



BRATISLAVSKÁ
VODÁRENSKÁ
SPOLOČNOSŤ



Annual report

2021



JUDr. Peter Olajoš

Chairman of the Board of Directors and CEO

“

The results of Bratislavská vodárenská spoločnosť in 2021 proved that even a public company limited by shares owned by towns and municipalities and doing business in a highly regulated environment can be a well-functioning company that makes a profit, invests in the development of its business and constantly improves its services.

Communal and public benefit activities, which are based on the nature of the supply and distribution of water, as well as the property structure of the waterworks, have to be added as a bonus.

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Ing. Martin Kuruc
Chairman of the Supervisory Board

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Compared to 2020, when the company showed a profit after tax of €2,632,444.10, the profit after tax of BVS, a.s., after the new representation of the supervisory board took office, was €6,791,475.25.

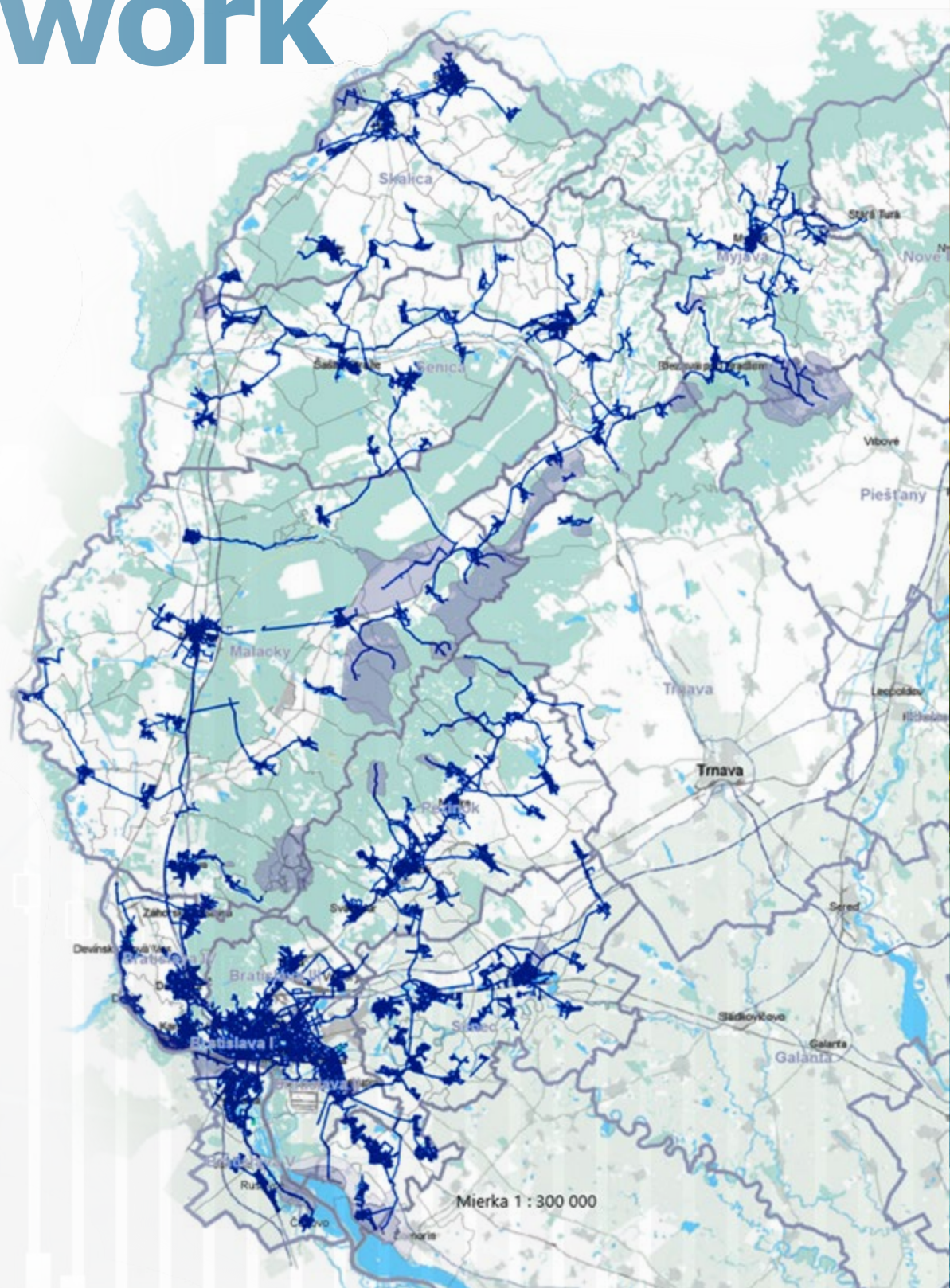
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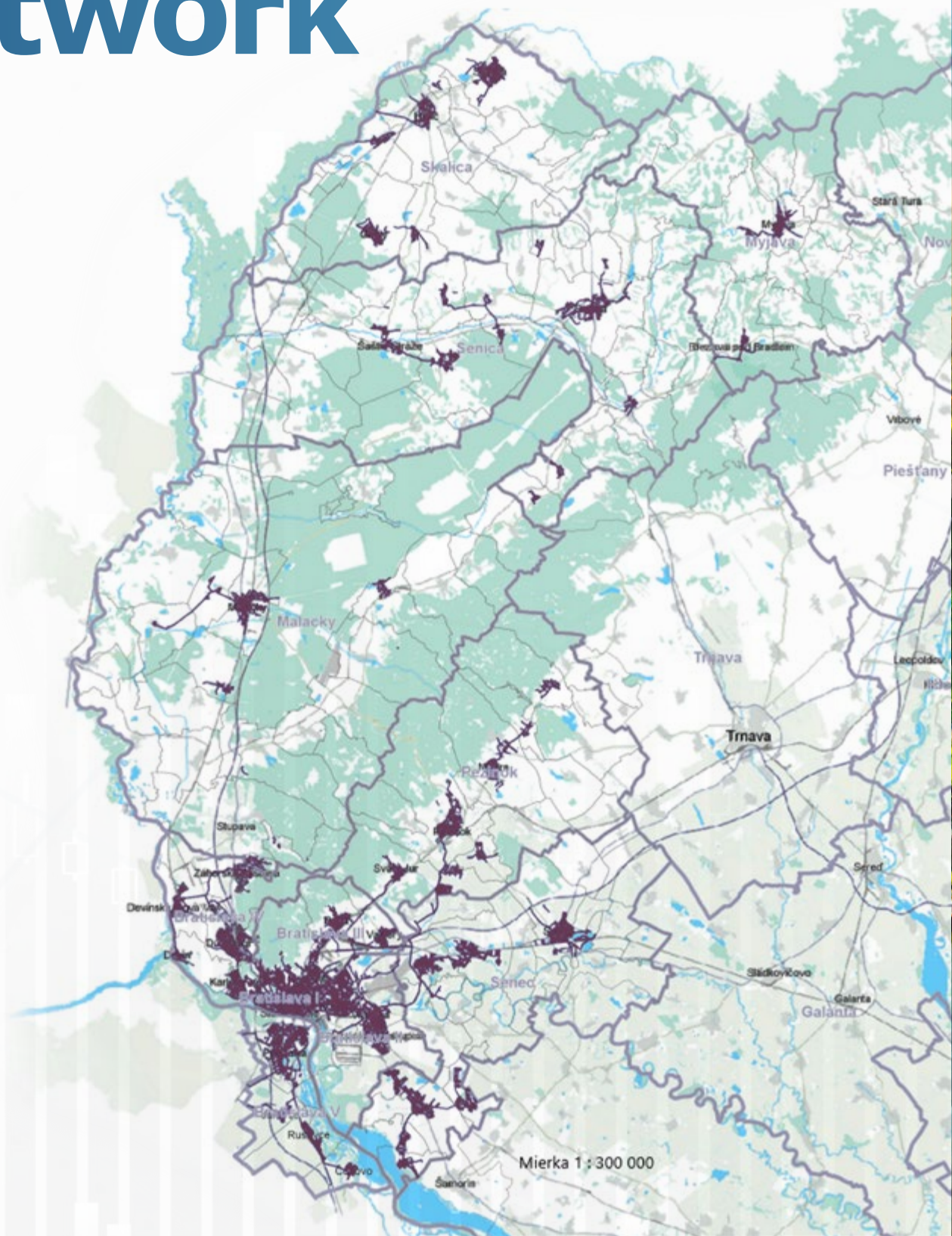
Water mains network





Map of activities BVS

Sewer sytem network





Address of the Chief Executive Officer

After two years of consolidation, setting up processes and solving strategic challenges, 2021 was the first year for BVS, a.s., in which the implemented changes manifested themselves for the first time.

The results speak for themselves. BVS, a.s., achieved the highest profit in its modern history and paid the highest dividends ever to its shareholders. Investments started in a substantial way, and we improved the quality of customer services.

We were able to do all this mainly thanks to the strategic decisions we made in previous years. The most important event was the completion of the acquisition of the subsidiary Infra Services and its full merger with the parent company. By this merger, we eliminated internal financial inefficiency within the group and we also made the management and several technical processes more efficient. At the end of 2021, the income from this operation already exceeded the expenses associated with the purchase of a 49 percent stake in Infra Services and it continues to show up.

For the future, in addition to maintaining good financial condition, it is equally important for the company to increase investments in new projects. Climate change requires the development of waterworks infrastructure and the construction of new water mains, but also the search for additional water sources in locations where there is a shortage of water. In this regard, too, 2021 was much better than the previous year, and BVS, a.s., launched several important investment activities.



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

However, the current model of financing water companies throughout Slovakia is not sustainable in the long term, and all large water companies contribute to the creation of an investment debt of the entire sector. To eliminate this problem, BVS, a.s., in cooperation with the Association of Water Companies, started negotiations with the Regulatory Office for Network Industries on how to definitively solve this problem within the new regulatory framework. The outcome of these negotiations in 2022 will affect not only us, but the entire sector in the years to come.

Natural monopolies do not have standard pressure on the quality of customer service, but even more so this process must be managed by internal changes in the company. We were also able to make significant progress in this respect in 2021. We improved electronic communication with clients, which entailed growing interest in our electronic portal. We started the process of modernising the contact centres for our customers, which we are moving to better premises with better equipment.

At the end of the day, you always have to focus on your core business. For BVS, a.s., this means new technology, better organisation of work when repairing malfunctions and the modernisation of key technological units which determine the production and distribution of water, as well as wastewater treatment.

Year 2021 was a successful one for BVS, a.s., although we had to cope with unexpected challenges, including the pandemic and its effects on the business environment. We must do everything in order to continue the established trend in 2022, which will also have its own specific features.

Address of the Chairman of the Supervisory Board

Dear shareholders, dear colleagues,

The year 2021 was not easy for our company. Like everyone, we also had to continue to fight with the infectious disease COVID-19 and the situations brought about by this pandemic period.

BVS, a.s., had an ambitious start according to plans. The financial plan was set in coordination with the main shareholders for the first time, and under the leadership of the current board of directors, in cooperation with the supervisory board, BVS, a.s., fulfilled its obligations according to the duly approved financial plan. A big change was the merger of Infra Services, a. s., and BVS, a.s., which set the company on a new and more efficient path. In the course of the year, BVS, a.s., gradually terminated the contracts that the company Infra Services, a. s., had used, and it gradually acquired new and more advantageous ones. As of 1st January 2021, BVS, a.s., had acquired a road improvement contract and reached a high level of savings.

BVS, a.s., is constantly taking steps to improve itself. With the help of the work of its members of the supervisory board, it was possible to streamline communication and the handling of individual tasks with the capital. At the end of the year, we managed to elect new members of the supervisory board, Mr. Jozef Kolla and Mr. Viliam Szász.

The company applied a new directive and system for the procurement of investment works. As part of its investments, BVS, a.s., started

the reconstruction of the skeleton water mains network and concluded a fundamental public procurement for a fleet of passenger vehicles and a tender for modernised cleaning equipment.



JUDr. Ing. Martin Kuruc
Chairman of the Supervisory Board

Finally, I would like to thank all members of the supervisory board for the trust they have shown in me. I especially want to thank all the members of the supervisory board who actively participate regularly and are involved in the processes of individual procurements or the evaluation of tenders, which is a great benefit for the company. I would also like to thank the shareholders, the board of directors, partners and employees. I would like to highlight the high-quality and effective cooperation between the company's board of directors and the supervisory board, and I believe that in the coming period our cooperation will continue the already existing trend.





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

PROFESSIONALISM

RESPONSIBILITY

“

In 2021, BVS recorded the most successful year in its history.

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The most successful year in our history

In 2021, BVS recorded the most successful year in its history. The largest profit in the history of BVS was achieved without changing the water or sewage rates in 2021. BVS was also able to pay interesting dividends to its shareholders, which helped towns and municipalities after a difficult period marked by the COVID-19 pandemic.

All of this was achieved together, with the growth of investments in the renewal of infrastructure and the construction of new projects, the improvement of customer services and the resolution of the strategic ownership of the BVS subsidiary Infra Services.



Investments in progress

The year-on-year growth of investments by almost 500 percent, to less than €20 million, is one of the most important achievements of BVS in 2021. The refurbishment of the skeleton water mains network in Bratislava, which was in some places in unsatisfactory condition, began. The construction of a new reservoir in Záhorská Bystrica also began, and the construction of the sewer system in Pezinok started in full swing.

One of the most important projects of 2021 was the construction of water mains in the municipalities of Dubovce and Popudinské Močidl'any in the Záhorie, which did not have access to drinking water from the public water mains despite the fact that the main supply water pipes passed in close proximity to them. The sewer system in Plavecký Mikuláš was also modernised, and thanks to the refurbishment of water mains in Gbely and near Senica, the supply of water to residents in this region improved. In 2021, the investment in the extension of the Holdošov Mlyn water source also made fundamental progress.

New regulatory policy

“The regulatory framework of the water sector has not undergone similar reforms in the past as the gas sector or the sector of the sale and distribution of electricity. As a result, water companies had a long-term problem of financing the restoration and refurbishment of the water infrastructure, and the necessary development projects were not implemented. The Supreme Audit Office of the Slovak Republic stated that the investment debt of the water sector in Slovakia is at the level of €4.6 billion. In 2021, BVS, in cooperation with the Association of Water Companies, started working on documents for the Regulation Office of Network Industries, on the basis of which it was possible to open negotiations on a new regulatory policy valid from 2023. The result of these negotiations should be new financing rules that will enable water companies to gradually eliminate the investment debt without a sudden increase in the water and sewer rates.”



Merger of BVS with its subsidiary

In 2021, BVS definitively closed the chapter associated with the entry of a private investor into the production and distribution of water in its sector. After gaining control of one hundred percent of the shares of its subsidiary, the decision was made to finalise the merger of BVS and Infra Services, which was completed in 2021. The total amount of savings that BVS was able to generate thanks to this transaction through the more efficient procurement of goods and services, better process management, but also the removal of several restrictions resulting from the original contractual relationships, exceeds the costs that BVS paid for the shares of the subsidiary by approximately €5 million.



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One of the most significant investments in this respect is the new sewer cleaning vehicles

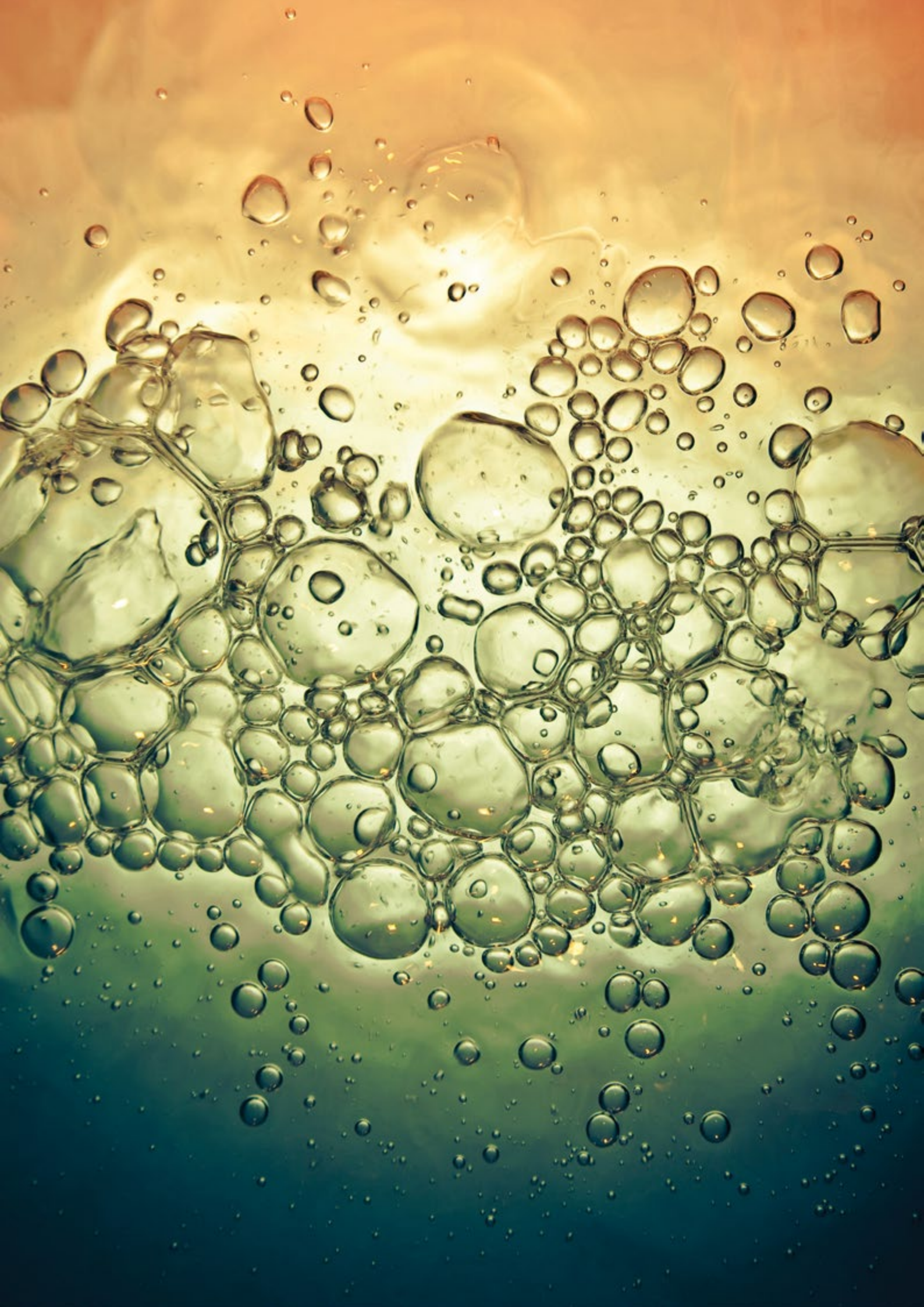
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New equipment

The modernisation of the equipment that BVS uses for its activities is one of the basic tools not only for making production processes more efficient, but also for improving the quality of infrastructure care. One of the most significant investments in this respect is the new Kaiser sewer cleaning vehicles.

These are new, modern vehicles capable of recycling the water they use to clean sewer systems. Every year, at full capacity, each such vehicle can save up to 24 million litres of drinking water. With six cars, this means almost 150 million litres of drinking water.

In addition to saving drinking water, the time required for this work is also saved, and of course, operating costs as well. The result will be more kilometres of cleaned sewers at a lower cost.



Address of the Chief Financial Officer

A historic pre-tax profit of €8.3 million and a proposal to distribute dividends to shareholders in the amount of €2.9 million. From the point of view of numbers, these are probably the most interesting parameters that define the year 2021 at BVS, a.s.

BVS, a.s., was able to generate a net profit in 2021 in the amount of €6,791,475 despite the fact that the price of water and sewage did not change in 2021.

In the course of two years, BVS, a.s., went from a loss of approximately €3 million to the aforementioned net profit of €6.7 million. Among the main factors that contributed to this result are the adjustment of prices in 2020, changes in the organisational and property structure of the entire company, but also the search for internal efficiency in all areas.

The year-on-year growth of sales by more than two million from regulated activities is supported by revenues on the unregulated market. In this area, BVS, a.s., recorded year-on-year growth of more than €2.5 million.

The impact of the acquisition of Infra Services on the economic numbers of BVS, a.s., deserves special attention. During the initial investment of €10.5 million for the purchase of a 49 percent share in this company, a full return on the investment was expected at the end of 2022. However, after taking into account all the benefits that this transaction entailed for BVS, a.s., this deal was profitable for BVS, a.s., already at the end of 2021. The total financial calculation of the benefits for BVS, a.s., from the acquisition of Infra Services and its merger with the parent company exceeded €15 million at the end of 2021.

The financial plan in 2021 anticipated a growth of investments, and we managed to maintain this trend. However, a new regulatory policy setting by the Regulatory Office for Network Industries is extremely important for the future.



Ing. Emerich Šinka
Member of the Board of Directors and Chief
Financial Officer

Address of the Chief Investment Officer

The year 2021 was a turning point for BVS, a.s., from the point of view of investments in infrastructure. This year, we managed to launch several large projects across the entire territory where BVS, a.s., operates.

The most important projects that were implemented or for which a tender was being finalised in 2021 included the construction of water mains in three municipalities in the Záhorie. These projects are also related to the intensification of work on completing the extension of the Holdošov Mlyn water source, which will help supply water to the area in the Záhorie which is suffering from increasingly pronounced climate changes.

In 2021, in the region of the capital, BVS, a.s., ended the tenders for the reconstruction of two large supply pipelines of the skeleton network, namely in Podunajské Biskupice. In both cases, modern trenchless technology will be used for the refurbishment of large-profile water mains, which will not only reduce limitations at the construction site, but will also save costs for BVS, a.s. In Záhorská Bystrica, BVS, a.s., started the construction of a new reservoir, which will help to improve the pressure conditions in the surrounding area.

In terms of smaller constructions, intensive work was done on the construction of the sewer system in Pezinok, the reconstruction of the sewer system in Plavecký Mikuláš and the reconstruction of the water mains in Gbely and near Senica.

If we were to look at the past year through the numbers, investments increased almost five-fold year-on-year: from €4 million in 2020 to approximately €19 million in 2021. This happened despite the fact that the implementation of several projects was largely affected by the restrictions associated with the COVID-19 pandemic, which slowed down several constructions. In 2022, we will complete several started projects and, most importantly, we expect further growth of the investment budget.



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

Address of the Chief Sales Officer

Increasing the quality of services provided and better communication with customers was one of the priorities of BVS, a.s., in 2021.

The most visible changes in relation to our customers were the modernisation of contact centres and their transfer to new, modern premises. The largest contact centre of BVS, a.s., in Bratislava moved to the premises of a shopping centre; we extended its opening hours, and it provides services seven days a week. However, the complete network of contact centres also underwent modernisation, and in addition to unifying the design, we also improved the range and quality of services. This includes, for example, the possibility of booking a date and time of a consultation at a contact centre via the website of BVS, a.s.

The website of BVS, a.s., was also redesigned. In addition to the unification of the main page of BVS, a.s., together with the pages of the Water Museum and the Blue School on the BVS, a.s., website, more useful information for customers and video instructions for the activation of the services of the electronic portal was added.

We are also trying to more actively communicate on several societal topics focused on the importance of water. In addition to communication activities aimed at supporting the electronicisation of our services, we also started testing new contactless drinking fountains that BVS, a.s., will use in public spaces in the region of our jurisdiction.



Ing. Ladislav Kizak

Member of the Board of Directors
and Chief Sales Officer, acting Chief
Production Officer





COMPANY PROFILE

Company profile

Identification data:

Business name: Bratislavská vodárenská spoločnosť, a.s.

Registered office: Prešovská 48, 826 46 Bratislava

IČO [organisation 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 physical-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 physical-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)
Note: Under Slovak law, “statutory bodies” are bodies authorised to act directly for the company externally.

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. A transfer of company shares 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 Privatisation Decision No. 853 issued by the Ministry for the Administration and Privatisation 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 privatisation 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. [i.e. 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

Board of Directors (Management Board)



JUDr. Peter Olajoš
Chairman of the
Board of Directors



Ing. Emerich Šinka
Member of the
Board of Directors



Ing. Ladislav Kizak
Member of the
Board of Directors



Ing. Marián Havel
Member of the
Board of Directors

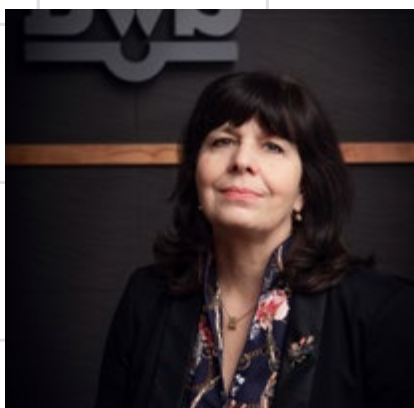
Supervisory Board



JUDr. Ing. Martin Kuruc
Chairman



Jozef Kolla
member



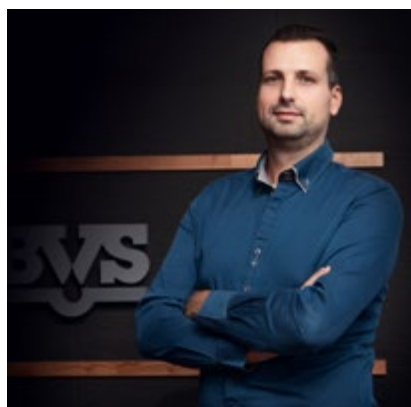
Ing. Alena Trančíková
member



Mgr. Peter Littera
member



Mgr. Martin Vlačiky, PhD.
member



Ing. Roman Lamoš
member



Ing. Jozef Krúpa
member



Ing. Jakub Mrva
member



Mgr. Ing. Michal Radosa
member



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

Company management



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



Ing. Emerich Šinka
Member of the Board of Directors
and Chief Financial Officer



Ing. Ladislav Kizak
Member of the Board
of Directors and Chief
Sales Officer, acting Chief
Production Officer



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





Core business

The core business of BVS is the production and distribution of drinking water and the drainage and treatment wastewater. It provides these activities through five divisions. The sixth 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,
- Measurement and Water Management 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 2021 BVS administered and operated a total of 19 public water mains in 118 municipalities, 60 water sources with a total capacity of 5,820 l/s, 132 water reservoirs with a total volume of 398,000 m³, 111 water pumping stations with a total capacity of 12,101 l/s and 6 groundwater filtration plants with a total capacity of 268 l/s. More than 760,000 people were supplied with drinking water through public water mains in a water distribution network 3,300 km in length.

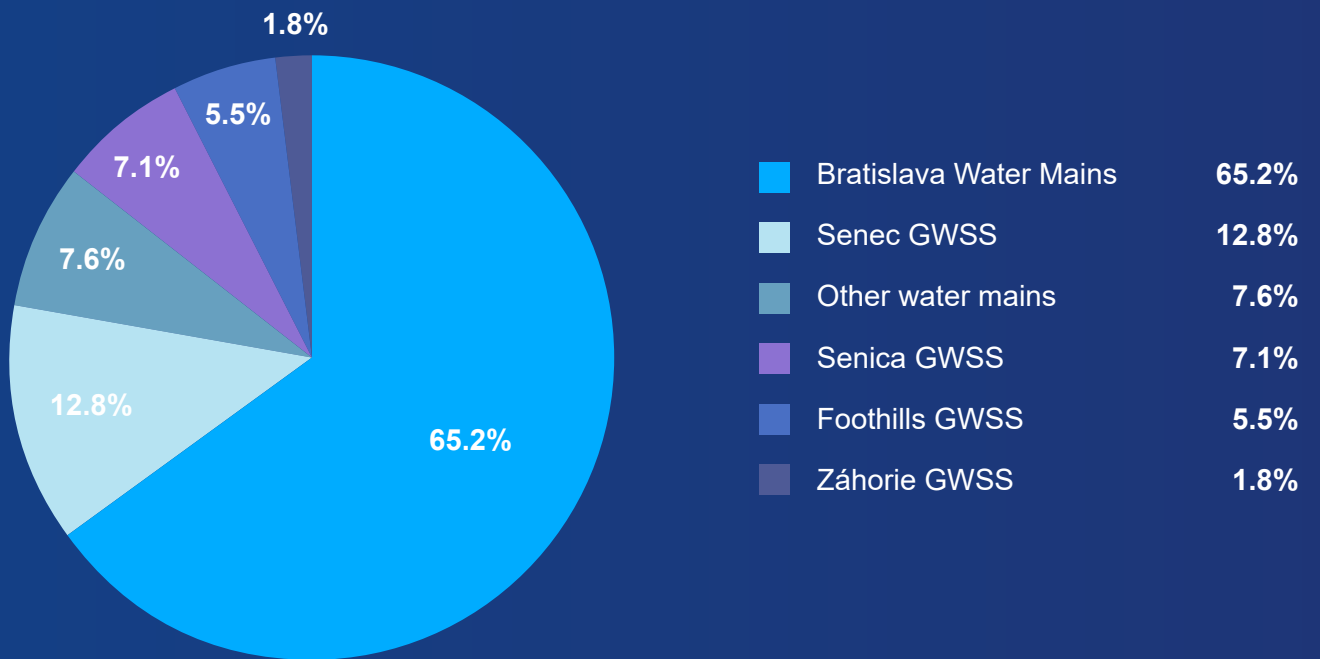
On 31st December 2021, a total of 97% of the population in towns and other municipalities in which BVS operates public water mains received water from public water mains.

