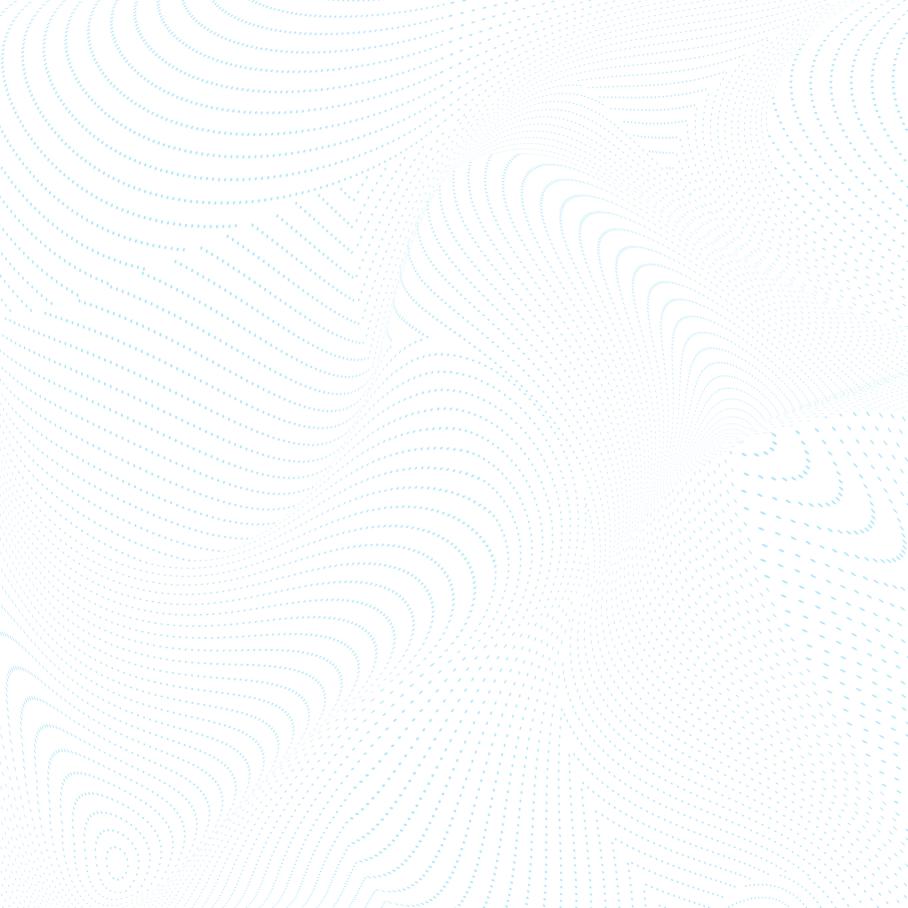
Annual Report 2017

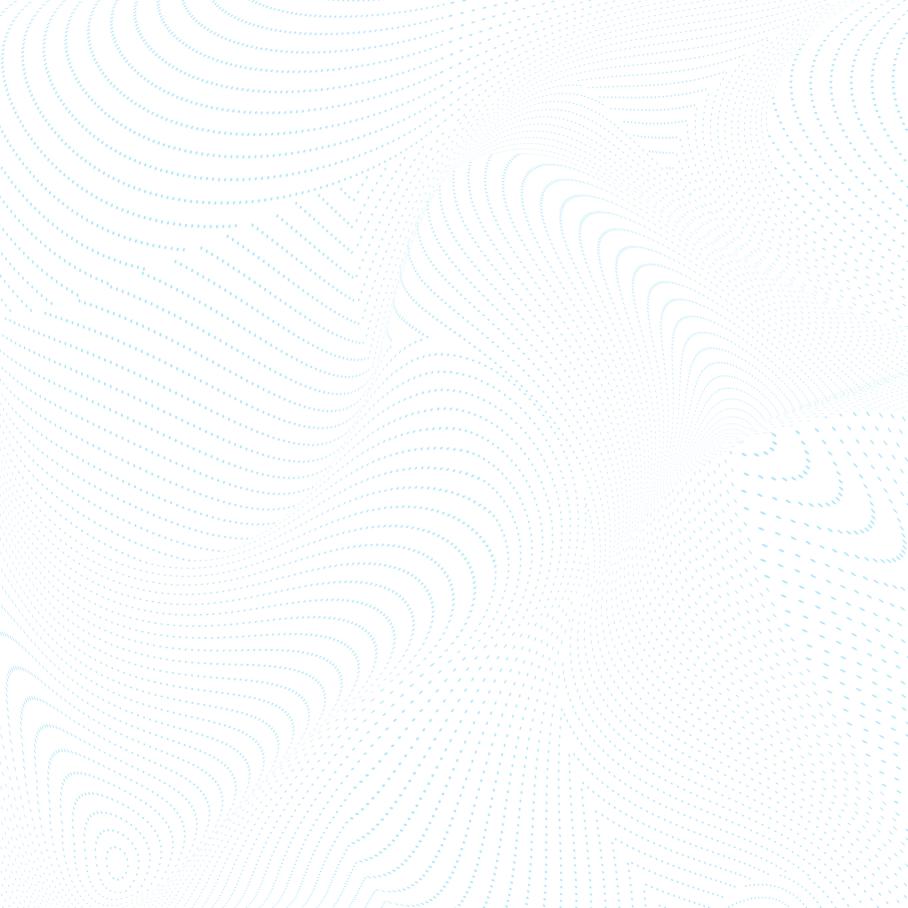




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INTRODUCTION FROM THE CHIEF **EXECUTIVE OFFICER** AIMS AND GOALS FOR 2018 CORPORATE PROFILE CORPORATE BODIES **EXECUTIVE MANAGEMENT** OUR MISSION, VISION AND VALUES

## INTRODUCTION FROM THE CHIEF EXECUTIVE OFFICER



## Dear Shareholders, Colleagues, Ladies and Gentlemen,

I am pleased to inform you that 2017 was a successful year. We finished several investment projects, we faced new opportunities in the research and innovations, the voluntary fire brigade obtained new equipment from the Ministry of Interior and our education project "Blue School"

- Water for Future" became the laureate of Visio 2020 Prize. Just like in the previous years, I can state that the quality of drinking water supplied by us has not changed - it is still one of the best quality water in the Central Europe. I must accentuate this fact in the context that last year we faced many unflattering news due to the chemical landfill in Vrakuňa.

In the beginning of 2017 we dealt with introducing the two-component price based on the Decree of the Regulatory Office for Network Industries. Our company managed to prepare for the significant change, which, however, was "cancelled" after having been introduced. I take this opportunity to thank all employees for working hard on the preparation for the change. In 2017 we made

an accommodating step towards all customers who were illegally connected to the public sewage system. The general pardon was a real success and we had to extend the office hours of our Customer Centres. The year of 2017 was also successful in terms of our core activities – we produced 63 mil. m³ of drinking water. When compared to 2016 the quantity of produced drinking water grew by 1.5 mil. m³. As concerns the economic indicators of the group, all three companies achieved positive economic results – BVS in the amount of € 494,869, BIONERGY of € 330,076 and Infra Services of € 1,869,527. In the ranking of the most investing enterprises in the energy and water sector, BVS ranked ninth.

In 2017 we invested more than € 22 mil. into reconstruction, construction and extension of the infrastructure. We completed the works on the water supply pipeline Rača – Grinava, water treatment plant in Stupava and water pipelines Bernolákovo – Senec and Píla – Červený Kameň. We remediated the facilities in Ivanka pri Dunaji and Koziarka, the pipelines in Sološnica and the pipeline in one street at Most pri Bratislave. We also completed the reconstruction of the pumping station and transformer station at Sihoť island and built a sewer collector in Záhorská Bystrica. In addition to our own investments, we were also successful beneficiaries of the EU funds. Subsequent to the modernisation projects of the two largest wastewater treatment plants in Slovakia in Vrakuňa and Petržalka and reconstruction of the treatment plant in Modra, we continued in the reconstruction and modernisation projects of WWTP Rohožník that

commenced in July 2017.

We also dealt with the information technologies. We implemented new core IT system to manage the business sources and to make the business processes more efficient, use information and provide customer services. We made achievements in the areas of research. applied development and innovations. The Ministry of Education, Science and Research SR gave us the certificate of competency to perform research and development. Bratislavská vodárenská spoločnosť thus can engage in the activities in the fields of natural and technical sciences. This provides us with the opportunities to prepare the national projects, engage in partnerships at international level, continue in developing cooperation with the academic sector at both the national and international level. We signed the Agreement on Professional, Scientific and Technological Cooperation with the Water Research Institute. We will jointly tackle the issues of safety, analysis of subsurface waters or applied research concerning drinking water supplies and treatment of wastewater.

We continued in developing the activities of the educational program "Blue School – Water for Future". The fact that the program has been successful for nine years is supported by the growing number of interested students. The students of vocational schools from the study programs plumber and electrical technician were provided with the opportunities to perform internship at our workplaces. BVS Foundation supported several interesting projects; moreover, the

Foundation managed to engage our employees into the community activities, to whom we are grateful. At the end of the year, the statue of a world-known inventor and technician Johann Wolfgang Kempelen was installed in BVS Waterworks Museum Garden, who in the 18th century sought to increase safety in mines and developed a number of unique water-related technical structures.

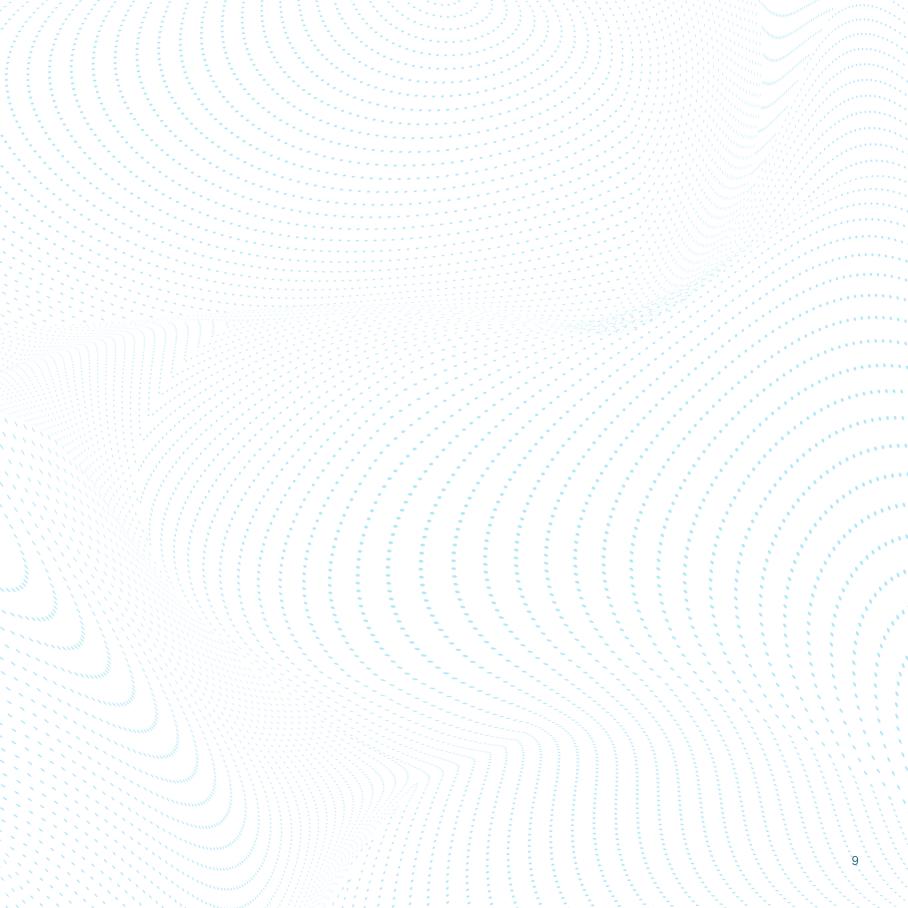
The credit for all the aforementioned achievements goes to all employees of Bratislavská vodárenská spoločnosť, to whom I want to thank for the success of our company in 2017.

Ing. Zsolt Lukáč, PhD., EMBA CEO

## AIMS AND GOALS FOR 2018

Also in 2018 our priority is to satisfy all our customers by continuous and smooth supply of drinking water and disposal of wastewater. This closely relates to the condition of the entire infrastructure, which must be maintained fit for use. We intend to keep modernising the infrastructure and to gradually achieve the capacities that will meet

the ever-increasing development in our catchment area. Therefore, we use the efforts to modernise other wastewater treatment plants, to construct new water supply lines or the connection of other municipalities into the existing sewage system.



## COMPANY PROFILE

#### Company Identification:

Business Name: Bratislavská vodárenská spoločnosť, a.s.

Registered Office: Prešovská 48, 826 46 Bratislava

Company Registration No.: 35 850 370 VAT Registration No.: SK2020263432

**VAT No.:** 2020263432

**Date of Incorporation:** 7 January 2003 **Legal Form:** Joint-stock company

#### Scope of Business:

- Operation of category 1, 2 and 3 public water mains
- Operation of category 1, 2 and 3 public sewer systems
- Physical-chemical, biological and microbiological analysis of surface water, drinking water and wastewater in the scope of unqualified trade
- Disposal of materials other than dangerous waste.
- Engineering activities in the building industry procurement activities in the building industry
- Generation and supply of electricity from renewable energy sources
- Construction of simple and minor structures and related alterations
- Brokerage of services
- Lease of movable properties
- Distribution and resale of utility water

- Construction supervision Civil and engineering structures
- Building structures and their modifications
- Lease of immovable property associated with the provision of services other than basic services related to lease
- Operation of cultural, social and entertainment facilities
- Advertising and marketing services
- Carrying out physical and chemical, biological and microbiological analysis of sludge and biogas and sampling of drinking and waste water, sludge and biogas in the scope of free trade
- Research and development on natural sciences and Engineering

#### **Statutory Bodies:**

- Board of Directors (for updates check Commercial Register on internet)
- Supervisory Board (for updates check Commercial Register on internet)

#### Shareholders:

Number of shareholders: 89

#### Majority Shareholder:

The Capital City of Bratislava: 59,29%

BVS – treasury shares: 8.43% Other towns and cities: 32.28%

### Nominal Value, Number, Type, Form and Nature of Shares:

**Share capital:** 281,365,934.89 €

**Par value:** 33.19 €

Number of shares: 8,477,431
Type of shares: ordinary
Form of shares: registered
Class of shares: book-entered

#### Limited transferability of the registered shares:

Under Art. 7, par. 7.4 of the company's Articles of Association, transferability of shares is limited. Transfer of the company's shares is subject to consent of the company's Supervisory Board.

#### Subsidiaries:

Infra Services, a. s. (51% ownership interest) – established on 22 December 2007

BIONERGY, a. s. (100% ownership interest) – established on 31 December 2009

#### **Other Legal Facts:**

Bratislavská vodárenská spoločnosť, a.s. (BVS), Prešovská 48, Bratislava, was established in line with Resolution No. 853 on Privatisation, issued by the Ministry of Administration and Privatisation of the National Property of the Slovak Republic on 2 October 2002, File No. KM – 1306/2002, namely by contribution of the entire property from the dissolved state-owned Vodárne a kanalizácie Bratislava, whose registered office was located at Prešovská 48, Bratislava, and part of the property of the dissolved state-owned Západoslovenské vodárne a kanalizácie, whose registered office was located at Trnavská 32, Bratislava – branches at Bratislava-vidiek and Senica, the Production and operation centre for long-distance water mains at Šamorín, part of the company's headquarters, as privatised under Project No. 2276.

BVS thereby assumed assets and liabilities, rights and obligations (both known and unknown), including the rights and obligations ensuing from employment relationships (except for the rights under Article 16 of Act No. 92/1991 Coll.) in the dissolved state-owned companies.

In December 2007, in order to increase the effectiveness of the internal economic relations and possible expansion into new markets, one of BVS divisions was separated and the subsidiary Infra Services, a. s. was established where BVS holds a 51% ownership interest, and HEDIN, a. s. with a 49% ownership interest. Infra Services continues to provide maintenance services for the water-supply and sewer networks of the parent company. At the same time it continuous to successfully expand its portfolio of activities into the surrounding business market and create new business relationships and opportunities.

In December 2009, another subsidiary BIONERGY, a. s. was established by separating portions of the sludge and gas business at BVS, a. s. This company was founded to secure high quality sludge and biological waste processing. The output products are stabilized sludge, biogas and sludge water. Biogas is an important resource for electricity generation and is used in cogeneration units to produce electricity and heat. BVS holds a 100% ownership interest in this company.

## CORPORATE BODIES

#### The Board of Directors



Ing. Zsolt Lukáč, PhD., EMBA Chairman



Ing. František Sobota Vice Chairman



Ing. Radoslav Daniš Member



**Mgr. Rastislav Gajarský** Member



Peter Hallon, MBA Member



Mgr. Andrej Mede Member



PaedDr. Mgr. Milan Trstenský Member

#### **Supervisory Board**



Radovan Jenčík Chairman



Marian Greksa Member



**Ing. Vladimír Antonín** Member



Ing. Stanislav Chovanec
Vice Chairman



Ing. Juraj Káčer Member



Jozef Kolla Member



Ing. Martin Borgul'a Member



Ing. arch. Mgr. art. Elena Pätoprstá Member



Ing. Alena Trančíková Member



Richard Dírer Member



**Ing. Jarmila Tvrdá** Member



Mgr. Peter Littera Member, Establishment of position: 22. 11. 2017

## EXECUTIVE MANAGEMENT



Ing. Zsolt Lukáč, PhD., EMBA Chief Executive Officer



Ing. Stanislav Beňo Chief Production Officer



JUDr. Stanislav Rehuš Chief Financial Officer Until 31, 5, 2017



Mgr. Andrej Mede Chief Technology Officer



Mgr. Rastislav Gajarský Chief Sales Officer Until 31. 5. 2017

Chief Economic Officer Establishment of position: 1. 6. 2017



Ing. František Sobota Chief Investment Officer



Ing. Radoslav Daniš Chief Strategy and Development Officer

## OUR MISSION, VISION AND VALUES

#### Our mission

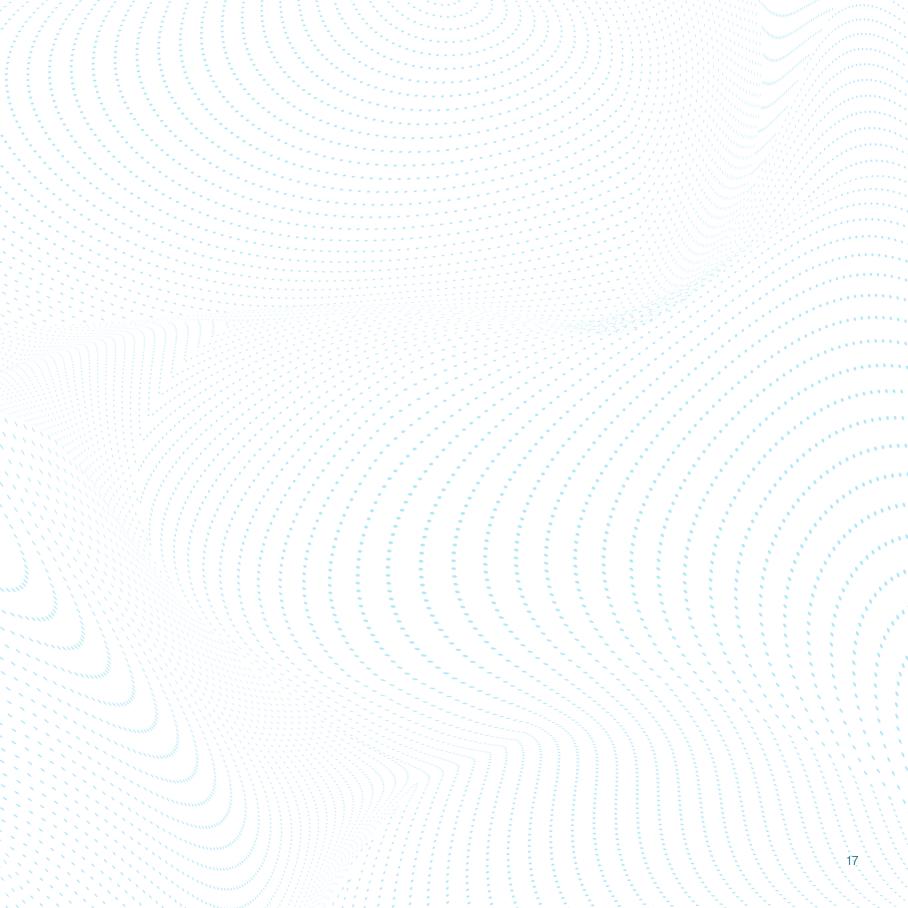
We are your reliable partner in supplying high-quality drinking water and its ecological renewal from the natural water cycle.

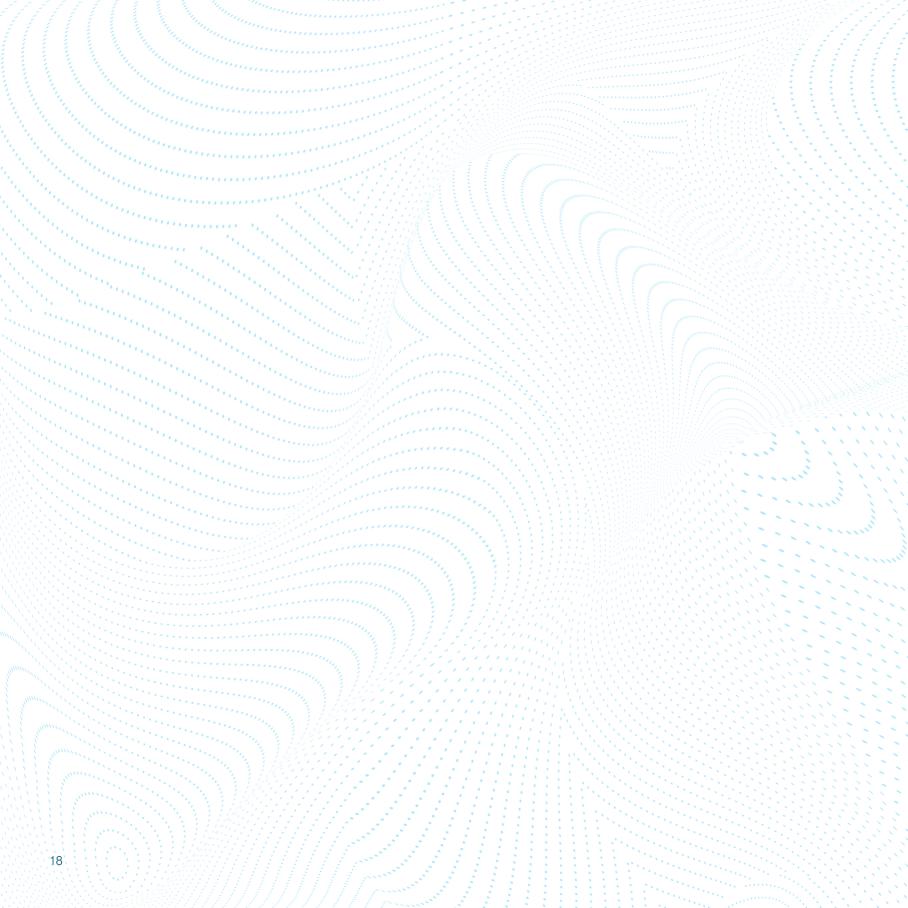
#### Our vision

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

#### Our values are:

Openness, fairness, professionalism and responsibility





**CORE BUSINESS** 

PRODUCTION AND DISTRIBUTION OF DRINKING WATER

WASTEWATER COLLECTION AND TREATMENT

LABORATORY ACTIVITIES

SUBSIDIARIES

**OUR CUSTOMERS** 

PRICES FOR PRODUCTION, DISTRIBUTION AND SUPPLY OF DRINKING WATER AND COLLECTION AND TREATMENT OF WASTEWATER

**HUMAN RESOURCES** 

COMPANY IN MEDIA

CORPORATE RESPONSIBILITY AND PHILANTROPHY

WATERWORKS MUSEUM

### CORE BUSINESS

BVS's core business lies in producing and distributing drinking water and wastewater collection and treatment. These activities are the responsibility of four divisions within the Company. The fifth division is the Chemical Technology and Laboratory Activities Division, which monitors the quality of both drinking and wastewater at all stages of the production and treatment processes.

#### **BVS** Divisions:

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

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

#### Drinking-water related services include:

- Supplying good quality drinking water
- Approving public water mains, technical surveillance of them
- Demarcating water networks and localising water network
   outages and leaks
- Assembling and dismantling water meters and water network connections
- Leasing hydrant standpipes
- Water mains network-related works (repairing water mains connections, replacing water network nodes, replacing, repairing and maintaining water pipes etc.)

#### Wastewater-related services:

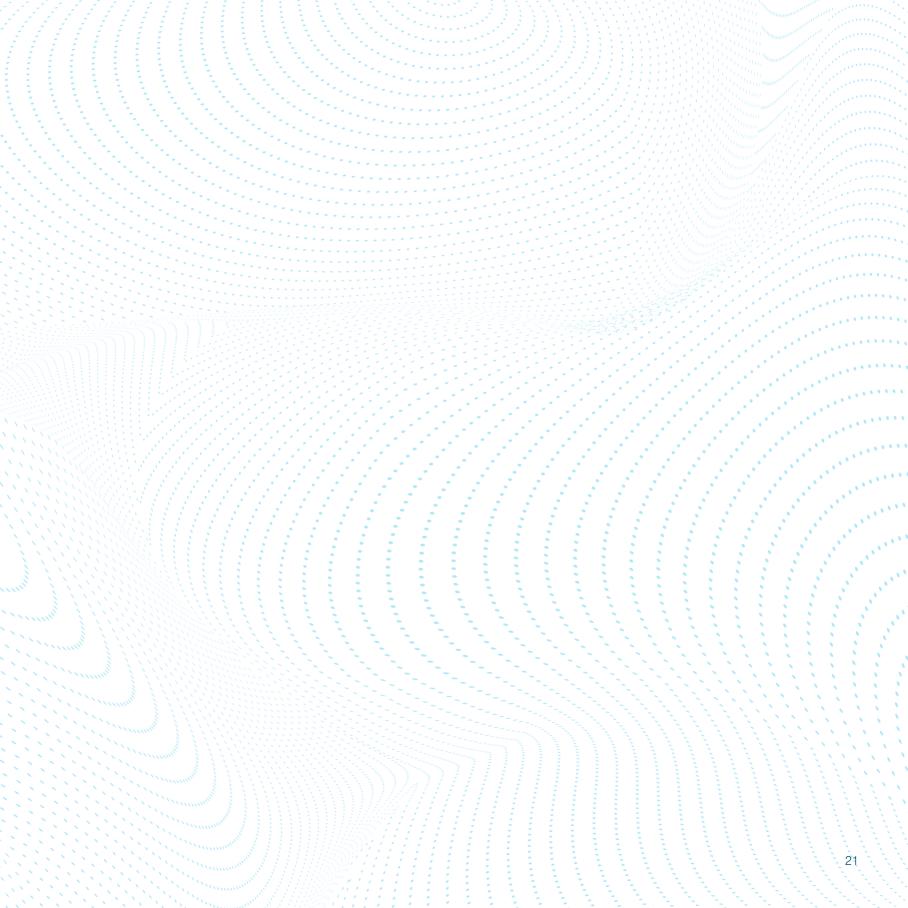
- Collecting wastewater through sewer systems and treating collected wastewater
- Demarcating sewer networks, technical surveillance of them.
- Sewer networks-related works (maintenance, repairs in case of outages etc.)

#### Other services:

- Hydrological opinions
- Statements on design documentation
- Administrative work (copying and correcting invoices, amending customer agreements etc.)

#### Laboratory services:

- Sensor testing
- Physical and chemical analyses
- Inorganic trace analysis
- Organic trace analysis
- Microbiological analyses
- Hydro-biological analyses



# PRODUCTION AND DISTRIBUTION OF DRINKING WATER

BVS administers and operates a total of 19 public water mains in 117 municipalities, 60 water sources with a total capacity of 6,263 l/s, 130 water reservoirs with a total volume of 397,000 m³, 107 water pumping stations with a total capacity of 11,795 l/s and 8 groundwater filtration plants with a total capacity of 2,148 l/s. We supply more than 730,000 people with drinking water through a 3,213-kilometre long water distribution network of public water mains.

As at 31 December 2017, the public water mains we administer and operate were supplying 96.8% of the population in the towns and cities where BVS operates public water mains.

In 2017, 63,388,000 m<sup>3</sup> of drinking water was produced and ready for use, representing 1,528,000 m<sup>3</sup> more than the quantity produced in 2016.

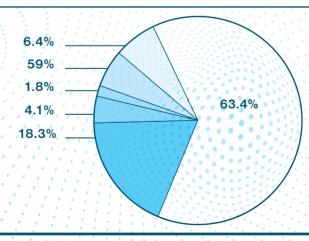
#### Balance indicators for the individual territories:

		E	BVS	Water Main Bratislava	Senecký WM	Podhorský WM	Záhorský WM	Senický WM	Other WMs	
Water sources use	d.	Number	60,,,,,	''''6''··.	2	7	8	11 -	26	
Water collected fro	m water sources	••• ths m <sup>3</sup> / 64	4,214	40,660	11,761	2,659	1,186	3,815	4,133	
Water produced in	own facilities	ths m <sup>3</sup> 64	4,140	40,660	11,761	2,659	1,186	3,756	4,118	
Number of people co	nnected to public WM	Number 73	0,170	432,850	55,997	67,745	35,646	64,993	72,939	

#### Water collected from water sources

## 6.4% 5.9% 1.8% 4.1% 18.3%

#### Water produced in own facilities



Water Main Bratislava

Senecký WM

Podhorský WM

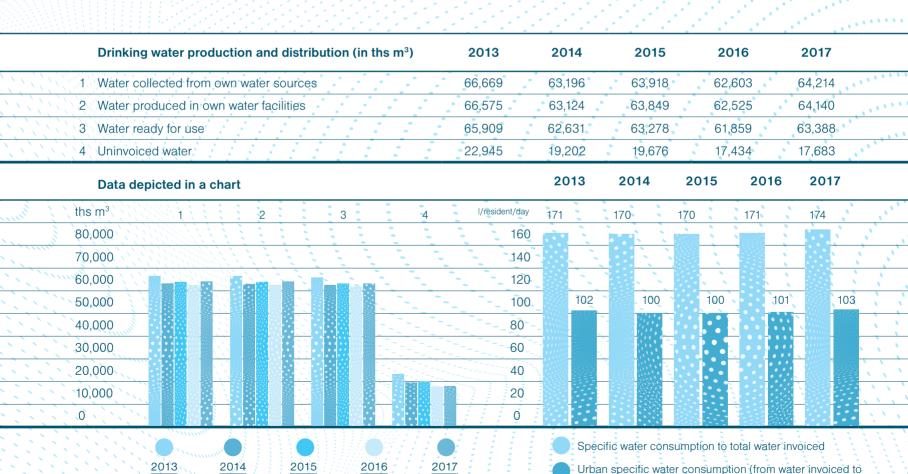
Záhorský WM

Senický WM

Other Water mains

#### Basic data on water mains

			Indicator	2013	2014	2015	2016	2017
	•	-1	Total number of public water mains	-19	19	19,	1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1	//////19
•••		2	Nuber of municipalities with public water main	116-	116	116	11700	/////117
		3	Length of water mains network (km)	3,079	3,106	3,120	,,,,,,,,3,163	. 3,213
		4	Number of residents served with drinking water	700,672	706,495	711,807	721,610	7,30,170
		5	Total number of water sources	62	62	60//////	60	60
		6	Number of water improvement stations	9	9	8	8.	8
		. 7.	Number of water reservoirs	124	128	128	130	130
		. 8	Reservoir volume (m³)	387,514	388,388	388,588	397,688	397,398
		9	Number of pumping stations	243	109	110	112	107
		10	Pumping station capacity (I/s)	17,928	12,011	12,069	12,023	11,795



residents)

# WASTEWATER COLLECTION AND TREATMENT

In 2017 the Wastewater Collection Division (WCD) of BVS operated 26 public sewer systems in 43 municipalities in its service area. These public sewer systems consist of 1,805 km of sewer networks, 302 sewage pumping stations, and other facilities (relief chambers, relief sewer, drainage structures, rain tanks, inverted siphons, sediment traps, etc.). The Petržalka sewer network also drains wastewater from three Austrian municipalities – Kittsee, Berg and Pama.

