognized over the time to maturity of the loan. Interest expenses that the Group would have saved if it had not invested in non-current tangible assets that require more time to prepare its use are capitalized as part of the cost of such non-current tangible assets. Capitalization of interest expenses ends when the asset is ready and available for use. Other interest expenses are recognized in the Group's profit/loss.

## 2.22. Employee benefits

### Short-term employee benefits

Salaries, wages, paid annual leave, bonuses and other non-monetary benefits are recognized in the costs in the reporting period in which the right to them ensues for the Group employees. The current liabilities to the employees include, without limitation, wages and compensation of wages for used days of leave.

### Pension plan

On 23rd August 2017, a new Collective Agreement for the period of 2017 – 2019 was signed. The validity of the Collective Agreement was extended till 31st March 2021 by Supplement 3. The Collective Agreement for the period from 1st May 2021 to 31st March 2024 was signed on 30th April 2021. Upon first termination of employment after having acquired the right to an old-age pension, a premature old-age pension, a disability pension if the capacity to perform gainful activities is reduced by at least 70%, an employee is entitled to retirement payment under section 76a of the Labour Code amounting to at least average monthly wages increased by another retirement payment amounting to at least average monthly wages. The right to an old-age pension or a



disability pension will be proved by the employee in the form of a legally effective decision of the Social Insurance Company (Sociálna poisťovňa). The right to a premature old-age pension will be proved by the employee in the form of a legally effective statement of the Social Insurance Company about filling the application for a premature old-age pension. The right to retirement payment can be exercised only once.

Employees terminating employment within 30 days from the date they acquired the right to an old-age pension and within 30 days of the date when the employee was served with the decision on the granting of a disability pension, if the capacity to perform gainful activities is reduced by at least 70%, will also be paid an increased retirement payment amounting to four-times the average monthly wage, in addition to the retirement payment under the previous paragraph. Employees who have acquired the right to a premature old-age pension at the end of the employment relationship, after filing an application submitted to the Social Insurance Company no later than 10 days after the termination of the employment relationship, will be paid, in addition to the severance allowance under the previous paragraph, an additional severance payment equal to four-times their average monthly wage.

For selected job positions set by the employer, the time limit for exercising the right is 6 months. This time limit may be prolonged upon agreement.

Employees holding selected job positions set by the employer may exercise the right to an increased severance payment, four-times the average monthly wage, only after a newly hired employee for the relevant job position completes the induction training.

The obligation related to the plan with the set amount of the pension is reported as long-term provisions and calculated as of the reporting date using the actuarial method as the current value of the retirement payment for the years of service

until the balance sheet date. The actuarial gains and losses arising from adjustments and changes of the actuarial assumptions are recognized in other comprehensive income.

#### **Other long-term employee benefits**

The Group also pays work and life jubilee bonuses.

Non-current liabilities to employees arising from work jubilees are also recognized as a long-term provision and they are measured in a similar way as liabilities arising from the plan of the fixed amount of the pension. The costs resulting from the increased remuneration under the Collective Agreement are recognized immediately in the costs as a net amount in the period when they occur. The work jubilee bonus depends on the number of years worked in the Group. The actuarial gains and losses arising from changed assumptions for the provision for work jubilees and life jubilees are recognized as expenses affecting profit/loss.

The same or a similar obligation was incorporated in the agreement with the trade unions in 2002. The Group created expectations on the side of the employees that it will continue providing benefits. The Group believes that suspension of their provision is not realistic.

#### **Pension plans with pre-determined contributions**

The Group contributes to government defined contribution supplemental pension plans.

The Group makes contributions to government health, sickness, retirement benefit, accidental and guarantee insurance and unemployment schemes at the statutory rates in force during the year, based on gross salary payments. Throughout the year, the Group made contributions amounting to 35.2% (2018: 35.2%) of gross salaries up to a monthly salary cap, which is defined by the

applicable legal provisions for such schemes, together with contributions by employees of a further 13.4% (2019: 13.4%).

The cost of these payments is charged to the profit and loss in the same period as the related salary cost.

#### **Severance payments**

Under section 76 of the Labour Code the Group is obligated to pay severance payment if employment is terminated by agreement for reasons specified in section 63(1)(a) or (b) or because the employee lost the capacity to perform current work given his state of health as set out in a medical report.

The amount of the severance payment depending on the number of years worked is provided by the Group in line with the Labour Code and valid Collective Agreement. The amount of severance payment in excess of the legal obligation is subject to collective bargaining

#### **2.23. Trade payables and other liabilities**

Trade payables are obligations to pay for goods or services that have been acquired by the Group in the ordinary course of business from suppliers. Liabilities are reported as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables are recognized initially at fair value and subsequently measured at the carrying amount using the effective interest method.

#### **2.24. Provisions for liabilities**

Provisions are reported if the Group has a currently existing liability (legal or non-contractual) arising from a past event, the settlement of which will probably (rather yes than no) be a loss of business

resources representing economic benefits, while the amount of such liability can be estimated reliably. When the Group expects to receive compensation for the whole provision for the liability or its part, the compensation is reported only if its receipt is certain. Provisions for liabilities are reassessed at the end of each reporting period and their amount is adjusted to reflect the current best estimate. The amount of the provision represents the present value of the expenditure, taking into account the risks that will be probably used to settle the liability. The expenditure is determined using the estimated risk-free interest rate as the discount rate. Where discounting is used, the carrying amount of the provision for the liability is increased in each period to reflect the distribution of the discount over time. This increase is recognized as an interest expense.

#### **Provision for expenses related to environmental protection**

Provisions for the environment are created when the cost of environmental clean-up are probable and can be reliably estimated. The creation of these provisions generally corresponds in terms of time to a formal plan of action or commitment to dispose or shut down the unused property. The amount recognized is the best estimate of the expenditure required.

#### **2.25. Revenue recognition**

Revenue comprises the fair value of the received consideration or receivable for the sale of goods and services in the ordinary course of the Group's activities net of value-added tax, rebates and discounts.

Revenues are recognized when it is probable that the accounting entity will accrue the economic benefits associated with the transaction. Revenues are recognized net of value added tax, excise duties and discounts upon delivery of goods or services and after having transferred the risks and benefits.



## Sale of own products, material and goods

Revenues from the sale and distribution of drinking water (the so-called „water rates“) are reported when the drinking water is supplied to the customer. The amount of supplied drinking water is determined by the reading on the specified meter (water meter). If the amount of water is not measured, the Group determines the amount of water supplied by indicative consumption numbers in accordance with the Regulation of the Ministry of the Environment of the Slovak Republic No. 397/2003 Coll. The consumption readings and invoicing for large customers are performed monthly. In the small consumption segment, the Group performs consumption readings and billing once a year, with the Group having divided the customer base into twelve invoicing cycles, in the case of very small consumption into four, two, or one invoicing cycle. The amount of payments in individual invoicing cycles is determined according to the average amount of supplied drinking water for a comparable period on the basis of the billing of the previous invoicing cycle. The invoicing of drinking water delivered in 2020 for all twelve invoicing cycles will be completed during 2021. The Group uses the average consumption measured at individual consumption points for the purpose of estimating the revenue from supplied and un-invoiced drinking water.

## Provision of services

Revenues from the sale of services (in particular the so-called „sewer rates“ and „precipitation rates“) are recognized in the reporting period in which the services are rendered. The amount of water discharged into the public sewer system (the sewer rate) is provided for by the customer with his meter, which must meet the conditions specified by a special regulation. If the amount of discharged water is not measured, it is assumed that the customer discharges into the public sewer system the amount of wastewater that he was found to take off from the public water mains, plus the amount of water discharged from oth-

er sources (e.g. a domestic well). If the amount of precipitation water discharged into the public sewer system (the precipitation rate) is not measured, the amount is calculated and updated in accordance with the Regulation of the Ministry of the Environment of the Slovak Republic No. 397/2003 Coll. The invoicing and invoicing cycles for sewer rates and precipitation rates are determined analogically to those for water rates.

Revenues from the sale of other services are recognized in the period in which the services are rendered and they are invoiced immediately after the service is rendered.

## 2.26. Costs of borrowings and loans received

The cost of borrowings and loans received that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized. Capitalization of the costs of borrowings and loans received commences when preparing the asset for its intended use and when the costs of borrowings and loans are incurred. Costs of borrowings and loans received are capitalized until the assets are ready for their intended use. Costs of borrowings and loans consist of interest expense and other costs associated with the borrowings of funds.

## 2.27. Contingent assets and liabilities

Contingent assets are not recognized in the consolidated financial statements but are disclosed in the notes to the consolidated financial statements when it is probable that they will result in economic benefits. Contingent liabilities are not recognized in the consolidated financial statements until they are acquired in a business combination. They are disclosed in the notes to the consolidated financial statements only if the possibility of an outflow of resources representing economic benefits is not distant.

## 2.28. Corrections of errors from previous periods

If the Group finds a significant error in the current accounting period relating to previous accounting periods, it corrects this error retrospectively in such a way that it also changes the data for previous accounting periods, which are reported in these financial statements. Corrections of insignificant errors of previous accounting periods are posted in the current accounting period to the relevant expense or income account.

The Group adjusted the value of assets as of 1st January 2019 by recognizing provisions for non-current tangible assets and intangible assets as a correction of a significant error of previous periods in the amount of 56.40 million euros. In connection with provisions for assets, the Group adjusted the value of the deferred tax assets by adding 11.84 million euros. At the same time, the Group adjusted the amount of funds created from profit in the past – the legal reserve fund was reduced by 5.58 million euros and the Development Fund was reduced by 35.58 million euros.

To calculate the provision for non-current assets, the Group used the future discounted cash flow method, which was compared with the residual value of assets in the accounts. The Group as-

The individual lines of the consolidated statement of financial position as of 1st January 2019 and 31st December 2019, the individual lines of the statement of income and other comprehensive income, as well as the individual lines of the statement of cash flows for 2019, have been adjusted as follows:

Consolidated statement of financial position	1st January 2019 (original)	Correction	1st January 2019 (adjusted)
Non-current tangible assets	476,877,157	-55,992,291	420,884,865
Intangible assets and other assets	3,553,496	-406,068	3,147,427
Deferred tax assets	0	4,349,124	4,349,124
Legal reserve fund and other funds	71,069,316	-41,161,446	29,907,870
Retained earnings	8,554,883	-3,393,258	5,161,625
Deferred tax liability	7,494,532	-7,494,532	0

sessed that its tangible fixed assets and intangible assets form a single unit generating future cash flow; therefore, this test treated these items as inseparable parts.

The most important assumptions in the calculation were the discount rate, the estimated future cash flows, the future capital expenditures required to secure cash inflow and the required working capital.

In the calculation, the Group also took into account the probability that the Regulatory Office for Network Industries (hereinafter referred to as the RONI) will change the regulatory policy, which will entail an increase in the water and sewer rates that will ensure full economic payback for water sector assets. The Group received a letter from the RONI, where the RONI declares its interest in changing this regulatory policy from 2023.

In calculating future cash flows, the Company determined, based on communication with the RONI, a probability of 50% that this change will be effective from 1 January 2023. In terms of prudence, the Company retained a 50% probability that such a change would not occur. The weighted average of these two alternatives was used to calculate the recoverable amount of assets based on discounted future cash flows.



Consolidated statement of financial position	31st December 2019 (original)	Correction	31st December 2019 (adjusted)
Non-current tangible assets	464,084,227	-55,390,598	408,693,629
Intangible assets and other assets	3,085,895	-401,705	2,684,190
Deferred tax assets	0	4,476,334	4,476,334
Legal reserve fund and other funds	71,574,317	-41,161,446	30,412,870
Retained earnings	3,771,670	-2,914,473	857,197
Deferred tax liability	7,240,050	-7,240,050	0

Consolidated statement of comprehensive income	2019 (original)	Correction	2019 (adjusted)
Depreciation, amortization and changes in provisions	-30,662,248	606,057	-30,056,191
Income tax	-1,139,458	-127,272	-1,266,730
<b>Comprehensive income for the current period</b>	<b>-4,286,834</b>	<b>478,785</b>	<b>-3,808,049</b>

The presented changes had no significant impact on the consolidated statement of cash flows as of 31st December 2019.





## 3. Financial risk management

### 3.1. Financial risk factors

The Group's business activities expose it to certain financial risks, in particular credit risk, interest rate risk and partially the risk of changes in foreign currency exchange rates. The Group's principal financial instruments comprise bank loans, trade receivables and payables resulting directly from the Group's ordinary course of business.

Risk management is carried out by the Financial Department, which identified and assessed the financial risks and proposed measures for financial risk management. Financial risk management is governed by the guidelines approved by the Board of Directors of the Company.

#### Market risk

##### (a) Price risk

Because the Group does not invest in shares or similar financial instruments, it is not exposed to the price risk.

##### (b) Cash flow and fair value interest rate risk

The Group is exposed to interest rate risk as a result of short-term and long-term deposits. Floating interest rate borrowings expose the Group to the variability of cash flows risk. Fixed interest rate borrowings expose the Group to the fair value risk.

The Group has considerable liabilities with a Euribor floating rate; its interest expense depends on changes in interest rates, and therefore the

Group is exposed to interest rate risk. The Group monitors the volume of floating rate loans with regard to internally set limits and at the same time regularly monitors the development of interest rates. In the event of a negative expected development, the Group reassesses its sources of funding. Upon a change of the Euribor interest rate by -1%, the Group would have no interest expenses and would have income from a negative interest with a positive impact on net financial expenses of 105,000 euros. Upon a change of the market interest rate by +1%, the Group's interest expense was 105,000 euros higher (2019: 664,000 euros higher).