In 2021, 61,754,000 m³ of drinking water were generated and ready for use, which was 542,000 m³ less than in 2020.

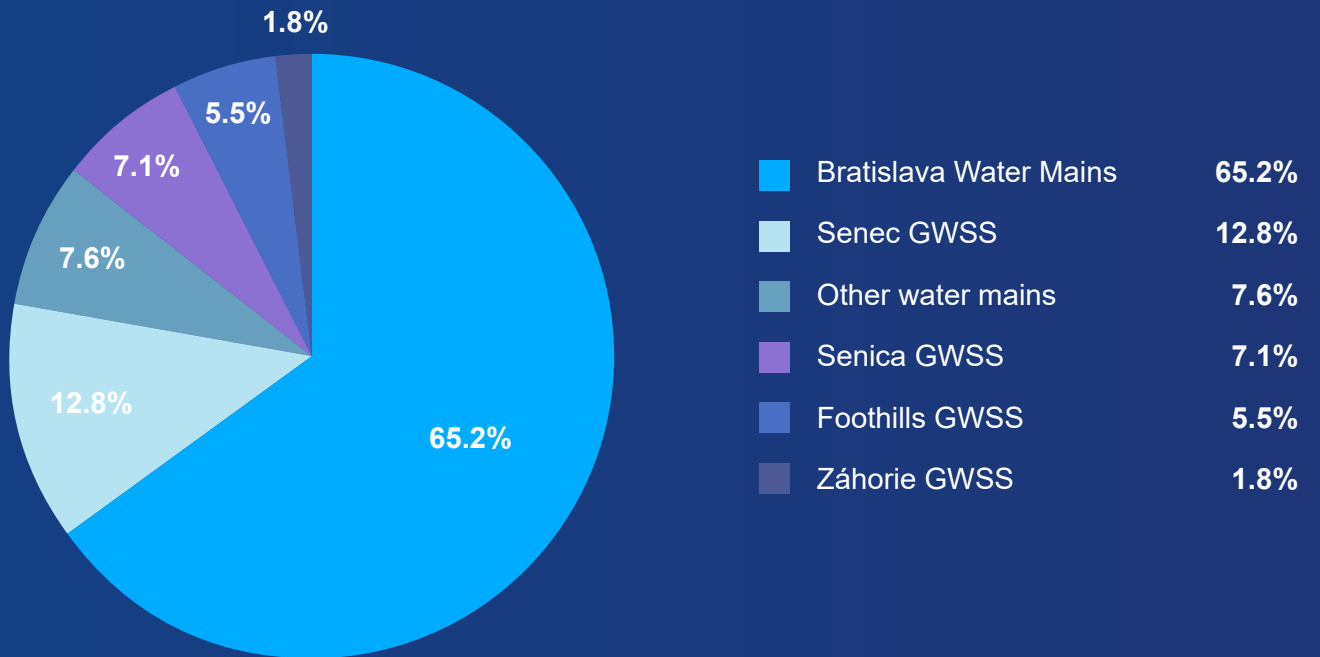
The balance indicators for individual territories are as follows:

		BVS	Bratislava Water Mains	Senec Group Water Supply System (GWSS)	Foothills GWSS	Záhorie GWSS	Senica GWSS	Other water mains
Water sources in use	number	60	6	2	7	8	11	26
Water taken off from water sources	ths. m ³	62,687	40,971	8,056	3,479	1,132	4,476	4,753
Water produced in own facilities	ths. m ³	62,797	40,971	8,056	3,479	1,132	4,416	4,743
Number of residents connected to the WM	number	760,644	447,287	71,482	64,024	37,352	66,083	74,416

Water taken off from water sources:



Water produced in own facilities:



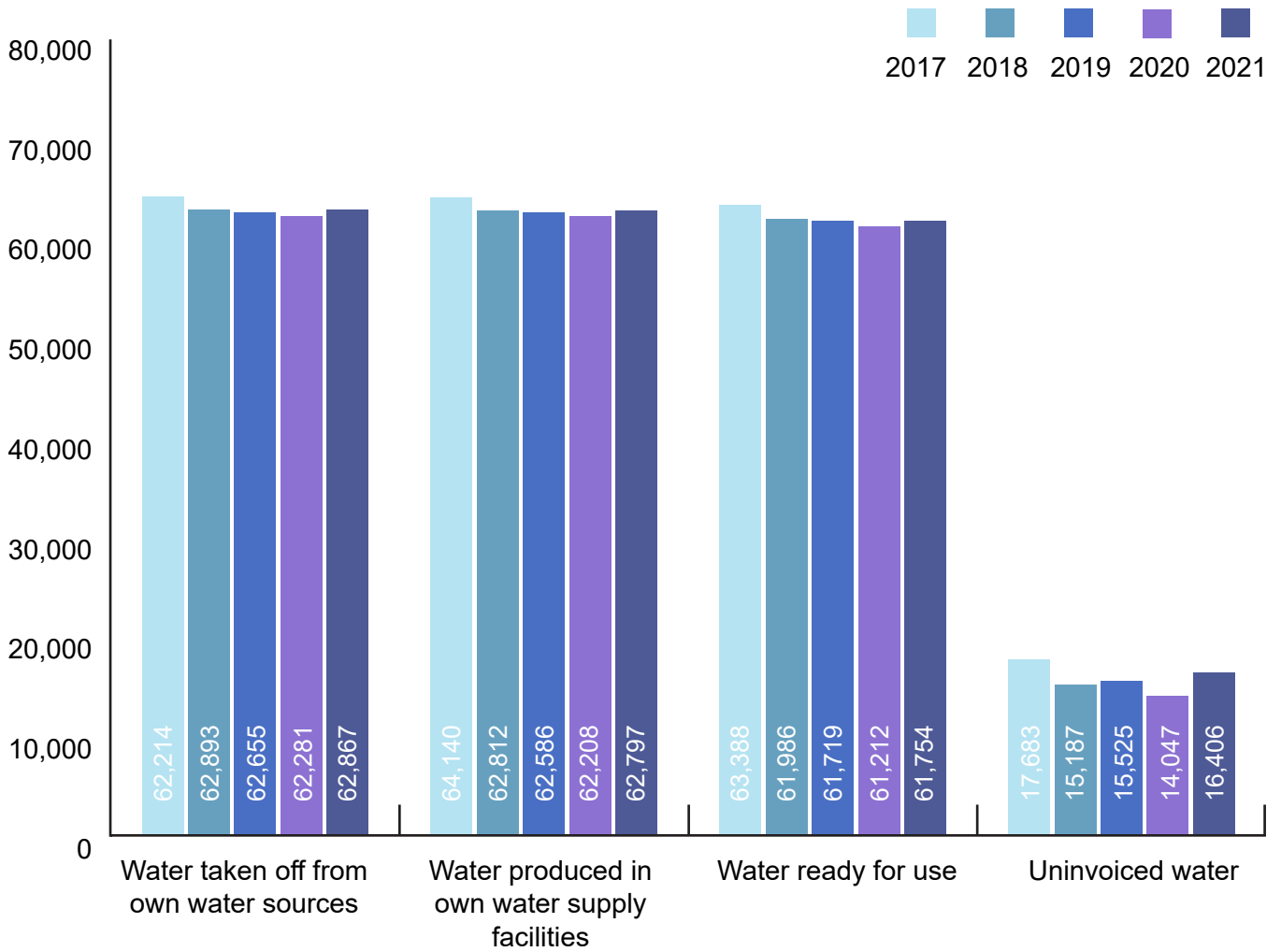
Basic data on the water mains:

Indicator	2017	2018	2019	2020	2021
Total number of public water mains	19	19	19	19	19
Number of municipalities with public water mains	117	117	118	118	118
Length of the water mains network (km)	3,213	3,233	3,254	3,278	3,300
Number of residents supplied with drinking water	730,170	738,746	747,467	755,481	760,644
Total number of water sources	60	60	60	60	60
Number of water improvement stations	8	8	6	6	6
Number of water reservoirs	130	130	131	132	132
Volume of the reservoirs (m ³)	397,398	397,398	397,448	399,398	398,348
Number of pumping stations	107	107	107	109	111
Capacity of the pumping stations (l/s)	11,795	11,795	11,714	11,990	12,101

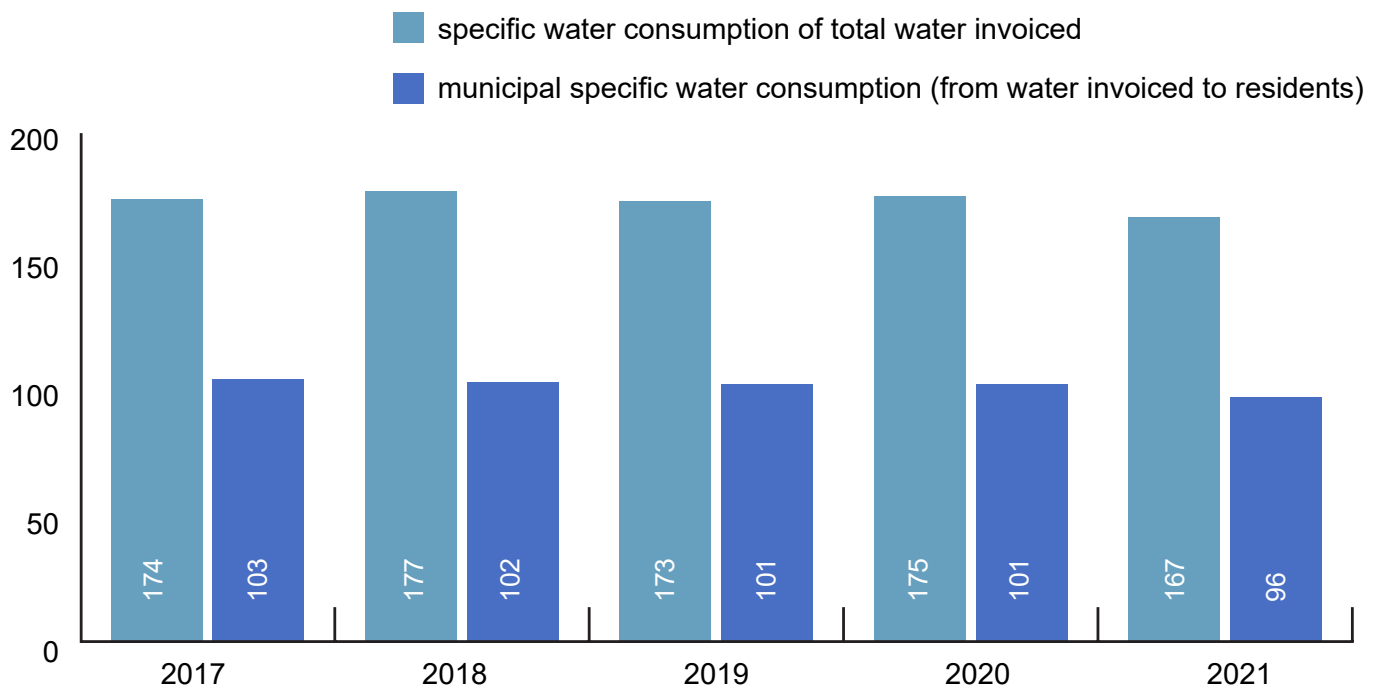
Drinking water production and distribution (ths. m³):

	2017	2018	2019	2020	2021
Water taken off from own water sources	64,214	62,893	62,655	62,281	62,867
Water produced in own water supply facilities	64,140	62,812	62,586	62,208	62,797
Water ready for use	63,388	61,986	61,719	61,212	61,754
Uninvoiced water	17,683	15,187	15,525	14,047	16,406

Graphically:



l/resident/day



Water losses

Indicator	Unit of measurement	2021	
Water losses	ths. m ³	14,973	24.2%
Uninvoiced water	ths. m ³	16,406	26.6%
Water invoiced to direct customers	ths. m ³	45,348	
Water produced and ready for use	ths. m ³	61,754	

Water losses in 2021 reached 24.2%

Water losses in 2021 increased by 3.1% compared to the previous year 2020. This fact is directly related primarily to a significant reduction in the volume of water invoiced for 2021 and a smaller number of repaired faults during the pandemic period.

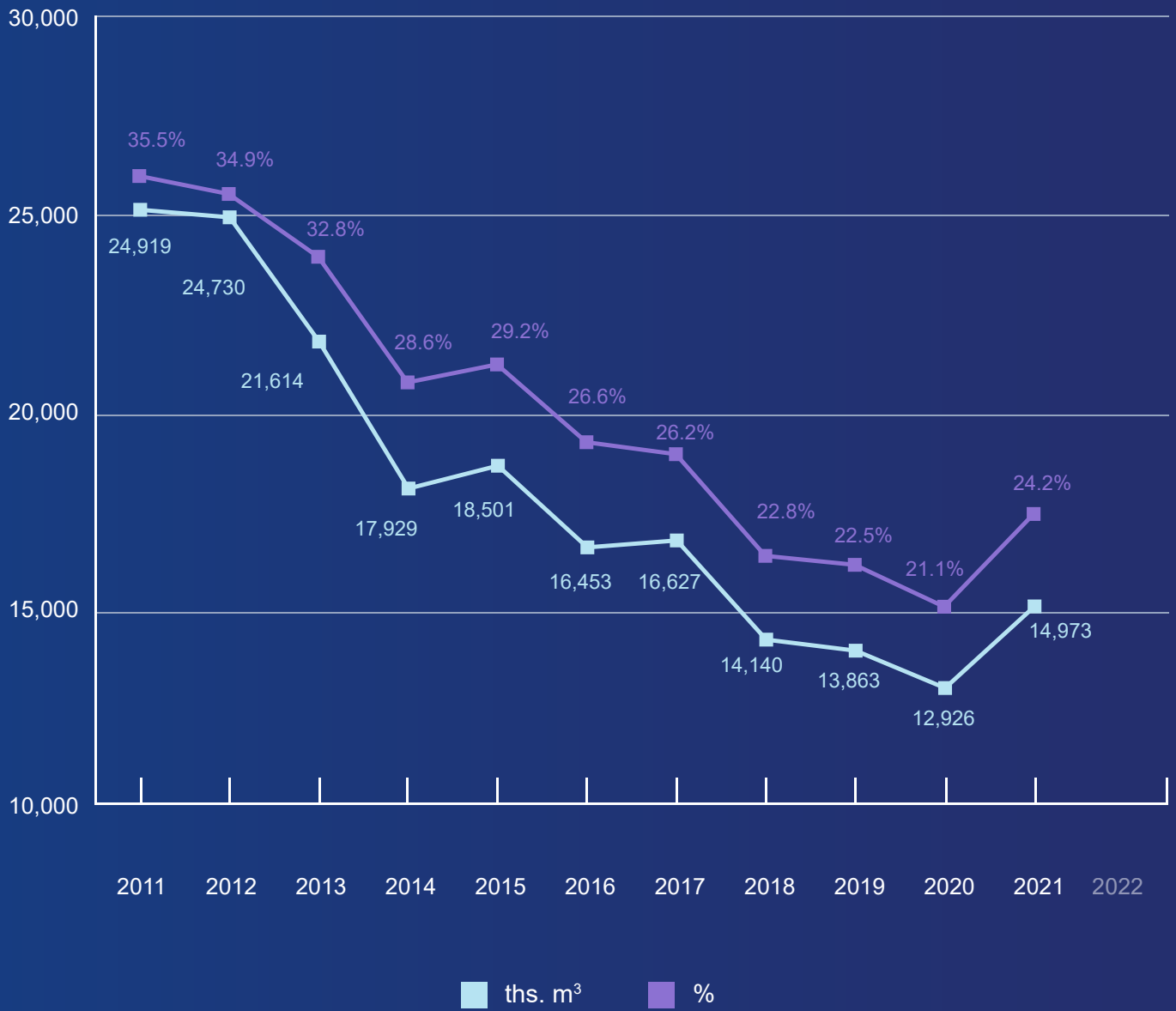
Compared to 2012, the reduction of water losses reaches a volume of 9.8 million m³, which represents a reduction in the volume of water losses by 39.5%.

The year-on-year changes are as follows:

Indicator	Unit of measurement	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Water produced and ready for use	ths. m ³	70,864	65,909	62,631	63,278	61,859	63,388	61,986	61,719	61,212	61,754
Invoiced water	ths. m ³	44,653	42,963	43,429	43,602	44,425	45,705	46,799	46,194	47,165	45,348
Uninvoiced water	ths. m ³	26,211	22,945	19,202	19,676	17,434	17,683	15,187	15,525	14,047	16,406
	%	37.0%	34.8%	30.7%	31.1%	28.2%	27.9%	24.5%	25.2%	22.9%	26.6%
Water losses in the pipe network	ths. m ³	24,730	21,614	17,929	18,501	16,453	16,627	14,140	13,863	12,926	14,973
	%	34.9%	32.8%	28.6%	29.2%	26.6%	26.2%	22.8%	22.5%	21.1%	24.2%



Water losses in the pipe network:





Wastewater drainage and treatment

In 2021, the Wastewater Drainage Division (WWDD) operated a total of 24 WWTP, of which 17 were our own WWTP and 7 WWTP were owned by towns and other municipalities. The WWDD also operated two sewage pumping stations, the Pezinok PS and the Svätý Jur PS.

The main activity of the WWTD in wastewater treatment focused on maintaining and, where applicable, possibly improving (as compared to the previous periods) the quality of discharged wastewater at individual WWTPs, adhering to the quality of the discharged wastewater according to water-law permits and reducing fees for discharged pollution. Our main activity was also focused on the thorough processing of waste (sludge) arising during the wastewater treatment process, with utilisation of its energy potential 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 2021 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 2021 for the Senec WWTP, Plavecký Štvrtok WWTP and Skalica WWTP.

No inspection was carried out by the state water administration authorities and the Slovak Environmental Inspection. On an external initiative, an inspection by the Slovak Environmental Inspection was carried out at the Modra WWTP due to the construction of a by-channel for wastewater before the WWTP. The construction was carried out to protect the state archive in the town of Modra from flooding in the event of a power failure at the entry pumping station at the Modra WWTP.

Permits for the discharge of wastewater were reviewed at the Devínska Nová Ves WWTP, Šajdíkove Humence WWTP, Prievaly WWTP, Malacky WWTP, Častá WWTP and Kopčany WWTP.

A blower plant accident occurred at the Malacky WWTP. The state of emergency was removed operatively, and a tender for the selection of a supplier to remove the state of emergency and to reconstruct the blower plant was held.

A wastewater inflow emergency caused by the producer Syrárreň Havran occurred at the Senica WWTP. The emergency inflow caused a deactivation of the biological treatment stage of the WWTP for a period of about 10 days.

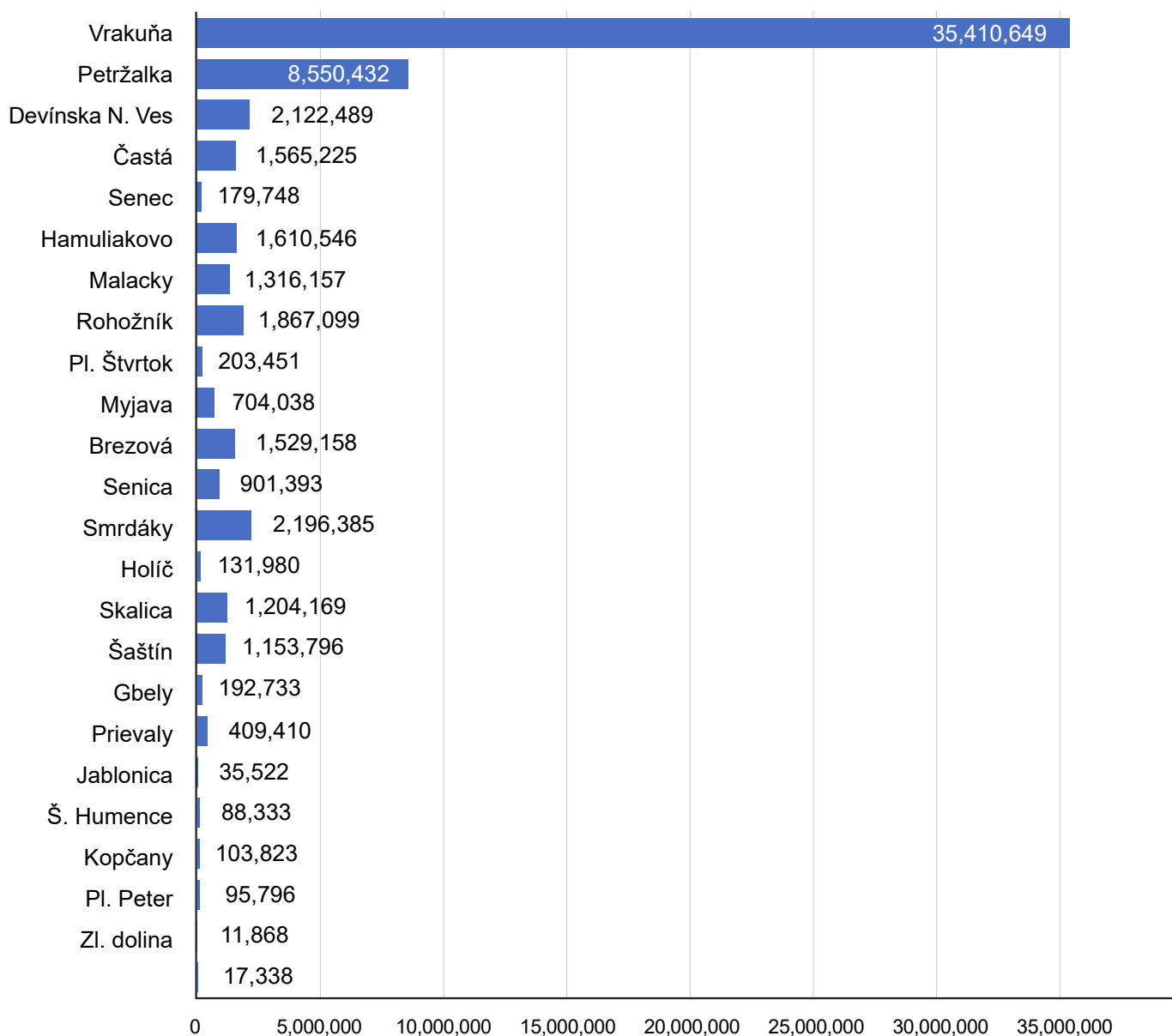
As part of the investment activities, project documentation was provided for the activities "Automatic reception stations for cesspool water", "Elimination of the spread of odours from the Vrakuňa CWWTP", "Pumping of technical water at the Petržalka WWTP", "Refurbishment and rehabilitation of built structures of the Malacky WWTP", "Refurbishment of the Myjava WWTP". The investment activity "Construction of a by-channel before the Senica WWTP" was completed.

The following was delivered in 2021 as part of machines and equipment not included in the budget: "automatic pickers, clay trap blowers of the Vrakuňa CWWTP".

In addition, necessary repairs of technical and technological equipment were carried out at individual WWTPs. A tender was held for a supplier for the prophylactic servicing of screw conveyors. At the Myjava WWTP, an official test of the digestion tank – gas equipment of the highest group was carried out.

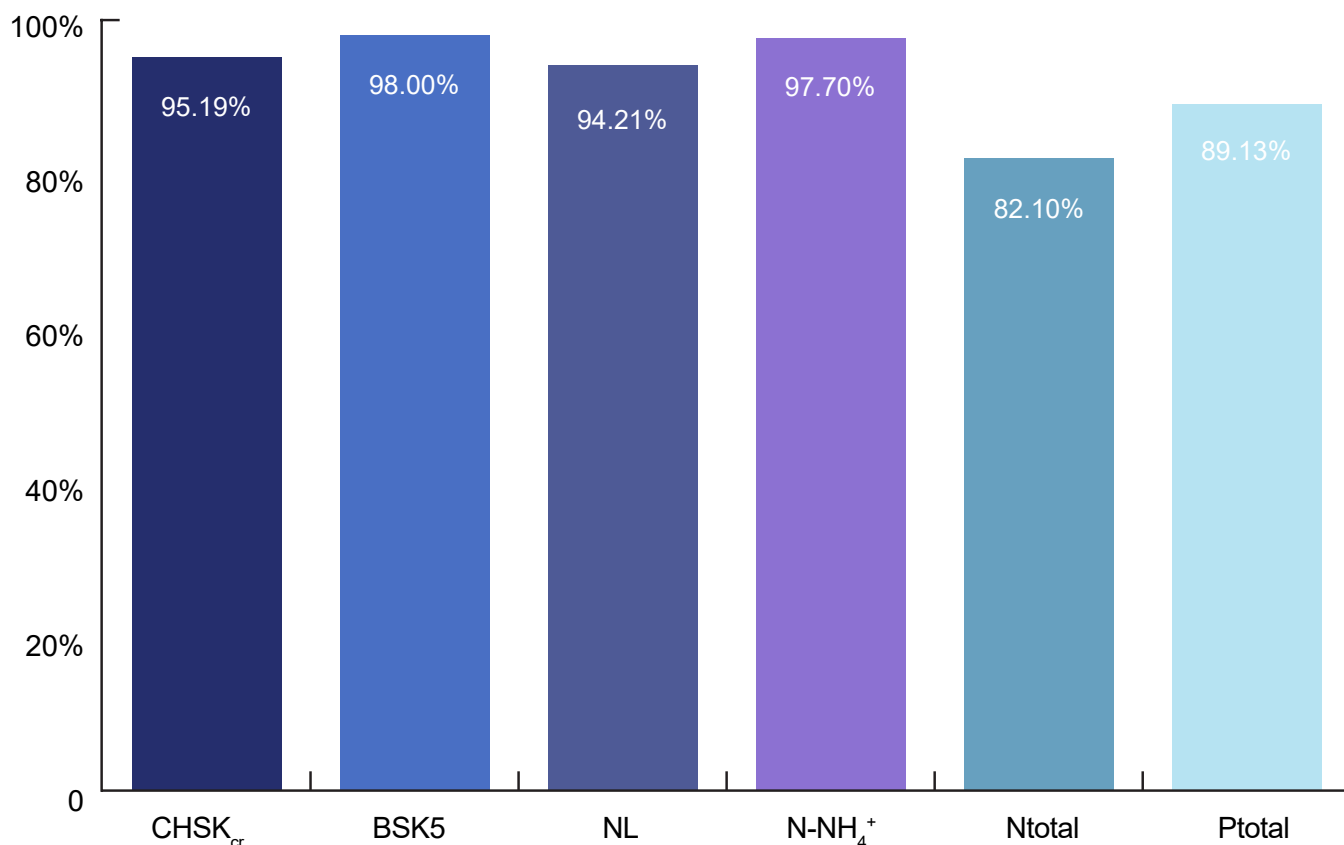


Quantity of treated wastewater at the WWTP in 2021 (m³.year⁻¹)



Quantity of treated wastewater: **61,601,538 m³**

Average cleaning effects broken down by individual pollution indicators for 2021 (%)



Quality of wastewater discharged from WWTPs – average values of pollution indicators in 2021 (mg.l⁻¹)