Smooth and failure-free wastewater collection and conveyance to the wastewater treatment plants is ensured by WCD's units in Bratislava, Modra and Senica through continuous inspections, reviews, repairs

and cleaning of the sewer networks, pumping stations and other infrastructure, in line with the approved public sewerage operating rules.

Additionally, WCD arranged, together with BVS's other organizational units, regular quality checks of industrial wastewater disposed of into public sewers, penalising those who exceeded contractually agreed wastewater pollution limits.

In 2017 the Wastewater Treatment Division operated 23 wastewater treatment plants (WWTP) comprising 17 of the company's own plants and 6 plants owned by towns and cities.

Bratislava	Greater Bratislava	Senica	Total	
Number of public sewer systems 3	10	13	26	
Nr. of municipalities with public sewer system 2	20	20	42	
Sewer network length (km) 935	469	331	1735	
Pumping stations 69	190	54	312	
Wastewater quality contracts 283	36	29	348	

The core activities of Wastewater Treatment Division (WTD) focused on maintaining and potential improving of quality of wastewater—treated and discharged by the WWTP when compared to the previous year. We also emphasized the quality of discharged waste water according to water permits and the reduction of pollution charges. The division's activities were focused on the rigorous treatment of waste (sludge) arising from the wastewater treatment process, using their energy potential, while maintaining the lowest operating costs and their subsequent

recovery. At the same time, the division has ensured the disposal of other wastes arising from the treatment of waste water (raked waste, sand).

As proven by 2017 effluent quality monitoring, all our water treatment plants are complying with applicable wastewater release permits.

Reconstruction of WWTP and improved technologies at other WWTPs

resulted in that in 2017 we did not pay any charges for pollution into the Environmental Fund.

The state authorities as well as Slovak Environmental Inspectorate (SIŽP) inspected WWTP Senec. No penalty was imposed on BVS.

The wastewater discharge permits were reassessed for WWTP Prievally and WWTP Šaštín.

On 19 July 2017 the reconstruction of WWTP Rohožník commenced.

In 2017 the SZNR Department of BVS invested into the following devices:

- 5 pc of Flygt mixers as dry reserves for the reconstructed plants: Central wastewater treatment plant (CWWTP) Vrakuňa and WWTP Petržalka (€ 65 ths.).

- Electric hoist for WWTP Petržalka (€ 3 ths.),
- Coarse, mechanical rakes for WWTP Modra (€ 148 ths.),
- Sand washing machine for CWWTP Vrakuňa (€ 171 ths.).

Within the framework of the investment actions, the reconstruction of the oxidation pit at the WWTP Plavecký Štvrtok and the reconstruction of the engine room at the Rohožník petrol station (PS) were ensured.

In addition, necessary repairs of the technical and technological equipment in the individual WWTPs were carried out, out of which the most important were the repair of the denitrification tank at WWTP Malacky, the repair of the screw pump at the CWWTP Vrakuňa and the repair – removal of the emergency situation of the distribution house of the CWWTP Vrakuňa.

#### Amount of treated wastewater from the WWTPs in 2017 (m<sup>3</sup> year<sup>1</sup>)

Amount of treated was	stewater				60,773,273	
Vrakuňa	37,583,090	Rohožník	- 141,562	Šaštín-Stráže	168,971	
Petržalka	9,347,696	Plavecký Štvrtok	- 625,077	Gbely	287,648	
Devínska Nová Ves	1,949,518	Myjava -	1,173,116	Prievaly	14,053	
Modra	1,180,782	Brezová pod Bradlom	455,007	Jablonica	58,059	1
Častá	109,776	Senica	1,820,251	Šajdíkove Humence	71,476	
Senec	1,213,466	Smrdáky	154,171	Kopčany	44,627	
Hamuliakovo	942,730	Holíč	878,267	Plavecký Peter	13,927	111
Malacky	1,633,187	Skalica	907,806			

#### Average cleaning effects broken down by the individual indicators for 2017 (%)

1	100	CHSK <sub>cr</sub>	BSK <sub>5</sub> ,	NĿ · · · ·	N-NH <sub>4</sub> *	$N_{ ext{total}}$	P <sub>total</sub>				
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Quality of wastewate	r discharged fro	m water treatmen	it plants in 2017	7 ( mg.l <sup>-1</sup> )				
	Indicator	CHSK <sub>cr</sub>	BSK <sub>5</sub>	NL	N-NH <sub>4</sub> <sup>+</sup>	N <sub>total</sub>	P <sub>total</sub>	1111
Vrakuňa	Permit	50	10	20	5	10 \\\	1 3 1	
	Achieved	15.50	3.00	10.00	0.56	8.99\\\\	0.58	
	Indicator	CHSK <sub>cr</sub>	BSK <sub>5</sub> ···	NL.	N-NH <sub>4</sub> <sup>+</sup>	N <sub>total</sub>	P <sub>total</sub>	111
Petržalka	Permit	50	10	20	5	10	1	· · · · · · · · · · · · · · · · · · ·
	Achieved	19.40	3.05	11,90	1.08	7.32	0.68	
	Indicator	CHSK <sub>cr</sub>	BSK <sub>5</sub>	( ) ( ) <b>NL</b> ( ) ( ) ( )	////N-NH <sub>4</sub>	N <sub>total</sub>	P <sub>total</sub>	
Devínska Nová Ves	Permit	50	10///	15 , ′	3	14, ( ) (	1,5	
humul I have been a second	Achieved	17.50	3.40	///10.20	0.066	9.81	0.46	
minute of the second se								
	Indicator	CHSK <sub>cr</sub>	BSK <sub>5</sub> ′,′,	NL	N-NH <sub>4</sub> <sup>+</sup>	N total	P <sub>total</sub>	
Modra	Permit	45	10	20	4	14.		
	Achieved	14.10	3.00	10.20	0.33	7.39	0.36	
	· · · · · · · · · · · · · · · · · · ·	7111111			1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	The Maria San San		

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		Indicator	CHSK <sub>cr</sub>	BSK <sub>5</sub>	NL	N-NH <sub>4</sub> <sup>+</sup>	N total	P <sub>total</sub> ,	
	Častá	Permit	-50	10	20	2		manufaction of the second	
		Achieved	18.10	3.33	10.20	0.35			
• • • •		Indicator	CHSK <sub>cr</sub>	BSK <sub>5</sub>	NL	N-NH <sub>4</sub> <sup>+</sup>	total	Ptotal	
	Senec	Permit	70	20	20	15	, , , , , , , , , , , , , , , , , , , ,	2	
		Achieved	22.90	3.87	10.00	1.58	10.60	0.43	
			************						•••••
		Indicator	CHSK <sub>Cr</sub>	BSK <sub>5</sub>	NL	-N-NH <sub>4</sub> +	Ntotal	P <sub>total</sub>	• • • • • •
	Hamuliakovo	Permit	70	15	- 20 -	10	15	2	
		Achieved	18.20	3.00	10.00	0.06	9.85	1.14	
		Indicator	CHSK	BSK <sub>5</sub>	NL	N-NH <sub>4</sub> <sup>+</sup>	N <sub>total</sub>	P <sub>total</sub>	
	Malacky	Permit	35-	.7.	20	0,50	15	1	
		Achieved	18.70	-3.10-	10.50	1.00	10.90	0.47	
I Sugar									
	The second secon	Indicator	CHSK <sub>cr</sub>	BSK <sub>5</sub>	NL	N-NH <sub>4</sub> <sup>+</sup>	N total	P <sub>total</sub>	
	Rohožník	Permit	650	300	350	60	-	-	
		Achieved	25.60	3.78	12.40	13.80	-	2	
		Indicator	CHSK <sub>cr</sub>	BSK₅	NL	N-NH <sub>4</sub> <sup>+</sup>	N total	P <sub>total</sub>	
	Plavecký Štvrtok	Permit	47	10	25	-	-	-	
		Achieved	26.80	5.43	13.80		-	- '	.,,,,
<u>.</u>									, ,
,,,,,,,		Indicator	CHSK <sub>cr</sub>	BSK <sub>5</sub>	NL-	N-NH <sub>4</sub> <sup>+</sup>	N <sub>total</sub>	P <sub>total</sub>	
	Myjava	Permit	60	- 15 -	15	3	15	: : : : :	
	Manual Maria	Achieved	-13.90	3.00_	- 10.30	1.61	12.80	0.32	, ,
		Indicator	CHSK <sub>cr</sub>	BSK <sub>5</sub>	<u>N</u> L	N-NH_4	N <sub>total</sub>	P <sub>total</sub>	
	Brezová pod Bradlom	Permit	40	8	-20	1,50	1 1-1 1		, , ,
	pod Bradiotti	Achieved	13.60	3.10	10.00	0.095		111-111	`\ \
_		- 10° - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 -							

	Indicator	CHSK <sub>cr</sub>	BSK <sub>5</sub>	NĹ	N-NH <sub>4</sub> +	N	D	
Conico	1,			10	<b>N-NП</b> <sub>4</sub>	N <sub>total</sub>	P <sub>total</sub>	
Senica	Permit	18.30	10			15	0.60	
the state of the s	Achieved	10.30	3.11	10.00	0.33	11.30	0.66	
the transfer that the same	In all a st	OLIOK I		The same		·······		
The transfer of the second	Indicator	CHSK <sub>cr</sub>	BSK <sub>5</sub>	NL	N-NH <sub>4</sub> <sup>+</sup>	N <sub>total</sub>	P <sub>total</sub>	
Smrdáky	Permit	40	15	25	The same of the same			
	Achieved	15.00	3.48	14.80	Harman .			
					The state of the s			
Marie Contraction of the Contrac	Indicator	CHSK <sub>cr</sub>	BSK <sub>5</sub>	NL	N-NH <sub>4</sub> <sup>+</sup>	N <sub>total</sub>	P <sub>total</sub>	
Holíč	Permit	50	10	10	5	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		
	Achieved	19.80	3.59	10.10	0.92	9.47	0.65	
Maria de la companya della companya della companya della companya de la companya della companya			My The Tree			And the state of t		
100 100 100 100 100 100 100 100 100 100	Indicator	CHSK <sub>cr</sub>	BŞK <sub>5</sub> ····	NL	N-NH <sub>4</sub> <sup>+</sup>	N total	P <sub>total</sub>	
Skalica	Permit	45	10	15	4	15	1.50	
	Achieved	20.90	3:36	11.70	2.00	13.50		
		······································						11111
	Indicator	CHSK	BSK <sub>5</sub>	, NL	N-NH <sub>4</sub> <sup>+</sup>	N total	P <sub>total</sub>	1111
Gbely	Permit	40	10	20	2			1
	Achieved	22.10	3:26	10.20	1.70			
		·····						
	Indicator	CHSK <sub>cr</sub>	BSK <sub>5</sub> ···	ŅL	N-NH <sub>4</sub> <sup>+</sup>	N <sub>total</sub>	P <sub>total</sub>	
Šaštín-Stráže	Permit	40	10	20	2			· · · · · · · · · · · · · · · · · · ·
	Achieved		3.00	10.00	0.80	111111 - 111111		11111
	Indicator	CHSK <sub>cr</sub>	BSK <sub>5</sub>	, NL	/////N-NH <sub>4</sub> +	N <sub>total</sub>	P <sub>total</sub>	
Prievaly	Permit	135	30	30 ///				
manning of the second	Achieved	58.30	6.90	(16.00)				
The same of the sa	***************************************	The same of the sa			THE PROPERTY			
	Indicator	CHSK <sub>cr</sub>	.BSK <sub>5</sub> , ,	NL	N-NH <sub>4</sub> +	N total	P <sub>total</sub>	
Jablonica	Permit	70	30	30		, , , , , , , , , , , , , , , , , , ,		
The summer of the second	Achieved	51.20	4.95	19.60				
		Children						

	Indicator	CHSK <sub>Cr</sub>	BSK <sub>5</sub>	NL.	N-NH <sub>4</sub> <sup>+</sup>	N total	Pitotali
Šajdíkove Humence	Permit	-135	30	30	-	The state of the s	
	Achieved	54.00	8.31	14.50			/// <del>/</del> //
	Indicator	CHSK <sub>Cr</sub>	BSK <sub>5</sub>	NL	N-NH <sub>4</sub> <sup>+</sup>	Nitotal	P <sub>total</sub>
Kopčany	Permit	90	15	25			
	Achieved	48.80	4.86	14.50	<u>-</u>		<u>-</u>
						Panaghille College	
	Indicator	CHSK	BSK <sub>5</sub>	NL	-N-NH <sub>4</sub> *	N total	P <sub>total</sub>
Plavecký Peter	Permit	100	30	30			-
	Achieved	59.70	6.84	20.80		<u> </u>	

#### Reused sludge from water treatment plants in 2017 (raw thickened sludge and dried up stabilized sludge in t of 100% sludge.y1)

	Raw thickened sludge	Dried up stabilized sludge
Vrakuňa	12,906.83	
Petržalka	3,192.81	
Devínska Nová Ves	841.79	
Modra + 1 small WWTP	<u>-</u>	218.17
Senec	-	343.49
Hamuliakovo		231.10
Malacky + 1 small WWTP	-	497.65
Rohožník	-	34.35
Myjava	-	129.43
Brezová pod Bradlom	-	31.99
Senica + 6 small WWTPs	643.79	
Holíč + 2 small WWTPs		229.95
Skalica		202.60

#### Biogas production at wastewater treatment plants in 2017 (m³.y¹), treatment of biogas (%)

Biogas production	Biogas	s consumption	'
	Boiler combustion Cogeneration	Residual gas burner	Mixing
Hamuliakovo 127,027	100 ) // / / / / / / / / / / / / / / / /	0	0.
Myjava 92,319	7.6 92.4	0	0
Holíč, 56,889	0 100	0	0

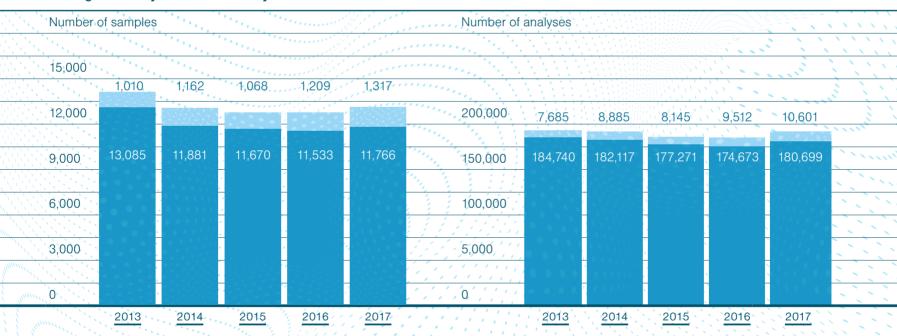
## LABORATORY ACTIVITIES

The accredited testing laboratory checks the quality of drinking water at all public water facilities operated by BVS along its path from the waters source to the final customer. A similar operational process is used to inspect collected and treated wastewater from all public sewers, beginning with sewer connections and different technological wastewater treatment stages at plants and ending with the cleaned

wastewater released into surface watercourses.

In addition to monitoring both drinking and wastewater for our company's needs, the testing laboratory used it's capacity and also conducted water analyses ordered by external customers.

#### Testing laboratory's activities in the years 2013 - 2017



#### The testing laboratory's activities in 2017

Year 2017	Drinking water	Wastewater	Total
Number of samples			
Internal orders	3,828	7,938	.11,766
Orders	256	1,061	1,317
Total	4,084	8,999	13,083
Number of analyses			
Internal orders	117,890	62,809	180,699
Orders	4,760	5,841	10,601
Total	122,650	68,650	191,300

The total number of samples represents the total number of analysed drinking water and wastewater samples. The number of drinking water samples is based on the annual Drinking Water Quality Inspection Programmes elaborated in line with the Decree of the Ministry of the Environment of the Slovak Republic No. 636/2004 Coll. and Slovak Government Regulation No. 354/2006 Coll., as amended and approved annually by the local Regional Public Health Offices as well as needed by the Company in order to monitor water sources and the operation of public water mains. The number of wastewater samples is based on the annual Public Sewer Operating and Inspection Monitoring Programmes elaborated in line with the Decree of the Ministry of the Environment of the Slovak Republic No. 315/2004 Coll. as well as on the current needs of the Company concerning WWTPs operation and the needs of the sewer network.

The total number of analyses procedures represents the total number of analyses procedures completed for the individual drinking water or wastewater quality indicators, i.e. the total number of laboratory tests that were completed.

Analyses of all the quality indicators for drinking water and wastewater are completed in BVS test laboratories pursuant to the applicable legislation with the exception of radiochemical analyses which are subcontracted to the Hydrological Research Institute (VÚVH) in Bratislava.

## SUBSIDIARIES

### BIONERGY, a. s.

 Sales:
 8,411,250 €

 Profit and loss before tax:
 413,994 €

 Profit and loss after tax:
 330,076 €

#### **Scope of Business:**

- Disposal of materials other than hazardous waste
- Corporate, organisational and economic consulting services
- Purchase of goods for their resale to end consumers /retail sale/ and to other trade operators /wholesale/
- Intermediary activities concerning trade
- Intermediary activities concerning production
- Intermediary activities concerning services
- Generation and supply of electricity through power generating equipment with a maximum output of 1 MW

- · Generation and supply of electricity
- Lease of movable property
- Computer data processing services
- Informative testing, measuring, analysis and inspection services
- Generation and distribution of heat
- Research and development on natural sciences and engineering

#### Corporate bodies:

		1 1 1 2 8 1 7 1		
Board of Directors	Miroslav Puliš - Chairman			
	PhDr. Patricius Palla - Vice Chairman			
	Ing. Radoslav Hudec - Member			
	Ing. Robert Stanke - Member			
	Ing. Tomáš Pindúr - Member		• • • • • •	
	Ing. Zsolt Lukáč, PhD., EMBA - Member			
Supervisory Board	JUDr. Richard Mikulec			
	Miroslav Sabovčík			
	Mgr. Zdenka Zaťovičová			

#### INFRA SERVICES, a. s.

 Sales:
 40,996,773 €

 Profit and loss before tax:
 2,418,473 €

 Profit and loss after tax:
 1,869,527 €

#### Scope of Business:

- National road transport
- Plumbing and heating
- Concrete works
- · Highway cleaning and maintenance
- Construction works and alterations
- Engineering procurement of construction services in the scope of unqualified trade
- Excavation works
- Intermediary activities concerning trade, services and production in the scope of unqualified trade
- Rental of equipment, instruments, machinery, means of transport and computer technology
- Disposal of materials other than hazardous waste
- Locksmithing

- Mechanical cleaning of sewer networks in the scope of unqualified trade
- · Repairs of selected electrical technical equipment
- Repairs and installation of water overflow meters
- Verification of specific meters
- Calibration of cold and hot water flow meters
- Informative meter reading
- Computer data processing services
- Computer services
- Administrative services
- Advertising and marketing services
- Management and maintenance of residential and no-residential premises in the scope of unqualified trade
- Research and development on natural sciences and engineering

#### Corporate bodies:

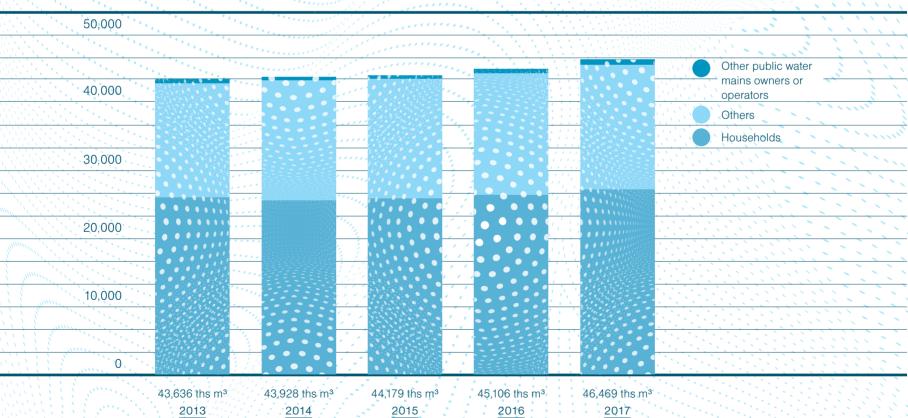
Board of Directors	Ing. Zsolt Lukáč, PhD., EMBA - Chairman
	Mgr. Juraj Bugala - Vice Chairman
	Ing. František Sobota - Member
	Ing. Roman Masár - Member
	Ing. Tomáš Filípek - Member
	Ing. Peter Hamaj - Member
Supervisory Board	Ing. Milan Roman - Chairman
	Ing. Roman Weinštuk - Member
	Mário Hesek - Member

## **OUR CUSTOMERS**

BVS supplies drinking water to three basic customer segments – households, other public water main operators or owners and other customers. Other public water main operators or owners include entities

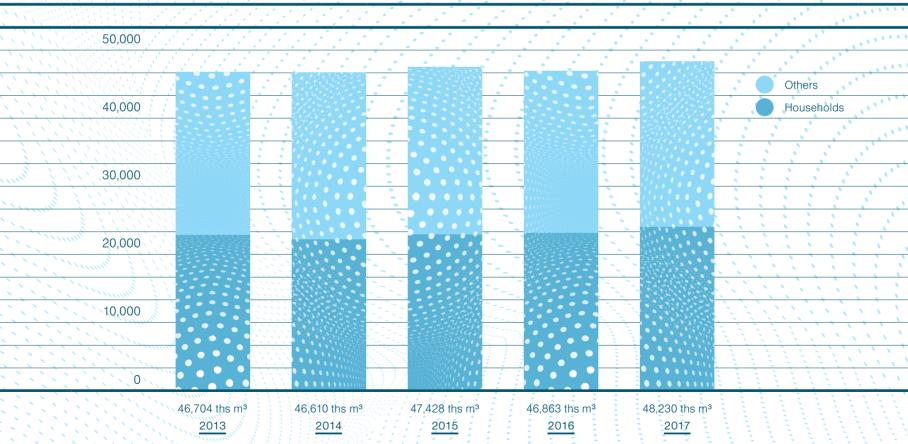
that further supply drinking water to customers using a public water main that they own or operate.

					2013	2014	2015	2016	2017
	Drinking water				ths m <sup>3</sup> 43,636	43,928	44,179	45,106	46,469
·	Households				ths m <sup>3</sup> 26,078	25,667	25,935	26,478	27,324
· · · · · ·	Others		•		ths m <sup>3</sup> 16,884	17,762	17,666	17,946	18,381
	Other public water	er mains o	wners c	or opera-	ths m <sup>3</sup> 674,	499	578	681	764



Within its regulated activities BVS collects wastewater in two segments - households and other wastewater producers in the following proportions:

		2013	2014	2015	2016	2017
Collected water	ths m <sup>3</sup>	46,704	46,610	47,428	46,863	48,230
Households	ths m <sup>3</sup>	22,674	22,048	22,770	22,990	23,852
Others	ths m <sup>3</sup>	24,030	24,562	24,658	23,873	24,378



### TOP BVS CUSTOMERS IN 2017

Bratislavská teplárenská, a. s.

Bytové družstvo Petržalka

Hlavné mesto SR Bratislava

Okresné stavebné bytové družstvo Senica

RAJO a. s.

Slovnaft, a. s.

Stavebné bytové družstvo občanov so sídlom v Pezinku

Univerzitná nemocnica Bratislava

Veolia Energia Slovensko, a. s.

Železnice Slovenskej republiky

# PRICES FOR PRODUCTION, DISTRIBUTION AND SUPPLY OF DRINKING WATER AND TREATMENT OF WASTEWATER

The prices in the water industry and the terms and conditions for their application are set by the Regulatory Office for Network Industries (hereinafter "RONI") through Act No. 250/2012 Coll. on Network Industries Regulation amending some other acts, as amended, and RONI Decree No. 21/2017 Coll. of 13 February 2017 setting the price regulation of production, distribution and supply of drinking water using public water mains and disposal and treatment of wastewater through the public sewer system.

RONI Decree No. 21/2017 Coll. of 13 February 2017 replacing RONI Decree No. 225/2016 Coll. of 19 July 2016, sets the scope of the price regulation in the water management sector as well as the implementation method for the regulated entity. The implementation of 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 amount of reasonable profit, including the amount of investments that can be included in the price as well as the method of calculating the maximum price for production, distribution and supply of drinking water, and wastewater collection and treatment, grounds for proposal of the price, procedure and terms and conditions of applying the price.

On 19 July 2016 RONI issued Decree No. 225/2016 Coll. effective from 1 August 2016, under which the proposals were submitted with regard to prices for production and supply of drinking water by public water mains, production and distribution of drinking water by public water mains and for disposal and treatment of wastewater by public

sewer for the new regulation period of 2017 – 2021. RONI Decree No. 225/2016 Coll. introduced a significant change, namely two-component price, which should ensure the objectivity of the distribution of reimbursed costs incurred in carrying out the regulated activities and also a more equitable share of all connected customers and producers in total costs. The two-component price consisted of a variable part (for the amount of water supplied and the amount of wastewater produced) and a fixed part (for connection-related services).

With regard to decision on the proposed prices for production and supply of drinking water by the public water mains, production and distribution of drinking water by public water mains and collection and treatment of wastewater in the public sewer system, RONI issued the legally effective decision on prices on 24 November 2016 No. 0038/2017/V, by which RONI approved for BVS the prices valid for the period from 1 January 2017 to 31 December 2017.

On 13 February 2017, RONI issued new Decree No. 21/2017 Coll. effective from 16 February 2017 repealing RONI Decree No. 225/2016 Z. z. Under the new Decree, RONI issued, with regard to the decision on prices for production and supply of drinking water by public water mains, production and distribution of drinking water by public water mains and for disposal and treatment of wastewater by public sewer, a new lawful decision on prices No. 0158/2017/V dated 24 February 2017, by which RONI determined the prices for BVS valid for the period from 1 January 2017 to 31 December 2021. The decision also repealed the original decision No. 0038/2017/V.

### Legally effective decision on prices No. 0158/2017/V, by which the Regulatory Office for Network Industries approves the prices for the period from 1 January 2017 to 31 December 2021

	Legally effective price decision	€/m³ excl. VAT	€/m³ incl. VAT
	Maximum price for the production and supply of drinking water through the public water main	0.9359	1,1231
	Max. price for the production and distribution of drinking water through the public water main	0.6547	0.7856
•	Maximum price for the wastewater collection and treatment through the public sewer system	0.9216	1.1059

The development of prices in the period from 2013 to 2017 was affectified costs, amount of reasonable profit as well as the factor of the ded to support investments in waterworks assets of BVS. waterworks assets capacity used for production and distribution of

drinking water and wastewater collection and treatment and the factor ted by several factors, namely the structure of the economically jus- of investment development per volume unit, which is primarily inten-

### Development of prices approved by RONI for the period 2013 - 2017 per m<sup>3</sup> (excl. VAT)

BVS	2013	2014	2015	2016	2017	
Price for the production and supply of drinking water through the public water main	0.9235	0.9359	0.9359	0.9359	0.9359	
Price for the production and distribution of drinking water through the public water main	0.6463	0.6547	0.6547	0.6547	0.6547	
Price for the wastewater collection and treatment through the public sewer system	0.9051	0.9216	0.9216	0.9216	0.9216	· · · · · · · · · · · · · · · · · · ·

### Development of prices approved by RONI for the period 2013 - 2017 per m³ (incl. VAT)

					1 1 1 1		
	BVS	2013	2014	2015	2016	2017	
1	Price for the production and supply of drinking water through the public water main	1.1082	/ / / , 1.1231	1.1231	1.1231	1.1231	
	Price for the production and distribution of drinking water through the public water main	0.7756	0.7856	0.7856	0.7856	0.7856	
\	Price for the wastewater collection and treatment through the public sewer system	1.0861	1.1059	1.1059	1.1059	1.1059	

### **HUMAN RESOURCES**

On 31 December 2017, BVS employed in a total of 750 employees. The number of employees slightly increased by 5 employees when compared to the previous year. Out of the total number of 750 employees there were 454 technical and business professionals (TBP) and 296 blue-collar (BC).

The proportion of women employed from the total number of company employees was 29.9% (i.e. 224 women), of which 31 in management positions. On 31 December 2017, a total number of 22 female employees were on maternity or parent's leave as registered in the company's records.

The average recorded number of employees – natural persons fully employed in 2017 amounted to 749 employees. The comparable average recorded number of employees was 748 who were calculated as the full-time employees in 2017.

The average age of employees stabilized as of 31 December 2017 at 46.98 years.

Overview of planned – systemized jobs and the real number of employees as of 31 December 2017 broken down by departments and divisions follows:

BVS	Plan for 2017	Status real nr. of employees
	Status as of 31. 12. 2017	Status as of 31. 12. 2017
HQ – CEO Office	67	60
HQ - Production and Distribution Department	34	34
HQ - Economical Department	120	110
HQ - Investment Department	30	29
HQ - Technical Department	39	38
HQ - Strategy and Development Department	- 10	8
Water Production Division	151	150
Wastewater Collection Division	27	26
Wastewater Treatment Division	152	151
Water Distribution Division	94	93
Chemical Technology and Laboratory Activities Division	52	51 \ \ \ \ \ \
BVS Plan Total	776	750

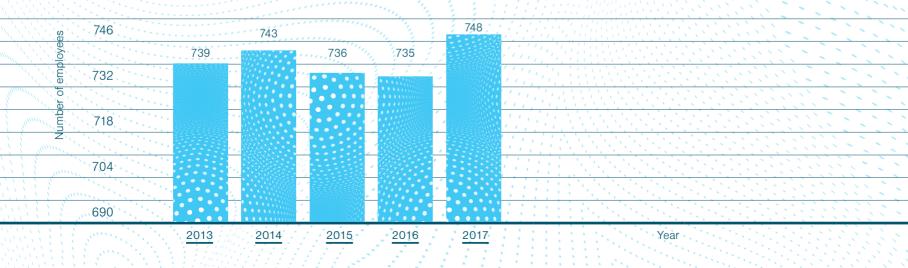
### BVS headcount development total

BVS headcount development in the period 2013 - 2017 (real number always as of 31. 12.)