As of 31st December 2020 and 2019, the Group has no significant interest-bearing assets, apart from short-term bank deposits and funds on bank accounts; cash flows from operating activities, only to a minor extent, depend on variation of the market interest rate.

#### Credit risk

Credit risk arises in relation to cash and cash equivalents, financial derivatives and deposits in banks and financial institutions. The Group is also exposed to credit risk due to trading with wholesale and retail sales customers resulting from unsettled receivables and agreed future transactions.

(in whole euros)	as of 31st December 2020	as of 31st December 2019
Trade receivables and other receivables (Note 7)	19,733,053	16,135,485
Cash and cash equivalents (Note 5)	24,259,545	4,250,184
<b>Total financial assets</b>	<b>43,992,598</b>	<b>20,385,669</b>

In order to eliminate the credit risk arising from bank accounts and derivative financial instruments, the Group has relationships only with those banks and financial institutions that have a high independent rating assessment. Cash is deposited with financial institutions bearing the minimum insolvency risk at the time of depositing money.

Financial assets which represent a potential subject of credit risk in particular comprise trade receivables. An overview of trade receivables and an analysis of their provision are specified in item 6 of the Notes.

The Group has established credit management rules that ensure credit risk mitigation. Signing an agreement with new customers is preceded by identifying the customer's financial standing and approval of the transaction. The Group does not assign individual risk limits to its customers. As for trade receivables, the Group does not have a significant concentration of credit risk mainly due to a large number of diverse customers. The Group uses a system of reminder notices, which may culminate in a service disconnection, as the prevailing discipline for payment enforcement. The collection of receivables could be influenced by economic factors; management believes that there is no significant risk of loss to the Group beyond the provisions already recorded.

#### Liquidity risk

Liquidity risk means that the Group may encounter difficulties in meeting its obligations associated with financial liabilities. Liquidity risk management implies maintaining sufficient cash.

Based on expected cash flows, management monitors the interim forecasts of the liquidity level. The main instruments for liquidity management include cash and cash equivalents (Item 5 of the Notes).

The body responsible for processing the business plan of the Group is the Commercial Department, which prepares the plan in collaboration with other departments. The business plan is submitted for approval to the Board of Directors and subsequently presented for an assessment to the Supervisory Board. The plan also includes the annual review of cash flows prepared using the indirect method.

The table below analyses the contractual undiscounted cash flows from the payment of financial liabilities of the Group:

#### As of 31st December 2020

(in whole euros)	Maturity within 1 year	Maturity from 3 months to 1 year	Maturity from 1 to 5 years	Maturity over 5 years	Total
Bank loans (Note 14)	130,157	384,750	6,877,317	62,135,631	<b>69,527,855</b>
Interest on bank loans	109,209	332,026	1,700,192	3,762,711	<b>5,904,138</b>
Trade payables and other liabilities (Note 13)	19,113,755	0	2,437,717	0	<b>21,551,472</b>
Lease liabilities including interest (Note 10)	1,266,052	3,388,940	5,958,914	576,341	<b>11,190,246</b>
<b>Total financial liabilities under IFRS 7</b>	<b>20,619,173</b>	<b>4,105,716</b>	<b>16,974,140</b>	<b>66,474,683</b>	<b>108,173,710</b>

#### As of 31st December 2019

(in whole euros)	Maturity within 1 year	Maturity from 3 months to 1 year	Maturity from 1 to 5 years	Maturity over 5 years	Total
Bank loans (Note 14)	2,259,439	61,532,448	0	0	<b>63,791,887</b>
Interest on bank loans	98,460	285,013	0	0	<b>383,473</b>
Trade payables and other liabilities (Note 13)	19,495,716	0	2,404,757	0	<b>21,900,473</b>
Lease liabilities including interest (Note 10)	951,498	2,511,767	5,318,090	3,439,492	<b>12,220,846</b>
<b>Total financial liabilities under IFRS 7</b>	<b>22,805,113</b>	<b>64,329,227</b>	<b>7,722,847</b>	<b>3,439,492</b>	<b>98,296,680</b>

To maintain the currently valid conditions of loan contracts, the Company is obliged to meet the following indicators:

Indicator	Limit	Value achieved as of 31st December 2020	Value achieved as of 31st December 2019
Debt service coverage ratio (DSCR)	minimum: 1.2	6.81	4.28
Debt/EBITDA	maximum: 6	2.51	3.03
Equity ratio	minimum: 55%	69.78%	73.32%

### 3.2. Capital management

Management considers the Group's equity, as reported in these financial statements (as of 31st December 2020: 325,751,988 euros; as of 31st December 2019: 310,708,664 euros), to be the capital.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to keep low financing costs.

The Group creates a legal reserve fund, which is used to cover any losses or adopt measures to overcome unfavourable course management. The legal reserve fund cannot be distributed as a dividend.

The Company is bound by loan agreements to comply with the financial indicator of ratio equity to the sum of equity and liabilities. At the end of the reporting period the indicator was met. Based on loan contracts, the calculation of covenants is tied to the values presented in the separate financial statements

### 3.3. Fair value estimate

The carrying amounts of financial assets and liabilities are approximately equal to their fair values. The fair value of financial liabilities for the purposes of disclosure in the annex to the financial statements is determined by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.



## 4. Critical accounting estimates and judgments

In applying the Group's accounting principles described in item 2 of the Notes, the Group adopted the following decisions concerning uncertainties and estimates having a material impact on the amounts reported in the consolidated financial statements. This section outlines the issues that pose a significant risk of material adjustments in the next reporting period:

### The regulatory framework in the area of the development of public water mains and public sewer systems

The business of public water mains and sewer system is regulated by Act No. 442/2002 Coll. on Public Water Mains and Public Sewer Systems and on Alterations of and Additions to Act No. 276/2001 Coll. on Regulation in Network Industries, as amended. This Act stipulates, i. a., the establishment, development and operation of public water mains and public sewer systems, the rights and obligations of their operators as well as the supervision performed by bodies of public administration, in particular in the area of adherence to qualitative indicators for drinking water as well as wastewater drainage.

The rates in the water management industry and the terms and conditions for their application fall under the power of the Regulatory Office for Network Industries (hereinafter referred to as RONI) under Act No. 250/2012 Coll. on Regulation in Network Industries, as amended, and the Regulation of the RONI No. 21/2017 Coll. of 13th February 2017 Laying down the Price Regulation

of the Production, Distribution and Supply of Drinking Water by the Public Water Mains and the Drainage and Treatment of Wastewater through the Public Sewer System.

The method of implementing the price regulation takes into account the extent, structure and amount of the economically justified costs that were demonstrably incurred in carrying out the regulated activities; the method of determining the amount of reasonable profit, including the amount of investments that can be included in the price; the method of calculating the maximum price for production, distribution and supply of drinking water and the drainage and treatment of wastewater; as well as the source data for the price proposal and the procedure and terms and conditions of applying the price.

The aim of the Regulation of the RONI No. 204/2018 Coll. is to ensure, when there are changes in price decisions on maximum prices for the production, distribution and supply of drinking water through public water mains and of the drainage and treatment of wastewater through public sewer systems during the regulation period 2017 – 2021, the taking into account of the amount of reasonable profit and application of depreciations of assets used for regulated activities in an amount which is an economically justified cost.

In the matter of a decision on the proposal of prices for the production and supply of drinking water through public water mains, the production and distribution of drinking water through public water mains and for the drainage and treatment of wastewater through public sewer systems, the RONI issued, on 24th February 2017, the final price decision No. 0158/2017/V, by which it approved for the Company the prices valid for the period from 1st January 2017 to 31st December 2021.

The Company underwent significant changes in economic parameters between 2010 and 2019, and the approved water and sewage rates did not take into account the actual costs associated with

the production, distribution and supply of drinking water and the drainage and treatment of wastewater through the public sewer system. The increase in total economically justifiable costs in the production, supply and distribution of drinking water consisted mainly of an increase in the cost of services, supply repairs related to the increasingly obsolete water mains network, material and other operating costs. In wastewater drainage and treatment, the increase in economically justifiable costs consisted mainly of an increase in the expenses for electricity consumption, materials, supply repairs and other services. The Company therefore decided to ask the RONI for new prices for the production and supply of drinking water through public water mains, the production and distribution of drinking water through public water mains, the drainage and treatment of wastewater through the public sewer system and the treatment of wastewater supplied to the wastewater treatment plant through the public sewer system.

The final price decision No. 0158/2017/V, by which the RONI approved the prices for the period from 1st January 2017 to 10th August 2021:

final price decision	EUR/m <sup>3</sup> excl. VAT
the maximum price for the production and supply of drinking water through public water mains	0.9359
the maximum price for the production and distribution of drinking water through public water mains	0.6547
the maximum price for the drainage and treatment of wastewater through the public sewer system	0.9216

The final price decision No. 0016/2020/V, by which the RONI approved the prices for the period from 11th August 2021 to 31st December 2021:

final price decision	EUR/m <sup>3</sup> excl. VAT
the maximum price for the production and supply of drinking water through public water mains	1.0135
the maximum price for the production and distribution of drinking water through public water mains	0.7090
the maximum price for the drainage and treatment of wastewater through the public sewer system	0.9985

In the matter of a decision on the proposal of prices for the treatment of wastewater supplied to the wastewater treatment plant through the public sewer system, the RONI issued, on 2nd April 2020, the final price decision No. 0013/2020/V, by which it determined for the company the price valid till 31st December 2021.

In the matter of the decision on the proposal of prices for the production and supply of drinking water through public water mains, the production and distribution of drinking water through public water mains and for the drainage and treatment of wastewater through the public sewer system, on 10th August 2020, the Regulatory Office for Network Industries issued the final price decision No. 0016/2020/V, which became final on the day of delivery, i.e. on 11th August 2020.

The final price decision No. 0013/2020/V, by which the RONI approved the prices for the period till 31st December 2021:

final price decision	EUR/m <sup>3</sup> excl. VAT
the maximum price for the treatment of wastewater supplied to the wastewater treatment plant through the public sewer system	0.5526

### Impairment of non-current tangible and intangible assets

The Company manages extensive tangible and intangible assets needed to provide for its activities. Another part of the technology is managed by the subsidiary BIONERGY, a. s. The net book value of tangible and intangible assets of the Group amounted to 420 million euros as of 31st December 2020 (as of 31st December 2019: 423 million euros), including the right-of-use assets in the form of a lease. The Group's management assessed the future economic benefits following from the long-term tangible and intangible assets of the Company, including the right to use the leased assets, given the high degree of interdependence of business for both companies as one cash-generating unit.

At the end of each accounting period, management examines whether there is any indication that a non-current tangible or intangible asset may be impaired. If any such indication exists, management estimates the recoverable amount, which is the higher of fair value less costs to sell and value in use.

The Group's cash inflows are regulated and are based on its justified expenses, which are assessed by the Office for the Regulation of Network Industries (hereinafter referred to as „ÚRSO“) in accordance with applicable legislation. A description of the regulatory framework for the development and operation of public water mains and public sewer systems is given below. The Company's profitability is limited to 0.08 EUR/m<sup>3</sup> excl. VAT for

the production, distribution and supply of drinking water and 0.10 EUR/m<sup>3</sup> excl. VAT for drainage and treatment of wastewater. Due to the regulation of income, the Company does not achieve a profitability that would ensure the payback of investments in non-current tangible and intangible assets (including the right to use leased assets) to an appropriate extent and the Company's management has assessed this fact as an indicator of impairment of assets.

In addition to assumptions like a discount rate of 6.4% p.a. (2019: 6.3% p.a.), the estimated future cash flows, the future capital expenditures required to secure cash inflow and the required working capital, the Group also took into account in the calculation the probability that the Regulatory Office for Network Industries (hereinafter referred to as the RONI) will change the regulatory policy, which will entail an increase in the water and sewer rates that will ensure full economic payback for water sector assets. The Group received a letter from the RONI, where the RONI declares its interest in changing this regulatory policy from 2023.

In calculating future cash flows, the Company determined, based on communication with the RONI, a probability of 50% that this change will be effective from 1st January 2023. In terms of prudence, the Company retained a 50% probability that such a change would not occur. The weighted average of these two alternatives was used to calculate the recoverable amount of assets based on discounted future cash flows. If the situation changes and the RONI does not appro-

ve an adequate change in regulatory policy, the provision for assets of the Company will roughly double.

### Litigations

The Group is party to various litigations, for which the management estimated a probable loss, which may result in certain financing expenses. In determining this estimate, the Group relied on the advice of its external legal counsel, the latest available information on the status of court hearings and internal assessment of the likely outcome, and it creates provisions if needed. Details of individual litigations are specified in items 16 and 28 of the Notes.

### Actuarial estimates in the calculation of pension scheme liabilities

The cost of a defined benefit pension plan is determined by actuarial calculations. These calculations include estimates of discount rates, the future wage growth, mortality or employee turnover. Due to the long-term nature of such pension plans, such estimates are subject to a high degree of uncertainty. Further information on the provision for long-term employee benefits is provided in item 15 of the Notes.