Wastewater Treatment Plant	indicator	CHSK _{Cr}	BSK5	NL	N-NH ₄ ⁺	N _{total}	P _{total}
	permit	50	10	20	5	10	1
	achieved	18.33	3.04	10.25	0.83	6.43	0.69
Petržalka	indicator	CHSK _{Cr}	BSK5	NL	N-NH ₄ ⁺	N _{total}	P _{total}
	permit	50	10	20	5	10	1
	achieved	17.1	3.07	10.8	0.51	7	0.67
Devínska	indicator	CHSK _{Cr}	BSK5	NL	N-NH ₄ ⁺	N _{total}	P _{total}
	permit	50	10	15	3	14	1.5
	achieved	20.8	3.59	10	0.49	10.43	0.73
Modra	indicator	CHSK _{Cr}	BSK5	NL	N-NH ₄ ⁺	N _{total}	P _{total}
	permit	45	10	20	4	14	1
	achieved	13.7	3	10.1	0.5	6.5	0.22
Častá	indicator	CHSK _{Cr}	BSK5	NL	N-NH ₄ ⁺	N _{total}	P _{total}
	permit	50	10	20	2	-	-
	achieved	19.96	3.06	10.3	0.47	-	-

Senec	indicator	CHSK _{Cr}	BSK5	NL	N-NH ₄ ⁺	N _{total}	P _{total}
	permit	70	20	20	15	15	2
	achieved	24.2	3.15	10	2.3	12.4	0.9
Hamuliakovo	indicator	CHSK _{Cr}	BSK5	NL	N-NH ₄ ⁺	N _{total}	P _{total}
	permit	70	15	20	10	15	2
	achieved	18.3	3	10.1	1.4	12.4	0.62
Malacky	indicator	CHSK _{Cr}	BSK5	NL	N-NH ₄ ⁺	N _{total}	P _{total}
	permit	35	7	20	0.5	15	1
	achieved	20.7	3.99	12.6	1.55	12.5	0.23
Rohožník	indicator	CHSK _{Cr}	BSK5	NL	N-NH ₄ ⁺	N _{total}	P _{total}
	permit	40	10	15	2	-	-
	achieved	19.3	3	10	0.5	-	-
Pl. Štvrtok	indicator	CHSK _{Cr}	BSK5	NL	N-NH ₄ ⁺	N _{total}	P _{total}
	permit	47	10	25	-	-	-
	achieved	17.92	3.66	10.17	-	-	-
Myjava	indicator	CHSK _{Cr}	BSK5	NL	N-NH ₄ ⁺	N _{total}	P _{total}
	permit	60	15	15	3	15	1
	achieved	19	3.01	10	0.44	11.6	0.4
Brezová	indicator	CHSK _{Cr}	BSK5	NL	N-NH ₄ ⁺	N _{total}	P _{total}
	permit	40	8	20	1.5	-	-
	achieved	11.6	3.2	10.8	0.5	-	-
Senica	indicator	CHSK _{Cr}	BSK5	NL	N-NH ₄ ⁺	N _{total}	P _{total}
	permit	50	10	10	3	15	1
	achieved	19.2	3.43	10	0.9	10.5	0.31
Smrdáky	indicator	CHSK _{Cr}	BSK5	NL	N-NH ₄ ⁺	N _{total}	P _{total}
	permit	40	15	25	-	-	-
	achieved	18.1	3.93	16.58	-	-	-
Holíč	indicator	CHSK _{Cr}	BSK5	NL	N-NH ₄ ⁺	N _{total}	P _{total}
	permit	50	10	10	5	15	1
	achieved	20.7	3.3	10	0.4	9.8	0.68
Skalica	indicator	CHSK _{Cr}	BSK5	NL	N-NH ₄ ⁺	N _{total}	P _{total}
	permit	45	10	15	4	15	1.5
	achieved	21.4	3.17	10.8	2.6	10.9	0.22
Gbely	indicator	CHSK _{Cr}	BSK5	NL	N-NH ₄ ⁺	N _{total}	P _{total}
	permit	40	10	20	2	-	-
	achieved	21.9	3.91	10.7	0.5	-	-

Šaštín-Stráže	indicator	CHSK _{Cr}	BSK5	NL	N-NH ₄ ⁺	N _{total}	P _{total}
	permit	60	10	10	5	15	2
	achieved	27.6	3.26	10.25	1.2	18.4	4.88
Prievaly	indicator	CHSK _{Cr}	BSK5	NL	N-NH ₄ ⁺	N _{total}	P _{total}
	permit	120	25	25	-	-	-
	achieved	49	8.4	16.7	-	-	-
Jablonica	indicator	CHSK _{Cr}	BSK5	NL	N-NH ₄ ⁺	N _{total}	P _{total}
	permit	70	30	30	-	-	-
	achieved	35.7	4.12	12.6	-	-	-
Šajd. Humence	indicator	CHSK _{Cr}	BSK5	NL	N-NH ₄ ⁺	N _{total}	P _{total}
	permit	135	30	30	-	-	-
	achieved	60.8	9.92	20.4	-	-	-
Kopčany	indicator	CHSK _{Cr}	BSK5	NL	N-NH ₄ ⁺	N _{total}	P _{total}
	permit	90	15	25	-	-	-
	achieved	52.8	4.35	13.8	-	-	-
Pl. Peter	indicator	CHSK _{Cr}	BSK5	NL	N-NH ₄ ⁺	N _{total}	P _{total}
	permit	100	30	30	-	-	-
	achieved	41.5	4.45	13.9	-	-	-
Zl. dolina	indicator	CHSK _{Cr}	BSK5	NL	N-NH ₄ ⁺	N _{total}	P _{total}
	permit	60	30	30	-	-	-
	achieved	18.9	3	18.3	-	-	-

Reused sludge from WWTPs in 2021 (raw thickened sludge, stabilised dewatered sludge in tonnes of 100% dry matter.y-1)

	raw thickened sludge	dewatered stabilised sludge
Vrakuňa	15,319	-
Petržalka	2,708.9	-
Devínska Nová Ves	745.0	-
Modra + 1 small WWTP	-	217.1
Senec	-	393.5
Hamuliakovo	-	328.6
Malacky + 1 small WWTP	-	336.7
Rohožník	-	51.2
Myjava	-	129.3
Brezová	-	63.2
Senica + 6 small WWTPs	612.5	-
Holíč + 2 small WWTP	-	253.2
Skalica + 1 small WWTP	-	214.2

Biogas production in WWTPs in 2021 (m³.y⁻¹), biogas treatment (%)

	biogas production	biogas consumption		
		boiler combustion	cogeneration	residual gas burner
Hamuliakovo	193,111	100	-	-
Myjava	34,184	67	33	-
Holíč	65,079	0	100	-

Laboratory activities

The Chemical Technology and Laboratory Activities Division, 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 extents agreed by contracts.

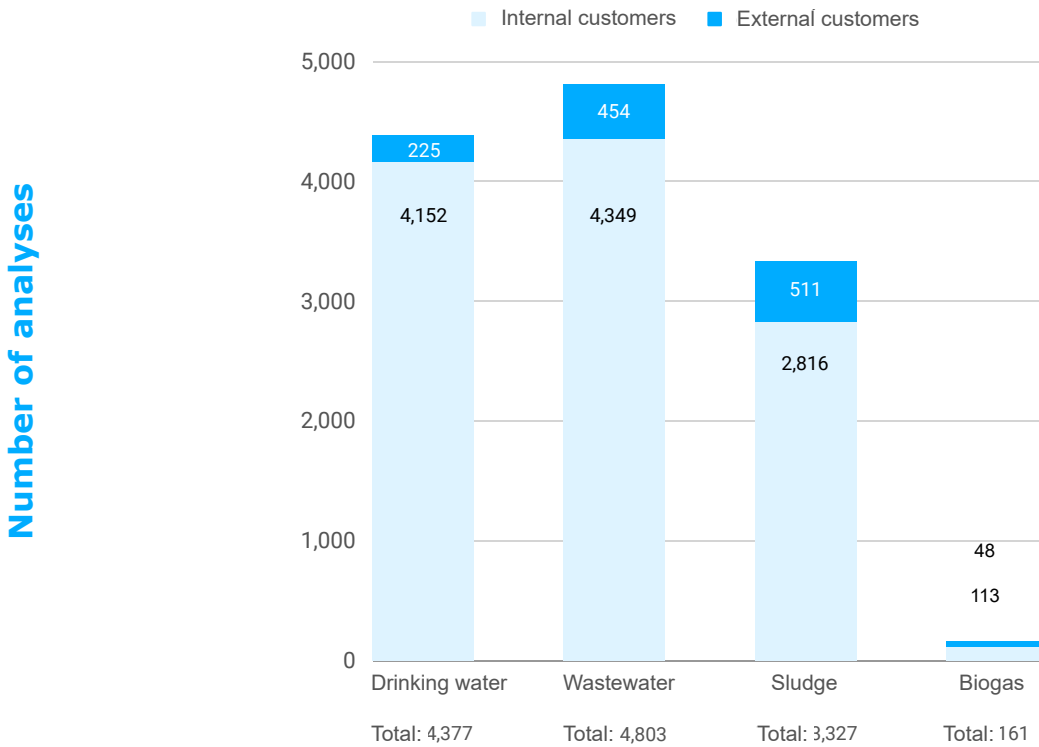
From 30th November to 3rd December 2021, the laboratory successfully passed the supervision (audit) by the Slovak National Accreditation Service, by which the laboratory again confirmed that it meets the requirements set out in STN EN ISO/IEC 17025:2018 for testing laboratories.

The laboratory currently has a total of 143 accredited indicators of the quality of drinking water or wastewater and sewage sludge, and it has been accredited for drinking and wastewater sampling.

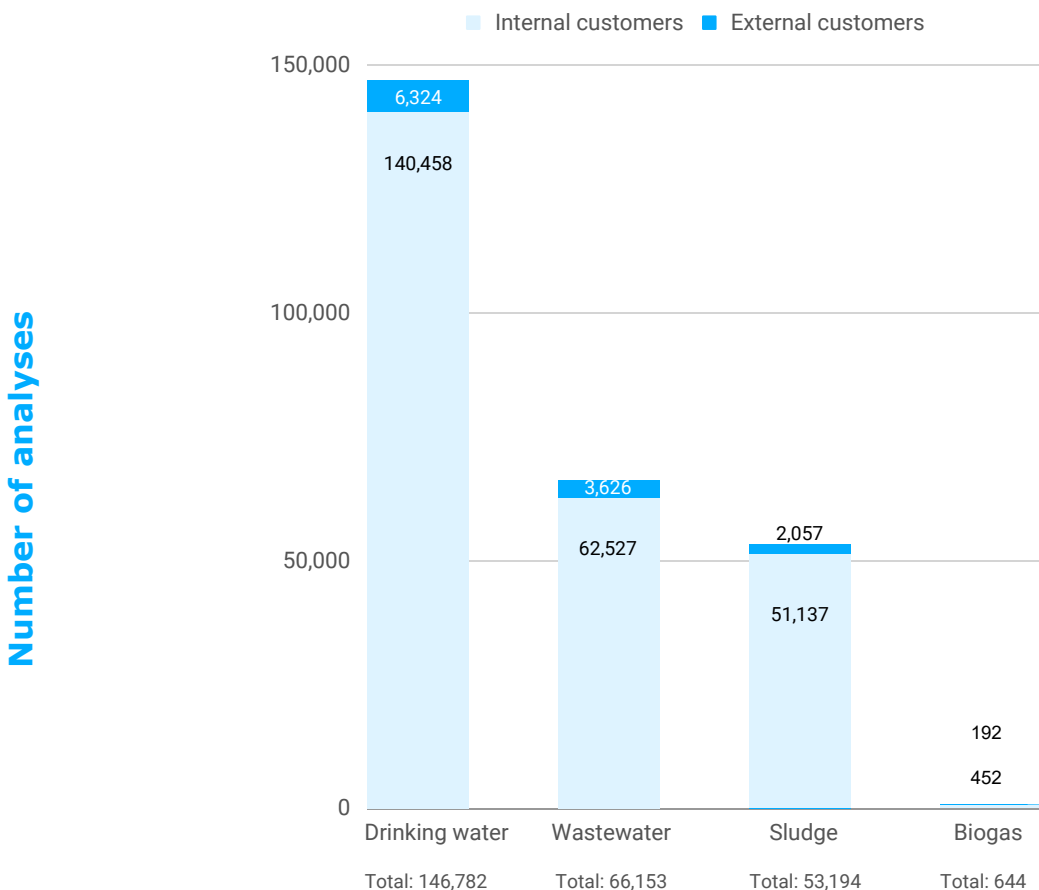
Despite objective difficulties caused by the coronavirus, the laboratory staff managed to meet the planned scope of sampling and analyses of samples of drinking water, wastewater, sewage sludge and biogas in 2021.

Overview of the activities of the testing laboratory in 2021

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

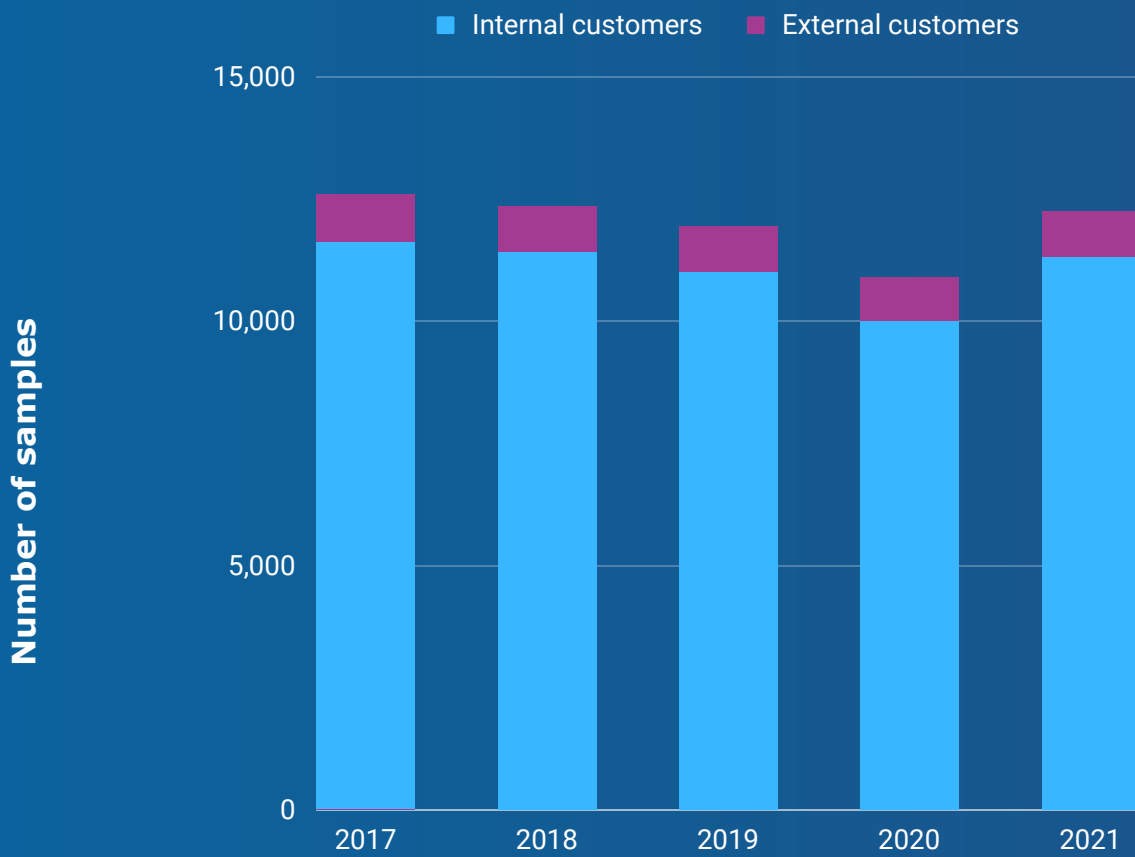


Number of analyses: total number of the analyses of individual drinking water quality indicators, wastewater, sewage sludge and biogas, i.e. the total number of laboratory tests performed.





Overview of the activities of the testing laboratory in 2017 – 2021



Subsidiary

BIONERGY, a. s.

Sales

Net turnover

€7 549 025



Profit / loss

Before tax

€5 756

After tax

€50 776



0

2 000 000

4 000 000

6 000 000

8 000 000

Nature of the business:

- doing business in non-hazardous waste management,
- activity of business, organisational and economic consultants,
- purchase of goods for the purpose of selling them to the final consumer (retail) or for purpose of its sale to other persons carrying out a trade (wholesale),
- brokerage in the field of trade,
- brokerage in the field of production,
- brokerage in the field of services,
- production and supply of electricity by production equipment with a total installed capacity of up to 1 MW,
- electricity production, electricity supply,
- lease (rental) of movable property,
- services related to computer data processing,
- informative testing, measurement, analysis and controls,
- heat production, heat distribution,
- research and development in the field of natural and technical sciences.

Board of Directors (Management Board):

		from
Branislav Tedla	Chairman	30th September 2019
PhDr. Patricius Palla	Vice Chairman	30th September 2019
Ing. Dušan Myslivec	member	30th September 2019
JUDr. Ing. Marek Zajíček	member	30th September 2019
Ing. Milan Kresáč	member	30th September 2019

Supervisory Board:

		from	to
Ing. Matej Vagač	Chairman	30th September 2019	1st December 2021
Mgr. Rastislav Kunst	member	30th September 2019	30th November 2021
Ing. Peter Strapák	member	30th September 2019	
Peter Hochschorner	member	1st December 2021	

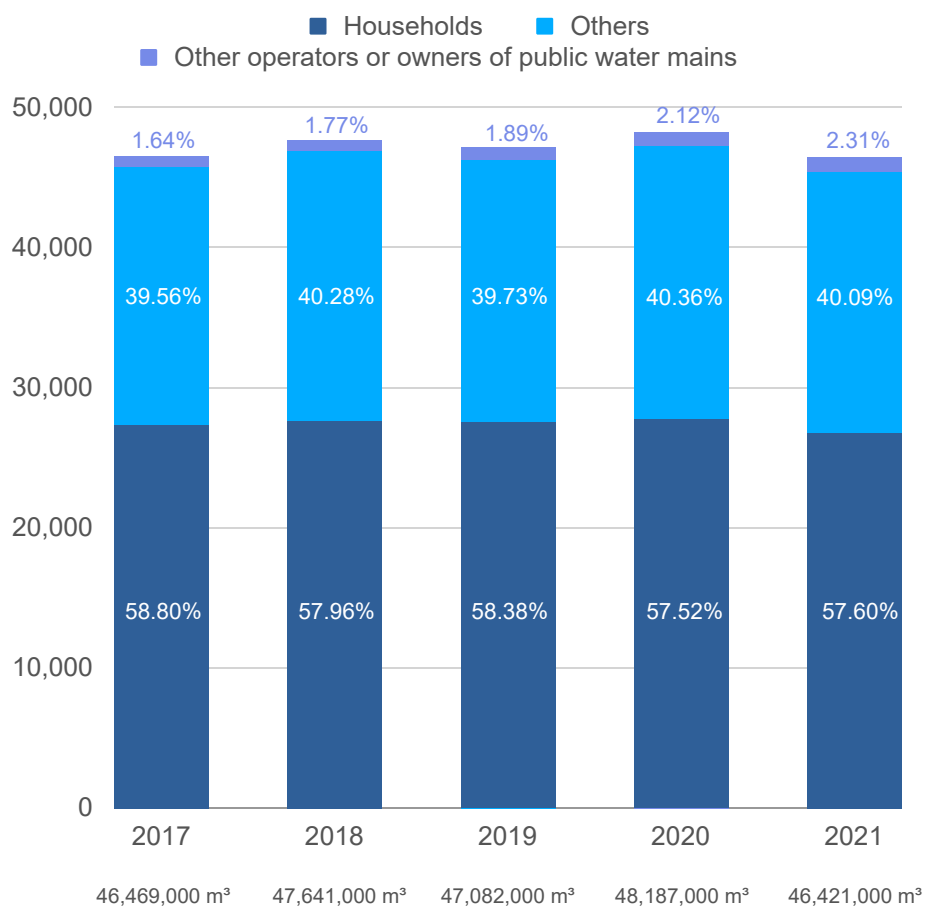


Our customers

Bratislavská vodárenská spoločnosť supplies drinking water to three basic segments – households, other operators or owners of the public water supply and other consumers. Other operators or owners of public water supply are entities that further supply consumers with drinking water through public water mains that they either own or operate.

Drinking water (ths. m³)

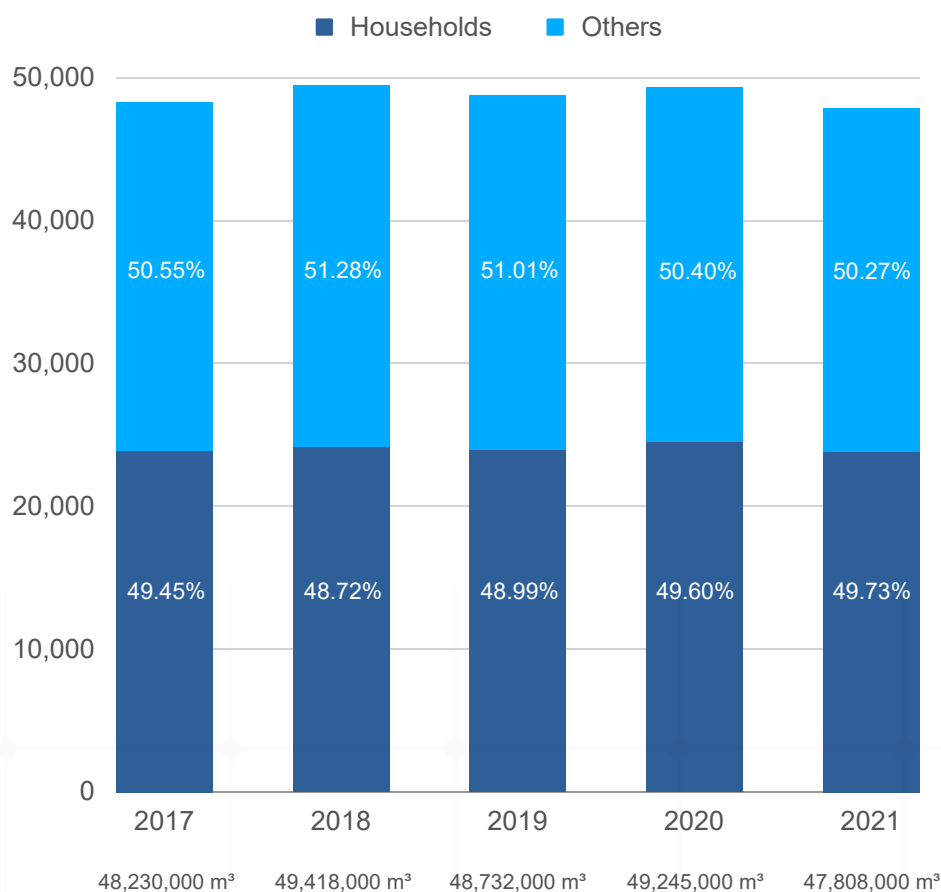
	2017	2018	2019	2020	2021
	46,469	47,641	47,082	48,187	46,421
Households	27,324	27,611	27,489	27,716	26,739
Others	18,381	19,188	18,705	19,449	18,609
Other operators or owners of public water mains	764	842	888	1,022	1,073



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

Water drained (ths. m³)

	2017	2018	2019	2020	2021
	48,230	49,418	48,732	49,245	47,808
Households	23,852	24,078	23,872	24,426	23,775
Other	24,378	25,340	24,861	24,820	24,033



Top customers

Veolia Energia Slovensko, a. s.

Bratislavská teplárenská, a.s.

Hlavné mesto SR Bratislava

Bytové družstvo Petržalka

[Petržalka Housing Cooperative]

RAJO, a.s.

SLOVNAFT, a.s.

Stavebné bytové družstvo občanov so sídlom v Pezinku

[Residential Building Cooperative of Citizens based in Pezinok]

Okresné stavebné bytové družstvo Senica

[District Residential Building Cooperative in Senica]

H-PROBYT, spol. s r. o.

Železnice Slovenskej republiky

[Slovak Republic Railways]

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

Business activities in field of public water mains and public sewer systems are regulated by Act No. 442/2002 Coll. on Public Water Mains and Public Sewer Systems and on Amendments to Act No. 276/2001 Coll. on Regulation in Network Industries, as amended. The act regulates, among other things, 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 by public administration bodies, primarily in terms of compliance with drinking water quality indicators and wastewater drainage.

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. 361/2021 Coll. of 6th October 2021 amending Regulation of the RONI No. 21/2017 Coll. 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, as amended by Regulation No. 204/2018 Coll. of 27th June 2018.

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. 361/2021 Coll. is an update of the current regulatory period, which was extended until 31st December 2022 based on Supplement 1 of the Regulatory Policy for the regulatory period 2017 – 2021, adopted by the Regulatory Council on 10th November 2020. It also takes into account the changes that resulted from the application practice in the implementation of price regulation in water management, which is reflected in the lower administrative complexity of the preparation of documents, with the submission of price proposals and actual data via an electronic mailbox, the formulas for calculating the investment development factor and the coefficient of utilisation of the projected capacity for wastewater removal and treatment are modified and refined, and the definition of the cost change value is added in order to increase comprehensibility.

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 it 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 ³ excl. VAT	€/m ³ 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 drainage 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 for Network Industries sets prices till 31st December 2021

Final price decision	€/m ³ excl. VAT	€/m ³ 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

In 2021, BVS did not have new prices approved by the RONI 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 by the public sewer system.

In the matter of altering Decision No. 0013/2020/V of 2nd April 2020, by which the office determined for the Company the maximum price for the treatment of wastewater supplied to a wastewater treatment plant through the public sewer system until 31st December 2021, the RONI decided on its own initiative on 4th November 2021 that by Decision no. 0107/2021/V of 4th November 2021 it extends for the Company the validity of the current maximum price for the treatment of wastewater supplied to a wastewater treatment plant through the public sewer system until 31st December 2022.

At the same time, in the matter of altering Decision No. 0016/2020/V of 10th August 2020, by which the office determined for the Company the maximum price for the production, distribution and supply of wastewater through public water mains and for the drainage and treatment of wastewater through the public sewer system until 31st December 2021, the RONI decided on its own initiative on 4th November 2021 that by Decision no. 0106/2021/V of 4th November 2021 it extends for the Company the validity of the current maximum price for the production, distribution and supply of wastewater and for the drainage and treatment of wastewater of the public sewer system until 31st December 2022.