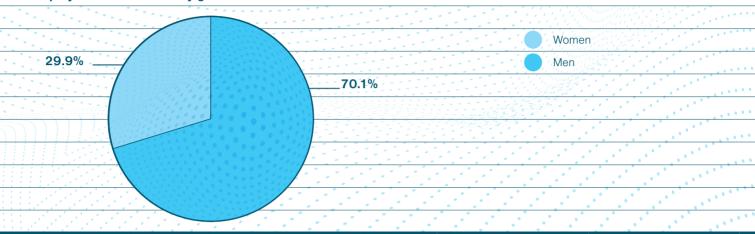
### BVS average recorded headcount development

BVS average recorded headcount development in the period 2013 - 2017



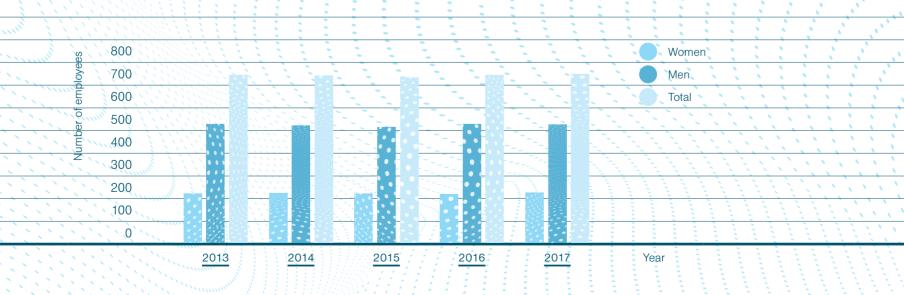
### Structure of employees broken down by gender





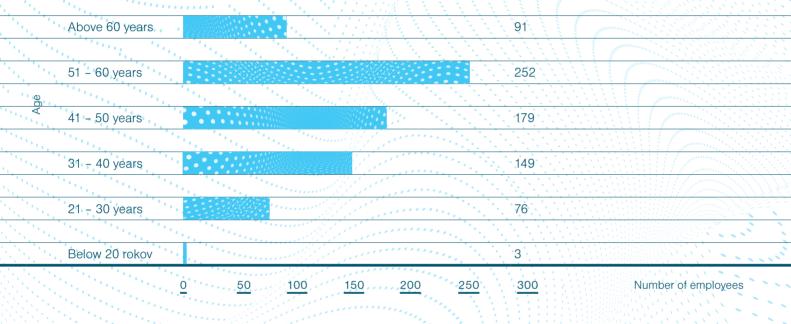
### Development of number of BVS employees broken down by gender

### Development of number of BVS employees broken down by gender in the period 2013 - 2017



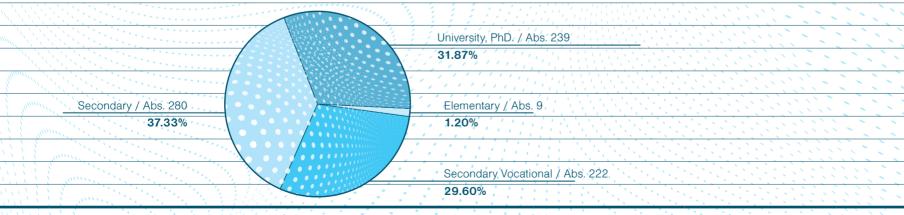
### Age structure of BVS employees

### Age structure of employees as of 31. 12. 2017



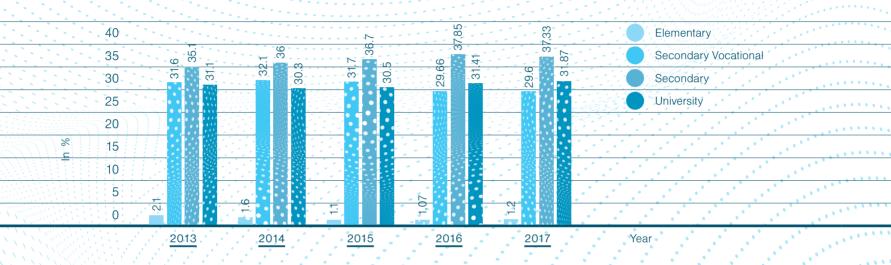
### Structure of employees broken down by education level

### Structure of employees broken down by education level as of 31. 12. 2017



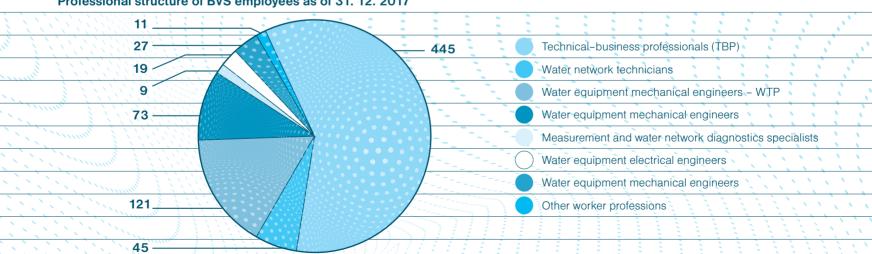
### Qualification structure of BVS for the period of 5 years

### Qualification structure of BVS for the period 2013 - 2017



### Professional structure of BVS employees

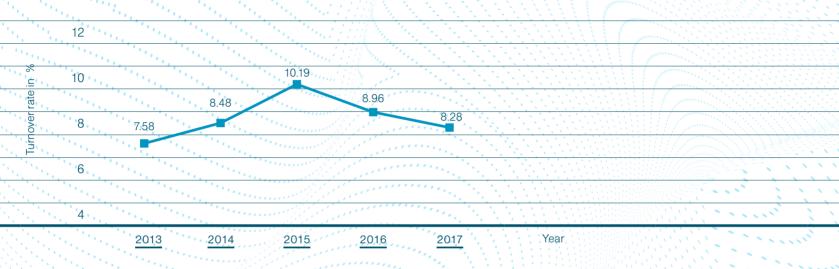
### Professional structure of BVS employees as of 31. 12. 2017



During the evaluated period of 2017, a total of 68 people joined the Company and 62 employees left it. The total employee turnover rate in 2017 was 8.28%.

### Employee turnover rate development

### Employee turnover rate development in the period 2013 - 2017



### **Social Policy**

In 2017, BVS continued in supporting its employees and as a part of its social policy BVS contributed from the social fund particularly to the supplemental pension savings (SPS), catering for employees, social financial support during a long-term incapacity to work. The company also made contribution to recreation of the employees' children organised individually, contributions at childbirth, contribution upon entering into the first marriage, contributions related to purchase of the first flat or construction of the first family house and optional social subsidies for payment of various social, regeneration, sport and cultural activities.

As a part of the employer's support of participation in SPS more than 488 employees were engaged in saving, whom the company provided financial support amounting to € 62,598.60 in addition to providing the funds from the company's costs (in total € 129,223.01 in 2017).

The Company's attention has long been devoted to the implementation of an employee health care program, including preventive A and B hepatitis vaccination, encephalitis vaccination and a program to support the adaptation of graduates and new employees. In the year under review, the social policy programme also included social, cultural and spot activities for employees as well as social activities for seniors – former employees of the company.

The 2017 social and payroll policy of the company also included the provision of rewards to employees on employment anniversaries and rewards for those who donated blood free of charge.

### **Employee Education and Development**

In 2017 BVS continued in developing special knowledge and skills of its employees at various expert levels. To comply with the company's policy, the employees attended training programs designed to learn and maintain technological processes, increase quality of services rendered and enhance protection of environment. They also attended special courses and trainings aimed at workplace health and safety and career growth in the company. Great emphasis was put on extending and enhancing qualification of employees.

As a part of further education the employees participated in the internal trainings aimed at deepening the knowledge of the amendments to the Waste Act, as well as specific training courses aimed at protecting groundwater resources and protecting the environment. In addition, they have undergone a series of professional training courses aimed at updating the professional competencies of the employees necessary to ensure the performance of work activities with dedicated technical facilities requiring professional and medical fitness. In the field of operation of public water supply systems and public sewers, employees have undergone training and exams to obtain professional competence.

In order to simplify the process of adapting in the working and social environment of the company, as well as to accelerate the employee's performance to the required level in the relevant job position, new

employees participated also in 2017 in a series of consultations and interviews in the Company's various departments according to personalised schedules.

The company's employees liaising with the customers underwent the training course focused on the development of the communication skills. The target group were employees of the Communication Department and employees of the Department of Emergency and Technology Dispatching. The objective was to train the participants on the process of effective communication, both verbal and non-verbal. The main goal was to effectively manage customer-oriented communication from the basics of communication through risk communication, troubleshooting of customer situations to managing customer conflicts. Further, to develop key competencies and realize the implications of possible behavioural approaches towards clients by reducing the stress burden in communicating with a problematic and conflicting client. The output of the training was an individual evaluation of the participants from the lecturer with proposals for their further development as well as the assessment of the educational activities from the viewpoint of the participants.

The company also ensured internal training on the Cadastral Act and it's application in practice for the selected employees of the Investments Department, Legal and Internal Audit Department, Water Production Division, Wastewater Disposal Division and Water Distribution Division.

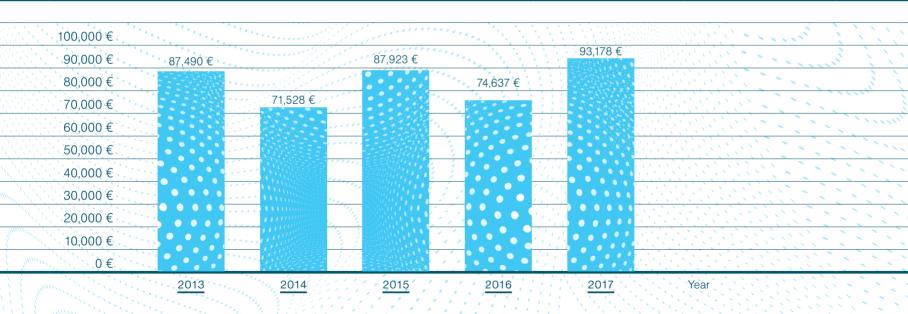
A separate group in the education and development of employees formed the support of increasing english language proficiency of employees through individual and group training in the workplace.

Each year the employees are more interested in enhancing qualification with the support of the company's management in various specialised areas related to their respective job positions. In the first six months of 2017 BVS cooperated with the Private Vocational School, Exnárova 20, Bratislava in order to ensure the productive works as a part of vocational training of students in the craft disciplines of a plumber and electrical mechanic. At the same time, the company cooperated in the 1st and 2nd semester with other schools, namely Secondary Vocational School, Ivanská cesta 21, Bratislava and Secondary Vocational School, V. Paulínyho Tótha 31/5, Senica. Cooperation laid in ensuring and providing for the system of practical education of students of the craft disciplines of a plumber and electrical mechanic at specialised departments of the BVS under the supervision of designated employees. In 2017 we hired another successful graduate of Construction Vocational School, specialisation: electronic mechanic,

to the position of waterworks technician - electrician at the Eastern Water Production Department.

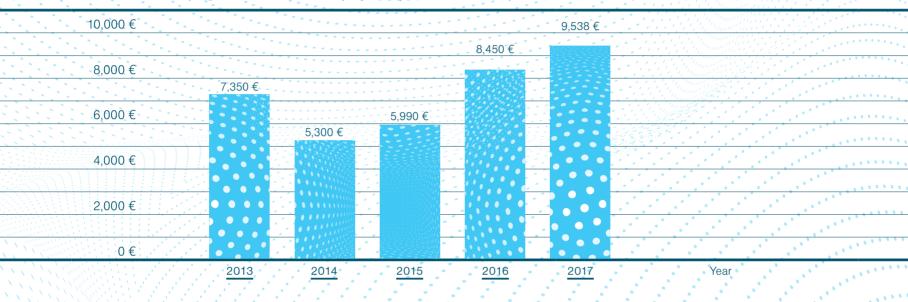
In 2017 the company invested in the education and development of employees the total of € 93,178, in particular for mandatory special basic courses and trainings and up-to-date workplace health and safety, fire protection training and other re-training under the WHS and FP law, career development of employees in different professional areas related to occupation in the company (operation of public water mains and public sewer systems), professional workshops, domestic and foreign conferences, courses and seminars focused on increasing professional technical and business expertise, language and qualification skills.

### Overview of developing costs of employees' education in the period 2013 - 2017 (in €)



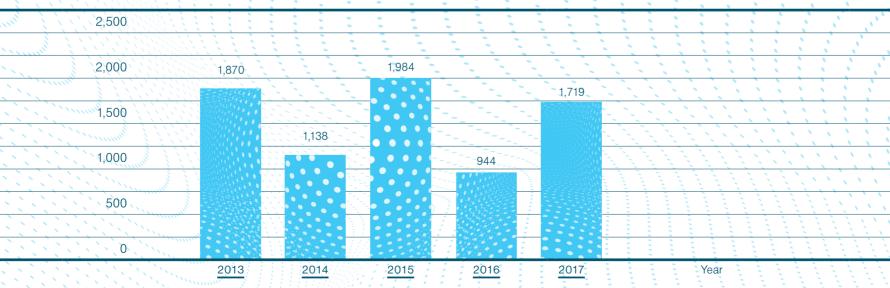
In 2017, the company again supported enhancing the qualification of employees and allowed its ten employees to study economics, law and natural sciences.





In 2017 the total number of 1 719 employees participated in various educational and training activities as a part of the employee education and development system of BVS.

### Overview of employees' participation in educational activities in the period 2013 - 2017



### COMPANY IN THE MEDIA

### Children to Spend Spring Break Playing and Learning in the Waterworks Museum

During the spring holidays, the employees of the Waterworks Museum of Bratislavská vodárenská spoločnosť, a.s., will organise various practical workshops for children on water and its inevitability in the nature. They have prepared entertaining experiments with water through which the employees will explain the water cycle in the nature to children in a playful manner. In case of nice weather and if children are interested, the employees will arrange for an excursion to the Sihoť island.

In an active way Bratislavská vodárenská spoločnosť, a.s. wishes to inform, in particular the children and young people, about the significance and importance of water in everyday life. In an entertaining and comprehensible maner we will help children understand the volume units. Our activities in the Waterworks Museum are also intended to raise interest of children in water industry professions. In the Waterworks Museum children can also visit the permanent exhibition as well as the temporary exhibition focused on environmental pollution in Podunajské Biskupice. The Waterworks Museum of Bratislavská vodárenská spoločnosť, a.s. is located at Devínska cesta No. 1, where the admission is free. The Museum is opened year-round during business days from 9 a.m. to 2 p.m. The premises of the Waterworks Museum also include the Waterworks Garden. The garden with the prevailing water element serves as a resting place.

www.bratislavskenoviny.sk, 23 January 2017

### PHOTO from Hellish Depths under Bratislava: Oldest Canals More than 200 Years Old

BRATISLAVA – Bratislava underground is riddled with the sewage pipelines, some of which were laid down in the 18th century under the rule of the Austrian sovereign Maria Theresa. Nowadays, the length of the city's underground canal grid is up to one thousand kilometres. If you wanted to walk it all the way, it would take you weeks. See how it looks from inside.

The first register of all existing canal pipelines in the Old Town was prepared around 1900. It included all the then existing pipelines constructed during the era of Maria Theresa, as stated by Peter Valachovič, the Head of Wastewater Disposal Division of Bratislavská vodárenská spoločnosť.

The great boom of constructing the Bratislava canal network began after WWII. The current "length of the canal network in Bratislava is about one thousand kilometres, the pipelines are laid in the depth ranging from two to seven meters below the ground level," he added.

People often do not know how canals look from inside. Some people imagine them as horrifying, others as dangerous. Everyone has in their mind the image, where the rats run in the underground canals. According to the waterworks employees, the idea is not far from the truth, as the rodents use pipelines as routes when searching for food. However, people do not "live" in the canals, even though such a myth is spread as an urban legend. In the sewage system the gases are formed which could cause a person to suffocate in poorly ventilated areas.

Several reports have appeared in the media about sewers that collapsed. Similar danger exists everywhere, even in our city. "Where damage is caused to the pipeline, the surrounding terrain soil can get into the sewage system, the wastewater would flush it, and a cavern would be created around the pipeline, which could collapse due to the heavy traffic and transportation one day, which is why the pipeline is regularly checked by monitoring cameras that run through the pipes and check their physical condition," Valachovič said.

www.topky.sk, 14 April 2017

### BVS: The Aim of Cooperation with WRI is to Increase Safety of Drinking Water Supplies

The signed Framework Agreement on Professional, Scientific and Research Cooperation relates particularly to the drinking water supplies, waste water disposal, waste water treatment and sludge treatment.

Bratislava 19 April (TASR) - Enhanced safety of drinking water supplies as well as analysis of subsurface waters or applied research on drinking water supply and wastewater treatment form a part of the significant issues, on which Bratislavská vodárenská spoločnosť (BVS) in cooperation with the Water Research Institute (Výskumný ústav vodného hospodárstva) (WRI) Bratislava wish to focus. Today, in this regard they signed Framework Agreement on Professional, Scientific and Research Cooperation. Especially, the Agreement is focused on drinking water supplies, waste water disposal, waste water treatment and sludge treatment.

"From the viewpoint of the applicable standards and experience, I can clearly declare that our water is safe. Supplies are safe, too. But, when looking around, we can see various threats, for which we have not been prepared sufficiently," said Zsolt Lukáč, the chairman of the BVS's Board of Directors, while safety of waters should be first. According to him, the joint research should ensure better, more precise online identification of all circumstances, which could threaten the waters.

Another important category will include wastewater disposal and treatment at safe treatment stations. We have certain knowledge, but as water consumption, customer structure, water use and discharges of different materials and chemicals into water change, we must be ready for this fact, and even for unexpected circumstances," Lukáč explained; while the efforts will be used to recycle the materials originating in the individual treatment plants. According to directress of WRI L'ubica Kopčová, the hot issue are the materials not degradable even during the treatment process. It concerns, for example, hormonal drugs and contraceptives, but also antibiotics and various other chemicals.

She emphasizes that cooperation will not only include research as such but also education of pupils and students at elementary, secondary and higher education schools. "Young people must be well informed that water is irreplaceable and unique raw material," Kopčová believes. According to her, people must be informed that the best water we can drink runs from the tap, as concerns waste water, people should not waste the water, e.g. by excessive flushing.

The Framework Agreement between BVS and WRI has been signed for indefinite period. As a part of cooperation, priority themes and questions should be defined and further research should be carried out. However, the specific form of cooperation will be specified in separate

contracts for individual areas and activities. Financial costs are estimated between dozens and hundreds of thousands of euros, which both parties want to receive from the EU funds. In this context, BVS assures that it will not have the financial impact of increasing water or drainage charges.

www.teraz.sk, 19 April 2017

king water and wastewater disposal and treatment. The company provides its services to more than 700,000 people from Bratislava as well as seven districts in Záhorie region and around the capital city. It supplies water to 97 percent of the population living in this catchment area and operates dozens of water sources and facilities, more than 3,000 kilometres of public water supply and 1,500 kilometres of public sewage networks.

www.bratislava.dnes24.sk, 23 April 2017

### Voluntary Firefighters of BVS Received New Firefighting Equipment

Voluntary firefighters of Bratislavská vodárenská spoločnosť (BVS) obtained new firefighting equipment from the Ministry of Interior. New firefighting equipment provided by the Ministry of Interior should help voluntary fire brigade intervene more quickly and effectively in emergency situations. BVS spokesman Ján Pálffy informed.

### **New Equipment**

"The voluntary fire brigade of BVS was established to protect health, infrastructure and water sources from floods and environmental disasters. New equipment will help us intervene more quickly and effectively," said the General Director of BVS Zsolt Lukáč.

The voluntary fire brigade of BVS was founded on 4 May 2016 to help protect drinking water sources from possible impairment as a result of accidents, natural disasters and other extraordinary events. Also, to protect life, health, property and the environment. The brigade also performs tasks in the field of training, education and prevention from the consequences of extraordinary events.

The core activities of BVS include production and distribution of drin-

### Bratislava Ružinov Municipality Acknowledged Debt to BVS, Consents to Agreement

Ružinov is the only borough in the capital city of Bratislava that fails to pay for drainage from local roads in the administration or ownership of individual boroughs.

Bratislava 18 May (TASR) – Ružinov borough will repay its debt to Bratislavská vodárenská spoločnosť (BVS) that has been accumulating for several years now with regard to wastewater disposal from the local roads administered by the Ružinov borough. It was decided by the members of the local Ružinov council at their meeting when they approved the settlement agreement at the third attempt. The total receivable amounts to almost EUR 3.3 million, of which more than EUR 2.5 million is a principal, more than EUR 742 000 of interest on late payments and almost EUR 26,000 of compensation for costs of already lost litigations, not pending ones.

The Ružinov borough stopped paying under its former management.

According to the mayor Dušan Pekár, the dispute arose after Water Act was amended, under which the municipalities are obliged to pay for rainwater drainage. The self-government argues that the landowner should pay the charges, while the parliament omitted the fact that Bratislava is composed of boroughs. "There is a statute, under which the landowner is the capital city and the boroughs are only administrators of the lands. Therefore, it logically follows that the capital city should pay the charges," Pekár said to TASR, and added that the statute of the capital city has not been amended to that effect to date.

For the first time the local council tried to approve the agreement in 2015, when the proposal was not sufficiently supported. The new wording of the agreement was discussed during the session held in April 2018, when the council members failed to approve it repeatedly, where they disagreed with the terms and conditions of the agreement, which is not acceptable for the borough. Subsequently, the management of the borough discussed another proposal of BVS and its wording, which was approved by the Supervisory Board on Wednesday (17 May), was presented to the council members. The Mayor has described the current wording as a compromise, highlighting a reduction in penalty interest by EUR 75,000 or an extension of the repayment schedule from the original three to four years.

Despite that the council members did not fully agree with the submitted proposal. They were not happy among other things with the amount of interest that seemed to be too high. A council member Tomáš Alscher suggested that the Ružinov Mayor should discuss the proposal with representatives of the BVS, the Supervisory Board and the Mayor of the Capital City. However, the proposal was not supported when only nine members voted for it. Many of the members pointed at the "bad" Water Act, which is supposed to be full of inconsistencies, and stressed the striking difference between the owner and administrator of the

land. There were also opinions about whether there is need to negotiate further with BVS. However, the deputy mayor, Marián Gajdoš, added and pointed out that the later the agreement is approved, the more the borough will pay and that possible high foreclosure charges cannot be ruled out. However, in April, Pekár said TASR that the foreclosure was non-sense. In the context of the Water Act, the residents suggested a petition for amending the Water Act.

Ružinov is the only borough in Bratislava that does not pay the charges for rainwater drainage from the local roads owned or administered by the boroughs. "This obligation lies with the boroughs. Except for Ružinov, all other boroughs pay the charges," BVS spokesman Ján Pálffy told TASR. On the remark of the Ružinov council members that the city is also indebted in this matter and BVS does not claim interest, he stated that Bratislava and BVS signed a memorandum on the basis of which the repayment schedule was agreed. "It was adhered to by Bratislava and the debt is fully repaid at present," Pálffy added.

The Capital City insists that the boroughs should be responsible for draining rainwater from some roads they administer. "The statute of the Capital City governs the relationship between boroughs and the Capital City, including the issue of local roads," Marek Papajčík of City Council PR Department told TASR. Likewise, as under the contract the Capital City ensures removal of surface water from its roads, the boroughs must also ensure administration and maintenance of the roads managed by them.

www.teraz.sk, 18. May 2017

### BLUE SCHOOL PROJECT IS A LAUREATE OF VISIO 2020 AWARDS

VISIO 2020 is the prize awarded by EUROSTAV magazine. Since 2011 it has been awarded by the EUROSTAV publishing house and the editors of EUROSTAV magazine for the most significant action in the field of sustainable architecture and construction over the past period. This year the prestigious prize was awarded for the sixth time. A laureate of VISIO 2020 Prize for 2016/2017 is the educational project of Bratislavská vodárenská spoločnosť "Blue School – Water for Future". Based on the online voting the Public Prize will be awarded to the environmental structure "DUNA Bird Watch Shelter" in Kalinkovo.

Jury composed of four jurors, namely prof. Ing. arch. Robert Špaček, CSc., of Faculty of Architecture, STU, prof. Ing. Dušan Petráš, PhD., of Faculty of Civil Engineering, STU Bratislava, Ing. arch. Darina Lalíková, CSc., Chief Editor of EUROSTAV magazine and Ing. Pavol Kukura of Slovak Council for Green Structures, decided to nominate three projects this year. The projects included the Rosum building in Bratislava aspiring to the LEED Gold sustainability certificate, educational project of BVS, a.s. entitled "Blue School – Water for Future", and the environmental structure "Bird Watch Shelter" in Kalinkovo. At its meeting held at the end of March the jury decided to award VISIO 2020 Prize for 2016/2017 to the educational project "Blue School – Water for Future".

In particular, the jury appreciated the fact that it is a long-term education program for Bratislavská vodárenská spoločnosť (Bratislava Water Company), which aims to systematically build a positive relationship of children and young people to drinking water as a product of value. The program is designed to develop the knowledge and awareness of children and young people about drinking water – its production, distribution, drainage and wastewater treatment, the use of rainwater in sustainable construction industry, as well as the importance and irreplaceability of water by means of appropriate forms and methods of experiential learning in nature. The prize was received by the Chairman of the Board of Directors BVS, a.s., Ing. Zsolt Lukáč. The partner of VISIO 2020 Prize is CEMMAC, Ing. Jana Pančíková, was present in the prize-awarding ceremony. VISIO 2020 Prize is embodied in the artistic artefact by the academic sculptor Milan Lukáč.

In addition to the jury's prize, the general public could also decide on the winner by voting on the EUROSTAV publishing house's website. The online voting was held from 15 March to 15 April 2017 and the general public decided that the public prize was awarded to a nice ecological project, the Duna Bird Watching Shelter in Kalinkovo. It is a wooden structure designed and implemented by a team of Slovak and Norwegian students and teachers from the Faculty of Architecture of STU in Bratislava and the Norwegian Bergen School of Architecture as part of the EHP Experimental Wooden Climatic Chamber under the leadership of doc. Ing. Veronika Kotradyová, PhD.

Eurostav, Nr. 05/2017, 29 May 2017

### **Drinking Water Not Endangered!**

BRATISLAVA - Tap water is safe! Many people were scared due to the report on the toxins from the Vrakuňa landfill spreading towards the Žitný island, being the largest drinking water source. Bratislavská vodárenská spoločnosť (BVS), which supplies hundreds of thousands of people, ensures that the water from their taps is absolutely safe. According to BVS chairman Zsolt Lukáč, the water sources are not connected to the contaminated cloud and are regularly monitored. The disaster would only threaten the source in Šamorín if the state authorities did not act and would not remove the landfill.

Chairman of BVS Zsolt Lukáč acknowledged that the landfill poses a huge risk to the region and the Žitný island, and believes that the competent authorities will take necessary steps. He also calmed down the citizens who are connected to the public water mains. "We guarantee that whoever is connected to the BVS distribution system, has hygienically suitable drinking water and is not in any danger," he said. At the moment, according to him, there is no water source that would be threatened or affected by the landfill. However, a disaster may occur several years from now. "The only source over Šamorín could be in danger in a few decades if nothing is done with the landfill. The affected municipalities would include Kalinkovo, Šamorín and Dunajská Lužná," Lukáč admitted.

### **Regular Checks**

According to Lukáč, BVS uses more than 80 water sources. In the Bratislava territory, the largest sources – Sihot, Pečňa a Čunovo – contain the underground water cleared through the Danube pebbles. The water that is pumped does not need any further treatment, according to him. The only treatment is to sanitize or disinfect the water so that it does not contaminate the grids where the water can stand. In addition, the sources are regularly monitored by the monitoring system.

"In certain parts the online monitoring is carried out," Lukáč explains. If the toxic substances get into the sewage network, they are processed in the wastewater treatment plant. Lukáč adds that the project of the Ministry of Environment focuses on the issue. As part of planned encapsulation, when the landfill is isolated from the surrounding environment by a capsule, they will also build a water purifier that will focus on contaminated groundwater.

Nový Čas, 22 June 2017

### Bratislava Waterworks Company Agreed with Austrian Municipalities on Processing Wastewaters

Austrian bordering villages Kittsee, Edelstal and Pama to keep cooperating with Bratislavská vodárenská spoločnosť.

BRATISLAVA. The Austrian bordering villages Kittsee, Edelstal and Pama will keep cooperating with Bratislavská vodárenská spoločnosť (BVS) in wastewaters disposal and treatment.

On Friday, the new contract was signed by the CEO of BVS Zsolt Lukáč and the Mayor of Kittsee Gabriele Nabinger. TASR was informed by the head of BVS's PR a Marketing Department Ján Pálffy.

"I am delighted that we have been able to agree on the continuation of our almost 50 years long, seamless cooperation, because the wastewater treatment at the modern wastewater treatment plant in Petrzalka represents the most favourable solution for these municipalities from a qualitative, environmental, technical and economic point of views," said the CEO of BVS.

He expressed his conviction that the waterworks company will reach

a similar agreement with the municipality of Berg in the near future.

The new contract effective from 1 July 2017 guarantees the Austrian municipalities of Kittsee, Edelstal and Pama the disposal and treatment of waste water for a period of five years, with an option for another five years, at the prices set by the Regulatory Office for Network Industries.

The core activities of BVS include production and distribution of drinking water and wastewater disposal and treatment. The company provides its services to more than 700,000 people from Bratislava as well as seven districts in Záhorie region and around the capital city. It supplies water to 97 percent of the population living in this catchment area.

www.bratislava.sme.sk, 30 June 2017

### Deadline to Legalize Connection to Sewage Extended

Customers who have not filed their application due to the summer holiday season, can legalise their connection within the extended time limit of general pardon.

Bratislava 5 September (TASR) – In the beginning of the summer, Bratislavská vodárenská spoločnosť (BVS) announced the general pardon, which allowed customers connected to public sewage without a contract to legalize their connection by the end of August. Due to the growing interest, BVS extended the time limit until 15 October 2017.

CEO of BVS Zsolt Lukáč states that announcement of the general pardon has had good effects. At the end of August they recorded considerable growth in the number of applications for the conclusion of a contract for the waste water disposal by the public sewage system and therefore extended the customer hours at the customer centres. "Because of the increased interest, we decided to accommodate our customers and therefore extended the general pardon until October 15," Lukáč pointed out.

Customers who have not yet been able to submit their applications due to the summer holiday season have the opportunity to legalize their connection thanks to the extended general pardon. "We make an accommodating step, which will allow the illegal produces of waste waters to avoid high penalties and compensation of damage," said the Financial and Sales Director of BVS Rastislav Gajarský.

The customers can easily legalize wastewater disposal by filling in the "Documents for Agreement om Wastewater Disposal by Public Sewerage under General Pardon" printed from the BVS website. They must be delivered to the company.

In initiating the campaign BVS stated that out of more than 120.000 offtake points approx. 13.400 points are illegally connected to the sewage system. "It concerns customers who have the drinking water supply agreement concluded with BVS, and pay the water charges, but they discharge wastewater – rainwater or own wastewater, have no wastewater disposal contract and pay no sewage charges," Gajarský explained.

BVS informs that after 15 October it will commence extensive inspection using mobile camera technologies which identifies waste water discharged into the pipelines. In the case that after general pardon an unauthorised discharge of wastewater to sewage system is proved, BVS will impose the contractual penalty on the identified unauthorised persons – if concerning a natural person (not entrepreneur) in the amount of EUR 300, in the case of other persons in the amount of EUR 3,000. At the same time, they will receive a retroactive billing of sewage charges as compensation for non-contractual connection, which in some cases may amount to several thousand euros.

www.teraz.sk, 5 September 2017

### **Check Your Sewage Contract**

### Jaroslav Zápala, a host:

"If you are connected to the public sewage system, check whether you pay the sewage charges. Penalties can be imposed for illegal connection. Bratislavská vodárenská spoločnosť gives people a few more days of grace period to confess and to sign a new contract without requesting extra money."

### Ľubica Janíková, a hostess:

"Bratislavská vodárenská spoločnosť supplies drinking water not only in the Bratislava region, but also in parts of Trnava and Trenčín regions, in total, to approximately 130 thousand offtake points. One-tenth of them are connected illegally."

### Rastislav Gajarský, Financial and Sales Director of BVS:

"We have identified 13,400 offtake points where we believe they are supplied with the drinking water by us, but they do not have a wastewater disposal contract signed with our company."

### Ľubica Janíková:

"If you discharge the wastewater into the public sewer, the supply contract is not enough. Therefore, you must check whether you pay the sewage charges to the waterworks company."

### Rastislav Gajarský:

"And whether there is an outlet from the particular offtake point into our sewage system."

### Ľubica Janíková:

"Those who have their own cesspool, should also sign the wastewater disposal contract. If you have forgotten to sign it, you can confess without the threat of a fine. You only have time until Sunday. Then the Bratislavská vodárenská spoločnosť will start searching for the non-payers."

### Ján Pálffy, spokesman of BVS:

"This means that using the special technologies we will check the sewer network for whether someone is connected or not connected to this public sewerage system."

### Ľubica Janíková:

"Those who do not confess may be requested to pay the compensation of damage for the last two years based on the estimated quantity of water discharged into the public sewer, and be imposed a penalty."

### Ján Pálffy:

"In the case that illegal connection to the public sewer is identified the penalties may be imposed; if concerning a natural person, the penalty may amount up to EUR 300, in the case of legal persons it may amount up to EUR 3.000."

### Ľubica Janíková:

"If you can make it by 15 October, you will not pay any extras. So far, four thousand people admitted their unlawful connection. All others probably will make confession at the very last moment!"

### Rastislav Gajarský:

"They can also send these requests by mail, there must of course be a stamp by 15 October and can also be sent by e-mail to služby@bvsas.sk."

### Ľubica Janíková:

"Ľubica Janíková, Markíza TV."

Markíza TV station, TV News, 12 October 2017

### World-Famous Inventor J. W. Kempelen Has the Statue in his Hometown Bratislava

Kempelen became famous thanks to his two mysterious mechanisms – the chess playing automaton and the speaking machine. At Schönbrunn in Vienna he built famous fountains; in Bratislava he built a pontoon bridge.

Bratislava 19 December (TASR) - The statue of Johann Wolfgang Kempelen (1734 –1804), a world-known inventor and technician, was erected in the Waterworks Garden of Bratislavská vodárenská spoločnosť (BVS) last Tuesday. The civic association (CA) FABRIKart arranged for it and initiated manufacturing and installing the life-size bronze sculpture.

"Kempelen provided for water to the Bratislava Castle and ensured the safety of mines and various water-related technical structures. Therefore we supported the association's proposal and we are happy to have such a personality in a freely accessible garden. We intend to raise awareness of his merits," said CEO and Chairman of the Board of Directors of BVS Zsolt Lukáč.