## 5. Cash and cash equivalents

In the consolidated statement of financial position, cash and cash equivalents comprise the following items:

(in whole euros)	as of 31st December 2020	as of 31st December 2019
Cash and cash equivalents on hand	11,502	4,380
Current accounts in banks	24,248,043	4,245,804
Term deposits	0	0
<b>TOTAL</b>	<b>24,259,545</b>	<b>4,250,184</b>

As of 31st December 2020, the cash and cash equivalents were freely at the Group's disposal.

No balances are overdue or impaired. In order to eliminate credit risk resulting from the bank accounts held, the Group enters into relationships only with those banking and financial institutions that have a high independent rating. Cash is pla-

ced in financial institutions with which there is a minimal risk of insolvency at the time the funds are deposited.

The credit quality of cash and cash equivalents deposited in banks is as follows:

(in whole euros)	credit rating	31st December 2020	31st December 2019
Všeobecná úverová banka	Moody's A2	13,924,402	4,191,910
Tatra banka	Moody's A3	5,403,148	992
Slovenská sporiteľňa	Moody's A2	3,916,281	51,911
ČSOB	Moody's A3	1,000,899	991
UniCredit	Moody's Baa1	3,313	0
<b>Total cash and cash equivalents in banks</b>		<b>24,248,043</b>	<b>4,245,804</b>

## 6. Right-of-use assets and lease liabilities

The right-of-use assets by the category of the underlying asset are shown in the following table:

(in whole euros)	Vehicles	Land	Buildings and premises	Machinery	Total
<b>As of 1st January 2020</b>	<b>5,391,053</b>	<b>3,610,797</b>	<b>2,717,479</b>	<b>742,397</b>	<b>12,461,726</b>
Additions	7,032,518	0	2,149,689	828,246	10,010,453
Disposals	-4,745,158	0	-2,336,906	-375,727	-7,457,791
Other lease modifications	661,213	-10,660	-148,661	0	501,893
Reassessments of the lease liability	0	0	0	0	0
Depreciations	-3,291,159	-149,669	-377,195	-291,178	-4,109,201
<b>As of 31st December 2020</b>	<b>5,048,468</b>	<b>3,450,468</b>	<b>2,004,406</b>	<b>903,738</b>	<b>11,407,079</b>

(in whole euros)	Vehicles	Land	Buildings and premises	Machinery	Total
<b>As of 1st January 2020</b>	<b>7,616,852</b>	<b>3,760,940</b>	<b>2,563,441</b>	<b>1,041,858</b>	<b>14,983,091</b>
Additions	453,164	0	545,000	0	998,164
Disposals	0	0	0	0	0
Other lease modifications	0	0	0	0	0
Reassessments of the lease liability	0	0	0	0	0
Depreciations	-2,678,963	-150,143	-390,962	-299,461	-3,519,529
<b>As of 31st December 2020</b>	<b>5,391,053</b>	<b>3,610,797</b>	<b>2,717,479</b>	<b>742,397</b>	<b>12,461,726</b>

Movements in the value of lease liabilities during 2020 are shown in the following table:

(in whole euros)	
<b>As of 1st January 2020</b>	<b>12,220,846</b>
Additions	15,181,565
Disposals	-12,738,088
Other lease modifications	501,893
Reassessments of the lease liability	-
Interest on the lease liability	155,369
Lease payments	-4,134,339
<b>As of 31st December 2020</b>	<b>11,190,246</b>

Movements in the value of lease liabilities during 2019 are shown in the following table:

(in whole euros)	
<b>As of 1st January 2019</b>	<b>14,659,757</b>
Additions	998,164
Disposals	0
Other lease modifications	0
Reassessments of the lease liability	0
Interest on the lease liability	177,663
Lease payments	-3,614,738
<b>As of 31st December 2019</b>	<b>12,220,846</b>

The costs of short-term leases, variable lease payments and leases of low-value assets are specified in item 21 of the Notes. Additions to right-of-use assets and lease liabilities represent significant non-monetary transactions from investment activities or financial activities. The total monetary

expenditure for 2020 in connection with the leases amounts to 4,156,329 euros. The disposals of right-of-use assets are associated primarily with the acquisition of control over Infra Services, from which the Company leases assets.



## 7. Trade receivables and other receivables

(in whole euros)	as of 31st December 2020	as of 31st December 2019
Trade receivables	11,071,309	11,633,434
Unbilled revenues	7,755,848	4,081,821
<b>Total trade receivables</b>	<b>18,827,157</b>	<b>15,715,255</b>
Advances and prepaid expenses	727,633	358,579
Tax receivables (mainly resulting from VAT) and subsidies	178,263	61,650
<b>Total other non-financial receivables</b>	<b>905,896</b>	<b>420,229</b>
<b>Total trade receivables and other receivables</b>	<b>19,733,053</b>	<b>16,135,485</b>

The development of the provision is shown in the following table:

(in whole euros)	2020	2019
<b>As of 1st January</b>	<b>2,422,958</b>	<b>2,805,105</b>
Creation of a provision for receivables	328,808	294,882
Release of the provision		
Write-off of unenforceable receivables	-80,517	-677,029
<b>As of 31st December</b>	<b>2,671,249</b>	<b>2,422,958</b>

The Group created 100% provisions for all receivables overdue for more than 1,080 days, because it follows from the previous experience that receivables overdue for more than 1,080 days are unenforceable. The provisions for trade re-

ceivables overdue for 360 to 1080 days are created based on an estimate of the irrecoverable amount according to previous experience with a percentage of unsettled receivables. The Group does not create provisions for overdue receivables

for which it has agreed on a repayment schedule with the debtor and the debtor adheres to the repayment schedule. On 9th June 2017, the Group entered into a Settlement Agreement with the Borough of Bratislava - Ružinov, which includes a repayment schedule in the amount of 3,253,268

euros, due on 28th February 2022. The borough is complying with the repayment schedule. In 2019, the Company wrote off receivables from this borough which were time-barred and were not the subject of the repayment schedule.

Details of the expected credit losses with respect to trade receivables as of the balance sheet date:

(in whole euros)	As of 31st December 2020				As of 31st December 2019			
	loss %	Gross carrying amount	Expected credit loss (ECL)	Net carrying amount	loss %	Gross carrying amount	Expected credit loss (ECL)	Net carrying amount
<b>Non-overdue</b>	0.01%	15,541,197	1,554	15,539,643	0.01%	11,532,810	1,153	11,531,657
<b>Overdue:</b>								
- less than 360 days	1.55%	1,777,759	27,468	7,750,291	0.87%	3,208,217	27,911	3,180,306
-361-720 days	20%	1,189,915	240,558	949,357	20%	438,949	120,971	317,978
-721-1,081 days	50%	314,664	177,700	136,964	50%	336,571	194,407	142,164
-more than 1,081 days	100%	2,674,871	2,223,969	450,902	100%	2,621,667	2,078,517	543,150
<b>Trade receivables</b>		<b>21,498,406</b>	<b>2,671,249</b>	<b>18,827,157</b>		<b>18,138,213</b>	<b>2,422,958</b>	<b>15,715,255</b>

Mathematically, the expected credit loss (ECL) does not correspond to the stated percentages of provisions, as the Group creates 100% provisions for companies in bankruptcy and restructuring regardless of the maturity of receivables, and the Group does not create provisions for receivables that are part of repayment schedules that debtors

adhere to, because the Group does not consider these receivables to be risky, regardless of the original maturity of these receivables.

The fair value of the receivables is not significantly different from their carrying amount.

## 8. Inventories

(in whole euros)	as of 31st December 2020	as of 31st December 2019
Material and spare parts	1,232,252	261,167
<b>TOTAL</b>	<b>1,232,252</b>	<b>261,167</b>

The inventory items are shown after provisions for slow-moving materials and spare parts of 197,149 euros (2019: 0 euros).

The Group's inventories are not pledged for the benefit creditors.





## 9. Non-current tangible assets

(in whole euros)	Land, buildings and constructions	Machinery, devices and equipment	Capital construction in progress	Total
<b>As of 1st January 2020 (adjusted)</b>				
Cost	793,363,254	130,716,048	23,200,013	947,279,315
Accumulated depreciation and provisions	-442,194,934	-95,196,531	-1,194,221	-538,585,686
<b>Net book value as of 1st Jan. 2020 (adjusted)</b>	<b>351,168,320</b>	<b>35,519,517</b>	<b>22,005,792</b>	<b>408,693,629</b>
Additions	0	0	7,881,861	7,881,861
Additions due to acquisition (item 28 of the Notes)	2,153,428	651,801	145,023	2,950,252
Capitalized cost of loans and borrowings*	0	0	134,777	134,777
Capitalization	4,150,640	1,028,407	-5,179,047	0
Asset disposals	-449,633	-1,454,997	0	-1,904,630
Decrease in accumulated depreciation	195,927	1,488,160	0	1,684,087
Depreciation	-16,701,565	-8,601,074	0	-25,302,639
Change in provisions	10,885,141	414,357	-246,261	11,053,238
<b>Net book value as of 31st Dec. 2020</b>	<b>351,402,257</b>	<b>29,046,171</b>	<b>24,742,146</b>	<b>405,190,575</b>
Cost	799,217,688	131,941,259	26,182,627	956,341,574
Accumulated depreciation and provisions	-447,815,431	-101,895,088	-1,440,481	-551,15,999
<b>Net book value as of 31st Dec. 2020</b>	<b>351,402,257</b>	<b>29,046,172</b>	<b>24,742,146</b>	<b>405,190,575</b>

\*The rate applied to the capitalization of the cost of loans and borrowings was approximately 0.67% p.a. in 2020.

(in whole euros)	Land, buildings and constructions	Machinery, devices and equipment	Capital construction in progress	Total
<b>As of 1st January 2019 (adjusted)</b>				
Cost	774,220,971	125,129,820	35,724,489	935,075,280
Accumulated depreciation and provisions	-425,951,788	-87,123,394	-1,115,232	-514,190,414
<b>Net book value as of 1st Jan. 2019 (adjusted)</b>	<b>348,269,183</b>	<b>38,006,426</b>	<b>34,609,257</b>	<b>420,884,866</b>
Additions	0	0	13,187,061	13,187,061
Capitalized cost of loans and borrowings*	0	0	170,669	170,669
Capitalization	20,010,296	5,871,910	-25,882,206	0
Asset disposals	-868,013	-285,604	0	-1,084,482
Decrease in accumulated depreciation	800,878	283,604	0	1,084,482
Depreciation	-17,607,841	-8,398,680	0	-26,006,520
Change in provisions	563,817	41,939	-78,989	526,767
<b>Net book value as of 31st Dec. 2019 (adjusted)</b>	<b>351,168,320</b>	<b>35,519,517</b>	<b>22,005,792</b>	<b>408,693,629</b>
Cost	793,363,254	130,716,048	23,200,013	947,279,315
Accumulated depreciation and provisions	-442,194,934	-95,196,531	-1,194,221	-538,585,686
<b>Net book value as of 31st Dec. 2019 (adjusted)</b>	<b>351,168,320</b>	<b>35,519,517</b>	<b>22,005,792</b>	<b>408,693,629</b>

\* The rate applied to the capitalization of the cost of loans and borrowings was approximately 0.70% p.a. in 2019.

The Group's non-current assets are not pledged for the benefit of creditors. The non-current tangible assets are insured against natural disasters, interruption of operation (and other events) up to the cost (purchase price) of the assets.

The additions due to acquisition in the course of 2020 are the fair value of the assets of Infra Services as of 15th July 2020, the day of the purchase of the controlling stake in that company.

## 10. Non-current intangible assets

(in whole euros)	Acquired software	Royalties, other non-current intangible assets	Goodwill	Acquisition of non-current intangible assets in process	Total
<b>As of 1st January 2020 (adjusted)</b>					
Cost	5,422,612	2,558,871	0	103,645	8,085,128
Accumulated amortization and provisions	-3,449,365	-1,950,589	0	-982	-5,400,937
<b>Net book value as of 1st January 2020 (adjusted)</b>	<b>1,973,247</b>	<b>608,283</b>	<b>0</b>	<b>102,662</b>	<b>2,684,191</b>
Additions	0	0	0	711,049	711,049
Additions due to acquisition (item 28 of the Notes)	1,001,103	307,536	1,689,032	0	2,997,671
Capitalization	461,411	291,606	0	-753,017	0
Asset disposals	-870,551	0	0	0	-870,551
Decrease in accumulated amortization	870,551	0	0	0	870,551
Amortization	-528,017	-473,495	0	0	-1,001,511
Change in provisions	-239,429	-46,429	-1,689,032	0	-1,974,888
<b>Net book value as of 31 st December 2020</b>	<b>2,668,314</b>	<b>687,502</b>	<b>0</b>	<b>60,694</b>	<b>3,416,510</b>
Cost	6,014,574	3,158,013	1,689,032	61,677	10,923,296
Accumulated amortization and provisions	-3,346,260	-2,470,512	-1,689,032	-982	-7,506,786
<b>Net book value as of 31st December 2020</b>	<b>2,668,314</b>	<b>6787,502</b>	<b>0</b>	<b>60,694</b>	<b>3,416,510</b>

(in whole euros)	Acquired software	Royalties, other non-current intangible assets	Goodwill	Acquisition of non-current intangible assets in process	Total
<b>As of 1st January 2019 (adjusted)</b>					
Cost	5,763,731	4,787,819	0	76,520	10,628,070
Accumulated amortization and provisions	-3,311,219	-3,762,372	0	-982	-7,074,574
<b>Net book value as of 1st January 2020 (adjusted)</b>	<b>2,452,512</b>	<b>1,025,446</b>	<b>0</b>	<b>75,537</b>	<b>3,553,496</b>
Additions	0	0	0	593,672	593,672
Capitalization	366,576	199,972	0	-566,547	0
Asset disposals	-707,695	-2,428,919	0	0	-3,136,614
Decrease in amortization	707,695	2,428,919	0	0	3,136,614
Amortization	-522,246	-539,027	0	0	-1,061,273
Change in provisions	-323,595	-78,109	0	0	-401,704
<b>Net book value as of 31st December 2019 (adjusted)</b>	<b>1,973,247</b>	<b>608,283</b>	<b>0</b>	<b>102,662</b>	<b>2,684,191</b>
Cost	5,422,612	2,558,871	0	103,645	8,085,128
Accumulated amortization and provisions	-3,449,365	-1,950,589	0	-982	-5,400,937
<b>Net book value as of 31st December 2019 (adjusted)</b>	<b>1,973,247</b>	<b>608,283</b>	<b>0</b>	<b>102,662</b>	<b>2,684,191</b>

Non-current intangible assets consist mainly of software used by the Group companies and intangible assets acquired by the company BVS. The Group owns no software created by its own activities.