Development of prices approved by the RONI during the years 2017 – 2021 per m³ (excl. VAT)

BVS	2017	2018	2019	2020	2021
Price of the production and supply of drinking water through public water mains	0.9359	0.9359	0.9359	1.0135	1.0135
Price of the distribution of drinking water through public water mains	0.6547	0.6547	0.6547	0.7090	0.7090
Price of the drainage and treatment of wastewater through the public sewer system	0.9216	0.9216	0.9216	0.9985	0.9985
Price for the treatment of wastewater supplied to the wastewater treatment plant through the public sewer system	-	-	-	0.5526	0.5526

Development of prices approved by the RONI during the years 2017 – 2021 per m³ (incl. VAT)

BVS	2017	2018	2019	2020	2021
Price of the production and supply of drinking water through public water mains	1.1231	1.1231	1.1231	1.2162	1.2162
Price of the distribution of drinking water through public water mains	0.7856	0.7856	0.7856	0.8508	0.8508
Price of the drainage and treatment of wastewater through the public sewer system	1.1059	1.1059	1.1059	1.1982	1.1982
Price for the treatment of wastewater supplied to the wastewater treatment plant through the public sewer system	-	-	-	0.6631	0.6631



Human resources

In 2021, BVS employed 1,090 employees on average. The structure of employee of the company by work categories was as follows:

53.76%
technical and business professionals

46.24%
blue-collar workers

Educational structure of the employees of the company in 2021:

3.03%
with an elementary education,

33.39%
with a secondary education (vocational),

36.24%
with a standard secondary education,

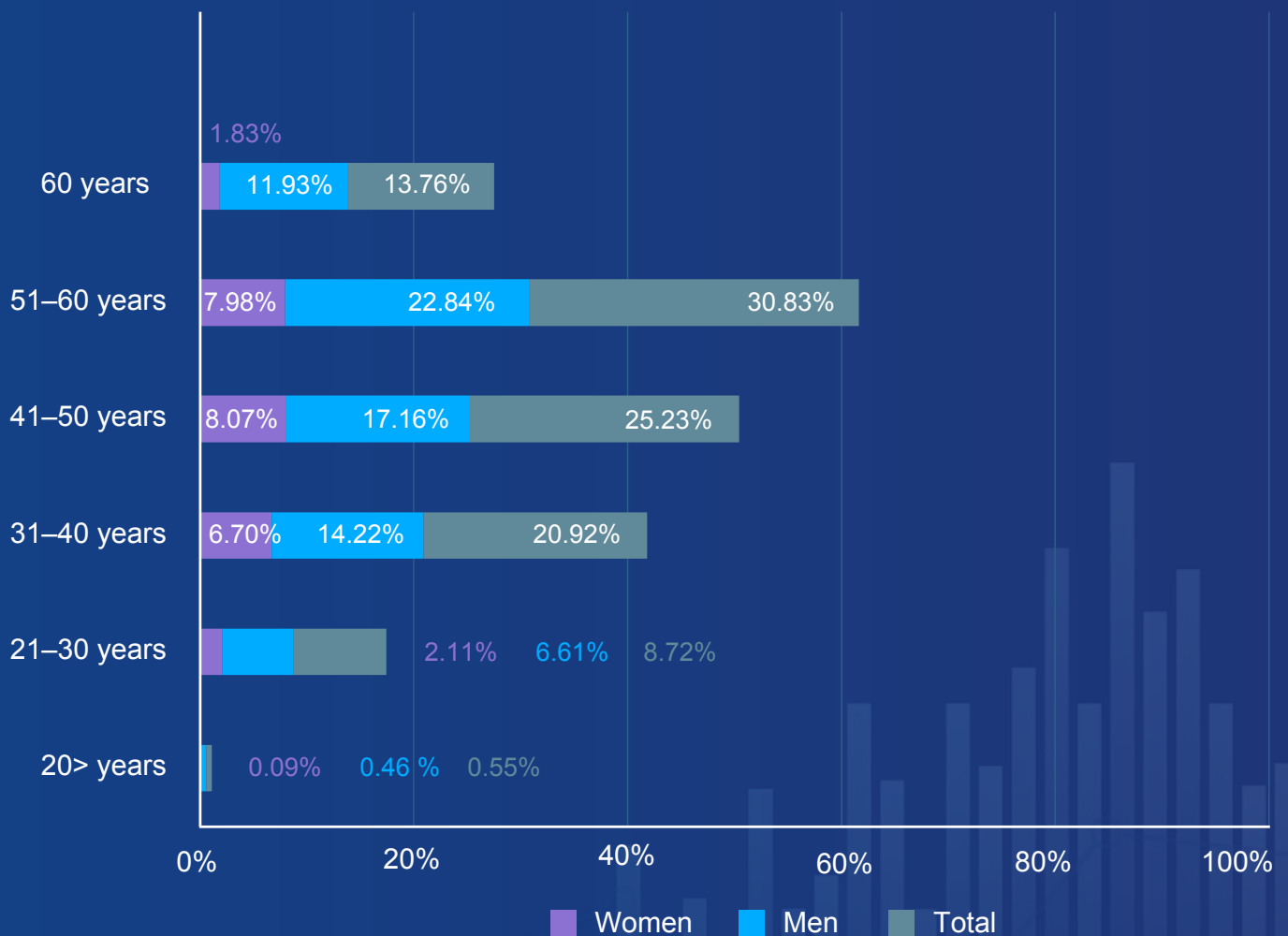
0.55%
with a higher professional education,

1.56%
with a university education – bachelor,

25.23%
with a university education.

Age structure of employees in 2021

Age structure of employees	Women	Men	Total
1 – 20 years	0.09%	0.46%	0.55%
21 – 30 years	2.11%	6.61%	8.72%
34 – 40 years	6.70%	14.22%	20.92%
41 – 50 years	8.07%	17.16%	25.23%
51 – 60 years	7.98%	22.84%	30.83%
above 60 years	1.83%	11.93%	13.76%
	26.79%	73.21%	100%



The average age of company employees was **45 years** in 2020.

Employee turnover was **10.18%**

Social policy

In 2021, BVS significantly adapted its social policy to the pandemic situation. As part of the protection of employees' health, it continued in the regime from the previous year, that is, the operation of the company, a critical infrastructure enterprise, was organised in such a way that any employee outages due to illness would not be felt by the end user.

BVS management ensured priority vaccination against COVID-19 for employees, which meant 70 percent vaccination at BVS as a critical infrastructure enterprise. BVS continued to provide personal protective equipment for its employees and supported work from home to the maximum extent possible for professions whose nature of work allowed work from home. At the same time, BVS also introduced a contribution for employees working from home. The Company 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.

A new feature was an allowance for regeneration after complete vaccination depending on the type of the COVID-19 vaccine.

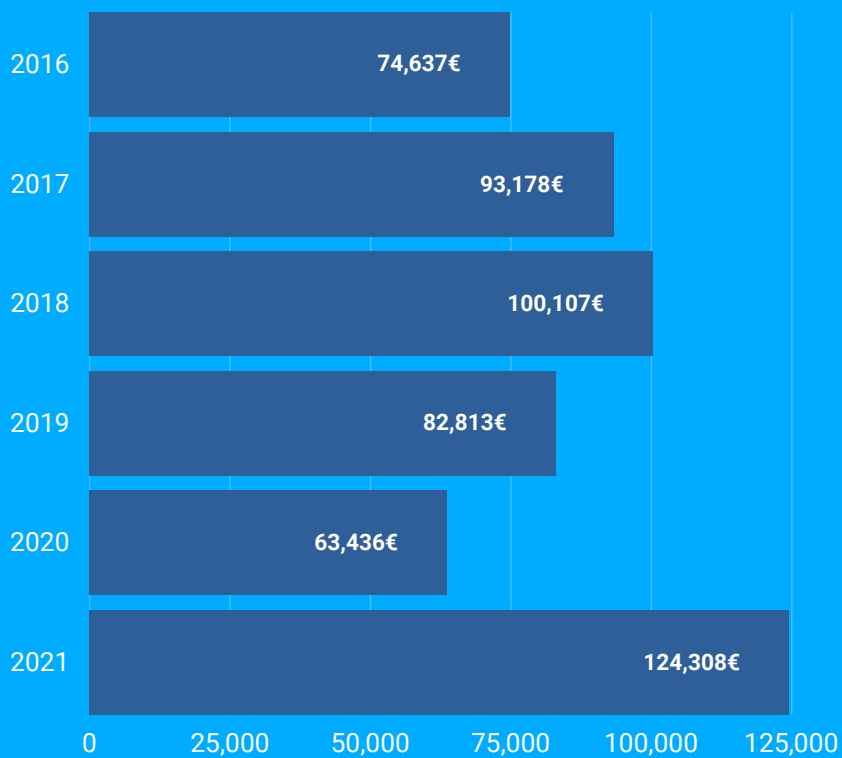
It also provided allowances for individually organised child recreation for the children of employees, for a childbirth, for a first marriage and for becoming independent from parents and

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. Importantly, in 2021, just like in 2020, BVS did not reduce the employee benefits and it did not reduce the number of employees. On the contrary, even during the critical period of the pandemic, it strengthened its social policy.

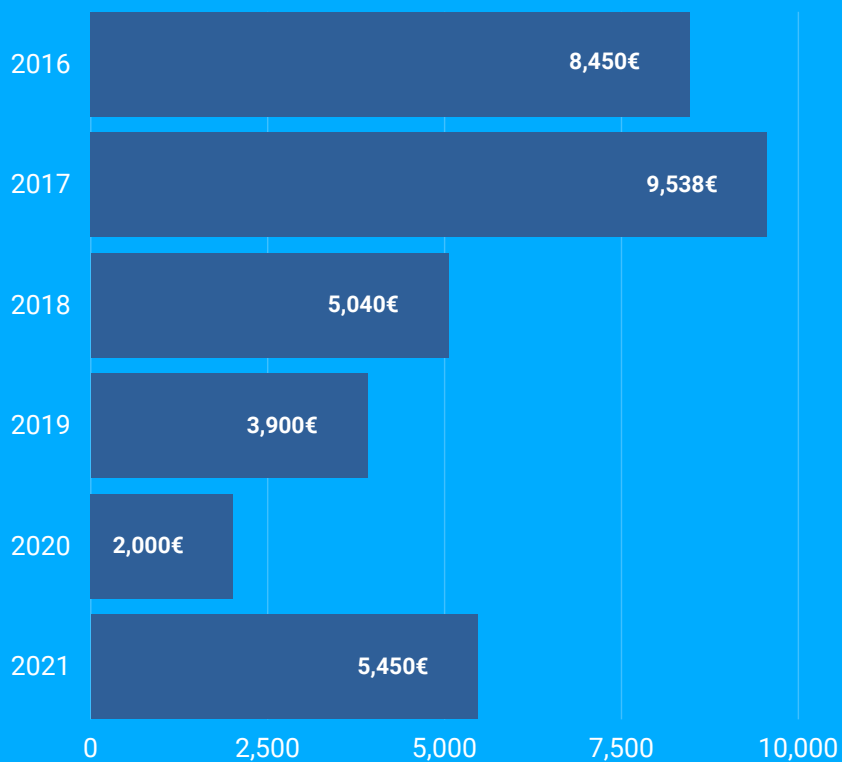
As part of the employer's and employee's participation in the SPS, a total of 654 employees took part in the saving scheme; in addition to payments out of company expenses (totalling €223,543.29 in 2021), the company also made contributions totalling €76,575.80 from the Social Fund.

In 2021, 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.

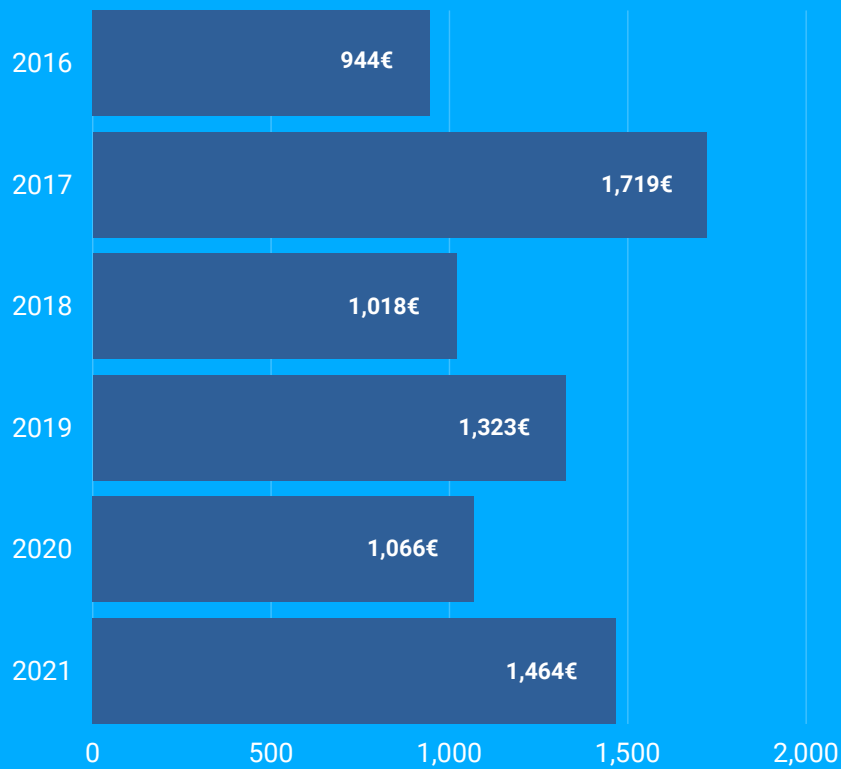
Overview of the development of employee education costs (in €) for the years 2016 – 2021:



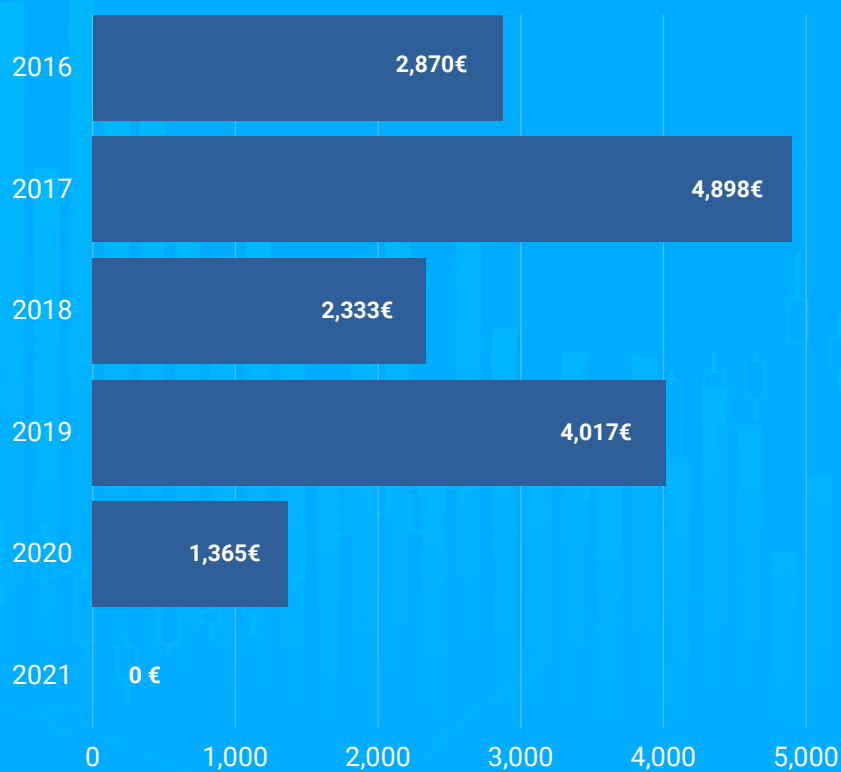
Overview of the development of employee qualification improvement costs (in €) for the years 2016 – 2021:



Overview of the number of employees participating in educational activities for the years 2016 – 2021:



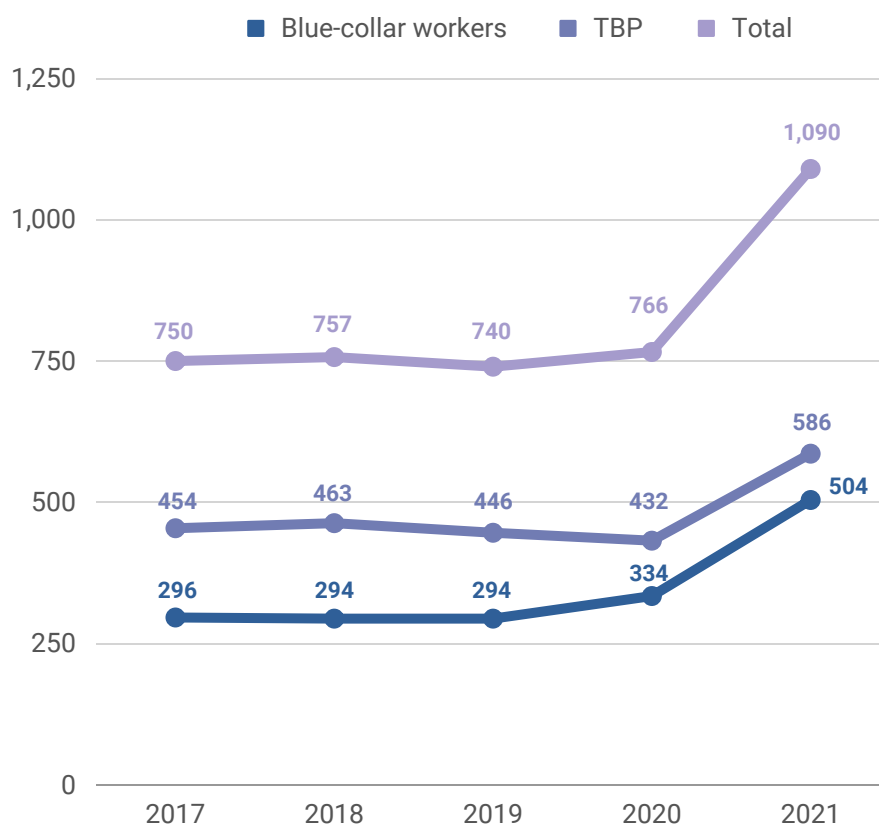
Overview of the cost of secondary vocational schools (in €) for the years 2016 – 2020:



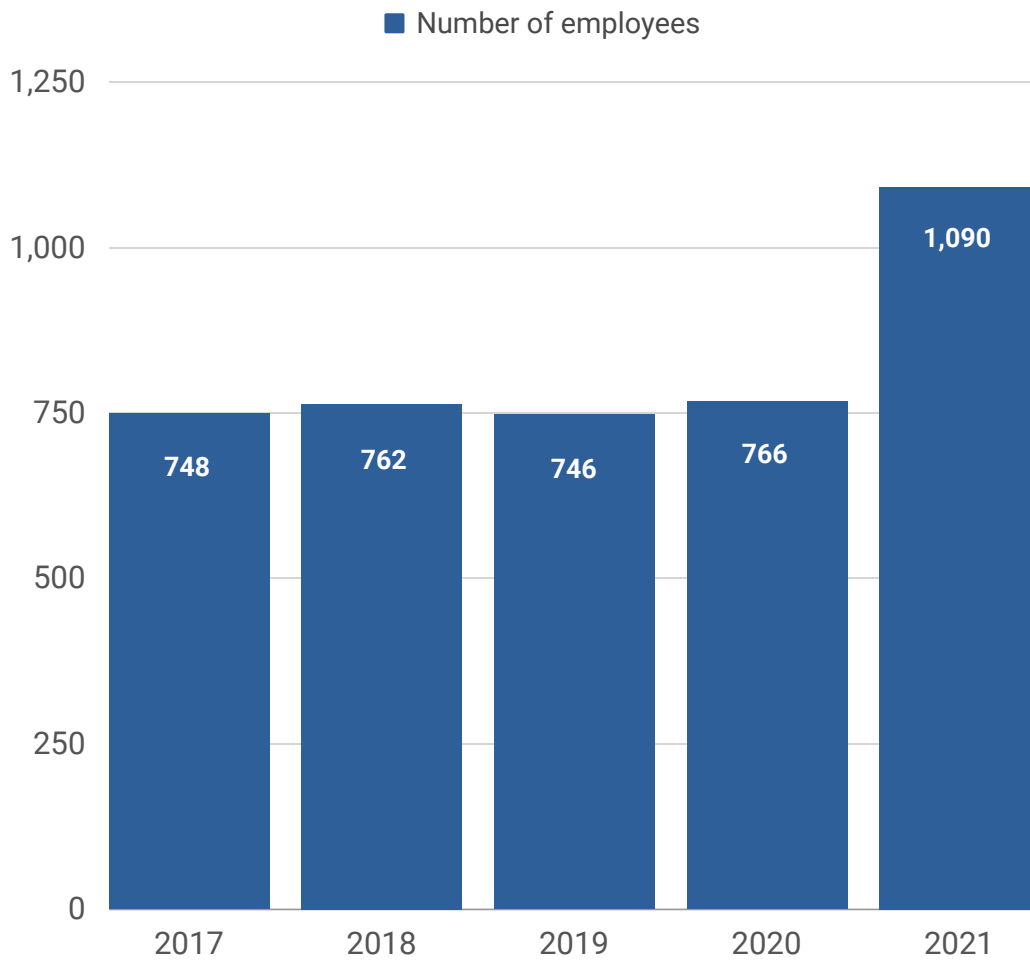
Overview of planned – systemised jobs and the actual physical number of employees as of 31st December 2021, broken down by departments and divisions

BVS	Plan for 2021	Number of natural persons
CEO Department	95	87
Production Department	24	24
Sales Department	98	93
Investment Department	80	71
Financial Department	76	68
Strategy and Water Sector Innovations Department	19	16
Water Production Division	162	155
Wastewater Drainage Division	115	108
Wastewater Treatment Division	188	181
Water Distribution Division	161	158
Chemical Technology and Laboratory Activities Division	53	53
Measurement and Water Management Division	77	76
BVS – total	1,148	1,090

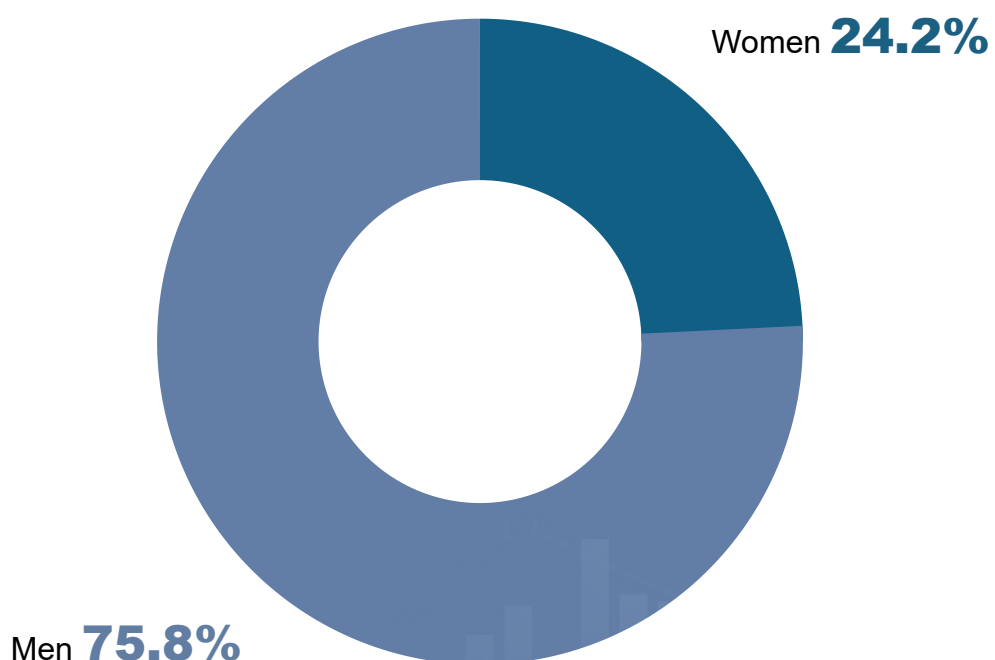
Development of BVS employees in the period 2017 – 2021 (physical state as of 31st December 2021)



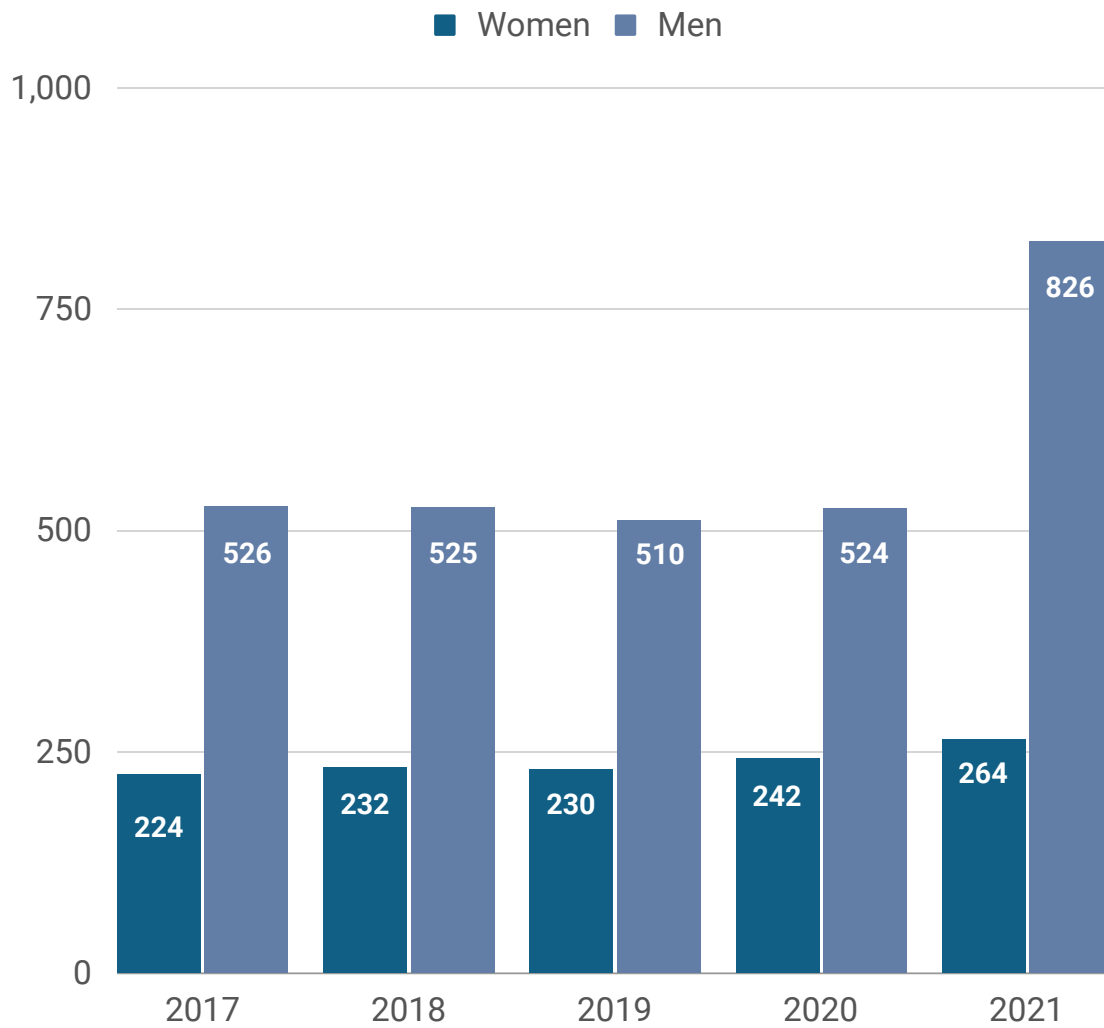
Development of the recalculated number of BVS employees in 2017 – 2021



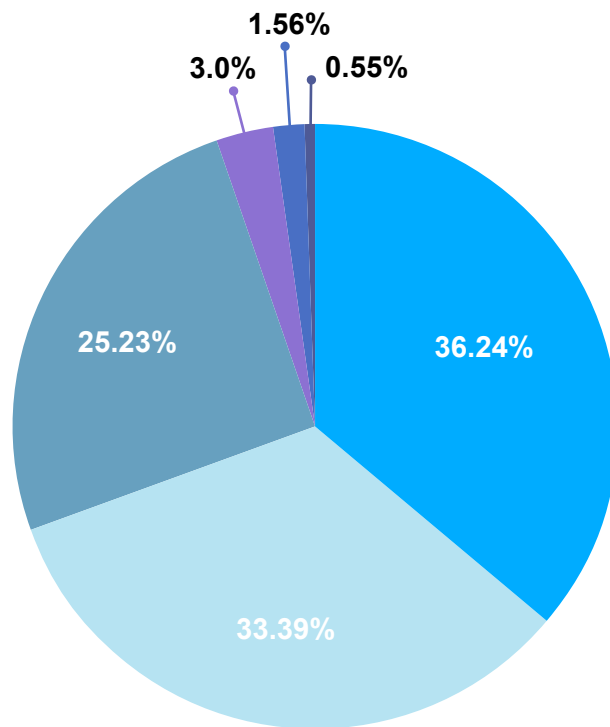
Structure of employees broken down by sex as of 31st December 2021