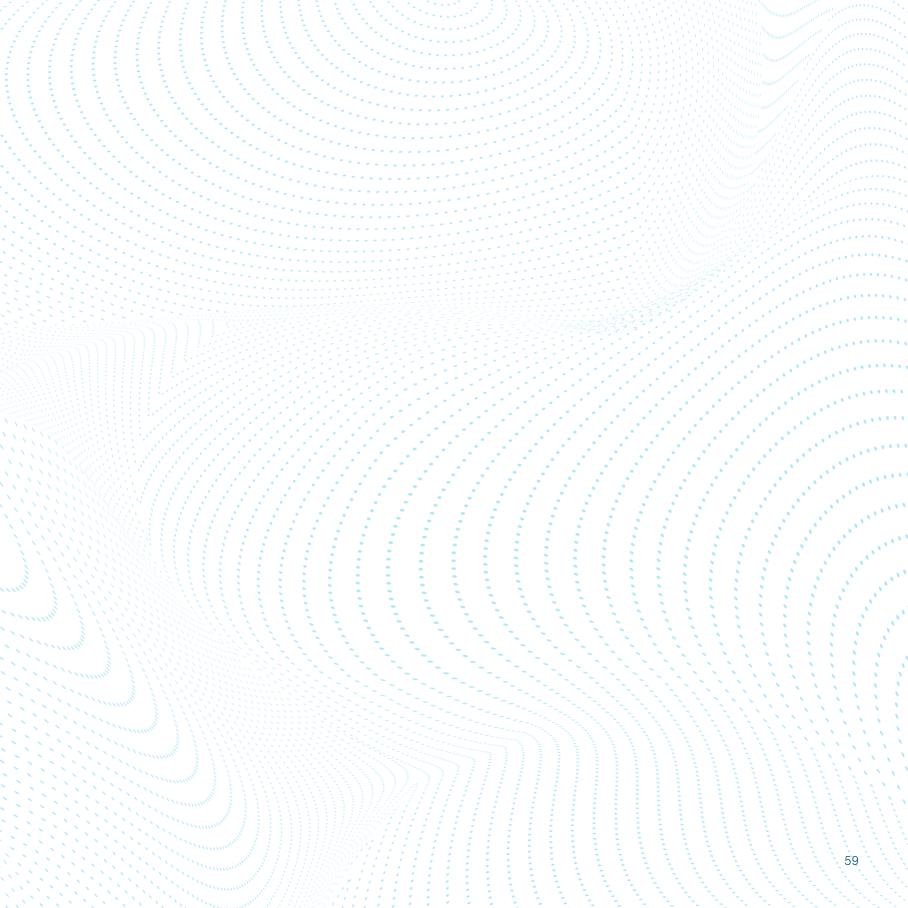
Kempelen became famous thanks to his two mysterious mechanisms the chess-playing automaton and the speaking machine. At Schönbrunn in Vienna he built famous fountains; in Bratislava he built a pontoon bridge and irrigation equipment on the Žitný island. He designed fountains, drainage systems, devised a typewriter for the blind

and gained credits in the development of logopaedics. Kempelen was a significant pioneer of new ideas and a designer of the 18th century.

"Kempelen was Leonardo da Vinci of Bratislava. He also invented system for mining salt in the mines, and in addition to technical inventions, he was an artist, a polyhistor, a linguist, a thinker and an adventurer. Kempelen was also a close friend and counsellor of Maria Theresa, thus holding an exceptional position. The famous designer does not have a memorial board, and this statue is his first in Slovakia. It is a great way for domestic and foreign visitors to commemorate acts of the world-famous inventor of Bratislava," explains Andrej Aleksiev of FABRIKart OZ.

The author of the art work is the academic sculptor Róbert Czingel. Based on the model it was cast using the lost wax technology. "The statue has a half-inch bronze thickness and weighs almost 140 kg," Czingel revealed.

www.dobrenoviny.sk, 19 December 2017



### CORPORATE RESPONSIBILITY AND PHILANTHROPY

In 2017 Bratislavská vodárenská spoločnosť implemented and supported the corporate responsibility and philanthropy projects and environmental education projects in the catchment area of BVS. We cooperated with students and teachers through the Blue School – Water for the Future (Modrá škola – voda pre budúcnosť) program, provided financial support to social and sport events. BVS Foundation engaged the employees in performing the community works.

One of the traditional support activities to various events include ensuring water intake by providing for the drinking water tanks. Interest in such type of support keeps growing. In 2017 BVS supported the following events: 2017 National Devin – Bratislava Run, 2017 Aviation Day Dubová, St. Cyril and Method Festival, Cibula Fest 2017, Bratislava Battle etc. During the hot summer days we provided for the drinking water tanks in the Bratislava city. The residents of and visitors to Bratislava appreciated this service.

In addition to non-financial support Bratislayská vodárenská spoločnosť provided also financial support in the form of grants totalling to € 40,000.

### **BVS Foundation**

BVS Foundation supports the educational, promotional and cultural activities and projects which raise public interest in water, drinking water sources and their protection, create a new culture of water perception and relation to it. The Foundation cooperates with the schools, NGOs, institutions and individuals. BVS Foundation organises activities also for employees of BVS and its subsidiaries Infra Services and BIONERGY. We are happy and appreciate that our employees are also able to take on some of their social responsibility and provide help where needed.

In 2017 the Foundation continued in cooperation with the organizers of the 18th International Mountain and City Film Festival, which was held from 22 March to 26 March 2017 at Cinema City in Aupark, Bratislava. In its premises we created a "Drinking Water Centre", which 60

was designed especially for 700 young visitors, which is the number of children that attend the festival each year. The children learned about how the circle of water in the country is connected with quantity of drinking water. The youngest ones participated in assembling large puzzle under the climbing wall, the older ones discovered the way how the drinking water gets to their faucet. The Foundation prepared this activity in cooperation with the BVS Blue School - Water for the Future program.

BVS Foundation provided financial support to 10th Model Conference of Students of the Faculty of International Relations organised by the University of Economics in Bratislava, and the Elementary School of A. M. Szenczi in connection with the field trip to the Waterworks Museum.

As a part of the Foundation's activities, the employees of BVS and its subsidiaries were involved in the spring cleaning of banks of the Danube River in Bratislava, namely the banks of Karlova Ves branch. They also donated blood within the Summer Blood Drop initiative. We are proud that our employees help those in need.

In 2017 BVS Foundation donated funds totalling to € 18,723. Revenues received from the remitted percent income tax amounted to € 0 in 2016. Income from percentage of income tax received in 2017 amounted to € 8,260. The donations were provided in line with the BVS Foundation's Bylaws and with the consent of BVS Foundation's Management Board. Information on the Foundation is activities are available in the 2017 Annual Report of BVS Foundation and on the website www. nadaciabys.sk.

### **Educational projects**

BVS places great emphasis on educating children and young people about water. Through the Blue School - programme, BVS reaches out to children, explaining, in an interesting and playful manner, the water system processes and the importance of drinking habits, hygiene,

the protection of water resources and other related topics. This was the nineth year in which BVS organised its educational programme for children and young people, Blue School – Water for the Future, also in 2017 attracting ever-increasing interest from pupils, students and teachers.

Also in 2017, the program was devoted to educational as well as marketing activities aimed at specific target groups and the general public. For schools, it was an integral part of the school education system and an interesting enrichment of leisure time for the general public. We paid attention to the education of children of all ages, even an increased number of preschool children, in various educational forms.

The most sought-after activities of the Blue School programme include educational visits to the wastewater treatment plants, the Waterworks Museum and Sihot island. Interest in excursions has been rising despite the technical restrictions concerning entry into premises (reconstruction of certain most wanted premises). We organised 24 educational visits to WWTP, 54 educational visits to Sihot island water source and 4 educational visits to other premises of BVS (water treatment plants, pumping stations, water sources). More than 1500 pupils and students of elementary, secondary and higher education schools attended the educational visits.

In order to address as many people as possible who are interested in the activities of the educational program, in 2017 we initiated even more intensive cooperation with the schools in the form of interactive teaching programs taking place in the BVS Waterworks Museum in Bratislava. The programs are based on curricula of the state educational programs and reflect the needs of the individual levels of pre-primary, primary and secondary education. They are focused on experiential learning using interactive models, experiments and games that make water issues better understandable for children and teens. In 2017, a total of 1,220 pupils from 31 schools from the BVS service area were educated.

During the year, children and students had the opportunity to participate in multiple competitions organized by Blue School as the main organizer or in cooperation with other partners. At Young Film Artist contest (Mladý filmový tvorca) the amateur young filmmakers presented their talent, creativity and technical skills in short animated movie on the topic Water and Ecology (Voda a ekológia). The competition project I know what my profession will be and why (Viem, čím budem a prečo) offered pupils a space for art activities (kindergartens) and literary activities (elementary and secondary schools) for presenting their dream profession, where water also played an important role.

In 2017 the Blue School programme was consummated by the Water Festival, the objective of which was to help schools actively engage the students in the educational process concerning the environment with special focus on the water-related issues so that when implementing the projects under the supervision of teachers, they realise the importance of topics, such as quality of drinking water from the water mains, its price and value, correct drinking water intake, correct hygienic habits, use of water in the households, protection of water sources etc.

In all of the foregoing contests organised in 2017 the total of 1600 students from over 500 schools participated, which clearly proves meanigfulness of the Blue School program.

By our activities we have supported several significant events for building reputation, such as World Water Day in the Waterworks Museum, and on Sihot island, SHMÚ Open Door Day as a part of Bratislava for All event and many other. We have also participated in Eco H2O Tour project and promoted the professional orientation of young people in the water sector (Living Book Project).

Even in the coming year we intend to continue in implementing the successful program and extending water awareness among children and young people.

### WATERWORKS MUSEUM

The Waterworks Museum is located in Karlova Ves at the historical site of the first pumping stations. Its mission includes historical research of the water supply system, education and information provided to the general public concerning waterworks using the modern technologies. The Waterworks Museum is a specialized technical museum focusing on Slovakia's water industry. Its founder is BVS.

In 2017, the Waterworks Museum housed two expositions – the main exhibition in the original engine room in Karlova Ves and exhibition in the place of national cultural monument on Sihot island.

The one-hectare Waterworks Garden in the Museum premises was opened to the public throughout the year. The garden with the prevailing water element serves as a resting place and is part of the Waterworks Museum's permanent exhibition.

In 2017, the Waterworks Museum's collection numbered 4,106 items of cultural value, including significant archival documents, projects, and historical water system equipment.

During the year the number of visitors to the Museum was as high as 17,688 visitors of 222 events.

The Waterworks Museum organized 103 educational and professional visits to the Museum and the Sihof water source, with a total number of 2,915 visitors. The Blue School Educational Program organised 43 lectures for 1,370 visitors at Museum in 2017.

During public events - Open Doors Day and Night of Museums and Galleries - 5,000 people visited the museum and Sihot island.

The Museum is also an important venue for internal events organized by BVS and rental space for commercial events.

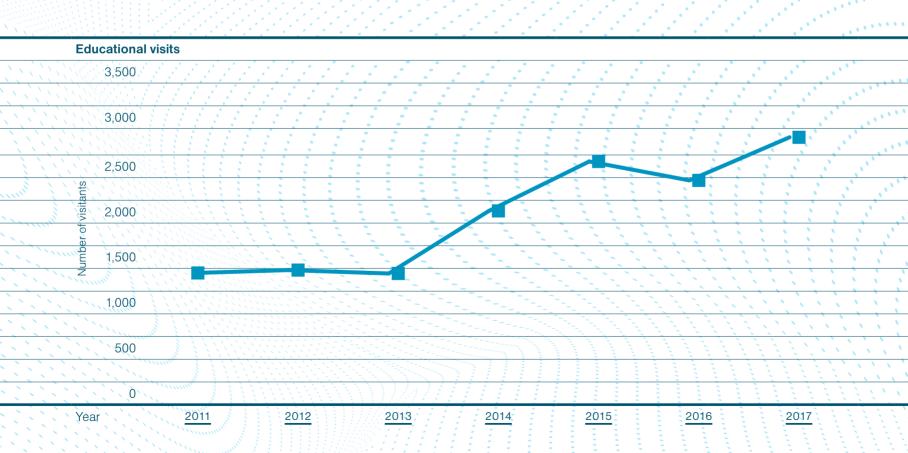
During the monitored period, 24 events for BVS (training sessions, general meetings, press conferences, employee events), 4 events for Infra Services (training), 35 commercial rentals, 9 non-commercial events and rentals (with the support of BVS) and 2 rentals for BVS employees were performed.

In 2017, the Museum's total income amounted to € 44,029.80, excl. VAT.

The Museum has its own website, www.vodarenskemuzeum. sk. In 2017, it recorded 12,954 unique visitors, while 59,297 people visited the website.

### Waterworks Museum - visits (exposition Sihot and Waterworks Museum)

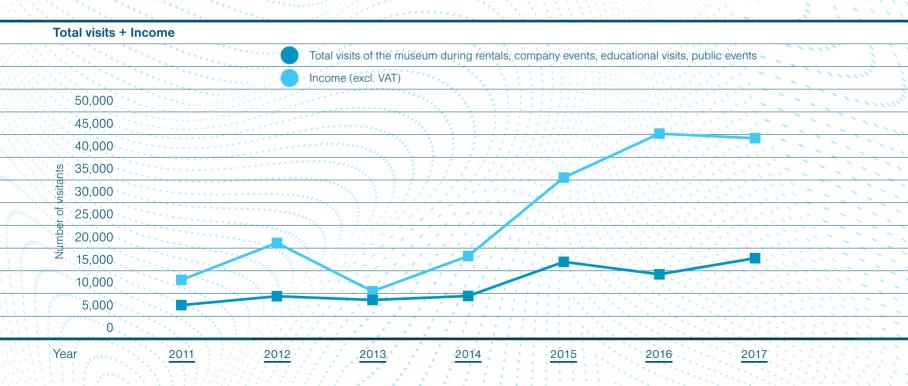
Period	Number of visitants	Number of visits
2011	1,407	47
2012	1,439	52
2013	1,401	51.
2014	2,097	.70
2015	2,646	89
2016	2,436	78
2017	- 2,915	103



Waterworks Museum - rentals/events/income (including company events, visits and educational visits of Blue School)

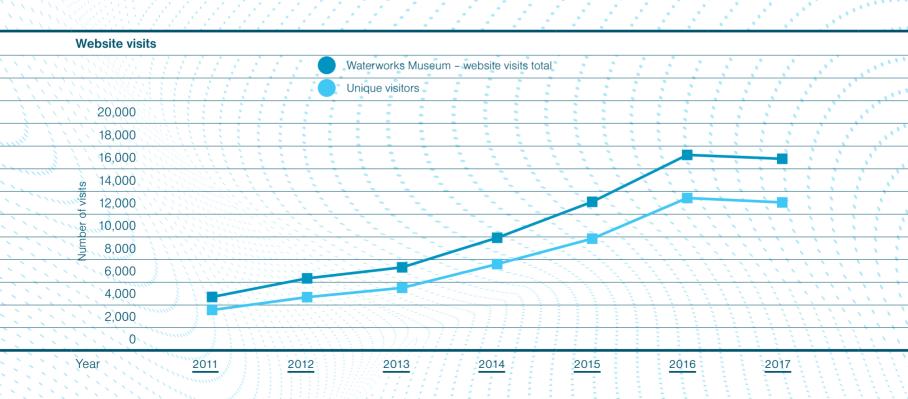
Period	Total visits of the museum during rentals, company events, e nal visits, public events	ducatio- Income (excl. VAT)	Total events
2011	7,385	12,911.60 €	95
2012	9,337	21,040.46 €	106
2013	8,520	10,423.06 €	118
2014	9,390	18,158.60 €	128
2015	16,886	35,385.93,€	167
2016	14,152	45,032.40 €	137
2017	17,688	44,029.80 €	222

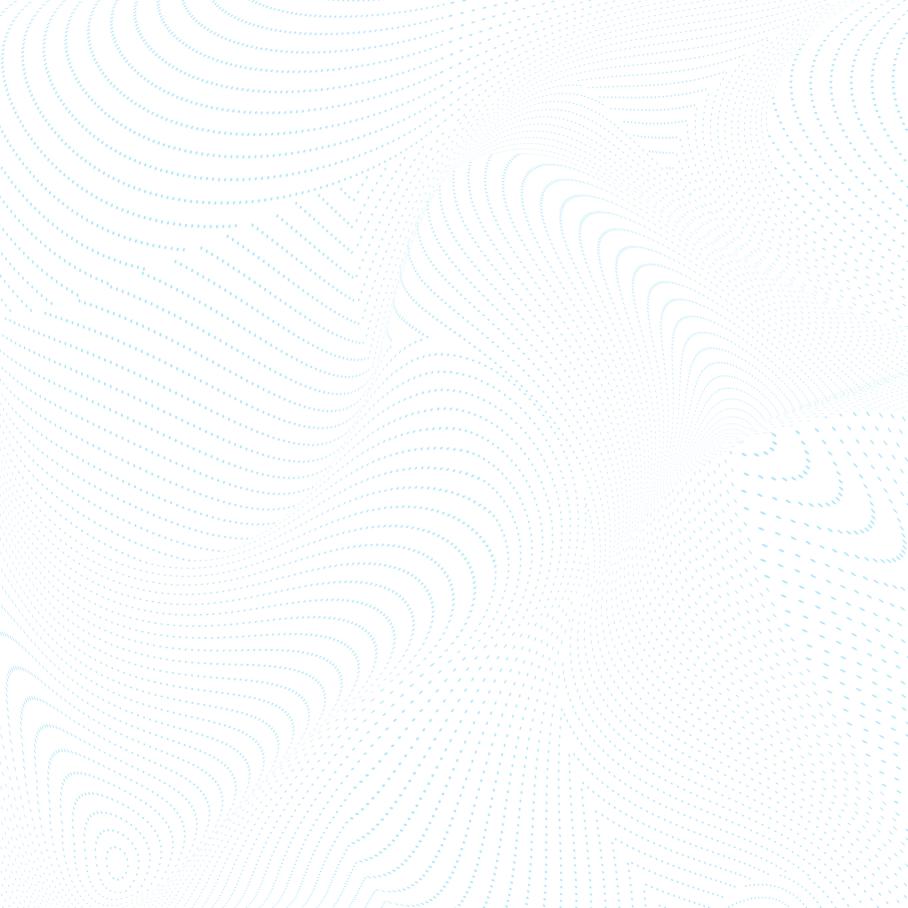
Public events – Open Doors Day and Night of Museums and Galleries – were visited by 5,000 people in 2017. The Blue School Educational Program organised 43 lectures for 1,370 visitors at Museum in 2017.



### Waterworks Museum - website visits

Period	Waterworks Museum – website visits total	Unique visitors	Page visits
2011	4,594	3,442 / / / / / / / / / / / / / / / / / /	20,553
2012	6,239	4,577	28,818
2013	7,213	5,399	34,221
2014	9,827	7,500	41,992
2015	13,004	9,748	47,196
2016	17,154	13,342	66,654
2017	16,811 [ - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1	12,954	59,297





### CAPITAL CONSTRUCTION

PROSPECT FOR MODERNIZING WATER MANAGEMENT INFRASTRUCTURE OF BVS

SAFE COMPANY

SUCCESFULL PERIODICAL IMS AUDIT
INFORMATION TECHNOLOGIES

### CAPITAL CONSTRUCTION

The core activity of BVS is to operate the public water systems, public sewer systems, including water resources and wastewater treatment plants in the Bratislava Region, and partially in the Trnava Region and the Trenčín Region.

The essential prerequisite for providing high quality water management services is ensuring good condition and maintaining sufficient capacity within the operated infrastructure.

BVS provides for renovation, reconstruction and modernization of public water systems, public sewer systems, water resources and water treatment plants and their faultless operation.

BVS develops new structures in line with the development plans of the towns, villages and Bratislava municipalities, for which it performs special activities. BVS's investment activities are based on the operating condition of its water mains, sewer systems and water treatment plants and the need to ensure they conform to the parameters set by the applicable legislation and limits for wastewater effluent set by EU Directives as well as the documents "Strategy and Modernization of Water Utility System Infrastructure at BVS, a.s." and "Programme for Lowering Losses from Water Mains". These strategic goals are reflected in the construction projects and other projects included in the Company's investment plans and capital construction programme.

The planned funds for investments and capital construction projects by BVS for 2017 were approved up to a total of € 21,277,165.

In 2017 the company met the approved plan of investments and capital construction by spending € 22,442,136, i.e. 105.48% of the total planned annual expenditure of € 21,277,165, of which the total spending on the structures amounted to € 9,594,688, i.e. 89.72% of the total planned annual expenditure of € 10,694,148.

### Fulfilment of the investment and capital construction plans of BVS for 2017 (in €)

			' ' ' ' ' '	
	Own sources	Sources of EU and SB	Total	
Reconstructions and new investments – implementation in 2017	9,594,688	0,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	9,594,688	
Total structures	9,594,688	0	9,594,688	
Other items in capital construction	12,847,448	0,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	12,847,448	
Total	22,442,136	0	22,442,136	

### In 2017 the following structures were completed by BVS:

- "Rača Grinava, water supply pipeline", facilities SO 05, SO 07, SO 08, SO 09;
- "Stupava, Pajštún source, water treatment plant";
- "VZ Sihot, reconstruction of ČS 4 and TS 4";
- "Bernolákovo Senec, reconstruction of water supply pipeline, Phase I";
- "Ivanka pri Dunaji pumping stations KČS 5 and KČS 13, redevelopment of facilities";
- "Sološnica redevelopment of water supply pipeline "At Upper Side":
- "VDJ Koziarka, redevelopment of facilities";
- "VDJ Píla VDJ Červený Kameň: reconstruction of discharge water pipeline";
- "WWTP Rohožník ČS of waste water No. 1 reconstruction of the building";
- "Záhorská Bystrica, SC sewer collector";
- "Most pri Bratislave, Bratislavská a Nálepkova ul. redevelopment of water mains at Nálepkova street".

### We are particular about:

A. Projects co-financed by European Union from the Cohesion Fund and the state budget (SB) under the Operational Program Environment – INVESTMENT IN YOUR FUTURE:

"Wastewater collection from the Danube Valley of the Bratislava Region"

- Increasing intensity and modernisation of CWWTP Vrakuňa,
   2nd construction project (€ 20,198,964)
- Increasing intensity and modernisation of WWTP Petržalka,
   2nd construction project (€ 8,572,860)

With regard to the construction in question it is intended to provide increased efficiency of wastewater treatment to meet the legislative requirements for the removal of nutrients and phosphorus in treated waste water in accordance with the European legislation. The wastewater collection and disposal also addresses wastewater treatment in a part of the Capital City of Bratislava, belonging to the borderline Danube River Basin, though also partially sanitary wastewater pumped to Bratislava from the Little Carpathians (up to Pezinok).

The project deals with modernisation of the biological degree in:

- CWWTP in Vrakuňa,
- WWTP in Petržalka.

Project implementation commenced on 8 November 2013. The works were completed in November 2015. After a one-year trial operation both sewers are now in permanent operation.

"Completion of Sewer System and WWTP in the Town of Modra" (€ 8,817,305)

The project consists of reconstruction of WWTP Modra, construction of sanitary sewer system in Modra and a wastewater collection system in Dubová.

The works were commenced on 30 June 2014. The works were com-

pleted in December 2015. Subsequently the structures were granted permit to use and have been in one-year trial operation. Nowadays they are in permanent operation. In line with the terms and conditions of NFP Agreement, the completed investment projects are subject to 5-year monitoring by the Ministry of Environment of the SR. Once a year during the 5-year period since launching into permanent operation, BVS must report on compliance with the indicators (cash flows, measurable indicators). Ministry of Environment of the SR will assess those after the end of the monitoring period.

B. Projects co-financed by European Union from the Cohesion Fund and the state budget (SB) under the Operational Program Environment Quality – INVESTMENT IN YOUR FUTURE:

"WWTP Rohožník - reconstruction and modernisation" (€ 2.780.000)

As a part of the project, improvement of wastewater treatment efficiency is addressed in order to meet the legal requirements for the removal of nutrients and phosphorus in treated waste water in accordance with European legislation.

The project will be co-financed from the EU funds. The application for non-repayable financial contribution was filed to the Ministry of Environment of the SR on 30 September 2015. The Ministry approved the application in January 2016 in the total amount of NRFC of € 2,311,418.

We organised the public tender for the contractor to build the structure. In the electronic auction, the best price was offered by the tenderer VODOHOSPODÁRSKE STAVBY a.s., Bratislava. The construction works commenced in July 2017, the works will last 18 months followed by 12-month trial operation.

In the preparation and construction of the individual structures, BVS applies the state-of-the-art information technologies to ensure their proper use in the system of water mains and sewerage systems from the central dispatching.





### INVESTÍCIA DO VAŠEJ BUDÚCNOSTI







## PROSPECTS OF MODERNIZING WATER MANAGEMENT INFRASTRUCTURE OF BVS

In modernising its water management infrastructure, BVS has been focusing 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 an ongoing restoration. Our commitment to keep the existing water management infrastructure in good condition is integrally related to the task of modernizing the system for this infrastructure. This aim is directed toward attaining optimum solutions in water production and distribution as well as in wastewater collection and treatment, while achieving sufficient capacity to satisfy demands for land development, in both cases with economic benefits.

Priorities in the water supply system modernization are as follows:

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

Modernisation of the water supply system is focused on implementation of the following concepts.

The current concept of continued use of the water sources in the Danube valley for the city of Bratislava in the long term, as these sources are very suitably located on city land or in its immediate vicinity.

Regarding other locations, the local water sources in Záhorie and the Little Carpathian Region are not sufficient due to their capacity and quality. Therefore this water is currently supplanted to a significant degree by higher quality and more plentiful ground water (water sources from the Danube valley). The eccentric location of these water sources in relation to the location of consumers outside the city of Bratislava, additional water piping capacity needs to be built. So far the distribution lines have been constructed from Bratislava to Záhorie (up to Malacky) and to the Podhorie region (to Pezinok, Modra and Senec). Keeping this in mind, we plan to build further distribution facilities to optimize supply to the Little Carpathian Region from the eastern part of Bratislava (a new water line Rača to Pezinok-Grinava), resp. to optimize supply to Záhorie not only from the western section of Bratislava (increasing the accumulation in Lamač for Záhorie), but also from the eastern, especially by transporting the water through Little Carpathians (water line Jarovce - Podunajské Biskupice - Rača - Marianka, local connection in Záhorie between Rohožník - Plavecké Podhradie, resp. Malacky - Sekule, resp. Kúty).

#### Particular solutions:

- connecting the eastern and western sections of the water supply systems in coordination with the zero bypass of Bratislava as a part of highway D4,
- water supply for the north-western development zone of Bratislava,
- securing distribution lines to supply Záhorie from the Bratislava water system,
- water mains connecting Rohožník and Plavecké Podhradie and the related establishment of an enhancing station for Malacky,
- completion of the Zohor Suchohrad Malacky supply line,
- in the event of unfavourable developments in water stocks and economic profitability or in the event of contingencies and crisis scenarios, activating Malacky - Kúty or Kúty - Holíč water mains,
- set of facilities and measures for optimising the use of springs,
- set of waterworks facilities for the reliable drinking water supply in Bratislava-Kramáre and Koliba.
- drinking water supply to potential developing urban areas of Bratislava – locations of Lamačská Brána, Záhorská Bystrica, Marianka, Vajnory, Vinohrady, Južné Mesto, Jarovce, Rusovce and Čunovo,
- modernizing the water system in the eastern part of Bratislava and around Pezinok and Senec with new water supply Bratislava-Rača – Pezinok\_Grinava and other connections and lowerline loops across Čierna Voda; relocation of Bernolakovo pumping station to Pezinok-Grinava,
- optimisation of an integrated management system and the central technology dispatching.

Current and anticipated total water reserves, for which BVS is responsible, look to be positive. In order to preserve this favourable condition,

consistent protection of the water sources (WS) is necessary and resolving the cases of deteriorated quality of water in the sources is also required (e.g. WS Kalinkovo by water treatment); in addition, expansion of WS Rusovce – Ostrovné lúčky and WS Šamorín to increase the degree of diversification of sources (back-up of sources).

#### Priorities in wastewater collection system modernization include:

- achieving sewer capacity 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 wastewater collection systems (inflows of groundwater and surface water runoff

   rainwater and surface water),
- optimizing the wastewater collection process by gradually completing the integrated management system and central technical dispatching.

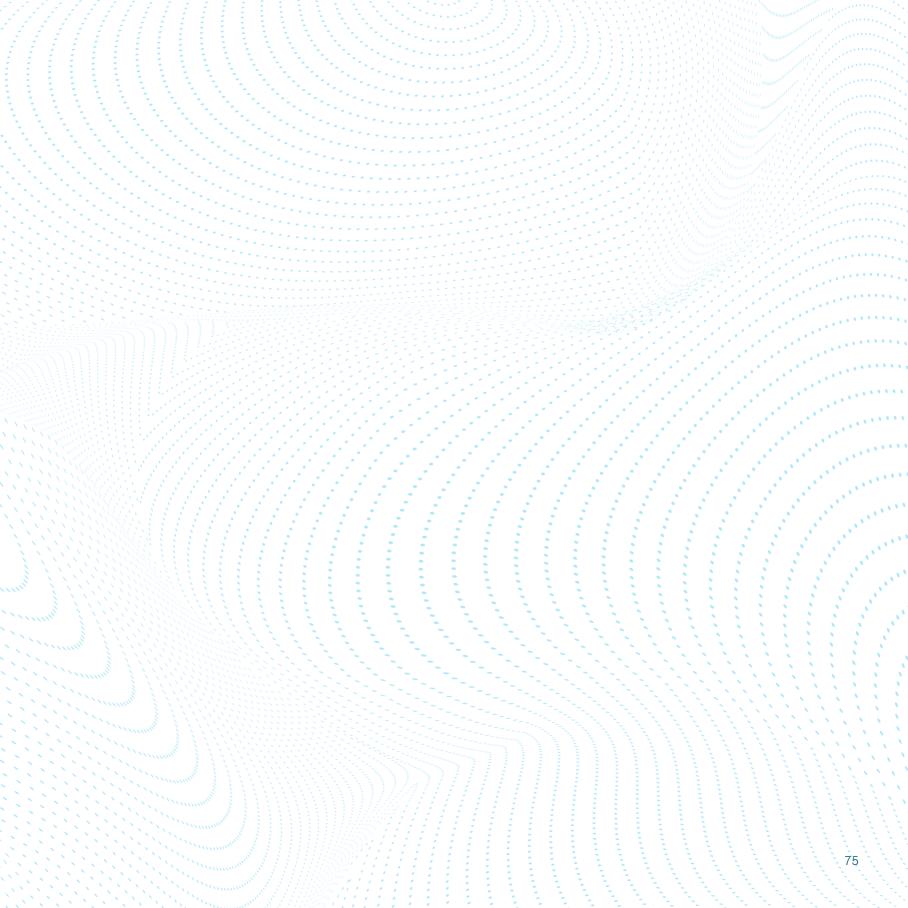
Modernisation of wastewater collection systems is focused on the concept of centralizing the wastewater treatment process – connection of other municipalities (Most pri Bratislave and Malinovo) to the left bank sewer system in Bratislava with the shared Bratislava-Vrakuňa wastewater treatment plant, resp. connection of the planned sewer system in municipalities in Senica – Holíč area with shared wastewater treatment plant Holíč. In other cases, independent sewers with a separate wastewater treatment plant will continue to be used with possible connections to a low number of satellite neighbourhoods around smaller towns.

#### Particular measures:

- modernisation of sewer networks (in Bratislava mainly reconstruction of the critical sections of the main collectors, rainwater tanks in the catchment areas of the collectors B, C; relief chamber at collector AIX, elimination of effluent surface waters from suburban areas, the sewer system of developing areas in the eastern part of Bratislava completion of rainwater tanks in Rača, connecting collector E with KCHOV II, sewer collectors SB, SC in the catchment area WWTP Devinska Nová Ves; outside Bratislava in particular pressure sewer piping between Rovinka Dunajská Lužná and Miloslavov Dunajská Lužná in the catchment area of WWTP Hamuliakovo),
- modernisation of WWTP Hamuliakovo to ensure sufficient capacity covering the needs of territorial development,
- modernization of water treatment plants in order to increase capacity to cover land development demands and to ensure appropriate technology: Rohožník (in process now), Gbely, Smrdáky,

 optimisation of an integrated management system and the central technology dispatching.

In general, BVS's strategy in the area of modernization of the water management infrastructure is conceived with regard to basic EU documents (in general terms it is a directive of the European Parliament and of the Council 2000/60/EC, in the area of wastewater collection 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 in other strategic national documents.