The additions due to acquisition in the course of 2020 are the fair value of the assets of Infra Services as of 15th July 2020, the day of the purchase of the controlling stake in that company.



## 11. Deferred income tax

Deferred income (i.e. corporate) tax is calculated in full on temporary differences under the balance sheet liability method using a principal tax rate of 21% (21% in 2019). Deferred tax liabilities are mainly made up of the difference between the tax value and carrying amount of non-current tangible assets.

Deferred tax assets and liabilities are offset by the Group if it has a legally enforceable right to offset a current tax asset against current tax liabilities and if the deferred income tax relates to the same tax administration authority.

(in whole euros)	as of 31st December 2020	as of 31st December 2019
Deferred tax liability from assets	-10,820,075	-11,173,448
Deferred tax asset with respect to provisions	1,053,411	1,046,259
Deferred tax asset with respect to the provision for retirement payments	313,808	136,681
Deferred tax asset with respect to assets (subsidized assets, provisions)	13,014,110	14,409,972
Deferred tax asset due to unasserted tax losses	0	462,771
Other	-2,081,174	-405,901
<b>Total deferred tax liabilities</b>	<b>1,480,081</b>	<b>4,476,334</b>

The Group accounts for a deferred tax asset due to a tax loss from 2016, which it amortized evenly in the years 2017 – 2020. The residual amount of the non-amortized losses is 0 euros.

Movements in deferred tax on temporary differences were recognized in profit or loss, except

for -114,926 euros (2019: 13,480 euros), which relates to actuarial remeasurements of employee benefit obligations payable after termination of employment, and which was recognized in other comprehensive income.



## 12. Deferred income

(in whole euros)	2020	2019
<b>Long-term subsidies and contributions</b>		
As of 1st January	41,324,670	40,204,970
Transfer to the short-term part	-3,097,065	-3,319,685
Additions per year	503,640	4,439,385
<b>As of 31st December</b>	<b>38,731,245</b>	<b>41,324,670</b>
<b>Short-term subsidies and contributions</b>		
As of 1 January	3,276,264	3,002,710
Use per year through the profit and loss account	-3,276,264	-3,480,759
Transfer from the long-term part	3,097,065	3,319,685
Additions per year	0	434,628
<b>As of 31st December</b>	<b>3,097,065</b>	<b>3,276,264</b>
<b>Total subsidies and contributions</b>	<b>41,828,310</b>	<b>44,600,934</b>

The Company uses subsidies from the Cohesion Fund (EU) and the state budget to co-finance projects aimed at increasing the efficiency of wastewater treatment in order to meet legislative requirements for the removal of nutrients and phosphorus in treated wastewater in accordance with European legislation.

Projects co-financed from subsidies from the Cohesion Fund and the state budget under the Operational Programme Environment – INVESTMENT TO YOUR FUTURE:

- Holíč, refurbishment and intensification of a wastewater treatment plant.

Project implementation started in May 2011. The work was completed and handed over and in September 2014 the competent Building Authority issued its consent to putting the WWTP into permanent operation. The subject was the complete modernization and refurbishment of the WWTP with the construction of a new discharge pipeline for treated water leading to the Morava River (the original recipient was the Kyštor stream). The modernization was necessary in order to comply with

legislative requirements regarding the quality of discharged treated wastewater in nitrogen and phosphorus indicators.

In accordance with the terms and conditions of the Contract on a Non-repayable Financial Contribution, entered into with the Ministry of the Environment of the Slovak Republic, BVS sent the final monitoring report on the fulfilment of indicators (financial flows, measurable indicators, i.e. the population equivalent, the final project analysis) in November 2020, after the completion of the 5-year monitoring period. In December 2020, the Ministry of the Environment of the Slovak Republic evaluated compliance with the terms and conditions of the Contract on a Non-repayable Financial Contribution as fulfilled, including financial analysis, without performing corrections, i.e. returning a part of the obtained subsidy under the terms and conditions of the contract.

- Sewer system construction in the Danube part of the Bratislava Region in the parts:
  - intensification and upgrade of the Vrakuňa Central Wastewater Treatment Plant, construction 2,
  - intensification and upgrade of the Petržalka Wastewater Treatment Plant, construction 2,

This project dealt with ensuring an increase in the efficiency of wastewater treatment in order to meet legislative requirements for the removal of nutrients and phosphorus in treated wastewater in accordance with European legislation. The provision of wastewater treatment related to the part of Bratislava, the capital of Slovakia, belonging to the basin of the Danube border river, but partly also to sewerage wastewater pumped to Bratislava from the part of the Little Carpathians region up to Pezinok. The project consisted in an upgrade of the biological stage of the central wastewater treatment plant in Vrakuňa and the WWTP in Petržalka. The implementation of the project started on 8th November 2013. The work was completed in November 2015. After a year of trial operation, both treatment plants are in permanent operation.

- Completion of the sewer system and the wastewater treatment plant in the Modra agglomeration

The project included the refurbishment of the wastewater treatment plant in Modra, the completion of the sewer system in the town of Modra and construction of a sewer system in the village of Dubová. The actual implementation started on 30th June 2014. The work was completed in December 2015, then the construction received the final approval for use from the inspector, and it was put into trial operation and then into permanent operation.

A project co-financed from the Cohesion Fund and the state budget within the Operational Programme Quality of the Environment.

- Rohožník wastewater treatment plant – refurbishment and upgrade

The project's objective was to improve the drainage and treatment of municipal wastewater in agglomerations with a population equivalent of over 2,000 in line with the commitments of the Slovak Republic towards the EU. The actual implementation of the project started on 19th July 2017. The work was completed in January 2019. The WWTP received the final approval for use from the inspector, and the plant was put into trial operation.

In accordance with the terms and conditions of the Contract on a Non-repayable Financial Contribution, completed investment projects are subject to a mandatory 5-year monitoring by the Ministry of the Environment of the Slovak Republic, and for a period of 5 years from the commissioning for permanent operation. BVS is obliged to send, once a year, reports on the fulfilment of indicators (financial flows, measurable indicators, i.e. the population equivalent connected to newly constructed sewer systems, and/or refurbished wastewater treatment plants and the number of agglomerations whose issues have been re-



solved). The Ministry of the Environment of the Slovak Republic will evaluate compliance with the terms and conditions of the Contract on a Non-repayable Financial Contribution only after the end of the monitoring period, and if the requirements of the financial analysis or of measurable indicators are not adhered to, it may make corrections, i.e. a part of the subsidy may be returned in accordance with the terms and conditions of the contract.

In the preparation and implementation of individual constructions, BVS focuses on using the latest information technologies, which ensures their proper functioning in the water mains and sewer system through a central control centre. At the same time, new technologies make it possible to increase the protection of built structures in terms of safety and security.





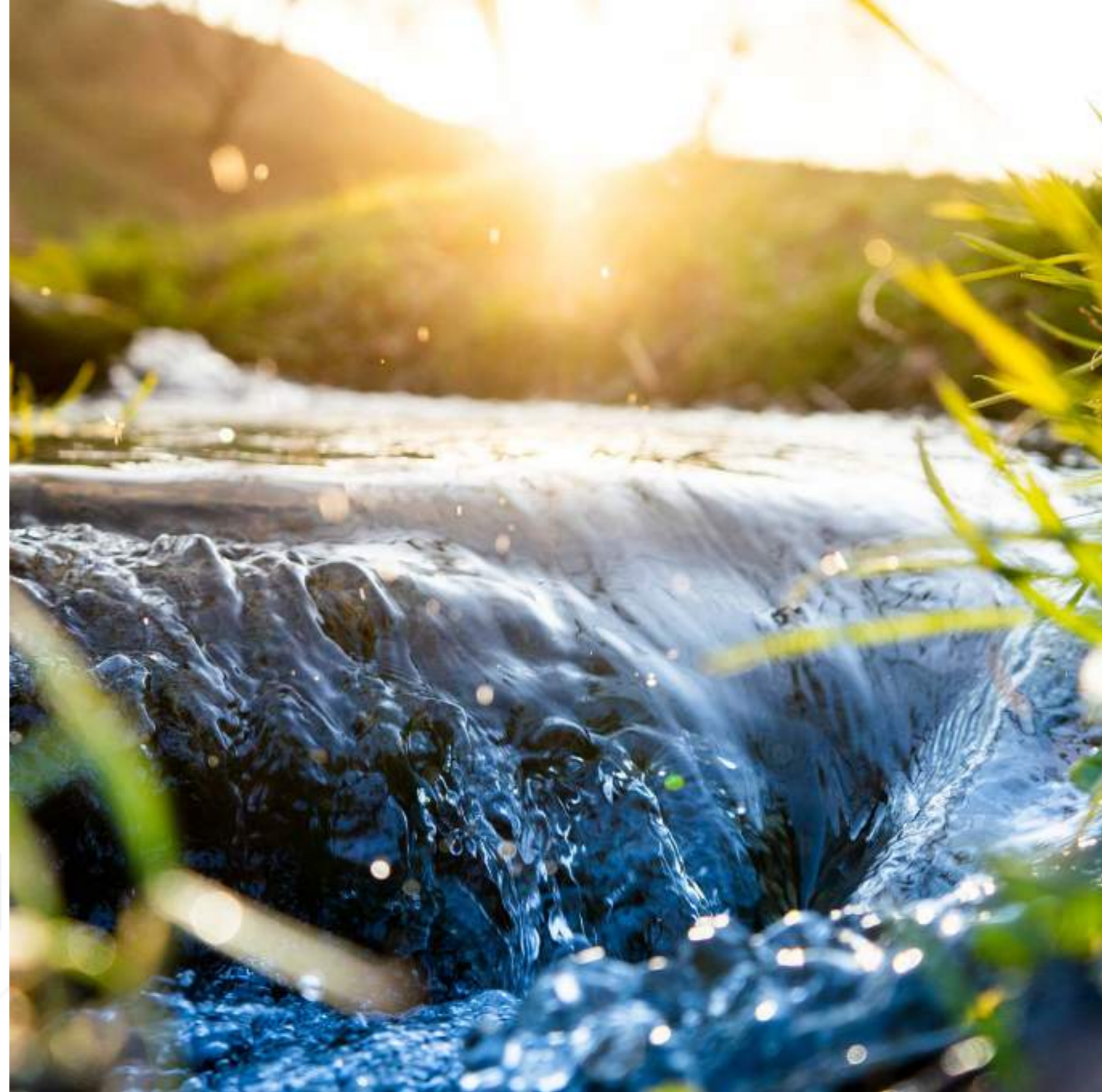
## 13. Trade payables and other liabilities

(in whole euros)	as of 31st December 2020	as of 31st December 2019
Trade payables and other liabilities	18,949,503	19,953,064
Unbilled deliveries and doubtful accounts	441,110	356,672
<b>Financial liabilities</b>	<b>19,390,613</b>	<b>20,309,737</b>
Liabilities to employees	1,269,434	870,898
Liabilities to the Social Insurance Company	891,425	719,840
<b>Non-financial liabilities</b>	<b>2,160,859</b>	<b>1,590,737</b>
<b>Total trade payables and other liabilities</b>	<b>21,551,472</b>	<b>21,900,474</b>

The fair value of current and non-current liabilities is not materially different from their carrying amount. The Company has no trade payables covered by a right of pledge.

The structure of non-overdue and overdue liabilities is shown in the following table:

(in whole euros)	as of 31st December 2020	as of 31st December 2019
Non-overdue liabilities	601,362	920,106
Overdue liabilities	20,950,110	20,980,368
<b>Total trade payables and other liabilities</b>	<b>21,551,472</b>	<b>21,900,474</b>





## 14. Loans and borrowings

(in whole euros)	2020	2019
<b>Short-term bank loans</b>		
As of 1st January	63,791,887	4,502,440
Bank loans received	274,427	3,589,709
Transfer from the long-term part	513,000	62,657,448
Principal repayments	-64,064,407	-6,957,710
<b>As of 31st December</b>	<b>514,907</b>	<b>63,791,887</b>
<b>Long-term bank loans</b>		
As of 1st January	0	62,657,448
Bank loans received	69,525,948	0
Transfer to the short-term part	-513,000	-62,657,448
<b>As of 31st December</b>	<b>69,012,948</b>	<b>0</b>
<b>Total loans and borrowings</b>	<b>69,527,855</b>	<b>63,791,887</b>

In August 2013, the BVS entered into a contract on an instalment loan with Tatra banka, a. s., for the granting of a bank loan amounting to 80 million euros for the purpose of funding investment projects and buying fixed assets, with the final maturity date 31st December 2020. The company repaid the loan on 30th November 2020.