Structure of employees broken down by sex as of 31st December 2021

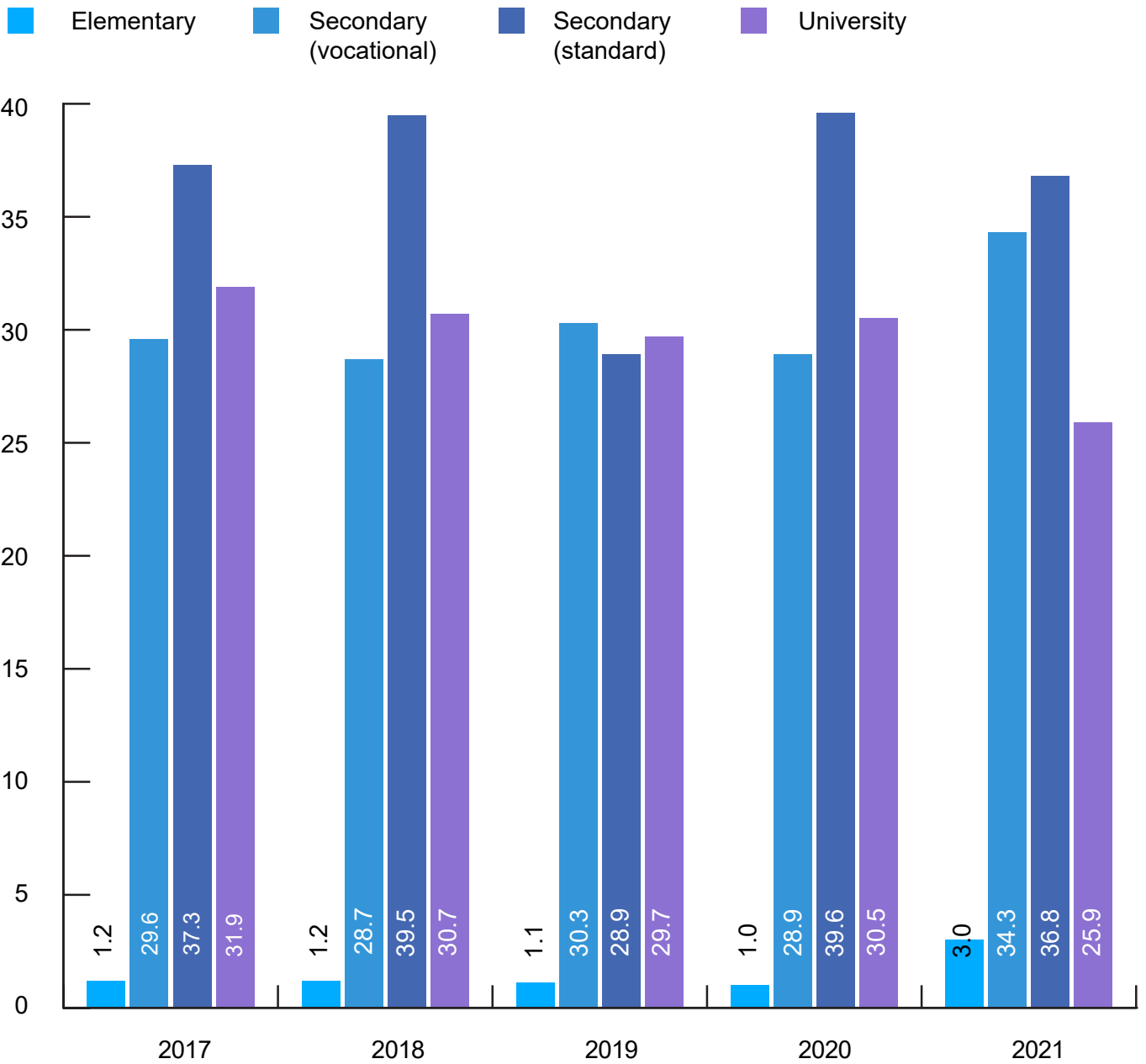


Education level of BVS employees as of 31st December 2021

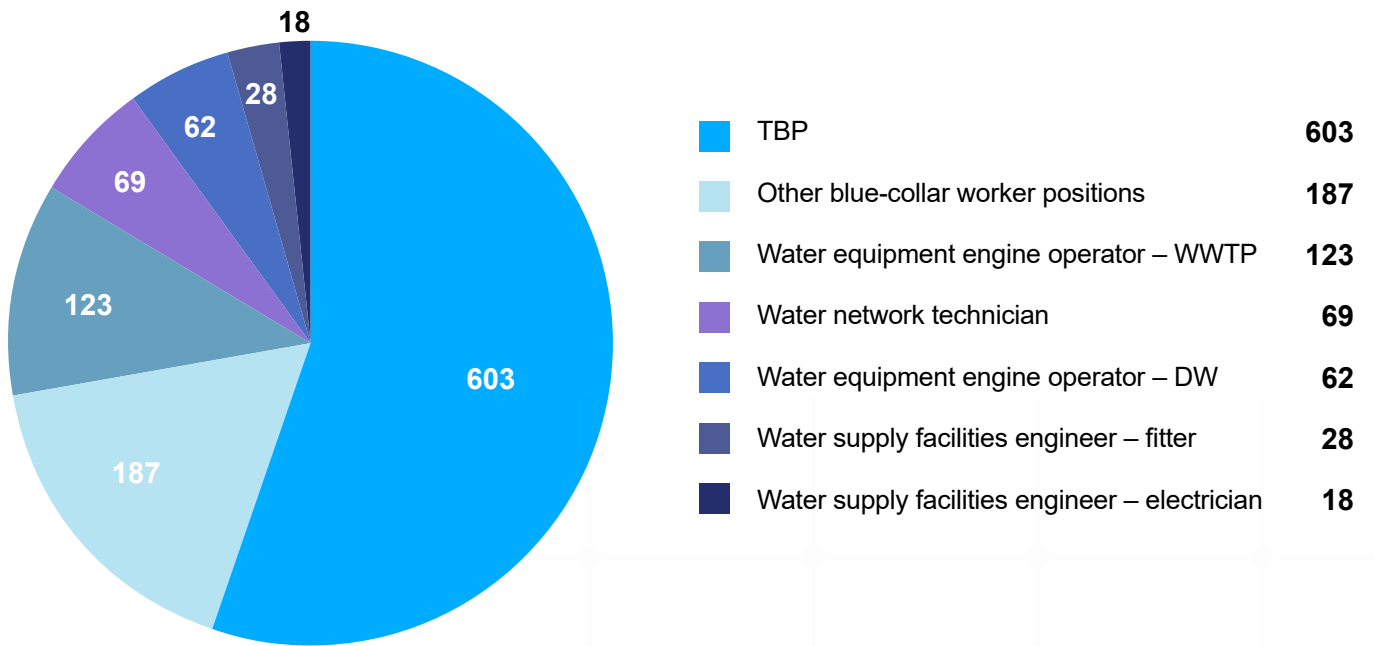


	Secondary (standard)	36.24%
	Secondary (vocational)	33.39%
	University	25.23%
	Elementary	3.0%
	University (bachelor)	1.56%
	Higher professional education	0.55%

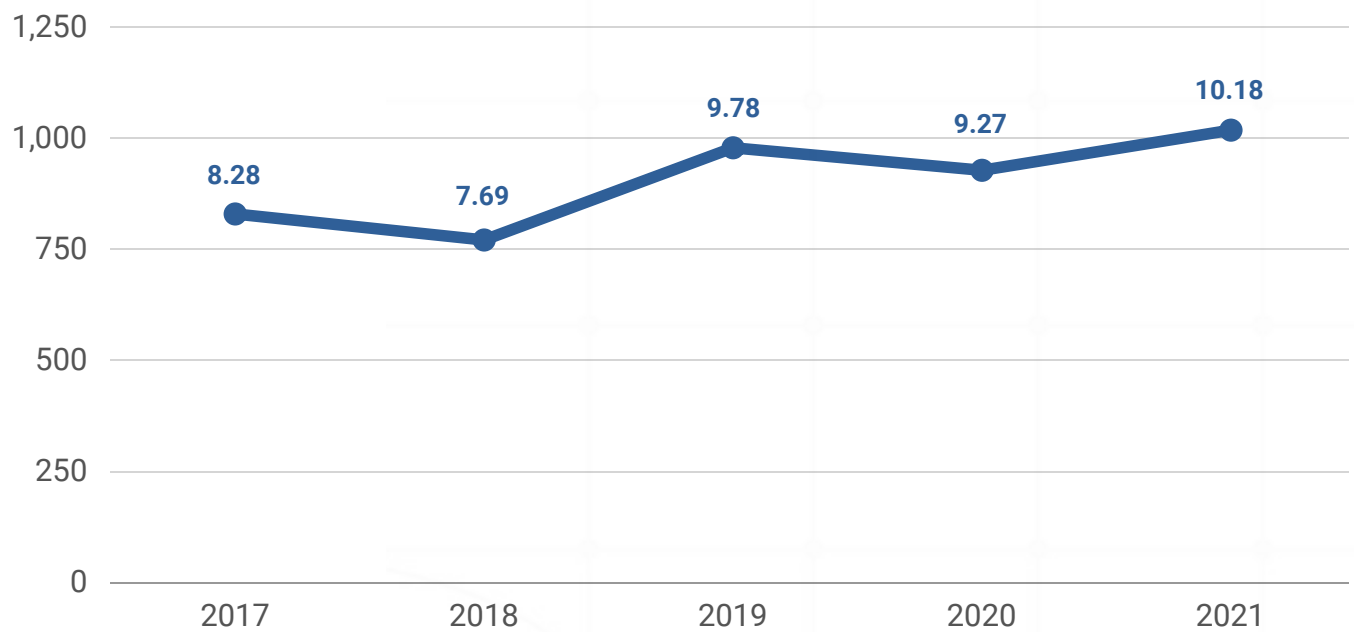
Qualification structure of BVS during the period 2017 – 2021



Occupational structure of BVS employees as of 31st December 2021



Development of the turnover rate in the years 2017 – 2021



Development, training and education of employees

Like the previous year, the year 2021 was affected by the consequences of the COVID-19 pandemic. Importantly, BVS continued professional and soft skills education and even implemented new educational programmes.

Another important factor was the merger with Infra Services, a. s.

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

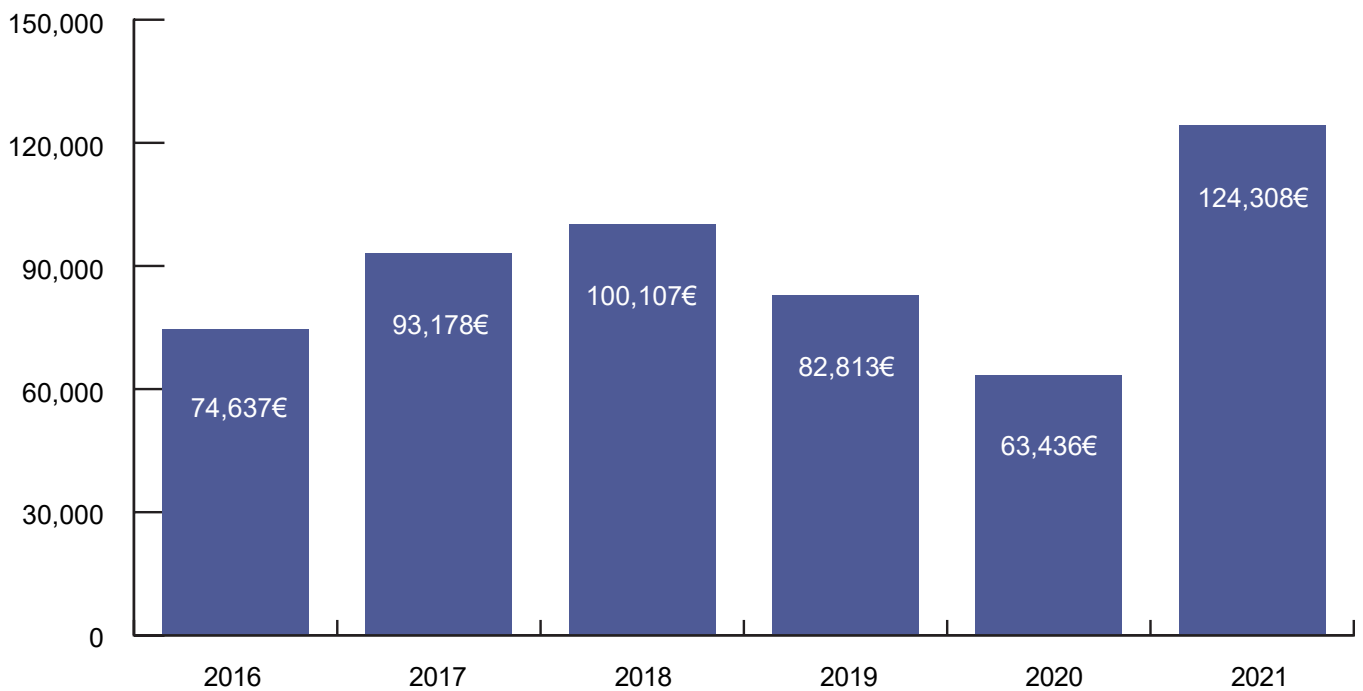
Despite the complicated situation, in the past year employees completed educational activities aimed mainly at maintaining the quality of various professional competencies, whether for dedicated technical equipment or other aspects related to the operation of public water mains and public sewer systems.

The Home Office Academy was implemented to expand education. The academy enabled employees to expand their knowledge of how to work from home, how to spread their working hours, or other skills in handling difficult work situations.

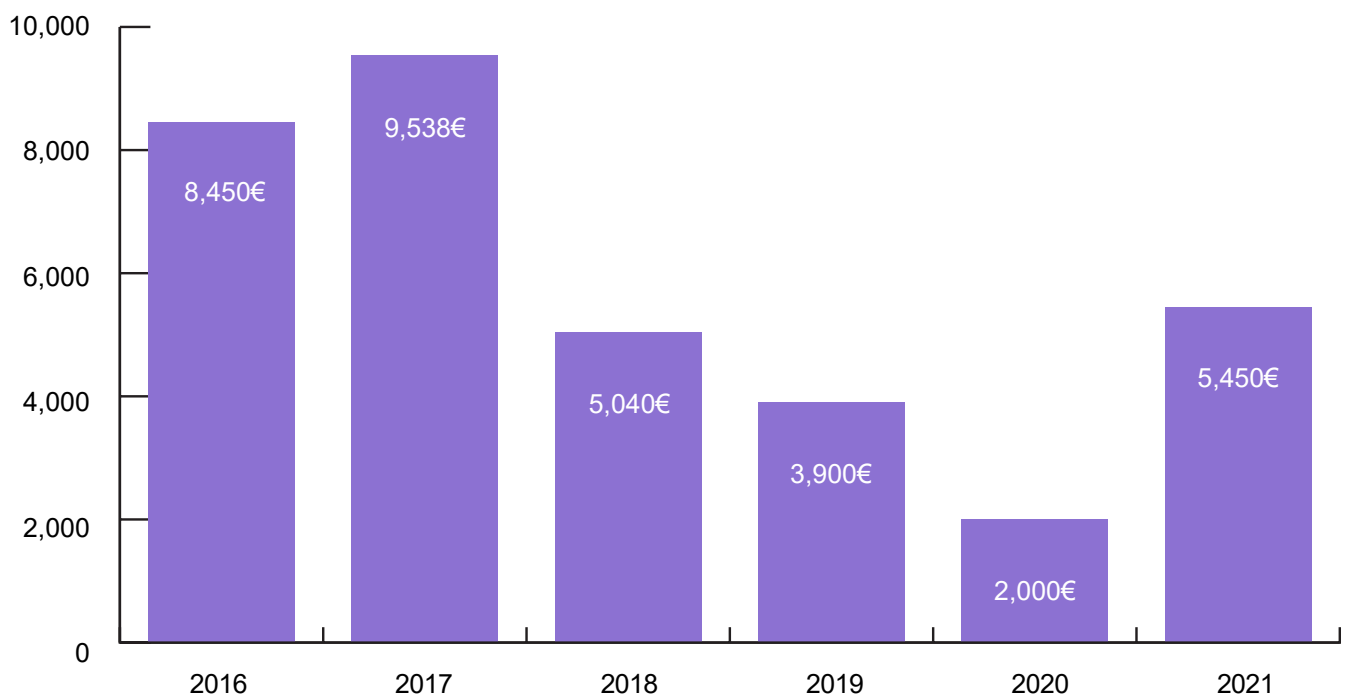
BVS continued to support its colleagues in raising the language level of employees in English, 100% online. In 2021, we limited the cooperation in practical training of secondary vocational school students with the apprenticeship disciplines plumber and electrician due to the epidemiological situation. Because BVS was under a crisis regime, it was not possible to bring students from the external environment to the workplaces.

In the process of training, education and development of employees, the company invested a total of €124,308 in 2021, for mandatory professional refresher retraining resulting from OHS and PPE legislation and other legislation, professional online workshops, domestic and foreign professional conferences, courses, seminars aimed at increasing the professional and professional knowledge of employees, language education, the raising of qualification and soft-skills training.

Overview of the development of employee education expenses (in €) in 2016 – 2021

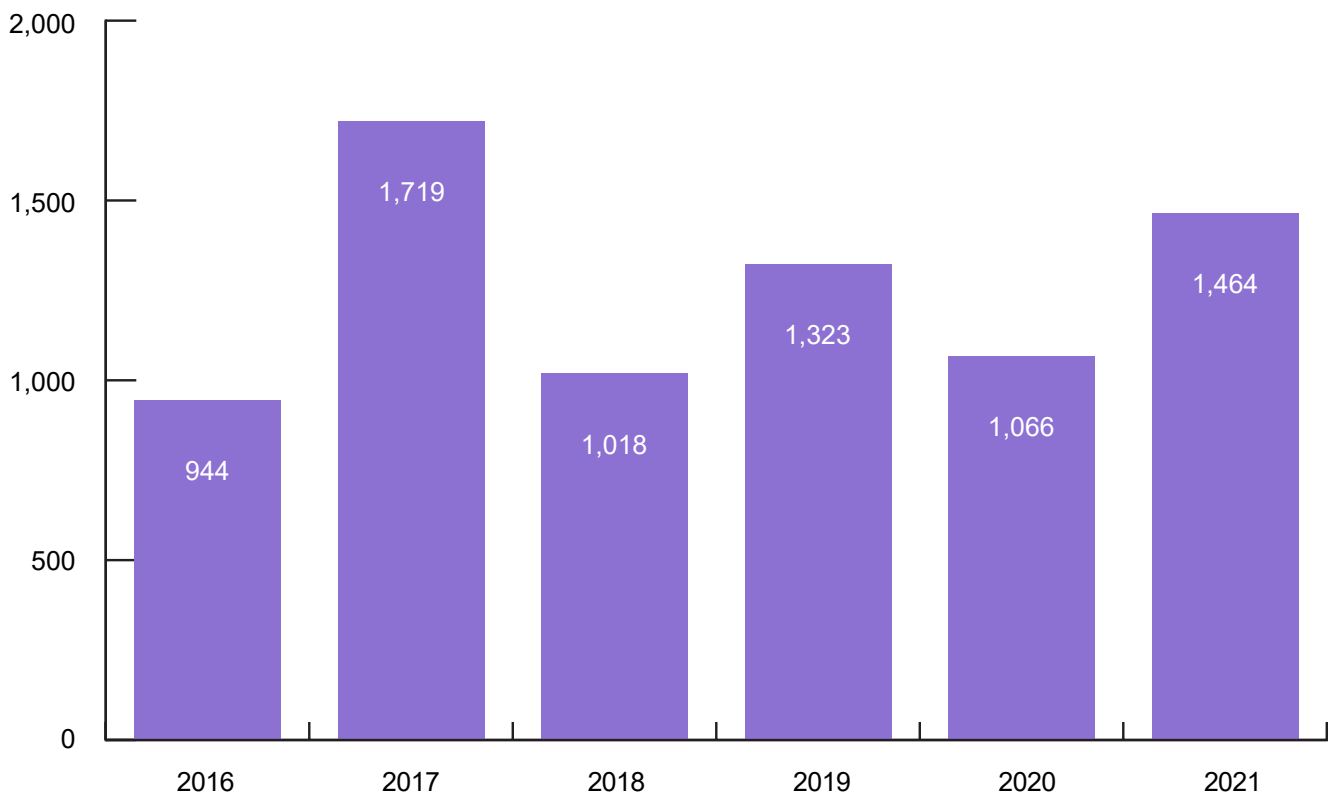


Overview of the development costs for employee qualification improvement (in €) in 2016 – 2021

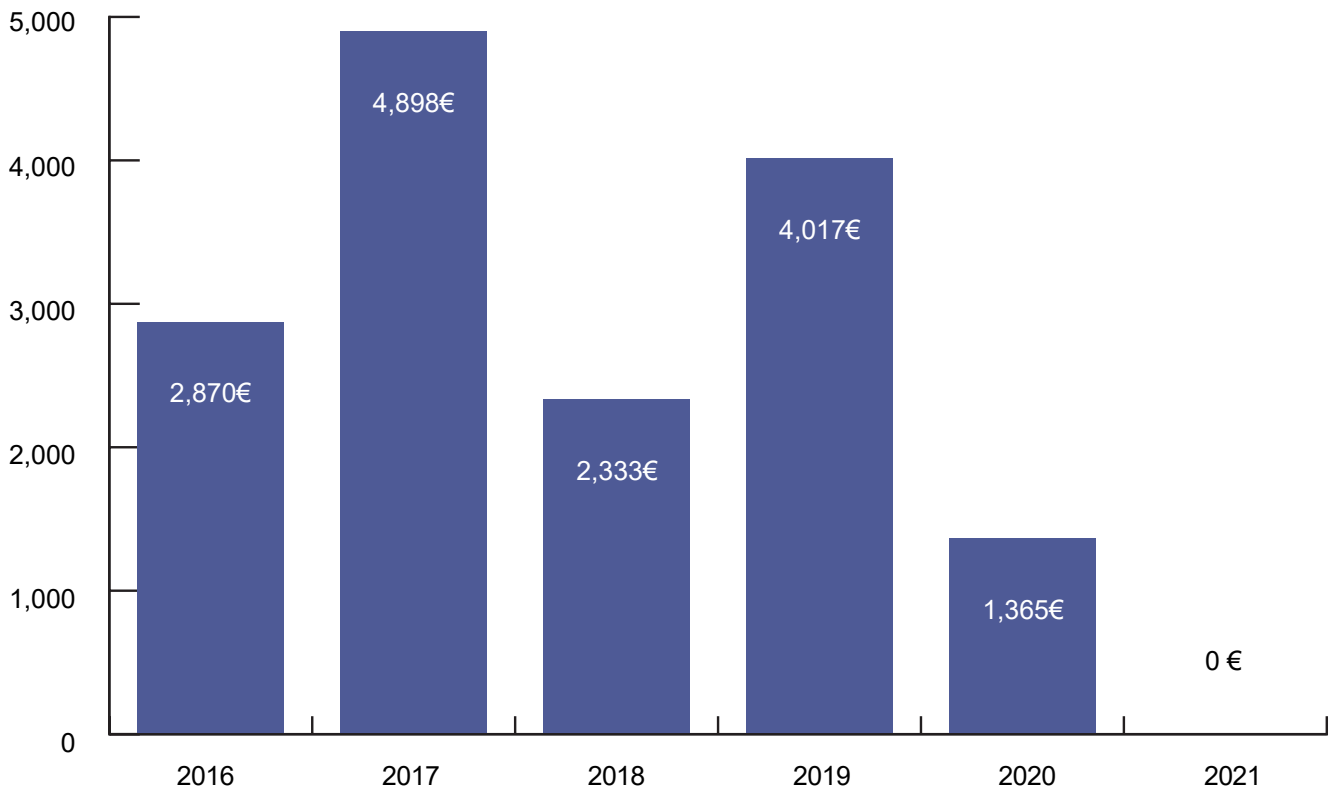


In 2021, a total of **1,464 employees** participated in various educational activities in the system of education, training and development of BVS employees.

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Overview of the number of employees participating in the process of education, training and development of employees in the years 2016 – 2021



Social responsibility and philanthropy

In 2021, 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.



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 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 organisations, institutions and individuals. The foundation also conducts activities for employees of BVS and for its subsidiary. We are pleased and we appreciate that employees are able to accept their part

In 2021, BVS supported, among others, the following events:

Bratislava Inline

STUPAVA TROPHY

Bratislava Coronation Days 2020

**Od Tatier k Dunaju
(From the Tatras to the Danube Relay Race)**

Slovakia Canoeing Championship

The Pope's visit in Šaštín

of social responsibility and to help where it is needed.

The BVS Foundation created, in cooperation with the educational programme for children Modrá škola – voda pre budúcnosť (Blue School – Water for the future), the Drinking Water Centre.

Through our interactive model of a waterworks system, we uncovered for the 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 €24,339.15. The amount of €23,100 was paid to the organisations/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 €1,239.15.

For information about the Foundation's activities, visit the website www.nadaciabvs.sk or see the Annual Report of the BVS Foundation for Year 2021.



Educational projects

BVS emphasises the importance of teaching about water among children and young people. Through educational activities it explains waterworks processes and the importance of drinking water, points out the importance of a drinking regimen, hygienic habits, the protection of water resources and other related topics to children in an interesting and playful way. In 2021, 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 2021, 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 2021, interest in the Blue School programme was lower compared to 2020, which was due to restrictions related to the COVID-19 pandemic. Despite this, more than 200 pupils in the region of BVS completed the field trip. Also, for this reason, field trips to BVS facilities, such as water sources and wastewater treatment plants, were not carried out in 2021. 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 standardly tied to direct interactivity between the lecturer and the students, or the lecturer and the public. The only activity carried out in the year was the daily camp for children of BVS employees. BVS's proactive approach to water education and awareness-raising about water has resulted in at least a partial relocation of some activities to the online space (water quiz, water education videos for schools, play and education zone within the online version of the 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.

Waterworks museum

The Waterworks Museum of BVS 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 Water Museum is a specialised technical museum with the main focus on water management with a nationwide scope. Its founder is BVS.

The Waterworks Museum had three expositions in 2021 – the main exposition in the premises of the original gas station in Karlova Ves, an outdoor exposition in the Waterworks Garden and an outlaying exposition in the premises of the first electric gas station on the island of Sihot'. The exposition on Sihot' was not accessible to the public in 2021.

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 annual number of visitors to the garden is 15,000 visitors.

There was an almost 60% decrease in the number of visitors of educational and cultural events in 2021. This was due to the COVID-19 pandemic and the subsequent closure of the museum for the public from 1st January 2021 to 19th April 2021 and restricted entry from November 2021 onwards.

The museum organised 44 educational and professional field trips to the exposition of the Waterworks Museum with a total of 751 visitors. The educational programme Blue School implemented 13 educational tours for 246 visitors in the museum.

A specialised event – Night of Museums and Galleries – took place in the virtual space and had 463 visitors; 54 registered visitors visited the museum and its underground during an event as part of the Municipal Days of the City of Bratislava.

An important activity of the museum is the provision for internal events of BVS and the rental of the premises for commercial events.

A total of 66 events for BVS – training events, general meetings, press conferences and events for employees – took place in the museum during 2021. The premises of the museum were rented out for 16 commercial events.

The total revenue of the museum from rentals of the premises was €20,143 excl. VAT in 2021.

Waterworks Museum – Number of visitors of the museum expositions in 2021 (Events for the public, WM field trips, Blue School)		
Type of visit	Number of visitors	Number of events
WM field trips	751	44
Blue School educational tours	246	13
Events for the public	517	2
Others (visits without booking)	200	-
Total	1,714	59

Waterworks Museum – Number of visitors of the conference rooms of the museum in 2021 (Events for BVS, commercial rentals)		
Type of visit	Number of visitors	Number of events
Events for BVS	2,040	66
Commercial rentals	1,425	16
Total	3,465	82

Capital construction

The primary duty of BVS is to ensure the operation of public water distribution networks, 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, refurbishment and upgrade.

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

The company's investment activities are based on the existing operational condition of water distribution systems, sewer systems and wastewater treatment facilities, the necessity to harmonise their parameters with valid legislation and the limits of wastewater released according to EU guidelines and the documents "Strategy and Upgrades of BVS

Water Infrastructure System Upgrade" and "Programme for Reducing Losses in the Water Distribution System". These strategic objectives are reflected in 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 2021 was approved in the total amount of €29,469,903.

In 2021, the company achieved material fulfilment of the approved plan for investments and capital construction amounting to €26,553,096, i.e. 90.10% of the total planned material annual volume of €29,469,903.

Of this, the total fulfilment in constructions amounted to €19,711,000, i.e. 86.81% of the total planned material annual volume of €22,706,348.



Fulfilment of the plan for investments and capital construction of BVS for 2021 in €:

Refurbishments and new investments – implemented in 2021	€19,711,000
Total constructions	€19,711,000
Other items within capital construction	€6,842,069
TOTAL	€26,553,096

Despite the crisis situation related to the COVID-19 pandemic, our company managed to meet the set goals in the year under review.