# SAFE COMPANY

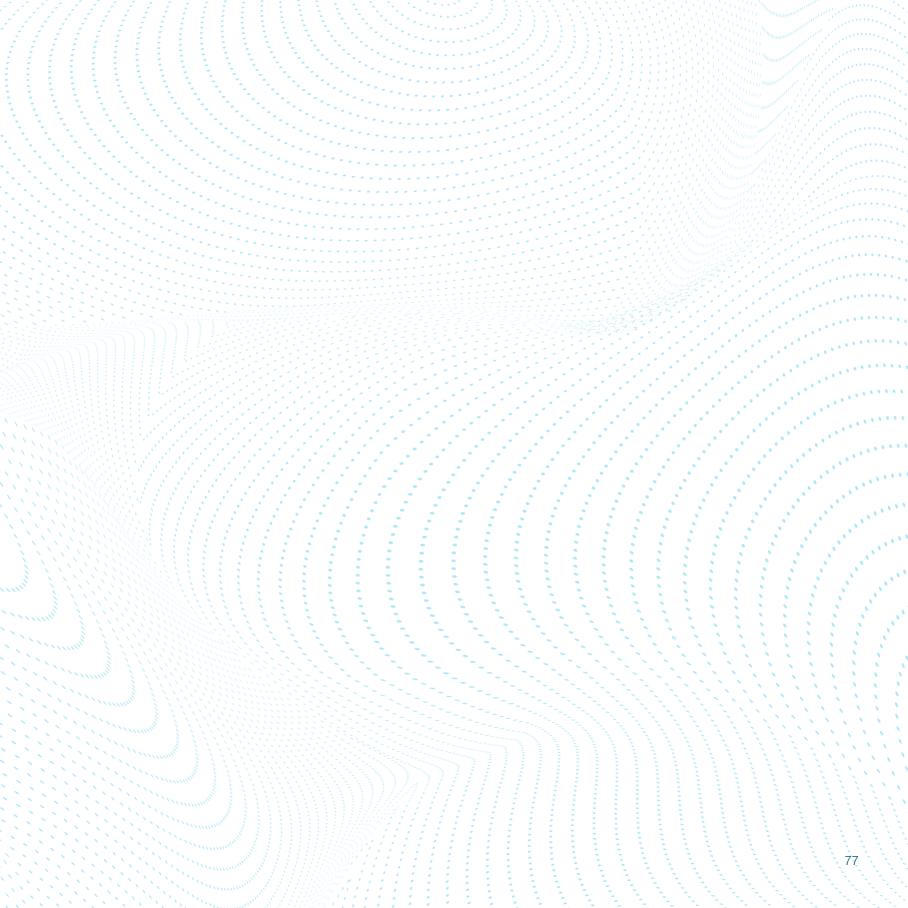
Workplace health and safety and consistant improvement of the working conditions represent, traditionally, the main objectives of BVS.

By fulfilling the conditions and obtaining the Safe Company certificate, BVS has shown that priority tasks in the modern management system are inseparable from the health and safety of their employees.

With regard to compliance with the Safe Company program also in 2017 BVS used its best efforts to increase workplace health and safety, hygiene at work and improve the working conditions of all its employees.

Achievement of the objectives concerning overall improvement of the working conditions represent long-term goals that require considerable funds. Despite that it can be stated that BVS considers work-place health and safety to be a serious issue and uses (just as in the previous years) its available funds to the extent possible to achieve the objectives concerning workplace health and safety as well as the tasks and objectives included in the Safe Company program.

In the calendar year of 2018, BVS will again defend the Safe Company certificate, awarded every five years, for the third time in a row.



# SUCCESSFULL RECERTIFICATION AUDIT OF ISM

SUCCESSFULL RECERTIFICATION AUDIT OF INTEGRATED
MANAGEMENT SYSTEM ACCORDING TO REVISED STANDARDS
ISO 9001: 2015 AND ISO 14001: 2015

In the period from 31 May to 2 June 2017, BVS underwent the recertification audit of the Integrated Management System (IMS) carried out by a new certification company BUREAU VERITAS Slovakia spol. s r.o. The objective of the recertification audit was to confirm the compliance of the company's quality management system with the requirements of ISO 9001: 2015 and to confirm the compliance of the company's environmental management system with the requirements of ISO 14001: 2015. Auditors conducted a process-oriented audit based on the verification of significant aspects, risks and objectives. Two auditors reviewed and evaluated company documentation, process efficiency, corrective actions and previous audit tasks, as well as compliance with the legal requirements imposed on BVS and the requirements of ISO 9001: 2015 and ISO 14001: 2015.

The audit was the first audit to be carried out in the company under the revised ISO standards of 2015. The ISO standards of 2015 are based on the strategic thinking of the organization and reflection on its surroundings, its impact on society and vice versa, the definitions of threats and assignment of risk levels. The strategic direction of the company identified in its core documents was audited by BVS as its strength.

#### Audit results:

Number of discrepancies identified during the audit: 0

Number of observations identified during the audit: 0

Number of opportunities for improvement identified during the audit: 0

#### Conclusion of the audit:

The auditors concluded that the organization has established and maintained its management systems in line with the requirements of applied standards, and demonstrated the ability of systems to meet product, service and environmental requirements within the scope of certification and in line with its policy and objectives.

Based on the results of the audit performed and the demonstrated level of development and maturity of the management systems, the audit team leader recommended that the company may be awarded with certificates according to ISO 9001: 2015 and ISO 14001: 2015 certifying compliance with the requirements of applied standards.

As the strengths of the system, the auditors identified

metrology activities,

- qualification of the personnel, competence / knowledge of all employees,
- IMS management review level for the previous year,
- interconnection of processes the effort of all persons concerned to achieve the best possible outcome,
- active co-operation between departments.

For BVS the integrated management system represents the commitment for the future, especially in the field of environmental protection, compliance with environmental and other obligations that result for the company from its unique position in the market given the nature of the product and its particular significance. The certificates are binding for the company which must continue to build a customer-oriented company and to provide professional and quality services with an emphasis on high satisfaction of its customers.

# INFORMATION TECHNOLOGIES

Improving the quality of services and solutions, enhancing the user support and renewal and upgrade of the systems were the priorities as concerns the information systems and technologies. We drew on the synergic effect of the projects implemented in the preceding year.

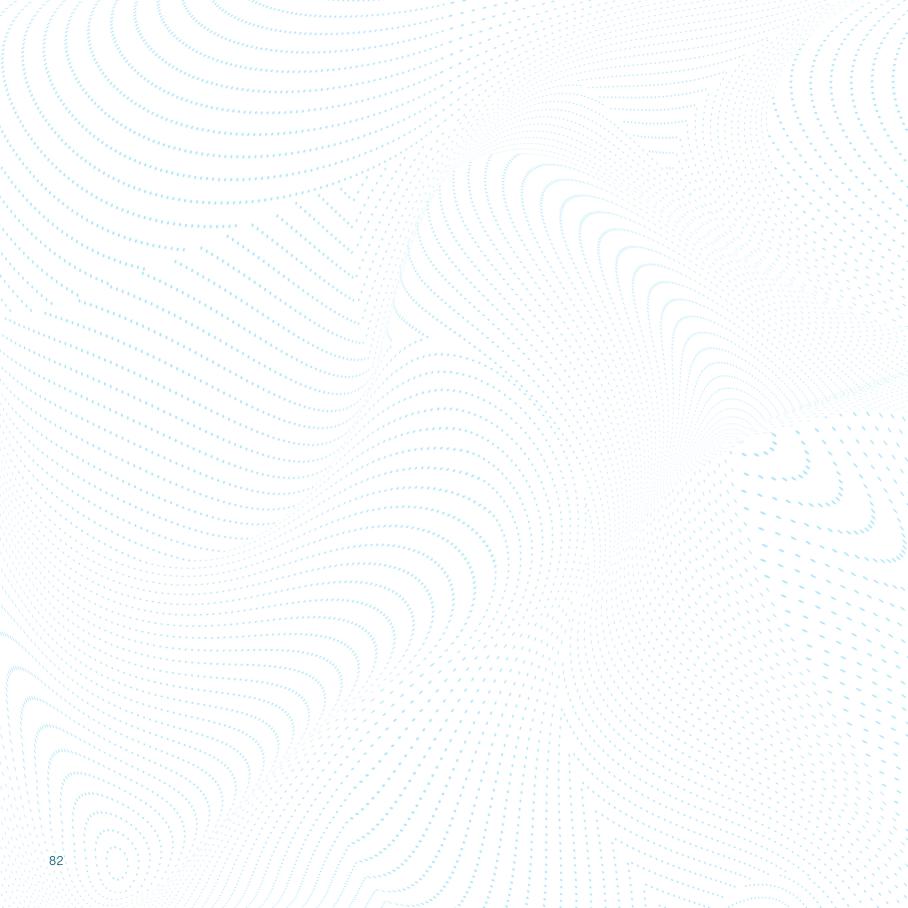
At the application level we implemented new solution of managing the business sources using SAP ERP and SAP ISU for water network industry, which adds new functionality, streamlines performance of business processes, including information usage, improves user experience and customer services. In order to provide security updates, guarantee the further development, operation and maintenance in accordance with the legislation, an upgrade of the operating system for

the support and management of the technological and laboratory processes agenda was implemented. The system renders new features, improved user experience, increased work efficiency and guaranteed support, including further development. In the GIS area, information on the operating solution continued to be updated in order to meet the requirements and needs of performing the activities and providing the services. Information has been updated on streets, sites, territory division and others. In connection with the introduction of new solutions and application modifications, the HW infrastructure was expanded and upgraded on the servers as well as in the data and back-up storage areas, including the upgrading of system resources.

The intention to develop research, applied development and innovation was actively promoted in 2017 by obtaining the Certificate of Competence to Conduct Research and Development issued by the Ministry of Education, Science, Research and Sports of the Slovak Republic, which BVS has held from 24 February 2017. The awarded certificate creates additional opportunities for preparation of national projects within the available grant schemes. As a part of international cooperation, the activities have been concentrated to establish co-operation with several potential partners and to maintain the partnerships. New opportunities for partnerships have also been obtained through participation in the Innovation Week of Water in the Porte and Info Days for Horizon 2020 in Brussels. Within the consortium, BVS has collaborated

on the submission of several international Horizon 2020 projects.

In the next period, we plan expansion of international partnerships and participation in international projects bringing innovations in the areas of water management, climate change, protection of water resources, etc. At the same time, BVS will continue to develop co-operation with the academic sector in Slovakia as well as abroad, efficiently implement the trends emerging within the industry 4.0 and system solutions continue to improve the process support to address customer-oriented and innovative solutions in the waterworks industry.



INDEPENDENT AUDITOR'S REPORT

CONSOLIDATED FINANCIAL

STATEMENTS AS OF 31 DECEMBER 2017

NOTES TO THE CONSOLIDATED

FINANCIAL STATEMENTS

## INDEPENDENT AUDITOR'S REPORT

### Deloitte.

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Zapísaná v Obchodnom registri Okresného súdu Bratislava I Oddiel Sro, vložka č. 4444/B IČO: 31 343 414 IČ pre DPH: SK2020325516

#### Bratislavská vodárenská spoločnosť, a.s.

#### SPRÁVA NEZÁVISLÉHO AUDÍTORA

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

#### SPRÁVA Z AUDITU KONSOLIDOVANEJ ÚČTOVNEJ ZÁVIERKY

#### Názo

Uskutočnili sme audit konsolidovanej účtovnej závierky spoločnosti Bratislavská vodárenská spoločnosť, a.s. a jej dcérskych spoločností (ďalej len "skupina"), ktorá zahŕňa konsolidovaný výkaz o finančnej situácii k 31. decembru 2017, konsolidovaný výkaz komplexného výsledku, konsolidovaný výkaz zmien vo vlastnom imaní a konsolidovaný výkaz peňažných tokov za rok, ktorý sa skončil k uvedenému dátumu, a poznámky, ktoré obsahujú súhrn významných účtovných zásad a účtovných metód.

Podľa nášho názoru, priložená konsolidovaná účtovná závierka poskytuje pravdivý a verný obraz konsolidovanej finančnej situácie skupiny k 31. decembru 2017 a konsolidované výsledky jej hospodárenia a konsolidované peňažné toky za rok, ktorý sa skončil k uvedenému dátumu, v súlade s Medzinárodnými štandardmi finančného výkazníctva v znení prijatom Európskou úniou (EÚ).

#### Základ pre názor

Audit sme uskutočnili v súlade s Medzinárodnými audítorskými štandardmi. Naša zodpovednosť podľa týchto štandardov sa blížšie uvádza v odseku *Zodpovednosť audítora za audít konsolidovanej účtovnej závierky.* Od skupiny sme nezávislí podľa ustanovení zákona č. 423/2015 Z. z. o štatutárnom audite a o zmene a doplnení zákona č. 431/2002 Z. z. o účtovníctve v znení neskorších predpisov (ďalej len "zákon o štatutárnom audite") týkajúcich sa etiky vrátane Etického kódexu audítora, ktoré sú relevantné pre náš audit konsolidovanej účtovnej závierky, a splnili sme aj ostatné požiadavky týchto ustanovení týkajúcich sa etiky. Sme presvedčení, že získané audítorské dôkazy poskytujú dostatočný a vhodný základ pre náš názor.

#### Zodpovednosť štatutárneho orgánu za konsolidovanú účtovnú závierku

Štatutárny orgán spoločnosti zodpovedá za zostavenie a verné zobrazenie konsolidovanej účtovnej závierky v súlade s Medzinárodnými štandardmi finančného výkazníctva v znení prijatom EÚ, a za interné kontroly, ktoré štatutárny orgán spoločnosti považuje za potrebné pre zostavenie konsolidovanej účtovnej závierky, aby neobsahovala významné nesprávnosti, či už v dôsledku podvodu alebo chyby.

Pri zostavovaní konsolidovanej účtovnej závierky štatutárny orgán zodpovedá za zhodnotenie schopnosti skupiny nepretržite pokračovať vo svojej činnosti, za opísanie skutočností týkajúcich sa nepretržitého pokračovania v činnosti, ak je to potrebné, a za použitie predpokladu nepretržitého pokračovania v činnosti v účtovníctve, ibaže by mal v úmysle skupinu zlikvidovať alebo ukončiť jej činnosť, alebo by nemal inú reálnu možnosť než tak urobiť.

#### Zodpovednosť audítora za audit konsolidovanej účtovnej závierky

Našou zodpovednosťou je získať primerané uistenie, či konsolidovaná účtovná závierka ako celok neobsahuje významné nesprávnosti, či už v dôsledku podvodu alebo chyby, a vydať správu audítora, ktorá obsahuje názor audítora. Primerané uistenie predstavuje vysoký stupeň uistenia, ale nie záruku, že audit vykonaný podľa Medzinárodných audítorských štandardov vždy odhalí prípadnú významnú nesprávnosť. Nesprávnosti môžu vzniknúť v dôsledku podvodu alebo chyby a považujú sa za významné, ak by bolo opodstatnené očakávať, že jednotlivo alebo v súhrne ovplyvnia ekonomické rozhodnutia používateľov, ktoré boli prijaté na základe tejto konsolidovanej účtovnej závierky.

## INDEPENDENT AUDITOR'S REPORT

V rámci auditu v súlade s Medzinárodnými auditorskými štandardmi uplatňujeme odborný úsudok a zachovávame profesionálny skepticizmus počas celého auditu. Okrem toho:

- Identifikujeme a posudzujeme riziká významnej nesprávnosti konsolidovanej účtovnej závierky, či už v
  dôsledku podvodu alebo chyby, navrhujeme a vykonávame audítorské postupy reagujúce na tieto riziká
  a získavame audítorské dôkazy, ktoré sú dostatočné a vhodné na poskytnutie základu pre názor audítora.
   Riziko neodhalenia významnej nesprávnosti v dôsledku podvodu je vyššie ako riziko v dôsledku chyby,
  pretože podvod môže zahŕňať tajnú dohodu, falšovanie, úmyselné vynechanie, nepravdivé vyhlásenie alebo
  obídenie internej kontrolv.
- Oboznamujeme sa s internými kontrolami relevantnými pre audit, aby sme mohli navrhnúť audítorské postupy vhodné za daných okolností, ale nie aby sme vyjadrili názor na efektívnosť interných kontrol skupiny.
- Hodnotíme vhodnosť použitých účtovných zásad a účtovných metód, ako aj primeranosť účtovných odhadov a súvisiacich informácií zverejnených štatutárnym orgánom.
- Predkladáme záver o tom, či štatutárny orgán vhodne používa účtovnú zásadu nepretržitého pokračovania v činnosti, a na základe získaných audítorských dôkazov záver o tom, či existuje významná neistota v súvislosti s udalosťami alebo okolnosťami, ktoré by mohli významne spochybniť schopnosť skupiny nepretržite pokračovať v činnosti. Ak dospejeme k záveru, že významná neistota existuje, sme povinní upozorniť v našej správe audítora na súvislace informácie uvedené v konsolidovanej účtovnej závierke alebo, ak sú takéto zverejnené informácie nedostatočné, modifikovať náš názor. Naše závery však vychádzajú z audítorských dôkazov získaných do dátumu vydania našej 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 zverejnených informácií, ako aj to, či konsolidovaná účtovná závierka verne zobrazuje uskutočnené transakcie a udalosti.
- Získavame dostatočné a vhodné audítorské dôkazy o finančných údajoch účtovných jednotiek alebo ich obchodných aktivitách v rámci skupiny pre účely vyjadrenia názoru na konsolidovanú účtovnú závierku. Zodpovedáme za vedenie, kontrolu a realizáciu auditu skupiny. Ostávame výhradne zodpovední za náš názor audítora

#### SPRÁVA K ĎALŠÍM POŽIADAVKÁM ZÁKONOV A INÝCH PRÁVNYCH PREDPISOV

#### Správa k informáciám, ktoré sa uvádzajú vo výročnej správe

Štatutárny orgán je zodpovedný za informácie uvedené vo výročnej správe zostavenej podľa požiadaviek zákona o účtovníctve č. 431/2002 Z. z. v znení neskorších predpisov (ďalej len "zákon o účtovníctve"). Náš vyššie uvedený názor na konsolidovanú účtovnú závierku sa nevzťahuje na iné informácie vo výročnej správe.

V súvislosti s auditom konsolidovanej účtovnej závierky sme zodpovední za oboznámenie sa s informáciami uvedenými vo výročnej správe a za vyhodnotenie, či tieto informácie nie sú vo významnom nesúlade s konsolidovanou účtovnou závierkou alebo našími poznatkami, ktoré sme získali počas auditu konsolidovanej účtovnej závierky, alebo sa inak zdajú byť významne nesprávne.

Výročnú správu sme ku dňu vydania správy audítora z auditu konsolidovanej účtovnej závierky nemali k dispozícii.

Keď získame výročnú správu, vyhodnotíme, či výročná správa spoločnosti obsahuje informácie, ktorých uvedenie vyžaduje zákon o účtovníctve, a na základe prác vykonaných počas auditu účtovnej závierky vyjadríme názor, závierky vyjadríme názor,

- informácie uvedené vo výročnej správe zostavenej za rok 2017 sú v súlade s konsolidovanou účtovnou závierkou za daný rok,
- výročná správa obsahuje informácie podľa zákona o účtovníctve.

Okrem toho uvedieme, či sme zistili významné nesprávnosti vo výročnej správe na základe našich poznatkov o spoločnosti a jej situácii, ktoré sme získali počas auditu konsolidovanej účtovnej závierky.

Bratislava 8. júna 2018

Ing. Peter Jaroš, FCCA zodpovedný audítor Licencia UDVA č. 1047

V mene spoločnosti Deloitte Audit s.r.o. Licencia SKAu č. 014

# CONSOLIDATED FINANCIAL STATEMENTS OF BRATISLAVSKÁ VODÁRENSKÁ SPOLOČNOSŤ AS OF 31 DECEMBER 2017

PREPARED IN LINE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS VALID IN THE EUROPEAN UNION

<ul> <li>Consolidated st</li> </ul>	atement of	financial po	osition as of 31	December 2017	(in whole <del>f</del>	E) *
Consolidated St	atement of	Tirialiciai p		December 2017	(III WIIIOIC A	-/