In 2018, BVS entered into an instalment loan contract with Tatra banka, a. s., for the granting of a bank loan worth 5.3 million euros in total (according to the contract, although 5.16 million euros

were drawn in reality) for the purpose of repaying the loan liabilities to Všeobecná úverová banka, a. s., with the maturity date 31st December 2020. The company repaid the loan on 30th November 2020.

On 2nd October 2019, BVS entered into an overdraft facility contract with Tatra banka, a. s., for the granting of a short-term loan with a total drawdown limit of 8 million euros for the purpose of covering short-term cash flow outages. As of 31st December 2020, BVS had drawn 0 euros of the loan.

On 23rd June 2020, BVS entered into a loan contract with UniCredit Bank Czech Republic and Slovakia, a. s., for the granting of a loan of 10.5 million euros for the purposes of paying the purchase price of the 49% minority stake in Infra Services, a. s. The loan is due on 30th June 2030; the interest rate of the granted loan is 3M EURIBOR + 0.85% p.a.

On 20th November 2020, the Company entered into a loan contract with Slovenská sporiteľňa, a. s., for the granting of a loan in of 59.28 million euros for the purpose of refinancing loans provided by Tatra banka due on 31st December 2020. The agreed interest rate is 0.59% p. a., and the loan is due on 30th September 2045. The first loan instalment of 689,000 euros is due on 30th June 2024.

On 4th August 2020, the Company entered into a loan contract with the Council of Europe Development Bank (CEB) for the purpose of financing investment projects, in the total amount of 50 million euros. The Company had not drawn the loan as of 31st December 2020.

## 15. Liability concerning benefits upon termination

Liabilities from benefits are measured at the present value of expected future monetary cash outflows discounted at an interest rate equal to the interest rate of high-quality corporate bonds with a 30-year time to maturity, published by the European Central Bank. The company derives the discount rate from the expected real interest rate of 0.1278% p.a. (in 2019: 0.3709%) and the expected employee turnover of 7.94% (in 2019: 11.68%).

The Company's long-term employee benefits plan represents a defined benefit plan, under which, upon retirement, employees are entitled to a one-time contribution.

The change in provisions for retirement payments, reported in the consolidated statement of financial position for the year ending on 31st December 2020 and the year ending on 31 December 2019, can be summarized as follows:

(in whole euros)	as of 31st December 2020	as of 31st December 2019
<b>Provision for retirement payments as of 1st January</b>	<b>650,862</b>	<b>715,054</b>
Net change in the provisions (actuarial estimate), included in other comprehensive income	547,267	-64,192
Increase in the provision for retirement from enterprise acquisition	198,013	0
<b>Provision for retirement payments</b>	<b>1,396,142</b>	<b>650,862</b>
Provision for work jubilees	335,854	205,893
Social Fund liabilities	368,499	403,922
<b>Liability concerning liabilities upon termination</b>	<b>2,100,495</b>	<b>1,260,677</b>

The creation and use of the Social Fund during the reporting period are shown in the following table:

(in whole euros)	as of 31st December 2020	as of 31st December 2019
<b>As of 1st January</b>	<b>403,922</b>	<b>375,224</b>
Creation through expenses, other allocation	210,735	342,476
Drawdown	-246,158	-313,778
<b>As of 31st December</b>	<b>368,499</b>	<b>403,922</b>





## 16. Long-term provisions

(in whole euros)	As of 1st January	Creation	Use	Cancelled	As of 31st December
Provisions for environmental issues	7,269	0	0	0	7,269
Provisions for litigations	1,388,471	58,781	111,909	245,936	1,089,407
<b>Total for 2019</b>	<b>1,395,740</b>	<b>58,781</b>	<b>111,909</b>	<b>245,936</b>	<b>1,096,676</b>
Provisions for environmental issues	7,269	0	0	0	7,269
Provisions for litigations	1,367,888	214,254	24,490	169,181	1,388,471
<b>Total for 2018</b>	<b>1,375,157</b>	<b>214,254</b>	<b>24,490</b>	<b>169,181</b>	<b>1,395,740</b>

### (i) Provisions for environmental issues

As of 31st December 2019, the provision amounted to 7,269 euros (31 December 2019: 7,269 euros).

### (ii) Litigations

The provision for passive litigations totalling 1,089,407 euros (2019: 1,388,471 euros) is created until the court decides on individual litigations, on the basis of expert appraisals by the Company's legal representatives, who have the most relevant information on the course of litigation, evidence, etc. The litigations against the Group mainly concern compensation for damage cause by operating activities, compensation for a non-proprietary loss, compensation for unjust enrichment, and bills of exchange. The Group expects the litigations to be terminated in the 2021-2023 period.

Details on litigations with a significant claimed principal with accessions thereof, with which the Group expects a low risk of failure and for which no provision has been created, can be found in item 28 of the Notes.

## 17. Share capital

As of 31st December 2020 and 2019, the share capital of the Company consisted of 8,477,431 ordinary book-entry shares with a face value of 33.19 euros each, which were fully paid up. As of 31st December 2020, the company held 714,771 treasury shares (2019: 714,771) at a cost of 1,927,338 euros. Laws do not restrict the holding of such shares in any manner. Other shareholders hold 7,762,660 shares. In 2020, the Company did not pay shareholders dividends from the profit (in 2019: 295,383 euros). The dividend paid per share in 2020 is equal to 0 euros (2019: 0.41 euros).

## 18. Revenues

(in whole euros)	2020	2019
Water rates	46,148,825	43,813,698
Sewer rates and precipitation rates	47,272,703	45,325,901
Lease revenues	112,893	308,002
Other revenues	1,285,404	1,362,655
<b>Total revenues</b>	<b>94,819,825</b>	<b>90,810,256</b>

## 19. Cost of the water, material and energy consumption

(in whole euros)	2020	2019
Underground water extraction	2,090,389	2,104,802
Consumption of other material	3,535,450	2,367,795
Energy consumption (electricity, gas, heat)	6,792,845	7,332,479
Consumption of other non-inventory items	1,709,346	1,770,445
Provision for inventories (material)	197,149	0
<b>Total cost of water, material and energy consumption</b>	<b>14,325,179</b>	<b>14,325,179</b>



## 20. Wages and salaries

(in whole euros)	2020	2019
Wages and salaries (including remuneration for members of "statutory bodies")	17,231,556	14,881,952
Pension funds contributions	2,390,649	2,033,697
Other social security contributions and social expenses	6,116,500	5,056,293
<b>Total wages and salaries</b>	<b>25,738,705</b>	<b>21,971,942</b>

## 21. Services

(in whole euros)	2020	2019
Repairs and asset maintenance	8,401,776	15,024,054
IT expenses	3,235,243	3,421,051
Replacement and reading of water meters, installation of connections and water meters	1,536,718	2,856,147
Sludge disposal, waste collection	1,330,883	1,340,944
Security service	1,601,410	1,375,031
Telecommunication services	438,471	742,783
Legal services	650,152	603,821
Audit and advice	629,722	464,571
Specialized transport	468,594	940,091
Postage, hybrid mail	861,929	799,824
Regime monitoring	136,469	134,982
Marketing	101,652	92,337
Revisions and diagnostics	741,766	541,731
Winter and summer maintenance	396,513	463,276
Registry records administration	6,948	595,434
Cleaning, washing	114,964	8,736
Short-term lease expenses	10,312	55,054
Variable lease payments expenses	18,800	241,918
Low-value asset lease expenses	64,904	79,824
Other	1,072,018	934,524
<b>Total services</b>	<b>21,819,243</b>	<b>30,716,133</b>

## 22. Other operating expenses and revenues

(in whole euros)	2020	2019
Taxes and fees	397,932	319,944
Property insurance, organization liability insurance, vehicle insurance	341,492	447,356
Net book value of sold non-current assets and material	24,158	0
Settlement of the previous relationship with the joint venture	2,039,175	0
Creation and clearing of provisions for receivables impairment	260,941	294,883
Creation and clearing of provisions	-687,117	1,023,887
Other expenses	-480,306	220,307
<b>Total other operating expenses</b>	<b>1,896,275</b>	<b>2,306,376</b>
Gains from the sale of non-current assets and material	515,158	4,217
Contractual fines and penalties	448,308	567,145
Release of subsidies and gifts to income	3,303,707	3,436,263
Capitalization of own work to investments	574,673	582,009
Damages	235,121	131,727
ZSE CHPU additional distribution payments	654,114	618,681
Other revenues	508,375	626,101
<b>Total other operating revenue</b>	<b>6,239,455</b>	<b>5,966,141</b>

The contractual fines and penalties in other operating expenses are made up of fees for demand notes, default interests and sanctions for unauthorized connections to the water mains and unauthorized discharge of wastewater into the sewer system.

## 23. Financial income and expenses

(in whole euros)	2020	2019
Interest income	31	154
Gains on foreign exchange	8	1
<b>Total financial income</b>	<b>39</b>	<b>155</b>
Interest expenses	453,725	418,948
of which: Lease liability interest	158,369	177,663
Losses on foreign exchange	197	70
Other financial expenses	185,151	169,676
<b>Total financial expenses</b>	<b>639,073</b>	<b>588,694</b>



## 24. Income tax

(in whole euros)	2020	2019
Current income tax	468,247	1,407,420
Change in the deferred tax	3,165,945	-140,690
<b>Total income tax</b>	<b>3,634,192</b>	<b>1,266,730</b>

The standard income tax rate applied for 2020 was 21% (2019: 21%). The reconciliation between the actual income tax expense and the theoretical amount calculated based on the applied tax rate is as follows:

(in whole euros)	2020	2019
<b>(Loss)/profit before tax</b>	<b>13,976,818</b>	<b>-2,592,031</b>
Theoretical tax expense at the applied 21% tax rate	2,935,132	-544,326
Expenses unrecognizable for tax purposes/untaxed expenses to which a deferred tax has not been posted	593,970	1,335,453
Other	105,090	475,603
<b>Income tax expense for the reporting period</b>	<b>3,634,192</b>	<b>1,266,730</b>

## 25. Cash flows from operating activities

(in whole euros)		2020	2019
<b>Profit for the period before tax</b>		<b>13,976,818</b>	<b>-2,592,031</b>
adjusted for:			
Non-cash expenses and income			
Depreciation of non-current tangible and intangible assets	9,10	30,413,351	30,587,322
Write-off of receivables		80,517	677,029
Increase (decrease) in provisions for receivables	7	248,291	-382,146
Increase (decrease) in provisions for non-current assets	9,10	-9,078,350	-531,131
Increase (decrease) in provisions for inventories	8	197,149	0
Increase (decrease) in provisions for liabilities	16	-562,709	1,727,066
Loss (profit) from the sale of long-term tangible assets		-294,615	0
Loss (profit) from the disposal of leases and other lease expenses, including leases of low-value assets		428,463	0
Loss (profit) from the settlement of relationships with the purchased subsidiary		2,039,175	0
Change in deferred income	12	-2,772,624	0
Net interest expense	23	453,694	418,794
Joint venture loss (profit) share		1,216,266	153,724
Remeasurement of the joint venture to fair value during control acquisition		-216,002	0
Changes in working capital			
Decrease (increase) in inventories	8	115,891	472,678
Decrease (increase) in trade receivables and other receivables	7	-4,404,884	2,248,145
Increase (decrease) in trade payables and other liabilities	13	399,361	-14,270,205
<b>Total</b>		<b>32,239,792</b>	<b>19,902,499</b>

## 26. Balances and transactions with related parties

The Group falls under the control of its main shareholder, which is Bratislava, the Capital of the Slovak Republic. For this reason, all legal entities controlled by the Slovak Republic are a related party of the Group. The Group supplies water to these related parties and charges sewer rates, and it purchases goods and services in the ordinary course of its business. The Group applies to these transactions an exception from the disclosure of individually insignificant transactions with related parties that are controlled by the State, jointly controlled or the State has significant influence over them. The Group has not recorded individually significant transactions with such related parties, except for tax payments, which are

Transactions and balances with Infra Services, a. s., were as follows in 2020 till 15th July 2020 (the date of acquisition) and in 2019:

(in whole euros)	1st Jan. – 15th Jul. 2020	2019
Repair and maintenance expenses	4,789,780	13,175,031
Service expenses	5,420,361	12,634,941
Purchased goods, other services	-	556,585
Acquisition of non-current intangible and tangible assets, refurbishments	703,369	5,970,905
Lease (rental) revenues	34,626	66,612
Other revenues	21,162	62,955

separately disclosed in the balance sheet, the statement of comprehensive income and the notes.

In addition to the City of Bratislava and the Slovak Republic, the Group's main related party is its key management.

Remuneration paid to members of the Group's bodies during the year ended 31st December 2020 amounts to 681,053 euros (as of 31st December 2019: 365,463 euros). The severance pay to BVS management paid in 2020 amounts to 0 euros. No other significant payments or benefits were provided to key management. Remuneration as well as wages and salaries are included in personnel costs.