In 2021, BVS completed the construction of 30 structures, for example:

- Koliba 2 reservoir, Kamzík reservoir – renovation of structures,
- Vajnory, vacuum sewerage, modernisation of VS.1, completion of branch D and modernisation of branches A and B – in the following scope: completion of branch D,
- CWWTP Vrakuňa – replacement of electrical equipment of the main substation,
- Vajnory, Tomanová II. ulica Za humnami – extension of the public water mains,
- Vinosady – Pezinská, Modranská ulica – water mains rehabilitation,
- Skalica, line VR1 – rehabilitation of the DN 300 water mains from the Holíč WIS to the Skalica reservoir,
- Plavecký Štvrtok – sewer system refurbishment,
- Senica WWTP – rehabilitation of the by-channel before the WWTP,
- Bernolákovo – Senec, water mains refurbishment, stage III,
- Dlhá, Borová – optimisation of pressure conditions in the network,
- Chrenkech Jarok PP, rehabilitation of the structure,
- Bratislava, Pavlovičová ulica – rehabilitation of selected sections of the public sewer system,
- Bratislava, Kvetná ulica – rehabilitation of selected sections of the public sewer system,
- Bratislava, rehabilitation of the sewer system – Kadnárova ulica, part II,
- Bratislava, Ulica Pavla Horova – rehabilitation of DN 400 water mains,
- Refurbishment of storage premises of the Vrakuňa CWWTP,
- OB Bojnická ul., increase in office space capacity,
- Bratislava, rehabilitation of selected sections of the sewer system, structure SO 05 Rehabilitation of the sewer system – Ulica dr. Clementisa,
- Urgent rehabilitation of the public sewer system, Kadnárova ulica, Bratislava,
- Bratislava, ulica Na Slavíne and Matúšova ulica (stage II), rehabilitation of the water mains,
- Marianka – relocation of the discharge pipes, stage II, 1st part,
- Gbely, Ulica Halaštava – rehabilitation of the water mains,
- Senica - Košútovec – rehabilitation of the water mains,
- Modra PP, rehabilitation of the water pipes 2 x DN 400 and 1 x DN 200,
- Modra, Štefánikova ulica, Komenského ulica – rehabilitation of the water pipes – in the following scope: Komenského ulica,
- Modra, Hrnčiarska ulica – rehabilitation of the water mains,
- Ivanka pri Dunaji, Poľná ulica and Cintorínska ulica – rehabilitation of the water mains – in the following scope: Poľná ulica,
- Bratislava, Zlatohorská ulica – rehabilitation of the sewer system,
- Bratislava, Kvetná ulica – rehabilitation of water mains and the sewer system – Daxnerovo námestie,
- Bratislava, ulica Pri starej prachárni – rehabilitation of the DN 100 public water mains.

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)

Project implementation started in May 2011. The work was terminated 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 modernisation 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 modernisation 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, after the completion of the 5-year monitoring period, 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. 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)**
- **intensification and upgrade of the Petržalka Wastewater Treatment Plant, construction 2 (€8,572,860)**

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. 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, after the completion of the 5-year monitoring period, BVS sent the provider the final monitoring report on the fulfilment of indicators (measurable indicators, the final financial analysis of the project) in June 2021. In July 2021, 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 applying a correction, i.e. without returning a part of the obtained subsidy under the terms and conditions of the contract.

“Completion of the sewer system and the WWTP in the Modra agglomeration” (€8,817,305).

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 it received final approval for use from the inspector and was put into trial operation and then into permanent operation. 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, after the completion of the 5-year monitoring period, our company sent the provider the final monitoring report on the fulfilment of indicators (measurable indicators, the final financial analysis of the project) in June 2021. In December 2021, 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 applying a correction, i.e. without returning a part of the obtained subsidy under the terms and conditions of the contract.

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

“Rohožník WWTP – refurbishment and upgrade” (€2,777,444)

The project was co-financed from European Union funds and its objective was to improve the drainage and treatment of municipal wastewater in agglomerations with a population equivalent of over 2,000 in accordance with the commitments of the Slovak Republic towards the European Union.

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 it was put into trial operation. Till 2024, it is subject to mandatory monitoring of the set indicators as part of the financial control of the NRFC Provider.

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 perform 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, by which it 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 modernising the water management infrastructure of BVS

In modernising 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 modernising 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 modernising of the water supply system are as follows:

- Achieving the water capacities needed for reliable meeting of current demands for drinking water supply while also taking into consideration long-range needs. Subsidising deficit areas or areas with problematic local sources.
- Optimising the use of springs with the energy-saving gravitational distribution of water to consumers.
- Optimising 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 modernisation of the water supply systems 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 of 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 optimise the supply to the Little Carpathians region from the eastern part of Bratislava (a new water line Rača – Pezinok (Grinava) with relocation of the Bernolákovo pumping station to the Pezinok – Grinava node) or to solve water supply problems of the Western Development Pole of Bratislava and to optimise the supply to the Záhorie region from Bratislava (creation of a Lamač water reservoir – Western Development Pole 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 – Ostrovné lúčky – Mokrad' to the water reservoir and pumping station Podunajské Biskupice (putting of water mains pipes on the new Danube bridge being built as part of the construction of the D4 motorway).
- Water supply for the north-western development pole of the city of Bratislava, 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 optimising 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, Vajnory, Vinohrady, Južné mesto, Jarovce, Rusovce, Čunovo.
- Modernisation of 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 lower order loops across Čierna Voda; relocation of the Bernolákovo pumping station to Pezinok.
- Optimisation 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 Rusovce – Ostrovné lúčky – Mokrad' source and the Šamorín source is necessary to increase the degree of diversification of sources (backup of sources).

Priorities in sewer system modernisation include:

- Achieving sewerage 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).
- Optimising the sewerage process by permanent enhancement of the quality of the integrated management system and central technology dispatching.

The modernisation of sewer systems focuses on the concept of centralising the wastewater treatment process – the connection of additional municipalities (Most pri Bratislave and Malinovo – already under construction) 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 – 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:

- Modernisation 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 the town – completion of the rainwater tank in Rača, creation of a connection of collector E with Chemical Wastewater Sewer II, sewage collector SC in the Devínska Nová Ves WWTP catchment; outside Bratislava mainly discharge sewer line Rovinka – Dunajská Lužná and Miloslavov – Dunajská Lužná in the Hamuliakovo WWTP catchment).
- Modernisation of the Hamuliakovo WWTP to ensure sufficient capacity covering the needs of land development.
- Modernisation 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, Smrdáky, Senica, Holíč.
- Optimisation of the integrated management system and the central technology dispatching.

The general BVS strategy in the area of modernisation 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 legislation (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.

Strategic BVS constructions that need to be implemented in the medium term – approx. till 2025

Construction name	IN (mil. €)	Construction preparation status	Priority level 1 to 5 (highest priority – level 1)	Rationale – benefit
Dunajská Lužná, Rovinka sewer system bypass	0.450	PD	1	<ul style="list-style-type: none"> It is a condition for a considerable range of connections of development plans in Rovinka and Dunajská Lužná It solves the current problematic operating condition
Dunajská Lužná, Miloslavov sewer system bypass	1.500	štúdia	3	<ul style="list-style-type: none"> It is a condition for a certain range of connections of development plans in Miloslavov It solves the current problematic operating condition
Water supply from the mains to Miloslavov	-	-	3	<ul style="list-style-type: none"> It solves the current problematic operating condition
Záhorská Bystrica, reservoir, inlet a supply mains	2.300	ZD	1	<ul style="list-style-type: none"> It is a condition for a considerable range of connections of development plans in Záhorská Bystrica (Podkerepušky, Dievčí hrádok, Kulháň) It solves the current problematic operating condition
Connection between water management systems, 1st stage, pipe to the D4 bridge over the Danube	13.000	PD	1 (if it was the only opportunity for implementation)	<ul style="list-style-type: none"> It optimises the water supply system of BA and other connected territories It will significantly increase the safety and reliability of water supply, and diversification of resources and water distribution
Connection between water management systems, 2nd stage, pipe bridge D4 – Podunajské Biskupice PP	5.700	study	5	<ul style="list-style-type: none"> It optimises the water supply system of BA and other connected territories It will significantly increase the safety and reliability of water supply, and the diversification of resources and water distribution
Hamuliakovo WWTP, intensification	?	-	3	<ul style="list-style-type: none"> It is a condition for the assumed considerable scope of connections of development plans in Rovinka, Dunajská Lužná, Hamuliakovo, Miloslavov and Kalinkovo
Rohožník - Plavecké Podhradie, connection between water mains	4.925	štúdia	1	<ul style="list-style-type: none"> It solves the variable water balance and acute problems with water quality in the Senica GWSS
Adamová WS, redirection to the Senica GWSS	?	-	1	<ul style="list-style-type: none"> Intensification of the balance solution within the Rohožník – Plavecké Podhradie construction, creation of a connection of water mains

Construction name	IN (mil. €)	Construction preparation status	Priority level 1 to 5 (highest priority – level 1)	Rationale – benefit
BA – Lamačská brána, Veľká Lúka reservoir and water inlet (the construction will be divided to operational low- cost stages)	30.900	-	(related to the above specified item) 3	<ul style="list-style-type: none"> It is a condition of connections of very extensive development plans (Bory Home, Centrop, Pri Rakyte, Slniečny vrch) It optimises the water supply system of the Western Development Pole It will significantly increase the safety and reliability of water supply, and the diversification of resources and water distribution
Bratislava - Water for the Western Development Pole of the DP	0.09	PD	1	<ul style="list-style-type: none"> It is a condition for connections of very extensive development plans (Bory Home, Centrop, Pri Rakyte, Slniečny vrch) It optimises the water supply system of the Western Development Pole It will significantly increase the safety and reliability of water supply, and the diversification of resources and water distribution
BA Rača, completion of the rainwater tank at collector F	3.100	-	1	<ul style="list-style-type: none"> It is a condition for the connection of extensive development plans (Cepit, Nové Vajnory, Nemecká dolina) It optimises the sewer system in the catchment of collector E
BA, sewer system in the catchment of Chemical Wastewater Sewer II – connection to collector E	1.970	-	4	<ul style="list-style-type: none"> It is a condition for the connection of development plans near the airport It prepares a solution for the possibility of creating the sewer system of the extensive development plan for Istrochem It optimises the sewer system It improves the conditions for the operation of the system (the current collector E)
Stupava, Kremenica reservoir	1.527	PD	3	<ul style="list-style-type: none"> It is a condition for a certain extent of the connection of development plans in the location Kremenica It optimises the current (vulnerable) system and improves its operation
Limbach, reservoir, discharge and supply pipe	1.789	CP	4	<ul style="list-style-type: none"> It is a condition for a certain range of the connection of development plans in the 2nd pressure zone of Limbach It optimises the current (vulnerable) system and improves its operation
Bernolákovo, Ivanka pri Dunaji – modernisation and increase of sewer system capacity	0.800	-	1	<ul style="list-style-type: none"> It is a condition for the connection of development plans in Ivanka pri Dunaji and in Bernolákovo

Construction name	IN (mil. €)	Construction preparation status	Priority level 1 to 5 (highest priority – level 1)	Rationale – benefit
Senica - Holíč, Senica - Holíč, water mains connection, 2nd stage, 2nd section of water distribution in 10 municipalities, connection – reservoir Hrebeň – Prietržka crossing	13.379	CP	4	<ul style="list-style-type: none"> • New connections in 10 municipalities • Improvement of operating conditions regarding the supply of water through the Senica – Holíč pipeline
Holíč WIS, complete refurbishment of the structure, stage I	2.400	CP	2	<ul style="list-style-type: none"> • Achieving a good condition of the strategically important facility
Holíč WIS, complete refurbishment of the structure, stage II	1.000	CP	3	<ul style="list-style-type: none"> • Achieving a good condition of the strategically important facility
Kutlíková PP, complete refurbishment of the structure, stage I	2.000	PD	2	<ul style="list-style-type: none"> • Achieving a good condition of the strategically crucial facility
Kutlíková PP, complete refurbishment of the structure, stage II	3.000	PD	3	<ul style="list-style-type: none"> • Achieving a good condition of the strategically crucial facility
Podunajské Biskupice PP, refurbishment and modernisation	2.500	-	2	<ul style="list-style-type: none"> • Achieving a good condition of the strategically crucial facility
Karlova Ves PP – main, refurbishment and modernisation	1.500	-	2	<ul style="list-style-type: none"> • Achieving a good condition of the strategically crucial facility
Sihoť WS, refurbishment and modernisation	1.500	-	2	<ul style="list-style-type: none"> • Achieving a good condition of the strategically crucial facility
Šamorín WS, refurbishment and modernisation	1.000	-	2	<ul style="list-style-type: none"> • Achieving a good condition of the strategically crucial facility
ROL WS, refurbishment and modernisation	1.500	-	2	<ul style="list-style-type: none"> • Achieving a good condition of the strategically crucial facility
Kalinkovo WS, refurbishment and modernisation	1.500	-	2	<ul style="list-style-type: none"> • Achieving a good condition of the strategically crucial facility
Rača – Grinava, water supply mains	?	CP	5	<ul style="list-style-type: none"> • It optimises the water supply system of the eastern region of BA • It will increase the safety and reliability of water supply, and the diversification of water sources and distribution
ČOV Devínska Nová Ves, intenzifikácia a rozšírenie, II. etapa	5.300	-	4	<ul style="list-style-type: none"> • It is a condition for the connection of forward-looking development plans in the area of the Western Development Pole of BA
Stupava, Pajštúnska Vyhieračka, úpravňa vody	0.706	SP	2	<ul style="list-style-type: none"> • It will increase the degree of utilisation of a high-quality local source with the possibility of gravity water supply (electricity savings) • It will improve operation (the current WIS is in unsatisfactory condition – provisional arrangement)



A safe company

Occupational health and safety and continuous improvement of working conditions have been among the main objectives of BVS 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 2021, 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, among other things, 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 as in previous years, to achieve OHS objectives, as well as the tasks and objectives included in the “Safe Company” programme. In 2018, we were the second company in Slovakia to obtain the “Safe Company” certificate for the third time in a row.

On 6th October 2021, the BVS Board of Directors adopted the “Draft Action Plan for the Improvement of Health and Safety in BVS”. Its goal was primarily to strengthen the personnel of the OSH and Fire Protection Department, thereby ensuring in the longer term the efficient and high-quality performance of all activities that the OSH and Fire Protection Department within the BVS carries out and ensures.

Information technologies

The performance of the tasks of the IT department was affected by the COVID-19 pandemic situation throughout 2021. Despite the difficult conditions, the ITD managed to ensure the smooth operation of the company's IT systems and applications, which is a key task of the department.

Despite the restrictions caused by the pandemic across the entire company, the year 2021 brought a lot of new tasks and projects for the ITD. One of the significant projects we had to deal with in the first half of 2021 was the integration of the subsidiary company Infra Services (hereinafter referred to as "INS") into the structure of BVS. In this short period, we implemented the migration of all IT systems of the subsidiary company to the systems of BVS, the connection of its sites to the BVS MPLS network and the integration of INS employees into the BVS structure, including the allocation of IKPaZ resources and the allocation of individual accesses. We also transferred INS HW resources from the rented premises of the data centre to our own in order to achieve cost reduction and economic savings.

Simultaneously with the migration, modifications of and additions to the infrastructure and HW equipment were implemented in 2021 in order to build a second data centre in our own premises, which will contribute to increasing the security and availability of BVS IT systems and will enable the transfer of additional systems from the rental in 2022 and subsequently a further reduction in economic costs.

As part of ensuring the smooth operation of IT systems and applications, this year we gradually renewed the morally and physically outdated HW equipment in the BVS infrastructure, by gradually replacing the core switches and the company's server farm. The modernisation and replacement of IKPaZ devices by the company's employees and the upgrade of the operating systems on devices also continued.

This year, the ITD also worked intensively on the fulfilment of legislative obligations arising from the Cyber Act. One of the main tasks was securing the position of cyber security manager externally, which significantly helped to speed up the introduction of procedures and measures for the purpose of increasing security from the point of view of cyber security. As part of these activities, guidelines were partially updated and expanded in accordance with legislative requirements, network settings and individual approaches were adjusted, and SW protection for the technological network and CTD elements were procured and deployed, as key systems for the provision of basic service and critical infrastructure.

The implementation of all activities in the field of IT security resulted in the successful execution of a cyber security audit at the end of 2021 and the fulfilment of the legislative obligation of the BVS towards the National Security Authority (NBÚ).

In field of applications, the year 2021 was dynamic, whether in the area of INS integration, including its infrastructure and applications, or in the area of the deployment of new applications.

The most important applications deployed in 2021 undoubtedly include the new help desk registration system as the company's basic service tool. This created a unified communication channel and a centralised record of requirements in the area of application support, infrastructure and other information technologies. In addition to transparency and streamlining of work, such records of requirements also ensured the setting of KPI and SLA monitoring.

Other newly deployed applications include Venzeo – an application for obtaining photos directly in the field, for safer sharing and obtaining categorised photos for quality control – the Envita program, which is based on Act No. 79/2015 Coll. on Waste and related implementing regulations of the Ministry of the Interior of the Slovak Republic.



All BVS web sites underwent a redesign – the design of all sites was unified, and individual functionalities were expanded, which enabled better and more extensive use of the environment by users.

In June, after the incorporation of INS, the personnel systems of both companies were merged. The attendance, payroll and personnel systems were unified, the functionality of individual modules was also expanded and selected new modules were also activated. The expansion of the modules ensured the digitisation of the leave entry and approval process. Each employee was given a personalised account where he/she can view his/her attendance and an overview of his/her absences at the workplace (leave, sickness absence, family member attendance allowance).

In the first half of the year, the ordering and approval functionality was definitively transferred to SAP – the business economics system, which made it possible to optimise, make transparent and simplify the approval process. The advantages of the new approval also include the automated control of costs against the approved economic plan and drawn-down contracts, the introduction of electronic signatures and stamps on orders for selected departments. The transfer of the approval process created the conditions for the deployment of the new Memphis registry records, which streamlined and optimised the work at the filing office, offering users a more modern and intuitive work environment. In connection with the transition to the Memphis IS, SAP was expanded to include the functionality of sending tasks and approving payments of compensation payments.

The expansion of the systems reflected not only the changes that occurred in BVS with the incorporation of INS. In the area of SAP, functionalities for processing orders and recording performance, materials used on awarded contracts, the creation of orders for repairs and re-invoicing, the record-keeping of transportation and fuels, and the creation of issue slips for

warehouses were completed; this will help in decision-making processes and other investments in water mains and sewer networks.

The deployment of the new functionality in SAP enabled BVS employees and their close family members to claim, once every three years, a 90% discount on selected items from the Price List of Goods and Services related to the supply of drinking water through public water mains and the disposal of wastewater through a public sewer system.

At the end of the year, preparatory work began with the deployment of MS Office 365, for now for selected groups of executives.

In the area of the geographic information system (GIS), we focused on preparatory work for an upgrade of the system in the scope of an update of the main areas, especially the address register, street graphics as well as on the cleaning of data such as offtake points, levels and forms.

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) and the UK and consists mainly of scientific and research organisations, technology developers and water sector companies.

By implementing all the above-mentioned activities, we, too, the informatics department, wanted to contribute to an increase in the efficiency of the company and its employees, which ultimately leads to a reduction in business costs. By improving existing applications, systems, processes, as well as deploying new modern solutions, we pursue the established goal of building BVS as a modern digital company. We want to continue this trend in the future.



INDEPENDENT AUDITOR'S REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

(prepared in accordance
with the international financial
reporting standards in force in
the European Union)

**For the year ended
31st December 2021**





Správa nezávislého audítora

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

Náš názor

Podľa nášho názoru vyjadruje konsolidovaná účtovná závierka 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 2021, 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 závierka Skupiny obsahuje:

- konsolidovaný výkaz o finančnej situácii k 31. decembru 2021,
- 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 závierke, ktoré obsahujú významné účtovné zásady a účtovné metódy 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 závierky*.

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 „Kódex IESBA“), ako aj v zmysle ustanovení zákona č. 423/2015 o štatutárnom audite a o zmene a doplnení zákona č. 431/2002 Z. z. o účtovníctve v znení neskorších predpisov (ďalej „Zákon o štatutárnom audite“) týkajúcich sa etiky, ktoré sa vzťahujú na náš audit konsolidovanej účtovnej závierky v Slovenskej republike. Splnili sme aj ostatné povinnosti týkajúce sa etiky, ktoré na nás kladie Zákon o štatutárnom audite a Kódex IESBA.

Správa k ostatným informáciám vrátane výročnej správy ku konsolidovanej a individuálnej účtovnej závierke

Štatutárny orgán je zodpovedný za ostatné informácie. Ostatné informácie pozostávajú z výročnej správy ku konsolidovanej a individuálnej účtovnej závierke (ďalej „výročná správa“) (ale neobsahujú konsolidovanú ani individuálnu účtovnú závierku a naše správy audítora k nim).

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

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V súvislosti s našim auditom konsolidovanej účtovnej závierky je našou zodpovednosťou prečítať si ostatné informácie, ktoré sú definované vyššie a pritom zvážiť, či sú tieto ostatné informácie významne nekonzistentné s konsolidovanou účtovnou závierkou 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 závierka pripravená, sú v súlade s konsolidovanou účtovnou závierkou, 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 zistili významné nesprávnosti vo výročnej správe. V tejto súvislosti neexistujú zistenia, ktoré by sme mali uviesť.

Zodpovednosť štatutárneho orgánu za konsolidovanú účtovnú závierku:

Štatutárny orgán je zodpovedný za zostavenie a objektívnu prezentáciu tejto konsolidovanej účtovnej závierky 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 závierky, ktorá neobsahuje významné nesprávnosti, či už v dôsledku podvodu alebo chyby.

Pri zostavovaní konsolidovanej účtovnej závierky 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 závierky za použitia predpokladu pokračovania v činnosti v dohľadnej dobe, ibaže by štatutárny orgán buď mal zámer Skupinu zlikvidovať alebo ukončiť jej činnosť, alebo tak bude musieť urobiť, pretože realisticky inú možnosť nemá.

Zodpovednosť audítora za audit konsolidovanej účtovnej závierky

Naším cieľom je získať primerané uistenie o tom, či konsolidovaná účtovná závierka 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 jednotlivito alebo v úhrne by mohli ovplyvniť ekonomické rozhodnutia používateľov, uskutočnené na základe konsolidovanej účtovnej závierky.

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

- Identifikujeme a posudzujeme riziká výskytu významných nesprávností v konsolidovanej účtovnej závierke, 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 obídanie 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 údajmi 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 našej správe audítora na súvisiace informácie uvedené v konsolidovanej účtovnej závierke 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 závierky, vrátane informácií v nej uvedených, ako aj to, či konsolidovaná účtovná závierka 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 závierku. 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.

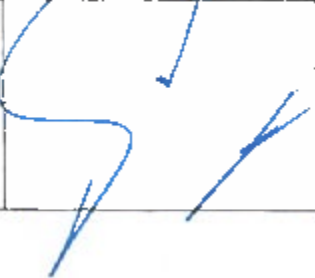



PricewaterhouseCoopers Slovensko, s.r.o.
Licencia SKAU č. 161


Ing. Katarína Šilhárová, FCCA
Licencia UDVA č. 1082

29. apríla 2022
Bratislava, Slovenská republika



**Konsolidovaná účtovná závierka spoločnosti
Bratislavská vodárenská spoločnosť, a.s.
k 31. decembru 2021
zostavená v súlade s Medzinárodnými štandardmi
pre finančné výkazníctvo platnými v Európskej únii**

Deň zostavenia účtovnej závierky	Podpisový záznam členov štatutárneho orgánu účtovnej jednotky	Podpisový záznam osoby zodpovednej za zostavenie účtovnej závierky	Podpisový záznam osoby zodpovednej za vedenie účtovníctva
29.4.2022			

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Bratislavská vodárenská spoločnosť, a.s.

Consolidated statement of financial position as of 31st December 2021 (in whole euros)

	Note	31st December 2021	31st December 2020 (adjusted)
<u>ASSETS</u>			
Non-current assets			
Non-current tangible assets	9	410,028,766	405,190,575
Intangible assets and other assets	10	4,000,083	3,416,510
Joint venture investment	27	0	0
Right-of-use assets	6	8,862,154	11,407,079
Deferred tax assets	11	201,463	1,480,081
Other non-current assets		73,550	1,124,996
		423,166,016	422,619,241
Current assets			
Inventories	8	1,397,080	1,232,252
Trade receivables and other receivables	7	15,735,679	16,501,211
Income tax asset		56,981	31,738
Cash and cash equivalents	5	29,106,055	24,259,545
		46,295,795	42,024,746
Total assets		469,461,811	464,643,987
<u>LIABILITIES AND EQUITY</u>			
Equity			
Share capital	17	281,365,935	281,365,935
Treasury shares	17	-1,927,338	-1,927,338
Legal reserve fund and other funds		5,205,971	30,419,480
Retained earnings		37,874,137	7,490,855
		322,518,705	317,348,932
Non-current liabilities			
Lease liabilities	6	5,839,779	4,654,992
Loans and borrowings	14	68,499,948	69,012,948
Provisions	16	1,117,470	1,096,676
Deferred income	12	39,430,540	38,731,245
Pension liabilities	15	2,399,767	2,100,495
Other non-current liabilities	13	1,068,875	2,437,718
		118,356,379	118,034,074
Short-term payables			
Lease liabilities	6	2,836,691	6,535,254
Trade payables and other payables	13	22,275,011	19,113,755
Deferred income	12	2,961,343	3,097,065
Loans and borrowings	14	513,682	514,907
Income tax liabilities		0	0
		28,586,727	29,260,981
Total equity and liabilities		469,461,811	464,643,987

Bratislavská vodárenská spoločnosť, a.s.

Consolidated statement of comprehensive income for the year ending on 31st December 2021 (in whole euros)

	Note	2021	2020 (adjusted)
Sales revenues	18	97,267,700	91,587,982
Consumption of water, other materials and utilities	19	-14,801,886	-14,325,179
Wages and salaries	20	-32,967,643	-25,738,705
Depreciation, amortisation and changes in provisions for assets	6,9,10	-30,455,741	-21,663,763
Services	21	-18,391,579	-21,819,243
Other operating expenses	22	-1,078,832	-1,896,275
Other operating revenues	22	8,381,957	6,239,455
Net operating expenses		-89,313,726	-79,203,709
Operating profit/loss		7,953,974	12,384,273
Financial income	23	1	39
Financial expenses	23	-564,656	-639,073
Net financial expenses		-564,655	-639,034
Joint venture profit/(loss) share		0	-1,216,266
Remeasurement of the joint venture to fair value during acquisition of control		0	216,002
Profit/(loss) before tax		7,389,319	10,744,976
Income tax	24	-1,534,174	-3,634,192
Profit/loss for the current period		5,855,145	7,710,784
Items that will not be reclassified subsequently into profit or loss			
Actuarial remeasurement of employee benefits	15	-120,187	-547,267
Deferred tax on the actuarial remeasurement of employee benefit obligations	24	25,239	114,926
Other comprehensive income		-94,948	-432,341
Comprehensive income for the current period		5,760,197	6,678,443

Bratislavská vodárenská spoločnosť, a.s.

Consolidated statement of changes in equity for the year ending on 31st December 2021 (in whole euros)

(in whole EUR)	Share capital	Treasury shares	Legal reserve fund	Development fund	Other capital reserves	Retained earnings	Total equity
Balance as of 31 December 2020	281,365,935	-1,927,338	28,068,776	0	2,344,094	857,197	310,708,664
Profit/(loss) for the year	0	0	0	0	0	7,110,784	7,110,784
Other comprehensive profit/(loss) for the year	0	0	0	0	0	-432,341	-432,341
<i>Total comprehensive profit/(loss) for the year</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>6,678,443</i>	<i>6,678,443</i>
Contribution to the reserve fund and development fund	0	0	6,610	0	0	0	6,610
Other	0	0	0	0	0	-44,785	-44,785
Balance as of 31st December 2020 (adjusted)	281,365,935	-1,927,338	28,075,386	0	2,344,094	7,490,855	317,348,932
Profit/(loss) for the year	0	0	0	0	0	5,855,145	5,855,145
Other comprehensive profit/(loss) for the year	0	0	0	0	0	-94,948	-94,948
<i>Total comprehensive profit/(loss) for the year</i>	<i>0</i>	<i>0</i>		<i>0</i>	<i>0</i>	<i>5,760,197</i>	<i>5,760,197</i>
Contribution to the reserve fund and development fund	0	0	263,244	0	0	0	263,244
Contribution to the Social Fund						-252,325	-252,325
Dividends paid out						-1,112,228	-1,112,228
Other – transfer from the reserve fund			25,476,753			25,987,638	510,885
Balance as of 31st December 2021	281,365,935	-1,927,338	2,861,877		2,344,094	37,874,137	322,518,705

Bratislavská vodárenská spoločnosť, a.s.