		Note.	2017	2016
	ASSETS:		A Committee	
	Non-current assets			
	Long-term tangible assets	8/	478,734,692	480,839,448
	Intangible assets and other assets	9	4,532,664	2,342,290
	Other long-term assets		6,639	6,639
			483,273,995	483,188,376
	Current assets			
	Inventories	7	2,059,277	1,796,327
	Trade receivables and other receivables	6	17,177,546	14,918,773
	Income tax asset		65,808	281,110
1 1 1 1 1 1	Cash and cash equivalents	5	18,200,159	29,091,034
1111			37,502,790	46,087,243
	Total assets		520,776,785	529,275,619
	LIABILITIES AND EQUITY:			
	Equity			
	Share capital		279,438,597	279,438,597
	Legal reserve fund and other funds		66,312,521	65,628,383
and a	Retained earnings		9,405,575	10,519,122
```			355,156,693	355,586,102
1	Non-controlling interest		8,375,417	8,433,780
	Total equity		363,532,110	364,019,882
	Long-term payables			
	Loans and borrowings	13	62,000,000	72,785,715
	Provisions		3,102,193	3,360,840
	Deferred revenues		41,711,034	43,891,684
	Pension liabilities	14	1,129,889	1,077,512
	Deferred tax liability	10	7,421,697	7,384,176

Consolidated statement of financia	al position as of 31 December 2017 (in whole €)	

	Note 2017	2016
Other long-term payables	12 4,057,713	3,812,202
Total long-term payables	119,422,526	132,312,129
Short-term payables		
Trade payables and other payables	11, 12 23,956,324	23,161,989
Loans and borrowings	13 10,789,326	6,788,230
Deferred revenues	11 3,076,499	2,993,389
Income tax liability		
Total short-term payables	37,822,149	32,943,607
Total payables	157,244,675	165,255,736
Total equity and liabilities	520,776,785	529,275,619

#### Consolidated statement of comprehensive income as of 31 December 2017 (in whole €)

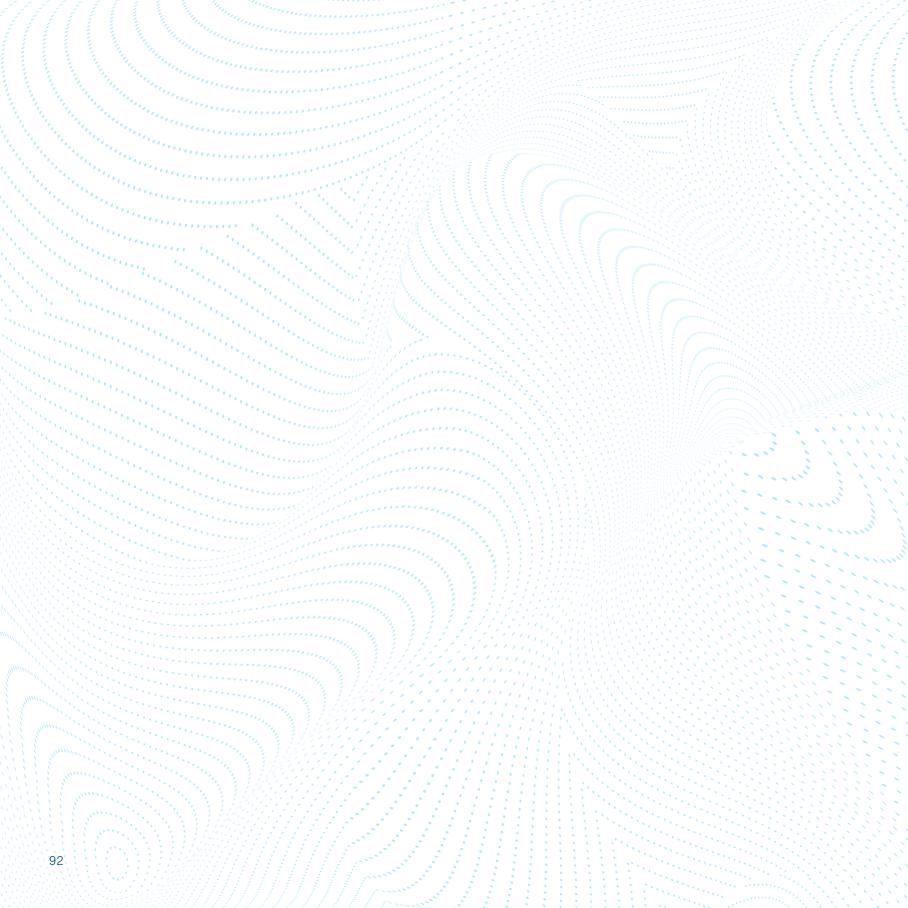
		Note	2017	2016
	Income	17///	90,937,062	89,492,576
	Consumption of water, other materials and utilities		-15,926,905	-15,702,923
	Wages and salaries	18//	-26,809,741	-25,707,849
	Depreciation, amortisation and changes of provision for liabilities	8, 9	-25,467,155	-23,454,956
	Services	- 19	-25,757,801	-25,622,523
	Other operating costs/revenues	20	4,913,801	2,592,775
	Net operating costs		-89,047,801 -	87,895,477
	OPERATING PROFIT		1,889,262	1,597,099
	Financial revenues		2,149	85,061
La Contraction of the Contractio	Financial costs		-790,799	-985,627
11111	Net financial costs		-788,650	-900,565
	PROFIT BEFORE TAX		1,100,612	696,534
	Income tax	21	463,953	468,000
	PROFIT FOR THE CURRENT PERIOD		636,659	228,534
	Other comprehensive profit		-	, , ,
mil !				
· · · · · · · · · · · · · · · · · · ·	TOTAL COMPREHENSIVE INCOME FOR THE CURRENT PERIOD		636,659	228,534
1111111	Profit and comprehensive income attributable to:			
	Parent company owners		-279,409	-745,897
	Minority interests		916,068	974,431

# Consolidated statement of changes in equity as of 31 December 2017 (in whole €)

	Share capital	Legal and other funds	Total retained earnings	Total	Minority interests	Total equity	
Balance as of 1 Janu- ary 2016	279,438,597	64,822,697	14,450,973	358,712,267	8,289,531	367,001,798	
Profit		· · · · · · · · · · · · · · · · · · ·	-745,897	-745,897	974,431	228,534	
Contribution to reserve and other funds	<u>.</u>	805,686	-805,686		de la companya de la		
Contribution to social fund	<u></u>		-180,268	-180,268	de de la companya de	-180,268	
Dividends paid out		and the second	-2,200,000	-2,200,000	-830,182	-3,030,182	
Balance as of 31 December 2016	279,438,597	65,628,383	10,519,122	355,586,102	8,433,780	364,019,882	
	279,438,597	65,628,383	<b>10,519,122</b> -279,409	<b>355,586,102</b> -279,409	<b>8,433,780</b> 916,068	<b>364,019,882</b> 636,659	\\\\
31 December 2016	279,438,597	65,628,383 684,138			Christophy Market Committee Committee Committee Committee Committee Committee Committee Committee Committee Co		
31 December 2016  Profit  Contribution to reserve	279,438,597		-279,409		916,068	636,659	
31 December 2016  Profit  Contribution to reserve and other funds  Contribution to social	279,438,597		-279,409 -684,138	-279,409	916,068	636,659	

#### Consolidated cash flow statement as of 31 December 2017 (in whole €)

Note	Year 2017	Year 2016
Cash flows from operating activities		
Cash flows from operating activities 22	24,492,628	22,671,834
Tax refunds (+)/Tax paid (-)	-464,588	-1,338,243
Interest paid	-717,019	-908,849
Interest received	2,133	85,061
Net cash flows from operating activities	23,313,154	20,509,803
Cash flows from investing activities		
Purchase of fixed assets	-26,542,750	-15,417,650
Proceeds from sale of fixed assets	328	5,431
Net cash flows from investing activities	-26,542,422	-15,412,219
Cash flows from financing activities		
Proceeds from loans and borrowings	-6,784,618	-6,783,199
Dividends paid out	-876,988	-2,844,691
Net cash flows from financing activities	-7,661,606	-9,627,890
Net cash flows	-10,890,874	-4,530,306
Net income of cash and cash equivalents		
Cash and cash equivalents at the beginning of period 5	29,091,034	33,621,339
Cash and cash equivalents at the end of period	18,200,159	29,091,034



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

#### 1. General information

#### About the company

Bratislavská vodárenská spoločnosť, a.s. (Corporate ID No.: 35 850 370), was established in line with Resolution No. 853 on Privatisation, issued by the Ministry of Administration and Privatisation of the National Property of the Slovak Republic on 2 October 2002, namely by transformation of the state-owned Vodárne a kanalizácie, and a part of the state-owned Západoslovenské vodárne a kanalizácie. The company was incorporated upon registration in the Commercial Register on 7 January 2003 (Commercial Register of the District Court Bratislava I in Bratislava, Section: Sa, File No. 3080/B).

Bratislavská vodárenská spoločnosť, a.s. (hereinafter "BVS" or "Company"), is a joint stock company in the Slovak Republic. The Company's registered office is in Bratislava, Prešovská ulica 48. The core activities of the Company include operation of public water mains and sewer system in Bratislava, Senica and Záhorie. The majority shareholder of the company is public administration entity – the Capital City of the Slovak Republic Bratislava.

#### Liability of the company

The Company has no unlimited liability in any other company.

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

These consolidated financial statements are annual consolidated financial statements for Bratislavská vodárenská spoločnosť, a.s., in line with Act No. 431/2002 Coll. on Accounting, as amended. The annual consolidated financial statements were prepared for the period from 1 January 2017 to 31 December 2017 in line with the International Financial Reporting Standards ("IFRS") as approved by the European Union ("EU").

The annual consolidated financial statements were prepared for the period from 1 January 2017 to 31 December 2017 using the going concern assumption.

#### 1.2 Information on consolidated unit

The Company exerts dominant influence and is a parent company with shares in the following companies:

Name of company Registered office	Business activities	Ownership inte- rest	Ownership relationship	
Infra Services, a. s. Hraničná 10, Bratislava	servicing activities for water mains and sewer system	51%	subsidiary	
BIOENERGY, a. s. Prešovská 48, Bratislava	productin of heat & electricity from biomass	100%	subsidiary	

Infra Services, a. s. and BIONERGY, a. s. are the subsidiaries of Bratislavská vodárenská spoločnosť, a.s. Bratislavská vodárenská spoločnosť, a.s. prepares the consolidated financial statements for both companies of the consolidated unit.

The after tax profit attributable to the non-controlling interest amounting to € 916,068 represents 49% minority share of the shareholder Infra Services, a.s. in the profit after taxation of Infra Services, a.s. amounting to € 1,869,527. The contribution to the reserve fund attribu-

table to non-controlling share amounting to € 97,443 represents 49% minority share of the shareholder Infra Services, a.s. for the year 2017 of the total amount of the contribution to the reserve fund amounting to € 198,864. Reimbursement of dividends attributable to a non-controlling share of € 876,988 represents 49% of the minority share of the shareholder Infra Services, a.s. in 2017 in reimbursement of the dividends totalling to € 1,789,772.

Bratislavská vodárenská spoločnosť, a.s. together with its subsidiaries are referred to as the "Group" in these consolidated financial statements.

Bratislavská vodárenská spoločnosť, a.s. or its subsidiaries do not have unlimited liability in any other reporting entities.

The consolidated financial statements of the Company are included in the consolidated financial statements of the entity of Public Administration of the Capital City of SR Bratislava and they are included in the summary financial statements of the Public Administration. These consolidated financial statements are available for inspection directly at the headquarters of that company.

In 2017 the Group had 1,135 employees on average, of which 177 were managers (2016: 1,133 employees on average, of which 175 were managers).

#### 2. Overview 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 consolidated financial statements

The company's consolidated financial statements for the previous reporting period were approved by the company's extraordinary General Meeting held on 29 September 2017.

These consolidated financial statements are available in the company's registered office.

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 the consolidated financial statements as of 31 December 2017 in line with the International Financial Reporting Standards ("IFRS") valid in the European Union.

These consolidated financial statements were prepared in line with JFRS valid in the European Union using the Group as a going concern assumption. The Group applies all IFRS and interpretations issued by the International Accounting Standards Board (hereinafter the "IASB") valid in the EU as of 31 December 2017.

The consolidated financial statements were prepared under the current principle and the going concern assumption. The consolidated financial statements were prepared using the historical cost principle.

Preparation of the consolidated financial statements in line with IFRS valid in the EU requires the use of the accounting estimates and management's judgement in applying the accounting procedures to problematic transactions. In the process of applying the accounting methods the management also adopts certain other critical decisions. The areas that require higher level decision-making or that are more complex, or areas with assumptions and estimates significant to the consolidated financial statements are specified in note 4.

In preparing the financial statements in line with IFRS 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 management's best knowledge of current events and actions, actual results may differ from such estimates.

The calendar year is the reporting period.

The consolidated financial statements are prepared in Euro - "€". The

values are reported in whole numbers without decimal places

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

The accounting policies adopted are consistent with accounting principles used in the consolidated financial statements of 31 December 2016, except for a few minor modifications in the classification of certain items in the consolidated statement of financial position and consolidated statement of comprehensive income, of which none has a significant impact on the consolidated financial statements.

The Company has adopted all new and revised standards and interpretations issued by the International Accounting Standards Board and the International Financial Reporting Interpretations Committee (of IASB), which have been approved for use in the European Union and which relate to its activities and are effective for accounting periods beginning on 1 January 2017. The following standards, additions to existing standards and interpretations issued by the International Accounting Standards Board and approved by the EU, are valid for the current accounting period:

- Amendments to IAS 7 "Statement of Cash Flows" Disclosure Initiative adopted by EU on 6 November 2017 (effective for annual periods beginning on or after 1 January 2017).
- Amendments to IAS 12 "Income Taxes" Recognition of Deferred Tax Assets for Unrealised Losses - adopted by EU on 6 November 2017 (effective for annual periods beginning on or after 1 January 2017).
- Amendments to IFRS 12 due "Improvements to IFRS (2014 2016 cycle)" resulting from the annual quality improvement of IFRS (IFRS 1, IFRS 12 and IAS 28) with a view to remove inconsistencies and clarify wording adopted by EU on 7 February 2018 (amendments to IFRS 12 related to annual periods beginning on or after –1 January 2017).

The application of these amendments to existing standards did not lead to any material changes in the financial statements of the company.

At the date of approval of these financial statements IASB issued and the EU approved for issue the following amendments to the existing standards, not yet effective:

- IFRS 9 "Financial Instruments" adopted by EU on 22 November 2016 (effective for annual periods beginning on or after 1 January 2018),
- IFRS 15 "Revenue from Contracts with Customers" and amendments to IFRS 15 "Effective Date of IFRS 15" adopted by EU on 22
   September 2016 (effective for annual periods beginning on or after 1 January 2018),
- IFRS 16 "Leases" (effective for annual periods beginning on or after 1 January 2019).
- Amendments to IFRS 2 "Share-based Payment" Classification and Measurement of Share-based Payment Transactions (effective for annual periods beginning on or after 1 January 2018),
- Amendments to IFRS 4 "Insurance Contracts" Applying IFRS 9 "Financial Instruments" and IFRS 4 "Insurance Contracts" (effective for annual periods beginning on or after 1 January 2018 or if IFRS 9 "Financial Instruments" is applied for the first time),
- Amendments to IFRS 9 "Financial Instruments" Prepayment Features with Negative Compensation (effective for annual periods beginning on or after 1 January 2019),
- Amendments to IFRS 15 "Revenue from Contracts with Customers"
   Explanation to IFRS 15 "Revenue from Contracts with Customers"
   (effective for annual periods beginning on or after 1 January 2018)
- Amendments to IAS 40 "Investment Property" Transfers of Investment Property (effective for annual periods beginning on or after 1 January 2018),
- Amendments to IFRS 1 and IAS 28 "Improvements to IFRS (2014 2016 cycle)" resulting from the annual quality improvement of IFRS (IFRS 1, IFRS 12 and IAS 28) with a view to remove inconsistencies and clarify wording (amendments to IFRS 12 related to annual periods beginning on or after 1 January 2017 and amendments to IFRS 1 and IAS 28 related to annual periods beginning on or after 1 January 2018),
- IFRIC 22 "Foreign Currency Transactions and Advance Conside-

tion" (effective for annual periods beginning on or after 1 January 2018).

### New amendments to the existing standards, issued by IASB and not yet approved by EU

At present, IFRS as adopted by the EU do not significantly differ from regulations adopted by International Accounting Standards Board (IASB) except for the following standards, amendments to the existing standards and new interpretations, which were not approved for use in EU (the effective dates above relate to IFRS, as amended):

- IFRS 14 "Regulatory Deferral Accounts" (effective for annual periods beginning on or after 1 January 2016) The European Commission has decided not to initiate the process of approval of this interim standard and waits for its final wording.
- IFRS 17 "Insurance Contracts" (effective for annual periods beginning on or after 1 January 2021),
- Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" – Sale of Contribution of Assets between an Investor and its Associate or Joint Venture and other amendments (deferred indefinitely until the completed project examining the equity method);
- Amendments to IAS 19 "Employee Benefits" Plan adjustment, curtailment or settlement (effective for annual periods beginning on or after 1 January 2019);
- Amendments to IAS 28 "Investments in Associates and Joint Ventures" Long-term Interests in Associates and Joint Ventures (effective for annual periods beginning on or after 1 January 2019),
- Amendments to various standards "Improvements to IFRS (2015 2017 cycle)" resulting from the annual quality improvement of IFRS (IFRS 3, IFRS 11, IAS 12 and IAS 23) with a view to remove inconsistencies and clarify wording (effective for annual periods beginning on or after 1 January 2019),
- IFRIC 23 "Uncertainty over Income Tax Treatments" (effective for

annual periods beginning on or after 1 January 2019).

Accounting for hedging instruments in relation to the portfolio of financial assets and liabilities, the principles of which the EU has not yet adopted, remains unadjusted.

Based on the Group's estimates, application of hedge accounting for the portfolio of financial assets or liabilities pursuant to IAS 39 "Financial Instruments: Recognition and Measurement" would not significantly impact the financial statements, if applied as at the date of their preparation.

The Company has now begun to assess the impact of the new accounting standard IFRS 15, which, based on a preliminary analysis, has identified that the application of a new standard may result in a change in the reporting of revenue from connection fees. Currently, these earnings are reported at the time of connection. The company is currently in the process of identifying the exact impact level of the standard on these returns.

The Group anticipates that the adoption of these standards and amendments to the standards will have no material impact on the financial statements in the period of initial application.

#### 2.2 Consolidation

#### Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of a subsidiary represents the fair value of assets transferred, shares issued and liabilities incurred or assumed at the date of purchase. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Acquisition costs related to the acquisition are expensed. Any contingent consideration to be paid by the Group on the acquisition date measured at fair value.

Subsequent changes in the fair value of these transactions, which are regarded as an asset or liability is recognized in accordance with IAS 39 either in profit or loss, or gain, or in other comprehensive income.

The excess of the costs of acquisition over the fair value of the Company's share of the identifiable net assets acquired are recognized as goodwill. If the costs are lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

Inter-company transactions, balances, income and expenses on transactions between Group companies are eliminated upon consolidation. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated. Accounting principles and methods of subsidiaries have been changed where necessary to

ensure consistency with the principles and methods adopted by the Group.

Acquisitions are accounted for using the acquisition method of measuring assets and liabilities at fair value at the acquisition, and the acquisition date is determined by the settlement date. Revenues and expenses of companies acquired or disposed of during the accounting period are included in the consolidated financial statements from the date of acquisition or up to the date they were sold.

Balances and intragroup transactions, including intra-group profits and unrealized profits and losses are eliminated unless the losses indicate impairment of assets to which they relate. The consolidated financial statements are prepared using uniform accounting policies for like transactions and events in similar circumstances.

Non-controlling interests represent the profit / loss and net assets that the Group does not own, and they are reported separately in the consolidated statement of financial position and consolidated statement of comprehensive income. Acquisition of non-controlling interests are accounted for as equity transactions. Any difference between the amount by which the adjusted amount of non-controlling interests and acquisition of the investment value is recognised directly in equity.

#### 2.3 Foreign currency translation

#### (i) 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 thousands of Euros - "€ ", which is the functional and presentation currency of the Group in 2017 and 2016.

#### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. 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 at the date when the fair value is set. Exchange rate differences from trade receivables and payables as well as from borrowings are recorded as financial income or expense.

#### 2.4 Financial assets

#### (i) Investments and other financial assets

Under IAS 39 the financial assets are classified as the financial assets measured at fair value through profit or loss, loans and receivables, investments held to maturity or financial assets available for sale. Upon initial recognition the financial assets measured at fair value, which is, except for financial assets at fair value through profit or loss, increased by costs directly attributable to the acquisition of financial assets. When the Group becomes a party to the contract for the first time, it examines whether or not this agreement contains an embedded derivative.

Purchases and sales of investments are recognised on trade settlement date, which is the date when the asset is delivered to the counterparty.

The Group classifies its financial assets at the time of initial recognition depending on their nature and purpose. Financial assets include cash and short-term deposits, trade receivables, loans and other receivables, quoted and unquoted financial instruments and derivative financial instruments.

#### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses. Amortised cost is calculated taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate and transaction costs. Gains or losses are recognised in the profit/loss for the reporting period when the loans and receivables are derecognised or their value is impaired, as well as through the amortisation process.

#### (ii) Classification and derecognition of financial instruments

Financial assets and financial liabilities recognised in an consolidated statement of financial position include cash and cash equivalents, marketable securities, accounts receivable and trade payables, other receivables and payables, long-term receivables, loans, borrowings, investments and receivables and debt obligations. The accounting policies on recognition and measurement of these items are disclosed in the respective accounting policies found in this note.

Financial instruments (including compound financial instruments) are classified as assets, liabilities or equity in accordance with a contractual agreement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability are reported as expense or income as incurred. Distributions to holders of financial instruments classified as equity are charged directly to equity. In case of compound financial instruments the liability component is measured first, with the equity component being determined as a residual value. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to realize the asset and settle the liability or both to set off.

Derecognition of financial assets takes place when the Group no longer controls the contractual rights that comprise the financial asset,

which usually occurs when the instrument is sold, or all the cash flows attributable to the instrument are transferred to an independent third party. If the Group neither transfers nor retains substantially all the risks and benefits of the financial asset and retains control of the transferred asset, the Group recognises the retained assets and also recognises the commitment of the expected payments. A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

#### (iii) Impairment of financial assets

At the end of each reporting period the Group assesses whether there has been any impairment of the financial assets or a group of financial assets. Impairment losses on a financial asset or group of financial assets are recognised only in the case when there is objective evidence of impairment on the basis of a loss event and this loss event significantly affects the estimated future cash flows of financial asset or group of financial assets.

#### Assets measured at amortised costs

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset must be reduced either directly or through use of an allowance account. The amount of the loss must be recognised in profit or loss.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether

significant or not, it includes the asset in a group of financial assets with similar risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If in a subsequent period will reduce the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after recognition of the impairment loss, impairment losses recognised in prior periods is reversed using an allowance account. Any subsequent reversal of an impairment loss is recognised in profit/loss for the period to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

Loans and receivables are written off together with the corresponding adjustment in the event that there is no realistic prospect of their future recovery and all the security has already been monetized or transferred to the Group. If in the future there is a tax related to items written off, they are recognised in profit / loss for the reporting period.

#### 2.5 Financial liabilities

The classification depends on the contractual provisions of the instrument and the intentions with which management entered into the contract.

Management determines the classification of its financial liabilities at initial recognition and re-evaluates this designation at every reporting date. When a financial liability is recognised initially, the Group measures it at its fair net value of transaction costs that are directly attributable at the origination of the financial liability.

After initial recognition, the Group measures all financial liabilities at amortised cost using the effective interest method. The gain or loss from financial liabilities is recognised in the statement of comprehensive income when the financial liability is derecognised.

Financial liability (or a part of a financial liability) is removed from the Group's balance sheet when, and only when, it is extinguished – i.e. when the obligation specified in the contract is discharged or cancelled or expires.

### 2.6 Cash and cash equivalents for the purpose of recognising the cash flows

Cash includes cash and bank accounts. Cash equivalents are short-term highly liquid investments readily convertible to cash with a remaining 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 the receivables are measured at amortised costs using the effective interest method reduced by adjustment for doubtful debt. A provision is recognised in the profit/loss for the period when there is objective evidence (e.g. the probability of insolvency or significant financial difficulties of the debtor) that the Group will not be able to collect all amounts due according to the original terms of the invoice. Impaired debts are written off when deemed uncollectible.

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.

#### 2.8 Inventories

The inventories are reported at cost. The costs include costs of material, other direct costs and related overhead costs. If the acquisition or own cost of inventories is higher than their net realisable value as

at the balance sheet date, the 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 completion and costs necessary to make the sale.

Measurement of inventory loss of subsidiaries is determined using the FIFO method (except for BIONERGY, which determines measurement of loss in inventories by weighted average, while such reporting has no significant effect on the consolidated financial statements).

The cost of own produced inventory consists of direct materials, direct labour and an appropriate proportion of production overhead expenses including licence fee but without the cost of borrowings and loans. Unrealisable inventories are written off in full.

#### Construction contracts

Construction contracts - the contract agreements determine the terms and conditions of the individual contracts, which are entered into as the fixed price contracts or cost plus contracts.

Contract revenues include the price agreed in the contract. The revenues and the change in the price agreed in the contract if different scope of work is subsequently agreed, claims and incentive payments. Contract costs for accounting purposes include the direct costs associated with the construction contract, indirect costs attributable to the contract, and other costs, such as administrative expenses, the cost of research and development that can be attributed to the contract from the date of provision of the contract until its full compliance.

If the outcome of a construction contract can be estimated reliably, and there is a presumption that the contract will not be a loss, income and expense attributable to the accounting period are recognised using stage of completion method, whereby the degree of completion of the contract is determined cumulatively as of the reporting date of

the financial statements as the ratio of actual costs incurred under the construction contract for the work performed and an updated budget of the total cost of the construction contract.

Contract costs are recognised in the period in which they arise. Costs incurred in the current year and related to future activity on the contract may not be included in the calculation of the stage of completion.

If at the reporting date the result of the construction contract cannot be estimated reliably, revenue must be recognised only to the extent of contract costs incurred provided it is probable that they will be recoverable in the relevant reporting period ("zero profit method"). Possibility of the reliable estimate of the construction contract is reassessed always as at the reporting date.

As at the reporting date the cumulative difference between the payments required for performance of the construction contract and the value of the construction contract determined using the stage of completion method or zero profit method will be reported in the balance sheet as the net contract value with a corresponding entry to revenue.

The amounts required by the contractor for works performed under the construction contract are recognised as trade receivables with corresponding entry on the contract revenue. Advances received by the contractor prior to performance of the relevant work are reported as received advances or received long-term advances.

When at the balance sheet date it is probable that total contract costs will exceed total contract revenue, the expected loss must be recognised as an expense immediately. The amount of such a loss is determined irrespective of whether work has commenced on the contract, the stage of completion of contract activity or the amount of profits expected to arise on other contracts which are not treated as a single construction contract.

An expected loss on the construction contract is recognised as other operating expenses. In the accounting period in which the loss on the construction contract is no longer probable, or it is likely that losses from construction contracts will be reduced or loss will be settled, decrease in other operating expenses will be recognised.

#### 2.9 Non-current tangible assets

Property, plant and equipment are recognised at historical cost (or the carrying value of assets determined as at 1 May 1992) less accumulated depreciation and impairment losses. On sale or disposal of assets, the cost and accumulated depreciation are cleared and the gain or loss resulting from their sale or disposal is recognised in the profit / loss for the reporting period.

The initial cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, any costs directly attributable to bringing the asset to the location where it will be used and condition necessary for it to be capable of operating, such as costs of loans and borrowings. The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located or if it is decided on decommissioning. Changes in estimates adjust the carrying amounts of non-current tangible assets. Expenses incurred after the tangible assets are put into use, for example costs of repairs and maintenance and overhead costs (excluding costs of regular maintenance and the cost of inspections), are charged to the profit/loss in the period in which they arise. Costs of regular maintenance and inspection are capitalized as a separate component of the related assets.

Long-term tangible assets included until 2013 are written off during the period corresponding to the period of expected generation of future economic utility. On the basis of the regulated framework, the Company can include depreciation into the water and sewer rates during a period established by the Regulatory Office for Network Industries. Actual technical lifespan differs and is normally longer (for water utility

infrastructure and equipment: 20 – 50 years) but the Group anticipates that the economic utility of such assets will not be exhausted at the end of the depreciation period approved by the Regulatory Office for Network Industries for the purpose of establishing the tariff. For this reason these assets will remain in use even after they have been fully depreciated. Depreciation commences in the month the asset was put into use. Land and works of art are not depreciated. Long-term tangible assets included in 2013 are written off according to the depreciation plan, drawn up based on the expected period of their use corresponding to consumption of future economic utility from assets and actual technical lifespan. Assets under construction represent items of property, plant and equipment and recognised at cost. It includes cost

of property, plant and equipment and other direct costs. Assets under construction are not depreciated until the assets are ready to use. Lands owned as at the date of establishment of the Company were recognised in the values under the legislation in force at the time of its registration in the Commercial Register. The values are considered the acquisition cost. Lands are recognised at cost adjusted for impairment. Lands are not depreciated.

Depreciation period set under the regulatory framework, depreciation methods and depreciation rates of the long-term tangible assets are as follows:

	Expected period of use in years method	Depreciation method	Annual depreciation rate in %
Property			
- buildings	20,50	linear	2.00 – 5.00
- water and sewer network	12 – 100	linear	1.00 – 8.33
Machines, devices and equipment	4 - 17	linear	5.88 – 25.00
Vehicles	4-6	linear	16.67 – 25.00
Long term tangible assets	differs	, linear	differs

The most significant part of assets is represented by property, plant and equipment relating to the production infrastructure, drinking water distribution and supply and wastewater collection and treatment.

Gains and losses on disposal of property, plant and equipment are fully reflected in the income statement.

Expenditure relating to items of property, plant and equipment at the

time they are put into use, increase their carrying amount only when the Group can expect future economic benefits in excess of their original performance. All other expenditure is expensed as repairs and maintenance expenses to the period on an accrual basis.

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

Assets that are retired or otherwise disposed of are eliminated from the balance sheet along with the corresponding accumulated depreciation.

#### 2.10 Non-current intangible assets

If intangible asset is acquired separately, it is recognised at cost, if an intangible asset is acquired in a business combination, the cost of that intangible asset is its fair value at the acquisition date. The fair value of an intangible asset will reflect expectations about the probability that the expected future economic benefits embodied in the asset will flow to the Group and the cost of such asset can be reliably estimated.

Upon initial recognition the cost model applies to the collective intangible assets. The estimated useful lives of intangible assets are either finite or indefinite. Assets with finite useful life are amortised on a

straight-line basis over the estimated useful life. Time and depreciation method are reviewed annually at the end of the accounting period. Intangible assets, excluding development costs, generated internally are not capitalized and expenses are charged against profits in the year in which they arise. Intangible assets are tested annually for impairment, either individually or at the level of cash-generating unit. Useful lives are also examined on an annual basis, adjustments, if necessary, are performed prospectively.

Research costs are expensed as incurred. Costs incurred for the development of an individual project are capitalized if there is reasonable assurance of their future returns. After initial recognition of the development costs the cost model is used, which requires that the assets are carried at cost less any accumulated impairment losses. In the development stage the costs are not depreciated. While the assets are not put into use, the audit of reduction in the carrying value of development costs is made annually or more frequently if, during the period there is an indication that the carrying value may not be recoverable. The Group does not have intangible assets with indefinite useful lives. Non-current intangible assets are depreciated as follows:

		Ex	spected period of use	Depreciation	Annual depreciation rate
1			in years	method	in %
	Software		4 - 5	linear	20.00 – 25.00
	Royalties (licences)		3 - 20	linear	5.00 – 33.33

Costs associated with maintaining computer software programs are recognised in the income statement for the reporting period in which they incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are capitalised as intangible assets 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:
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits:

- adequate technical, financial and other resources to complete the development and to use or sell the software product are available;
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads. Other development expenditures that do not meet these criteria are recognised in the income statement for the reporting period in which they incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software development costs recognised as assets are amortised over their estimated useful lives, which does not exceed four years.