In 2020, members of the BVS „statutory body“ were provided with company motor vehicles, which they could also use for private purposes. Beyond that, no loans, guarantees or other forms of collateral were provided to them, nor funds or other benefits for private purposes that are accounted for (in 2019: the same).

(in whole euros)	As of 15th July 2020	As of 31st December 2019
Trade payables	6,310,680	8,872,831
Provisions and unbilled deliveries	-	1,464,362
Trade receivables	24,005	27,052

In addition to above, the Group had lease liabilities to Infra Services, a. s., which were settled by the acquisition of that company, as specified in item 28 of the Notes.



## 27. Possible other liabilities and other financial obligations

The Group has the following potential additional liabilities that are not included in the current accounts and are not stated in the consolidated statement of financial position:

### (i) Uncertainty under Slovak tax law

As many areas of Slovak tax law have not yet been sufficiently proven by practice, their application by tax authorities remains uncertain. The extent of this uncertainty is not quantifiable and will not be overcome until legal precedents or, where applicable, official interpretations by competent authorities are available.

### (ii) Environmental burdens

On 13th May 2004, the National Council of the Slovak Republic approved Act No. 364/2004 Coll. on Waters and on an Alteration of Act No. 372/1990 Coll. on Administrative Infractions, as amended (the Water Act), in which requirements of the Directive of the Council 91/271/EEC concerning urban wastewater treatment were also incorporated. Under this act, there is the duty to finish the construction of a public sewer system with associated wastewater treatment in agglomerations with more than 10,000 inhabitants by the end of 2010, and in agglomerations with more than 2,000 inhabitants by the end of 2015. The Company finances these investments from its own resources, from subsidies from the state budget and EU funds, as well as through bank loans.

Under the Water Act, the Company pays fees of 0.0332 euros per m<sup>3</sup> for water taken from under-

ground sources and pursuant to the Ordinance of the Government of the Slovak Republic No. 755/2004 Coll. Laying down the Amount of Unregulated Payments, the Amount of Fees and the Details Related to Charges for the Use of Waters, as amended; it also pays fees for wastewater discharge into surface waters. In 2020, the Company paid advance payments for fees for water taken from underground sources in the amount of 2,104,802 euros (in 2019: 2,107,515 euros) by virtue of a Decision issued by the SLOVENSKÝ VODOHOSPODÁRSKY PODNIK, štátny podnik [Slovak Water Management Company, state-owned enterprise]. The actual amount of costs of water taken is 2,090,389 euros.

In 2020, the Company paid fees of 216,265 euros (in 2019: 207,519 euros) for the discharge of wastewater into surface waters by virtue of a Decision issued by the SLOVENSKÝ VODOHOSPODÁRSKY PODNIK, štátny podnik. The entire amount of 216,265 euros was refunded to the Company on 20th May 2021, because in no case did the wastewater discharged exceed the concentration and balance limits for the imposition of the charges.

### (iii) Litigations

The Company is currently involved in several passive litigations. The outcome of these litigations may result in liabilities higher than the recorded liabilities, and such differences could be material.

The Company is subject to the following litigations with a significant claimed principal with accessions thereof, in which the company anticipates a low risk of failure and for which therefore no provision has been created:

- claimant: Tulia Enterprises Ltd., the merits of the dispute are: bills of exchange, principal claimed: 3.817 million euros,
- claimant: Brno Trust, a. s., the merits of the dispute are: bills of exchange, principal claimed: 3.817 million euros,

- claimant: Blockchain SK, s. r. o., the merits of the dispute are: unjust enrichment, the claimed principal with accessions thereof is 731,000 euros,
- claimant: BLUECUBE s. r. o., the merits of the dispute are: compensation for a non-proprietary loss, claimed principal with accessions thereof is 6.26 million euros,
- claimant: natural person, the merits of the dispute are: damages, the claimed principal with accessions thereof is 6.26 million euros,
- claimants: three natural persons, the merits of the dispute are: damages, the claimed principal with accessions thereof is 399,000 euros.

On 28th April 2020, the Žilina District Court issued a resolution initiating proceedings for the imposition of a fine in connection with the verification of the veracity and completeness of beneficial owner data entered in the Public Sector Partners Register (PSPR) on Infra Services, a. s., as a public sector partner. The maximum financial risk of the impact from a potentially incorrect or incomplete indication of the beneficial owner for the period from the company's registration in the PSPR in September 2017 to May 2019 (when Mr. Ivan Kmotrík was registered as the beneficial owner) represents the amount of economic benefit obtained for that period. The company achieved the following results for the last accounting periods: for the accounting period 2020 a loss of 161,000 euros, for the accounting period 2019 a loss after tax of 554,000 euros, for the accounting period 2018 a profit after tax of 1,612,000 euros. As of the balance sheet date, the degree of this uncertainty cannot be quantified because it is not clear whether the court will conclude on the basis of the evidence presented that the application for registration in the PSPR contained false or incomplete information and, if the court finds a breach of the law, what amount of economic benefit it will determine (it does not follow clearly from the law how the economic benefit is calculated) – if the court concludes that the economic benefit cannot be determined, it will impose a fine of between 10,000 euros and 1,000,000 euros. The degree of

the said uncertainty will disappear only after the official decision of the Žilina District Court on the amount of the fine, or on the suspension of the proceedings is available.

### (iv) The regulatory framework in the area of the development and operation of public water mains and public sewer systems

See item 4 of the Notes.

### (v) Other risks

The company analyses the correctness of the procedure of public procurement and of the publication of contracts with suppliers and the possible impacts of these facts on the validity of those contracts and on the financial statements. At the same time, in the past the Supreme Audit Office carried out inspections in the company which also related to these facts. The matter at issue is mainly a contract with the subsidiary Infra Services, a. s., in the context of a framework service contract. It is not possible to estimate the potential impacts on the financial statements, if they are necessary, as of the date of preparation of these financial statements.

## 28. Acquisition of Infra Services, a. s.

On 15th July 2020, the Group completed the acquisition of 49% of the shares in Infra Services, a. s., thereby acquiring a 100% ownership interest and gaining control of that company, thus obtaining the qualified two-thirds majority of vo-

The fair value of the total purchase price for the business, after exclusion of the settling existing relationships and liabilities, is as follows:

Cash consideration	8,000,000
Value of the Hraničná site having been transferred to the seller	2,500,000
Savings in the leaseback of the Hraničná site below the usual lease rate level	-443,631
Settlement of the previous relationship from the SLA	-2,500,000
Gain from the settlement of previous trade payables	460,825
Carrying amount of the settled lease liabilities	-5,614,743
Carrying amount of the settled trade payables, provisions for liabilities, and other liabilities	-5,849,856
Non-cash consideration and settlement of previous relationships	-11,447,405
Fair value of the previously owned interest in Infra Services, a. s.	7,092,971
<b>Total value transferred for the acquisition of the business</b>	<b>3,645,566</b>

The fair value of the property interest transferred as part of the acquisition is based on an estimate prepared by professional appraisers. Investment in the joint venture Infra Services, a. s., was reported using the equity method before the acquisition. The investment was remeasured to fair value at the acquisition date and the gain was recognized in profit or loss upon acquisition of control as follows:

tes required under the Articles of Association of Infra Services, a. s., to control the company's activities. The acquisition terminates the pre-existing service level framework agreement („SLA“) between the Group and Infra Services, a. s. Under the SLA, the Group was obliged to purchase defined volumes of maintenance, construction and other services related to the administered water infrastructure, or otherwise pay a penalty. The Group expects to achieve savings and efficiency by bringing these activities under its control. In addition, the Group leased equipment from Infra Services, a. s., and the acquisition settled these liabilities and contractual relationships.

Carrying amount of the joint venture as of 1st January 2020	8,093,235
Share in the profit of the joint venture till 15th July 2020, when control was acquired	-1,216,266
Fair value of the previously owned interest	-7,092,971
<b>Profit recognized from the previously owned interest in the business being acquired</b>	<b>-216,002</b>

Acquisition-related transaction expenses of 125,898 euros have been charged to expenses and are included in service expenses.

The settlement of pre-existing SLA relationships resulted in the recognition of a loss in other operating expenses, which represents the lower of the fines that would have to be paid in the event of withdrawal from the agreement and the outflow of economic resources if the contract was completed.

The details of acquired assets, liabilities and contingent liabilities and arising goodwill are as follows:

Tangible assets	2,950,252
Intangible assets	1,308,639
Right-of-use assets	4,177,660
Long-term receivables	101,650
Deferred tax	85,205
Inventories	1,284,125
Trade receivables and other receivables	538,199
Income tax receivable	406,100
Cash and cash equivalents	6,547,063
Long-term lease liabilities	-7,564,140
Other non-current liabilities (including provisions)	-548,461
Short-term lease liabilities	-2,228,263
Trade payables and other liabilities (including provisions)	-5,101,495

The determination of the value of the right-of-use asset took into account the favourable or unfavourable element of the lease as estimated by professional appraisers by comparing the present value of the required lease payments with the estimated market-level lease payments for similar assets and a similar period and discounted to present value at the entity's incremental interest rate valid on 15th July 2020 (the acquisition date).



<b>Difference in fair values of assets and liabilities</b>	<b>1,956,534</b>
Goodwill (negative goodwill) from the acquisition (item 10 of the Notes)	1,689,032
<b>Total value transferred for the acquisition of the business</b>	<b>3,645,566</b>
Non-cash consideration and settlement of previous relationships	11,447,405
Fair value of the previously owned interest	-7,092,971
Cash and cash equivalents of the acquired business	-6,547,063
<b>Outflow of cash and cash equivalents during acquisition</b>	<b>1,452,937</b>

The fair values of acquired assets and liabilities are based on a valuation prepared by a professional appraisal firm.

For each class of acquired receivables, the gross contractual amounts of the receivables and the best estimate of the contractual cash flows that are not expected to be collected are as follows:

	Gross value of receivables	Unexpected cash flows
Trade receivables	538,199	-
Long-term receivables	101,650	-

The contingent tax exposures of the procured company have been assessed as insignificant and are primarily associated with transfer pricing tax risks; they will expire within five to ten years of the acquisition. In addition, the Group was unable to reliably estimate the fair value of the contingent liability of Infra Services, a. s., in relation to the ongoing litigation described in item 27 of the Notes, as the range of possible results of the measurement is wide.

The goodwill is mainly attributed to the existing accumulated human resources of the acquired company and the expected savings on future expenses. The goodwill will not be deductible for tax purposes until and unless there is a legal non-merger with the parent company.

Essentially all revenue from Infra Services, a. s., were within the Group. Therefore, the acquired subsidiary did not contribute any income to the Group for the period from the acquisition date to 31st December 2020 and, assuming that the acquisition took place on 1st January 2020, the Group's income for 2020 would remain unchanged.







## 29. Events after the balance sheet date

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Except for the information stated below, there were no significant events requiring disclosure or an adjustment of the statements.

On 18th February 2021, the Municipal Council of Bratislava, the Capital of the Slovak Republic, approved a proposed merge of Infra Services with BVS. On 4th May 2021, a General Meeting of BVS approved the merger of Infra Services with BVS. The decisive date of the merger is 1st June 2021. BVS becomes the successor company and Infra Services is the defunct company. All assets, liabilities, rights and obligations of the defunct company passed to the successor company, including most of the employees of the defunct company.

The Group is continuously assessing the consequences of the COVID-19 pandemic and is convinced at the balance sheet date that the current situation does not lead to a significant uncertainty of the going concern assumption for the Company.

Due to the coronavirus COVID-19 pandemic, the Company's operations were limited, which entailed a partial slowdown in the performance of certain activities. This situation manifested itself in the operating expenses of repairs and maintenance of the Company's assets and equipment in 2020; the plan was met at 78%. The decrease in expenses for 2020 due to the pandemic was calculated by the Company to amount to 2.974 million euros. The outbreak of the first wave of the pandemic caused a slight decline in the services. Losses on water consumption caused by outages at larger customers due to the pandemic were, to some extent, offset by an increase in consumption among smaller consumers. The decline in sales in the first wave was offset during

the year, so the pandemic ultimately had no significant impact on the company's sales. The reason for the decrease in sales as compared to the plan for 2020 was the delayed increase in prices. The company's total sales increased year-on-year due to the increase in the price of drinking water supplies and the price for wastewater disposal approved by the RONI, as valid from 11th August 2020. The company did not experience a deterioration in cash flow due to the pandemic. Based on the above-mentioned development for 2020, the Company does not anticipate in the near future, due to the continuing pandemic of COVID-19, that the going concern assumption for the company on the basis of which these consolidated financial statements have been prepared would be put in danger. Nevertheless, the continuing pandemic may have a negative impact on the Group, which cannot be reliably estimated, but the Company does not expect default on the covenants, arising from the loan obligations, as a result of the pandemic.