Consolidated statement of cash flows for the year ending on 31st December 2021 (in whole euros)

	Note	2021	2020
<u>Cash flows from operating activities</u>			
Cash flows from operating activities	25	37,086,387	32,239,792
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	-99,014	-94,016
Tax refunds (+)/Tax paid (-)		-501,800	-1,277,254
Interest paid	23	-409,904	-453,725
<i>of which: Expenditure for the interest part of the lease liability</i>	23	-118,701	-158,369
Interest received	23	0	31
Dividends paid out		-1,112,228	0
Dividends received from the joint venture		0	0
Net cash flows from operating activities		34,963,441	30,414,828
<u>Cash flows from investing activities</u>			
Purchase of non-current tangible assets	9	-25,930,247	-10,381,861
Purchase of non-current intangible assets	10	-679,203	-711,049
Capitalised interest	9	-162,495	-134,777
Proceeds from the sale of non-current assets		1,612,973	515,158
Procurement of the subsidiary, after deduction of the cash and cash equivalents owned by the subsidiary		0	-1,452,937
Net cash flows from investing activities		-25,158,972	-12,165,465
<u>Cash flow from financing activities</u>			
Proceeds from received loans and borrowings	14	0	69,800,375
Repayment of loans and borrowings	14	-514,225	-64,064,407
Expenditure for the repayment of lease liabilities		-4,443,734	-3,975,970
Net cash flows from financing activities		-4,957,959	1,759,998
Net cash flows		4,846,510	20,009,361
Cash and cash equivalents at the beginning of the period	5	24,259,545	4,250,184
Cash and cash equivalents at the end of the period	5	29,106,055	24,259,545

Notes to the consolidated financial statements

1. General information

Description of the company

Bratislavská vodárenská spoločnosť, a.s. (IČO [organisation ID No.]: 35 850 370), was founded in accordance with Privatisation Decision No. 853 issued by the Ministry of Administration and Privatisation 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 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

Neither Bratislavská vodárenská spoločnosť, a.s., nor its subsidiaries have unlimited liability in any other accounting entities.

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 2021 to 31st December 2021 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 <http://www.registeruz.sk> under the IČO [organisation ID number] of Bratislava, the Capital of the Slovak Republic.

The aggregate financial statements of the public sector comprise the balance sheet, the profit 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.

The aggregate financial statements are prepared on the basis of the consolidated financial statements of the central public administration, consolidated financial statements of municipalities, consolidated financial statements of higher territorial units, separate financial statements of municipalities that have not

prepared consolidated financial statements and 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 <http://www.registeruz.sk>, under the IČO of the Ministry of Finance of the Slovak Republic.

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	Ownership interest/voting rights	Ownership relationship	Period
BIONERGY, a. s.	Prešovská 48, Bratislava	100%	subsidiary	1st January – 31st December 2021
Infra Services, a. s.	Hraničná 10, Bratislava	100%	subsidiary	1st January – 31st May 2021

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 subjects of Infra Services, a. s., was 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 elements for the administration of repairs and maintenance of technological elements of water supply and sewer system infrastructure. The company Infra Services, a. s., ceased to exist by a merger with the parent company as of 1st June 2021.

Bratislavská vodárenská spoločnosť, a.s., together with its subsidiaries, is referred to in these consolidated financial statements as the "Group". BVS prepares the consolidated financial statements for all companies in the consolidated group. In 2021, BVS consolidated both subsidiaries using the full consolidation method; Infra Services was consolidated till the day of the end of its existence, on 31st May 2021.

In 2021, the Group had an average recalculated number of 1,111 employees. The number of employees as of 31st December 2021 was 1,174, of which 196 were executives (2020: the average recalculated number of employees was 793, of which 144 were executives).

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 <http://www.registeruz.sk>, under the Company's IČO [organisation ID No.]. The Slovak Act on Accounting (Act of the National Council of the Slovak Republic No. 431/2002 Coll., as amended) requires that the Group prepare consolidated financial statements for the year ending on 31st December 2021 in line with the International Financial Reporting Standards 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 historical 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 2021.

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". Unless stated otherwise, 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 31st December 2020.

Issued standards, interpretations and amendments to standards that the Group applied for the first time in 2021

The following amended standards and interpretations became effective for the Group as of 1st January 2021 but had no significant impact on the Group:

- Covid-19-Related Rent Concessions – Amendment to IFRS 16 (issued on 28 May 2020 and effective for annual periods beginning on or after 1st June 2020).
- 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).
- Amendment to IFRS 4 – Deferral of effective date of IFRS 9 (amendments issued on 25th June 2020 and effective for annual periods beginning on or after 1st January 2023).

Issued standards, interpretations and amendments to standards that are effective after 1st January 2022 and that the Company has not applied prematurely

Certain new already issued standards, interpretations and amendments are mandatory for annual periods beginning on or after 1st January 2022, with the Group not having applied them prematurely:

- IFRS 14 – Regulatory Deferral Accounts (a standard issued on 30st January 2014 and effective for periods beginning on or after 1st January 2016).
- 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).

These Notes are an integral part of the consolidated financial statements.

- IFRS 17 – Insurance Contracts (a standard issued on 18th May 2014 and effective for annual periods beginning on or after 1st January 2021).
- Classification of Liabilities as Current or Non-current – amendments to IAS 1 (issued on 23th 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 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).
- Amendment to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies (issued on 12th February 2021 and effective for annual periods beginning on or after 1st January 2023)
- Amendment to IAS 8 – Definition of accounting estimates (issued on 12th February 2021 and effective for annual periods beginning on or after 1st January 2023)
- Covid-19-Related Rent Concessions – Amendment to IFRS 16 (issued on 31st March 2021 and effective for annual periods beginning on or after 1st April 2021)
- Deferred tax related to assets and liabilities arising from a single transaction – Amendment to IAS 12 (issued on 7st May 2021 and effective for annual periods beginning on or after 1st April 2021).
- Option for insurers applying IFRS 17 – Amendment to IFRS 17 (issued on 9th December 2021 and effective for annual periods beginning on or after 1st January 2023).

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 voting rights holders 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 unrealised gains on transactions between Group companies are eliminated during the consolidation. Unrealised 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.

These Notes are an integral part of the consolidated financial statements.

In 2021, BVS consolidates both subsidiaries using the full consolidation method. Infra Services has been consolidated till 31st May 2021, the date of the end of its existence by the merger.

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 whole numbers without decimal places. 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 recognised 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 at 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 selling 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.

Amortised 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 amortisation 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 amortised debt discount or premium (including possible accrued fees) are not recognised 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 the 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 amortised 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 recognised 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 recognised 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 recognised for financial assets measured at amortised cost, which results in an immediate accounting loss.

Financial assets – classification and subsequent measurement – measurement category

The Group classifies financial assets only in the amortised 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 of (i) and (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 equivalents. The nature of financial assets is short-term, and the contractual cash flows represent principal and interest payments that take into account the time value of money, and therefore the Group recognises them in the amortised 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 prospective 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 amortised cost and for contract assets. The Company measures the ECL and recognises net impairment losses on financial and contract assets on 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 amortised 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 written-off receivables.

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 recognise 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 effectively all benefits and risks associated with the asset.

2.5 Financial liabilities

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

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 recognised 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 a 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 recognised when the financial liability is derecognised.

2.6 Cash and cash equivalents for the purpose of recognising 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 1 year. Otherwise, they are recognised 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 realisable 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 realisable value. Net realisable 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 weighted arithmetic average. 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 recognised 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 recognised 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 capitalised 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 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 recognised as expenses in the period in which they arise. Costs of overhauls are capitalised as a separate component of the related assets and the component being replaced during the overhaul is derecognised.

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

Land is recognised at cost adjusted for provisions for impairment. Land is not depreciated.

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 (%)
Constructions			
- 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
Water meter	12 – 18	straight line	5.56 – 8.33
Vehicles	4 – 6	straight-line	16.67 – 25.0
Low-value non-current tangible assets	varies	straight-line	varies

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 recognised 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 capitalised and the replaced part is derecognised.

The carrying amount of the asset is written down immediately to its recoverable amount if the asset'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 recognised 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 recognised at cost and is acquired in a business acquisition at its fair value on the acquisition date. An intangible asset is recognised 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 recognised at cost. The estimated useful lives of such intangible assets are either finite or indefinite. Assets with a finite useful life are amortised 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 capitalised and the expenditure is recognised as expenses affecting the profit/loss in the year in which the expenditure is incurred. Intangible assets are tested annually for 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 capitalised if there future returns are probable. After initial recognition, assets are carried at cost less any accumulated impairment losses. In the development stage, 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.

Goodwill is recognised upon the purchase or contribution of a business or its part, if the purchase price or the accepted value of the contribution is higher than the fair value of the individual components of the assets and liabilities by which this assets and liabilities are measured in the accounting system of the buyer or the recipient of the contribution. Goodwill is accounted for in a merger and division, if the carrying value of the share of a participating company in another participating company is higher than the fair value of the assets and liabilities attributable to that share, with the carrying value of the share in the case of a merger and division being understood as the value of the share measured at fair value. When accounting for goodwill, it is determined to what extent the economic benefits will increase in the future in connection with the goodwill, and decrease in connection with negative goodwill. If the future increase in economic benefits is likely to be lower than the amount of goodwill recognised in the accounting system, the respective part of the goodwill will be written off when the company or its part is purchased or provided as a contribution. The resulting negative goodwill is written off once.

In the case of a contribution in kind, which is a business or a part of a business (hereinafter referred to as a “business contribution”), an entry is made for the received individual components of assets and liabilities making up the business contribution on the materially relevant accounts at fair value. The difference between the fair value of the individual components of the assets and liabilities that make up the business contribution and the value of the contribution in kind set off against the shareholder’s contribution (hereinafter referred to as the “accepted value of the contribution”) is accounted for, depending on its nature, as goodwill or as negative goodwill.

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), other non-current int. assets	3-20	straight-line	5.0 – 33.33
Goodwill/badwill	1	straight-line	100

Expenses associated with maintaining computer software programs are recognised 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 capitalised 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 resources 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.

Capitalised expenses associated with software development include employee costs and the appropriate portion of overheads. Other development costs that do not meet these criteria are recognised as expenses of the period in which they incurred. Development costs previously recognised as an expense are not recognised as an asset in subsequent periods.

Computer software development costs capitalised as intangible assets are amortised 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, including right-of-use assets, 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 recognised so as to affect 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 recognises each lease as a single lease component.

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

In the year ending 31st December 2021, the Group did not enter into 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, specialised 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 recognises 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 as of 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.

Recognised 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

A 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 realised 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, that was not part of the original terms and conditions of the lease. A modification is recognised as of its effective date.

The Group recognises 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 recognises 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 recognised 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 recognised 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 recognises any remaining amount of the remeasurement in 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 recognised 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 recognises 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 EUR 5,000 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 any 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 recognised 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 which 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 capitalised 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 recognised 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 recognised as other operating revenues during the period in which the expenses are recognised, 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 the 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.

As of 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 recognises at cost.

2.16 Retained earnings

Retained earnings reported in the consolidated financial statements are not funds intended for the payment of dividends. The 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 authorised by the Company's Board of Directors. Distribution of dividends to Company shareholders is recognised as a liability and deducted from equity at the end of the reporting period only if they are 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 recognised 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 recognised in profit or loss, except for cases where it is recognised in other comprehensive income or directly in equity, because the tax relates to transactions that are also recognised 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 realised. The measurement of deferred tax liabilities and deferred tax assets reflects the tax consequences that would follow from the manner of realisation 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 recognised 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 recognises 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 recognised 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 does not affect either accounting or 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 unrecognised deferred tax assets. The Group recognises a previously unrecognised deferred 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 realised.

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 recognised 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 tax authorities; in such case the excise duty is recognised 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 recognised at the fair value of the liability net of transaction costs associated with the borrowing. After initial recognition, they are recognised at amortised cost using the effective interest method. The amortised 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 recognised 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 their use are capitalised as part of the cost of such non-current tangible assets. Capitalisation of interest expenses ends when the asset is ready and available for use. Other interest expenses are recognised 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 recognised 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 23th 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 2021 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 a 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 jobs 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 recognised in other comprehensive income.

Other long-term employee benefits

The Group also pays work and life jubilee remunerations.

Non-current liabilities to employees arising from work jubilees are also recognised 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 recognised immediately in the costs as a net amount in the period when they occur. The work jubilee remuneration 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 recognised 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% (2020: 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% (2020: 13.4%).

These Notes are an integral part of the consolidated financial statements.

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 the 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 recognised 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 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 which 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 liability is increased in each period to reflect the distribution of the discount over time. This increase is recognised 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 they can be reliably estimated. The creation of these provisions generally corresponds in terms of time to

formal plan of action or commitment to dispose or shut down the unused property. The amount recognised 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 recognised when it is probable that the accounting entity will accrue the economic benefits associated with the transaction. Revenues are recognised 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 2021 for all twelve invoicing cycles will be completed during 2022. The Group uses the average consumption measured at individual consumption points for the purpose of estimating the revenue from supplied and uninvoiced drinking water.

Provision of services

Revenues from the sale of services (in particular the so-called "sewer rates" and "precipitation rates") are recognised 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 other 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 recognised 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 capitalised. Capitalisation 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 capitalised 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 recognised in the consolidated financial statements but disclosed in the notes to the consolidated financial statements when it is probable that they will result in economic benefits. Contingent liabilities are not recognised 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.

As of 31st December 2020, the Group adjusted the amount of short-term receivables due to a correction of doubtful accounts for revenues from water, sewer and precipitation rates in the amount of EUR 3.23 million, with a corresponding decrease in the revenues from water, sewer and precipitation rates in the same amount.

The individual lines of the consolidated statement of financial position as of 31 December 2020, 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 2020, have been adjusted as follows:

Consolidated statement of financial position	31st December 2020 (original)	Correction	31st December 2020 (adjusted)
Trade receivables and other receivables	19,733,053	-3,231,842	16,501,211
Retained earnings	10,722,697	-3,231,842	7,490,855
Consolidated statement of comprehensive income	2020 (original)	Correction	2020 (adjusted)
Sales revenue	94,819,824	-3,231,842	91,587,982
Comprehensive income for the current period	13,976,818	-3,231,842	10,744,976
Cash flow from operating activities	2020 (original)	Correction	2020 (adjusted)
Profit for the period before tax	13,976,818	-3,231,842	10,744,976
<i>Changes in working capital</i>			
Decrease (increase) in trade receivables and other receivables	-4,404,884	3,231,842	-1,173,042

These Notes are an integral part of the consolidated financial statements.

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 identifies and assesses the financial risks and proposes 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 a 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 an 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 EUR 703,000. Upon a change of the market interest rate by +1%, the Group's interest expense was EUR 703,000 higher (2020: EUR 678,000 higher).

As of 31st December 2021 and 2020, 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 31 December 2021	as of 31 December 2020
Trade receivables and other receivables (Note 7)	15,735,679	16,501,211
Cash and cash equivalents (Note 5)	29,106,055	24,259,545
Total financial assets	44,841,734	40,760,756

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, comprise trade receivables in particular. An overview of trade receivables and an analysis of their provision are specified in item 7 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 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 31 December 2021

(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)	128,932	384,750	9,634,641	58,865,307	69,013,630
Interest on bank loans	108,119	327,695	1,647,419	3,378,671	5,462,903
Trade payables and other liabilities (Note 13)	21,124,024	1,150,987	1,068,875	0	23,343,886
Lease liabilities including interest (Note 6)	1,178,677	1,764,601	3,549,697	3,163,681	9,656,656
Total financial liabilities under IFRS 7	22,539,752	3,628,033	15,900,632	65,407,659	107,477,075

As of 31 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	69,527,855
Interest on bank loans	109,209	332,026	1,700,192	3,762,711	5,904,138
Trade payables and other liabilities (Note 13)	19,113,755	0	2,437,717	0	21,551,472

Lease liabilities including interest (Note 6)	1,266,052	3,388,940	5,958,914	576,341	11,190,246
Total financial liabilities under IFRS 7	20,619,173	4,105,716	16,974,140	66,474,683	108,173,710

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 2021	Value achieved as of 31st December 2020
Debt service coverage ratio (DSCR)	minimum: 1.2	31.31	6.81
Debt/EBITDA	maximum: 6	2.26	2.51
Equity ratio	minimum: 55%	69.85%	69.78%

3.2 Capital management

The management considers the Group's equity, as reported in these financial statements (as of 31st December 2021: EUR 322,518,706; as of 31st December 2020: EUR 317,348,932), 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 an unfavourable course of 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 agreements, the calculation of covenants is tied to the values presented in the separate financial statements.

3.3 Fair value estimate

The carrying amounts of the financial assets and liabilities are approximately equal to their fair value. 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 decisions

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, among other things, 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 Regulation of the RONI No. 361/2021 Coll. of 6th October 2021 Altering and Supplementing Regulation of the RONI No. 21/2017 Coll. 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, as amended by Regulation No. 204/2017 Coll. of 27th June 2018.

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 provisions of Regulation of the RONI No. 361/2021 Coll. is an update of the current regulatory period, which was extended until 31st December 2022 based on Supplement 1 to the Regulatory Policy for the regulatory period 2017–2021, adopted by the Regulatory Council on 10th November 2020. It also takes into account the changes that resulted from the application practice in the implementation of price regulation in the water industry, which is reflected in the lower administrative complexity of the preparation of documents, with the submission of price proposals and actual data via an electronic mailbox; the formulas for calculating the investment development factor and the utilisation coefficient of the projected capacity for wastewater discharge and treatment are modified and refined, and a definition of the cost change value is added to increase comprehensibility.

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, 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 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 2 April 2020, final price decision No. 0013/2020/V, by which it determined for the company the price valid till 31 December 2021.

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

Final price decision	EUR/m ³ excl. VAT
The maximum price for the treatment of wastewater supplied to the wastewater treatment plant through the public sewer system	0.5526

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 10th August 2020, final price decision No. 0016/2020/V, by which it approved for the Company the prices valid till 31st December 2021.

The final price decision No. 0016/2020/V, by which the RONI determines the prices till 31st December 2021:

Final price decision	EUR/m ³ 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 2021, the company did not have new prices approved by the RONI 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 4th November 2021, in the matter of changing Decision No. 0013/2020/V of 4th February 2020, by which the RONI determined the Company's maximum price for the treatment of wastewater supplied to the wastewater treatment plant through the public sewer system until 31st December 2021, the RONI decided, on its own initiative, that it extends for the Company, by Decision No. 0107/2021/V of 4th November 2021, the validity of the current maximum price of the treatment of wastewater supplied to the wastewater treatment plant through the public sewer system until 31st December 2022.

At the same time, in the matter of changing Decision No. 0016/2020/V of 10th August 2020, by which the RONI determined the Company's maximum price for the production, distribution and supply of drinking water through public water mains and for the drainage and treatment of wastewater through the public sewer system until 31st December 2021, the RONI decided, on its own initiative, that it extends for the Company, by Decision No. 0106/2021/V of 4th November 2021, the validity of the current maximum price for the production, distribution and supply of drinking water through public water mains and for the drainage and treatment of wastewater through the public sewer system until 31st December 2022.

On 28th February 2022, the company received price decision of the RONI No. 0014/2022/V, by which the RONI determined for the Company the prices valid until 31st December 2022 as follows:

Final price decision	EUR/m ³ excl. VAT
The maximum price for the production and supply of drinking water through public water mains	1.0387
The maximum price for the production and distribution of drinking water through public water mains	0.7267

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 EUR 423 million as of 31st December 2021 (as of 31st December 2020: EUR 420 million), 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 "RONI") 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/m³ excl. VAT for the production, distribution and supply of drinking water and 0.10 EUR/m³ 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. (2020: 6.4% p.a.), the estimated future cash flows, 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 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 the development of communication with the RONI, a probability of 60% that this change will be effective from 1st January 2023. For the sake of prudence, the Company retained a 40% 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 approve 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 27 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.

These Notes are an integral part of the consolidated financial statements.

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 2021	as of 31st December 2020
Cash and cash equivalents on hand	547	11,502
Current accounts in banks	16,105,508	24,248,043
Term deposits	13,000,000	0
Total	29,106,055	24,259,545

As of 31st December 2021, 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 placed 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 2021	31st December 2020
Všeobecná úverová banka	Moody's A2	20,913,343	13,924,402
Tatra banka	Moody's A3	2,654,770	5,403,148
Slovenská sporiteľňa	Moody's A2	4,071,009	3,916,281
ČSOB	Moody's A3	1,000,703	1,000,899
UniCredit	Moody's Baa1	465,683	3,313
Total cash and cash equivalents in banks		29,105,508	24,248,043

The overview does not contain the Group's cash and cash equivalents on hand.

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
As of 1st January 2021	5,048,468	3,450,468	2,004,406	903,738	11,407,079
Additions	2,128,94	0	356,153	0	2,484,447
Disposals	-184,694	0	-1,697,496	0	-1,882,190
Other lease modifications	1,348,232	1,538	338,865	-356,649	1,331,987
Reassessments of the lease liability	0	0	0	0	0
Depreciations	-3,601,641	-150,223	-314,698	-412,607	-4,476,169
As of 31st December 2021	4,738,659	3,301,782	687,230	134,483	8,862,154

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

	Vehicles	Land	Buildings and premises	Machinery	Total
As of 1st January 2020	5,391,053	3,610,797	2,717,479	742,397	12,461,726
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
As of 31st December 2020	5,048,468	3,450,468	2,004,406	903,738	11,407,079

Movements in the value of lease liabilities during 2021 are shown in the following table:

(in whole euros)

As of 1st January 2021	11,190,246
Additions	2,484,447
Disposals	-1,887,895
Other lease modifications	1,133,406
Reassessments of the lease liability	0
Interest on the lease liability	118,701
Lease payments	-4,562,435
As of 31st December 2021	8,676,470

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

(in whole euros)

As of 1st January 2020	12,220,846
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
As of 31st December 2020	11,190,246

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 2021 in connection with the leases amounts to EUR 4,542,748.

7. Trade receivables and other receivables

(in whole euros)	as of 31st December 2021	as of 31st December 2020 (adjusted)
Trade receivables	10,253,066	11,071,309
Unbilled revenues	4,347,921	4,524,006
Total trade receivables	14,600,987	15,595,315
Advances and prepaid expenses	713,126	727,633
Tax receivables (mainly resulting from VAT) and subsidies	421,566	178,263
Total other non-financial receivables	1,134,692	905,896
Total trade receivables and other receivables	15,735,679	16,501,211

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

(in whole euros)	2021	2020
As of 1st January	2,671,249	2,422,958
Creation of a provision for receivables		328,808
Release of the provision	-36,752	
Write-off of unenforceable receivables	-181,569	-80,517
As of 31st December	2,452,928	2,671,249

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 receivables overdue for 360 to 1,080 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 EUR 3,253,268, due on 28th February 2022. The borough complied with 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 31 December 2021				As of 31 December 2020 (adjusted)			
	loss %	Gross carrying amount	Expected credit loss (ECL)	Net carrying amount	loss %	Gross carrying amount	Expected credit loss (ECL)	Net carrying amount
Non-overdue	0.01%	10,710,460	1,071	10,709,389	0.01 %	12,309,355	1,554	12,307,801
Overdue:								
- less than 360 days	1.55%	2,357,985	36,549	2,321,436	1.55 %	1,777,759	27,468	1,750,291
- 361-720 days	20%	541,624	98,915	442,709	20 %	1,189,915	240,558	949,357
- 721-1,081 days	50%	984,266	449,772	534,494	50 %	314,664	177,700	136,964
- more than 1,081 days	100%	2,459,580	1,866,621	592,959	100 %	2,674,871	2,223,969	450,902
Trade receivables		17,053,915	2,452,928	14,600,987		18,266,564	2,671,249	15,595,315

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)	Net value as of 31st December 2021	Net value as of 31st December 2020
Material and spare parts	1,397,080	1,232,252
Total inventories	1,397,080	1,232,252

The inventory items are shown after provisions for slow-moving materials and spare parts of EUR 373,203 (2020: EUR 197,149).

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

9. Non-current tangible assets

(in whole euros)	Land, buildings and constructions	Machinery, devices and equipment	Capital construction in progress	Total
As of 1st January 2021 (adjusted)				
Cost	799,217,688	130,941,259	26,182,627	956,341,574
Accumulated depreciation and provisions	-447,815,431	-101,895,088	-1,440,481	-551,150,999
Net book value as of 1st January 2021	351,402,257	29,046,172	24,742,146	405,190,575
Additions	0	0	29,937,292	29,937,291
Capitalised cost of loans and borrowings*	0	0	134,777	134,777
Capitalisation	16,137,900	3,754,464	-19,892,364	0
Asset decreases/disposals	-1,682,234	-392,560	0	-2,074,794
Depreciation	-17,003,945	-7,928,384	0	-24,932,329
Decrease in accumulated depreciation	781,213	1,210,425	0	1,991,638
Change in provisions	23,405	2,157	-243,953	-218,391
Net book value as of 31st December 2021	349,658,595	25,692,273	34,677,898	410,028,766
Cost	813,673,354	134,303,163	36,362,332	984,338,848
Accumulated depreciation and provisions	-464,014,758	-108,610,890	-1,684,434	-574,310,082
Net book value as of 31st December 2021	349,658,595	25,692,273	34,677,898	410,028,766

*The rate applied to the capitalisation of the cost of loans and borrowings was approximately 0.60% p.a. in 2021.

(in whole euros)	Land, buildings and constructions	Machinery, devices and equipment	Capital construction in progress	Total
As of 1st January 2020				
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
Net book value as of 1st January 2020	351,168,320	35,519,517	22,005,792	408,693,629
Additions	0	0	7,881,861	7,881,861
Additions due to acquisition	2,153,428	651,801	145,023	2,950,252
Capitalised cost of loans and borrowings*	0	0	134,777	134,777
Capitalisation	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
Net book value as of 31 Dec. 2020	351,402,257	29,046,171	24,742,146	405,190,575

Bratislavská vodárenská spoločnosť, a.s.

Notes to the consolidated financial statements for the year ending on 31st December 2021 (in whole euros)

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	-551,150,999
Net book value as of 31st December 2020	351,402,257	29,046,172	24,742,146	405,190,575

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

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, a.s., as of 15th July 2020, the day of the purchase of the controlling stake in that company.

These Notes are an integral part of the consolidated financial statements

10. Non-current intangible assets

(in whole euros)	Acquired software	Royalties, other non-current intang. assets	Goodwill	Acquisition of non-current intang. assets in process	Total
As of 1st January 2021					
Cost	6,014,574	3,158,013	1,689,032	61,677	10,923,296
Accumulated amortisation and provisions	-3,346,260	-2,470,512	-1,689,032	-982	-7,506,786
Net book value as of 1st January 2021	2,668,314	687,502	0	60,694	3,416,510
Additions	0	10,744	0	683,366	694,109
Capitalisation	657,230	82,635	0	-739,865	0
Asset decreases/disposals	-67,978	0	0	0	-67,979
Decrease in accumulated amortisation	-440,353	-129,484	0	0	-569,837
Amortisation	405,683	121,596	0	0	527,279
Change in provisions	0	0	0	0	0
Net book value as of 31st December 2021	3,222,896	772,992	0	4,195	4,000,083
Cost	6,603,826	3,251,392	1,689,032	5,177	11,549,427
Accumulated amortisation and provisions	-3,380,930	-2,478,400	-1,689,032	-982	-7,549,344
Net book value as of 31st December 2021	3,222,896	772,992	0	4,195	4,000,083

(in whole euros)	Acquired software	Royalties, other non-current intang. assets	Goodwill	Acquisition of non-current intang. assets in process	Total
As of 1 January 2020					
Cost	5,422,612	2,558,871	0	103,645	8,085,128
Accumulated amortisation and provisions	-3,449,365	-1,950,589	0	-982	-5,400,937
Net book value as of 1 January 2020	1,973,247	608,283	0	102,662	2,684,191
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
Capitalisation	461,411	291,606	0	-753,017	0
Asset disposals	-870,551	0	0	0	-870,551
Decrease in accumulated amortisation	870,551	0	0	0	870,551
Amortisation	-528,017	-473,495	0	0	-1,001,511
Change in provisions	-239,429	-46,429	-1,689,032	0	-1,974,888
Net book value as of 31 December 2020	2,668,314	687,502	0	60,694	3,416,510
Cost	6,014,574	3,158,013	1,689,032	61,677	10,923,296
Accumulated amortisation and provisions	-3,346,260	-2,470,512	-1,689,032	-982	-7,506,786
Net book value as of 31 December 2020	2,668,314	687,502	0	60,694	3,416,510

Non-current intangible assets consist mainly of software used by the Group companies and intangible assets acquired by 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, a. s., 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% (in 2020: a rate of 21%). 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 2021	as of 31st December 2020
Deferred tax liability from assets	-9,574,523	-10,820,075
Deferred tax asset with respect to provisions	947,962	1,053,411
Deferred tax asset with respect to the provision for retirement payments	405,427	313,808
Deferred tax asset with respect to assets (provisions)	10,569,478	13,014,110
Other	-2,146,880	-2,081,174
Total deferred tax liabilities	201,463	1,480,081

Movements in deferred tax on temporary differences were recognised in profit or loss, except for EUR -25,239 (2020: EUR -114,926), which relates to actuarial remeasurements of employee benefit obligations payable after termination of employment, and which was recognised in other comprehensive income.