#### 2.11 Impairment of non-financial assets

For non-current intangible assets and property, plant and equipment it must be assessed whether impairment of assets occurred, if annual, review is required or if events or changes indicate that the carrying amount of an asset is not recoverable. Loss on impairment of assets is recognised in the profit/loss for the reporting period in the amount by which the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, which is either the net selling price of the property or its value in use, whichever is higher. Net selling price is the amount obtainable from the sale of assets at market price, while value in use is the present value of estimated net future cash flows of the permanent use of an asset and from its disposal at the end of its useful life. For each item of property the estimate of the recoverable amount is done or, if not possible, it is performed for the cash-generating unit. At the end of each reporting period the Group assesses whether there is an indicator of impairment or expiration of the previously recognised impairment. The recognised impairment may be derecognised only

when there are changes in the assumptions under which it was created. Derecognition is limited so that the carrying amount of the asset does not exceed its recoverable value or residual value after depreciation that would have been charged if the previous years had been recognised for the asset impairment.

#### 2.12 Lease of property

IAS 17 defines a lease as being an agreement whereby the lessor conveys to the lessee in return for a payment, or series of payments, the right to use the asset for an agreed period of time.

Determining whether the contract contains elements of a lease or whether it concerns a lease depends on the substance of the contract upon signing. A contract is considered to be a contract that contains elements of the lease and is accordingly recognised if its fulfilment depends on the use of a specific asset or transfer of the right to use an asset.

Assets acquired under finance leases, where substantially all the risks and rewards of ownership of the leased asset are transferred to the Group, the lease relationship is capitalised in the fair value or the present value of the minimum lease payments at the inception, whichever of these two values is lower. Each lease payment is divided into the finance element and principal payment so as to achieve a constant rate of interest on the out-standing balance of the lease liability. The financial component is charged directly to expenses. Capitalized leased assets are depreciated over the estimated useful life or the lease term, whichever is shorter.

#### (i) Operating lease

Leases, in which a significant portion of the risks and rewards of the ownership are retained by the lessor, are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive

income on a straight-line basis over the period of the lease.

#### (ii) Financial lease

A lease is classified as a finance lease if substantially all the risks and rewards incidental to ownership are transferred to the Group. The assets acquired under the finance lease are recognised at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease.

Each lease payment is apportioned between the liability and finance charge so as to produce a constant periodic rate of interest on the remaining balance of the liability. The corresponding rent payable, free of financial costs, forms part of other long-term liabilities. The interest related part of the financial costs is recognised in the income statement over the lease period so as to achieve a constant interest rate on the balance of the liability for each period. Long-term tangible assets acquired under finance leases are depreciated either over their useful lives or over the lease term, if shorter, if the Group does not have sufficient certainty that it acquires ownership of the leased asset at the end of the leasing contract.

#### 2.13 Grants related to assets

Government grants are reported in 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 revenue during the period required for systematic compensation of the costs by subsidies, for settlement of which the subsidies are determined. If the subsidies are used for acquisition of the 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 over the estimated useful life of the respective assets.

#### 2.14 Share capital

The ordinary certificate shares form the share capital of the Company. The Company did not issue new ordinary shares. In recent years, the Company has purchased its own ordinary shares.

#### 2.15 Retained earnings

Retained earnings reported in the consolidated financial statements do not represent the sources determined for payment of the dividends. The funds determined for paying out the dividends are determined under the Company's individual financial statements.

#### 2.16 Legal reserve fund

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

#### 2.17 Payment of dividends

Dividends are disclosed in the consolidated financial statements when they are 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's shareholders are 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.

#### 2.18 Other funds

The Group creates other funds from its profits for future investment costs under the Commercial Code and Company's Articles of Association. Creation of this fund must be approved by the General Meeting of shareholders. Such funds can be distributed only with the consent of shareholders.

#### 2.19 Taxes

Income tax comprises the current tax and deferred tax.

The current income tax is based on the taxable profit for the reporting period. Taxable profit differs from the profit before tax reported in the consolidated statement of comprehensive income by items of income or expense that are never taxable or deductible or are taxable or deductible in other periods.

The liability method is used for computing the deferred tax. Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the values used for taxation purposes. Deferred tax assets and liabilities are measured using the tax rates that should apply to taxable income in the years in which it is expected that these temporary differences will be realized. The measurement of deferred tax liabilities and deferred tax assets reflects the tax consequences that would follow from the manner of realization or settlement of the carrying values of assets and liabilities that are expected by the Group by the end of the reporting period.

Deferred tax assets are recognized for all deductible temporary differences and unused redeemable tax credits and tax losses when it is probable that sufficient 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, joint ventures and associates the Group recognizes deferred tax assets only to the extent in which it is probable that the temporary differences will be settled in the near future.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- deferred tax liabilities arising from the initial recognition of goodwill
  or assets or receivable in a transaction that is not a business combination and at the time of the transaction it affects neither accounting nor taxable profit or loss and
- deferred income taxes arising from temporary differences related to interests in subsidiaries, joint ventures and associates, when the Group is able to influence 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 not probable anymore that sufficient taxable profit will be generated that will allow to carry forward a part or the entire deferred tax asset.

Current and deferred tax is posted directly to equity if the tax relates to items that are recorded directly to equity in the same or a different period.

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

#### Other taxes

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

#### Excise duty

Revenues, expenses, assets and liabilities are recognized 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.

#### 2.20 Loans and borrowings

All loans and borrowings are initially recognized at the fair value of the consideration received net of issue costs associated with the borrowing. After initial recognition they are recognised at amortized cost using the effective interest method. Amortised cost is calculated by taking into account all costs and discount or premium on settlement. Gains and losses are recognised in net profit / loss for the period when the liabilities are derecognised as well as during the amortisation period, except in cases where the costs of loans and borrowings are capitalized.

#### 2.21 Employee benefits

#### (i) 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 short-term payables to the employees include, without limitation, wages and compensation of wage for the used days of leave.

#### (ii) Pension program

On 23 August 2017 the new Collective Agreement for the period of 2017–2019 was signed. Upon first termination of employment after having acquired the right to old age pension, premature old age pension, 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 old age pension or disability pension will be proved by the employee in the form of a legally effective decision of the Social Insurance Company (Sociálna poisfovňa). The right to 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 premature old age pension. The right to the retirement payment can be exercised only once.

The employees terminating employment within 30 days from the date they acquired the right to old age pension, and within 30 days of the date when the employee was served with the decision on the granting of the disability pension if the capacity to perform gainful activities is reduced by at least 70%, will also be paid increased retirement payment amounting to four times the average monthly wage, in addition to the retirement payment under par. 1 above. Employees who have acquired the right to premature old age pension at the end of the employment relationship, after filling 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 par. 1 of this Article, and additional severance payment equal to four times their average monthly wage.

For selected job positions set by the employer the time limit for exer-

cising 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 the increased severance payment, four times the average monthly wage only after a newly hired employee for the relevant job position completes the induction training.

Until 31 March 2017 the 2012 – 2014 Collective Agreement, as amended, was effective and contained similar provisions. The parties agreed that from 1 April 2017 to the effective date of the new Collective Agreement, the employer must proceed in satisfying the employees' claims in line with the 2012 – 2014 Collective Agreement, as amended.

The Group is not obligated to pay any further considerations. The obligation related to the program 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 as incurred in the revenues and costs of the current period.

The Group also pays the working and life jubilee remuneration.

The long-term payables to the employees arising from the working jubilees are also recognised as a long-term provision and they are measured in a similar way as payables arising from the program 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 working jubilee remuneration depends on the number of years worked in the Group.

The identical or 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 the benefits. The Group believes that suspension of providing them is not realistic.

#### (iii) Pension programs with pre-determined contributions

The Group contributes to the government defined contribution supplemental pension plans.

The Group makes contributions to the 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% (2016: 35.2%) of gross salaries up to a monthly salary cap, which is defined by the applicable legal regulations law for such schemes, together with contributions by employees of a further 13.4% (2016: 13.4%).

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

#### (iv) Severance payment

Under Section 76 of the Labour Code the Group is obligated to pay the 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 set out in a medical report.

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

# 2.22 Trade and other payables

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. Accounts payable are classified 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 carrying amount using the effective interest method.

#### 2.23 Provisions for liabilities

Provisions are reported if the Group has a current liability (legal or non-contractual) arising from the past event, settlement of which will probably (rather yes than no) be a loss of the business sources representing the 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 expenses taking into account the risks, which will be probably used to settle the liability. The expenses are determined using the estimated risk free interest rate as 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 interest expense.

# Provision for expenses related to environmental protection

Provisions for 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 a formal

plan of action or commitment to dispose or shut down the unused property. The amount recognised is the best estimate of the expenses required.

# Provision for severance payment

The Group's employees are entitled to severance payment upon termination of employment in line with the local legislation (Slovak Republic: Labour Code, Section 63, par. 1, subpar. a), b), c), and under the conditions laid down in the collective agreements concluded between companies and their employees. The amount of this liability is recorded as a provision for liabilities and charges, if the workforce reduction program is defined and declared and provided that the conditions for its implementation is fulfilled.

# Provision for retirement payment

# Pension plans

A defined benefit plan is a pension plan that provides for retirement pay to be awarded mostly based on one or more factors such as age, years of service or compensation. A defined contribution plan is a pension plan under which the Group pays fixed contributions and will have no legal or non-contractual obligation to pay further contributions if the plan does not consist of sufficient assets to pay all employee benefits relating to employee service in the current period and in previous periods.

# Financially unsecured pension plan with defined benefits

The Group has defined benefit plans under which all employees upon retirement are paid the lump sum retirement pay.

The provision for the defined benefit plans is reported in the present value of the obligation in the end of the period, which takes into account adjustments for actuarial gains and losses. The defined benefit liabilities are calculated annually by independent actuaries using the

so-called projected unit credit method. The present value of the defined benefit obligation is determined by the estimated future cash flows using interest rates of government securities whose maturity period approximates the maturity of the related liability.

Changes to pension plans are charged to the income statement in the period they arise.

Group does not recognize any assets of the programs because none of the programs has self-managed funds.

# Pension programs with pre-determined contributions

The Group contributes to the government and private pension security plan with defined contributions.

As concerns employees who elected to participate in a supplementary pension saving, the Group makes contributions to the supplementary scheme amounting to 2% of the insureds' wages of at least  $\le 6.64$  (2016;  $\le 6.64$ ).

# Bonus plans

Liabilities for employee benefits in the form of bonus plans are recorded in other current liabilities and are paid after evaluating the results of the year.

Liabilities for bonus plans are measured at the amounts expected to be paid when they are settled.

# Other

Group also pays rewards at work and life jubilees, as well as compensation for accidents at work.

Changes and adjustments to the rewards at work and life jubilees and actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the income statement in the period they arise.

# 2.24 Revenue recognition

Revenue comprises the fair value of the consideration received 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 company will accrue the economic benefits associated with the transaction and the amount of revenues can be measured reliably. 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.

# (i) Sale of own products, material and goods

Revenues from the sale of own products (in particular water charges) are reported when the Group transfers the significant risks and benefits of ownership rights to the purchaser, and does not retain an effective control over the products, materials and goods sold.

#### (ii) Provision of services

Revenues from services (in particular water charges) are recognised in the accounting period in which the services are rendered, by reference to completion of the specific service assessed on the basis of the actual service provided as a proportion of the total services to be provided.

# 2.25 Costs of borrowings and loans received

The cost of borrowings and loans received that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized. 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, including exchange differences on borrowings and loans in foreign currencies used to finance these projects to the extent that they are regarded as an adjustment to interest expenses.

# 2.26 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.

# 2.27 Significant accounting judgements and estimates

# (i) Significant judgments in applying accounting principles

When applying the accounting policies described above, the Group's management has made certain judgments that have significant impact on the amounts recognised in the financial statements (except those estimates, which are dealt with below). A more detailed description of

such assessments is set out in the respective notes, however, the most important of them include:

#### Provisions for expenses related to the environment

Regulations, in particular the environmental laws, do not specify the extent of the necessary reclamation works or type of technology that should be used. In determining the provision for expenses related to environmental protection the Group's management relies on past experience and interpretation of the applicable legislation. The total provisions amount to € 7,269 as of 31 December 2017, or € 78,925 as of 31 December 2016.

As of 31 December 2017 the provision amounting to € 7,269 (as of 31 December 2016: € 78,925) was created particularly for the landfill closure and reclamation in the amount of estimated eligible investments costs for its conclusion. The calculation of the provisions was based on the anticipated consumption of various types of construction materials (foils, gravel, various geo-composites), unit prices of the materials at the time of processing the analysis and estimate of the costs of works relating to closure and reclamation of the landfill. During 2016 works were done to revitalize the landfill site at Vrakuňa's Central Wastewater Treatment Plant; these costs were covered from the provisions created in the past.

# Results of certain litigations and administrative proceedings

The Group companies are parties to several legal proceedings and civil litigations arising in the normal course of business of the Group. The Group management relies on its own judgement as far as their outcome is concerned and creates provisions, if necessary.

#### (ii) Sources of estimation uncertainty

The presentation of financial statements in conformity with IFRS requires the management of the Group to make judgements about estimates and assumptions that affect the amounts reported in finan-

cial statements and the notes to the financial statements. Although these estimates are based on the best knowledge of the management of current events and procedures, the actual results may differ from these estimates. A more detailed description of estimates is set out in the respective notes, however, the most significant estimates include:

# Impairment of non-current intangible and tangible assets

For the purpose of calculating the impairment an estimate of the value from use of cash-generating unit must be made. Such value is determined by discounted cash flows estimates. The most significant variables in determining cash flows include the discount rate, residual value and the period for which the cash flow projections are performed. Equally important are the assumptions and estimates of cash receipts and expenditures. Impairment and reverse clearing of impairment is recognized in the profit/loss for the period.

# Actuarial estimates applied for calculation of retirement benefit obligations

The costs of the pension plan with defined benefits are determined using the actuarial valuations. The actuarial valuation includes making assumptions about discount rates, future salary increases, mortality or fluctuation rates. Given the long term nature of these plans, such estimates are subject to significant uncertainty. Provision for long-term employee benefits – retirement pay – amounted to € 917,619 as of 31 December 2016: € 975,144).

# 3. Financial risk management

# 3.1 Financial risk factors

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

Risk management is carried out by the Financial Department, which identified and assessed the financial risks and proposed measures for

financial risk management. Financial risk management is governed by the guidelines approved by the Board of Directors.

# (i) Market risk

#### (a) Price risk

Given the fact that the Group does not invest in shares, or similar financial instruments, it is not exposed to the price risk. The business of public water mains and sewer system is regulated by Act No. 442/2002 Coll. on public water supply and public sewer system and on amendments to Act no. 276/2001 Coll. on regulation in network industries, as amended. This Act, in addition to other aspects, stipulates the establishment, development and operation of public water mains and public sewer systems, the rights and obligations of their operators and also supervision performed by bodies of state authorities, in particular in the area of adherence to qualitative indicators for drinking water as well as wastewater collection.

The rafes in the water management industry and the terms and conditions for their application fall under the power of the Regulatory Office for Network Industries (RONI) under Act No. 250/2012 Coll. on Regulation in Network Industries, as amended, RONI Decree No. 21/2017 Coll. from 13 February 2017 laying down the price regulation of production and supply of drinking water by the public water mains, production and distribution of drinking water by public water mains and collection and treatment of wastewater in the public sewer system.

RONI Decree No. 21/2017 Coll. of 13 February 2017 replacing RONI Decree No. 225/2016 Coll. of 19 July 2016, sets the scope of the price regulation in the water management sector as well as the implementation method for the regulated entity. The implementation of 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 amount of reasonable profit, including the amount of investments that can be included in the price as well as the method of calculating the maximum price for production, distribution and supply of drinking water, and wastewater collection

and treatment, grounds for proposal of the price, procedure and terms and conditions of applying the price.

On 19 July 2016 RONI issued Decree No. 225/2016 Coll. effective from 1 August 2016, under which the proposals were submitted with regard to prices for production and supply of drinking water by public water mains, production and distribution of drinking water by public water mains and for disposal and treatment of wastewater by public sewer for the new regulation period of 2017 – 2021. RONI Decree No. 225/2016 Coll. introduced a significant change, namely two-component price, which should ensure the objectivity of the distribution of reimbursed costs incurred in carrying out the regulated activities and also a more equitable share of all connected customers and producers in total costs. The two-component price consisted of a variable part (for the amount of water supplied and the amount of wastewater produced) and a fixed part (for connection-related services).

By its decision on the proposal of prices for production and supply of drinking water through public water supply, production and distribution of drinking water through public water supply and for wastewater systems by public sewer RONI issued on 24 November 2016 the legally effective decision on prices, by which RONI approved for the Company the prices valid for the period from 1 January 2017 to 31 December 2021.

On 13 February 2017, RONI issued new Decree No. 21/2017 Coll. effective from 16 February 2017 repealing RONI Decree No. 225/2016 Z. z. Under the new Decree, RONI issued, with regard to the decision on prices for production and supply of drinking water by public water mains, production and distribution of drinking water by public water mains and for disposal and treatment of wastewater by public sewer, a new lawful decision on prices No. 0158/2017/V dated 24 February 2017, by which RONI determined the prices for BVS valid for the period from 1 January 2017 to 31 December 2021. The decision also repealed the original decision No. 0038/2017/V.

Legally effective decision No. 0158/2017/V, by which RONI approves the prices for period from 1 January 2017 to 31 December 2021:

€/m³ excl. VAT

# Legally effective decision on prices

		•		•	•	 _	 	
`	The maximum price for the production and supply of drinking water through public water main				0.9359			_
	The maximum price for the production and distribution of drinking water through public water main				0.6547		•	,
	The maximum price for the collection and treatment of waste water by public sewer system				0.9216			

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

The Group is exposed to interest rate risk as a result of the 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 bearing floating risk, its interest expense depends on the changes in the interest rates and therefore it is exposed to the interest rate risk. Upon change of interest rate by -1% the group will bear no interest expense. Upon change of interest rate by +1% the Group's interest expense would amount to € 1,444 ths.

As of 31 December 2017 and 2016 the Group has no significant interest-bearing assets, apart from the short-term bank deposits and funds on the bank accounts; the cash flows from operating activities, only to a minor extent, depend on variation of the market interest rate.

# (ii) Credit risk

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

(in whole €)	As of 31 December 2017	As of 31 December 2016
Trade and other receivables (note 6)	17,177,546	14,918,773
Cash and cash equivalents (note 5)	18,200,159	29,091,034
Total financial assets	35,377,705	44,009,807

In order to eliminate the credit risk arising from the 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 the financial institutions bearing the minimum insolvency risk at the time of depositing money.

Financial assets represent a potential subject of credit risk, in particular they comprise trade receivables. Overview of trade receivables and analysis of their provision are specified in note 6.

The Group has established credit management rules that ensure credit risk mitigation. Signing the 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 reminders, 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.

# (iii) Liquidity risk

Liquidity risk is defined as the risk that the Group will encounter difficulty in meeting its obligations associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash. Based on expected cash flows the management monitors the interim forecasts of the liquidity level of the Company. The main instruments for liquidity management include cash and cash equivalents (note 5).

The body responsible for processing the business plan of the Group is the Financial 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 expected undiscounted cash flows from payment of financial liabilities of the Group:

# As of 31 December 2017

(in whole €)		Below 1 year	Over 1 year	Total
Bank loans (note 1	3)	10,789,326	62,000,000	72,789,326
Trade and other pa	yables (note 12)	23,956,324	4,057,713	28,014,037
Total financial liab	oilities under IFRS 7	34,745,650	66,057,713	100,803,363

#### As of 31 December 2016

	(in whole €)		Below 1 year	Over 1 year	Total
	Bank loans (note 13)		6,788,230	72,785,715	79,573,945
1	Trade and other payables (note 12)	•	23,161,989	3,812,202	26,974,191
//	Total financial liabilities under IFRS 7	•	29,950,219	76,597,917	106,548,136

# 3.2 Capital management

The management considers the Group's equity to be the capital as reported in these financial statements (31 December 2017: € 363,532,110; 31 December 2016: € 364,019,882).

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 unfavorable course management. The legal reserve fund cannot be distributed as a dividend.

The Group is bound by the 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.

# 3.3 Fair value estimate

The nominal values of the financial assets and liabilities, net of adjustments, if any, with maturity of less than one year approximates their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

According to the management of the Group, the carrying amounts of financial assets and financial liabilities referred to in the financial statements at amortized cost approximate their fair values.

# 4. Critical accounting estimates and judgments

In applying the Group's accounting principles described in note 2 the Group adopted the following decisions concerning uncertainties and estimates having material impact on the amounts reported in the financial statements. This section outlines the issues that pose a significant risk of material adjustments in future periods:

# (i) Impairment of property, plant and equipment

The Group's sales are regulated and based on its eligible costs reviewed by the Regulatory Office for Network Industries in line with the applicable legislation. The Company manages extensive tangible and intangible assets to safeguard its activities. Another part of technologies are managed by the subsidiary BIONERGY, a. s. Net book value of tangible and intangible assets of the Company and its subsidiary

BIONERGY amounted to € 475 million as of 31 December 2017 (as of 31 December 2016: € 475 million). The Group's management reviewed the future economic benefits flowing from the tangible and intangible assets of the Company together with the benefits resulting from financial investment in BIONERGY given the high degree of interdependence of business for both companies as one cash generating unit.

# (ii) 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. Details of individual litigations are specified in notes 15 and 24.

# 5. Cash and cash equivalents

In the balance sheet the cash and cash equivalents comprise the following items:

(in whole €)	As of 31 December 2017 As of 31 December 2016
Cash and cash equivalents in treasury	40,693
Current accounts in banks	29,050,341
Term deposits	0
Total	18,200,159 29,091,034

As of 31 December 2017 the Group could freely handle the cash and cash equivalents. No balances are overdue or impaired.

# 6. Trade and other receivables

(in whole €)	of 31 December 2017	s of 31 December 2016
Unbilled revenues	4,049	355,335
Receivables from shareholders' contributions	0	0
Total receivables from shareholders' contributions	16,606,642	14,662,281
Advances and prepaid expenses	570,904	248,811
Tax receivables (resulting from VAT)		7,681
Other non-financial receivables	.0	0
Total other non-financial receivables	570,904	256,492
Total	17,177,546	14,918,773

Movements in the provision are listed in the table below:

(in whole €)	As of 31 De	ecember 2017	As of 31 December 2016		
Beginning of the period			4,700,370	2,880,320	
Creation of provision for receivables			211,024	3,855,099	
Dissolution of provision			-1,288,812	-2,006,502	
Write-off of unenforceable receivables			-22,740	-28,547	
End of the period			3,599,842	4,700,370	

The Group created 100% provision for all receivables overdue for more than 1080 days, because it follows from the previous experience that receivables overdue for more than 1080 days are generally unenforceable. The provisions for trade receivables overdue for 360 to 1080 days are created based on the estimate of an irrecoverable amount from the sale of products according to previous experience with a percentage of unsettled receivables.

The Group's receivables are pledged in favour of VÚB, a. s. The highest value of principal in which the secured receivable is hedged is € 20 mil. (as of 31 December 2016: amounting to € 20 million).

The receivables are pledged in favour of Tatrabanka, a. s. The highest hedging amount is € 115 mil.

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

# 7. Inventories

	(in whole €)	As of 31 December 2017 As of 31 December 2016
• .	Material and spare parts	2,059,277
•	Total	2,059,277 1,796,327

The inventory items are shown after provision for slow-moving materials and spare parts of € 1,022 (2016: € 1,022). Movements in provision for slow-moving items for year ended 31 December 2017 are presented below:

1944. 1944.	(in whole €)	As of	1 January 2017	Crea	tion	Dissolution	As of 31 Decem	nber 2017
<u>`</u> ``\	Material and spare parts		1,022		0	0		,022
	Total inventories	 	1,022		0	0	<b>1</b> ,	022

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

# 8. Non-current tangible assets

	As of 31 December 2017	Property, plant and equipment	Machines and machinery	Capital construc-	Total
	Cost as of 1 January 2017	744,165,696	116,775,879	35,544,155	896,485,729
	Accumulated depreciation and provisions	-341,882,808	-73,216,940	-546,534	-415,646,281
	Net book value	402,282,888	43,558,939	34,997,621	480,839,448
	Additions	7,076		24,186,321	24,193,397
	Capitalisation	18,735,741	3,141,739	-21,877,480	.0
	Disposals	-434,487	-536,678	-829,793	-1,800,958
	Depreciation	-16,930,292	-7,458,863		-24,389,155
	Change in provisions	-57,561	211,144	-376,745	-108,040
111	Closing net book value as of 31 Dec. 2017	403,718,487	38,916,281	36,099,924	478,734,692
111					
	Cost	762,474,026	119,380,940	37,023,203	918,878,168
	Accumulated depreciation and provisions	-358,755,539	-80,464,659	-923,279	-440,143,476
	Net book value	403,718,487	38,916,281	36,099,924	478,734,692

	As of 31 December 2016	Property, plant and equipment	Machines and machinery	Capital construc- tion in progress	Total
	Cost as of 1 January 2016	688,881,227	105,922,669	83,242,814	878,046,710
	Accumulated depreciation and provisions	-324,282,599	-74,321,772	-2,469,877	-401,074,248
•	Net book value	364,598,628	31,600,897	80,772,937	476,972,462
	Additions	0.	1,052,559	40,400,595	41,453,154
·	Capitalisation	65,344,334	22,754,920	-88,099,254	0
	Disposals	-10,059,865	-12,954,269	Julia O	-23,014,134
144	Depreciation	-17,334,963	1,104,832	0,	-16,230,131
	Change in provisions		0	1,923,343	1,658,097
	Closing net book value as of 31 Dec. 2016	402,282,888	43,558,939	34,997,621	480,839,448
		militaria de la compania de la comp			
	Cost	744,165,696	116,775,879	35,544,155	896,485,729
	Accumulated depreciation and provisions	-341,882,808	-73,216,940	-546,534	-415,646,281
	Net book value	402,282,888	43,558,939	34,997,621	480,839,448
1 , 1 ,				The Contract	

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

# 9. Intangible assets

# (in whole €)

		1 / / Commelling Comments
	Balance as of 1 January 2016	
	Cost	8,130,630
	Accumulated depreciation and provisions	-5,894,385
	Net book value	2,236,245
	Year ending on 31 December 2016	
	Additions	471,995
	Disposals	-31,634
	Depreciation	-531,682
	Change in provisions	197,366
Land	Net book value	2,342,290
	Balance as of 1 January 2017	
	Cost	9,306,890
	Accumulated depreciation and provisions	-6,964,600
	Net book value	2,342,290
	Year ending on 31 December 2017	
	Additions	2,456,899
	Disposals	-462,860
· · · · · · · · · · · · · · · · · · ·	Depreciation	-1,055,165
	Change in provisions	1,251,500
	Net book value	4,532,664
	Balance as of 31 December 2017	
	Cost	11,300,929
	Accumulated depreciation and provisions	-6,768,265
	Net book value	4,532,664

Non-current intangible assets consist mainly of software used by the Group companies and intangible assets acquired by BVS and Infra Services.

# 10. Deferred income tax

Deferred income taxes are calculated in full on temporary differences under the balance sheet liability method using a principal tax rate of 21% (21% in 2016). Deferred tax liabilities are formed mainly from the difference between the tax and carrying amount of property, plant and equipment.

Deferred income tax assets and liabilities are offset by the Group when there is a legally enforceable right to offset current tax asset against current tax liabilities and when the deferred income taxes relate to the same tax administration authority.

(in whole €)			As of 31 December 2017	As of 31 December 2016
Deferred tax liability fron	n assets		-11,974,158	-12,448,752
Deferred tax asset to pro	ovisions		1,093,687	1,403,433
Other		the second his second second	3,458,774	3,661,143
Total		Comment of the second	-7,421,697	-7,384,176

# 11. Deferred income

	(in whole €)	of 31 December 2017
	Cong term	
	Grants and contributions as of 31 December 2016	43,891,684
	Short term	-3,063,874
	Additions per year	883,224
	Grants and contributions as of 31 December 2017	41,711,034
ļi	Short term	
, thin	Grants and contributions as of 31 December 2016	2,993,389
	Use per year through profit and loss	-3,021,114
	Additions per year	3,104,224
	Grants and contributions as of 31 December 2017	3,076,499

# 12. Trade and other payables

	(in whole €)	As of 31 December 2017	As of 31 December 2016
	Financial liabilities:		
	Trade and other payables	26,166,792	24,891,723
	Unbilled supplies and estimated items	96,311	84,310
	Accrued expenses	48,000	308,968
		26,311,103	25,285,001
	Non-financial liabilities:		
	Payables to employees	994,273	1,003,516
	Payables to Social Insurance Company	708,661	685,674
1 1 1		1,702,934	1,689,190
,,,,			
	Total trade and other payables	28,014,037	26,974,191

The fair value of short-term and long-term liabilities are not materially different from their carrying values. The Company has no liabilities covered by a lien.

The structure of liabilities held to maturity and overdue liabilities is shown in the following table:

A Committee	(in whole €)	As of 31 December 2017 As of 31 December 2016
	Liabilities held to maturity	26,609,071 25,284,234
	Overdue liabilities	1,689,957
	Total trade and other payables	28,014,037

Creation and use of Social Fund during the reporting period are shown in the following table:		
(in whole €)	Year 2017	Year 2016
Balance as of 1 January	102,368	102,101
Creation through expenses, other allocation	371,820	363,999
Drawdown	-261,917	-363,732
Balance as of 31 December	212,271	102,368

# 13. Loans and borrowings

(in whole €)	As of 31 December 2017 As of 31	December 2016
Short term		
Bank, loans	10,789,326	6,788,230
Total short term loans and borrowings	10,789,326	6,788,230
		January 11
Long term		Control of the second
Bank loans	62,000,000	72,785,715
Total long-term loans and borrowings	62,000,000	72,785,715
Total loans and borrowings	72,789,326	79,573,945

The remaining maturity period of loans and borrowings:

(in whole €)	As of 31 December 2017 As of 31 December 2016
Up to 1 year	10,789,326
1 - 5 years	62,000,000
Over 5 years	0
Total trade and other payables	72,789,326 79,573,945