# Statements of BVS for the last 5 years

BALANCE SHEET	2020 (EUR ths.)	2019 (EUR ths.)	2018 (EUR ths.)	2017 (EUR ths.)	2016 (EUR ths.)
<b>TOTAL ASSETS</b>	<b>460,636</b>	<b>523,029</b>	<b>541,404</b>	<b>544,108</b>	<b>552,678</b>
<b>Non-current assets</b>	<b>413,468</b>	<b>501,704</b>	<b>514,721</b>	<b>516,307</b>	<b>517,733</b>
Non-current intangible assets	2,603	3,086	3,553	2,799	2,017
Non-current tangible assets	374,462	442,471	455,020	457,361	459,569
Non-current financial assets	36,404	56,147	56,147	56,147	56,147
Shares and ownership interests in affiliated entities	36,397	56,141	56,141	56,141	56,141
<b>Current assets</b>	<b>38,960</b>	<b>16,791</b>	<b>21,190</b>	<b>27,312</b>	<b>34,540</b>
Inventories	286	206	680	516	515
Long-term receivables	10,875	335	574	0	0
Current receivables	11,103	11,535	13,808	15,974	14,634
Current financial assets	1,927	1,927	1,927	1,927	1,927
Financial accounts	14,769	2,788	4,201	8,894	17,463
<b>Accruals and deferrals</b>	<b>8,207</b>	<b>4,534</b>	<b>5,493</b>	<b>489</b>	<b>405</b>

BALANCE SHEET	2020 (EUR ths.)	2019 (EUR ths.)	2018 (EUR ths.)	2017 (EUR ths.)	2016 (EUR ths.)
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>460,636</b>	<b>523,029</b>	<b>541,404</b>	<b>544,108</b>	<b>552,678</b>
<b>Equity</b>	<b>321,423</b>	<b>383,479</b>	<b>387,865</b>	<b>387,702</b>	<b>387,357</b>
Share capital	281,366	281,366	281,366	281,366	281,366
Share premium	0	0	0	0	0
Other capital reserves	2,344	2,344	2,344	2,344	2,344
Legal reserve funds	27,404	32,988	32,902	32,853	32,803
Other revenue reserves	0	33,650	33,253	33,253	33,253
Revaluation differences	34,159	34,159	34,159	34,159	34,159
Retained earnings	-26,482	1,952	3,232	3,232	2,935
Profit/loss for the period	2,632	-2,981	608	495	497
<b>Liabilities</b>	<b>97,513</b>	<b>94,950</b>	<b>110,331</b>	<b>111,769</b>	<b>118,127</b>
Legal provisions	456	548	452	395	316
Other long-term and short-term provisions	5,956	5,481	3,614	4,660	6,097
Non-current liabilities	1,358	7,968	9,034	10,883	10,405
Current liabilities	20,215	17,162	30,071	23,042	21,734
Bank loans and financial assistance	69,528	63,792	67,160	72,789	79,574
Long-term bank loans	69,013	0	62,657	62,000	72,786
Current bank loans and short-term financial assistance	515	63,792	4,502	10,789	6,788
<b>Accruals and deferrals</b>	<b>41,699</b>	<b>44,601</b>	<b>43,208</b>	<b>44,637</b>	<b>47,194</b>

# Profit and loss statement

PROFIT AND LOSS STATEMENT	2020 (EUR ths.)	2019 (EUR ths.)	2018 (EUR ths.)	2017 (EUR ths.)	2016 (EUR ths.)
<b>Net turnover</b>	<b>99,602</b>	<b>96,400</b>	<b>95,546</b>	<b>94,280</b>	<b>91,982</b>
<b>Operating revenues</b>	<b>100,114</b>	<b>96,404</b>	<b>95,626</b>	<b>94,300</b>	<b>92,290</b>
Revenues from goods sold	0	0	0	0	0
Revenues from own products sold	46,152	43,814	43,860	43,314	42,065
Revenues from services sold	48,859	47,754	47,789	47,100	45,395
Change in internal inventories	0	-512	0	0	196
Capitalization	575	582	550	768	772
Revenues from the sale of non-current assets and material	512	4	80	22	122
Other operating revenues	4,016	4,761	3,347	3,096	3,740

PROFIT AND LOSS STATEMENT	2020 (EUR ths.)	2019 (EUR ths.)	2018 (EUR ths.)	2017 (EUR ths.)	2016 (EUR ths.)
<b>Operating expenses</b>	<b>96,535</b>	<b>100,413</b>	<b>95,500</b>	<b>93,954</b>	<b>91,961</b>
Cost of goods sold	0	0	0	0	0
Cost of material, energy and other non-inventory items	13,153	13,742	13,077	13,088	12,281
Provisions for inventories	0	0	0	0	0
Services	34,887	37,322	40,432	39,796	38,083
Personnel expenses	22,036	20,193	18,994	17,947	17,019
Taxes and fees	362	299	94	461	641
Depreciation, amortization and provisions for non-current intangible assets and non-current tangible assets	25,467	25,537	24,613	23,682	21,228
Net book value of non-current assets sold and material sold	24	0	39	441	96
Provisions for receivables	275	-382	-762	-980	1,930
Other operating expenses	330	3,702	-987	518	684
<b>Operating profit/loss</b>	<b>3,579</b>	<b>-4,008</b>	<b>126</b>	<b>346</b>	<b>328</b>
<b>Value added</b>	<b>47,546</b>	<b>40,575</b>	<b>38,690</b>	<b>39,297</b>	<b>38,064</b>
Income from financing activities	0	932	1,177	1,014	875
Expenses for financing activities	-53	581	609	787	982
<b>Profit/loss from financing activities</b>	<b>53</b>	<b>169</b>	<b>568</b>	<b>227</b>	<b>-107</b>
<b>Profit/loss for the period before tax</b>	<b>3,632</b>	<b>-3,658</b>	<b>694</b>	<b>573</b>	<b>221</b>
Current income tax	3	3	1	3	5
Deferred income tax	997	-681	85	75	-281
<b>Profit/loss for the period after tax</b>	<b>2,632</b>	<b>-2,981</b>	<b>608</b>	<b>495</b>	<b>497</b>



# Statement of cash flows

Item name	2020 (EUR ths.)	2019 (EUR ths.)	2018 (EUR ths.)	2017 (EUR ths.)	2016 (EUR ths.)
<b>Cash flows from operating activities (OA)</b>					
<b>P/L Profit/loss from ordinary activities before income tax (+/-)</b>	<b>3,632</b>	<b>-3,658</b>	<b>694</b>	<b>573</b>	<b>221</b>
A.1 Non-cash transactions effecting the profit/loss from ordinary activities before income tax (+/-)	42,596	25,313	22,118	21,372	19,976
A.1.1 Depreciation and amortization of intangible and non-current tangible assets (+)	24,588	24,411	24,450	24,637	23,312
A.1.2 Net book value of non-current tangible and intangible assets recorded upon disposal of such assets and charged to expenses for ordinary activities, except for its sale (+)	-	6	2	1	4
A.1.3 Write-off of the provision for acquired assets (+/-)	-	-	-	-	-
A.1.4 Change in provisions for liabilities (+/-)	384	1,963	-988	-1,359	-3,136
A.1.5 Change in provisions for assets (+/-)	82,369	-262	-601	-2,050	-233
A.1.6 Dividends and other profit sharing charged to revenues (-)	-	-931	-1,177	-1,013	-864
A.1.7 Interest expense (+)	430	412	477	717	909
A.1.8 Interest income (-)	-	-	-	-1	-10
A.1.9 Gain/loss on the sale of non-current assets, except for assets considered cash equivalents (+/-)	-488	-4	-44	419	-24
A.1.10 Other items of a non-cash nature (+/-)	-64,688	-1,280	-	22	19

Item name	2020 (EUR ths.)	2019 (EUR ths.)	2018 (EUR ths.)	2017 (EUR ths.)	2016 (EUR ths.)
<b>Cash flows from operating activities (OA)</b>					
A.2 Effect of changes in working capital on the profit/loss from ordinary activities	-21,596	-7,431	565	-959	11,279
A.2.1 Change in receivables and accruals and deferrals from operating activities (-/+)	-3,095	3,425	-2,116	-279	2,049
A.2.2 Change in payables and accruals and deferrals from operating activities (+/-)	-18,422	-11,330	2,885	-679	9,426
A.2.3 Change in inventories (-/+)	-79	474	-165	-1	-196
A.2.4 Change in current financial assets except for those included in cash and cash equivalents (-/+)	-	-	-	-	-
A.2.5 Other	-	-	-	-	-
<b>* Cash flow from operating activities, except for cash inflows and outflows listed separately in other sections of the statement of cash flows (+/-) (sum P/L + A.1 + A.2)</b>	<b>24,632</b>	<b>14,224</b>	<b>23,377</b>	<b>20,986</b>	<b>31,476</b>
A.3 Interest received (+)	-	-	-	1	10
A.4 Interest paid (-)	-430	-412	-477	-717	-909
A.5 Dividends and other profit sharing received (+)	-	931	1,177	1,013	864
A.6 Dividends and other profit sharing paid (-)	-	-271	-	-	-2,015
A.7 Income tax paid (-/+)	1	-1	9	366	-414
<b>A Net cash flow from operating activities</b>	<b>24,203</b>	<b>14,471</b>	<b>24,086</b>	<b>21,649</b>	<b>29,014</b>
<b>Cash flows from investing activities (IA)</b>					
B.1.1 Expenditures for the acquisition of non-current tangible and intangible assets (-)	-18,446	-12,520	-23,150	-23,433	-29,015
B.1.2 Expenditures for the acquisition of non-current financial assets (-)	-	-	-	-	-
B.1.3 Proceeds from the sale of non-current tangible and intangible assets (+)	488	4	-	-	-
B.1.4 Proceeds from the sale of non-current financial assets (+)	-	-	-	-	-
B.2.1 Expenditures for long-term borrowings granted (-)	-	-	-	-	-
B.2.2 Proceeds from the repayment of long-term borrowings (+)	-	-	-	-	-
B.3.1 Other cash inflows related to investing activities (+)	-	-	-	-	-
B.3.2 Other cash outflows related to investing activities (-)	-	-	-	-	-
<b>B Net cash flow from investing activities</b>	<b>-17,958</b>	<b>-12,516</b>	<b>-23,150</b>	<b>-23,433</b>	<b>-29,015</b>

Item name	2020 (EUR ths.)	2019 (EUR ths.)	2018 (EUR ths.)	2017 (EUR ths.)	2016 (EUR ths.)	
<b>Cash flows from financing activities (FA)</b>						
C.1	Cash flows in equity	-	-	-	-	
C.2	Cash flows arising from long-term and current liabilities from financing activities	5,736	-3,368	-5,629	-6,785	-6,783
C.2.1	Proceeds from the issue of debt securities (+)	-	-	-	-	-
C.2.2	Expenditure for the repayment of liabilities from debt securities (-)	-	-	-	-	-
C.2.3	Proceeds from loans (+)	69,782	1,134	5,157	-	-
C.2.4	Expenditure for the repayment of loans (-)	-64,046	-4,502	-10,786	-6,785	-6,783
C.2.5	Proceeds from borrowings received (+)	-	-	-	-	-
C.2.6	Expenditure for the repayment of borrowings (-)	-	-	-	-	-
C.2.7	Expenditure for the repayment of liabilities from finance leases (-)	-	-	-	-	-
C.2.9	Proceeds from other long-term and current liabilities resulting from financing activities of the entity (+)	-	-	-	-	-
C.2.10	Expenditure for the repayment of other long-term and current liabilities resulting from financing activities of the entity (-)	-	-	-	-	-
C.3	Cash flows from other financing activities	-	-	-	-	-
<b>C</b>	<b>Net cash flow from financing activities</b>	<b>5,736</b>	<b>-3,368</b>	<b>-5,629</b>	<b>-6,785</b>	<b>-6,783</b>
<b>D</b>	<b>Net increase or net decrease in cash and cash equivalents (+/-) (sum A + B + C)</b>	<b>11,981</b>	<b>-1,413</b>	<b>-4,693</b>	<b>-8,569</b>	<b>-6,785</b>
<b>E</b>	<b>Cash and cash equivalents at the beginning of the reporting period</b>	<b>2,788</b>	<b>4,201</b>	<b>8,894</b>	<b>17,463</b>	<b>24,248</b>
<b>F</b>	<b>FX-rate gains/losses for cash and cash equivalents as of the reporting day (+/-)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>G</b>	<b>Cash and cash equivalents at the end of the reporting period (sum D + E + F)</b>	<b>14,769</b>	<b>2,788</b>	<b>4,201</b>	<b>8,894</b>	<b>17,463</b>





# Overview of changes in shares for

# the years 2016 to 2020

No.	shareholder	as of 31st December 2016				as of 31st December 2017			
		additions	dispos-als	number of shares	%	additions	dispos-als	number of shares	%
1	Bratislavská vodárenská spoločnosť, a. s.			714,771	8.43			714,771	8.43
2	Bratislava, the Capital of the Slovak Republic			5,026,138	59.29			5,026,138	59.29
3	Town of Skalica			733,012	8.65			733,012	8.65
4	Town of Pezinok			245,495	2.90			245,495	2.90
5	Town of Malacky			211,013	2.49			211,013	2.49
6	Town of Senec			169,240	1.99			169,240	1.99
7	Town of Modra			96,030	1.13			96,030	1.13
8	Town of Stupava			88,648	1.05			88,648	1.05
9	Town of Svätý Jur			50,211	0.59			50,211	0.59
10	Municipality of Bernolákovo			50,638	0.60			50,638	0.60
11	Municipality of Blatné			15,494	0.18			15,494	0.18
12	Municipality of Boldog			4,427	0.05			4,427	0.05
13	Municipality of Borinka			4,741	0.06			4,741	0.06
14	Municipality of Borský Svätý Jur			17,685	0.21			17,685	0.21
15	Municipality of Brestovec			11,168	0.13			11,168	0.13
16	Municipality of Budmerice			21,920	0.26			21,920	0.26
17	Municipality of Bukovec			5,078	0.06			5,078	0.06
18	Municipality of Cerová			14,449	0.17			14,449	0.17