12. Deferred income

(in whole euros)	2021	2020
Long-term subsidies and contributions		
As of 1 January	38,731,245	41,324,670
Transfer to the short-term part	-3,166,210	-3,097,065
Additions per year	3,865,505	503,640
As of 31st December	39,430,540	38,731,245
Short-term subsidies and contributions		
As of 1 January	3,097,065	3,276,264
Additions per year	181,969	0
Transfer from the long-term part	3,166,210	3,097,065
Use per year through the profit and loss account	-3,483,901	-3,276,264
As of 31st December	2,961,343	3,097,065
Total subsidies and contributions	42,391,883	41,828,310

The Company uses subsidies from the Cohesion Fund (of the European Union) 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, delivery was taken of it and in September 2014 the competent Building Authority issued its consent to putting the WWTP into permanent operation.

The subject was the complete modernisation 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 modernisation 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, after the completion of the 5-year monitoring period, 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. 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 applying a correction, 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.

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, after the completion of the 5-year monitoring period, the company sent the final monitoring report on the fulfilment of indicators (measurable indicators, the final financial analysis of the project) in June 2021. In July 2021, 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 applying a correction, i.e. returning a part of the obtained subsidy under the terms and conditions of the contract.

- 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. The work received final approval for use from the inspector; it was put into trial operation and then into permanent operation.

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, after the completion of the 5-year monitoring period, BVS sent the final monitoring report on the fulfilment of indicators (measurable indicators, the final financial analysis of the project) in June 2021. 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 applying a correction, i.e. returning a part of the obtained subsidy under the terms and conditions of the contract.

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 was co-financed from European Union funds and its objective was to improve the drainage and treatment of municipal wastewater in agglomerations with a population equivalent of over 2,000 in accordance with the commitments of the Slovak Republic towards the European Union.

The actual implementation of the project started on 19 July 2017. The work was completed in January 2019. The WWTP received the final approval for use from the inspector and it 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 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 perform 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 2021	as of 31st December 2020
Trade payables and other liabilities	20,665,581	18,949,503
Unbilled deliveries and doubtful accounts	257,287	441,110
Financial liabilities	20,922,868	19,390,613
Liabilities to employees	1,438,860	1,269,434
Liabilities to the Social Insurance Company	982,158	891,425
Non-financial liabilities	2,421,018	2,160,859
Total trade payables and other liabilities and Other long-term liabilities	23,343,886	21,551,472

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 2021	as of 31st December 2020
Non-overdue liabilities	133,067	601,362
Overdue liabilities	23,210,819	20,950,110
Total trade payables and other liabilities and other long-term liabilities	23,343,886	21,551,472

14. Loans and borrowings

(in whole euros)	2021	2020
Short-term bank loans		
As of 1 January	514,907	63,791,887
Bank loans received	682	274,427
Transfer from the long-term part	513,000	513,000
Principal repayments	-514,907	-64,064,407
As of 31st December	513,682	514,907
Long-term bank loans		
As of 1 January	69,012,948	0
Bank loans received	0	69,525,948
Transfer to the short-term part	-513,000	-513,000
As of 31st December	68,499,948	69,012,948
Total loans and borrowings	69,013,630	69,527,855

In 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 EUR 80 million 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 30st November 2020.

In 2018, BVS entered into an instalment loan contract with Tatra banka, a. s., for the granting of a bank loan worth EUR 5.3 million in total (according to the contract, although EUR 5.16 million 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 23th June 2020, BVS entered into a loan contract with UniCredit Bank Czech Republic and Slovakia, a. s., for the granting of a loan of EUR 10.5 million 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 EUR 59.28 million for the purpose of refinancing loans provided by Tatra banka due on 31st December 2020. The agreed interest rate is 0.59% p.a.; the loan is due on 30th September 2045. The first loan instalment of EUR 689,000 is due on 30 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 EUR 50 million. The Company had not drawn the loan as of 31st December 2021.

15. Liability concerning benefits upon termination

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.

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 0.1442% p.a. (in 2020: 0.1278%) and the expected employee turnover of 10.04% (in 2020: 7.94%).

These Notes are an integral part of the consolidated financial statements

The change in provisions for retirement payments reported in the consolidated statement of financial position for the year ending on 31 December 2021 and the year ending on 31 December 2020 can be summarised as follows:

(in whole euros)	as of 31st December 2021	as of 31st December 2020
Provision for retirement payments as of 1st January	1,396,142	650,862
Net change in the provisions (actuarial estimate), included in other comprehensive income	120,187	547,267
Increase in the provision for retirement from enterprise acquisition	0	198,013
Provision for retirement payments as of 31st December	1,516,329	1,396,142
Provision for work jubilees	433,300	335,854
Social Fund liabilities	450,138	368,499
Total liability concerning liabilities upon termination and other as of 31st December	2,399,767	2,100,495

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 2021	as of 31st December 2020
As of 1st January	368,499	403,922
Creation through expenses, other allocation	490,814	210,735
Drawdown	-409,175	-246,158
As of 31st December	450,138	368,499

16. Long-term provisions

(in whole euros)	As of 1 January	Creation	Use	Cancellation	As of 31 December
Provisions for environmental issues	7,269	0	0	0	7,269
Provisions for litigations	1,089,407	69,490	16,880	31,816	1,110,201
Total for 2021	1,096,676	69,490	16,880	31,816	1,117,470
Provisions for environmental issues	7,269	0	0	0	7,269
Provisions for litigations	1,089,407	58,781	111,909	245,936	1,089,407
Total for 2020	1,395,740	58,781	111,909	245,936	1,096,676

(i) Provisions for environmental issues

As of 31st December 2021, the provision amounted to EUR 7,269 (31st December 2020: EUR 7,269).

(ii) Litigations

The provision for passive litigations totalling EUR 1,110,201 (2020: EUR 1,089,407) 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 compensations for damage cause by operating activities, compensation of a non-proprietary loss, compensation for unjust enrichment and bills of exchange. The Group expects the litigations to be ended in the 2022–2024 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 27 of the Notes.

17. Share capital

As of 31st December 2021 and 2020, the share capital of the Company consisted of 8,477,431 ordinary book-entry shares with a face value of EUR 33.19 each, which were fully paid up. As of 31st December 2021, the company held 714,771 treasury shares (2020: 714,771) at a cost of EUR 1,927,338. Laws do not restrict the holding of such shares in any manner. Other shareholders hold 7,762,660 shares. In 2021, the Company paid shareholders dividends from profit of EUR 1,213,609 (in 2020: EUR 0), of which the Company's share in treasury share dividends is EUR 102,325. The dividend paid per share in 2021 is equal to EUR 0.14 (2020: EUR 0).

18. Revenues

(in whole euros)	2021	2020 (adjusted)
Water rates	46,740,364	44,260,952
Sewer rates and precipitation rates	47,716,189	45,482,995
Goods sales revenues	12,326	0
Lease revenues	109,386	112,893
Sales revenues from wastewater treatment	739,113	445,739
Sales revenues from the installation of connections to the water mains and sewer network and the installation of water meters	626,567	310,784
Engineering activities and opinion stating activities	490,210	367,347
Job-order production	413,767	550,403
Other revenues	419,778	56,869
Total revenues	97,267,700	91,587,982

19. Cost of the water, material and energy consumption

(in whole euros)	2021	2020
Underground water extraction	2,111,515	2,090,389
Consumption of other material	4,229,111	3,535,450
Energy consumption (electricity, gas, heat)	6,516,313	6,792,845
Consumption of other non-inventory items	1,757,687	1,709,346
Goods sold	11,206	0
Provision for inventories (material)	176,054	197,149
Total cost of water, material and energy consumption	14,801,886	14,325,179

20. Wages and salaries

(in whole euros)	2021	2020
Wages and salaries (including remuneration for members of "statutory bodies")	22,585,240	17,231,556
Pension funds contributions	3,061,173	2,390,649
Other social security contributions and social expenses	7,321,230	6,116,500
Total wages and salaries	32,967,643	25,738,705

21. Services

(in whole euros)	2021	2020
Repairs and asset maintenance	3,774,123	8,401,776
IT expenses	3,028,479	3,235,243
Security service	1,872,750	1,601,410
Sludge disposal, waste collection	1,754,645	1,330,883
Surface finishing works	1,021,000	751,433
Road signs	227,992	103,237
Revisions and diagnostics, water meter verification	546,479	741,766
Inventory of hydraulic structures	469,812	81,921
Winter and summer maintenance	457,116	396,513
Legal services	584,472	650,152
Audit and advice	896,912	629,722
Postage, hybrid mail	775,772	861,929
Telecommunication services	447,363	438,471
Cleaning, washing	357,042	114,964
Replacements and readings of water meters, installation of connections and water meters	436,905	1,536,718
Specialised transport	109,354	468,594
Regime monitoring	136,469	136,469
Marketing	136,415	101,652
Debt recovery	111,374	89,799
Short-term lease expenses	15,032	10,312
Variable lease payments expenses	57,544	18,800
Low-value asset lease expenses	26,438	64,904
Test and analysis of water samples	40,755	32,223
Catering cards issuance fee	74,339	0
Other	1,032,997	20,352
Total services	18,391,579	21,819,243

These Notes are an integral part of the consolidated financial statements

22. Other operating expenses and revenues

(in whole euros)	2021	2020
Taxes and fees	980,156	397,932
Property insurance, organisation liability insurance, vehicle insurance	371,769	341,492
Net book value of sold non-current assets and material	305,966	24,158
Settlement of the previous relationship with the joint venture	0	2,039,175
Creation and clearing of provisions for receivables impairment	-261,447	260,941
Creation and clearing of provisions	-872,779	-687,117
Other expenses	555,167	-480,306
Total other operating expenses	1,078,832	1,896,275
Gains from the sale of non-current assets and material	1,613,626	515,158
Contractual fines and penalties, other fines	531,491	448,308
Release of subsidies and gifts to income	3,260,343	3,303,707
Capitalisation of own work to investments	1,230,799	574,673
Damages	812,563	235,121
ZSE CHPU additional distribution payments	225,048	654,114
Other revenues	708,087	508,375
Total other operating revenue	8,381,957	6,239,455

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

23. Financial income and expenses

(in whole euros)	2021	2020
Interest income	0	31
Gains on foreign exchange	1	8
Total financial income	1	39
Interest expenses	409,904	453,725
<i>of which: Lease liability interest</i>	<i>118,701</i>	<i>158,369</i>
Losses on foreign exchange	46	197
Other financial expenses	154,706	185,151
Total financial expenses	564,656	639,073

24. Income tax

(in whole euros)	2021	2020
Current income tax	140,225	468,247
Change in the deferred tax	1,393,949	3,165,945
Total income tax	1,534,174	3,634,192

The standard income tax rate applied for 2021 was 21% (2020: 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)	2021	2020 (adjusted)
Profit/(loss) before tax	7,389,319	10,744,976
Theoretical tax expense at the applied 21% tax rate	1,551,757	2,256,445
Expenses unrecognisable for tax purposes/untaxed expenses to which a deferred tax has not been posted	235,271	539,970
Other	-252,854	783,777
Income tax expense for the reporting period	1,534,174	3,634,192

25. Cash flows from operating activities

(in whole euros)		2021	2020 (adjusted)
Profit for the period before tax		7,389,319	10,744,976
adjusted for:			
<i>Non-cash expenses and income</i>			
Depreciation of non-current tangible and intangible assets	9,10	30,312,903	30,413,351
Write-off of receivables		181,569	80,517
Increase (decrease) in provisions for receivables	7	-261,447	248,291
Increase (decrease) in provisions for non-current assets	9,10	142,838	-9,078,350
Increase (decrease) in provisions for inventories	8	176,054	197,149
Increase (decrease) in provisions for liabilities	16	20,794	-562,709
Loss (profit) from the sale of long-term tangible assets		-1,307,007	-294,615
Loss (profit) from the disposal of leases and other lease expenses, including leases of low-value assets		0	428,463
Loss (profit) from the settlement of relationships with the purchased subsidiary		0	2,039,175
Change in deferred income	12	-2,718,078	-2,772,624
Release of accruals and deferrals (donations) to the profit		-505,019	0
Net interest expense	23	409,904	453,694
Joint venture loss (profit) share		0	1,216,266
Remeasurement of the joint venture to fair value during control acquisition		0	-216,002
Changes in working capital			
Decrease (increase) in inventories	8	-164,828	115,891
Decrease (increase) in trade receivables and other receivables	7	2,280,355	-1,173,042
Increase (decrease) in trade payables and other liabilities	13	1,129,030	399,361
Total		37,086,387	32,239,792

These Notes are an integral part of the consolidated financial statements

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 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 2021 amounts to EUR 495,953 (as of 31st December 2020: EUR 681,053). The severance pay to BVS management paid in 2021 amounts to EUR 0 (in 2020: EUR 0). No other significant payments or benefits were provided to key management. Remuneration as well as wages and salaries are included in personnel costs.

In 2021, 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 2020: the same).

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 Parliament 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 EUR 0.0332 per m³ for water taken from underground sources and pursuant to 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 2021, the Company paid advance payments for fees for water taken from underground sources in the amount of EUR 2,090,389 (in 2020: EUR 2,104,802) 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 EUR 2,111,515.

In 2021, the Company paid advances for fees of EUR 30,895 (in 2020: EUR 216,265) for the discharge of wastewater into surface waters) by virtue of a Decision issued by the SLOVENSKÝ VODOHOSPODÁRSKY PODNIK, štátny podnik. The company expects that the amount of EUR 29,442 will be refunded to it, because the indicators of wastewater discharged at one of the WWTP being monitored exceeded the concentration and balance limits for the imposition of charges.

(iii) Litigations

The Company is currently involved in several passive litigations. The outcome of these litigations can 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 no full provision has been created, only a provision equal to the amount which the Company expects to be obliged to pay:

- claimant: Tulla Enterprises Ltd., principal claimed: EUR 3.817 million,
- claimant: Brno Trust, a. s., principal claimed: EUR 3.817 million,
- claimant: Blockchain SK, s. r. o., the claimed principal with accessions thereof is EUR 810,000,
- claimant: BLUECUBE s. r. o., the claimed principal with accessions thereof is EUR 6.48 million,
- claimant: B. Lauko, the claimed principal with accessions thereof is EUR 3.20 million.

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 EUR 161,000; for the accounting period 2019 a loss after tax of EUR 554,000; for the accounting period 2018 a profit after tax of EUR 1,612,000. 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 EUR 10,000 and EUR 1,000,000. 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 votes 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 to 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.

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
Total value transferred for the acquisition of the business	3,645,566

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 recognised in profit or loss upon acquisition of control as follows:

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
Profit recognised from the previously owned interest in the business being acquired	-216,002

Acquisition-related transaction expenses of EUR 125,898 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 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 15 July 2020 (the acquisition date).

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

Bratislavská vodárenská spoločnosť, a.s.

Notes to the consolidated financial statements for the year ending on 31st December 2021 (in whole euros)

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
Difference in fair values of assets and liabilities	1,956,534
Goodwill (negative goodwill) from the acquisition (item 10 of the Notes)	1,689,032
Total value transferred for the acquisition of the business	3,645,566
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
Outflow of cash and cash equivalents during acquisition	1,452,937

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 and 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.

These Notes are an integral part of the consolidated financial statements

29. Events after the balance sheet date

Except for the information stated below, there were no significant events requiring disclosure or an adjustment of the statements.

After the end of 2021, there was an escalation of political tension in the region, which resulted in a war between the Russian Federation and Ukraine and significantly affected global events, negatively affecting commodity prices and financial markets and contributing to increased volatility in the business environment. The situation remains very unstable and one can expect the impact of imposed sanctions, the limitation of the activities of companies operating in the given region, as well as the consequences for the overall economic environment, primarily the limitation of supply and customer chains. Even though the extent of the consequences of these events on the Group at a given moment cannot be fully predicted, the Group has not currently identified significant negative impacts on its operation and is convinced that it does not lead to significant uncertainty in the going concern assumption for the Group.

BVS statements for the last 5 years

BALANCE SHEET

BALANCE SHEET	2021	2020	2019	2018	2017
	(ths. €)	(ths. €)	(ths. €)	(ths. €)	(ths. €)
TOTAL ASSETS	458,540	460,636	523,029	541,404	544,108
Non-current assets	403,855	413,468	501,704	514,721	516,307
Non-current intangible assets	3,979	2,603	3,086	3,553	2,799
Non-current tangible assets	382,112	374,462	442,471	455,020	457,361
Non-current financial assets	17,763	36,404	56,147	56,147	56,147
<i>Shares and ownership interests in affiliated entities</i>	17,757	36,397	56,141	56,141	56,141
Current assets	49,594	38,960	16,791	21,190	27,312
Inventories	1,309	286	206	680	516
Long-term receivables	9,706	10,875	335	574	0
Current receivables	11,100	11,103	11,535	13,808	15,974
Current financial assets	1,927	1,927	1,927	1,927	1,927
Financial accounts	25,553	14,769	2,788	4,201	8,894
Accruals and deferrals	5,090	8,207	4,534	5,493	489
TOTAL EQUITY AND LIABILITIES	458,540	460,636	523,029	541,404	544,108
Equity	320,295	321,423	383,479	387,865	387,702
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	2,191	27,404	32,988	32,902	32,853
Other revenue reserves	0	0	33,650	33,253	33,253
Revaluation differences	30,835	34,159	34,159	34,159	34,159

Retained earnings	-3,232	-26,482	1,952	3,232	3,232
Profit/loss for the period	6,791	2,632	-2,981	608	495
Liabilities	95,849	97,513	94,950	110,331	111,769
Legal provisions	713	456	548	452	395
Other long-term and short-term provisions	6,445	5,956	5,481	3,614	4,660
Non-current liabilities	1,159	1,358	7,968	9,034	10,883
Current liabilities	18,519	20,215	17,162	30,071	23,042
Bank loans and financial assistance	69,014	69,528	63,792	67,160	72,789
<i>Long-term bank loans</i>	<i>68,500</i>	<i>69,013</i>	<i>0</i>	<i>62,657</i>	<i>62,000</i>
<i>Current bank loans and short-term financial assistance</i>	<i>514</i>	<i>515</i>	<i>63,792</i>	<i>4,502</i>	<i>10,789</i>
Accruals and deferrals	42,395	41,699	44,601	43,208	44,637

Profit and loss statement

PROFIT AND LOSS STATEMENT	2021	2020	2019	2018	2017
	(ths. €)	(ths. €)	(ths. €)	(ths. €)	(ths. €)
Net turnover	103,177	99,602	96,400	95,546	94,280
Operating revenues	104,791	100,114	96,404	95,626	94,300
Revenues from goods sold	12	0	0	0	0
Revenues from own products sold	46,742	46,152	43,814	43,860	43,314
Revenues from services sold	50,312	48,859	47,754	47,789	47,100
Change in internal inventories	0	0	-512	0	0
Capitalisation	1,231	575	582	550	768
Revenues from the sale of non-current assets and material	1,614	512	4	80	22
Other operating revenues	4,880	4,016	4,761	3,347	3,096
Operating expenses	95,848	96,535	100,413	95,500	93,954
Cost of goods sold	11	0	0	0	0
Cost of material, energy and other non-inventory items	13,850	13,153	13,742	13,077	13,088
Provisions for inventories	176	0	0	0	0
Services	28,689	34,887	37,322	40,432	39,796
Personnel expenses	28,855	22,036	20,193	18,994	17,947

Taxes and fees	947	362	299	94	461
Depreciation, amortisation and provisions for non-current intangible assets and non-current tangible assets	23,332	25,467	25,537	24,613	23,682
Net book value of non-current assets sold and material sold	306	24	0	39	441
Provisions for receivables	-255	275	-382	-762	-980
Other operating expenses	-63	330	3,702	-987	518
Operating profit/loss	8,942	3,579	-4,008	126	346
Value added	55,571	47,546	40,575	38,690	39,297
Income from financing activities	0	0	932	1,177	1,014
Expenses for financing activities	605	-53	581	609	787
Profit/loss from financing activities	-605	53	169	568	227
Profit/loss for the period before tax	8,337	3,632	-3,658	694	573
Current income tax	323	3	3	1	3
Deferred income tax	1,223	997	-681	85	75
Profit/loss for the period after tax	6,791	2,632	-2,981	608	495

Statement of cash flows

	Item name	Accounting period				
		2021 (ths. €)	2020 (ths. €)	2019 (ths. €)	2018 (ths. €)	2017 (ths. €)
Cash flows from operating activities (OA)						
P/L	Profit/loss from ordinary activities before income tax (+/-)	8,337	3,632	-3,658	694	573
A.1	Non-cash transactions effecting the profit/loss from ordinary activities before income tax (+/-)	18,873	42,596	25,313	22,118	21,372
A.1.1	Depreciation and amortisation of intangible and non-current tangible assets (+)	23,133	24,588	25,411	24,450	24,637
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
A.1.3	Write-off of the provision for acquired assets (+/-)	-	-	-	-	-
A.1.4	Change in provisions for liabilities (+/-)	213	384	1,963	-988	-1,359
A.1.5	Change in provisions for assets (+/-)	120	82,369	-262	-601	-2,050
A.1.6	Dividends and other profit sharing charged to revenues (-)	-	-	-931	-1,177	-1,013

A.1.7	Interest expense (+)	451	430	412	477	717
A.1.8	Interest income (-)	-	-	-	-	-1
A.1.9	Gain/loss on the sale of non-current assets except for assets considered cash equivalents (+/-)	-1,307	-488	-4	-44	419
A.1.10	Other items of non-cash nature (+/-)	-3,737	-64,688	-1,280	-	22
A.2	Effect of changes in working capital on the profit/loss from ordinary activities		-21,596	-7,431	565	-959
A.2.1	Change in receivables and accruals and deferrals from operating activities (-/+)	3,715	-3,095	3,425	-2,116	-279
A.2.2	Change in payables and accruals and deferrals from operating activities (+/-)	-813	-18,422	-11,330	2,885	-679
A.2.3	Change in inventories (-/+)	-90	-79	474	-165	-1
A.2.4	Change in current financial assets except for those included in cash and cash equivalents (-/+)	-	-	-	-	-
A.2.5	Other	-	-	-	-	-
*	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)	30,023	24,632	14,224	23,377	20,986
A.3	Interest received (+)	-	-	-	-	1
A.4	Interest paid (-)	-451	-430	-412	-477	-717
A.5	Dividends and other profit sharing received (+)	-	-	931	1,177	1,013
A.6	Dividends and other profit sharing paid (-)	-1,112	-	-271	-	-
A.7	Income tax paid (-/+)	-258	1	-1	9	366
A.8	Other	6,859				
A	Net cash flow from operating activities	35,061	24,203	14,471	24,086	21,649

Cash flows from investment activities (IA)						
B.1.1	Expenditures for the acquisition of non-current tangible and intangible assets (-)	-25,376	-18,446	-12,520	-23,150	-23,433
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 (+)	1,613	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	Net cash flow from investing activities	-23,763	-17,958	-12,516	-23,150	-23,433

Cash flows from financing activities (FA)						
C.1	Cash flows in equity	-	-	-	-	-
C.2	Cash flows arising from long-term and current liabilities from financing activities	-514	5,736	-3,368	-5,629	-6,785
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 (-)	-514	-64,046	-4,502	-10,786	-6,785
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.2.8	Proceeds from other long-term and current liabilities resulting from financing activities of the entity (+)	-	-	-	-	-
C.2.9	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	-	-	-	-	-
C	Net cash flow from financing activities	-514	5,736	-3,368	-5,629	-6,785
D	Net increase or net decrease in cash and cash equivalents (+/-) (sum A + B + C)	10,783	11,981	-1,413	-4,693	-8,569
E	Cash and cash equivalents at the beginning of the reporting period	14,769	2,788	4,201	8,894	17,463
F	FX-rate gains/losses for cash and cash equivalents as of the reporting day (+/-)	-	-	-	-	-
G	Cash and cash equivalents balance at the end of the reporting period (sum D + E + F)	25,552	14,769	2,788	4,201	8,894

Overview of changes in shares for the years 2017 to 2021

No.	shareholder	as of 31st December 2017				as of 31st December 2018			
		additions	disposals	number of shares	%	additions	disposals	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
19	Municipality of Častá			22,617	0.27			5,078	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

as of 31st December 2019				as of 31st December 2020				as of 31st December 2021			
additions	disposals	number of shares	%	additions	disposals	number of shares	%	additions	disposals	number of shares	%
		714,771	8.43			714,771	8.43			714,771	8.43
		5,026,138	59.29			5,026,138	59.29			5,026,138	59.29
		733,012	8.65			733,012	8.65			733,012	8.65
		245,495	2.90			245,495	2.90			245,495	2.90
		211,013	2.49			211,013	2.49			211,013	2.49
		169,240	1.99			169,240	1.99			169,240	1.99
		96,030	1.13			96,030	1.13			96,030	1.13
		88,648	1.05			88,648	1.05			88,648	1.05
		50,211	0.59			50,211	0.59			50,211	0.59
		50,638	0.60			50,638	0.60			50,638	0.60
		15,494	0.18			15,494	0.18			15,494	0.18
		4,427	0.05			4,427	0.05			4,427	0.05
		4,741	0.06			4,741	0.06			4,741	0.06
		17,685	0.21			17,685	0.21			17,685	0.21
		11,168	0.13			11,168	0.13			11,168	0.13
		21,920	0.26			21,920	0.26			21,920	0.26
		5,078	0.06			5,078	0.06			5,078	0.06
		14,449	0.17			14,449	0.17			14,449	0.17
		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			10,910	0.13			10,910	0.13
		13,314	0.16			13,314	0.16			13,314	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			5,349	0.06
		3,910	0.05			3,910	0.05			3,910	0.05
		2,562	0.03			2,562	0.03			2,562	0.03
		17,213	0.20			17,213	0.20			17,213	0.20
		6,180	0.07			6,180	0.07			6,180	0.07
		52,436	0.62			52,436	0.62			52,436	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	0.14
		15,134	0.18			15,134	0.18			15,134	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

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
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 Mokrý 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 Poriadie	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
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
Total		8,477,431	100.00	8,477,431	100.00

	19,381	0.23		19,381	0.23		19,381	0.23
	15,527	0.18		15,527	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	0.14
	29,774	0.35		29,774	0.35		29,774	0.35
	11,505	0.14		11,505	0.14		11,505	0.14
	14,303	0.17		14,303	0.17		14,303	0.17
	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		6,584	0.08
	17,190	0.20		17,190	0.20		17,190	0.20
	18,482	0.22		18,482	0.22		18,482	0.22
	8,539	0.10		8,539	0.10		8,539	0.10
	2,764	0.03		2,764	0.03		2,764	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		4,798	0.06
	9,797	0.12		9,797	0.12		9,797	0.12
	13,943	0.16		13,943	0.16		13,943	0.16
	470	0.01		470	0.01		470	0.01
	4,303	0.05		4,303	0.05		4,303	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		17,741	0.21
	6,483	0.08		6,483	0.08		6,483	0.08
	46,234	0.55		46,234	0.55		46,234	0.55
	3,854	0.05		3,854	0.05		3,854	0.05
	22,640	0.26		22,640	0.26		22,640	0.26
	3,427	0.04		3,427	0.04		3,427	0.04
	38,167	0.45		38,167	0.45		38,167	0.45
	16,359	0.19		16,359	0.19		16,359	0.19
	10,146	0.12		10,146	0.12		10,146	0.12
	14,696	0.17		14,696	0.17		14,696	0.17
	4,191	0.05		4,191	0.05		4,191	0.05
	20,527	0.24		20,527	0.24		20,527	0.24
	17,348	0.20		17,348	0.20		17,348	0.20
	8,359	0.10		8,359	0.10		8,359	0.10
	28,909	0.34		28,909	0.34		28,909	0.34
	34,392	0.41		34,392	0.41		34,392	0.41
	8,477,431	100.00		8,477,431	100.00		8,477,431	100.00



**BRATISLAVSKÁ
VODÁRENSKÁ
SPOLOČNOSŤ**

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