In July 2010 BVS and VÚB, a. s. entered into an agreement on financing, concerning provision of a bank loan amounting to € 20 million for the purpose of funding projects and the purchase of fixed assets. As of 31 December 2017 the amount of € 13,714,286 had been repaid. The final maturity of the bank loan is 29 July 2020. The bank loan is secured by a pledge on all existing and future receivables of the Company.

In August 2013 BVS and Tatra banka, a. s. entered into agreement on an instalment loan for the provision of a bank loan for the purpose of funding projects and the purchase of fixed assets of the Company for the total amount of € 80 million. As of 31 December 2017 the amount of € 13,500,000 had been repaid. The final maturity of the bank loan is 31 December 2020

The bank loans are secured by a pledge on all existing and future receivables of the Company.

The fair values of long-term loans and borrowings are not significantly

different from their carrying values.

Short-term part of the loan provided by Všeobecná úverová banka a. s. amounts to € 2,282,714.

Following the failure to meet one of the credit covenants monitored in connection with the drawing of the loan as at 31 December 2017, the Company reported the entire outstanding portion of the bank loan as a short-term liability.

# 14. Payables concerning benefits upon termination

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

The change in the payables (net) reported in the balance sheet for the year ending on 31 December 2017 and the year ending on 31 December 2016 can be summarised as follows:

# **Employee benefits total**

	(in whole €)	As of 31 December 2017 As	of 31 December 2016
•	Net payables as of 1 January		839,535
	Net change in reserves (current estimate) included in personnel costs	392,365	432,098
	Employee benefits paid	-339,988	-194,121
	Net payables	1,129,889	1,077,512

# 15. Long-term provisions

· · · · ·	(in whole €) As of 1 January Creation	Use Cancelled As of 31 December
•	Provisions for litigations (ii) 6,775,850 141,040	43,994 3,590,981 3,281,915
''',	Provisions for environmental issues (i) 723,827 0	644,902
	Total for 2016 7,499,677	3,360,840
١,	Provisions for litigations (ii) 3,281,915 272,516	254,923 204,584 3,094,924
	Provisions for environmental issues (i) 78,925 0	71,656
.,,	Total for 2017 3,360,840	3,102,193

# (i) Provisions for Environment

As at 31 December 2017 the provisions amounted to € 7,269 (31 December 2016; € 78,925).

# (ii) Litigations

The provisions for passive litigations totalling to € 3,094,924 (2016: € € 3,281,915) are created, until the court decides on litigation, 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.

# 16. Share capital

As of 31 December 2017 and 2016 the share capital consisted of 8,477,431 book-entered ordinary shares with nominal value of € 33.19, which is fully paid up. As of 31 December 2017 the Company held 714,771 treasury shares (2016: 714,771) at a cost of € 1,927,338. The laws do not restrict such holding of shares in any manner.

# 17. Revenues

(in whole €)	Year 2017	Year 2016
Water charges	43,308,058	42,064,609
Sewer charges	45,475,740	43,375,589
Other revenues	2,153,264	4,052,378
Total revenues	90,937,062	89,492,576

# 18. Wages and salaries

(in whole €)	Year 2017	Year 2016
Wages (including remuneration to the members of the statutory bodies)	-18,764,579	18,001,190
Compulsory social insurance contributions	6,751,192	6,073,979
Other social costs	1,293,970	1,632,680
Total wages and salaries	26 809 741	25,707,849

19. Services (in whole €)	Year 2017	Year 2016
Rent of buildings and vehicles	4,736,747	5,493,612
Repairs and maintenance	2,542,801	2,221,354
Security sevices	1,537,172	1,450,418
Postage	626,501	590,086
Telecommunications	773,491	799,440
Legal services and other advice	945,124	798,039
Audit and advice	668,556	604,859
Cleaning, washing, winter and summer maintenance, maintenance of greenery	486,639	480,296
Surface treatment	1,645,789	1,958,343
Sludge disposal and liquidation, waste disposal	1,567,680	1,395,692
IT services, ISR	3,452,572	2,788,364
Trainings, analyses, projects	232,776	253,993
Travel costs	81,915	82,423
Entertainment costs	139,058	81,872
Costs of meter readings and replacement of water metering devices	150,854	36,648
Purchase of non-current assets	92,323	168,312
Monitoring of overhead costs	196,569	127,613
Debt recovery services	///////////////////////////////////////	101,427
Marketing and advertising	///////////////////////////////////////	503,360
Provisions for litigations	, , , , , , , , , , , 67,932	141,040
Revisions	70,605	62,931
Setting	22,572	25,166
Other services	5,241,982	5,457,235

# 20. Other operating costs and revenues

	(in whole €)	Year 2017	Year 2016
	Other operating income		
	Revenues from sale of non-current assets and material	- 64,598	221,622
	Contractual fines and penalties	-452,102	508,102
	Dissolved grants and gifts in income	3,021,114	2,760,514
	Other income	3,018,194	2,906,930
	Total	5,651,804	6,397,168
	Other operating costs		
	Net book value of non-current assets and material sold	497,479	172,751
1 1 1 1	Provisions for impairment of receivables	-986,011	1,894,462
	Taxes and fees	530,112	754,381
	Other costs	696,423	982,799
	Total	738,003	3,804,393
1			

In 2017, the Company adjusted the reporting of the proceeds from the capitalisation of non-current assets and external costs related to the acquisition of assets by the BVS Group through Infra Services, a.s. which are presented in the individual accounts of Infra Services on the basis of the rules for charging the construction contracts. In 2017, these revenues and costs in the consolidated financial statements

are presented on a net basis. In connection with this adjustment, the Company also adjusted the comparable period for 2016 when other income and other expenses were reduced by the amount of  $\[mathbb{e}\]$  11,915,831.

# 21. Income tax

	(in whole €)	Year 2017	Year 2016
	Current income tax	682,244	826,942
	Change in deferred tax	-218,291	-358,942
	Total income tax	463,953	468,000

# 22. Cash flows from operating activities

	(în whole €)		Year 2017	Year 2016
	Profit before tax for current period		1,100,612	695,534
''.,	Adjusted by:			
	Depreciation of non-current tangible and intangible assets	8, 9	25,467,155	23,454,956
	Write-off of receivables		22,739	28,927
٠	Increase (decrease) in provisions for receivables	6	-1,094,861	1,819,668
٠.,,	Increase (decrease) in provisions for non-current assets		-1,149,127	-1,855,463
· · · · · ·	Increase (decrease) in provisions for inventories	7	3,802	-83,112
	Increase (decrease) in reserves	14	-1,355,897	-3,007,329
	Loss (profit) from sale of long-term tangible assets		421,075	-29,812
	Change in deferred revenues	1,1	-2,295,924	4,234,681
	Net interest		714,886	823,788
	Change in working capital			11.
	Increase (decrease) in inventories	7	-265,685	226,479
	Increase (decrease) in trade and other receivables	6	2,759,330	-2,999,786
	Increase (decrease) in trade and other payables	12	154,328	-153,655
	Other proceeds from operating activities		///////////////////////////////////////	-483,042
	Total		///////24,492,628	22,671,834

# 23. Remuneration and benefits to the management

Wages and remunerations paid to the members of the Groups' bodies and directors amount to € 286,666 during the year ending on 31 December 2017 (31 December 2016: € 277,868). Wages and remunerations are included in personnel costs.

# 24. Other payables and other financial liabilities, if any

The Group has the following potential additional liabilities that are not included in the current accounts and are not specified in the balance sheet:

# (i) Secured bank loans

The Group's receivables are pledged in favour of VÚB, a. s. The highest value of principal in which the secured receivable is hedged is € 20 mil. (as at 31 December 2016: € 20 mil.).

The receivables are pledged in favour of Tatra banka, a. s. The highest hedging amount is € 115 mil.

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

# (ii) Uncertainty under the Slovak tax law

As many areas of Slovak tax law have not yet been reasonably proven by practice, their application by tax authorities remains uncertain. The extent of this uncertainty is not quantifiable and it will not be overcome before the arrival of legal precedents or, for that matter, official interpretations by competent authorities.

# (iii) Environmental burdens

On 13 May 2004, the Parliament of the Slovak Republic approved Act No. 364/2004 on Waters and about the change in the Act No. 372/1990 on Infringements (Water Act), in which requirements of Directive of the Council 91/271/EEC on Urban Wastewater Treatment were also included. Under this Act, there is the duty to finish the construction of a public sewer system with associated wastewater treatment in agglomerations with the number of inhabitants above 10,000 by the end of 2010, and in agglomerations with the number of inhabitants above 2,000 by the end of 2015. The Company finances these investments from its own sources, from state budget and grants and bank loans.

In July 2010, it concluded a credit contract with Všeobecná úverová banka, a. s. to finance projects, purchase long-term investment assets, reconstruct the existing assets, and meet the Company's investment needs.

In August 2013 BVS and Tatra banka, a. s. entered into agreement on an instalment loan for provision of a bank loan for the purpose of funding projects and purchase of fixed assets for the Company in the amount of € 80 mil. As of 31 December 2017 the Company had drawn down € 80 mil. (amount of € 13,500,000 had been repaid.) The final maturity of the bank loan is on 31 December 2020.

Under the Act on Waters, the Company pays fees in the amount of € 0.0332 per m³ for water taken from underground sources and pursuant to Regulation of the Government of the Slovak Republic No. 755/2004 Coll. laying down the amount of unregulated payments, the amount of fees and details related to the charging of water use, as amended, it also pays fees for wastewater discharge into surface waters. In 2017, the Company paid fees for water taken from underground sources in the amount of € 2,091,319 (in 2016: € 2,091,518) and for wastewater discharge in the amount of € 375,503 (in 2016: € 526,291).

# (iv) 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. Provisions for liabilities and other information relating to various legal and other disputes are not separately disclosed because management of the Company believes that its disclosure would seriously jeopardize the company's position in these disputes.

# (v) The regulatory framework in the area of development and operating 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 Supply and Public Sewer System and on amendments to Act no. 276/2001 Coll. on Regulation in Network Industries, as amended. This Act, in addition to other aspects, stipulates the establishment, development and operation of public water mains and public sewer systems, the rights and obligations of their

operators and also supervision performed by bodies of state authorities, in particular in the area of adherence to qualitative indicators for drinking water as well as wastewater collection.

The prices in the water industry and the terms and conditions for their application are set by the Regulatory Office for Network Industries (hereinafter "RONI") through Act No. 250/2012 Coll. on Regulation in Network Industries amending some other acts, as amended, and RONI Decree No. 21/2017 Coll. of 13 February 2017 setting the price regulation of production, distribution and supply of drinking water using public water mains and disposal and treatment of wastewater through the public sewer system.

RONI Decree No. 21/2017 Coll. of 13 February 2017 replacing RONI Decree No. 225/2016 Coll. of 19 July 2016, sets the scope of the price regulation in the water management sector as well as the implementation method for the regulated entity. The implementation of 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 amount of reasonable profit, including the amount of investments that can be included in the price as well as the method of calculating the maximum price for production, distribution and supply of drinking water, and wastewater collection and treatment, grounds for proposal of the price, procedure and terms and conditions of applying the price.

On 19 July 2016 RONI issued Decree No. 225/2016 Coll. effective from 1 August 2016, under which the proposals were submitted with regard to prices for production and supply of drinking water by public water mains, production and distribution of drinking water by public water mains and for disposal and treatment of wastewater by public sewer for the new regulation period of 2017 – 2021. RONI Decree No. 225/2016 Coll. introduced a significant change, namely two-component price, which should ensure the objectivity of the distribution of reimbursed costs incurred in carrying out the regulated activities and also a more equitable share of all connected customers and producers in total costs. The two-component price consisted of a variable part (for the amount of water supplied and the amount of wastewater produced) and a fixed part (for connection-related services).

By its decision on the proposal of prices for production and supply of drinking water through public water supply, production and distribution of drinking water through public water supply and for wastewater systems by public sewer RONI issued on 24 November 2016 the legally effective decision on prices, by which RONI approved for the Company the prices valid for the period from 1 January 2017 to 31 December 2021.

On 13 February 2017, RONI issued new Decree No. 21/2017 Coll. effective from 16 February 2017 repealing RONI Decree No. 225/2016 Z. z. Under the new Decree, RONI issued, with regard to the decision on Prices for Production and Supply of Drinking Water by Public Water

Mains, Production and Distribution of Drinking Water by Public Water Mains and for Disposal and Treatment of Wastewater by Public Sewer, a new lawful decision on prices No. 0158/2017/V dated 24 February 2017, by which RONI determined the prices for BVS valid for the period from 1 January 2017 to 31 December 2021. The decision also repealed the original decision No. 0038/2017/V.

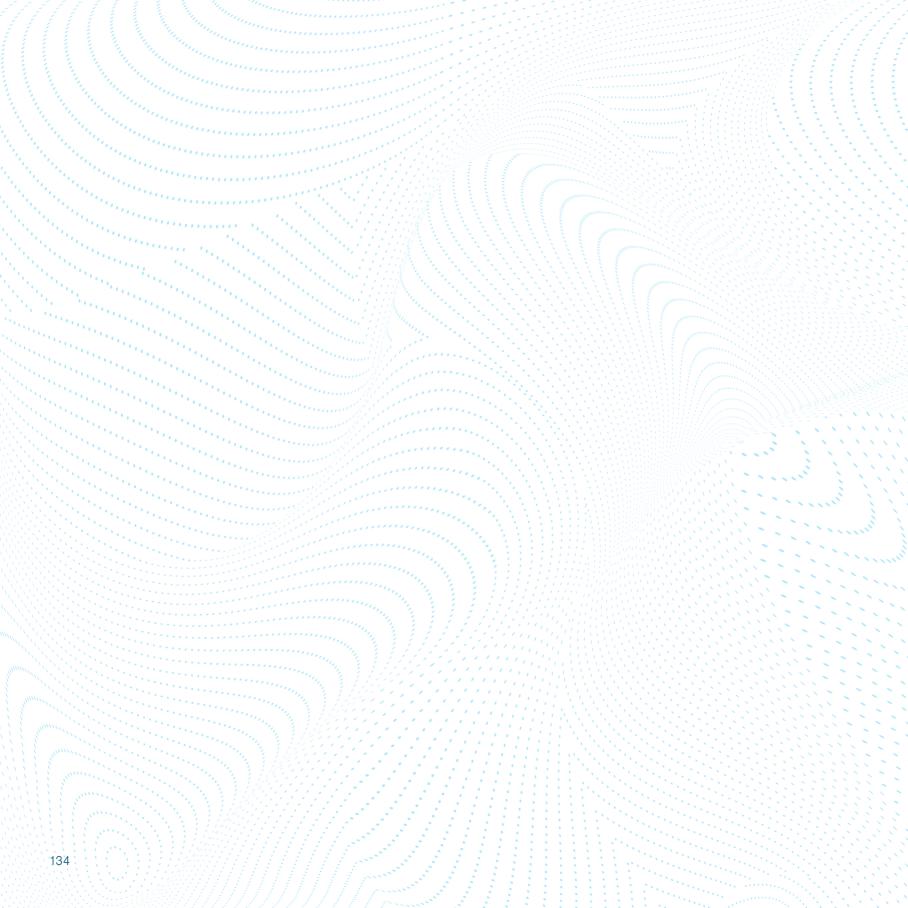
Legally effective decision No. 0158/201/V, by which RONI approves the prices for period from 1 January 2017 to 31 December 2021:

Legally effective decision on prices	•	€/r	n³ excl. VAT
The maximum price for the production and supply of drinking water through public water main	• •		0.9359
The maximum price for the production and distribution of drinking water through public water main			0.6547
The maximum price for the collection and treatment of waste water by public sewer	• •		0.9216

The Group does not have significant transactions with related parties that would require separate disclosure.

# 25. Events after the balance sheet date

After the balance sheet date there were no significant events requiring disclosure.



# STATEMENTS OF BVS FOR THE LAST 5 YEARS

OVERVIEW OF CHANGES IN SHARES

# STATEMENTS OF BVS FOR THE LAST 5 YEARS

		医多克克克氏				
DALANCE CHEET	2017	2016	2015	2014	2013	
BALANCE SHEET	(in <b>€</b> hs)	(in <b>€</b> hs)	(in <b>€</b> hs)	(in <b>€</b> hs)	(in €hs)	
TOTAL ASSETS	544,108	552,678	557,159	548,588	483,827	
Non-current assets	516,307	517,733	512,069	479,366	429,588	
Long-term intangible assets	2,799	2,017	1,858	2,543	2,986	
Long-term tangible assets	457,361	459,569	454,063	420,676	370,455	
Long-term financial assets	56,147	56,147	56,147	56,147	56,147	
Shares and ownership interests in interpedent entities	56,147	56,147	56,147	56,147	56,147	
Current assets	27,312	34,540	42,005	65,486	50,644	\ \
Inventories		515	319	, , , , , , 5,	26	
Long-term receivables	0	.0	0	(0) -	0	
Short-term receivables	15,974	14,634	15,510	19,116	16,572	
Short-term financial assets	1,927	1,927	1,927	1,927		
Financial accounts	8,894	17,463	24,248	44,438	34,046	
Accruals and deferrals	489	405	3,086	3,736	3,595	٠.,,
TOTAL EQUITY AND LIABILITIES	544,108	552,678	////557,159	548,588	483,827	١.,
Equity	387,702	387,357	///// 389,030	388,063	383,770	
Share capital	281,366	281,366	281,366	281,366	279,439	`\
Share premium		0,','	0	0	0	
Other capital funds	2,344	2,344	2,344	2,344	2,344	
Legal funds from profit	32,853	32,803	32,501	32,076	31,852	
Other funds from profit	33,253	33,253	32,708	32,708	32,708	
Revaluation differences	34,159	34,159	34,159	34,159	34,159	
			The second secon	the state of the s		

DALANCE CUEET	2017	2016	2015	2014	2013
BALANCE SHEET	(in <b>€</b> hs)	(in <b>€</b> hs)	(in <b>€</b> hs)	(in €hṣ)	(in €hs)
Profit/loss in prior years	3,232	2,935	2,935	2,935	1,023
Profit/loss for the reporting period	495	497	3,017	2,475	2,246
Liabilities	111,769	118,127	123,996	129,331	79,347
Legal reserves	395 -	316	1,144	1,067	1,131
Other long-term and short-term reserves	4,660	-6,097	9,223	5,171	3,413
Long-term liabilities	10,883	- 10,405	9,625	8,019	5,904
Short-term liabilities	23,042	21,734	17,647	30,321	25,423
Bank loans and financial assistance	72,789	79,574	86,357	84,753	43,476
Long-term bank loans	62,000	72,786	79,571	77,965	41,190
Current bank loans and short-term financial assistance	10,789	6,788	6,786	6,788	2,286
Accruals and deferrals	44,637	47,194	44,133	31,194	20,710
		•			

PROFIT AND LOSS STATEMENTS		2017	2016	2015	2014	2013	
	PROFIT AND LOSS STATEMENTS	(in <b>€</b> hs)	(in <b>€</b> hs)	(in <b>€</b> hs)	(in <b>€</b> hs)	(in <b>€</b> hs)	
	Net turnover	94,280	91,982	89,969	87,032		
	Revenues	94,300	92,290	90,284	88,741	86,194	
	Revenues from goods sold	0	0	0	0	0	
	Revenues from own products sold	43,314	42,065	41,274	40,930	40,080	
	Revenues from services sold	47,100	45,395	45,620	44,880	43,885	
· · · · · · · · · · · · · · · · · · ·	Changes in inventories		196	316	de la company de	0	
1	Capitalisation	,768	772	579	,	511	
	Revenues from long-term assets and material	22	122	39	2.	0	
	Other revenues from operating income	3,096	3,740	2,456	2,343	1,718	
	Operating costs	93,954	91,961	87,162	86,386	83,046	
	Costs for sold goods	0	0	0	0,	Q	
	Consumption of material, energy and other non- -storable deliveries	13,088	12,281	12,149	13,267	13,018	
	Provisions for inventories	0	0	0	(0)		
	Services	38,797.	38,083	35,708	33,852	32,025	
	Personnel expenses	17,947	17,019	16,217	16,069	15,394	
	Taxes and charges	461	6,41	5,7,7,7,7,7,7,7,7,595,7	708	446	
	Depreciation and provision for long-term intangible assets and long-term tangible assets	23,682	21,228	20,617	22,518	19,721	
	Net book value of disposed long-term assets and material sold	441	96	11	8	33	
1 1111	Provisions for receivables	-980	1,930	.959	-574	7,15	
	Other operating expenses	518	684	906	538	1,694	
	Profit/loss from the reporting period	346	328	3,121	2,354	3,148	
1					A CONTRACTOR OF THE PROPERTY O	A CONTRACTOR OF THE PARTY OF TH	

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		2017	2016	2015	2014	2013
	Added value	39,297	38,064	39,932	39,276	39,433
	Revenues from financial activities	1,014	- 875	1,616	1,293	129
	Costs of financial activities	787	982		697	397
	Profit/loss from financial activities	227-	-107	723	596	-268
	Extraordinary revenues				and affective -	0
	Extraordinary costs				- · · ·	0
	Profit/loss from extraordinary activities				-	0
	Profit/loss before tax from the reporting period	573	221-	3,844	2,950	2,880
	Current income tax	3.	5	377	296	570
	Deferred income tax	75	-281	450	179	64
	Profit/loss after tax for the reporting period	495	497	3,017	2,475	2,246
			• • • • • • • • • • • • • • • • • • •			The state of the s

# **CASH FLOW STATEMENTS**

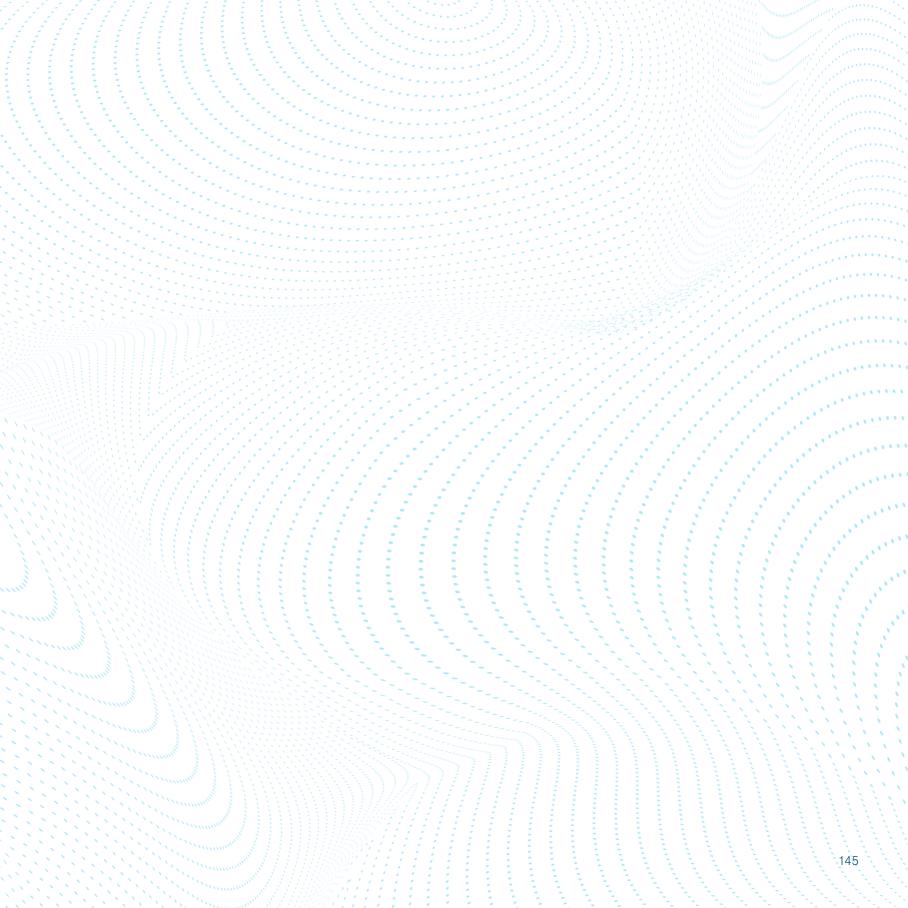
			Rep	orting perio	d		
	Item	<b>2017</b> (in €hs)	2016 (in €hs)	2015 (in €hs)	2014 (in €hs)	2013 (in €hs)	
Cash f	lows from operating activities	(III ÆIIS)	(III ÆIIS)	(III <del>Q</del> IIS)	(III <del>L</del> IIS)	(III <del>d</del> IIS)	
P/L	Profit/Loss from ordinary activities before income tax (+/-)	573	221	3,844	2,950	2,880	
A.1	Non cash transactions effecting profit/loss from ordinary activities before income tax (+/-)	21,372	19,976	25,162	21,114	21,705	
A.1.1	Depreciation of intangible and tangible non-current assets (+)	24,637	23,312	20,761	19,775	19,533	
A.1.2	Net book value of intangible and tangible fixed assets recorded after disposal of such assets and charged to expenses for ordinary activities except for the sale (+)	1	4	Trans	232	112	
A.1.3	Write-off of the provision for acquired assets (+/-)	<u>-</u>					
A.1.4	Change in provisions for liabilities (+/-)	-1,359	-3,136	4,129	-1,694	1,243	
A.1,5	Change in provisions for assets (+/-)	-2,050	-233	1,073	1,926	628	,,,,
A.1.6	Change in expense and revenues accruals (+/-)	_			1/1/ - = -	- 1	111
A.1.7	Dividends and other profit sharing charged to revenues (-)	-1,013	-864	-1,576	1,221	-1	
A.1.8	Interest expense (+)	717	909	810 \	-388	115	
A.1.9	Interest income (-)	-1	-10	-40	(((())) =		
A.1.10	Foreign currency exchange rate differences (+/-)				( ) ( ) ( ) =		,,,,,,,
A.1.11	Profit/loss on sale of non-current assets except for those assets considered as cash equivalents (+/-)	419	-24	-27	-6	33	
A.1.12	Other items of non-cash nature (+/-).	////22///	19	31	48	- 41	
,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	Effect of changes in working capital on profit/loss from ordinary activities	//-959	11,279	15,522	19,036	9,320	
,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	Change in receivables from operations (-/+)	· · -279	2,049	3,057	2,101	-2,001	
A.2.2	Change in payables from operations (+/-)	-679	9,426	12,779	17,497	11,314	
A.2.3	Change in inventories (-/+)	<u>-</u> 1	-196	-314	-21	7	
A.2.4	Change in current financial assets except for those included in cash and cash equivalents (-/+)				- -		

			Rep	orting perio	od		
	Item	2017	2016	2015	2014	2013	
• • • • • • • • • • • • • • • • • • • •		(in €hs)	(in €hs)	(in €hs)	(in €hs)	(in €hs)	
A.2.5	Other		· · · · · · · · · · · · · · · · · · ·		-541	<u>.</u>	
*	Cash flow from operating activities except for income and expen-						
	ditures which are separately listed in other sections of the cash	20,986	31,476	44,529	43,100	33,905	
	flow statement (+/-) (sum P/L + A.1 + A.2)					,	
A.3	Interest received (+)		10	.40 .	41	127	
A.4	Interest paid (-)	-717	-909	-810	-460	-244	
A.5	Dividends and other profit sharing received (+)	1,013	864	1,576		-	
A.6	Dividends and other profit sharing paid (-)		-2,015	-2,051	-	-2,082	
A.7	Income tax paid (-/+)	366	-414	-94	-522	-933	
A.8	Extraordinary income related to operations (+)		-	-	<del>-</del>	· · · · · · · ·	
A.9	Extraordinary expenditures related to operations (-)	-	-	-		-	
(	Net cash flow from operating activities	21,649	29,014	43,189	42,159	30,773	
Cash	flows from investing activities						
B.1.1	Expenditures for acquisition of tangible and intangible non-current assets (-)	-23,433	-29,015	-65,021	-73,044	-49,326	
B.1.2	Expenditures for acquisition of long-term securities and shares in other entities except for securities which are considered as cash equivalents and securities available for sale or trading securities (-)	-		-	-		
B.1.3	Income on sale of tangible and intangible fixed assets (+)			38	2	1, 1,	
B.1.4	Income on sale of long-term securities and shares in other entities except for securities which are considered as cash equivalents and securities available for sale or trading (+)						
B.1.5	Expenditures for acquisition of long-term securities and shares in other entities		-	-			

			Repo	orting period	d		
	Item	<b>2017</b> (in €hs)	<b>2016</b> (in €hs)	<b>2015</b> (in €hs)	2014 (in €hs)	2013 (in €hs)	
B.2.1	Expenditures for long-term loans provided to other entities which is included in the consolidation group ( $\neg$ )	(III CIII)	(III QII3)	(III GIIS)	(III CIIIS)	(III dila)	
B.2.2	Income from repayment of long-term loans provided to other entities which is included in the consolidation group (+)		- 1111	innan ( )			
B.2.3	Expenditures for long-term loans provided to third parties, except for long-term loans provided to entity which is included in the consolidation group (-)			And Andrews An			
B.2.4	Income from repayment of long-term loans provided to third parties, except for long-term loans provided to entity, which is included in the consolidation group (+)	<u>.</u>	<u>-</u>				
B.3	Income on lease of complex movable and immovable assets used and depreciated by the lessee (+)	<del>-</del>					
B.4	Interest received (+)	-			1111		
B.5	Dividends and other profit sharing received (+)				11/12 = -		
B.6.1	Expenditures related to derivatives except for those which are available for sale or trading (-)	-				2000	
B.6.2	Income related to derivatives except for those which are available for sale or trading (+)			<u> </u>			
B.7	Income tax paid (-)	11111111111111111111111111111111111111		<u> </u>	11/11/2		
\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\	Extraordinary income related to investing activity (+)	11111	/ / / / / / / / / / / / / / / / / / /	<u> </u>			
B.8.2	Extraordinary expenditures related to investing activity (-)						
B.9.1	Other income related to investing activity (+)	<u> </u>					
B.9.2	Other expenditures related to investing activity (-)	-1					
, in B	Net cash flow from investing activities	-23,433	-29,015	-64,983	-73,042	-49,325	
1 / / mining							

			Rep	orting perio	od	
	Item	2017	2016	2015	2014	2013
Cash	flows from financing activities	(in €hs)	(in €hs)	(in <b>€</b> hs)	(in €hs)	(in €hs)
C.1	Cash flows in equity	<u></u>	<u></u>		<u> </u>	
C.1.1	Income on shares subscribed and ownership interests (+)		<u>-                                    </u>			
C.1.2	Income on other capital stakes owned by partners (+)		- 1 1 <del>7</del> 77 - 1 - 1879			
C.1.2			<u> </u>		<u>,                                    </u>	_
	Monetary gifts received (+)			- · · · · · · ·	-	-
C.1.4	Income on loss settlement by partners (+)			<del>,</del>	<del>-</del>	-
C.1.5	Expenditures for acquisition or repurchase of own shares and own ownership interests –)		<u>-</u>	-	<u>-</u>	<del>-</del>
C.1.6	Expenditures relating to decrease of funds created by the entity (-)		-			• • • • • • • • • • • • • • • • • • • •
C.1.7	Expenditures for repayment of capital stake to entity's partners (-)		-	-	- ·	
C.1.8	Expenditures due to other reasons, which relate to a decrease of equity (-)	-		_	-	· · · · · · · · · · · · · · · · · · ·
C.2	Cash flows arising from long-term and short-term payables from financing activities	-6,785	-6,783	1,605	41,274	25,762
C.2.1	Income on issue of debt securifies (+)		-	-		-
C.2.2	Repayment of payables from debt securities (-)	-	-	-	-	
C.2.3	Income on loans (+)	-	-	8,393	43,560	28,048
C.2.4	Repayment of loans (-)	-6,785	-6,783	-6,788	-2,286	-2,286
C.2.5	Income on borrowings received (+)					
C.2.6	Repayment of borrowings (-)				· · · · ·	
C.2.7	Repayment of payables from finance leases (-)				· · · · · ·	
C.2.8	Repayment of payables arising from lease of complex movable and immovable assets used and depreciated by a lessee (-)					
C.2.9	Income on other long-term and short-term payables resulting from financing activities of the entity (+)					

		Item	0017		orting perio		0010	
		_	2017 (in €hs)	2016 (in €hs)	2015 (in €hs)	2014 (in €hs)	2013 (in €hs)	
	C.2.10	Repayment of other long-term and short-term payables resulting from financing activities of the entity (-)		Harmon Co.				
	C:3,	Cash flows from other financing activities		-				
	C.3.1	Expenditures for interest paid (-)			Human ( - 1)			
	C.3.2	Expenditures for dividends paid and other profit sharing (-)			Himmon -			
	C.3.3	Expenditures related to derivatives except for those which are available for sale or trading (-)			yen.			
	C.3.4	Income related to derivatives, except for those which are available for sale or trading (+)						
	C.3.5	Income tax paid. (-)	_					11111
	C.3.6	Extraordinary income related to financing activities (+)	-				- '	
	C.3.7	Extraordinary expenditures related to financing activities (-)	<u>-</u>					
	C	Net cash flows from financing activities	-6,785	-6,783	1,605	41,274	25,762	
	D	Net increase or net decrease of cash and cash equivalents (+/-) (sum A + B + C)	-8,569	-6,785	-20,190	10,391	7,210	
	E	Cash and cash equivalents at the beginning of the reporting period	17,463	24,248	44,438	34,046	26,836	
	F	FX-rate gains/losses for cash and cash equivalents as at the reporting day (+/-)						
Junes .	G	Cash and cash equivalents at the end of the reporting period (sum D + E + F)	8,894	17,463	24,248	44,438	34,046	
1/, //	', ',		1 1				, , , , , ,	_



# OVERVIEW OF CHANGES IN SHARES

# Overview of changes in shares for the period from 2013 to 2017

			As of 3	1. 12. 2012			As of 31	. 12. 2013			As of 31	I. 12. 2014	
	Nr.	Shareholder	Number of shares	%	Additions	Disposals	Number of shares	%	Additions	Disposals	Number of shares	%	
	. 1	Bratislavská vodárenská spoločnosť, a.s.	714,771	,8.43			714,771	8.43		et estimate	714,771	8.43	
· · · · · ·	2	Capital City of SR Bratislava	5,026,138	59.29	William.		5,026,138	59.29		Jan.	5,026,138	59.29	
	3'	Municipality of Skalica	733,012	8,65		,,,,,,,	733,012	8.65			733,012	8.65	
	4	Municipality of Pezinok	245,495	2.90	College Contract		245,495	2.90			245,495	2.90	
	5	Municipality of Malacky	211,013	2.49	Buch	, , , , , , , , ,	211,013	2.49			211,013	2.49	, , , , ,
	6	Municipality of Senec	169,240	1.99	· · · · · · · ·		169,240	1.99			169,240	1.99	1111
	7	Municipality of Modra	96,030	1.13	,,,,,,,,,,		96,030	1.13			96,030	1.13	
	8	Municipality of Stupava	88,648	1.05			88,648	1.05			88,648	1.05	
	9.	Municipality of Svätý Jur	50,211	0.59			50,211	0.59			50,211	0.59	· · · · · · · ·
	10	Municipality of Bernolákovo	50,638	0.60			50,638	0.60			50,638	0.60	
	111.	Municipality of Blatné	15,494		··········	The the	15,494	0.18	Part Contract		15,494	0.18	
	12	Municipality of Boldog	4,427	0.05	" " " " " " " " " " " " " " " " " " "		4,427	0.05			4,427	0.05	
	13.	Municipality of Borinka	4,741	0.06	The the		4,741	////0.06			4,741	0.06	
	14	Mun. of Borský Svätý Jur	17,685	0.21		1111	17,685	0.21			17,685	0.21	
,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	, 15.	Municipality of Brestovec	11,168	0.13			11,168	′ ′ ′ , ′ 0.13			11,168	0.13	
	16	Municipality of Budmerice	21,920	0.26		,,,,,	21,920	0.26			21,920	0.26	
, ilinin	·····1,7,··	Municipality of Bukovec	5,078	0.06	11,11		5,078	0.06			5,078	0.06	
1	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	Municipality of Cerová	14,449	0.17			14,449	0.17			14,449	0.17	
1	,,19	Municipality of Častá	22,617	0.27	· · · ·		22,617	0.27			22,617	0.27	
	20,	Municipality of Častkov	6,472	0.08			6,472	0.08			6,472	0.08	
(, (, )	21	Municipality of Čataj	10,910	0.13			10,910	0.13			10,910	0,13	

			1								
As of 31.	12. 2015			As of	31. 12. 2016			As of 3	1. 12. 2017		
Additions Disposals N	umber 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	
The state of the s	245,495	2.90			- 245,495	2.90			245,495	2.90	
A Committee of the Comm	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	
Something of the second	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	
The state of the s	21,920	0.26			- 21,920	-0.26			21,920	0.26	
The same of the	5,078	0.06			5,078	0.06			5,078	0.06	
Committee of the commit	14,449	0.17			-14,449	0.17			14,449	0.17	
The second of th	22,617	0.27			22,617	0.27			22,617	0.27	
The second second	6,472	0.08			6,472	0.08			6,472	0.08	
	10,910	0.13			10,910	0.13			10,910	0.13	

Overview of changes in shares for the period from 2013 to 2017

			As of 3	1. 12. 2012	'	As of 31	I. 12. 2013	'	As of 31.	12. 2014
	Nr.	Shareholder	Number of shares	%	Additions Disposal	s Number of shares	%	Additions Disposals	Number of shares	%
	22.	Municipality of Dojč	13,314	0.16		13,314	0.16		13,314	0.16
	23	Municipality of Dol'any	11,808	0.14		11,808	0.14		11,808	0.14
	24	Municipality of Dubová	9,393	0.11	1. 1. May 1942 1942	9,393	0.11	The second of the	9,393	0.11
	25	Municipality of Dubovce	7,505	0.09		7,505	0.09	The state of the s	7,505	0.09
	26	Mun. of Dunajská Lužná	32,493	0.38		32,493	0.38	A Principal of the Prin	32,493	0.38
111111	27	Municipality of Gajary	29,471	0.35		29,471	.0.35	in the state of th	29,471	0.35
	28	Municipality of Hamuliakovo	9,764	0.12	William	9,764	0.12	A second	9,764	0.12
	31	Municipality of Hrašné	5,349	0.06		5,349	0.06		5,349	0.06
	32	Municipality of Hrubá Borša	3,910	0.05		3,910	0.05		3,910	0.05
	33	Mun. of Hurbanova Ves	2,562	0.03		2,562	0.03		2,562	0.03
	34	Mun. of Chorvátsky Grob	17,213	0.20	all'incomments	17,213	0.20		17,213	0.20
	35	Municipality of Igram	6,180	0.07		6,180	0.07		6,180	0.07
	36	Mun. of Ivanka pri Dunaji	52,436	0,62		52,436	0.62		52,436	0.62
	37	Municipality of Jablonica	25,538	0:30		25,538	0.30		25,538	0.30
	38	Municipality of Jablonka	6,101	0.07	·····	6,101	0.07		6,101	0.07
	39	Municipality of Jablonové	11,786	0.14	and the the	11,786	0.14		11,786	0.14
	40	Municipality of Jakubov	15,134	0.18		15,134	0.18		15,134	0.18
	41	Municipality of Kalinkovo	9,663	0.11,		9,663	, , ' <sup>, , ,</sup> , O.11		9,663	0.11
11/1/1/	42	Municipality of Kaplná	7,539	0.09		7,539	( , , , , 0.09		7,539	0.09
inne (* '	43	Municipality of Kátov	6,595	0.08		6,59,5	0.08		6,595	0.08
,,,,,,,,,	44	Municipality of Kostolište	10,325	0.12		10,325	0.12		10,325	0.12
1	45	Mun. of Kostolná pri Dunaji	5,180	0.06		5,180	0.06		5,180	0.06
1 1111	46	Municipality of Kostolné	7,685	0.09		7,685	0.09		7,685	0.09
' ' '	47	Municipality of Krajné	19,381	0.23		19,381	0.23		19,381	0.23
( ) (	48	Mun. of Kráľová pri Senci	15,527	0.18		15,527	0.18		15,527	0.18
	49	Municipality of Láb	15,336	0.18		15,336	0.18		15,336	0.18

	As	of 31. 12. 2015		As of	31. 12. 2016	5		As of 3	31. 12. 2017		
	Additions Disposa	Number of shares	% Ad	ditions Disposals	Number of shares	%	Additions Disp	oosals	Number of shares	%	
		13,314	0.16		13,314	0.16		11	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	
A Committee of the Comm		3,910	0.05		3,910	0.05		• •	3,910	0.05	
Paris		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	
J. J		9,663	0.11		9,663	0.11			9,663	0.11	
1	and the second	7,539	0.09		7,539	0.09			7,539	0.09	
	Samuel I I	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	
	A Marine	7,685	0.09		7,685	0.09			7,685	0.09	
		19,381	0.23		19,381	0.23			19,381	0.23	
		15,527	0.18		15,527	0.18			15,527	0.18	
		15,336	0.18		15,336	0.18			15,336	0.18	
	1	The court of	1 1 1 1 1 1 1								

Overview of changes in shares for the period from 2013 to 2017

			As of 31	. 12. 2012		As of	31. 12. 2013		As of 31	. 12. 2014
	Nr.	Shareholder	Number of shares	%	Additions [	Disposals Number of share	%	Additions Disposals	Number of shares	%
	50	Municipality of Limbach	12,022	0.14		12,02	0.14		12,022	0.14
	51.	Municipality of Lozorno	29,774	0.35		29,77	0.35	The state of the s	29,774	0.35
	52	Municipality of Malé Leváre	11,505	0.14		11,50	5 0.14	The state of the s	11,505	0.14
	53	Municipality of Malinovo	14,303	0.17	The state of the s	14,30	0.17	The state of the s	14,303	0.17
******	54	Municipality of Marianka	10,662	0.13	The second	10,66	2 0.13	The state of the s	10,662	0.13
111111	55	Municipality of Miloslavov	9,663	0.11		9,66	3 0.11	in the state of th	9,663	0.11
	56	Municipality of Mokrý Háj	6,584	0,08	William.	6,58	1 0.08	A second	6,584	0.08
	57	Mun. of Most pri Bratislave	17,190	0:20	Marie Contract	17,19	0.20		17,190	0.20
	.58	Municipality of Nová Dedinka	18,482	0.22	Marie	18,48	0.22		18,482	0.22
	59	Municipality of Pernek	8,539	(0.10	The same of the sa	8,53	9. 0.10		8,539	0.10
	60	Municipality of Píla	2,764	0.03	,	2,76	4 0.03		2,764	0.03
	61	Mun. of Plavecký Mikuláš	8,112	0.10	,,,,,,,,	8,11	2 0.10		8,112	0.10
	62	Municipality of Plavecký Peter	7,202	0.08	,,,,,,,,,,	7,20	2 0.08		7,202	0.08
	63	Mun. of Plavecký Štvrtok	22,055	0.26		22,05	5 0.26		22,055	0.26
	64	Municipality of Podkylava	3,180	0.03		3,18	0.03		3,180	0.03
	65	Municipality of Poriadie	8,033	0.09	and the same	8,03	3 0.09		8,033	0.09
	66	Municipality of Prietržka	4,798	0.0,6,	and the same of	4,79	3 / / / / / 0.06		4,798	0.06
	67	Municipality of Prievaly	9,797	0.12		9,7,9	7,,,,,,,,,,,,0.12		9,797	0.12
11/1/1/	68	Municipality of Reca	13,943	0,16		/13,94	3///////0.16		13,943	-0.16
mmin,	(69)	Municipality of Rohožník	470,	0.01		47	0.01		470	0.01
	70,	Municipality of Rohov	4,303	0.05		4,30	3 , , , , 0.05		4,303	0.05
1111	71.	Municipality of Rovinka	13,853	0.16	1	13,85	3' 0.16		13,853	0.16
, in	72'''	Municipality of Sekule	17,819	0.21		17,81	0.21		17,819	0.21
	, 73	Mun. of Slovenský Grob	19,853	0.23		19,85	0.23		19,853	0.23
	74.'''	Municipality of Smrdáky	7,292	0.09		7,29	2 0.09		7,292	0.09
, ,							1 1 1			, , , , , , , , , , , , , , , , , , , ,

As of 3	31. 12. 2015		As of	31. 12. 2016			As of 3	31. 12. 2017		
Additions Disposals	Number of shares	% Ac	dditions Disposals	Number of shares	%	Additions	Disposals	Number of shares	%	
	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	
The second secon	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	
John Harris	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	
The state of the s	17,819	0.21		17,819	0.21			17,819	0.21	
The second of th	19,853	0.23		19,853	0.23			19,853	0.23	
	7,292	0.09		7,292	0.09			7,292	0.09	
		111111111		· · · · · · · · · · · · · · · · · · ·						

Overview of changes in shares for the period from 2013 to 2017

As of 31. 12. 2012	As of 3	1. 12. 2013	As of 31	I. 12. 2014
Nr. Shareholder Number of shares	Additions Disposals Number of shares	%	Additions Disposals Number of shares	%
75 Municipality of Sološnica 16,595 0.20	16,595	0.20	16,595	0.20
76 Municipality of Stará Myjava 7,820 0.09	7,820	0.09	7,820	0.09
77 Municipality of Studienka 17,741 0.21	17,741	0.21	17,741	0.21
78 Municipality of Suchohrad 6,483 0.08	6,483	0.08	6,483	0.08
79 Municipality of Šenkvice 46,234 0.55	46,234	0.55	46,234	0.55
80 Municipality of Štefanová 3,854 0.05	3,854	0.05	3,854	0.05
81 Municipality of Tomášov 22,640 0.26	22,640	0.26	22,640	0.26
82 Municipality of Trnovec 3,427 0.04	3,427	0.04	3,427	0.04
83 Municipality of Veľké Leváre 38,167 0.45	38,167	0.45	38,167	0.45
84 Municipality of Viničné 16,359 0.19	16,359.	0.19	16,359	0.19
85 Municipality of Vinosady 10,146 0.12	10,146	0.12	10,146	0.12
86 Municipality of Vištuk 14,696 0.17	14,696	0.17	14,696	0.17
87 Municipality of Vlky 4,191 0.05	4,191	0.05	4,191	0.05
88 Mun. of Vysoká pri Morave 20,527 0.24	20,527	0.24	20,527	0.24
89 Municipality of Záhorská Ves 17,348 0.20	17,348	0.20	17,348	0.20
90 Municipality of Zálesie 8,359 0,10	8,359	0.10	8,359	0.10
91 Municipality of Zavod 28,909 0.34	28,909	0.34	28,909	0.34
92 Municipality of Zohor 34,392 0.41	34,392	/////0.41	34,392	0.41
Total 8,477,431 100.00	0 8,477,431	///100.00	0 8,477,431	100.00

		As of 31. 12. 2017		5	31. 12. 2016	As of 3			31. 12. 2015	As of 3
	%	sposals Number of shares	Additions	%	Number of shares	ns Disposals	Additions	%	Number of shares	Additions Disposals
	0,20	16,595		0.20	16,595			0.20	16,595	
	0.09	7,820		0.09-	7,820		• • • • • • •	0.09	7,820	
	0.21	17,741		0.21	17,741			0.21	17,741	
	0.08	6,483		- 0.08	6,483			0.08	6,483	
	0.55	46,234		0.55	46,234			0.55	46,234	
	0.05	3,854		- 0.05	-3,854			0.05	3,854	
	0.26	22,640		0.26	-22,640			0.26	22,640	
**	0.04	3,427		0.04	3,427			0.04	3,427	
	0.45	38,167		0.45	38,167			0.45	38,167	
	0.19	16,359		0.19	16,359			0.19	16,359	The parties of the second of t
	0.12	10,146	•	0.12	10,146		• • • •	0.12	10,146	
	0.17	14,696		0.17	14,696			0.17	14,696	
	0.05	4,191		0.05	4,191			0.05	4,191	
	0.24	20,527		0.24	20,527	•		0.24	20,527	
	0.20	17,348		0.20	17,348			0.20	17,348	
	0.10	8,359		0.10	8,359			0.10	8,359	
	0.34	28,909		0.34	28,909			0.34	28,909	
	0.41	34,392		0.41	34,392			0.41	34,392	······································
	100.00	8,477,431	0	100.00	8,477,431	0	0-	100.00	8,477,431	0