No.	shareholder	as of 31st December 2018				as of 31st December 2019				as of 31st December 2020			
		additions	dispos-als	number of shares	%	additions	dispos-als	number of shares	%	additions	dispos-als	number of shares	%
1	Bratislavská vodárenská spoločnosť, a. s.			714,771	8.43			714,771	8.43			714,771	8.43
2	Bratislava, the Capital of the Slovak Republic			5,026,138	59.29			5,026,138	59.29			5,026,138	59.29
3	Town of Skalica			733,012	8.65			733,012	8.65			733,012	8.65
4	Town of Pezinok			245,495	2.90			245,495	2.90			245,495	2.90
5	Town of Malacky			211,013	2.49			211,013	2.49			211,013	2.49
6	Town of Senec			169,240	1.99			169,240	1.99			169,240	1.99
7	Town of Modra			96,030	1.13			96,030	1.13			96,030	1.13
8	Town of Stupava			88,648	1.05			88,648	1.05			88,648	1.05
9	Town of Svätý Jur			50,211	0.59			50,211	0.59			50,211	0.59
10	Municipality of Bernolákovo			50,638	0.60			50,638	0.60			50,638	0.60
11	Municipality of Blatné			15,494	0.18			15,494	0.18			15,494	0.18
12	Municipality of Boldog			4,427	0.05			4,427	0.05			4,427	0.05
13	Municipality of Borinka			4,741	0.06			4,741	0.06			4,741	0.06
14	Municipality of Borský Svätý Jur			17,685	0.21			17,685	0.21			17,685	0.21
15	Municipality of Brestovec			11,168	0.13			11,168	0.13			11,168	0.13
16	Municipality of Budmerice			21,920	0.26			21,920	0.26			21,920	0.26
17	Municipality of Bukovec			5,078	0.06			5,078	0.06			5,078	0.06
18	Municipality of Cerová			14,449	0.17			14,449	0.17			14,449	0.17

No.	shareholder	as of 31st December 2016				as of 31st December 2017			
		additions	dispos-als	number of shares	%	additions	dispos-als	number of shares	%
19	Municipality of Častá			22,617	0.27			22,617	0.27
20	Municipality of Častkov			6,472	0.08			6,472	0.08
21	Municipality of Čataj			10,910	0.13			10,910	0.13
22	Municipality of Dojč			13,314	0.16			13,314	0.16
23	Municipality of Doľany			11,808	0.14			11,808	0.14
24	Municipality of Dubová			9,393	0.11			9,393	0.11
25	Municipality of Dubovce			7,505	0.09			7,505	0.09
26	Municipality of Dunajská Lužná			32,493	0.38			32,493	0.38
27	Municipality of Gajary			29,471	0.35			29,471	0.35
28	Municipality of Hamuliakovo			9,764	0.12			9,764	0.12
31	Municipality of Hrašné			5,349	0.06			5,349	0.06
32	Municipality of Hrubá Borša			3,910	0.05			3,910	0.05
33	Municipality of Hurbanova Ves			2,562	0.03			2,562	0.03
34	Municipality of Chorvátsky Grob			17,213	0.20			17,213	0.20
35	Municipality of Igram			6,180	0.07			6,180	0.07
36	Municipality of Ivanka pri Dunaji			52,436	0.62			52,436	0.62
37	Municipality of Jablonica			25,538	0.30			25,538	0.30
38	Municipality of Jablonka			6,101	0.07			6,101	0.07
39	Municipality of Jablonové			11,786	0.14			11,786	0.14
40	Municipality of Jakubov			15,134	0.18			15,134	0.18
41	Municipality of Kalinkovo			9,663	0.11			9,663	0.11
42	Municipality of Kaplná			7,539	0.09			7,539	0.09
43	Municipality of Kátov			6,595	0.08			6,595	0.08
44	Municipality of Kostolište			10,325	0.12			10,325	0.12
45	Municipality of Kostolná pri Dunaji			5,180	0.06			5,180	0.06
46	Municipality of Kostolné			7,685	0.09			7,685	0.09
47	Municipality of Krajné			19,381	0.23			19,381	0.23
48	Municipality of Kráľová pri Senci			15,527	0.18			15,527	0.18
49	Municipality of Láb			15,336	0.18			15,336	0.18
50	Municipality of Limbach			12,022	0.14			12,022	0.14
51	Municipality of Lozorno			29,774	0.35			29,774	0.35
52	Municipality of Malé Leváre			11,505	0.14			11,505	0.14
53	Municipality of Malinovo			14,303	0.17			14,303	0.17

as of 31st December 2018				as of 31st December 2019				as of 31st December 2020			
additions	dispos-als	number of shares	%	additions	dispos-als	number of shares	%	additions	dispos-als	number of shares	%
		22,617	0.27			22,617	0.27			22,617	0.27
		6,472	0.08			6,472	0.08			6,472	0.08
		10,910	0.13			10910	0.13			10910	0.13
		13,314	0.16			13314	0.16			13314	0.16
		11,808	0.14			11,808	0.14			11,808	0.14
		9,393	0.11			9,393	0.11			9,393	0.11
		7,505	0.09			7,505	0.09			7,505	0.09
		32,493	0.38			32,493	0.38			32,493	0.38
		29,471	0.35			29,471	0.35			29,471	0.35
		9,764	0.12			9,764	0.12			9,764	0.12
		5,349	0.06			5,349	0.06			5349	0.06
		3,910	0.05			3910	0.05			3910	0.05
		2,562	0.03			2,562	0.03			2,562	0.03
		17,213	0.20			17213	0.20			17213	0.20
		6,180	0.07			6,180	0.07			6,180	0.07
		52,436	0.62			52,436	0.62			52,636	0.62
		25,538	0.30			25,538	0.30			25,538	0.30
		6,101	0.07			6,101	0.07			6,101	0.07
		11,786	0.14			11,786	0.14			11,786	0.16
		15,134	0.18			15,134	0.18			15,136	0.18
		9,663	0.11			9,663	0.11			9,663	0.11
		7,539	0.09			7,539	0.09			7,539	0.09
		6,595	0.08			6,595	0.08			6,595	0.08
		10,325	0.12			10,325	0.12			10,325	0.12
		5,180	0.06			5,180	0.06			5,180	0.06
		7,685	0.09			7,685	0.09			7,685	0.09
		19,381	0.23			19,381	0.23			19,381	0.23
		15,527	0.18			1,5,527	0.18			15,527	0.18
		15,336	0.18			15,336	0.18			15,336	0.18
		12,022	0.14			12,022	0.14			12,022	0.16
		29,774	0.35			29,774	0.35			29,776	0.35
		11,505	0.14			11,505	0.14			11,505	0.16
		14,303	0.17			14,303	0.17			16,303	0.17



No.	shareholder	as of 31st December 2016				as of 31st December 2017			
		additions	dispos-als	number of shares	%	additions	dispos-als	number of shares	%
54	Municipality of Marianka			10,662	0.13			10,662	0.13
55	Municipality of Miloslavov			9,663	0.11			9,663	0.11
56	Municipality of Mokřý Háj			6,584	0.08			6,584	0.08
57	Municipality of Most pri Bratislave			17,190	0.20			17,190	0.20
58	Municipality of Nová Dedinka			18,482	0.22			18,482	0.22
59	Municipality of Pernek			8,539	0.10			8,539	0.10
60	Municipality of Píla			2,764	0.03			2,764	0.03
61	Municipality of Plavecký Mikuláš			8,112	0.10			8,112	0.10
62	Municipality of Plavecký Peter			7,202	0.08			7,202	0.08
63	Municipality of Plavecký Štvrtok			22,055	0.26			22,055	0.26
64	Municipality of Podkylava			3,180	0.03			3,180	0.03
65	Municipality of Poradie			8,033	0.09			8,033	0.09
66	Municipality of Prietržka			4,798	0.06			4,798	0.06
67	Municipality of Prievaly			9,797	0.12			9,797	0.12
68	Municipality of Reca			13,943	0.16			13,943	0.16
69	Municipality of Rohožník			470	0.01			470	0.01
70	Municipality of Rohov			4,303	0.05			4,303	0.05
71	Municipality of Rovinka			13,853	0.16			13,853	0.16
72	Municipality of Sekule			17,819	0.21			17,819	0.21
73	Municipality of Slovenský Grob			19,853	0.23			19,853	0.23
74	Municipality of Smrdáky			7,292	0.09			7,292	0.09
75	Municipality of Sološnica			16,595	0.20			16,595	0.20
76	Municipality of Stará Myjava			7,820	0.09			7,820	0.09
77	Municipality of Studienka			17,741	0.21			17,741	0.21
78	Municipality of Suchohrad			6,483	0.08			6,483	0.08
79	Municipality of Šenkvice			46,234	0.55			46,234	0.55
80	Municipality of Štefanová			3,854	0.05			3,854	0.05
81	Municipality of Tomášov			22,640	0.26			22,640	0.26
82	Municipality of Trnovec			3,427	0.04			3,427	0.04
83	Municipality of Veľké Leváre			38,167	0.45			38,167	0.45
84	Municipality of Viničné			16,359	0.19			16,359	0.19
85	Municipality of Vinosady			10,146	0.12			10,146	0.12
86	Municipality of Vištuk			14,696	0.17			14,696	0.17

as of 31st December 2018				as of 31st December 2019				as of 31st December 2020			
additions	dispos-als	number of shares	%	additions	dispos-als	number of shares	%	additions	dispos-als	number of shares	%
		10,662	0.13			10,662	0.13			10,662	0.13
		9,663	0.11			9,663	0.11			9,663	0.11
		6,584	0.08			6,584	0.08			6,586	0.08
		17,190	0.20			17,190	0.20			17,190	0.20
		18,482	0.22			18,482	0.22			18,682	0.22
		8,539	0.10			8,539	0.10			8,539	0.10
		2,764	0.03			2,764	0.03			2,766	0.03
		8,112	0.10			8,112	0.10			8,112	0.10
		7,202	0.08			7,202	0.08			7,202	0.08
		22,055	0.26			22,055	0.26			22,055	0.26
		3,180	0.03			3,180	0.03			3,180	0.03
		8,033	0.09			8,033	0.09			8,033	0.09
		4,798	0.06			4,798	0.06			6,798	0.06
		9,797	0.12			9,797	0.12			9,797	0.12
		13,943	0.16			13,943	0.16			13,963	0.16
		470	0.01			470	0.01			670	0.01
		4,303	0.05			4,303	0.05			6,303	0.05
		13,853	0.16			13,853	0.16			13,853	0.16
		17,819	0.21			17,819	0.21			17,819	0.21
		19,853	0.23			19,853	0.23			19,853	0.23
		7,292	0.09			7,292	0.09			7,292	0.09
		16,595	0.20			16,595	0.20			16,595	0.20
		7,820	0.09			7,820	0.09			7,820	0.09
		17,741	0.21			17,741	0.21			17,761	0.21
		6,483	0.08			6,483	0.08			6,683	0.08
		46,234	0.55			46,234	0.55			66,236	0.55
		3,854	0.05			3,854	0.05			3,856	0.05
		22,640	0.26			22,640	0.26			22,660	0.26
		3,427	0.04			3,427	0.06			3,627	0.06
		38,167	0.45			38,167	0.65			38,167	0.65
		16,359	0.19			16,359	0.19			16,359	0.19
		10,146	0.12			10,146	0.12			10,166	0.12
		14,696	0.17			14,696	0.17			14,696	0.17

No.	akcionár	as of 31st December 2016				as of 31st December 2017			
		additions	disposals	number of shares	%	additions	disposals	number of shares	%
87	Municipality of Vlky			4,191	0.05			4,191	0.05
88	Municipality of Vysoká Pri Morave			20,527	0.24			20,527	0.24
89	Municipality of Záhorská Ves			17,348	0.20			17,348	0.20
90	Municipality of Zálesie			8,359	0.10			8,359	0.10
91	Municipality of Závod			28,909	0.34			28,909	0.34
92	Municipality of Zohor			34,392	0.41			34,392	0.41
<b>Total</b>		<b>0</b>	<b>0</b>	<b>8,477,431</b>	<b>100.00</b>	<b>0</b>	<b>0</b>	<b>8,477,431</b>	<b>100.00</b>

as of 31st December 2018				as of 31st December 2019				as of 31st December 2020			
additions	disposals	number of shares	%	additions	disposals	number of shares	%	additions	disposals	number of shares	%
		4,191	0.05			4,191	0.05			6,191	0.05
		20,527	0.24			20,527	0.26			20,527	0.26
		17,348	0.20			17,348	0.20			17,368	0.20
		8,359	0.10			8,359	0.10			8,359	0.10
		28,909	0.34			28,909	0.36			28,909	0.36
		34,392	0.41			34,392	0.61			34,392	0.61
<b>0</b>	<b>0</b>	<b>8,477,431</b>	<b>100.00</b>	<b>0</b>	<b>0</b>	<b>8,477,431</b>	<b>100.00</b>	<b>0</b>	<b>0</b>	<b>8,477,431</b>	<b>100.00</b>



**Bratislavská vodárenská spoločnosť, a.s.**

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2020



**BRATISLAVSKÁ  
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SPOLOČNOSŤ**